

Business and Property Committee

Date: **Friday, 08 September 2017**

Time: **14:00**

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

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

Membership

Mr K Kiddie (Chairman)

Mr S Aquarone

Ms C Bowes

Mr R Brame

Mr D Douglas

Mr F Eagle

Mr B Iles (Vice-Chairman)

Mr A Jamieson

Mr M Kiddle-Morris

Mr C Smith

Mr J Timewell

Mrs K Vincent

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

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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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) by **5pm Tuesday 5 September 2017**.

For guidance on submitting public questions, 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

Or view the Constitution at www.norfolk.gov.uk

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) by **5pm on Tuesday 5 September 2017**.

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

8. Forward Plan and decisions taken under delegated authority Page 17

A report by the Executive Director of Finance and Commercial Services and the Head of Property

9. Finance Monitoring Page 26

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

10. Major Infrastructure Improvements Page 31

A report by the Executive Director of Community and Environmental Services

11. Scottow Enterprise Park – update Page 37

A report by the Executive Director of Community and Environmental Services

12. County Farms Update Report Page 43

A report by the Executive Director of Finance and Commercial Services

13. Disposal, and Acquisition and exploitation of Properties Page 92

A report by the Executive Director of Finance and Commercial Services

14. Exclusion of the Public

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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 Paragraph 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 test carried out by the report author and is recommended to confirm the exclusions.

15. Exempt Minutes

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To confirm the Exempt minutes from the meeting of the 21 June 2017

16. Acquisition of Properties

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A report by the Executive Director of Finance and Commercial Services

Group Meetings

Conservative	9:00am	Leader’s Office, 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: 31 August 2017

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Business and Property Committee

Minutes of the Meeting held on Tuesday, 20 June 2017 at 2pm in the Edwards Room at County Hall

Present:

Mr K Kiddie (Chairman)

Mr S Aquarone

Mr R Brame

Mr D Douglas

Mr T Garrod

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 received from Ms C Bowes (Mr T Garrod substituting).

2. Welcome and Introductions

- 2.1 The Chairman welcomed Members and Officers to the first meeting of the Business and Property Committee and invited Members to work together to do the best for the people of Norfolk. Members and Officers introduced themselves.

3. Members to Declare any Interests

- 3.1 The following interests were declared:
- the Executive Director of Finance and Commercial Services declared an interest as executive director of Equinox Enterprises;
 - Mrs K Vincent declared a “non-pecuniary interest” as her husband was Executive Director of Broadland Growth Limited;
 - Mr S Eyre declared a “non-pecuniary interest” as a member of Nar Ouse Regeneration Area (NORA);
 - Mr D Douglas declared a “non-pecuniary interest” as member of the cooperative board for the directive of Norfolk.

4. Purpose of the Business and Property Committee

- 4.1 The Chairman introduced a short report outlining the purpose and remit of the new Business and Property Committee.
- 4.2.1 It was noted that the, now retired, Economic Development Sub-Committee had looked at County-wide economic development. The importance of Business and Property Committee’s remit to include consideration of economic development

across Norfolk as a whole was discussed.

- 4.2.2 Some Members felt presentations from invited guests had been useful to highlight links and potential business links when considering economic development across the County, and would like to consider this for Business and Property Committee.
- 4.2.3 The difference in role of the Business and Property Committee and the role of Policy and Resources Committee in allocation of assets was queried. The Executive Director of Finance and Commercial Services clarified that these decisions had been transferred to Business and Property Committee.
- 4.2.4 The importance of the Committee seeking outside advice was raised. The Executive Director of Finance and Commercial Services confirmed that Officers sought external advice when appropriate.
- 4.2.5 The benefits to new Members of visiting sites, such as Scottow Enterprise Park, was discussed; The Head of Property and the Assistant Director of Planning and Economy **agreed** to arrange visits to sites across County for interested Members.

5. Urgent Business

- 5.1 A discussion was held regarding the recent fire at Grenfell Tower, and queries received regarding the safety of County Hall since its refurbishment in light of this.
- 5.2 The Head of Property expressed sympathies on behalf of the Committee for those affected by the tragedy. Although it was too early to know the factors causing the fire at Grenfell Tower, to ensure adequate fire safety it was important to ensure suitable compartmentation, fire escape routes, evacuation plans and firefighting equipment. He confirmed Norfolk County Council had 3 buildings with aluminium cladding including County Hall and 2 lease-hold buildings; work was being carried out with these buildings. During the refurbishment of County Hall, cladding with a 0 rating (the highest rating), fire barriers between each floor and fire sprinklers were installed. There were 2 pressurised stairwells each providing 90 minutes of refuge; staff would continue to undergo training and regular fire drills and Officers would continue to ensure fire safety procedures were updated based on lessons learned.
- 5.3 It was **confirmed** that condolences would be sent on behalf of Norfolk County Council to victims of the fire from the Chairman of the Committee.
- 5.4 A concern was raised about lack of sprinklers in council owned buildings, including schools.

6. Public Questions

- 6.1 No public questions were received.
- 6.2 Mr Aquarone left the meeting at 2:19pm.

7. Member Questions / Member Issues

- 7.1 Two questions were received from Cllr A Kemp and Cllr I Mackie, see appendix A.

- 7.2.1 Cllr Kemp asked a supplementary question: she felt the response was unacceptable to the people of King's Lynn as the site would not be safeguarded until it came out of the waste plan; she asked if the Committee would consult with the people of King's Lynn; she planned to conduct her own consultation with the New Anglia Local Enterprise Partnership (LEP) and considered this an issue of social and economic value.
- 7.2.2 The Assistant Director of Planning and Economy replied that a response would be forwarded on to Cllr Kemp.
- 7.3 It was **confirmed** that the County Farms Advisory Board was no longer in function.

8. Appointments to internal and external bodies

- 8.1 The Committee considered appointments to be made to internal and external bodies relevant to the Committee for the municipal year 2017-18; see Appendix B.
- 8.2.1 There were 2 proposals for the position of Apprenticeships Champion, Mrs Colleen Walker and Mr Stuart Clancy.
- 8.2.2 Upon being put to a vote, the Committee **APPOINTED** Mr S Clancy as Apprenticeships Champion.

9. Forward Plan and update on decisions taken under delegated authority

- 9.1.1 The Committee received the report outlining the Forward Plan for the period September 2017 - March 2018, and providing detail on delegated decisions taken by Officers.
- 9.1.2 It was noted that on page 20 of the report, Emneth School and Seething Primary School were inserted twice by error.
- 9.1.3 The Executive Director of Finance and Commercial Services confirmed that as buildings were taken out of Norfolk County Council's property estate over the next 2 years the most expensive buildings would be prioritised.
- 9.1.4 It was confirmed a member protocol was in place to feed information on disposals and acquisitions to local members and seek feedback.
- 9.1.5 The Executive Director of Finance and Commercial Services clarified that there was not yet a list of assets of the Property Development Company; assets would be purchased on a case by case basis. He **agreed** to make available to Members a list of possible future property purchases.
- 9.1.6 A County Farms update would be brought to every meeting unless there was no business to report.
- 9.1.7 Acquisition of office space in Long Stratton was queried. The Head of Property **agreed** to bring back further details on this.
- 9.1.8 It was **agreed** to put member briefings and site visits on the forward plan.

9.1.9 The Assistant Director of Planning and Economy confirmed that regular updates on Enterprise Parks, including Scottow Enterprise Park, would be brought to the Committee.

9.2 The Committee **NOTED** the forward plan with the additions discussed above.

10. Risk Management

10.1 Members received the Committee's first risk management report since constitution in May 2017. This report provided the latest departmental level risks as at May 2017 following a review conducted at the end of April 2017.

10.2 A breakdown on how carbon reduction risk related to the Business and Property Committee was requested; the Risk Management Officer **agreed** to find this information.

10.3 The Committee:

a) **CONSIDERED** and **NOTED** the risks judged as exceptions (in paragraph 2.2 and Appendix A of the report), and the other departmental risk relating to Property (in Appendix D of the report);

b) **AGREED** that the recommended mitigating actions identified in Appendix A of the report were appropriate;

c) **CONSIDERED** and **NOTED** the definitions of risk appetite and tolerance in Appendix C of the report.

11. Performance Management

11.1 Members received the first performance management report based on the revised Performance Management System implemented as of 1 April 2016.

11.2.1 Employment data was suggested for the next report; the Assistant Director of Planning and Economy **agreed** to add this to the next performance monitoring report. It was noted there would be a lag as data was collected annually.

11.2.2 Updates on the third river crossing for Great Yarmouth and improvements to the Acle Straight were requested. The Chairman noted that while building of the bridge fell under the remit of Environment, Development and Transport Committee it opened up economic benefits for the County. The Assistant Director of Planning and Economy **agreed** to circulate informal updates to Members.

11.2.3 The Senior Analyst confirmed that an update on Apprenticeships would be reported at the next meeting.

11.2.4 The Assistant Director of Planning and Economy confirmed that colleagues across Adult and Children's Services were working on a project for apprenticeships for people with learning disabilities.

11.3 The Committee **NOTED** that none of the 4 vital signs that fall within the remit of this Committee met the exception reporting criteria.

12. Asset Management Plan – Annual Review and Property Performance Report

- 12.1 The Committee received the report summarising progress against the Asset Management Plan 2016-19 in 2016-17, changes to service requirements and other developments in asset management with implication for property priorities.
- 12.2 The Committee **NOTED** the contents of the report.

13. Direct Property Development Company

- 13.1 Members received the report proposing the establishment of a new Limited Company to undertake property development using land identified as surplus to County Council use.
 - 13.2.1 A more detailed business plan would be brought back to committee later in the year.
 - 13.2.2 The Executive Director of Finance and Commercial Services clarified the company would be wholly owned by Norfolk County Council who would be the shareholder. There was a strong business case for getting into this area of work.
 - 13.2.3 Reservation was raised over paragraph 3.5 and it was suggested that instead of hiring staff, corporate property team staff could be used, with the company paying for expertise when needed. It was suggested that a revenue charge on top of this cost would source income for Norfolk County Council. The Executive Director of Finance and Commercial Services noted this suggestion.
 - 13.2.4 Paragraph 3.7 “free company” was queried; the Monitoring Officer confirmed it would be a council owned company.
 - 13.2.5 The Executive Director of Finance and Commercial Services agreed to confirm who the Company Secretary would be.
 - 13.2.6 The Executive Director of Finance and Commercial Services confirmed that the Committee would decide on disposal of Council assets by selling at full market value to the property development company or on the open market, and would provide guidance on the type of purchases the company should undertake. He **agreed** to bring back more information on governance at the next meeting. Initially, the company would look at buying Norfolk County Council assets.
 - 13.2.7 The Chairman and Vice-Chairman gave background on their experience in property and property development, as directors of the development company.
- 13.3.1 The name of the company was discussed. There were proposals for Boudicca, Walpole and Repton. All were in favour of “properties” or “development” rather than “property development” or “homes”.
- 13.3.2 With 3 votes for Boudicca, 4 votes for Walpole and 5 votes for Repton, the Committee **SELECTED** the name “Repton Developments”.

The Committee **AGREED** (with reservations raised in paragraph 13.2.3):

- 1. To **RECOMMEND** to Policy & Resources Committee the establishment of a commercial property development company and instruct officers to register the company with Norfolk County Council as the sole shareholder;

2. To **CONFIRM** that the primary purpose of the company would be to generate income streams to support service delivery;
3. To **CONFIRM** the composition of the Company Board to include 2 County Councillors, 2 external Non-Executive Directors and 4 County Council Officers;
4. To **APPOINT** two Councillors - Councillor K Kiddie and Councillor B Iles - as the founding directors of the new company. Directors would be appointed annually, as part of the process for appointment to external bodies;
5. To **AGREE** that the company would be offered suitable Norfolk County Council surplus properties and other assets, suitable for development, at full market value (each proposed disposal would be reported to committee in accordance with the usual disposal process);
6. To **ENDORSE** the business objectives and operating model for the company and **NOTE** that the Board of the new company would focus on the development of a 5 year business plan, to be reported to the Business and Property Committee before commencing trading;
7. **SELECTED** a name for the new company from the list suggested in the report: Repton Developments

14. Exclusion of the public

- 14.1 The Committee considered excluding the public whilst agenda item 15 (Property Acquisition) was discussed and was presented with the following public interest test, as required by the 2006 Access to Information Regulations for consideration by the Committee:

“This report considered the strategic acquisition of a significant site in Norfolk with the aim to promote economic growth.

This exemption was requested to ensure the County Council's position was maintained through the negotiation period for a site where it was understood there had been little market interest. There was a perceived risk that by the Council showing its interest in a particular site the market becomes more animated and the asking price was likely to increase.

For this reason it was concluded that the public interest in maintaining the exemption outweighs the public interest in disclosing the fact the council was interested in purchasing this site.”

- 14.2 The Committee **RESOLVED** to exclude the public from the meeting while the report was considered.

15. Disposal and Acquisition of Properties

- 15.1 The Committee received and discussed the exempt report by the Executive Director of Finance and Commercial Services.
- 15.2 The Committee **RESOLVED** to agree the recommendations contained within the report.

The meeting closed at 15:45

**Mr Keith Kiddie,
Chairman, Business and Property Committee**



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MEMBER/PUBLIC QUESTIONS TO BUSINESS AND PROPERTY COMMITTEE: 20 JUNE 2017

7. MEMBER QUESTIONS

7.1 Question from Cllr Alexandra Kemp

The Leader announced the Willows site will not be in the next County Waste Plan; can the Committee, in response to the extreme disquiet in West Norfolk at officers' proposal to recommend the sale of the Willows site, while it is still in the County Waste Plan for any form of waste treatment including incineration, confirm the Committee rejects this option, which puts the future safety and local control of the site in peril, if transferred into the wrong hands, as restrictive covenants can be discharged by the Land Tribunal; and County varied a covenant on the land in 2011.

Response by Chairman of Business and Property Committee

Cllr Kemp is correct that the Leader has made it clear that the 'Willows Site' will not be used for any waste purposes and the process will now begin to remove the site from the Waste Local Plan.

On Monday 12 June 2017 – officers including the Executive Director, Chief Legal Officer, and Head of Property met with the Councillor to set out the process for bringing the land into an alternative use. Currently the groundwork is being explored, prior to bringing a report to the Business and Property Committee (planned for September 2017). This will set out the various options for the Committee to consider.

In order for the Council to comply with the Best Value legislation, it is important that it considers all options, including the disposal of the freehold. The report to Committee will need to set out the benefits and risk of different options. This would include an objective, legal assessment of the enforceability of covenants to prevent the site from being used for any 'waste purposes' regardless of the designation in the Local Waste Plan.

Therefore the committee should wait until it receives the report, prior to making any decisions on the marketing of the site.

7.2 Question from Cllr Ian Mackie

As part of the Economic Development Sub Committee, since 2013 there has been a cross party County Farms Advisory Board to help advance the county estate. This was agreed at Full Council as Council Policy in regards to the County Farms Estate Policy. Following the Audits in 2016/17 the county farms estate with a new enhanced officer team have made significant strides in the management of the estate. There has been a great deal of work in creating strategic plans for each farm and in building positive relationships with our tenants, local colleges and third sector

groups. Finally, the Farms Board was looking at a full disposal and acquisition plan in detail in support of the council's strategic objectives. My question is therefore: given the £2m income generated to the Council, and the detailed activities of the farms estate, will the new Business and Property Committee re-establish and appoint a working group/farms board from across the council and parties at its earliest opportunity to provide continuity and assurance to our farming community?

Response by Chairman of Business and Property Committee

County Farms remain a key priority for Norfolk County Council.

Within the agenda for the B&P Committee on 20 June 2017 (under item 4) the rationale and various responsibilities of the committee are set out. This includes the 'oversight and development of County Farms'. Through the creation of the new committee, there is additional capacity for Councillors to take on the activities of the former County Farms Advisory Board (CFAB) and to integrate this work into the oversight and management of a varied £885m estate.

I am confident that this Committee is more than capable of undertaking the activities and function of CFAB. Additionally it is important that as the committee has the delegated authority to make decisions regarding the agricultural estate, we should take on the lead on these issues. However, should the committee feel that it requires additional resource, we may of course look to commission additional support in the future.

This will provide the continuity and assurance that Cllr Mackie and our farming tenants require.

Business and Property Committee - Outside Bodies

2017/18 Appointments shown

1. Agri-Tech (Eastern) Programme Board (1)

Claire Bowes

This body makes decisions on the eastern Agri-Tech Growth Initiative Programme Board about which projects to fund from this specific Regional Growth Funded scheme.

2. BID (Norwich Business Improvement District) (1)

Steve Morphew

The Norwich BID is run for local businesses by local businesses. It aims to make a clear positive impact on the vitality of the City centre and the business within it.

3. Norwich Airport Consultative Committee (1)

Shelagh Gurney, (Sub David Collis)

These meetings are a DfT requirement to enable aerodrome operators and communities in the vicinity of the airport to discuss operational and business matters affecting their interests.

4. Norwich Airport Board (Non-Executive Director) (1)

Cliff Jordan (Sub Alison Thomas)

5. Norfolk Rail Group (4)

Tony White
Brian Long
Tim East
Joe Mooney

To consider strategic rail policy issues and respond to such issues as they arise, and lobby and pursue rail policy objectives on a continuing basis between Norfolk Rail Policy Group meetings.

6. Norfolk Chamber of Commerce and Industry (1)

Alison Thomas

Norfolk Chamber of Commerce is an independent, not-for-profit Company that aims to support its membership be more successful and to improve the Norfolk economy.

7. Thetford Development Board (1)

Roy Brame

8. New Anglia Skills Board for Norfolk and Suffolk (1 plus 1 Substitute)

Brian Iles (Sub Colleen Walker)

A sub group of the LEP Board which is tasked with steering the implementation of the Greater Norwich/ Greater Ipswich City Deals and the Strategic Economic Plan. Membership consists of representatives of the Further Education sector and training providers with employers. Both Norfolk and Suffolk County councils are represented and can nominate a substitute.

9. Great Yarmouth Town Centre Partnership Company (Gt. Yarmouth) Ltd (1)

Mick Castle

The Partnership meets and discusses all relevant issues concerning the Town Centre.

10. Hethel Innovation Ltd (2)

Keith Kiddie
Colin Foulger

Runs Hethel Engineering Centre and provides innovation-led business support to businesses in Norfolk/East of England.

11. Eastport – Community and Marine Liaison Committee (1)

Ron Hanton

To exchange information, ideas and proposals for discussion between the constituent interest groups and the Port's CEO and Harbour Master, thus improving co-ordination and understanding between the different port users and interest groups within Great Yarmouth with relevance to the operations of the Port.

13. Great Yarmouth Development Company - Area Board (1)

Colleen Walker

The Norfolk Development Company was established to promote economic development on behalf of the local authorities of Norfolk, with an initial emphasis on physical regeneration and development. The company provides a structure for joint ventures which enables new projects to be agreed and implemented more quickly. Individual companies can be established – the first

to do so was the Great Yarmouth Development Company, a 50-50 partnership between the County Council and Great Yarmouth Borough Council. The agreement states the representative should be the lead member for Economic Development

14. Royal Norfolk Agricultural Association (1)

Keith Kiddie

The objectives of the Association are to promote, through the Royal Norfolk Show and other events, the image, understanding and prosperity of agriculture and the countryside.

Member Champions

Apprenticeships – Stuart Clancy

County Farms – Post deleted

Rail – Brian Long

Business and Property Committee

Item No.....

Report title:	Forward Plan and decisions taken under delegated authority
Date of meeting:	8 September 2017
Responsible Chief Officer:	Executive Director of Finance and Commercial Services Executive Director of Community and Environmental Services
Strategic impact 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 NDR scheme. Formal notice (under Compulsory Purchase Order) was served on all landowners impacted by the NDR in January 2016. Since the update at the last Committee meeting in June, two acquisitions have been finalised and the acquisition process is underway for a further seven. A detailed list of acquisitions can be made available for Members to view, if requested.

