

## **CABINET**

**Minutes of the meeting of the Cabinet held on Monday 03 September 2018 at the Council Offices, Holt Road, Cromer at 10.00 am**

**Members Present:**

Mrs S Arnold	Miss B Palmer
Mrs H Cox	Mr R Price
Mr N Dixon	
Mr J Lee (Chairman)	

**Also attending:**

Mrs A Fitch-Tillett	Mr J Rest
Mrs S Bütikofer	Mr N Smith
Mr N Pearce	Ms K Ward
Ms M Prior	Mr J Punchard
Mr R Reynolds	Mrs A Claussen-Reynolds
Ms P Grove-Jones	Mr V FitzPatrick
Mr B Hannah	Mr N Lloyd
Mr S Hester	

**Officers in Attendance:**

The Heads of Paid Service, the Monitoring Officer, the Head of Finance and Asset Management, the Asset Strategy Manager, the Democratic Services and Governance Officer, the Media and Campaigns Officer, and the Chief Technical Accountant

**Press:** In attendance

**33. APOLOGIES FOR ABSENCE**

Apologies were received from Cllr W Northam.

**34. MINUTES**

The minutes of the meeting held on 9<sup>th</sup> July 2018 were approved as a correct record and signed by the Chairman.

**35. PUBLIC QUESTIONS**

None.

**36. ITEMS OF URGENT BUSINESS**

None.

**37. DECLARATIONS OF INTEREST**

Cllr J Punchard declared an interest for item 14 of the agenda – The Public Consultation on Fire Governance as a Member of Norfolk Fire Service.

### **38. MEMBERS QUESTIONS**

No questions were submitted prior to the meeting but the Chairman confirmed that Members could ask questions as each item arose.

### **39. OVERVIEW & SCRUTINY COMMITTEE MATTERS1**

The Leader Cllr J Lee confirmed that recommendations from the AMWG would be taken alongside the appropriate report at item 15 of the agenda.

Cllr K Ward introduced the recommendations from the O&S Rapid Review of the Local Plan, then thanked Members and Officers for their input in the process. Cllr S Arnold stated that the Rapid Review had gone well and had proven to be a valuable exercise despite her initial reservations about the process. She thanked Cllr K Ward for managing the day well and stated that she was happy to take on board the recommendations. The Cabinet unanimously accepted the recommendations.

#### **RESOLVED**

1. Cabinet accept the recommendations from the O&S Committee Rapid Review of the Local Plan.

#### **Reason for the decision:**

To improve the value and effectiveness of the Local Plan.

### **40. RECOMMENDATIONS FROM CABINET WORKING PARTIES**

The Leader Cllr J Lee introduced the recommendations from the PP&BH WP. Cllr S Arnold stated that she was supportive of the recommendation as it would encourage authorities in coastal zones to work together. The Cabinet unanimously agreed to accept the recommendation.

The MDG recommendation to increase the Members' training budget by £15k was unanimously agreed by Cabinet.

#### **RESOLVED**

1. To sign the Coastal Zone Planning Statement of Common Ground on behalf of NNDC.
2. To grant an extra £15k to the Members' Training Budget at the request of the MDG.

#### **Reason for the decision**

1. To allow NNDC to work together with other regional coastal authorities.
2. To continue to appropriately train Members to carry-out their roles.

### **41. FAKENHAM EXTRA CARE SCHEME – FUNDING REQUEST**

The Fakenham Extra Care Scheme was introduced with a video from the Housing & Care 21 website. Cllr S Arnold praised the video's message, then informed Members that the scheme would provide a total of 66 flats, with 30 available for rent and 36 available to buy on a shared ownership basis. It was explained that without the Council's funding of £425k, Homes England would not supply the rest of the funding, and it would be a tragedy to see the scheme fail. Cllr S Arnold then informed Members that the Council would be expected to supply either a zero interest loan or grant for the full £425k. Cllr R Reynolds stated that he fully supported the project and encouraged Members to approve the funding. Cllr E Seward stated that he fully supported the scheme and hoped NCC would also offer its support. He suggested that if there was anything he could do as a County Councillor to help support the project, Members should let him know. It was then suggested that supplying funds for the project would likely set a precedent for future schemes, but Members would be happy to support these going forward.

