

RECOMMENDATIONS TO CABINET ON 9 SEPTEMBER 2015 FROM THE RESOURCES AND PERFORMANCE PANEL HELD ON 1 SEPTEMBER 2015

RP44 CABINET REPORT: NON DOMESTIC RATES – EXTENSION OF TRANSITIONAL RELIEF

The Revenues and Benefits Manager presented the report and explained that it proposed an extension to the Council's current scheme and Council approval was required. It was noted that the scheme was reviewed every five years and a review had last been undertaken by the Council in 2010.

The Panel were advised that the Government had legislated to allow Councils to adopt a discretionary scheme of Transition Relief for qualifying ratepayers in their area as the statutory scheme ended on 31 March 2015 and the revaluation had been deferred until 2017. The cost would be met in full by Central Government.

In response to questions from Councillor Devereux, the Revenues and Benefits Manager explained that Central Government did not meet the Borough Council's cost of administering the scheme.

RESOLVED: That the Panel support the recommendation to Cabinet as follows:

Cabinet recommend to Council to adopt the Discretionary Transitional Relief Scheme for 2015/2016 and 2016/2017 as detailed in the report and shown at Appendix A.

RP45 CABINET REPORT: COUNCIL TAX SUPPORT SCHEME 2016/2017

In presenting the report the Revenues and Benefits Manager advised that the Council must review and agree its Council Tax Support Scheme each financial year. The process included consulting with major preceptors, publishing a draft Council Tax Support Scheme and then consulting with interested parties before the final Council Tax Support Scheme was approved.

The Revenues and Benefits Manager explained that the report detailed a review of the 2015/2016 Council Tax Support Scheme, the consultation responses from Norfolk County Council and Norfolk's Police and Crime Commissioner, and the recommended draft 2016/2017 Council Tax Support Scheme to go to public consultation.

The Panel were provided with background information. It was noted that the Council Tax Benefit was abolished on 31 March 2013 and from April 2013 billing authorities had implemented their own local schemes of Council Tax Support to assist people on low incomes with their council tax costs.

The Revenues and Benefits Manager outlined some of the elements of a local Council Tax Scheme which Central Government had prescribed as set out below:

- Pension age claimants were excluded from local Council Tax Support Schemes and received Council Tax Support based on a national, more generous, set of regulations, although the cost was still met by local Councils.
- Vulnerable groups must be considered for protection from any reduction in support compared to the national Council Tax Support Scheme.

- Work incentives should be promoted.

Members were advised that there was little feedback received following public consultation and compared to the same time last year, the Borough Council's overall caseload had decreased by 5%. However, the number of people under the work incentives had increased which was encouraging.

The Revenues and Benefits Manager provided an overview of The Welfare Reform Bill 2015 and Universal Credit as set out in the report at section 3.

Members' attention was drawn to the other options considered detailed at section 6 of the report.

Councillor Collop commented that the Borough Council did not know what other Councils were proposing and that there were a number of different schemes being operated in Norfolk. He added that when the Borough Council knew what other Councils were proposing then the Borough Council could make a decision. In response, the Chairman, Councillor Humphrey commented that there was contact amongst Norfolk Councils, but it was important that the Borough Council made a decision on a draft scheme to go out to consultation. In conclusion, the Chairman added that in the past the Borough Council's scheme had been at the correct level for the Borough.

In response to further questions from Councillor Collop, the Revenues and Benefits Manager explained that the reason why the Borough Council's had the biggest cut was down to the demographics of the area and the number of pension age claimants which had to be protected and informed Members that there were 54% of pensioners in the Borough.

Following further comments from Councillor Collop, the Assistant Director explained that the Borough Council did have information from other Councils and undertook to email the information to the Panel. The Assistant Director advised that from a financial point of view during year 1 a transitional grant was available. If the Council proposed a 100% fully funded scheme there would be a cost of £100,000 to the Council and if the percentage was therefore changed it would have an impact on the Financial Plan.

The Deputy Leader informed the Panel that when the report was considered by Cabinet, the Leader took into account of the schemes in operation in other Norfolk Councils as well as the Borough Council's demographics and gave Members assurance that all benefactors were taken into account by Cabinet.

In response to questions from Councillor Collop on the amount of money received by Norfolk County Council from other District Councils and other schemes which were beneficial to residents, the Chief Executive referred to section 2.5 of the report – the spend on protected groups and the costs of the work incentives within the scheme.

Councillor Collop commented that the Borough Council should look at other Norfolk Councils to see what they did differently.

The Deputy Leader stated that this was an important point and referred to Appendix B – Comparison of the 2014/2015 and 2015/2016 caseloads and that only 10% were not protected, this indicated that the Council was proposing a Scheme which could be supported. Comparisons with other Councils had formed part of the report.

Councillor Collop wished it to be recorded that he did not support recommendation 3.