Taken by: In line with the process agreed by Policy and Resources Committee on 8 February 2016, all acquisitions have been approved by the Executive Director CES, in consultation with the Corporate Property Officer, Executive Director of Finance and Commercial Services, Leader of the Council and Chairman of EDT Committee.

Taken on: Various dates

Contact for further information: David Allfrey, Major Projects Manager
Email: david.alfrey@norfolk.gov.uk
Phone: 0344 800 8020

Subject: Other property transactions (including sale, lease and acquisitions)

Decision: Various, as listed at **Appendix B**.

Taken by: Relevant officers, as set out in the scheme of delegation.

Taken on: Various, as listed at **Appendix B**.

Contact for further information: Simon Hughes, Head of Property
Email: simon.hughes@norfolk.gov.uk
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, eg equality impact assessment, please get in touch with:

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

Officer Name:	Tel No:	Email address:
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
Meeting : 8 September 2017			
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	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) and Senior Accountant (Graham Jermy)
Major infrastructure improvements – update on economic impacts and benefits	No – EDT oversees infrastructure improvements, but B&P has an interest in the economic elements	To receive an update on the economic elements of major infrastructure projects being planned.	Major Projects Manager - David Allfrey
Scottow Enterprise Park – update	No	To receive an update on the progress made to develop the Enterprise Park, and to approve a letting strategy for the site	Executive Director of CES – Tom McCabe
Disposal, and 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)

Issue/decision	Implications for other service committees?	Requested committee action (if known)	Lead officer
Meeting : 18 October 2017			
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)
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)
Finance Monitoring	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) and Senior Accountant (Graham Jermy)
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)
County Farms Tenant selection process	No	To note farms/land available for re-letting, approve process.	Head of Property (Simon Hughes)
Norwich Airport Industrial Estate	No	To consider proposed strategy to exploit the estate.	Head of Property (Simon Hughes)

Issue/decision	Implications for other service committees?	Requested committee action (if known)	Lead officer
Meeting: 7 November 2017			
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	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) and Senior Accountant (Graham Jermy)
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)
Repton Property Developments Ltd – Business plan	No	To consider draft 5 year business plan	Head of Property (Simon Hughes)
Meeting : 18 January 2018			
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)
Performance management	No	Comment on performance and consider areas for further	Business Intelligence and Performance Analyst (Austin

Issue/decision	Implications for other service committees?	Requested committee action (if known)	Lead officer
		scrutiny.	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)
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)
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)
Meeting : 14 March 2018			
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)
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	Chief Internal Auditor (Adrian Thompson)

Issue/decision	Implications for other service committees?	Requested committee action (if known)	Lead officer
		more in-depth analysis	
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)
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)

Appendix B

Property decisions taken under delegated authority

Property	Transaction	Cost	Benefit	Date of decision
Pulham Market C of E Primary School	Acquisition of adjoining land for expansion	£20,000	-	11/02/2016
Aylsham Drill Hall	Sale	-	£185,000	14/11/2016
Lingwood former school conservation area	Sale	-	£5,000	14/11/2016
Thetford Breckland House	3 year lease for office accommodation	£43,482	-	15/11/2016
Morningthorpe	boreholes lease	-	£1,500	10/02/2017
Long Stratton High School	Lease to Academy Trust	-	-	09/03/2017
Mattishall primary School	Lease to Academy Trust	-	-	09/03/2017
Cromer Suffield Park Infant School	Grant of access	-	-	10/03/2017
Burston CP School	Lease to Academy Trust	-	-	16/03/2017
Norwich George White Junior School	Lease to Academy Trust	-	-	16/03/2017
Lionwood Infant & Nursery School	Lease to Academy Trust	-	-	16/03/2017
Lionwood Junior School	Lease to Academy Trust	-	-	16/03/2017
Tivetshall Primary School	Lease to Academy Trust	-	-	16/03/2017
Downham Market Telecommunications mast	Acquisition of land	-	-	22/03/2017
Norwich George White Middle School	Acquisition of playing field	-	-	23/03/2017
Long Stratton High School	Lease to TAVR for cadet hut	-	-	31/03/2017
Long Stratton High School	Licence to NCC for ICT cabinet	£1,475	-	31/03/2017
Hemblington Primary School	Lease to Academy Trust	-	-	04/04/2017
Gaywood Primary School	Lease to Academy Trust	-	-	17/05/2017
Dereham 6th Form	Lease to Academy Trust	-	-	19/5/2017
Thorpe St Andrew, land at Pound Lane	Sale of two lots	-	£21,500	29/06/2017

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.

Report title:	Finance monitoring
Date of meeting:	8 September 2017
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services, Simon George – Executive Director, Finance & Commercial Services
Strategic impact This report provides the Committee with information on the budget position for services reporting to Business & Property Committee for 2017-18. It provides information on the revenue budget including any forecast over or underspends and any identified budget risks. It also provides an update on the forecast use of reserves and details of the capital programme.	

Executive summary

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

The 2017-18 net revenue budget for this committee is £8.731m and this report reflects the risks and forecast outturn position as at period 4, July 2017-18.

The total capital programme, relating to this committee is £20.559m currently profiled for delivery within 2017-18. Details of the capital programme are shown in Section 3 of this report.

The balance of Business and Property reserves as of 1 April 2017 was £5.273m, and the forecast balance at 31 March 2018 is £1.821m.

Recommendations:

Members are recommended to note:

- a) **The forecast out-turn position for the Business and Property Committee**
- b) **The capital programme for this Committee.**
- c) **The current planned use of the reserves and the forecast balance of reserves as at the end of March 2018.**

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 budgets and forecast out-turn position as at the end of Period 4, July 2017.

2. Evidence

Revenue budget 2017-18

2.1. The services reporting to this Committee are mainly delivered by the Community and Environmental Services department and Finance and Commercial Services.

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

- Economic Development
- Economic Programmes
- Economic Strategy & Commissioning
- Employment and Skills
- Scottow Enterprise Park
- Client Property Management

2.3. The 2017-18 net revenue budget for this committee is £8.731m, we are currently forecasting a balanced budget.

Table 1: Business and Property Net revenue Budget Forecast Out-turn 2017-18

	2017-18 Budget £m	Forecast Out-turn £m	Forecast Variance £m
Client Property Management			
Corporate Offices	4.630	4.630	0.000
Estates Management	0.852	0.852	0.000
Corporate Building Maintenance	2.007	2.007	0.000
County Farms	(0.476)	(0.476)	0.000
Corporate Property Team	0.913	0.913	0.000
Economic Development			
Economic Programmes	(0.085)	(0.085)	0.000
Economic Strategy & Commissioning	0.809	0.809	0.000
Economic Development	0.118	0.118	0.000
Employment and Skills	0.363	0.363	0.000
Scottow Enterprise Park	(0.200)	(0.200)	0.000
Total for Committee	8.731	8.731	0.000

- 2.4. We are currently forecasting a balanced revenue budget for the services that are accounted for through NCC.
- 2.5. Scottow Enterprise Park is forecast to generate £1.255m of income in 2017 – 18, including £0.447m of rental income from the land occupied by the solar farm on site. The surplus shown above is after a planned contribution to reserves of £0.286m, which will be used to invest in the site which reduce the need to draw down capital funding.

3. Capital Programme

- 3.1. The overall capital programme for the services reported to this Committee is £20.559m, currently profiled to be delivered in 2017-18, detailed as below.

2017 – 18	
Capital Programme	
£m	
Scottow	6.062
Corporate Property	12.794
County Farms	<u>1.703</u>
Total for Committee	<u>20.559</u>

- 3.2. The available funding for potential redevelopment of Scottow Enterprise Park is to make more units on the site available for letting to help create local jobs and to and support income generation
- 3.3. The Corporate Property funding is in support of further refurbishment to allow rationalisation and facilitate cost reductions within the corporate property portfolio
- 3.4. The County Farms funding represents the agreed refurbishment programme, including land drainage schemes, which maintains the value of the Farms estate

4. Reserves 2017-18

- 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 grants, reserves and provisions as at 1st April 2017 stood at £5.273m.
- 4.10. The table below shows balance of reserves and the current planned usage for 2017-18.
- 4.11. The 2017-18 Budget included plans for available reserves totalling £5.813m to be identified during the process of closing the 2016-17 accounts. We have reviewed the reserves relating to this committee and have been able to identify £1.015m of reserves that were held for previous provisions at Hethel Engineering Centre (£0.415m) and general corporate property reserves (£0.600m) that can be released to help support this requirement and this is reflected in the tables below.
- 4.12. The remaining forecast use of the reserves within Corporate Property to support the property rationalisation programme to achieve savings in the next budget planning period. The forecast use of Economic development reserves is the planned use of project funding carried forward in relation to apprenticeship scheme and other economic programmes.

Table 3: Business and Property Reserves & Provisions			
Reserves & Provisions 2017-18	Balance at 1 April 2017	Forecast Balance at 31 March 2018	Planned Change
	£m	£m	£m
Corporate Property	2.633	0.570	2.063
Economic Development	2.640	1.251	1.389
Committee Total	5.273	1.821	3.452

5. Financial Implications

5.1. There are no decisions arising from this report. The financial position for Business and Property Committee is set out within the paper.

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

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Business and Property Committee

Item No.

Report title:	Major Infrastructure Improvements
Date of meeting:	8 September 2017
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact The County Council, at its meeting in December 2016, agreed a motion recognising “the vital importance of improving our transport infrastructure to deliver the new jobs and economic growth that is needed in the years ahead’ and “the importance of giving a clear message of its infrastructure priorities to the government and its agencies, to ensure that there is universal recognition of their importance to the people of Norfolk.’ Three projects were identified as priorities for the coming years; Great Yarmouth 3 rd River Crossing; Norwich Western Link; Long Stratton bypass.	

Executive summary

At its meeting on 20 June 2017, the Business and Property Committee requested an update on the third river crossing for Great Yarmouth and improvements to the Acle Straight. The Chairman of Business and Property understands that while building of the bridge falls under the remit of Environment, Development and Transport Committee it was important to understand the economic benefits for this Committee.

This report updates Members on the economic benefits identified to date for the three priority infrastructure projects being undertaken by the county council, including more detail on the Great Yarmouth 3rd River Crossing.

Further detailed progress updates on the projects are to be presented to EDT Committee at its next meeting on 15 September 2017.

Other A47 improvements are being led by Highways England and form part of their Roads Investment Strategy programme. Details are not included in this report, however updates on this and the A47 Alliance are provided to EDT Committee.

Recommendations:

Members are asked to note and comment on the economic benefits of the infrastructure projects provided in this report.

1. Updates

1.1. Great Yarmouth 3rd River Crossing

During 2016 a submission was made to the Department for Transport (DfT) to seek funding to develop the Outline Business Case (OBC) for the 3rd River Crossing (3RC) as part of a fast track programme of the Local Major Projects funding. This bid was successful and £1m was approved by DfT to support the development of the OBC with a deadline for submission of 31 March 2017.

1.2. The submission was made to DfT on 30 March 2017 with a hoped for decision to grant the project ‘Programme Entry’ status by July 2017. Unfortunately, due to the national elections this date has slipped and a new approval date is awaited from DfT. However the OBC makes a good case for the project, and details are provided in section 2 below.

1.3. The project is to provide a new opening bridge (proposed in the OBC as a bascule bridge) over the River Yare. It links direct from Harfreys Roundabout at

the A47 (formally the A12) and connects across the river to South Denes Road at a new signal junction.

- 1.4. The 3RC provides significantly improved access to the town centre and importantly to the port enterprise zone and outer harbour areas. As a 3rd crossing, it also provides much needed network resilience for the town, and takes pressure off of the existing main route into the town and port via either Haven Bridge or Fuller's Hill.
- 1.5. Norwich Western Link
A report was taken to EDT Committee in June 2016 setting out initial work to assess options and next steps for the project. A Member Working Group was also set up to monitor the work being undertaken and it has reported to Committee on a regular basis.
- 1.6. The report provided a range of work to be completed during the remainder of 2016 and first half of 2017 to further develop the case for the Western Link in broad terms. This work is due to be reported in more detail to EDT Committee on 20 October 2017. It is therefore too early for this report to set out the economic case for the project, however there are a range of identified benefits that are set out in section 2 below.
- 1.7. Long Stratton Bypass
The A140 provides an important link between the two key regional centres of Norwich and Ipswich. The road is currently mostly single carriageway until it meets the A14 trunk road dual carriageway. There is also a short section of dual carriageway at Diss. There have been calls for decades from the Long Stratton community and users of the A140 for a bypass due to the delay and disruption that travelling through the village creates.
- 1.8. A new dual carriageway design was developed and was close to delivery in 2005, however a lack of funds resulted in this option not being delivered. The preferred route alignment of this option still exists, however in May 2016 an updated area action plan was adopted and has established an alternative bypass solution linked to the delivery of significant housing growth in Long Stratton. The plan provides for 1800 new homes and commercial development areas. 600 of the homes are located on the west side of the A140 (to the north of the village) and 1200 are allocated to the east side of the village, along with the main commercial development allocation.
- 1.9. The adopted plan sets out that the provision of a new bypass on the east side of the village must be included as part of the development allocation. It states that: "The bypass will be completed before 250 of the new homes are occupied." and "Given that the bypass is necessary in order to enable housing development to take place on LNGS1, a substantive element of funding is expected to come from the developer."
- 1.10. The adopted area action plan sets out a range of objectives related to the bypass and these are summarised in section 2 below.

2. Evidence

- 2.1. Great Yarmouth 3rd River Crossing
The Outline Business Case (OBC) submitted to DfT in March 2017 is a comprehensive set of documents that sets out the five tests that DfT consider when evaluating a project for funding. These cover the strategic case, the economic case, financial case, commercial case and management case. More detail is provided in the master document which is published on the county council's website – follow this [link to outline business case submission](#).
- 2.2. The main economic benefits are set out in the OBC and are as follows:

2.3. **Strategic Case** (Achievement of Objectives):

The project will have a significant and beneficial impact on traffic in the town, and this will give rise to a range of benefits, helping to deliver the scheme's objectives.

- Traffic levels will be reduced on key links.
- The existing bridges will both experience a reduction in traffic
- Congestion will reduce
- Journey times on key routes will be reduced
- Journey time reliability will be improved
- Historic areas of the town will experience less traffic
- Vehicular access to South Denes and the Outer Harbour will be greatly improved
- Access for pedestrians, cyclists will be improved
- Bus users will benefit
- Road accidents will be reduced
- Greenhouse gas emissions will be reduced
- The resilience of the local road network will be enhanced

2.4. **Economic Case** (Benefit Cost Ratio):

The value for money category is based on the Benefit Cost Ratio (BCR). The BCR includes the transport benefits as well as reliability benefits and wider economic impacts and gives a **BCR of 3.5**. Using DfT assessment criteria, this means the project provides **High** value for money.

The scheme is expected to lead to a reduction in greenhouse gas emissions and these have been monetised and included in the BCR figure.

2.5. Other Cases:

The Commercial Case provides evidence of the commercial viability of the proposed scheme, and describes the procurement strategy that will be used to engage the market and deliver the scheme.

The Financial Case sets out the costs of the project (see section 3 below) and the funding contribution being requested from DfT.

The Management Case demonstrates that the Great Yarmouth Third River Crossing scheme is capable of being delivered successfully in line with recognised best practice. It describes the processes that are being put in place to ensure that the project is effectively delivered, and properly evaluated.

2.6. Norwich Western Link (NWL)

Mouchel (now WSP) was appointed to review work previously undertaken on a NWL, and to assess the need for intervention in this area. They reviewed available evidence, engaged with local Parish Councillors and met with statutory environmental bodies to consider:

- The need for transport intervention in the western quadrant of Norwich;
- The case for a Western Link, including a review of previously identified issues and objectives;
- Local considerations that could influence the project including the NDR and associated mitigation measures, Highways England's plans to dual the A47 between Easton and North Tuddenham, environmental designations and the development of Local Plan;
- The possible options to progress; and
- How any assessment could be taken forward.

2.7. A further report to Norfolk County Council's Environment, Development and Transport (EDT) Committee on 8 July 2016 [Link to EDT Committee - 8 July 2016 \(see item 9\)](#) set out further work to be undertaken to report back to Committee during 2017. This work includes the following (in summary):

- Developing a local strategy to demonstrate commitment to address existing local problems.
- Undertake initial traffic modelling and appraisal using the existing traffic model and broad assumptions to test the economic viability.
- Undertaking a Quality Audit review of the currently proposed NDR traffic management mitigation measures to ensure the full benefit of those measures can be maximised to address local problems.
- Developing a monitoring and evaluation plan to ensure a robust evidence base can be collated at a later stage. This will also review the NDR monitoring and evaluation plan.
- Engaging with Highways England regarding their A47 improvements.
- Identifying work required to respond to funding opportunities.
- Seeking advice from legal specialists to determine the level of requirement for any environmental assessment.
- Undertaking work to provide input to the Local Plan and NATS review.
- Exploring engineering solutions to be discussed with Environment Agency and Natural England so feasibility and possible mitigation options can be considered.
- Outlining the scope of work required to prepare a DfT WebTAG compliant Strategic Outline Business Case.

2.8. More recent local consultation in 2016 within the communities currently impacted by traffic in the western quadrant of Norwich, highlighted the following concerns:

- Rat running
- HGV routing
- HGV volumes
- Longwater Interchange delays and safety (with poor access provision to existing large housing development)
- Increasing traffic on local road network post NDR
- Network resilience
- Limited Public transport provision
- Limited Cycling & walking infrastructure
- Future housing developments need advance infrastructure
- Impact of commercial development
- Costessey park & ride no longer goes into city

2.9. The NWL is expected therefore to address the above by delivering the following (still developing) project strategic objectives:

- To support economic growth by:
 - improving the efficiency of the transport network; and
 - enabling planned development of employment and commercial sites.
- To support planned housing provision;
- To improve strategic connectivity on the national road network;
- To improve the resilience of the strategic and local road network;
- To improve connectivity and accessibility for all modes;
- To improve the quality of life for local communities;
- To protect and enhance the local environment.

2.10. Long Stratton Bypass

The Area Action Plan (AAP) adopted in May 2016 following an independent inspection process sets out the following details in terms of benefits of the bypass developed from the evidence presented.

2.11. **Vision** – “Long Stratton - a revitalised large village based around its historic

linear street pattern and Conservation Area, growing and building on its existing broad range of jobs and services into a thriving small town. The delivery of a bypass will enable a safer and more inviting town centre with increased shops and services and an enhanced Conservation Area.”

- 2.12. **Town Centre Objective** – “The town centre will be revitalised following the removal of heavy lorries and other traffic through the delivery of a new bypass. The historic streetscape of the Conservation Area will be enhanced and a safer and more attractive environment will be created with potential to provide a new ‘market place’ to act as a focal point.....”
- 2.13. **Environmental Objective** – “The environment of the town centre will be significantly improved through measures to capture the benefits of the bypass removing through traffic to provide a safe and inviting location, more attractive for shopping and services and to provide an enhanced setting for the heritage assets, including those in the Conservation Area.”
- 2.14. The Long Stratton AAP also sets out [para 5.11] that ‘The master planning of LNGS1 and the supporting detailed transport evidence will establish the design of the bypass. This will take into account the requirement for the bypass to fulfil a number of roles, including: access to substantial areas of new housing and employment; forming a strategic route; and providing the boundary to the east of the settlement. This will provide the context for the precise funding and delivery arrangements. In advance of the detailed design, the AAP does not set an alignment for the bypass but a broader safeguarded corridor within which the bypass can be delivered.’

3. Financial Implications

3.1. Great Yarmouth 3rd River Crossing

The OBC submission sets out the financial position for the project. The future cost of delivering the Great Yarmouth Third River Crossing, including allowances for risk and inflation is estimated at £120m (the out-turn capital cost). The project will also give rise to costs for annual operation and maintenance, and for the long term renewal of the infrastructure, with an annual average cost of estimated at £262k. The Council will be required to meet the ongoing costs of operation, maintenance and renewal.