Cllr J Rest asked whether the funding for the scheme would come from the Council's reserves or right to buy receipts and asked for confirmation of the caveat that property sales would return back to the scheme so they could not be bought as second homes. Cllr S Arnold confirmed that the properties could not be bought as second homes and that measures would be in place to ensure this policy was upheld. The Head of Finance and Asset Management sought to clarify the funding of the scheme and stated that it would be funded by capital receipts.

Cllr N Dixon commended the scheme and stated that the Council should look to encourage more of this type of housing across the district. He stated that it would be his preference for the funding to be provided as an interest free loan as opposed to a grant, but he was happy for this decision to be made by the portfolio holder and Head of Finance.

The vote was proposed by Cllr S Arnold and seconded by Cllr J Lee.

## **RESOLVED**

### **To recommend to Council:**

The approval of capital expenditure to provide financial support for the Fakenham Extra Care Scheme in the form of either a grant or interest free loan to Housing and Care 21 of up to a maximum of £425,000 to be funded from capital receipts. Approval of the final amount and type of funding to be provided to be delegated to the Head of Finance and Asset Management in conjunction with the Portfolio Holder for Housing, Planning and Planning Policy.

### **Reason for the decision:**

To support the Council's Corporate Plan priorities of:

Addressing the housing and infrastructure needs for local people whilst meeting the market demand for housing by supporting the delivery of new housing across the district.

A district with vibrant communities and where healthy lifestyles are accessible to all through supporting the delivery of Extra Care housing which meets the housing, care and support needs of older people.

## **42. PUBLIC CONVENIENCE STRATEGY**

Cllr R Price introduced the report and stated that whilst public conveniences were not a statutory requirement of the Council, toilets were also a necessary provision and apologised that standards across the district were not always met. He added that moving forward the Council would look to improve its facilities for the blind and partially sighted, and provide better facilities for baby changing in male toilets. In summary, it was suggested that the proposal would bring NNDC's public toilets up to a modern standard.

Cllr B Hannah stated that he was very happy with the proposal and pleased to see it come to Cabinet. He suggested that public toilets were a key focus of visitors to the district and provided tourists with a lasting impression, he therefore commended the proposal to improve the facilities as a credit to the administration. Cllr P Grove-Jones stated that she was also happy with the proposal and pleased to see it come to Cabinet for approval. She noted that there had been problems in Stalham with locals often looking to the Town Hall or Tesco for pub toilets, but neither were required to provide these services. Whilst Stalham were not included in the initial proposal she hoped the toilets would be addressed in due course as they were in need of renovation. Cllr M Prior added that whilst she recognised that public conveniences were not a statutory requirement, she asked that Holt please be considered in any future plans as the toilets were not in a good state of repair and complaints were often received. Cllr V FitzPatrick praised the proposal and stated that it would enhance the reputation of NNDC. He then thanked Cabinet and Officers alike for the swift renovation of the Wells beach road toilets in time for the summer holidays.

Cllr N Lloyd welcomed the initiative of the proposal then questioned whether automatically locking facilities were being used and whether this could facilitate extended opening hours. The Head of Finance and Asset Management replied that at present none of NNDC's facilities used an automatic locking system, but the Council could look at the possibility of introducing such measures in the future. Cllr N Lloyd then questioned why baby changing facilities had not been explicitly mentioned in the report. The Corporate Director (SB) replied that the changing facilities would require a separate investment and the Council should ensure that these facilities be provided in locations with parking for users. He added that this provision would require extra work in order to verify sites and additional funding would be required.