RESOLVED: The Panel support the recommendations to Cabinet as follows:

- 1) Note the consultation responses from Norfolk County Council and Norfolk's Police and Crime Commissioner.
- 2) Agree a public consultation period running online over a six week period from 18 September 2015 to 30 October 2015.
- 3) Agree the Council Tax Support Scheme for 2015/2016, with the amendments as shown at Appendix C, as the draft Council Tax Support Scheme for 2016/2017 to go to public consultation.
- 4) Note that a further report detailing the proposed final Council Tax Support Scheme for 2016/2017 would be presented to Cabinet, for recommendation to Council, before 31 January 2016.
- 5) The cost of the Council Tax Scheme and the impact of the taxbase would be monitored and an update report brought back before Members after six months.

RECOMMENDATIONS TO CABINET 9 SEPTEMBER 2015 FROM THE JOINT MEETING OF THE REGENERATION & DEVELOPMENT AND ENVIRONMENT & COMMUNITY PANEL HELD ON 2 SEPTEMBER 2015

RD&EC49: CABINET REPORT – NAR OUSE BUSINESS PARK ENTERPRISE ZONE

The Regeneration and Economic Development Manager presented the Cabinet report which outlined the key elements of Enterprise Zone status and provided information on the proposals to be put forward. He explained that Enterprise Zones were built on two principles:

- That the Government believed that the Private Sector was the generator of wealth.
- That in order to achieve growth the Government should offer incentives to the private sector.

An Enterprise Zone was a designated area of land which had with it a package of incentives for business occupiers. In terms of financial incentives, the business occupiers would not have to pay Business Rates for a period of five years. In terms of planning incentives a Local Development Order could be established which would cover the area and could allow for automatic planning permission to be granted if it met development requirements. Local Enterprise Partnerships would retain the business rates for 25 years.

The Regeneration and Economic Development Manager informed those present that the first wave of Enterprise Zones had been announced by Government in 2011 and 21 had been established across England. The second wave of Enterprise Zones had been announced in July 2015. The New Anglia Local Enterprise Partnership (LEP) had subsequently invited applications for Enterprise Zone Status to be put forward to Government.

The New Anglia LEP invitation had stated that the site proposals should be sector focussed. The New Anglia LEP had recognised that it could be unfair to retain Business Rates for 25 years so had come up with a Business Rates sharing formula as follows:

- 10% would go to the Local Authority.
- 35% would be ring-fenced for further development in the Enterprise Zone area
- 55% would be paid to the LEP for future development projects.

The Panel was provided with details of the NORA site and the proposed area to be put forward for Enterprise Zone status. It was anticipated that this area would create 48,000 square metres of employment space for Advanced Manufacturing and Engineering. Up to 2,200 new jobs could be available as calculated by the Government Employment Density Guidance formula.

The Regeneration and Economic Development Manager referred the Panel to the options considered as set out in the report. He highlighted the benefits of developing the NORA land with Enterprise Zone status, which included, accelerated development, which could result in the creation of jobs and further investment, ring-fenced funding from the LEP which would be reinvested in the area from Business Rates and prioritised enhanced marketing by UK Trade and Investment and New Anglia LEP.

The Panel was informed that the Borough Council was only made aware of the opportunity to put forward a site for Enterprise Zone status six weeks' ago so had put together the proposals within a short timescale. The Regeneration and Economic Development Manager reminded those present that the proposals were still subject to Cabinet and Council approval, although the Regeneration and Economic Development Manager had worked closely with the Leader of the Council and other Cabinet Members in putting the proposal together.

The Regeneration and Economic Development Manager referred those present to page 14 of the agenda which contained the New Anglia LEP Enterprise Zone submission from the Borough Council.

The Regeneration and Economic Development Manager informed those present that, subject to Cabinet and Council approval, the proposal would be submitted to the New Anglia LEP Executive Team for initial assessment and then would be appraised by an Independent Consultant. If successful through the preliminary stages the proposal would then be considered by the LEP Board and then submitted to Government. If successful it was likely that Enterprise Zone Status would be granted in April 2016.

The Chairman thanked the Regeneration and Economic Development Manager for his report and invited questions and comments from the Panels, as summarised below.

Councillor Kunes referred to page 16 of the agenda which stated that the site to be put forward was clean and clear. He asked if there were any contamination issues on the site and the Regeneration and Economic Development Manager explained that there were some contamination issues on the site, but the areas in question were not currently in the Council's control. The Council was currently in negotiations with Morston's Administrators regarding the possible acquisition of the rest of the NORA land and it was possible that there would be some contamination issues. The areas not currently in the Council's control had been left out of the proposal at this stage, but the New Anglia LEP was aware that the Council could gain control of the site and if the contamination was cleared it was possible that the site could be included at a later date.