- 3.2. The County Council is seeking a contribution of £98m from the DfT towards the capital costs of the scheme, and the Council will support this with a further local contribution of £22m. A total of £4.9m has been spent prior to submission of the OBC, including £3.8m by the County Council. This, together with a proportion of the Council’s expenditure prior to submission of the OBC represents 20% of the complete cost of delivering the scheme.

3.3. Norwich Western Link

In terms of the provision of a new link road connecting the A47 west and A1067 a previous scoping study noted that the costs of a road scheme could be between £28m-£106m (based on 2014 prices), depending on the route chosen and the form of the road (single or dual carriageway).

- 3.4. Some further work has been completed and is expected to be finalised and reported in more detail to EDT Committee in October 2017. This is currently anticipated to confirm that there is a case to continue with the delivery of the NWL project, however given the scale of the project and the scope of work required to comply with the necessary statutory and other processes, funding is being sought to support the delivery of the project through its next phases.

3.5. Long Stratton Bypass

A detailed scheme for the bypass is still to be provided by the developer and until this is completed (as part of a wider master-planning and planning application process) it is not possible to determine the cost of the project. At this time it is also not possible to determine the level of funding that the development will provide towards the cost of the bypass. Work is ongoing to establish these costs.

4. **Issues, risks and innovation**

- 4.1. Robust risk management arrangements are in place for the 3rd River Crossing and are being developed for the Norwich Western Link ahead of the next stages of work for that project. Arrangements are still being developed for the delivery of Long Stratton Bypass, working with the main developer. Each project will identify, quantify, manage and review risks, including financial risks as they are progressed.

5. **Background**

5.1. Previous committee reports

Norwich Western Link:

[Link to EDT Committee - 8 July 2016 \(see item 9\)](#)

3rd River Crossing:

[Link to EDT Committee - 17 March 2017 \(see item 11\)](#)

3rd River Crossing outline business case submission

[Link to outline business case submission](#)

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.

Report title:	Scottow Enterprise Park – Update
Date of meeting:	8 September 2017
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact Scottow Enterprise Park is a large and diverse space, operating as an enterprise park focused on incubating start-ups. Operations on the park directly contribute to making Norfolk a place where businesses are able to grow. It also provides a financial return to the County Council.	

Executive summary

<p>At the last meeting, the Committee agreed that a site visit to Scottow Enterprise would be useful to enable Members to see the activities and buildings on site; a site visit took place on 4 August.</p> <p>This short update report sets out the current agreed context the site is operating within, and updates on recent and planned activities on site. This update is intended to help bring Members up to speed on the current position, in advance of a more detailed discussion about the future development of the site at a future Committee meeting.</p> <p>The management and operation of the site has been carried out by Hethel Innovation Ltd (HIL) since December 2015.</p> <p>Recommendations:</p> <ol style="list-style-type: none">To note progress and achievements at Scottow Enterprise Park under the management of Hethel Innovation Ltd.To task officers to work up options for the next phase of development of the site, for the Committee to consider at a future meeting.
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1. Vision

- 1.1. In July 2016, the Economic Development Sub-Committee considered the development of the Park. This included agreeing a development vision for the site, as follows:-

Scottow Enterprise Zone aims to deliver local economic growth through:

- *providing incubation / grow on space for businesses to start-up and grow, and create jobs*
- *delivering bespoke support that helps individuals start-up businesses and existing businesses achieve accelerated levels of growth*
- *provide innovation support to help businesses develop new products, processes and services for new customers and new markets*
- *becoming an Enterprise Zone that reaches out beyond the boundaries of the Enterprise Zone focusing on the business sectors of Science, Technology, Engineering and Manufacturing*

- *looking to the future – raising aspirations, whilst respecting the past and the site’s heritage*

Scottow Enterprise Zone will seek to be a solution provider and a destination of growth.

SEP must be more than a ‘property play’, and most strive to create enterprising communities and innovating business clusters.

SEP will always seek to address market failure whether in the areas of enterprise, innovation, skills or sectors. Therefore, at the heart of SEP, will sit key buildings focused specifically on creating Incubation, Grow on, Innovation and Skills Spaces.

1.2. The Sub-Committee also approved the following documents, which are available to view on the Committee pages of the County Council’s website (officers can provide hard copies if needed):-

- Business Plan
- Development vision
- Operations Plan

2. Recent and planned activities

2.1. Investment in the site

2.1.1. Initial work on the site focussed on improving buildings and infrastructure. A total capital investment of £4.27m has been made in the site (note that this does not include the cost of purchasing the site). Improvements include:-

- Water upgrade project - connecting 47 buildings to new water supply
- High speed broadband installed (with speeds of 60-70 MBps)
- Significant work to improve 11,000kV HV supply
- Refurbishment of 112 buildings and yards (and demolition, where appropriate)
- Gas pipe installed to Building 40
- Road signage, speed bumps and traffic management
- Improved security measures e.g. security cameras

2.2. Marketing the site

2.2.1. We have been marketing SEP as a secure business park that offers space and support to help businesses grow. Activities have included:-

- Putting in place a fully operational website (scottowenterprisepark.com), which provides visitors with more information on SEP, markets upcoming events, and advertises current building vacancies and spaces available to let.
- Seven Enterprise Open Days have been undertaken encouraging businesses to visit the site and learn more about SEP’s offer and HIL’s wider business support programmes.
- Printing marketing through brochures and advertisements in North Norfolk publications.
- The North Norfolk Manufacturing Group (NNMG) has been established to share best practise, develop supply chains, and facilitate networking and collaborations. These meetings, held at SEP, ultimately aim to bring manufacturing businesses in North Norfolk together to collaborate, innovate

and be more productive.

2.3. Encouraging Enterprise/Sector Growth

2.3.1. There is currently a relatively low business start-up rate in Norfolk and more specifically North Norfolk. However, SEP has so far facilitated 19 business start-ups, with three of these coming via our start-up masterclasses (Activate).

2.3.2. Hubs have been, and continue to be, created around the site as follows:-

- Start-up Space (in Estate Hub): for individuals to start-up their own businesses
- Enterprise Hub: work will start in the next 3-6 months to turn the old Station Headquarters into an Enterprise Hub for Small and Medium sized Enterprises (SMEs) to start-up and grow their businesses
- Business Hub: two phases of work will be undertaken to turn the Air Traffic Control Tower and associated buildings into a Business Hub for SMEs to grow their businesses
 - Phase 1 – Buildings 261 and 262 in next 6-9 months
 - Phase 2 – Buildings 233 and ATC in next 12-18 months
- Creative Hub: Building 349 is now a Creative Hub to provide space for key creative digital businesses to grow
- Ideas Hub: Building 12 – a multi tenanted space – will soon be completed and become an Ideas Hub

2.3.3. Other activities have included:-

- Recent launch of an incubation space - called 'SEP Start-up Space' (seven spaces have been taken already with a further two start-ups in the pipeline)
- Holding three rounds of Activate – a start-up masterclass
- Holding regular Enterprise Open Days, specific networking and sharing best practice events and tenant launches on site, seeking to encourage connections that build relationships and lead to collaborative working
- Engagement with students through Game changers boot camp and other events.

2.4. Heritage and community activities

2.4.1. SEP's Strategic Heritage Partner, the Spirit of Coltishall Association (SoCA), leads on all Heritage Events and Activities on the site. SEP's strategic partnership with SoCA will also be vital to secure potential future funding bids.

2.4.2. SEP was also recently involved with the 12 Towers Festival, which was organised by the churches for the Aylsham and District Team Ministry and in partnership with Broadland District Council and Norfolk Museums Service.

3. Operational performance and targets

3.1. Current operational performance (at end July 2017) is as follows:-

- Total rentable floor space available – 533,000 ft²
- Occupancy rate – 84%#
- Number of tenants – 88
- Number of jobs – 336
- Number of start-ups – 19

- Number of customer enquiries handled - 639 customer enquiries

3.2. Other operational targets are:-

By January 2018 (SEP's 5th Anniversary)

- Help create 20 new start-ups*

By April 2018:-

- 90% occupancy rate#
- Support creation of 360 jobs on site*

By December 2019:-

- 100% occupancy rate#
- Support creation of 400 jobs on site*
- Help create 30 new start-ups*

*Figures relate to total amount since Enterprise Park became operational.

#Of total rentable floor space (currently 112 units).

4. Financial Implications

- 4.1. There are no financial implications arising from this report. Any implications relating to future development of the site will be considered and included in the further report to Committee.
- 4.2. SEP remains part of the County Council but day to day operations are carried out following trading principles. This approach enabled the service to move to a position of generating a surplus for the Council. An overview of financial forecasts is included in Appendix A.
- 4.3. In addition, SEP also seeks to secure funding from alternative/external sources to enable specific projects and improvements to be progressed. In 2017/18, the SEP team have secured grant funding of £98k (through Pooled Business Rate bid 1) and are seeking to further this through the following funding bids:-
 - Local Action Group (LAG) bid - £60k
 - Pooled Business Rate Bid 2 - £100k
 - Enterprise Zone Revenue Funding - £3.3m - £3.4m (over 25 years)
 - Heritage Enterprise Lottery - £2m - £2.5m

5. Issues, risks and innovation

5.1. Strengths

- Enterprise Zone Status – no business rates for 5 years
- Location – beautiful location, close to the coast and city
- Wide range of buildings available
- Support for local businesses and tenants

5.2. Weaknesses

- On-site infrastructure need further development
- Site situated in a rural part of the county, away from the main highway routes

5.3. Opportunities

- NDR (Northern Distributor Road) coming soon – increased accessibility to site
- Further site development – new buildings

5.4. **Threats**

- Constant improvements to the site must be made in order to avoid competitors moving ahead
- The site is subject to market factors, and will continue to be a success whilst there continues to be a place in the market

6. **Background**

6.1. Scottow Enterprise Park is based at the former RAF Coltishall airbase, which operated between 1938 and 2006. RAF Coltishall served as a fighter airfield in the Second World War, and then as a key Cold War base.

6.2. The site is currently split up into four zones:

Enterprise Zones (A, B & C)

The Enterprise Zones A, B & C are where the majority of economic activity will take place. There is a concentration of larger industrial units, consisting of hangars, large warehouses, workshops & manufacturing spaces, and offices.

Storage Zone (D)

The Storage Zone is formed of multiple, smaller storage spaces that are not meant for regular activity.

PV Zone

The PV Zone is the location of the 49.5MW Photo Voltaic Farm.

There are also Yards around the site with the potential to be used for storage and the Perimeter Track and Runway.

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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Financial achievements and forecasts

Year	Total revenue (income) £'m	Total overheads (expenditure) £'m	Operating profit £'m
2015/16	0.710	1.100	(0.390)
2016/17	1.079	0.772	0.307
2017/18	1.255	0.769	0.486
2018/19	1.432	0.852	0.580
2019/20	1.634	0.888	0.746
2020/21	1.788	0.926	0.862
2021/22	1.849	0.959	0.890
2022/23	1.903	0.995	0.908
2023/24	1.923	1.031	0.892
2024/25	1.938	1.068	0.870
2025/26	1.938	1.105	0.833

Business and Property Committee

Item No.....

Report title:	County Farms Update Report
Date of meeting:	8 September 2017
Responsible Chief Officer:	Executive Director of Finance and Commercial Services
Strategic impact The County Farms Estate extends to 16,299 acres, supporting over 145 tenant farmers, and is the third largest Local Authority Estate in England & Wales. It contributes to the rural economy by creating businesses and employment.	

Executive summary

This report is aimed at giving the members of the Committee a commentary on the works of the County Farms Team. The team has worked on various schemes throughout the summer period aimed at following on with recommendations of the audit report that had been taken to Policy & Resources Committee in January 2017. There are no lettings to be considered this year

Recommendation:

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

- (i) Comment and provide guidance on the proposed Objectives & Policies in Appendix A.**
- (ii) Comment on the proposed letting procedure in Appendix B and to work with officers to define the process in the coming months.**
- (iii) Comment and provide guidance on the proposed acquisition criteria.**

Following which formal proposals will be submitted for adoption at a future B&P Committee meeting.

1.0 Introduction

- 1.1 The aim of this report is to give members a flavour of the work that officers have been undertaking on the estate and the issues that are facing the estate in general.
- 1.2 Preliminary reports on the harvest have been that it has been very much a stop and start operation this year given the weather patterns across the summer. The harvest started earlier than normally, given the dry period in May/June and then have been affected by the high winds and storms which have in localised areas have flattened the crops.

2.0 Strategy

- 2.1 Officers have started to review the make-up and composition of the estate given the significant changes that will affect the agricultural industry in the

coming years. Also the team are reviewing how Norfolk County Council maintain the estate to attract new farmers into the industry and provides opportunities for tenants to progress to economically viable units before they leave the estate to farm in the 'open market'. When this work is completed officers will bring back to the Committee proposals for adoption.

- 2.2 The precept of this work has been to look at the reasons why the County Council retains the County Farms Estate and are the right opportunities being provided for the tenants, to move them through the estate and towards opportunities provided in the open market.
- 2.3 The assessment is based on 4 categories
 - a) Entry Estate
 - b) Promotion Farm
 - c) Opportunity farm – for specialist use or conversion to a promotion / entry farm.
 - d) Disposal – Land or a farm unit that is no longer required for the estate.
- 2.4 It is proposed that the larger estates (Burlingham and Stow & Marshland) will provide the opportunity for the tenants to move into a larger farm before they leave the estate to find farming opportunities elsewhere in the future. This will also mean that the surrounding smaller estates will act as feeder units into these larger estates. Current work continues to develop these ideas.
- 2.5 **Appendix A** sets out proposed objectives and policies for the County Farms Estate. Following consultation with Members formal proposals will be submitted for adoption at a future B&P Committee meeting.

3.0 Tenant Representation

- 3.1 The team have undertaken 3 'drop-in' meetings centred around the estates in Burlingham and Stow & Marshland, these have been very successful allowing the rural surveyors to meet on average 7 tenants during the course of a day and providing follow up meetings. The meetings have allowed the team to follow up on several issues for different tenants.
- 3.2 It is proposed that Tenants Meetings will be held at County Hall so that all future Annual Meetings can be held at the same time each year in a period where the majority of tenants are available.
- 3.3 One area of concern raised by tenants is around representation. Officers have had discussions with the Tenant Farms Association (TFA) to assess whether they are willing to act as the tenant's representative. It is envisioned that the TFA will charge a fee that will be applied to the tenants, this will need to be voted on by the tenants at the next meeting of the tenants in November.

4.0 Letting Process

- 4.1 For this letting season the County Farms Estate have not had any farms for letting this October 2017, plans are being prepared for farms to be let in Autumn 2018.
- 4.2 **Appendix B** outlines the draft process and selection criteria to be followed. Members are asked to provide comment and feedback on the selection criteria and approach. Formal proposals will be brought back to a future B&P Committee meeting for adoption.
- 4.3 Preparations are underway to let on a short basis the two farms at Hindringham to a local farmer before the farms are amalgamated with a new farm stead and then be let in 2018.

5.0 Development Opportunities

- 5.1 The County Farms Team are working on a number of development opportunities from the surplus buildings and land on the estate and though replacement of the buildings or amalgamation of farms as part of the restructuring of the Estate.
- 5.2 Some proposals relating to the estate are already developed and appear in the Disposal, Acquisition and Exploitation report elsewhere on this agenda.

6.0 Audit

- 6.1 Officers have continued to work on the recommendations of the BDO Report (copy in **Appendix C**) which was presented to Audit Committee in January 2017, the summary of the progress is shown below.

Item	Number	Completed	In Progress	Not Applicable
Findings & Recommendations	7	2	5	-
Appendix I	18	9	7	2
Appendix II	18	12	4	2
Appendix III	10	6	4	0
Total	53	29	20	4

There are a number of issues regarding the progression of the provision of the property management system, this is to be progressed on a departmental basis.

7.0 Compliance Issues

- 7.1 Officers have appointed Norse to carry out the compliance work across the estate, these works have been planned to start with the dwellings across the estate and then to widen out to checks on all the buildings as necessary. Currently the County Farms property and estate data is being loaded on to the Norse Help Desk system.

8.0 Repairs

8.1 Naturally as the County Farms Team engage with the tenants there are a number of requests for works, these works have been procured. Going forward it is envisaged that the team will request repair works via Norse using the help desk so that all works can be tracked through to a conclusion.

9.0 Acquisition Criteria

9.1 The Council's constitution requires the farms estate to be maintained at 16,000 acres or more in size. As redundant parts of the estate are disposed of there is, therefore, a requirement to acquire additional farm land to maintain the size of the estate. Over the past months the County Farms Team have been asked to look at a number of purchase opportunities across the county. At present there are no adopted criteria for the team to follow, therefore the following assessment is proposed to codify the acquisition criteria:

1. Proximity to existing County Farms Estate holdings. Does the land add value, is it a "piece of the jigsaw" to add to the estate?
2. If not close (say within three road miles), is it of sufficient size to be used as a stand-alone holding?
3. Could it facilitate the meeting of other Council objectives?
4. Is there development potential and likely timescale for realising such potential?
5. Does the site include buildings?

Given the Authority is seen in the market as being a 'special purchaser' it is good practice to appoint a firm of land agents to represent NCC and to provide the necessary advice on price. The assessment of land would follow Valuation of Rural Property 1st Edition Practice Guidance Notes published by the Royal Institution Chartered Surveyors.

9.2 Following consultation with Members formal proposals will be submitted for adoption at a future B&P Committee meeting.

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

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Proposed Objectives and Policies

Governance

- Objective G1:** Business & Property Committee shall be responsible for recommending the over-arching policy for County Farms and for the implementation of policy on each estate as set out in the County Council's constitution.
- Objective G2:** The Business & Property Committee will work to improve relationships between tenants and the County Council to ensure greater transparency in decision making, advise the council on policy matters and will approve strategic management plans for each estate in addition to advising on acquisitions, disposals and the future investment strategy.

Strategy

- Objective S1:** Maintain the size of the Estate at 16,000 acres or more. Where land or buildings are declared surplus and subsequently sold, to reinvest the proportion of the capital receipts as detailed in the Councils Financial Regulations in order to support the value of the estate, to improve its infrastructure and to help maximise income return.
- Objective S2:** The County Farms Estate should prioritise its fundamental aim of supporting new entrants to the market and the Council should manage the estate to reflect this policy aim and consider new ways to support new entrants by providing smaller holdings
- Objective S3:** Develop a wide range of farm sizes to encourage a variety of business models and support rural development and economic regeneration. New tenancies should be based on a period of 10 years, with preference given to applicants who meet the Council's tenant selection criteria whilst generating a return to the County Council
- Objective S4:** Encourage commercial farm enterprises, maintain farm rental value and charge market rents on new tenancies of larger farms, 200 acres and above, where appropriate and viable so to do.
- Objective S5:** Develop 10-year management plans for each Estate to demonstrate what contribution each can make to the various policy objectives

and enable tenants to plan and invest in their businesses for the future.

Financial

Objective F1: To generate an agreed annual return to the County Council to help support frontline services.

Objective F2: Develop an investment programme to improve the infrastructure, buildings and storage capacity for crops on the Estate.

Objective F3: Identify sites across the Estate for affordable housing and development potential.

Objective F4: Minimise rent debt, having due regard to the viability of the holdings.

Estate Management

Objective EM1: Demonstrate sound estate management in practice, having due regard to the interests, aspirations and responsibilities of both the tenants and the County Council.

Objective EM2: All breaches, including subletting outside the scope of the terms of the tenancy, shall be actively discouraged, with the terms of the agreement rigorously enforced.

Objective EM3: Manage the trees on the Estate in the interests of safety.