Cllr A Fitch-Tillett stated that she was happy to see extra facilities provided along the coastal path, as toilets were a necessity in these remote locations. Cllr E Seward stated that the proposal would work well alongside the Deep History Coast Project, and asked if the proposal would result in an extension of opening times. The Corporate Director (SB) replied that this would be an opportunity that could be explored using the previously mentioned self-locking facilities, however lowering water usage and vandalism would need to be taken into account.

Cllr S Hester questioned whether there was an option for towns and parishes to take control of their own toilets and whether NNDC were open to the idea. The Corporate Director (SB) replied that the Council was not dismissive of the proposal, but that the economy of scale needed to be considered. Therefore, allowing the total number of NNDC managed facilities to fall could undermine the viability of the proposal.

Cllr R Price responded to requests for refurbishments in areas that had been missed in the initial proposal. He ensured Members of the importance of Stalham's facilities and informed Members that counters had been deployed to monitor the toilet usage throughout the district. It was suggested that in the same day Wells' toilets had received 1300 visitors, Stalham had received only 9. The Head of Finance and Asset Management added that full information on visitor numbers was not yet available and

existing information had only been recovered over a brief period, he added that the research was ongoing. Cllr P Grove-Jones stated that she had not been aware of the counter being put in place in Stalham and would have liked to have been informed.

Cllr H Cox seconded the proposal on the grounds that public toilets were important for people of all ages, and especially the tourists that were vitally important to the district. She added that the cleaner the facilities were the better, and that this proposal was just be the beginning, meaning that the Stalham and Holt's facilities would not be forgotten.

The vote was proposed by Cllr R Price and seconded by Cllr H Cox.

## **RESOLVED**

That Cabinet resolves:-

1. To adopt the report as a statement of the Council's intent in wishing to provide good quality public toilet facilities in locations across the District, recognising that such facilities are key local infrastructure and support the District's thriving tourism economy; building on the District's reputation as "a better place".

2. That Cabinet approves a first phase of programmed works to include:-

- re-provision (rebuild) of the following facilities:-
- Stearmans Yard, Wells-next-the-Sea.
- Lusher's Passage, Sheringham.

Significant upgrades (to include re-modelling of facilities within the existing buildings) of the following facilities:-

- Queens Road, Fakenham
- New Road, North Walsham

A programme of refurbishment (to include deep clean of facilities, upgrading of lighting and internal and external redecoration, provision of new signage of the following facilities:-

- Coast Road, Bacton
- Coast Road, Walcott

Provision of new or significantly improved facilities at West Runton Beach Access and Cart Gap, Happisburgh as previously proposed as part of the Deep History Coast initiative and for which funds have previously been identified

### **That Cabinet recommends to Full Council:-**

That a capital budget be established of £600,000 to fund Phase 1 of the Public Convenience Strategy, to be financed from the Invest to Save Reserve.

### **Reasons for the decision:**

Sound management of the Council's portfolio of public conveniences to provide high quality facilities in support of the District's economy and reputation as "a better place".

## **43. APPOINTMENT OF LEGAL REPRESENTATIVE(S) IN RELATION TO DEVELOPMENT CONSENT ORDER APPLICATIONS FOR ØRSTED HORNSEA**

## **PROJECT THREE, VATTENFALL VANGUARD AND VATTENFALL BOREAS OFFSHORE WINDFARM SCHEMES**

Cllr S Arnold introduced the report and acknowledged that Members were well aware of the off-shore developments happening in the region. It was explained that the report covered three new proposals to which NNDC must give input as a consultee. She added that due to the vast amount of information to be reviewed, it was necessary to employ external assistance in the analysis of the information. Hence the proposal was to set up a standing order for Cornerstone Barristers to fulfil this role.

The vote was proposed by Cllr S Arnold and seconded by Cllr B Palmer.