Councillor Shorting commended the Regeneration and Economic Development Managers report and referred to table B on page 11. In response to a question from Councillor Shorting, the Regeneration and Economic Development Manager explained that the figures within the table had been added up vertically rather than horizontally.

Councillor Shorting highlighted the importance of making sure that the roads to be put in were of good quality and not subject to flooding, like Nar Ouse Way.

Councillor Mrs Bower commented that it was good to see that there had been a lot of external inward investment enquiries. She asked if the local enquiries were for businesses just relocating or if they were planning on expanding operations. The Regeneration and Economic Development Manager confirmed that the figures contained within the report were from before the opportunity for Enterprise Zone status had been made available.

The Vice Chairman, Councillor Mrs Bambridge asked if the proposals would have any consideration to infrastructure surrounding the site such as the A17 and A47. The Regeneration and Economic Development Manager explained that the New Anglia LEP had delegated transport issues to Norfolk and Suffolk transport bodies and the Council had been encouraged by the LEP to put forward road infrastructure proposals to Government. The Council would ensure that the key priority areas were included and a strong case for improvements was put forward.

Councillor Rochford asked for clarification on Business Rates retention. The Chief Executive explained that currently 40% was retained by the Council, 10% went to Norfolk County Council and the other 50% went into the Business rates pool. Local Authorities in Norfolk could then bid for funding from the Business rates pool for small style infrastructure projects.

The Chief Executive went on to explain that the LEP offer through the Enterprise Zone was that 10% would be retained by the Council and 35% would be ring-fenced for reinvestment in the area. 55% would then be retained by the New Anglia LEP which the Council could bid into, similar to the Business Rates pool.

In response to a question from Councillor Mrs Mellish regarding timescales, the Regeneration and Economic Development Manager explained that the proposal needed the relevant approvals before Enterprise Zone status was granted. If successful work could start on providing the relevant infrastructure, this could be in accordance with the layout provided in the existing Masterplan which had been created for the site or new plans could be produced. The Regeneration and Economic Development Manager reminded those present that there was already outline planning consent on the site.

In response to a further question from Councillor Mrs Mellish, the Regeneration and Economic Development Manager explained that any funding awarded did not have a time limit for commencement of works attached to it, however the Council had a good reputation of delivering projects in the past and a good working relationship with the New Anglia LEP so any issues could be addressed at an early stage.

Councillor Smith asked if all of the NORA land was earmarked for Business use and the Regeneration and Economic Development Manager explained that if all business enquiries materialised the demand would outstrip the supply of Business use land at the NORA site. The Regeneration and Economic Development Manager explained that other areas of land in different locations were available for business use if required.

The Chief Executive responded to a further question from Councillor Smith and explained that there were two further tranches of Business use land on the NORA site, which were currently not under the ownership of the Borough Council. The Council were in discussions with Morston's Administrators regarding the possibility of acquiring the sites. The sites available were business use and housing land. The Chief Executive reminded those present that the New Anglia LEP were aware of the situation and there was flexibility to expand the borders of the Enterprise Zone in the future if necessary, subject to the remediation of any contamination issues.

Councillor Mrs Watson referred to the jobs which could be created and commented that if more jobs were available more housing would be needed. The Regeneration and Economic Development Manager reminded those present that the Council was providing housing through the NORA development and the Major Housing Project.

Councillor Bubb asked if the development of businesses on the NORA site would enhance the chance of a Railway Station at South Lynn. The Portfolio Holder for Regeneration and Industrial Assets explained that the creation of jobs in the area could strengthen the case for improved infrastructure.

Councillor Tilbury referred to the focus on advanced manufacturing and engineering. He felt that the skills gap needed to be addressed if the area wanted to become a centre of excellence in that field. The Regeneration and Economic Development Manager explained that the King's Lynn Innovation Centre would become a hub for knowledge transfer and that there were over twenty of the world leading manufacturers operating in the area.

The Regeneration and Economic Development Manager acknowledged that there was an issue with skills. Other projects were addressing the skills gap and the Greater Peterborough Greater Cambridge LEP had funded a project designed to engage with existing employers in providing education and training. He reminded those present that the College of West Anglia had also secured funding to become a University Centre and the National Construction College in the area was an advanced construction institute. The Regeneration and Economic Development Manager explained that dealing with the skills gap was a long term issue and was a high priority for the LEP's.

The Chairman reiterated the comments made by Councillor Bubb in that it would be beneficial to have a Railway Station serving the Enterprise Zone area. He felt that this intent should be specified within the plan so that it could be taken into consideration in the long term. He explained that Network Rail's funding period worked four years in advance so discussions to progress the possibility of a Railway Station would need to be looked at in the near future.