Environment and Community

Objective EC1: Develop the Estate as an exemplar of innovation, with closer working with Easton and Otley College, the University of East Anglia, Anglia Farmers and others to identify opportunities for partnership working that lead to improvements in training and employment in sustainable farming, local food production and delivering community benefits.

Objective EC2: Provide or organise mentoring and training for tenants to encourage better business management and diversification.

Objective EC3: Develop strategies to enable older tenants to retire with dignity and the Council to meet its obligations to tenants on retirement tenancies.

Objective EC4: Seek to develop farms to help deliver wider corporate services and objectives such as use as an educational resource centre or Care

Farm, in conjunction with the County Council's relevant departments. Also develop links with local schools.

Objective EC5: Intermediate and larger sized farms should be encouraged to support employment and training opportunities as well as working with NCC's Children's Services and Adult Social Care departments to maximise healthy living and personal development

Objective EC6: Actively encourage tenants to support the Campaign for the Farmed Environment.

Proposed Selection Process & Criteria

1.0 Pre-Advertisement Enquiries

- 1.1 Whilst prospective Tenants may contact County Farms Team to enquire about farms available for letting, there is no preferential treatment with this having occurred. The Council will note the enquiry but is not responsible for keeping a list or record in respect of this, until such time a site is actively marketed and it is appropriate to do so. All prospective Tenants to be informed to look on the website, County Farms Facebook page for forthcoming lettings.
- 1.2 The properties to be let will be advertised in the local, and national farming press, County Farms Website and social media. Where tenancies are granted on a one year basis these may not need to be marketed as they are not considered a new letting.
- 1.3 A viewing day will be held at which attendance will be compulsory for a successful application (except on bare land lettings).
- 1.4 A prospective tenant's day will potentially be held at a local agricultural college to acquaint prospective tenants with the requirements of the business plan, the requirements working on the estate, and the selection process.
- 1.5 Sites will be advertised as early as possible.

2.0 Selection Process

- 2.1 A two Stage selection criteria where the officers will undertake the general sifting of the applicants before submitting the selected candidates forward to the Interviewing Panel.

Stage 1

Interested applicants will need to submit an initial expression of interest which must include practical, financial and environmental management proposals from which a shortlist will be selected. Short-listed applicants will be visited at their place of work and those on the final shortlist will be invited to an interview. The scoring of these applications will be moderated by an external third party or Internal Audit.

Stage 2

The interviewing panel will comprise a mix of officers and/or members of the Council together with external advisors from the agricultural industry and a decision upon the appointment is usually made during the course of the interview day.

2.2 Tenants will be chosen through a selection process which involves the prior submission of their business plan and budget accounts based on enterprises. If shortlisted, a financial reference is required and applicants will be visited in advance of the interview.

2.3 At interview there would be two elected members [to be agreed], Head of Property, the County Farms Manager and, where possible, representatives from the National Farmers Union or Country Land and Business Association or Farms Tenants Association, these 3 representatives will not have a vote.

2.4 The following advice will be given to prospective tenants:

- Submit a tender, your CV and business plan (which should include an outline of the proposed business and budgets to demonstrate its viability and an indication of future development)
- The Tenant Selection Panel and Land Agents study all tenders received from which a shortlist of applicants are selected.
- The Land Agent visits prospective tenants to inspect existing holdings (if applicable).
- Financial and personal reference are taken up.
- Interviews are undertaken by the members of the Tenant Selection Panel and the Officers together with the non-voting advisors.
- Applications are weighted as follows:

Technical ability	25%
Finances	25%
Progression Business Plan	25%
Entrepreneurial flair	10%
Professionalism	15%

- Part time starter units - 10 years (subject to a performance break at year 5)
- Promotional holdings - a maximum of 20 years

3.0 General Criteria

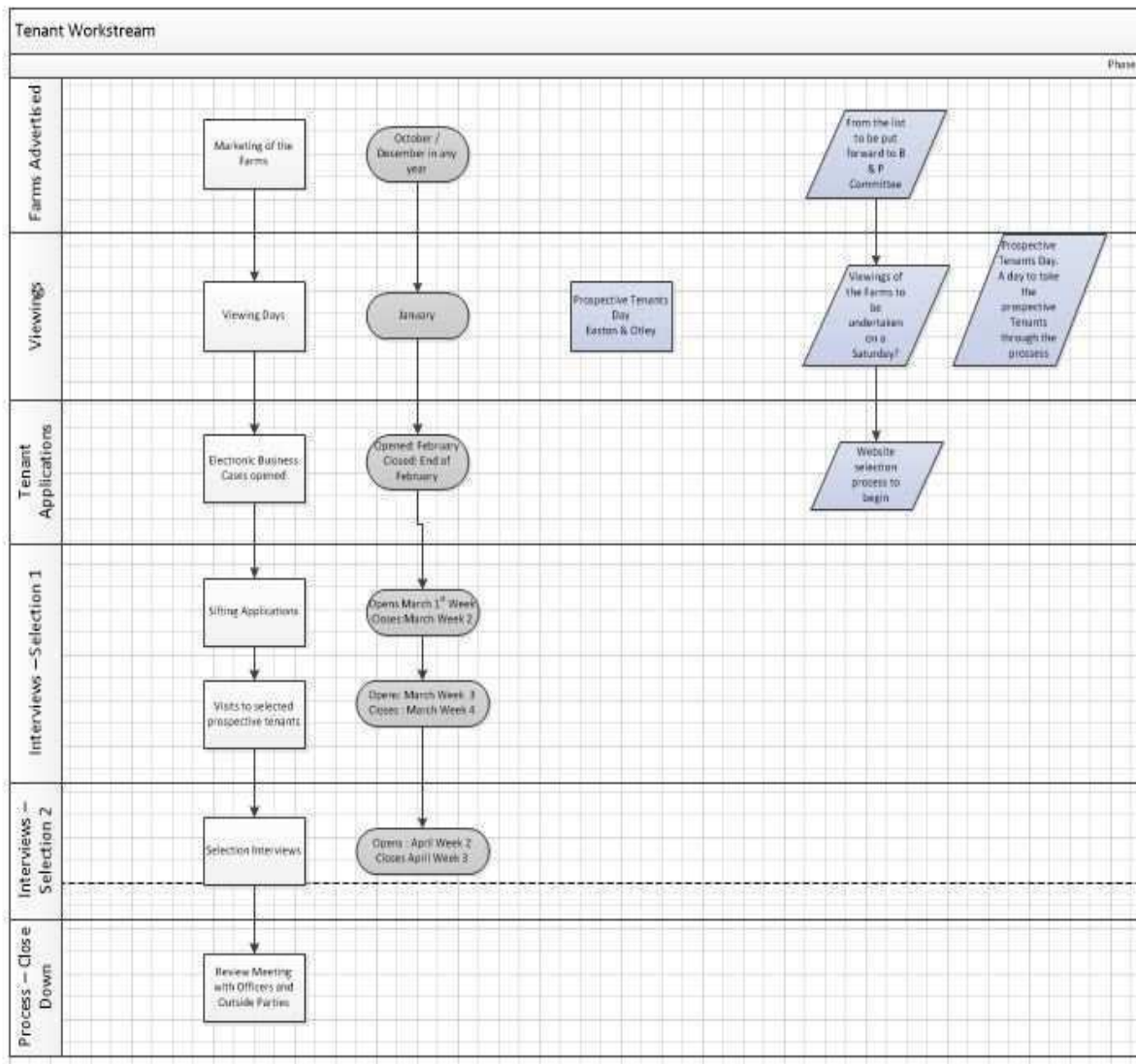
3.1 To be eligible for consideration, applicants must be able to demonstrate that they can fulfil the following conditions:

- (I) Applications from persons who are already established farmers in their own right and who intend to run the County Farm as an extension to their existing business, will not be considered.
- (II) Holdings are only available to persons who are prepared to farm them personally, and be in control, whilst usage of contractors for specific field operations is necessary, sub-letting for specialist crops has to be limited.

- (III) Where houses are provided the tenant is required to reside at the holding.
- (IV) Tenants should not normally engage in any form of business other than agriculture, unless the holding is referred to as a part time holding within the letting particulars, although ancillary complimentary activities will be considered and encouraged in suitable cases, based upon their merits.
- (V) Preference is always given when selecting tenants to applicants who can demonstrate that they have the most suitable practical and theoretical knowledge required for the type of farming most suited to the available holding.
- (VI) Prospective tenants must be able to show that they have sufficient capital to enter a holding and work it. This can be quite substantial where an incoming tenant may be required to pay for the outgoing tenant's fixtures and fittings, Basic Payment Scheme or other subsidy entitlements, live and dead stock, sufficient to properly farm the holding
- (VII) Applicants should be able to show that they have obtained sufficient experience in the type of farming or enterprise for which they are applying.
- (VIII) In the case of holdings where farming is the main activity, applicants should be able to fulfil the minimum requirement, i.e. 5 years' full-time practical farm work which may include up to 3 years attendance at a full-time course in agriculture.
- (IX) Where the holding is small and the main enterprise proposed is non-agricultural, the applicant should be able to show sufficient experience in the proposed enterprise.
- (X) Applicants should normally be able to show that they have undertaken some formal training in the enterprise they propose to undertake and, other things being equal, preference will be given to these candidates. However, applicants should not be refused on these grounds alone if similar training and experience has been obtained in other ways.
- (XI) Evidence of sufficient financial support to enable the proposed business to be established is to be provided.
- (XII) The maximum length Farm Business Tenancy for a progression farm which will be entered into is for a period of 20 years not until retirement of the tenant, this will apply for new or renegotiated tenancies.
- (XIII) It is unrealistic to lay down absolute criteria for the type of person required, but in practice it is overriding important for the 21st Century that the individual be keen, enterprising, adaptable and hardworking.
- (XIV) Applicant will not be discriminated against on the grounds of sex, race, marital status, sexual orientation, disability or age.
- (XV) The rent payment record and general compliance of existing tenants will be taken into account when and if they apply for another holding on the Estate.

(XVI) Applicants who can demonstrate direct employment generation potential from their proposed business enterprise will have an enhanced likelihood of success. Extended to include the wider policy objectives, i.e. environment, education, care farming, etc.

4.0 Flow Chart of Events



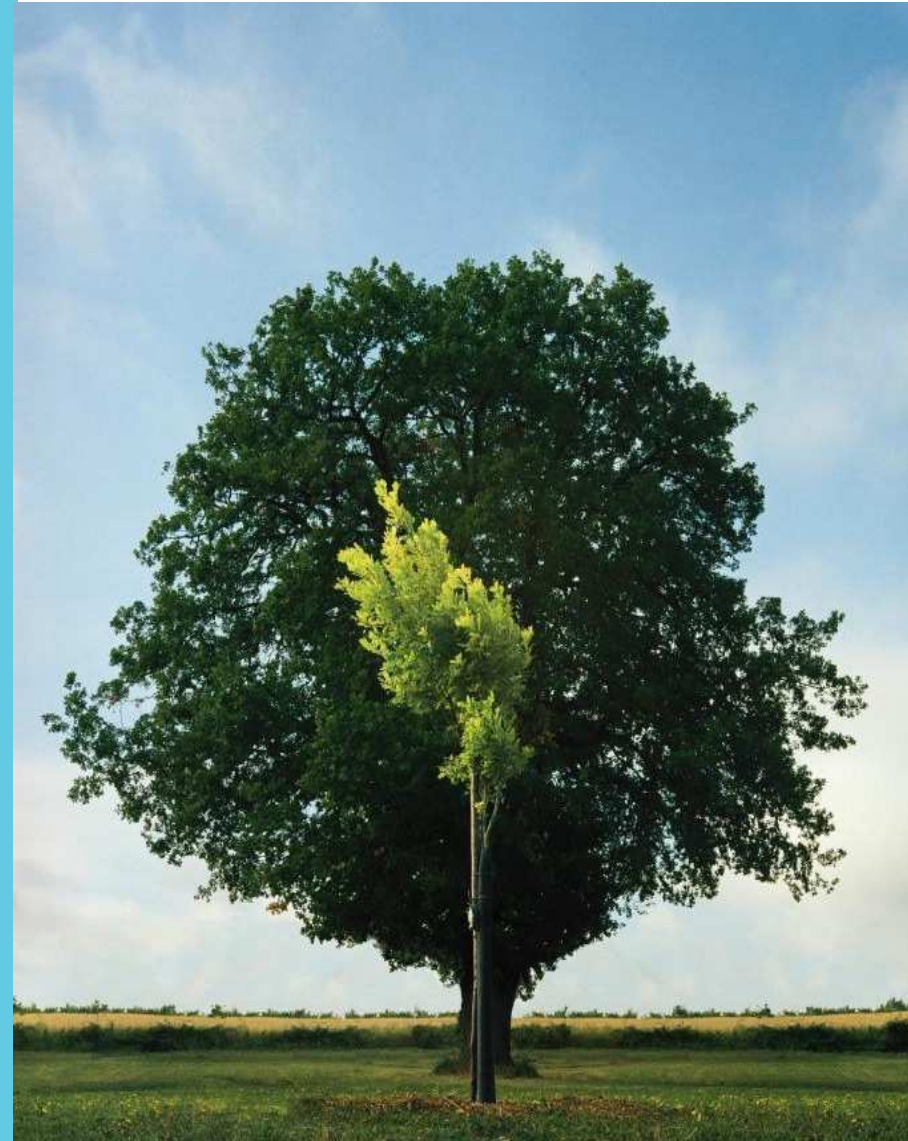
BDO audit report

Norfolk County Council

INTERNAL AUDIT REPORT

County Farms Governance Arrangements Follow up

January 2017



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REPORT STATUS	
Auditors:	Barry Pryke & Angela Mitchell
Dates work performed:	October/November 2016
Final meeting date:	13 December 2016
Draft report issued:	20 January 2017
Final report issued:	24 January 2017

DISTRIBUTION LIST	
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Dinesh Kotecha	Director of Property (Interim)
Simon George	Executive Director, Finance and Commercial Services
Dr Wendy Thomson CBE	Managing Director
Thomas Osborne	Risk Management Officer
Gavin Savage	Council's External Auditors

Restrictions of use

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

EXECUTIVE SUMMARY

OVERVIEW

The Council has over 16,000 acres of farmland estate in Norfolk, rented to over 145 tenant farmers. An audit of the governance of County Farms was completed by Norfolk Audit Services as part of the 2015/16 Internal Audit Plan.

In response to complaints received regarding the management of the County Farms service, the Chief Internal Auditor completed a lines of enquiry investigation of each complaint alongside the governance audit. The findings from both reviews were reported in April 2016.

This follow up review assesses whether or not agreed actions arising from the above two reports have been implemented. It also considers the nature of the key controls operating in relation to the management of County Farms.




The Council has commenced improvements in both the governance and operational arrangements relating to the management of the County Farms estate. Updated policies and procedures were approved at the end of November 2016 but are yet to be fully embedded in the day to day operations of the County Farms team. The governance changes required to address some of the recommendations made have been initiated but are not yet complete, pending approval by the appropriate committees. The Council has also commenced procurement of a property management system to support administration of the County Farms estate.

Conclusion

While officers have made good progress in addressing the issues highlighted in the Governance and Lines of Enquiry reports, 31 of the 36 agreed recommendations included in those reports were either not implemented or only partially implemented at the date of our field work. Of these 31 recommendations, three recommendations were not implemented (two from a decision not to implement them) and 28 were in progress (of which seven relate to a change in the Constitution) at the date of the fieldwork.

As work to address the April 2016 recommendations remains ongoing, this report does not seek to provide an opinion on arrangements which are not yet fully developed or embedded. Instead, it provides a snapshot of the current status of the on-going work by officers and makes recommendations where we have identified areas for improvement.

SUMMARY OF RECOMMENDATIONS (SEE DETAILED FINDINGS AND RECOMMENDATIONS)

High		1
Medium		4
Low		2

Total number of recommendations: 7

DETAILED FINDINGS AND RECOMMENDATIONS

Risk: Overview of Implementation			
Ref.	Finding	Sig.	Recommendation
1	<p>Our review identified that of the 36 previously agreed recommendations included in the Governance and Lines of Enquiry reports, 31 have either not been implemented or are only partially implemented.</p> <p>Of these 31 recommendations, three recommendations were not implemented (two from a decision not to implement them) and 28 were in progress (of which seven relate to a change in the Constitution and 16 are reliant on newly approved procedures being fully embedded) at the date of the fieldwork. Previously agreed implementation dates for these recommendations had elapsed at the date of our fieldwork.</p> <p>The Constitution changes required are currently subject to the relevant officer and member approvals in accordance with the Council’s governance framework.</p> <p>The procedures necessary to implement 16 of the outstanding recommendations have now been approved by the Head of Property (Interim) and work has begun to embed them in the day to day operations of the County Farms team.</p>	Med	The Council clarifies plans and timescales for implementation of recommendations outstanding from the April 2016 Internal Audit reports on Governance and Lines of Enquiry.
MANAGEMENT RESPONSE		RESPONSIBILITY AND IMPLEMENTATION DATE	
<p><i>Management response, responsible officer and implementation date to be provided by Council officers.</i></p> <p><i>Management responses presented outside of this report have not been subject to review or agreement by BDO.</i></p>		<p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>	

DETAILED FINDINGS AND RECOMMENDATIONS

Risk: Business Continuity			
Ref.	Finding	Sig.	Recommendation
2	<p>The Technical Officer maintains County Farms related records in a database, which allows reporting by tenant and area. The following matters were identified:</p> <ul style="list-style-type: none"> The database used for County Farms records, and the mapping system, are currently unsupported by the Council's ICT team (the database requires Windows 7 whereas the Council's standard laptops are Windows 8). The Technical Officer therefore uses a Council laptop which has not been upgraded. The Technical Officer is the only team member able to update the database and produce reports (which he exports to Excel for colleagues). The Technical Officer manually backs up the laptop every night. The Technical Officer transferred to the County Farms team from Norfolk Property Services (who previously managed part of the County Farms estate). For several months after the transfer the Technical Officer used his personal computer for the management of the County Farms databases due to the absence of appropriate systems at the Council. It has not been possible to obtain assurance that all data relating to the management of the County Farms estate has been forensically wiped from the Technical Officer's private computer. <p>Officers have commenced the procurement of a replacement property management system.</p> <p>The following risks arise from the above:</p> <ul style="list-style-type: none"> Business Continuity - records are only accessible by one officer from one machine which uses unsupported technology and has not been upgraded in line with other Council equipment. Data protection - Use of a private laptop for Council business may lead to a breach of the Council's data protection policy and increases the risk of financial penalty if the Council were found to have breached the requirements of the Data Protection Act. 	High	<ul style="list-style-type: none"> a) Determine business continuity arrangements for management of the County Farms estate. b) Implement a suitable property management system, which is integrated with other Council corporate systems as appropriate, and determine appropriate user access arrangements for team members. c) Upgrade the Technical Officer's work laptop in line with other corporate systems. d) Obtain assurance that all data relating to the management of the County Farms estate has been forensically cleared from the Technical Officer's personal equipment.
MANAGEMENT RESPONSE			RESPONSIBILITY AND IMPLEMENTATION DATE
<p><i>Management response, responsible officer and implementation date to be provided by Council officers.</i></p> <p><i>Management responses presented outside of this report have not been subject to review or agreement by BDO.</i></p>			<p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>