### **RESOLVED**

1. That Cabinet authorises the setting aside of standing orders in order to allow the appointment of Estelle Dehon from Cornerstone Barristers.
2. In the event that Ms Dehon is unable to take on this appointment then the opportunity should be opened up for competitive tender in accordance with normal standing orders for projects of circa £50-80k

### **Reasons for the decision:**

Estelle Dehon has represented the Council to a very high standard on a number of planning matters and, in the process, has developed a positive working relationship with officers. Ms Dehon also has good knowledge of the District and has developed a sound understanding of the key characteristics of North Norfolk and the strong commitment this Council has to ensuring those key characteristics are maintained. Appointment of Ms Dehon would de-risk this activity and increase the likelihood of a successful outcome for the Council.

## **44. BUDGET MONITORING 2018/19 – PERIOD 4**

Cllr J Lee introduced the report in the absence of Cllr W Northam, he informed Members that the key element of the proposal was to allow £400k to be released for urgent repair works to be carried-out on Cromer Pier. He stated his support for the proposal on the grounds that the need for repairs was urgent and could not be avoided. Cllr B Hannah stated that Sheringham was not on the improvement schedule, but improvements to the kiosk had greatly improved the east end. Cllr N Dixon stated that whilst the report's introduction had been less detailed in Cllr W Northam's absence, he was confident of the Council's monitoring position.

The vote was proposed by Cllr J Lee and seconded by Cllr N Dixon.

### **RESOLVED**

1. Cabinet note the report
2. To agree to the release of £400k from the Capital Projects Reserve to fund the required works to the pier
3. To waive the standing orders to allow UK Industrial Services to undertake the improvement works.

### **Reason for the decision:**

To update Members on the current budget monitoring position for the Council.

**45. CONTINUATION OF FUNDING FOR FIXED TERM RESOURCES WITHIN THE POSTAL & SCANNING TEAM**

Cllr B Palmer introduced the report and stated that £44k had been requested to maintain two posts within the postal and scanning team, which were required as a result of the Digital Transformation Programme to continue with the Council's aim to go paperless.

The vote was proposed by Cllr B Palmer and seconded by Cllr J Lee.

**RESOLVED**

To approve the release of £44k from the previously identified Digital Transformation funding.

**Reasons for the decision:**

That Cabinet approves the release of £44,000 previously identified in the Digital Transformation funding to allow the continuation of two fixed term posts for a further 12 months in the Postal and Scanning Services Team.

**46. PUBLIC CONSULTATION ON FIRE GOVERNANCE**

Cllr J Lee introduced the report and stated that it would form part of the Council's official response to the Police and Crime Commissioner's public consultation on his bid to take operational control of the Norfolk Fire Service. He informed Members that the report stated that NNDC does not support the proposal for a change in the Fire Service's governance arrangements, as the case for change was not adequately justified. Cllr R Price stated his support for the proposal on the basis that NCC was already efficiently managing the service, and there was therefore no reason for the change. Cllr E Seward stated that he also fully supported the recommendation and agreed with leaving control of the service in the hands of NCC. He added that he was present for the PCC's visit to NNDC and learnt nothing of the Merits that would come as a result of the PCC's takeover of the service.

Cllr B Hannah questioned whether NCC Members needed to declare an interest in the matter. The Monitoring Officer replied that it was not a pecuniary interest and therefore did not need to be declared.

Cllr A Claussen-Reynolds stated that she had been disappointed with the low Member turnout for the PCC's visit to NNDC.

The vote was proposed by Cllr J Lee and seconded by Cllr R Price.

**RESOLVED**

To submit NNDC's response of not supporting the PCC's bid to take control of Norfolk Fire Service as part of the public consultation.

**Reasons for the decision:**

The proposals as currently drafted do not present any strong and reasoned case for change.