The Portfolio Holder for Regeneration and Industrial Assets, Councillor Beales, thanked the Panels for their debate and comments on the proposals. He thanked officers for putting together the proposals within a short timescale. Councillor Beales reminded those present that the NORA site was currently underutilised and the opportunity to gain Enterprise Zone status would give the opportunity to develop the site. He also reminded those present of the opportunities available through the scheme to reinvest and retain some of the business rates.

RESOLVED: That the Regeneration and Development & Environment and Community Panel supported the recommendations to Cabinet as set out below, with an additional recommendation 4.:

It is recommended that Cabinet:

1. Approves the submission of Nar Ouse Business Park for Enterprise Zone status as part of a multi-site New Anglia Enterprise Zone, as outlined in Appendix 1.

2. Endorses the proposed Business Rates Growth sharing formula, as described in paragraph 8 of this report.
3. Delegates authority to the Chief Executive in consultation with the Leader of the Council to undertake any further negotiations with the New Anglia LEP to enable the Enterprise Zone proposal to be submitted to Government by 18 September 2015.
4. That the comments made by both panels be taken into account.

RD&EC50: CABINET REPORT – SOUTH WOOTTON AND BRANCASTER NEIGHBOURHOOD PLANS

The Executive Director, Development Services presented the Cabinet report and explained that the Localism Act 2011 had introduced the provision for Neighbourhood Plans to be created. The intention of this was to engage local communities in the planning process and give them ownership and control over development in their area.

South Wootton and Brancaster had embraced the opportunity to create a Parish Plan. South Wootton had anticipated significant growth going forward and therefore wanted to shape how development took place.

The Executive Director, Development Services provided brief details of the Government's process for creating neighbourhood plans, there were lots of steps and processes to be gone through, which were out of the Council's control. The Council had worked with the Parishes to develop their plans.

The Executive Director, Development Services commended both the Parish Council's and the officers involved in bringing the Parish Plans to this stage as there had been a lot of work involved.

The Panel was referred to the recommendations within the report which set out how the Parish Plan process could move forward. The recommendations had regard to the recommendations made by the Independent Examiner and the report set out the proposed modifications to the plans before they moved to the referendum stage. The Executive Director, Development Services informed those present that if adopted the Parish Plans would have the same status as the Local Plan, the Parishes would also receive a greater proportion of any Community Infrastructure levy if they had a plan in place.

The Chairman thanked the Executive Director, Development Services for his report and invited questions and comments from the Panel, as summarised below.

Councillor Mrs Watson referred to Brancaster Parish Plan and informed the Executive Director that the Parish Council would be discussing the proposed modifications to the Parish Plan at their next meeting. She asked for clarification on when a referendum was likely. The Principal Planner (LDF) explained that, if the recommendations were agreed by Cabinet, a consultation exercise on the modifications would then be required. If the consultation exercise resulted in no further amendments it was likely that a referendum would be held mid to late November 2015.

Councillor Mrs Wright commented that she was impressed with South Wootton Parish Council's ideas as contained within their plan. She asked how it would be ensured that developers would be considerate of the plan when submitting planning applications to ensure that South Wootton's vision was achieved. The Principal Planner (LDF) explained that the Parish Plan would form part of the overall development plan and would become the starting place for decisions on applications. The Planning Committee would need to take the Parish Plans into account when determining planning applications. Developers would need to consider their plan when shaping their proposals and the Plans would influence the type of development acceptable in the area.

Councillor Smith referred to page 25 of the agenda and asked if the Independent Examiner had considered the area beyond the Parish Plan boundary. The Principal planner LDF explained that the Parish Plan boundaries could be extended if there was a strong strategic demand and influence on the surrounding area, but in these cases there was considered not to be any major influences beyond the Parish boundary. The Examiner would have considered this during the examination and had not recommended that the boundaries be expanded.

Councillor Mrs Bower referred to part 3.3 of the report, which set out the Examiners proposed changes to the Brancaster Parish Plan. She felt that limiting the size of houses was a good idea as this was a problem along the coastal strip. She felt that the amount of large second houses could exclude the opportunity for local people to live in the area. The Principal Planner LDF explained that the Examiner had recommended that the Parish Plan should identify what cases could be considered as an exception and what would be reasonable.

Councillor Tilbury asked if the Borough Council would support the views of the Parish Plans in the future. The Principal Planner LDF explained that the Borough Council had advised and assisted with the formulation of the Parish Plans as it had a legal obligation to do so. The Borough Council did not have to agree with the content of the Parish Plan, they just had to ensure that it met the statutory requirements.