DETAILED FINDINGS AND RECOMMENDATIONS

Risk: Governance and Transparency			
Ref.	Finding	Sig.	Recommendation
3	<p>The Governance and Lines of Enquiry audit reports issued in April 2016 raised governance recommendations relating to the clarity of, and compliance with, the Constitution in relation to the management of County Farms, business planning and reporting of County Farms matters to chief officers and members, budget monitoring and publication of County Farms data.</p> <p>The format and content of reports (to update members and chief officers on County Farm matters) have not yet been defined or written, but will include a Business Plan and Annual Report, both to be prepared by the Head of Property (Interim). The format and content of reports to update Members on County Farms matters (such as statistics, performance monitoring, tenant compliance with tenancy requirements, income and collection, learning from complaints etc) has not yet been determined or implemented.</p> <p>Proposals for a Property Committee have since been considered by the Policy and Resources and Economic Development Sub Committees, and are pending review by the Constitution Advisory Group before being submitted back to the Policy and Resources Committee.</p> <p>Resolution of the governance arrangements and a move to a permanent structure within the County Farms team will enable embedding of planned improvements and good practice.</p>	Med	<p>a) Establish and implement permanent governance and reporting arrangements for County Farms.</p> <p>b) Determine the format of reports to members and chief officers on County Farms matters. These should include statistics, performance monitoring, tenant compliance with tenancy requirements, income collection and learning from complaints.</p>
MANAGEMENT RESPONSE		RESPONSIBILITY AND IMPLEMENTATION DATE	
<p><i>Management response, responsible officer and implementation date to be provided by Council officers.</i></p> <p><i>Management responses presented outside of this report have not been subject to review or agreement by BDO.</i></p>		<p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>	

DETAILED FINDINGS AND RECOMMENDATIONS

Risk: Tender Procedures			
Ref.	Finding	Sig.	Recommendation
4	<p>New procedures covering end of tenancy, lease renewal, new lease creation, new leases and tenant selection criteria have been approved. Whilst these do not define tender opening protocols, officers stated that the Council’s corporate tendering protocols define these requirements and are applied to County Farms tenders.</p> <p>One County Farms tender opening was undertaken on 30 September 2016. A review of the tender opening documentation identified that 3 people were present and the date and time of opening were recorded. The tender record for this tender opening was only signed by one of those present, and additional unused lines (for recording further tenders) had not been crossed through.</p> <p>Failure to document tender opening procedures in accordance with corporate procedures may expose related tendering decisions to challenge.</p>	Med	<p>a) All officers present at tender opening to sign tender record to acknowledge presence at the opening and agreement of the records produced of opening.</p> <p>b) Cross through unused lines on the tender record.</p>
MANAGEMENT RESPONSE		RESPONSIBILITY AND IMPLEMENTATION DATE	
<p><i>Management response, responsible officer and implementation date to be provided by Council officers.</i></p> <p><i>Management responses presented outside of this report have not been subject to review or agreement by BDO.</i></p>		<p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>	

DETAILED FINDINGS AND RECOMMENDATIONS

Risk: Collection of Overdue rent			
Ref.	Finding	Sig.	Recommendation
5	<p>Rents due from tenants are manually recorded on a spreadsheet by the Technical Officer. Payments are also manually recorded on the spreadsheet once identified in the Council's ledger. There is no reconciliation between payments recorded on the Oracle system and the spreadsheet maintained by the Technical Officer.</p> <p>All debts associated with County Farms tenants are recorded on the Oracle system. Whilst the Council has a credit control team to manage debts, this team does not follow corporate procedures for the recovery of County Farms debts as payment periods are defined by tenancy legislation (some tenancies allow 3 months for payment).</p> <p>The credit control team will only act to pursue collection when instructed to do so by the Technical Officer. Collection of rents due is therefore reliant on the manual processes undertaken by the Technical Officer.</p> <p>The new procedures seek to ensure that the production of invoices and the payment due date corresponds with the due date according to legislation and tenancy type. However, manual transfer of information between the Technical Officer and the credit control team increases the risk that payments due will not be collected in a timely fashion.</p>	Med	<p>a) Investigate options for integration of the new property management system with the Council's credit control function for the collection and recovery of County Farms debt, including automation of collection activity in accordance with protocols provided by tenancy legislation and subject to County Farms officers serving the relevant notices to ensure that they are valid and enforceable.</p> <p>b) Perform regular reconciliations between the payments system and County Farms records of payments received.</p>
MANAGEMENT RESPONSE		RESPONSIBILITY AND IMPLEMENTATION DATE	
<p><i>Management response, responsible officer and implementation date to be provided by Council officers.</i></p> <p><i>Management responses presented outside of this report have not been subject to review or agreement by BDO.</i></p>		<p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>	

DETAILED FINDINGS AND RECOMMENDATIONS

Risk: Conflicts of Interest			
Ref.	Finding	Sig.	Recommendation
6	<p>The Council’s Corporate Conflicts of Interest protocols apply to all members and staff.</p> <p>There is an opportunity to clarify conflicts of interest in the County Farms environment to ensure that all officers are aware of their responsibilities.</p> <p>A lack of awareness of the requirements associated with conflicts of interest increases the risk that relevant interests are not documented and taken into account when making key decisions relation to the County Farms estate.</p>	Low	Embed conflicts of interest as a standing item on the County Farms monthly team meeting agenda to ensure officers are reminded of their responsibilities.
MANAGEMENT RESPONSE		RESPONSIBILITY AND IMPLEMENTATION DATE	
<p><i>Management response, responsible officer and implementation date to be provided by Council officers.</i></p> <p><i>Management responses presented outside of this report have not been subject to review or agreement by BDO.</i></p>		<p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>	

DETAILED FINDINGS AND RECOMMENDATIONS

Risk: Learning from complaints			
Ref.	Finding	Sig.	Recommendation
7	<p>A new Complaints procedure has been approved. This includes notifying both the Head of Property (Interim) and the Council’s Comments and Complaints Team that a complaint has been received and defines the process in accordance with the Council’s corporate complaints handling procedure.</p> <p>We were provided with a complaints listing by the County Farms team. This identified three complaints received in June and July 2016, and none since, but it is not clear whether these have been dealt with in accordance with corporate protocols or whether no other complaints were received since this record was produced.</p> <p>There is no evidence of learning from comments or complaints.</p>	Low	Periodically review comments and complaints to identify learning opportunities.
MANAGEMENT RESPONSE			RESPONSIBILITY AND IMPLEMENTATION DATE
<p><i>Management response, responsible officer and implementation date to be provided by Council officers.</i></p> <p><i>Management responses presented outside of this report have not been subject to review or agreement by BDO.</i></p>			<p><i>Responsible Officer:</i></p> <p><i>Implementation Date:</i></p>

APPENDIX I - Implementation of Recommendations From April 2016 Internal Audit Report on Governance

The recommendations in the table below are extracted from the County Farms Governance Audit Report presented to the Economic Development Sub-committee on 6 September 2016 as Annex B to agenda item 6 ('County Farms').

This report is publically available on Norfolk County Council's website.

April 2016 Audit Report Recommendation	Summary Progress	Status
<p>7.1 Clarity of the Constitution in relation to County Farms governance</p> <p>To resolve the present duplication in decision making that the Council is asked to consider, in accordance with the Council's provisions for changes to the Constitution:</p> <ul style="list-style-type: none"> • Placing of County Farms functions of decision making with the Policy and Resources Committee; and • should it be decided to continue with the County Farms Advisory Board the role should be of scrutiny of operational decisions, reporting back to Policy and Resources Committee, as part of an annual review and make required recommendations <p>Any changes to the Constitution should trigger changes in the procedures that support it.</p> <p>The Managing Director to review (in consultation with the Executive Director of Finance) how the Council's functions relating to County Farms are exercised, including the selection of tenants, the allocations of County Farms assets and estate strategies and to make recommendations to the Policy and Resources Committee.</p>	<p>In progress</p> <p>Alternative proposals (for a Property Committee) have been considered by the Policy and Resources and Economic Development Sub Committees, and are pending review by the Constitution Advisory Group.</p> <p>Constitutional arrangements currently remain as they were at the date of the previous Governance and Line of Enquiry audits until such time as Members determine alternative arrangements.</p>	

APPENDIX I - Implementation of Recommendations From April 2016 Internal Audit Report on Governance

April 2016 Audit Report Recommendation	Summary Progress	Status
<p>7.2 Constitutional compliance</p> <ul style="list-style-type: none"> The decisions of the Managing Director in relation to the County Farms function to be reported to the Policy and Resources Committee. The governance processes agreed for County Farms need to be reported by the Executive Director of Finance to the relevant Committee. A report with recommendations should be prepared by the Executive Director of Finance and presented to the relevant Committee. Before an offer is made to a prospective County Farm tenant, leases to be approved in accordance with the Constitution, for the avoidance of doubt, this will mean that Members no longer have a direct role in the selection of tenants. The Head of Law should obtain appropriate advice and review relevant documentation to ensure that agreed criteria have been met. 	<p>In progress</p> <p>See 7.1 above. New Constitutional arrangements are to be determined.</p> <p>Revised procedures, which include processes for approval of leases, have been prepared and approved by the Head of Property (Interim).</p> <p>Members have elected to continue to make decisions on tenant selection, although this is subject to prior approval by the Head of Service (and Head of Service direct approval where allowed through delegated authority).</p>	

APPENDIX I - Implementation of Recommendations From April 2016 Internal Audit Report on Governance

April 2016 Audit Report Recommendation	Summary Progress	Status
<p>7.3 Professional officer advice</p> <ul style="list-style-type: none"> • The Executive Director of Finance should ensure that appropriate professional advice is maintained. • Clear executive advice should be agreed and recorded where the Managing Director delegates certain duties to the Executive Director of Finance and the Head of Law for legal property contract matters. • Once the Constitutional position has been confirmed the Managing Director’s role and authority for County Farms, as included in the Financial Regulations and then the Hierarchy of Decisions for Property Procedures should be clarified. • The Business Plan for 2016-17 should be completed timely by the Head of Property (Interim) and reported to the appropriate Committee. • The details of interim changes required (pending any Constitutional changes) for the Hierarchy of decision making on property matters procedures (June 2014) have been reported to the Head of Property (Interim) and these should be actioned timely. • Any ‘interim’ Hierarchy of decision making on property matters procedures should be approved by the Executive Director of Finance. 	<p>In progress</p> <p>As noted above against recommendation 7.2, only tenants approved by the Head of Service are put forward for Member consideration.</p> <p>Constitutional arrangements are yet to be confirmed, and a permanent staffing structure has not yet been fully recruited to.</p> <p>The Annual Report is in draft awaiting senior management approval. Officers have confirmed that the County Farms Business Plan will be prepared once the strategy for County Farms is agreed.</p> <p>The Head of Property (Interim) advised that the County Farms Business Plan would be presented to the Economic Development Sub Committee in 2017 (although this is not specifically stated on the work plan for that Committee).</p> <p>The Head of Property (Interim) is involved in decision making and current leases have been extended pending finalisation of governance arrangements.</p>	<p></p>

APPENDIX I - Implementation of Recommendations From April 2016 Internal Audit Report on Governance

April 2016 Audit Report Recommendation	Summary Progress	Status
<p>7.4 Policy & Procedures</p> <ul style="list-style-type: none"> The County Farms Policy and procedures need to be fully reviewed and approved by the relevant Committee. Criteria, arrangements and reporting for the promotion of tenants to larger farms need to be strengthened. 	<p>In progress</p> <p>Revised procedures, which include processes for approval of leases, have been prepared and approved by the Head of Property (Interim).</p> <p>Procedures for promotion of tenants to larger farms have not yet been drafted.</p>	
<p>7.5 Reporting</p> <p>Consideration should be given by the Managing Director (in consultation with the Executive Director of Finance) to:</p> <ul style="list-style-type: none"> Reporting being strengthened by an Annual County Farms Plan, with accountable officers and timescales identified, authored by the Executive Director of Finance. A County Farms Annual Report be prepared and presented by officers to the relevant Committee, authored by the Executive Director of Finance. 	<p>In progress</p> <p>The Annual County Farms Plan and the Annual Report are currently being drafted. We understand that there is an intention to prepare these for presentation to the Economic Development Sub Committee in early 2017.</p>	
<p>7.6 Terms of Reference of the County Farms Advisory Board (CFAB)</p> <ul style="list-style-type: none"> As per 7.2. A report with recommendations should be prepared by the Executive Director of Finance and presented to the relevant Committee. 	<p>In progress</p> <p>Revised procedures have been drafted which clarify arrangements for selection of tenants and these procedures have been approved by the Head of Property (Interim).</p> <p>As per progress noted against 7.2 above, members will continue to participate in tenant selection but anticipate governance arrangements and transparency will be improved under new arrangements to be introduced.</p>	

APPENDIX I - Implementation of Recommendations From April 2016 Internal Audit Report on Governance

April 2016 Audit Report Recommendation	Summary Progress	Status
<p>7.7 Allocating Holdings</p> <ul style="list-style-type: none"> As per 7.2. A report with recommendations should be prepared by the Executive Director of Finance and presented to the relevant Committee. Details should be entered into the Farm Re- Letting Policy regarding the process criteria and authorisation for allocating holdings, not open competitively. 	<p>Implemented</p> <p>The updated policy has now been approved by the Head of Property (Interim), although there has not been an opportunity to apply this in practice at time of writing.</p>	<p>Completed</p>
<p>7.8 Role of the County Farms Advisory Board</p> <p>The Executive Director of Finance should ensure Members and Officers are made aware of their roles and responsibilities, especially regarding decision making under the Constitution.</p>	<p>Implemented</p> <p>The Executive Director, Finance and Commercial Services has spent time briefing Members and he attends the County Farms Advisory Board.</p> <p>Revised governance arrangements, including the introduction of a Property and Business Committee, have been drafted and are currently being approved in accordance with the Council's Constitution.</p>	<p>Completed</p>
<p>7.9 Interviewing and Selecting Tenants</p> <ul style="list-style-type: none"> As per 7.2. A report with recommendations should be prepared by the Managing Director and presented to the relevant Committee. All relevant forms should be completed accurately, with all details and reasons for decisions included. The interviewers name should be clearly stated along with who the Chairman of the interview was. 	<p>In progress</p> <p>Revised procedures documenting the processes to be followed in relation to end of tenancy, lease renewal, new lease creation and tenant selection have now been approved by the Head of Property (Interim).</p> <p>However, there have been no open market lettings since approval of the revised procedures as all existing tenancies have been extended pending implementation of revised governance arrangements. As such, there has been no opportunity to implement the revised procedures.</p>	<p>In Progress</p>

APPENDIX I - Implementation of Recommendations From April 2016 Internal Audit Report on Governance

April 2016 Audit Report Recommendation	Summary Progress	Status
<p>7.10 Policy Framework and Guidance</p> <ul style="list-style-type: none"> The Head of Property (Interim) ensures The ‘Guide for prospective tenants’ is up dated to reflect the current policy and practices and that this is approved by the Policy and Resources Committee. Then all tenants are made aware of the up to date Council policy framework. As part of the re-letting process tenants are asked to link their application to policy. 	<p>Not implemented</p> <p>We understand the policy framework will become a FAQ section within a revamped County Farms webpage, including an application form and an example tenancy agreement, and that the initial draft prepared will be reviewed once a strategic review of the estate has been completed.</p> <p>As new procedures have only been recently approved, they have not yet been notified to tenants.</p>	<p>Not implemented</p>
<p>7.11 Tender process</p> <ul style="list-style-type: none"> The Head of Property (Interim) should ensure two people involved in the tender opening and shortlisting process. The date and time tenders are received should be recorded. 	<p>Implemented</p> <p>The Council’s corporate protocols define these requirements and are applied to County Farms tenders. One County Farms tender opening was undertaken on 30 September 2016, 3 people were present and the date and time of opening were recorded.</p> <p>We have raised a recommendation regarding an opportunity to improve the documentation of the tender opening process (see finding 4).</p>	<p>Implemented</p>
<p>7.12 Monitoring</p> <ul style="list-style-type: none"> A regular monitoring system should be set up by the Head of Property (Interim) to ensure tenants are fully complying with their Farm Business Tenancies. If it is found that a tenant is acting outside of their agreement then the relevant Committee should be advised and the Managing Director should decide upon a course of action to be taken, in line with the County farms Policy. 	<p>In progress</p> <p>The new Lease Compliance and Dilapidations procedure requires that all holdings be visited every six months. This procedure has now been approved and we understand from officers that an inspection regime will be prepared for the whole estate following the induction of the new Rural Surveyor, who starts in March 2017.</p>	<p>In progress</p>

APPENDIX I - Implementation of Recommendations From April 2016 Internal Audit Report on Governance

April 2016 Audit Report Recommendation	Summary Progress	Status
<p>7.13 Complaints</p> <ul style="list-style-type: none"> The Head of Property (Interim) should introduce a system for collating the number, nature and outcomes of complaints to ensure a full understanding about areas of complaint are known. The performance and outcomes should be reported to the relevant Committee as part of the Annual Report and integrated into the Council's Compliments and Complaints process. 	<p>In progress</p> <p>The draft County Farms complaints procedure (which complements, rather than replaces, the Council's corporate complaints policy) has been approved by the Head of Property (Interim).</p> <p>The complaints listing provided by the County Farms team identifies three complaints received in June and July 2016 and none since. It is not clear whether these have been dealt with in accordance with corporate protocols, or whether no other complaints were received since this record was produced.</p> <p>The Annual Report has not yet been produced.</p>	<p>Yellow</p>
<p>7.14 Conflicts of Interest</p> <ul style="list-style-type: none"> Conflicts of interest should be formally recorded and the Head of Service advised. Members or employees with a conflict of interest should withdraw from decisions relevant to their declared interest. 	<p>Implemented</p> <p>The Council's Corporate Conflicts of Interest protocols apply to all Members and staff.</p> <p>We have raised a recommendation regarding an opportunity to improve the documentation of the tender opening process (see finding 9).</p>	<p>Green</p>
<p>7.15 Procedures</p> <ul style="list-style-type: none"> The Head of Property (Interim) should decide which procedures are appropriate for the effective running and management of the County Farms. These should be up dated to reflect current practice, approved by the relevant Committee and circulated to the relevant staff. Compliance with the procedures should be reported to the relevant Committee. 	<p>In progress</p> <p>Revised procedures have been approved by the Head of Property (Interim) and are currently being embedded in the day to day operations of the County Farms team.</p> <p>As noted elsewhere in the report, arrangements relating to the governance of County Farms are being finalised, including those relating to reporting compliance with procedures.</p>	<p>Yellow</p>



APPENDIX I - Implementation of Recommendations From April 2016 Internal Audit Report on Governance

April 2016 Audit Report Recommendation	Summary Progress	Status
<p>7.16 Sub Letting Policy Monitoring</p> <ul style="list-style-type: none"> A clear unambiguous policy is required. The County farms Sub Letting Policy needs to be fully reviewed by the Head of Property (Interim) (interim) and approved by the relevant Committee. Compliance with the procedures should be reported to the relevant Committee. 	<p>In progress</p> <p>A revised Tenancy agreement approved by NP Law states:</p> <p style="text-align: center;"><i>Not to assign, sublet, charge, part with or share possession or occupation of the Holding nor to enter into any contract farming agreement, share farming agreement, cropping licence or otherwise in relation to the Holding nor have on the Holding third party livestock</i></p> <p>The above will be applied to new tenancies (all existing tenancies have been extended pending implementation of all changes to County Farms governance arrangements).</p>	
<p>7.17 Exceptions</p> <ul style="list-style-type: none"> Staff should be reminded by the Head of Property (Interim) that any errors or exceptions from procedures that are identified should be logged, reported and investigated. Staff should be reminded of the requirements of the Council's Customer Care Standards. 	<p>In progress</p> <p>We understand that exceptions are to be treated as complaints. A County Farms complaints procedure has been approved by the Head of Property (Interim).</p> <p>The County Farms Manager advised that he will remind staff of Customer Care Standards at the December 2016 team meeting.</p>	
<p>7.18 Good Practice Guidance</p> <p>The Head of Property (Interim) should consider the guidance and develop an action plan to be approved by the relevant Committee.</p>	<p>In progress</p> <p>We understand that the Association of Chief Estates Surveyors (ACES) Good Practice Guidance will be referenced in the Business Plan (which is currently being drafted) and will form the basis of an strategic review of the estate, to include tenant engagement.</p>	

APPENDIX II - Implementation of Recommendations From April 2016 Lines of Enquiry Report

The recommendations in the table below are extracted from the County Farms Lines of Enquiry Report presented to the Economic Development Sub-committee on 6 September 2016 as Annex C to agenda item 6 ('County Farms').