## 47. EGMERE BUSINESS ZONE PROJECT UPDATE

Cllr R Price introduced the report and said that the Conservative manifesto from 2015 was reflected within Council's current Corporate Plan. As such it was the aim of the Council to 'work to maintain existing jobs and encourage business growth in North Norfolk'. He added that the proposal was the result of an extremely long process that had required a large amount of work. It was stated that there were a considerable number of houses to be built in the surrounding area in the future, and that jobs would be required in order to support these developments. As a result, it was suggested that the Egmore site would create jobs and economic growth within the district. Cllr R Price informed Members that the Council was in a good financial position and return was available from the project, but such developments now required investment from the public sector. He added that the modest returns of the proposal should be considered alongside its potential for economic development, and that he was optimistic that others would follow the anchor tenant and locate their businesses on the site. In summary, he suggested that the site presented a good opportunity to invest in the districts economic development and potential for job growth, and he was therefore proud to propose the report.

Cllr J Lee warned Members that if they wanted to discuss the financial matters of the project then the meeting would need to go into private business and exclude members of the Press and Public.

Cllr K Ward stated as Chair of O&S, that the majority of AMWG Members had not been able to support the project. She added that in principal she supported the use of public money for economic development, however with only one anchor tenant the guaranteed return was less than 2% and therefore she felt that the project was not financially prudent in its current form. She asked that Cabinet act in a commercially responsible manner and allow more time to secure further tenants, then thanked Officers for their hard work on the project to date.

Cllr R Reynolds stated that he had supported the Egmore proposal since its inception on the grounds that the location of the site was ideally located to support both Fakenham and Wells. He added that there was no reason not to trust the Officers' recommendations, and that the project should be considered not just on its returns, but also on its potential to generate job growth and economic development in the district. Cllr V FitzPatrick stated his support for the proposal and asked Members to consider the benefits that the site would have to the local community and the wider district. He added that the £600k that would be spent on public toilets would provide no financial return, but they would help to make North Norfolk a better place and the Council should consider the serious risk to its reputation if it were to abandon the proposal. Cllr V FitzPatrick then read out a statement from the local Member Cllr T FitzPatrick in support of the proposal. Cllr J Rest reminded Members that money for the Public Conveniences Strategy had come from the district's car park revenue. He then suggested that reputational risk to the Council worked both ways, and Members needed to work with the existing facts. It was suggested that Members needed to challenge the existing information in order to get further details on the project.

Cllr N Lloyd stated as Chair of the AMWG that there had been no direct challenge from within the Group regarding its recommendations. He then stated that the site would not create new jobs, but would instead relocate existing employees, and therefore the money would be better spent on established industrial estates. Overall, he recommended that the proposal was not progressed.

The Asset Strategy Manager read an email from the prospective anchor tenant on their business's position and need for a plot on the proposed site. Cllr R Price thanked the



Officer for reading the positive statement from the prospective anchor tenant and suggested that it showed that there was a clear need to approve the proposal to benefit the people of North Norfolk.

Cllr S Arnold stated that it was important to ask where the people moving to new developments in the district would work. She thanked the Officers for giving their independent advice on the proposal and stated that due to the employment opportunities that the site would offer, she was happy to second the proposal.

Cllr N Dixon stated that it was a rare event for the relevant Cabinet Member to be unable to support a proposal as drafted, and informed Members that he would like to explain why this was the case. He stated that the Corporate Plan had to be flexible to adapt to the changing circumstances over the period of the Plan. He then suggested that whilst Egmere was a sensible offering 5 years or more ago, so was the LDO and the grant of EZ status, although that was the last realistic chance to get the site moving. It was then stated that time had shown that the site wasn't attractive to the offshore industry and the Council simply doesn't know how much interest there is from other sectors. With that in mind, Cllr N Dixon stated that the business case is clearly deficient of information on the following key considerations:

1. Evidence of demand for that type of business unit in that location.
2. Evidence of businesses, that are interested, being willing and able to self-build on a leasehold site.
3. Evidence that such businesses that wouldn't want to self-build being content with the rent levels this project would demand and that they aren't relying on business rate relief to effectively subsidise above market rents for 5 years and then move on elsewhere.
4. Evidence of real job creation by opening up this site, rather than relocating existing jobs. (TT forecast FTE increase from 17 - 20 isn't even verified!)
5. A comprehensive risk analysis covering not just 1 to 4 above but all the other financial and reputational risks associated with this project proceeding or being closed. There's no mention of the risk of having to invest at least another £4m to build Units 2 - 5 in default and that's only to deliver Phase 1 - that would make it a £6.25m+ investment
6. Extending the sensitivity analysis to include impact on pay-back period or, alternatively, including an asset value write down line in the current analysis table. This has been done and it shows extraordinarily long pay back periods.