RESOLVED: That the Regeneration and Development & Environment and Community Panel support the recommendations to Cabinet as set out below:

1. That the submitted South Wootton Neighbourhood Plan:
 - a) be amended in accordance with the recommendations of the Independent Examiner; and
 - b) so modified, should proceed to a local referendum covering the area of South Wootton Parish.
2. That the submitted Brancaster Neighbourhood plan:
 - a) be amended broadly in accordance with the recommendations of the independent Examiner but, subject to consultation, with detailed variation from those recommendations, as set out in Appendix 5; and
 - b) so modified, should proceed to a local referendum covering the area of Brancaster Parish.
3. That authority to be delegated to the Executive Director, Environment and Planning, in consultation with the Planning Portfolio Holder, to consider responses to consultation on the proposed decision differing from the changes from the

Examiner's recommendations, and determine the final changes to be made to the neighbourhood plan before it proceeds to the referendum. Changes to the neighbourhood plans needed to achieve this, including addressing any issues arising through consultation on variation from the Examiner's recommendations.

RD&EC51: CABINET REPORT – SITE ALLOCATIONS PLAN – PROPOSED MODIFICATIONS

The Executive Director, Development Services presented the Cabinet report and provided a broad overview of its content. He explained that the report set out the Council's response to the Inspectors questions which had been raised on the opening day of the Examination. On the first morning of the Examination the Inspector had looked at the technical aspects of the plan and checked that it met certain criteria. The Executive Director explained that the Council had to provide a Habitat Regulations Assessment which detailed how the Council would regulate the impact of growth on designation sites and mitigation requirements.

The Executive Director explained that throughout the process of creating the Habitat Regulation Assessment lots of meetings had been held with relevant organisations to determine the way forward to mitigate the impact of growth on designation sites. On the first day of the Examination one of the relevant organisations which had been involved in the process had expressed a concern regarding the mitigation strategy and how money would be raised to protect designated sites. The Inspector had therefore raised concern that the issue had not been addressed in enough detail so he had adjourned the Examination so that the Council could formulate a response.

Once the Examination had been adjourned the Council had asked the Inspector for information on any other issues which he was likely to raise, so that they could be addressed before the Examination reconvened. The Inspector also raised issues in relation to flood risk, the flexibility and delivery of sites and the plan review process. The Cabinet report set out the Council's response to the issues raised by the Inspector.

The Chairman thanked the Executive Director, Development Services for his report and invited questions and comments from the Panels, as summarised below.

Councillor Crofts referred to the affordable housing threshold and explained that he had recalled that a recent Cabinet report had changed the threshold to ten, however, the report stated that the threshold was five. He asked if Parish Councils would be made aware of the change to the affordable housing threshold. The Executive Director, Development Services explained that the Government had introduced the change in February 2015 and subsequently a report had been presented to Cabinet outlining the changes. Following the introduction of the legislation several Councils had taken the matter to a Judicial Review as they felt there was no evidence to support the change, it was irrational and the Government had not conducted an adequate equality impact assessment. Subsequently the policy was thrown out, Planning Policy Guidance changed and the threshold withdrawn. The Government were not intending to challenge the courts and the Council had no choice but to go back to their previous position.

Councillor Crofts requested, and the Panel agreed, that Parish Council's be informed of the position in relation to affordable housing and the Executive Director agreed to send out a briefing note.

The Vice Chairman, Councillor Mrs Bambridge referred to the habitat mitigation levy which had been set at £50 and asked how the figure had been calculated. The Executive Director explained that it was difficult to know how many people would access the protected areas, if there would be an impact and what mitigation work would be required. In setting the levy the Council had looked at what other Councils had charged and their approaches. He felt that the figure wouldn't detract development from coming forward.

The Executive Director explained that a Board would be established to look at what would be required to offset the impact of development and they would review the levy on a regular basis if required.

The Panel was reminded that the Community Infrastructure Levy would also divert funds to where they were needed and would contribute to offset the effect of development. The Executive Director reminded those present that they could only look at the impact of additional growth, not the existing impact on the protected areas.

Councillor Crofts referred to correspondence, which had been sent to potential developers who had put sites forward to be included in the Plan, to inform them of the adjournment of the Examination. The Executive Director confirmed that correspondence had been sent out to explain the situation and stated that the developers may wish to seek professional advice.

In response to a question from Councillor Crofts regarding the five year land supply, the Executive Director confirmed that some developers had submitted applications during the adjournment of the Examination and it was within the developer's right to do so. The Executive Director explained that 'flexibility' information was included within the revisions to the plan, at the Inspectors request, which could assist with the five year land supply deficit. He explained that the allocation figures set out in the plan were the minimum figures and if an application came forward with more units for development and fit in with the rest of the scheme it would not necessarily be refused. He explained that the Planning Committee would have a flexible and pragmatic approach when determining applications.

Councillor Mrs Mellish referred to the Board which would be established relating to the mitigation of the impact of development on protected areas. She explained that the report stated that it would be chaired by a Cabinet Member and include the Cabinet Member for Environment. She asked if the Cabinet Member for Development would be involved. The Executive Director explained that this was a matter of detail for the Cabinet to decide at the appropriate time.