This report is publically available on Norfolk County Council's website.

April 2016 Audit Report Recommendation	Summary Progress	Status
<p>6.1 Farm Business Tenancy Contracts (fit for purpose & enforced)</p> <ul style="list-style-type: none"> The Farm Business Tenancy Contracts need to be fit for purpose, complete and compliance should be strictly enforced. It was noted that Cambridgeshire CC has a stronger Farm Tenancy Agreement Template which addresses this issue. 	<p>In progress</p> <p>Farm Business Tenancy (FBT) contracts were updated using the Burgess Salmon (rural legal specialists) suite and included clauses used by Cambridgeshire County Council. These were approved by NP Law.</p> <p>Enforcement is not currently undertaken as new processes have not yet been embedded.</p>	
<p>6.2 Farm Business Tenancy Conditions of Use of land</p> <ul style="list-style-type: none"> Farm Business Tenancy Conditions should be transparent. To avoid applicants wasting time it is recommended that if rearing pigs is likely to be a barrier to any application a note should be included in the advert to say words to the effect, 'if you are considering non arable farming you are advised to contact the County farms Team for advice regarding your proposed business model'. 	<p>Not implemented</p> <p>Farm Business Tenancy Conditions are included in the Burgess Salmon suite approved by NP Law (see 6.1 above).</p> <p>Officers have confirmed that there is no intention to include information relating to the possible use of farms in future adverts. Officers are of the view that it is for applicants to prepare a proposal for the holding and that it is not appropriate for the Council to limit the potential market.</p>	

APPENDIX II - Implementation of Recommendations From April 2016 Lines of Enquiry Report

April 2016 Audit Report Recommendation	Summary Progress	Status
<p>6.3 Farm Business Tenancy Conditions Development of Land / Buildings</p> <ul style="list-style-type: none"> • Farm Business Tenancy conditions should clearly set out all expectations and then be enforced. • Longer term tenancies (10-15 years) can stifle turnover, but it is recognised that this must be balanced against development of farmer’s businesses. • Used positively renewals also offer a potent check on tenant compliance and delivery of any development set out in an application. 	<p>In progress</p> <p>New tenancy agreement templates have been prepared but there have not been any new tenancies awarded since the introduction of the new templates.</p> <p>We understand that consideration of longer term tenancies and development of farmers’ businesses is determined through the Estate Strategy. Such a strategy is in place but requires updating.</p>	
<p>6.4 Farm Business Tenancy Conditions - Enforcement</p> <ul style="list-style-type: none"> • Commercial Tenancy propositions should be approved by the Policy and Resources Committee. • Farm Business Tenancy conditions should be enforced. • Site visits should include consideration of whether planning approvals may be required for activity/development and if required that they are obtained timely. 	<p>In progress</p> <p>The new Lease Compliance and Dilapidations Procedure has been approved by the Head of Property (Interim) but has yet to be embedded in the day to day operations of the County Farms team.</p> <p>We understand that officers in the County Farms team are appropriately qualified to be able to ensure conditions are met.</p>	
<p>6.5 Commercial Tenancy Propositions approval by Policy & Resources Committee</p> <ul style="list-style-type: none"> • Commercial Tenancy propositions should be approved by the Policy and Resources Committee. • Farm Business Tenancy conditions should be enforced. • Site visits should include consideration of whether planning approvals may be required for activity/development and if required that they are obtained timely. 	<p>In progress</p> <p>Governance arrangements have not yet been finalised and implemented.</p> <p>A new tenancy agreement has been prepared but not yet implemented.</p> <p>Site visits are currently only reactive and a programme of monitoring has not yet been determined.</p>	

APPENDIX II - Implementation of Recommendations From April 2016 Lines of Enquiry Report

April 2016 Audit Report Recommendation	Summary Progress	Status
<p>6.6 Fit for purpose and transparent Estate Management Procedures - Interview selection criteria</p> <ul style="list-style-type: none"> Fit for purpose and transparent Estate Management Procedures to be defined, approved and published. 	<p>In progress</p> <p>Tenant selection criteria have been determined but are in draft form and have not yet been submitted for approval. The scoring sheet has not yet been revised to reflect the updated tenant selection criteria.</p> <p>The new draft procedures require a Head of Service approval of prospective tenants before details are submitted for member approval.</p>	
<p>6.7 Fit for Purpose and Transparent estate management procedures - defined, approved and published - strengthen transparency</p> <ul style="list-style-type: none"> The names and acreage holdings of County Farm land (but not the rental value) should be made public, to ensure transparency 	<p>In progress</p> <p>The final draft of this data is with senior officers for approval prior to publication.</p>	
<p>6.8 Fit for purpose and transparent estate management procedures - strengthen lettings administration procedures</p> <ul style="list-style-type: none"> Letters of correction should be sent to the relevant applicants with an apology. 	<p>Not implemented</p> <p>Officers have decided not to issue any letters of correction as all specific complaints have been responded to on a case by case basis.</p> <p>Should any further complaints arise regarding unsuccessful applications, they will be managed in accordance with the approved County Farms complaints procedure.</p>	
<p>6.9 Fit for purpose and transparent estate management procedures - records retention to be compliant</p> <ul style="list-style-type: none"> Lettings scores records should be retained for the appropriate retention period. 	<p>In progress</p> <p>The County Farms team are required to follow existing corporate retention policies, which are made available to all staff via the Council's intranet.</p> <p>Officers have confirmed that the County Farms team will be reminded of document retention policies via future monthly team meetings.</p>	

APPENDIX II - Implementation of Recommendations From April 2016 Lines of Enquiry Report

April 2016 Audit Report Recommendation	Summary Progress	Status
<p>6.10 Fit for purpose and transparent estate management procedures - Farm House Dwelling sub letting</p> <ul style="list-style-type: none"> Fit for purpose and transparent Estate Management Procedures are defined, approved and published. 	<p>In progress</p> <p>Revised procedures have now been approved by the Head of Property (Interim).</p> <p>As the procedures have only been recently approved (25 November 2016) they are yet to be fully embedded in the day-to-day operations of the County Farms team.</p>	
<p>6.11 Fit for purpose and transparent estate management procedures - tenant promotion controls</p> <ul style="list-style-type: none"> Fit for purpose and transparent Estate Management Procedures are defined, approved and published. 	<p>In progress</p> <p>Revised procedures have now been approved by the Head of Property (Interim).</p> <p>As the procedures have only been recently approved (25 November 2016) they are yet to be fully embedded in the day-to-day operations of the County Farms team.</p>	
<p>6.12 Fit for purpose and transparent estate management procedures - conflict of interest declarations</p> <ul style="list-style-type: none"> Fit for purpose and transparent Estate Management Procedures are defined, approved and published. 	<p>Implemented</p> <p>The Council's Corporate Conflicts of Interest protocols apply to all Members and staff. See Appendix I, recommendation 7.14.</p>	
<p>6.13 Fit for purpose and transparent estate management procedures - Multiple Farm Holdings controls need strengthening</p> <ul style="list-style-type: none"> Fit for purpose and transparent Estate Management Procedures are defined, approved and published. 	<p>In progress</p> <p>Revised procedures have now been approved by the Head of Property (Interim).</p> <p>As the procedures have only been recently approved (25 November 2016) they are yet to be fully embedded in the day-to-day operations of the County Farms team.</p>	

APPENDIX II - Implementation of Recommendations From April 2016 Lines of Enquiry Report

April 2016 Audit Report Recommendation	Summary Progress	Status
<p>6.14 Fit for purpose and transparent estate management procedures - Multiple Farm Holdings controls need strengthening - Customer Care standards need strengthening</p> <ul style="list-style-type: none"> • Fit for purpose and transparent Estate Management Procedures are defined, approved and published. • The County Farms team should be reminded of the Corporate standards for customer care and handling complaints. • Complaints to Members should be passed to the County farms Team for resolution. • Positive tenant participation should be actively encouraged. 	<p>In progress</p> <p>A Communications plan has not been agreed. However, the County farms Team and the Executive Director have hosted two well attended farmer association meetings, published a County Farms newsletter, refreshed a Facebook Page and a Tenants meeting is booked for March 2017 at County Hall.</p> <p>The County Farms team have not yet been reminded of corporate customer care standards. The County Farms Manager has scheduled this for the December 2016 team meeting.</p> <p>The newly approved Estates Management procedures include acknowledgement of complaints, investigation, and response to complainant.</p>	
<p>6.15 Fit for purpose and transparent estate management procedures - site visits to ensure FBT conditions met need strengthening</p> <ul style="list-style-type: none"> • Fit for purpose and transparent Estate Management Procedures are defined, approved and published. 	<p>In progress</p> <p>The revised Lease Compliance and Dilapidations Procedure schedules six monthly routine inspections for equipped properties and annual inspections for bare land farms. It requires a written record of inspection and follow up action. The policy has been approved but not yet implemented (currently site inspections are only on a reactive basis).</p>	

APPENDIX II - Implementation of Recommendations From April 2016 Internal Audit Lines of Enquiry Report

April 2016 Audit Report Recommendation	Summary Progress	Status
<p>6.16 Fit for purpose and transparent estate management procedures - Transparency and Accountability</p> <ul style="list-style-type: none"> • Fit for purpose and transparent Estate Management Procedures are defined, approved and published. • Where it is possible there should be full transparency in the use of the asset, decisions made. • financial reporting and of complaints that have been received and their resolution. • An Annual Report should be presented to Members. 	<p>In progress</p> <p>Revised procedures have now been approved by the Head of Property (Interim).</p> <p>As the procedures have only been recently approved (25 November 2016) they are yet to be fully embedded in the day-to-day operations of the County Farms team.</p>	
<p>6.17 Checks and Balances are not adequate - Leadership, Expertise and Resources need strengthening</p> <ul style="list-style-type: none"> • An appropriate corporate culture should ensure strong leadership, expertise and adequate resources are deployed to maintain and develop the County Farms service. • County Farms has a policy. 	<p>In progress</p> <p>The new team and Committee structure is subject to ongoing approval as required by the Council's Constitution and therefore not yet in place.</p> <p>Revised procedures have now been approved by the Head of Property (Interim).</p> <p>As the procedures have only been recently approved (25 November 2016) they are yet to be fully embedded in the day-to-day operations of the County Farms team.</p>	

Appendix II - Implementation of Recommendations From April 2016 Internal Audit Lines of Enquiry Report

April 2016 Audit Report Recommendation	Summary Progress	Status
<p>6.18 Checks and Balances are not adequate - Approval of Expenditure needs strengthening</p> <ul style="list-style-type: none"> The capital expenditure checks and approval for County Farms need to be improved to ensure transparency and accountability. 	<p>In progress</p> <p>We understand the current budget was prepared on the basis of the previous year's budget rolled forward. The County Farms Manager advised that a full review of the land and property assets will need to be completed to determine required repairs and capital works which must then be costed before the true capital budget requirements can be determined.</p> <p>The Council has a 'Budget manager' system monitoring procedure that all Budget Holders are expected to follow. Officers have confirmed that the Estates Manager will be trained on that system.</p>	

APPENDIX III - Review of Key Control Areas

We have undertaken a review of each of the control areas identified in the table below. We have considered control design and the extent to which key controls have been implemented. Our findings are reported below.

Control Area	Findings	Risk Status
Maintenance of County Farms Records	<p>The Technical Officer maintains County Farms related records in a database, which allows reporting by tenant and area. The following matters were identified:</p> <ul style="list-style-type: none"> • The database used for County Farms records, and the mapping system, are currently unsupported by the Council's ICT team (the database requires Windows 7 whereas the Council's standard laptops are Windows 8). The Technical Officer therefore uses a Council laptop which has not been upgraded. • The Technical Officer is the only team member able to update the database and produce reports (which he exports to Excel for colleagues). The Technical Officer manually backs up the laptop every night. • The Technical Officer transferred to the County Farms team from Norfolk Property Services (who previously managed part of the County Farms estate). For several months after the transfer the Technical Officer used his personal computer for the management of the County Farms databases due to the absence of appropriate systems at the Council. It has not been possible to obtain assurance that all data relating to the management of the County Farms estate has been forensically wiped from the Technical Officer's private computer. <p>Officers have commenced the procurement of a replacement property management system.</p> <p>The following risks arise from the above:</p> <ul style="list-style-type: none"> • Business Continuity - records are only accessible by one officer from one machine which uses unsupported technology and has not been upgraded in line with other Council equipment. • Data protection - Use of a private laptop for Council business may lead to a breach of the Council's data protection policy and increases the risk of financial penalty if the Council were found to have breached the requirements of the Data Protection Act. 	
Tendering and the Setting Up of Farm Businesses <ul style="list-style-type: none"> • Policy for selection & offering of tenancies • Opening and assessment of tenders • Records of tender opening 	<p>Draft Tenant Selection Criteria have been prepared but not yet submitted for approval. The scoring sheet has not yet been updated to reflect proposed new procedures and tenant selection criteria.</p> <p>Revised estate management procedures have now been approved by the Head of Property (Interim).</p> <p>Current tenancies have been extended, therefore no new tenancies are expected until October 2017. There has however been one Farm Business Tenancy tender exercise in September 2016 - the Technical Officer prepared a record indicating 3 people were present at the tender opening (see also Appendix I, recommendation 7.11 and finding 4).</p>	

APPENDIX III - Review of Key Control Areas

Control Area	Findings	Risk Status
<p>Acquisition and Disposal of Land and Property</p> <ul style="list-style-type: none"> • Clear approved policy on acquisition and disposal • Authorisation • Update of Asset Register 	<p>The new acquisition and disposal processes, as approved by the Head of Property (Interim) include the approval requirements for such transactions and the process to be followed when updating the property management and geographic information systems following a purchase or sale.</p> <p>Where appropriate, NPS (a wholly owned company of the Council) are used to manage acquisitions or disposals. The service to be provided by NPS is defined using the 'Record of Commissioning' template in accordance with Council policy.</p> <p>The asset register is updated for acquisitions and disposals of County Farms estate in accordance with Council policy.</p>	
<p>Setting and Collection of Rents</p> <ul style="list-style-type: none"> • Clear and approved policy • Separation of duties between negotiating and collecting rent • Maintenance of payment and arrears records • Timely debt collection <p>Continued:</p>	<p>Valuations are undertaken by Land Agents at the time of rent review. Land Agents are also responsible for negotiating rents. Land Agents are appropriately qualified to enable effective assessment of value. The new Rent Review procedure, as approved by the Head of Property (Interim), defines the review process and includes approval from the Head of Service.</p> <p>The new Income Collection and Debt Management procedure defines processes for raising invoices, debt management (which includes identification of debtors and direction of action from the County Farms Manager) and service of notices according to tenancy type. We understand the timings within this procedure reflect what should be in place but are not currently in place. At the time of our review, the records maintained by the Technical Officer indicated 60.28% of rents had been collected (this reflects payments which were not due to be paid for another week).</p> <p>Rents due from tenants are manually recorded on a spreadsheet by the Technical Officer. Payments are also manually recorded on the spreadsheet once identified in the Council's ledger. There is no reconciliation between payments recorded on the Oracle system and the spreadsheet maintained by the Technical Officer.</p> <p>All debts associated with County Farm tenants are recorded on the Oracle system. Whilst the Council has a credit control team to manage debts, this team does not follow corporate procedures for the recovery of County Farms debts as payment periods are defined by tenancy legislation (some tenancies allow 3 months for payment).</p> <p>Continued:</p>	

APPENDIX III - Review of Key Control Areas

Control Area	Findings	Risk Status
Setting and Collection of Rents (continued)	<p>The Credit Control team will only act to pursue collection when instructed to do so by the Technical Officer. Collection of rents due is therefore reliant on the manual processes undertaken by the Technical Officer.</p> <p>The new procedures seek to ensure that the production of invoices and the payment due date corresponds with the due date according to legislation and tenancy type. However, manual transfer of information between the Technical Officer and the credit control team increases the risk that payments due will not be collected in a timely fashion (see finding 5).</p>	
Monitoring of Tenants is Carried Out to Ensure Compliance with Farm Business tenancies <ul style="list-style-type: none"> • Requirements are clearly defined and communicated • Records are maintained of compliance checks 	<p>A new tenancy agreement has been prepared and approved by NP Law. This identifies tenancy conditions but has not yet been applied to tenancies (new tenancies are not expected until October 2017).</p> <p>The new draft Lease Compliance and Dilapidations Procedure, as approved by the Head of Property (Interim) identifies requirements for inspections, recording inspections and service of notices as appropriate.</p> <p>The Technical Officer and Land Agents undertake reactive monitoring of tenants and they make file notes or save emails on the shared drive folder. There is not currently any programme or schedule of inspections for proactive monitoring of sites to ensure consistent compliance with tenancy conditions.</p> <p>We understand from officers that an inspection regime will be prepared for the whole estate following recruitment to the vacant rural surveyors post (see also Appendix I, recommendation 7.12).</p>	
Budget Monitoring <ul style="list-style-type: none"> • Approved budget • Budget responsibilities defined • Budget monitoring 	<p>The new draft Budget Management procedure states that the County Farms Manager will be trained as a Responsible Budget Officer (RBO) and will assume these responsibilities after training on the management of the capital and revenue budgets for the County Farms estate. This procedure is in draft, and has not yet been submitted for approval.</p> <p>In the interim, the County Farms Manager acts as RBO for County Farms budgets and reports to the Head of Property (Interim).</p> <p>The Corporate Budget monitoring process flow chart requires ongoing/ monthly checking of actuals by the Responsible Budget Officer and communication to Finance.</p>	
Continued:	Continued:	

APPENDIX III - Review of Key Control Areas

Control Area	Findings	Risk Status
Budget Monitoring	We understand the current budget was prepared on the basis of the previous year's budget rolled forward. The County Farms Manager advised that a full review of the land and property assets will need to be completed to determine required repairs and capital works which must then be costed before the true capital budget requirements can be determined (see also Appendix II, recommendation 6.18).	
Reporting process to the Executive Director of Finance and Members <ul style="list-style-type: none"> • Reporting protocols defined • Responsibility for production of reports 	<p>The new draft procedure on Reporting to the Executive Director of Finance and Members defines reporting for the purpose of decision making, with reports drafted by the County Farms estates officers. This procedure is in draft form and has not yet been submitted for approval.</p> <p>We understand that the format and content of other reports (to update Members and Chief officers) have not yet been defined or written but will include a Business Plan and Annual Report to be prepared by the Head of Property (Interim).</p> <p>The format and content of reports to update Members on County Farms matters (such as statistics, performance monitoring, tenant compliance with tenancy requirements, income and collection, learning from complaints etc) should be determined and implemented (see also finding 3).</p>	
Identification, Investigation, Action and reporting of Exceptions <ul style="list-style-type: none"> • Clear policy which has been communicated • Action taken in respect of exceptions 	<p>Officers advised that exceptions (ie departures from formal policies and procedures) arise as a result of the County Farms Team not following agreed protocols. Exceptions arising are treated as complaints and follow the Council's disciplinary protocols as appropriate. This is done in consultation with the Human Resources team and there have been no exceptions since the County Farms Governance Audit report was issued.</p> <p>The Lease Compliance and Dilapidations Procedure defines processes for monitoring of compliance with tenancy conditions, this procedure is in draft and has not yet been submitted for approval. As identified above, no proactive monitoring has yet been undertaken and no exceptions have yet been identified.</p>	

APPENDIX III - Review of Key Control Areas

Control Area	Findings	Risk Status
<p>Dealing with and Learning From Complaints, Including Assurance that Complaints are being Dealt With in a Timely and Transparent manner</p> <ul style="list-style-type: none"> • Complaints are recorded independently • Monitored to ensure timely response • Reviewed to identify learning opportunities 	<p>A new Complaints procedure has been approved. This includes notifying both the Head of Property (Interim) and the Council’s Comments and Complaints Team that a complaint has been received and defines the process in accordance with Council’s corporate complaints handling procedure.</p> <p>We were provided with a complaints listing by the County Farms team. This identified three complaints received in June and July 2016, and none since, but it is not clear whether these have been dealt with in accordance with corporate protocols, or whether no other complaints were received since this record was produced (see also Appendix I, recommendation 7.13).</p> <p>There is no evidence of learning from complaints (see finding 7).</p>	<p>High</p>
<p>Identification, Dealing with and Reporting Conflicts of Interest</p> <ul style="list-style-type: none"> • Policy requiring declaration of interests • Communicated • Evidence of interests being declared 	<p>The Council’s Corporate Conflicts of Interest protocols apply to all Members and staff. See also Appendix I, 7.14</p> <p>We were provided with an example of an interest being declared by a team member and escalated. Declaration of interests is a standing item on the County Farms Advisory Board agenda.</p>	<p>Low</p>

APPENDIX IV - County Farms Advisory Board Comments

We attended a meeting of the County Farms Advisory Board on 4 November 2016 to seek views in response to the following question:

Does the County Farms Advisory Board have any comments on the governance or management of the County Farms Estate, since the recommendations in the audit reports were first published in April 2016, that they wish this follow up audit to record?