Cllr N Dixon then stated that given these shortfalls, it was clear to him that there are many Members who either don't share Cabinet's risk appetite or who simply don't have the knowledge or experience to know whether the project is viable. For these reasons he proposed to defer the decision to allow for an independent viability appraisal to be conducted. He suggested that this could easily be done by the BE Group, who know the District and its economy well, or if they weren't available then Gleeds could be approached. It was suggested that the findings of that appraisal would either confirm or reject the proposal's viability, and thus underpin and provide assurance to Members on whatever decision is reached. Cllr N Dixon then reiterated that it would be prudent to take independent professional advice on such a contentious and major investment. In conclusion, he stated that whilst he was aware of the projects duration, he was singularly unconvinced about the basis on which to proceed.

Cllr J Lee thanked Cllr N Dixon for his comments and stated that whilst he respected his opinion, he did not agree with him in this case. He then asked if there was any seconder for Cllr N Dixon's proposals, to which there was no reply. It was suggested that units 2-5 would be a chicken and egg situation as the only offer at this stage was

a field. In summary, Cllr J Lee stated that he believed the project would be a future success.

It was confirmed, following a question from Cllr H Cox that the AMWG's recommendations would be incorporated into the proposal.

The vote was proposed by Cllr R Price and Seconded by Cllr S Arnold.

Cllr N Dixon abstained from the vote.

## **RESOLVED**

1. To progress the final lease arrangements with Walsingham Estates on the basis outlined within the exempt appendix and that that authority is delegated to the Head of Paid Service (Steve Blatch) in consultation with the Portfolio Holder for Business & Economic Development and Tourism to sign off agreement of the final terms
2. To progress the final lease arrangements with the prospective tenant for the first unit on the basis outlined within the exempt appendix and that that authority is delegated to the Head of Paid Service (Steve Blatch) in consultation with the Portfolio Holder for Business & Economic Development and Tourism to complete this agreement
3. That an additional budget requirement of £360,000 is approved to support the construction of the road infrastructure and first unit
4. To award the construction contract to the preferred contractor as identified within exempt appendix D subject to completion of a value engineering exercise
5. To include the annual income and running costs as identified within exempt appendix D within the revenue budget and future forecasts
6. That authority is delegated to the Head of Paid Service (Steve Blatch) to agree governance and financial arrangements for the Egmere Enterprise Zone on a similar basis as that agreed for Scottow in consultation with the Head of Finance, Leader of the Council and Portfolio Holder for Business & Economic Development and Tourism to ensure the Enterprise Zone is developed out as planned.
7. That the ELDO is reviewed immediately with a view to extending it and considering the removal of the current restrictions to businesses operating within the wind industry to maximise the potential success of the development
8. It is recommended that, subject to support for the development moving forward, that an Expression Of Interest is submitted to the EZ Accelerator Fund to explore the potential development and delivery of an additional unit on a similar basis to those outlined for unit 1. A further report and business case would then be developed to establish the budget requirements
9. A communications plan is established to justify the reasons for choosing to invest in the project

**Reasons for the decision:**

To maximise the opportunities presented by the Enterprise Zone status awarded to the Egmore Business Zone site, supporting new job-creating investment within the District.

**48. EXCLUSION OF PRESS AND PUBLIC**

**That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following item of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 3 of Part I of Schedule 12A (as amended) to the Act.**

**49. PRIVATE BUSINESS**

None

The meeting ended at 11.30 am.

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Chairman