Councillor Mrs Mellish highlighted the following sections of the report and asked for clarification. The Executive Director agreed to make amendments to the documents as appropriate in relation to typos and minor errors:

- Page 277 – Councillor Mrs Mellish requested that hyperlinks be inserted to the document when referrals to other documents available were made.

- Page 278 point 3.3.2 – the dates relating to the Visitors Surveys to be corrected.
- Councillor Mrs Mellish referred to the report header which stated that the Local Development Framework Task Group had been consulted on the report. In clarification the Executive Director explained that a meeting of the Task Group had been held to update them on the proposed modifications to the plan following the Inspectors comments.
- Page 426, appendix 5. It was clarified that this was part of the amendment of the sustainability appraisal which accompanied the plan. This particular amendment related to aggregate scoring and summary scores, consequent on the various individual policy or site appraisal amendments show elsewhere in the report. These in turn reflected, for example, more recent information which was now available.
- In response to a query from Councillor Mellish, the Principal Planner LDF explained that there was a requirement to keep the Local Plan under review. There was only eleven years left of the current plan and the Council needed to plan for fifteen years in advance so a review would commence soon. The Inspector required detail on how and when the document would be reviewed and this had now been provided.

In response to a further question from Councillor Mrs Mellish, the Principal Planner LDF clarified that the Inspector had not found the plan not to be sound, he had just requested that additional information be provided in relation to early review, flood risk and habitat regulations. The additional information had required only a few amendments to the plan and detailed site appraisals. Most of the information required had already been considered, it had just not been contained in writing within the plan.

The Executive Director informed those present that the relevant organisations had been consulted on the strategy and it was unfortunate that one of the organisations had challenged the Council's position on the initial day of the Examination. The Council had no way of anticipating the challenge. He explained that the plan had been put forward with the information available at the time and that it would be unfair to comment that in hindsight more information should have been included within the plan as there was no way of anticipating what could happen during the Examination. He explained that Planning Policy Guidance was in constant flux and it was not always possible to incorporate all changes before moving forward with the plan.

The Executive Director explained that the Secretary of State had recently written to the Planning Inspectorate to encourage them to not block plans from going forward unnecessarily and that they should take a flexible and pragmatic approach.

In response to a question from Councillor Mellish regarding windfall development, the Executive Director explained that this was the most frequent type of development to come forward and was usually the infill or redevelopment of small sites, which were difficult to predict in advance.

Councillor Mrs Mellish asked if the Community Infrastructure Levy was likely to be restrictive to developers. The Executive Director explained that it as a small levy and viability and costings of sites would be taken into account when applications came forward, he did not think that it would prevent development. He reminded those present that Section 106 agreements were put in place on large developments and had not restricted the amount of large scale development coming forward. He reminded the Panel that some of the

Community Infrastructure Levy would go back to the Parish Councils and would be used to offset concerns in relation to growth.

Councillor Mrs Mellish referred to the proposed allocation site at West Winch and stressed the importance of providing adequate infrastructure. The Executive Director explained that infrastructure would be installed on sites as appropriate, discussions were held with land owners and it was hoped that as sites came forward they would pump prime development. He confirmed that the Inspector was working to the allocation figures as set out in the Core Strategy.

The Vice Chairman, Councillor Bambridge referred to page 317 of the agenda and the Executive Director agreed to remove any mention of the development of a marina within the report as this was no longer one of the Council's aspirations.

Councillor Smith referred to page 200, point 4.2.1 which stated that the Council had potentially lost some capacity from the allocations in the Plan from Lynnsport and Marsh Lane. The Portfolio Holder for Regeneration and Industrial Assets confirmed that this capacity had now been lost and the word 'potentially' should be removed from the document.

RESOLVED: That the Environment and Community & Regeneration and Development Panel support the recommendations to Cabinet as set out below:

That Cabinet:

1. Notes the content of the Inspector's request for further information in respect of the SADMP Examination.
2. Endorses the content of the Mitigation and Monitoring Strategy. In particular agrees that:
 - a) A Habitat Mitigation Levy at a rate of £50 be introduced for new housing in the Borough.
 - b) A Habitat Mitigation and Monitoring/Green Infrastructure Co-ordinating Panel be established and chaired by a Cabinet Member from the Borough Council.
3. Agrees the following actions in respect of a 'fall back' position to ensure a flexible and deliverable supply of new housing:
 - a) Endorses the use of housing resulting from windfall permissions to count as a source of flexibility bolstering delivery from allocated sites.
 - b) Notes the position that potentially more intensive use can be made of existing proposed allocations.
 - c) An early review of the Local Plan is proposed.
 - d) A site at West Winch be included in the Plan having had regard to the assessments presented with this report.
4. Notes that the above decisions have been taken having had regard to the effects outlined in the Strategic Environmental Assessment/Sustainability Appraisal updates for the policies and proposals as new/amended.
5. Requests to the Inspector that the modifications as proposed and others that may arise at the Examination Hearings, be subject to public consultation once the initial hearing sessions have concluded.
6. Delegates Authority to the Executive Director Environment and Planning, in consultation with the Portfolio Holder for Development, in the authority to make minor amendments to enable suitable documents to be presented to the Examination.