County Farms Advisory Board meeting Held 4 November 2016, Norfolk County Council

Present:

Cllr. Ian Mackie (Chair), Cllr Adrian Dearnley, Cllr. Tony White
Barry Pryke and Angela Mitchell (BDO)

The Board Members commented as follows:

1. The CFAB has, prior to issue of the April 2016 audit reports, raised concerns about governance arrangements and staffing to support the operation of the County Farms function. There have now been positive moves, including the appointment of experienced interim officers, but the Council needs to now move towards permanent appointments.
2. There was previously a lack of clarity over governance arrangements. Reports proposing the Constitution of a Business and Property Committee have been considered by the Economic Development Sub Committee (9 September 2016) and Policy and Resources Committee (26 September 2016). They will now be considered by the Constitution Advisory Group with recommendations being made to a future Policy and Resources Committee. The CFAB are confident the proposals will lead to a better position and urge swift resolution of the governance arrangements.
3. The CFAB recognises that the significant income generation benefits of County Farms for Norfolk County Council are dependent upon effective and sustainable staffing and support structures as well as the Council maintaining the acreage (through retaining or purchasing land) allocated to Council Farms.
4. The CFAB consider Member involvement in tenant selection to be an important part of the process. They recognise the sensitive nature of the issues within their remit and are satisfied that appropriate protocols were in place to enable objective tenant selection and to provide transparency over the decision making process. Nevertheless the proposed improvements to the governance arrangements will enhance wider understanding of the protocols in place.

APPENDIX V - STAFF INTERVIEWED

NAME	JOB TITLE
Adrian Thompson	Chief Internal Auditor
Richard Porter	County Farms Manager
Hugo Mallaby	Consultant
Dinesh Kotecha	Head of Property (Interim)
Andrew Johnson	Technical Officer
Cllr. Ian Mackie	County Farms Advisory Board Chair
Cllr. Adrian Dearnley	County Farms Advisory Board member
Cllr. Tony White	County Farms Advisory Board member

BDO LLP appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and cooperation.

APPENDIX VI - DEFINITIONS

Recommendation Significance	
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

APPENDIX VII - NORFOLK AUDIT SERVICES TERMS OF REFERENCE

The Terms of Reference for this review were prepared by Norfolk Audit Services.

We have undertaken this review in accordance with the objectives and scope specified in the Terms of Reference prepared by Norfolk Audit Services.

BACKGROUND

The County Farms Governance Arrangements Follow Up Audit follows on from the audit work carried out in September 2015 around the Governance arrangements for the Council's County Farms and a Key Lines of Enquiry report.

Our opinion based on the evidence we saw as part of the audit was that governance for County Farms had Key issues that need to be addressed.

A second report covered the key lines of enquiry from a number of complaints that had been received. Findings were raised and an action plan agreed.

The reports were presented to the Audit Committee on 21 April 2016. The report stated that "the Executive Director of Finance will ensure that the action plan to implement this report's recommendations are completed timely". The reports were subsequently reported to the County Farms Advisory Board and then the Economic Development Sub-Committee. Recommendations concerning the governance of County Farms were agreed by the Sub-Committee at its meeting in September 2016.

The County Farms team have been working on the action plan arising from the audit recommendations. An officer led County Farms Improvement Board has been reviewing the progress with the action plan.

OBJECTIVES

The objectives are to provide the Executive Director of Finance with reasonable assurance that:

- Recommendations and agreed actions from the original audit have been implemented, where appropriate.
- Where recommendations have not yet been implemented, robust and realistic plans are in place that are capable of being monitored.
- Responsibilities for the management of County Farms are clearly set out and understood.
- A clear improvement strategy supported by clear processes and systems is in place and complied with for the following:
 - Tendering and the setting up of Farm Business Tenancies
 - Acquisition and disposal of land and property
 - Setting and collection of rents
 - Monitoring of tenants to ensure compliance with Farm Business Tenancies
 - Budget monitoring
 - Reporting process to the Executive Director of Finance and Members
 - Identification, investigation, action and reporting of exceptions
 - Dealing with and learning from complaints
 - Identification, dealing with and reporting conflicts of interest.

APPENDIX VI - NORFOLK AUDIT SERVICES TERMS OF REFERENCE

SCOPE OF REVIEW

Review the recommendations and action plan from the original audit and any subsequent decisions by Members. This will be achieved through discussions with:

- relevant members of staff
- County Farms Advisory Board Members, who will be offered the opportunity to contribute to this follow up audit.

Processes will be confirmed by audit testing of relevant Committee and Advisory Board meeting papers, policies and procedures, appropriate documentation, forms and guidance.

Review current or planned policies and procedures in operation from 1 October 2016 for the day to day running of County Farms. This will be achieved by carrying out a review of the strategy, procedures and processes involved in the tendering process, acquisitions and disposals, monitoring of tenants - compliance with rental agreements, rent setting and recovery, monitoring of income and expenditure, reporting processes, exceptions, dealing with complaints and identifying conflicts of interest and conducting a walkthrough of each to ensure processes are being carried out as expected.

EXCLUSIONS

The audit will not include any views on the decisions made by Members.

DELIVERABLES

The audit will be undertaken by BDO LLP and managed by Claire Bunn (Norfolk Audit Services).

The cost of assurance has been considered against the potential benefits and the audit has been allocated 12 days.

It is assumed that staff and management will be available as required and all documents will be made available to us in a timely manner.

A draft report will be issued to:

- Richard Porter - County Farms Manager
- Dinesh Kotecha , Assistant Director, Property (Interim)

APPENDIX VI - NORFOLK AUDIT SERVICES TERMS OF REFERENCE

DOCUMENTATION REQUEST


Audit Stage	Date
Start fieldwork	31 October 2016
Number of audit days planned	12
Issue Draft Report	14 November 2016
Issue Draft Final Report	21 November 2016
Approval of Draft Final Report (including confirmation of adequate scope)	28 November 2016
Issue Final Report	5 December 2016
Audit Committee	January 2017 (synopsis)

CIRCULATION OF FINAL REPORT

1. Richard Porter	County Farms manager
2. Dinesh Kotecha	Head of Property (Interim)
3. Simon George	Executive Director, Finance and Commercial Services
4. Dr Wendy Thomson CBE	Managing Director
5. Thomas Osborne	Risk management Officer
6. Gavin Savage	Council's External Auditors

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Business and Property Committee

Item No.....

Report title:	Disposal, Acquisition and Exploitation of Properties
Date of meeting:	8 September 2017
Responsible Chief Officer:	Executive Director of Finance and Commercial Services
Strategic impact 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. 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.	

Executive summary

As part of corporate management of property and a systematic approach to reviewing the use and future needs of assets for service delivery there is now more 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 a particular 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 a further £4.2 million over the next three years.

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 Council, for example, facilitating the supply of assisted living accommodation and other housing solutions for people requiring care, undertaking re-development to support jobs and growth etc.

This means that as well as continuing with the rationalisation of the operational property estate to reduce the number of buildings used by the 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 agree to:

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

forward appropriate proposals for disposals or development at a future B&P Committee Meeting.

- (ii) Formally declare the former Brockdish school playing field surplus to council requirements and authorise 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 bid and report the fact at a subsequent B&P Committee meeting.
- (iii) Formally declare the Filby Sailing Base surplus to council requirements and authorise the Head of Property to dispose of the property either by freehold or leasehold transfer to NSSA on terms to be agreed. In the event of the disposal values 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 bid and report the fact at a subsequent B&P committee meeting.
- (iv) Note that the site known as the Land at Willows Business Park in Kings Lynn will not be brought to market until the site has been formally withdrawn from the Norfolk Minerals and Waste Development Framework.
- (v) Endorse the disposal of the former Lingwood school site as surplus to NCC use and authorise the Head of Property to explore and implement its disposal at Market Value. 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 bid and report the fact at a subsequent B&P Committee meeting.
- (vi) Formally declare the former Mileham School site surplus to Council requirements and authorise 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 bid and report the fact at a subsequent B&P Committee meeting.
- (vii) Formally declare 14 Chapelfield North surplus to County Council requirements and authorise the Head of Property to negotiate with the tenant to dispose of the property at market value. 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 bid and report the fact at a subsequent B&P Committee meeting.

- (viii) Formally declare floors 1 and 2, and the ground floor (when it becomes available) of Vantage House surplus to NCC use and authorise the Head of Property in consultation with Director of Finance and Commercial services to agree sub-lets on the best terms possible.**
- (ix) Authorise the Head of Property to implement the disposal of 4 Minstergate at market value. 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 bid and report the fact at a subsequent B&P Committee meeting.**
- (x) Authorise the Head of Property to implement the disposal of Thetford Warehouse either by freehold sale or by lease on the best terms possible. In the event of disposal terms 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 bid and report the fact at a subsequent B&P Committee meeting.**
- (xi) Formally declare the Tin Barn, Hall Road, Toft Monks surplus to Council requirements and authorise 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 bid and report the fact at a subsequent B&P Committee meeting.**
- (xii) Formally declare Croft Farm buildings site, Welney surplus to Council requirements and authorise the Head of Property to seek alternative uses and 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 bid and report the fact at a subsequent B&P Committee meeting.**
- (xiii) Formally declare Old Croft Farm Barn site, Tipsend, Welney surplus to Council requirements and authorise the Head of Property to seek alternative uses and 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 bid and report the fact at a subsequent B&P Committee meeting.**
- (xiv) Formally declare the 8 property assets as listed in Table 1 surplus to Council requirements and instruct the Head of Property to bring forward as appropriate proposals for disposals or exploitation at future B&P Committee meetings.**

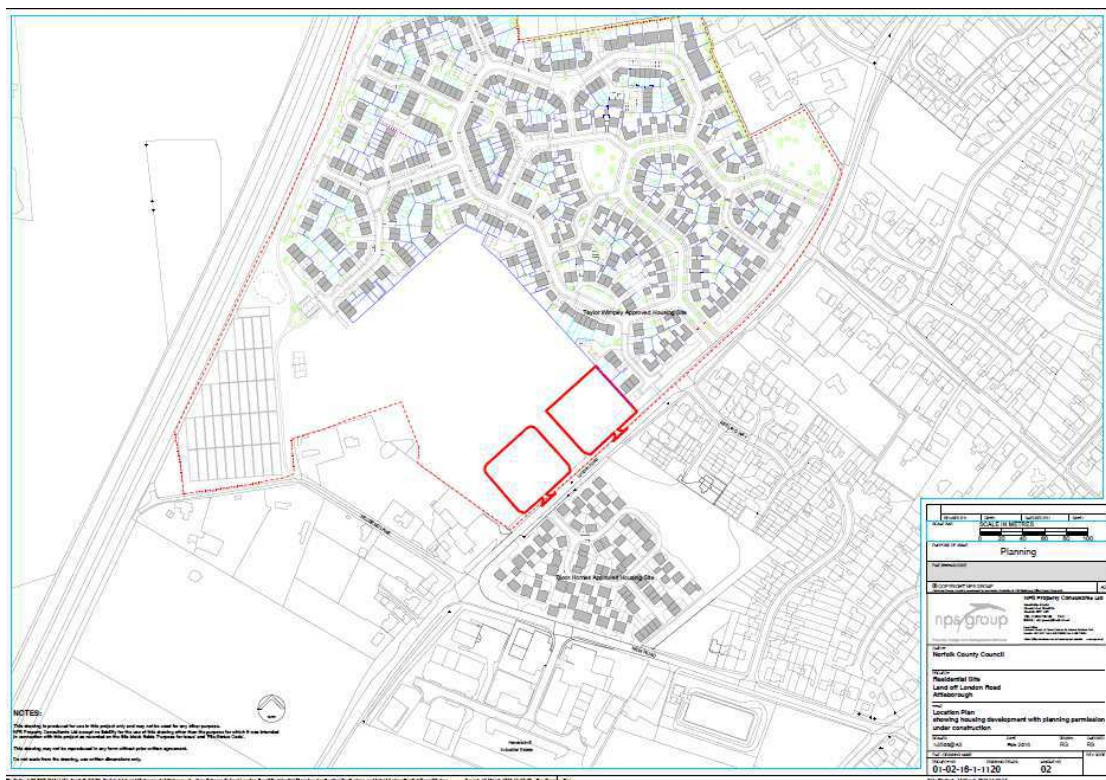
1.0 Introduction

- 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 a particular 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 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.

2.0 Proposals

Attleborough – Land adjacent to new primary school, London Road

- 2.1 A 3.8 hectare site was acquired by Children's Services from residential developer, Taylor Wimpey, in order to develop a new school. Ultimately 3 hectares will be used to develop a new 630 place nursery and primary school.
- 2.2 Options were examined to exploit the surplus 0.8 hectares (in two parcels) and an outline planning permission for 16 dwellings has been obtained which is to include 40% affordable housing (planning authority ref: 3PL/2016/0416/O).
- 2.3 The element of affordable housing could be used to offset the Council's supported living needs. This site may also be an appropriate site for direct development by the Council via its newly created property development company.
- 2.4 Further work is required to ascertain the value and viability of the development but in the meantime it is proposed that this asset is declared surplus to NCC requirements.
- 2.5 B&P committee is asked to formally declare the land at London Road, Attleborough surplus to County Council requirements and instruct the Head of Property to bring forward appropriate proposals for disposals or development at a future B&P Committee Meeting.



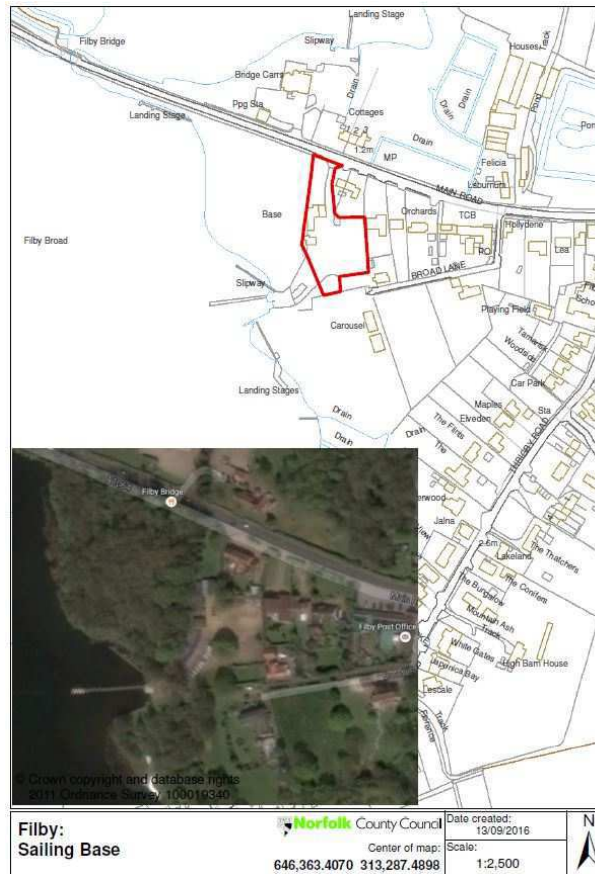
Brockdish – Former school playing field, Grove Road

- 2.6 Brockdish Church of England Primary School closed summer 2016. The school buildings are owned by the Norwich Diocese.
- 2.7 The playing field is owned by NCC and is 3,101m²/0.77 acre in size. The playing field is essentially land-locked and access is over adjoining land in separate ownership.
- 2.8 The playing field was declared surplus by Children’s Services on 28 August 2016. Following a review by the Head of Property in consultation with CPSG it has been confirmed that the site is not required for use by other NCC services.
- 2.9 Due to its “landlocked” nature there is limited use of the site. The market value, without a change of use is estimated to be around £10,000. The Head of property advises that sale at auction would maximise the Council’s capital receipts, with an appropriate clawback provision for recovery of any uplift in values should there be a future change of use.
- 2.10 B&P committee is asked to formally declare the former Brockdish school playing field surplus to council requirements and authorise 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 bid and report the fact at a subsequent B&P Committee meeting.



Filby – Sailing Base, Main Road

- 2.11 This site was acquired in 1962 to deliver a service for Children's Services (and predecessor departments). As a result of a review of services the land was declared surplus to Children's Services on 1 August 2011. Following a review by the Head of Property in consultation with CPSG it has been confirmed that the site is not required for use by other NCC services. Development options have been investigated but these are limited due to flood risk.
- 2.12 The site covers an area of approximately 6,322m²/1.56 acres and is occupied by the Norfolk Schools Sailing Association (NSSA) under a Tenancy at Will since 2005. This arrangement needs to be regularised to ensure that their occupation continues on appropriate terms and conditions. The Broad itself is owned by Essex & Suffolk Water and NCC has no formal right of access to the Broad.
- 2.13 NSSA require certainty of occupation either by purchasing the site or taking a long term lease that would enable them to secure grant funding to grow their offering sustainably.
- 2.14 NSSA is also undertaking separate negotiations with Essex & Suffolk Water to arrange access to the Broad over 3rd party land.
- 2.15 B&P committee is asked to formally declare the Filby Sailing Base surplus to council requirements and authorise the Head of Property to dispose of the property either by freehold or leasehold transfer to NSSA on terms to be agreed. In the event of the disposal values 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 bid and report the fact at a subsequent B&P committee meeting.



Kings Lynn – Land at Willows Business Park

- 2.16 The site is currently allocated within the Norfolk Minerals and Waste Development Framework. Norfolk County Council have indicated that they wish to remove the allocation and do not wish to see any 'waste' uses on the site in the interim.
- 2.17 An initial review was undertaken of the site to understand the opportunities around the redevelopment of the site. In particular an assessment was undertaken of alternative sites (including those with an existing planning permission) in the location, the availability of different types of business space and the specific location of the existing site. The Willows site is located next to a recycling centre and a power station, with a small number of businesses located nearby.
- 2.18 Given the location of this site, it was concluded the site would suit an owner-occupier who wished to develop the site for their specific business and who were looking to relocate or expand within the area. Given the cost of borrowing and the availability of other sites, a freehold acquisition would be their likely preference.
- 2.19 There are a number of alternative properties on the market at a variety of price points within Kings Lynn and a speculative build at this time would bring the risk of voids. The site to the west of the Willows has recently been sold (with the benefit of planning permission for a number of uses). As such the Head of

Property advice is to wait until the site has been removed from the Minerals and Waste Development Framework and to monitor the local market (particularly neighbouring sites) to identify the best pattern of development for this area. The costs of holding this site are minimal.

- 2.20 B&P Committee is asked to note that the site known as the Land at Willows Business Park in Kings Lynn will not be brought to market until the site has been formally withdrawn from the Norfolk Minerals and Waste Development Framework.