RECOMMENDATIONS TO CABINET ON 9 SEPTEMBER 2015 FROM THE AUDIT AND RISK COMMITTEE HELD ON 7 SEPTEMBER 2015

AR45 Cabinet Report: Accounts and ISA 2014/2015

The Group Accountant presented the report which introduced the Statement of Accounts (SOA) 2014/2015 – essentially the Statement was the final accounts set out in a format which included the Council's balance sheet and associated notes. The Committee was informed that the report also considered the report from the Auditor on the Audit of the Accounts 2014/2015 – the International Auditing Standard (ISA 260).

Councillor Devereux referred to the pension liability and recommended that it be recorded in the Corporate Risk Register as being a significant risk. In response, the Chairman, Councillor Humphrey explained that the pension fund was evaluated every three years and steps were taken to address the liability.

Mr R Murray, Ernst and Young presented the ISA 260 report and advised that Ernst and Young would issue an unqualified opinion on the financial statements and that the audit results demonstrated that the council had prepared its financial statements adequately.

Members' attention was drawn to the following pages of the report:

Page 10 – Progress of Audit

The following areas of Ernst and Young work programme remained to be completed:

- Verification that the agreed audit amendments had been made to the final version statement of accounts. **Mr Murray advised that the amendments had been made and Ernst and Young had confirmed acceptance of the amendments.**
- Response to group instructions and conclusion on agreed procedures from AML's auditors. **Response yet to be received within the next week or so.**
- Receipt of a Letter of Representation. **It was noted that it was expected that this would be reported to Cabinet on 9 September 2015 and Council on 24 September 2015.**

Page 18 – Independence and Audit Fees

Mr Murray outlined the three areas relating to the fees as set out below:

- The actual fee was yet to be confirmed, but was likely to be different from the scale fee due to the introduction of the group in 2014/15 and the additional procedures that Ernst and Young had needed to undertake to gain assurance over the group financial statements. Ernst and Young would agree any proposed variation with management and this would also need to be approved by Public Sector Audit Appointments. It was reported that this element of the audit would be on a recurring basis each year.
- Ernst and yet were yet to complete work on the certification of claims and returns but the actual fee was likely to be in line with the agreed fee.
- Ernst and Young had not undertaken any non-audit work outside of the Audit Commission's Audit Code requirements.

The Chairman, Councillor Humphrey invited the Committee to ask questions/comment on the ISA 260 report.

There were no questions from the Committee.

The Chairman, Councillor Humphrey referred to the Uncorrected Misstatements and the Audit Committee being asked to consider approving management's rationale as to why those corrections had not been made and, if approved, include this in the Letter of Representation. In response, the Assistant Director explained that this point was raised in the ISA 260 report on an annual basis. The Committee was advised that it related to the sale of a piece of land in Hunstanton subject to a 99 year lease. The Council had received the total amount as a capital receipt, but in accounting terms it should appear in the accounts as £4,500 per year for a period of 99 years.

The Chairman, Councillor Humphrey referred to pages 17 and 18 of the report and commented that he was pleased to learn that audit risks identified had been corrected and the Council had gained audit assurance over those issues.

RESOLVED: That the Committee support the recommendations to Cabinet and Council as set out below, with the following comment:

The Audit Committee approve management's rationale as to why the corrections had not been made and to be included in the Letter of Representation.

It is recommended that Cabinet:

- 1) Approve the authority for any changes required to the Statement of Accounts is delegated to the Assistant Director (designate Section 151 Officer), in consultation with the Leader of the Council, to authorise amendments and if necessary present an updated Statement to Council.
- 2) Notes the comments of the Auditor in the ISA260.

It is recommended that Council:

- 1) Approve the Statement of Accounts for 2014/2015.
- 2) Notes the comments of the Auditor in the ISA260.

AR46: **Cabinet Report: Annual Governance Statement**

The Personnel Manager reminded the Committee that the preparation and publication of an Annual Governance Statement (AGS) was a statutory requirement. The AGS was a public statement that described and evaluated the Council's overall governance arrangements during a particular financial year.

Members were advised that the report sought Cabinet approval of the Council's AGS covering the 2014/15 year.

The Committee was provided with background information and the purpose of the Statement. It was explained that the Council's Local Code of Corporate Governance set out six core principles of good governance that focussed on the systems and processes for the direction and control of the Council and its activities through which it accounted to, engaged with and led the community. The six core principles were set out in section 1.1 of the report.

The Personnel Services Manager explained that the AGS included a self-assessment of the effectiveness of the governance arrangements, across all areas of activity, together with a statement of the actions being taken or required to address any areas of concern.

The Statement had been produced in accordance with relevant professional guidance and good practice – the Chartered Institute of Public Finance and Accountancy (CIPFA) published an addendum to their “Delivering Good Governance in Local Government: Framework” in late 2012. The addendum set out the key areas which should be reflected in the Annual Governance Statement and a comprehensive review had taken place to ensure that those areas were all included in the Council’s AGS for 2014/15.

It was noted that the production of the statement, and the consultation process, had involved input from Management Team, the Audit Manager, the S151 Officer, the Democratic Services Manager, the ICT Manager and the remainder of Extended Management Team. A copy had been provided to the external auditors, no comments had been received from them at the time of writing the report.

The Chairman, Councillor Humphrey invited the Committee to comment/ask questions, a summary of which is set out below.

In response to questions from Councillor Devereux regarding the quality of outcomes not being visible and being related to performance measures, the Chairman, Councillor Humphrey drew Members’ attention to section 3.2 of the AGS – Ensuring that organisational values are put into practice and are effective. This section set out the principles, requirements and evidence.

RESOLVED: That the Committee support the recommendation to Cabinet as follows:

It is recommended that the Annual Governance Statement for the 2014/15 year as attached be approved for adoption and that the Leader of the Council and the Chief Executive sign accordingly.

AR48: **Cabinet Report: Business Continuity Management Policy Statement and Strategy**

In presenting the report the Environmental Health Manager reminded Members that the Committee had received an annual update report at their meeting on 21 July 2015. The revised policy and strategy documents would be submitted to Cabinet on 9 September 2015, recommending acceptance by full Council on 24 September 2015.

The Environmental Health Manager advised that the Council’s Policy Statement on Business Continuity Management was agreed by full Council in September 2013 and had been updated to reflect the changes to the management structure with effect from May 2015.

Members were informed that whilst updating the Policy Statement, the whole document, including details of the Council’s strategy and approach had been updated.

The Committee’s attention was drawn to the following sections of the report:

- Background.
- Policy Statement and Strategy Document Update.
- Next Steps.

The Environmental Health Manager advised that the membership of the Critical Incident Team (CIT) was reviewed. Geoff Hall had taken on the lead following the retirement of David Thomason, Matthew Henry and Neil Gromett had been co-opted onto the CIT.

In response to questions from Councillor Gourlay, the Environmental Health Manager confirmed the membership of the Business Continuity Corporate Officer Group (BC COG) as follows:

Chairman Geoff Hall, Executive Director

V Dunmall, K Kent, D Robson, M Henry, M Johnson, M Chisholm

The membership of the CIT:

Chairman Geoff Hall, Executive Director

D Robson, M Chisholm, N Johnson, D Clack. Co-opted Members: M Henry, N Gromett.

It was noted that appropriate officers would be called in dependent on the nature of any incident which occurred.

Councillor Devereux referred to a question asked at the previous meeting on what the day to day impact would be on the Borough Council if the facility to carry out its online banking activities was not available. He asked what provision would be made regarding communications updates with external organisations.

The Environmental Manager reminded the Committee of the answer given at the last meeting. The Assistant Director added that when the Council had undertaken the bank tendering exercise, the criteria had stated that the relevant banking organisation was required to have its own business continuity arrangements in place. If, however, the ICT systems went down there were a number of other ways the Borough Council could make payments and gave examples of officers within the Council who had corporate credit cards. There were also off site arrangements which would allow payment by cheque or alternative methods.

In response to comments and questions from Councillor Devereux on Member involvement, the Environmental Health Manager outlined both the business continuity and emergency planning aspects and advised that Members would be kept updated on a regular basis. The Leader, Councillor Daubney advised that regular bulletins would be available and gave an assurance that Members would be kept updated.

The Environmental Health Manager stated that if Members wished to receive any further training then specific sessions could be scheduled accordingly.

In response to questions from the Chairman, Councillor Humphrey on the next steps and planning for and running training exercise Metis 15, the Environmental Health Manager explained that during last year training had been available to all staff. On previous occasions an exercise had been undertaken involving senior management and the Bronze Level Plans. The role of the Business Continuity Corporate Officer

group was to identify any areas which had not recently been test to see if they were any issues which required addressing and to produce a report.

Following comments from Councillor Gourlay, the Environmental Health Manager explained that business continuity and emergency planning were two separate issues and provided examples of both.

RESOLVED: That the Committee support the recommendations to Cabinet as follows:

- 1) Cabinet accept the new version of the Business Continuity Policy Statement and Strategy, attached, and that they recommend full acceptance by full Council.
- 2) Delegated authority be granted to the Chief Executive, in consultation with the Leader, as Portfolio Holder for Business Continuity, to make further minor changes if deemed necessary.