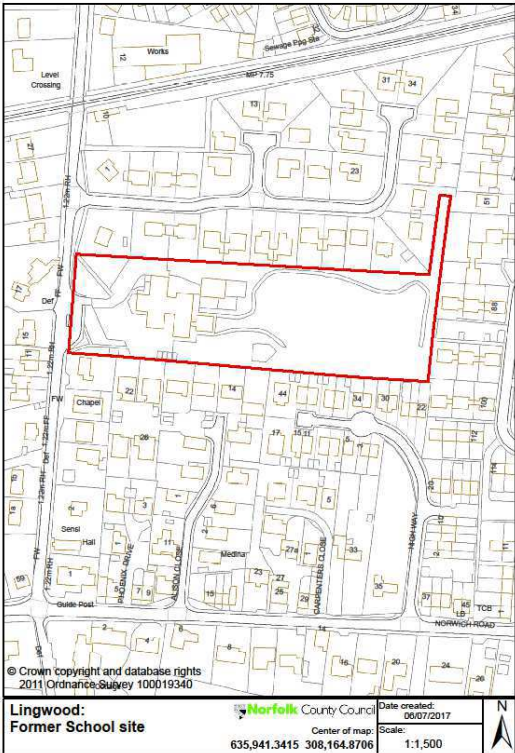


Lingwood – Former School site

- 2.21 The school was relocated to a new site and this site has remained vacant for a number of years. The property area is approximately 12,357m²/3.05 acres. A planning permission was obtained to develop the site for up to 20 dwellings (planning authority ref: 20140979).
- 2.22 Policy and Resources (P&R) Committee at their 30 November 2015 meeting resolved to “Authorise the disposal of land at Lingwood.....and authorise the Corporate Property Officer to directly negotiate with Broadland Growth Ltd on terms and conditions to be agreed in consultation with the Executive Director of Finance and the Chair of P&R Committee”.

- 2.23 Ultimately the negotiations did not achieve the desired outcome and the Head of Property has been exploring the means of disposal to achieve best consideration. In the meantime the Council has received an unsolicited unconditional bid whilst is in the area of the estimated market value it is the view of the Head of Property that this disposal should be marketed requesting best and final offers.

- 2.24 B&P Committee is asked to endorse the disposal of the former Lingwood school site as surplus to NCC use and authorise the Head of Property to explore and implement its disposal at Market Value. 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 bid and report the fact at a subsequent B&P Committee meeting.



Mileham – Former School site

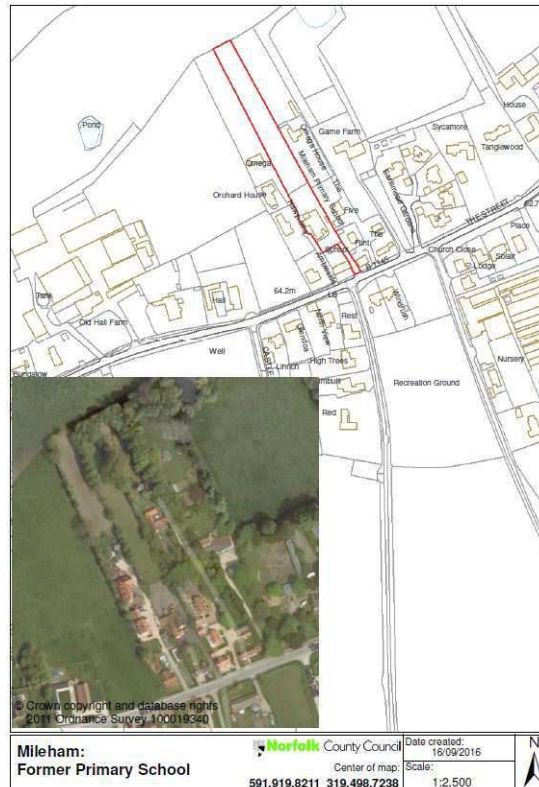
- 2.25 Mileham Primary School closed on 31 August 2015.

- 2.26 The property was declared surplus by Children’s Services on 16 September 2015. Following a review by the Head of Property in consultation with CPSG it has been confirmed that the site is not required for use by other NCC services.

- 2.27 The property area is approximately 4,275m²/1.03 acres in size. The site is narrow and may require access road improvements if the site is to be repurposed. The Head of Property advises that sale at auction would maximise the Council’s capital receipts, with an appropriate clawback

provision for recovery of any uplift in values should there be a future change of use.

- 2.28 B&P Committee is asked to formally declare the former Mileham School site surplus to Council requirements and authorise 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 bid and report the fact at a subsequent B&P Committee meeting.



Norwich – 14 Chapelfield North

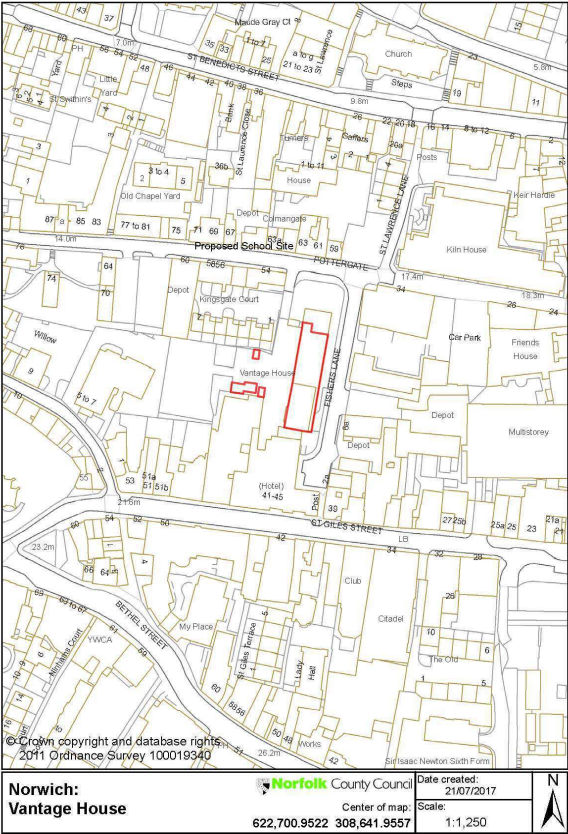
- 2.29 14 Chapelfield North was acquired by Norwich City Council in the early 1970's but it transferred to the County Council as part of the 1974 Local Government reorganisation. It was subsequently utilised as a highway depot. The site has a gross internal area of approximately 800m².
- 2.30 The site was declared surplus by the Highways and Transportation sub-Committee on 25 November 1981. In 2004 the Council entered into a 125 year lease to the Theatre Royal (Norwich) Trust, at a peppercorn rent and the building is now occupied by The Garage Trust (having been established by the Theatre Royal and the former North Earlham, Larkman and Marlpit Development Trust to develop the venue). Following a review by the Head of Property in consultation with CPSG it has been confirmed that the site is not required for use by other NCC services.

- 2.31 A report was presented to P&R Committee November 2016 requesting the site be formally declared surplus to NCC use. Whilst at the time there were no plans to sell this property, if it was declared surplus by Members it would have provided flexibility in the future, for example if a tenant should approach the Council seeking to acquire. However it was acknowledged that this was precipitous as the council had failed to properly consult the tenant and subsequently the recommendation was withdrawn.
- 2.32 Recently the current tenant has indeed approached the Council to purchase the Council's freehold interest in order from their point of view to secure the future of the site. Negotiations are currently taking place but it is expected any disposal will be at market value, supported by independent expert valuation advice to reflect the special purchase status, and the terms will include an overage clause.
- 2.33 Should The Garage Trust not wish to acquire the site, NCC will not seek to dispose of the freehold of the site.
- 2.34 B&P Committee is asked to formally declare 14 Chapelfield North surplus to County Council requirements and authorise the Head of Property to negotiate with the tenant to dispose of the property at market value. 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 bid and report the fact at a subsequent B&P Committee meeting.



Norwich – Vantage House, Fishers Lane

- 2.35 NCC lease three floors (ground, first and second) of office accommodation at Vantage House and is part of the Council’s corporate office portfolio. The current rent is £175,000 per annum with service charges and business rates payable in addition to this. The lease expires in December 2024. The lease contains a break option in December 2019 but early engagement with the Landlord indicates that it will be prohibitively expensive to break the lease at that time. Alternatively to seek to surrender the lease by mutual agreement with the Landlord will require a surrender premium equivalent to all sums due under the lease until the expiry date, which renders this option prohibitively expensive.
- 2.36 The space was originally used by a number of NCC services, but they have been largely relocated into County Hall and Carrow House, and the first and second floors of Vantage House are now vacant. The ground floor will become vacant once the remaining staff have been relocated as part of the County Hall Space 2019 project.
- 2.37 To reduce the holding cost of this property it is proposed to sub-let the currently vacant floors and the ground floor when it becomes available.
- 2.38 B&P Committee are asked to formally declare floors 1 and 2, and the ground floor (when it becomes available) of Vantage House surplus to NCC use and authorise the Head of Property in consultation with Director of Finance and Commercial services to agree sub-lets on the best terms possible.



Thetford – 4 Minstergate

- 2.39 4 Minstergate was acquired as part of the ‘Moving Thetford Forward’ project, and the development of a bus interchange. It has remained empty since acquired. The permitted use remains residential though Breckland District Council planning authority have provided informal advice that alternative uses may be possible.
- 2.40 The site was declared surplus to NCC use in May 2016. The Head of Property has reviewed options and advises that this property should be marketed for disposal. As the original acquisition was funded through the original ‘Moving Thetford Forward’ project it is expected the capital receipt will be returned to the project budget to offset compulsory purchase liabilities.
- 2.41 B&P Committee is asked to authorise the Head of Property to implement the disposal of 4 Minstergate at market value. 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 bid and report the fact at a subsequent B&P Committee meeting.

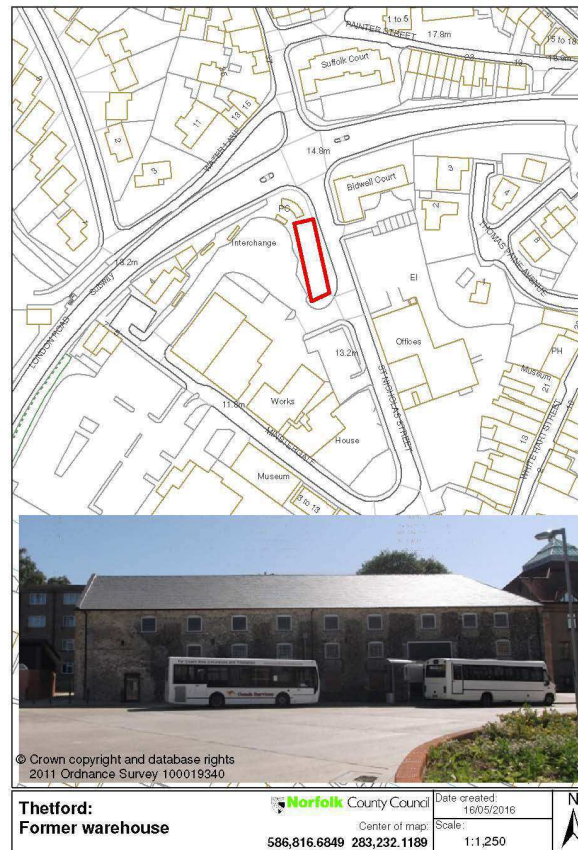


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2011 Ordnance Survey 100019340

Thetford: 4 Minstergate	Norfolk County Council Center of map: 586,753.8850 283,219.1117	Date created: 16/05/2016	
		Scale: 1:1,250	

Thetford – Warehouse, St Nicholas Street

- 2.42 Thetford Warehouse was also acquired as part of the ‘Moving Thetford Forward’ project.
- 2.43 This building is a Grade II listed property, consisting of a ground floor and a mezzanine. As part of the original project the building was repaired and received a ‘first fit’, so services are supplied but not connected.
- 2.44 The site was declared surplus to NCC use in May 2016, however whilst options for the building were being considered a meanwhile use provided some rental income, however, this has now come to an end.
- 2.45 The property has a lot of potential for internal re-use, possibly with public sector partners, or as a third sector hub, and some interest has already been received. However due to its listed status and the fact it is basically an “empty shell” the likely capital receipt or rent income is likely to be modest and the building remains a liability
- 2.46 In the event of a freehold sale and as the original acquisition was funded through the original ‘Moving Thetford Forward’ project it is expected the capital receipt will be returned to the project budget to offset compulsory purchase liabilities. If in the event it is leased out the rental income will revert to NCC.
- 2.47 B&P Committee is asked to authorise the Head of Property to implement the disposal of Thetford Warehouse either by freehold sale or by lease on the best terms possible. In the event of disposal terms 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 bid and report the fact at a subsequent B&P Committee meeting.



Toft Monks – Tin Barn, Hall Road

- 2.48 This site was acquired as part of the County Farm estate. It was subsequently let to the owner of Walnut Tree Cottage under licence for use as garden land. The site has an area of approximately 0.2 acres/0.08 hectares.
- 2.49 Outline planning consent has been obtained for conversion of the existing building into a single dwelling (planning authority ref: 2014/1668/MB).
- 2.50 B&P Committee is asked to formally declare the Tin Barn, Hall Road, Toft Monks surplus to Council requirements and authorise 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 bid and report the fact at a subsequent B&P Committee meeting.



Welney – Croft Farm, Wisbech Road

- 2.51 There are a number of existing agricultural buildings of various styles/ages within the site. Four buildings (Farms estate ref: 2002, 2003, 2004 and 2032) have been erected by Norfolk County Council, but there are also a number of other buildings within the site which have been erected by previous tenants.
- 2.52 The County Farms Team have reviewed this site and determined it is no longer required for operational use and can be made available for alternative uses.
- 2.53 B&P Committee is asked to formally declare Croft Farm buildings site, Welney surplus to Council requirements and authorise the Head of Property to seek alternative uses and 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 bid and report the fact at a subsequent B&P Committee meeting.



Welney – Old Croft Farm, March Road, Tipsend

- 2.54 This site is located to the north-east side of March Road. The building takes the form of a single storey brick and concrete sectional structure, with lightweight cement fibre roof. Vehicular access is obtained from March Road. The surrounding pattern of development includes open agricultural land to the north and east.
- 2.55 The County Farms Team have reviewed this site and determined it is no longer required for operational use and can be made available for alternative uses.
- 2.56 B&P Committee is asked to formally declare Old Croft Farm Barn site, Tipsend, Welney surplus to Council requirements and authorise the Head of Property to seek alternative uses and 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 bid and report the fact at a subsequent B&P Committee meeting.



Service Buildings and land Holdings

2.57 As a result of ongoing review of properties with service departments 8 property assets have been identified as surplus to service needs, listed in table 1 (location plans in **Appendix 1**). Following a review by the Head of Property in consultation with CPSG it has been confirmed that none of the sites listed are required for use by other NCC services.

Table 1: Service properties to be declared surplus to County Council use (CPSG has confirmed no NCC service use)					
Parish	Site Name	Status	Site Area (m ²)	Service Dept.	CPSG Date
Acle	Herondale	Freehold	7,179	Adults	12/07/2017
Bircham	Former school site	Freehold	20,200	CS	17/5/2017
Hopton on Sea	Former County Farm land at Links Road	Freehold	138,124	Finance	-
Kings Lynn	Bryggen Road site	Freehold	10,116	Adults/CS	28/9/2016
Kings Lynn	North Lynn Community Centre	Freehold	3,984	CS	28/9/2016
Mileham	Former school playing field (remote from former school site)	Freehold	11,065	CS	2/3/2017
Quidenham	Playing field of former Eccles, Hargham & Wilby Primary School	Freehold	2,858	CS	28/7/2016
Tattersett	Former playing field	Freehold	22,247	CS	17/5/2017

- 2.58 For some of these sites there has already been some interest expressed by local community groups and other interested parties wishing to use or purchase the properties.
- 2.59 Further work is required to ascertain the potential value of these property assets but in the meantime it is proposed that these property assets are declared surplus so that they can be progressed as part of the disposals programme or exploited to derive an income.
- 2.60 B&P Committee is asked to formally declare the 8 property assets as listed in Table 1 surplus to Council requirements and instruct the Head of Property to bring forward as appropriate proposals for disposals or exploitation at future B&P Committee meetings.

3.0 Financial Implications

- 3.1 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.

4.0 Issues, risks and innovation

- 4.1 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.

5.0 Background

- 5.1 There are several strands forming the strategic background to these proposals, namely:
- The overall Councils priorities of **Excellence in Education, Real Jobs, Good Infrastructure and Supporting Vulnerable People**.
 - Norfolk County Council Asset Management Plan 2016-19.
 - The adoption of an updated property savings plan, that calls for £4.2m of savings for the next three 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.
- 5.2 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.

5.3 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.
- Ongoing implementation of a 5-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.
- Develop options for “top 5” sites with development potential.
- Deliver strategy to promote surplus/fringe sites for housing.

Officer Contact

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

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

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



If you need this report in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Appendix 1
Maps/pictures relating to properties listed in Table 1



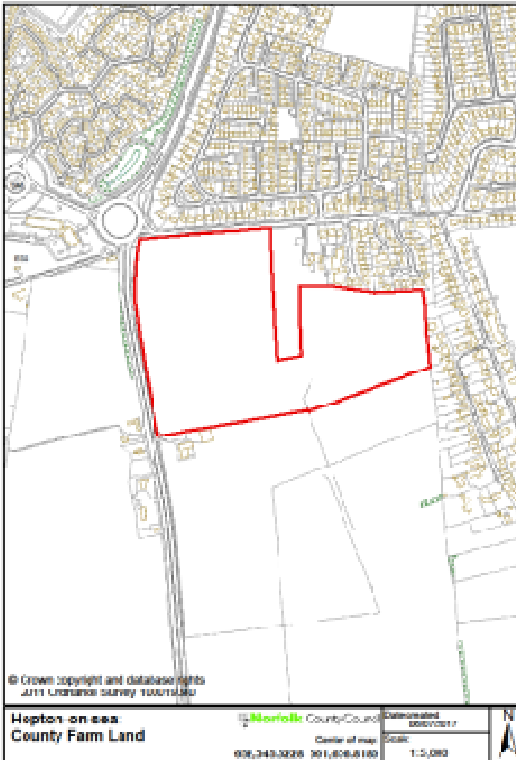
This block contains a map of the Herondale area with a red-outlined property. Below the map is a photograph of a brick building with a paved area in front. The map shows surrounding streets like 'HARWOOD CLOSE' and 'BIRSEWELL'. The photograph shows a modern brick building with a flat roof and a paved driveway.

Acle: Herondale	 Norfolk County Council	Date created: 29/08/2017	N ↑
Center of map: 640,249.8151 310,623.6935	Scale: 1:2,000		




This block contains a map of the Bircham area with a red-outlined property. Below the map is an aerial photograph showing a large green field and surrounding buildings. The map shows streets like 'MARTIN ROAD' and 'GREEN'. The aerial photo shows a large green field with some buildings and trees.

Bircham: Former School site	 Norfolk County Council	Date created: 24/04/2017	N ↑
Center of map: 576,696.6563 332,342.0779	Scale: 1:2,500		



This block contains a map of the Hepton-on-sea area with a red-outlined property. The map shows a large, irregularly shaped area outlined in red, surrounded by residential streets. The map is a detailed street map with yellow buildings.

Hepton-on-sea: County Farm Land	 Norfolk County Council	Date created: 05/03/2017	N ↑
Center of map: 939,343.3928 301,826.8189	Scale: 1:5,000		



This block contains a map of the Kings Lynn area with a red-outlined property. Below the map is an aerial photograph showing a large building complex and surrounding streets. The map shows streets like 'BRYGGEN ROAD'. The aerial photo shows a large building complex with a paved area and surrounding streets.

Kings Lynn: Former Training Centre, Bryggen Road	 Norfolk County Council	Date created: 21/09/2016	N ↑
Center of map: 562,961.5868 321,575.8434	Scale: 1:2,500		

