

## OVERVIEW & SCRUTINY COMMITTEE

Minutes of the meeting of the Overview & Scrutiny Committee held on Wednesday, 11 March 2020 in the Council Chamber - Council Offices, Holt Road, Cromer, NR27 9EN at 9.30 am

<b>Committee Members Present:</b>	Mr N Dixon (Chairman)	Mr T Adams (Vice-Chairman)
	Mr H Blathwayt	Mrs W Fredericks
	Mr P Heinrich	Mr G Mancini-Boyle
	Mr N Pearce	Miss L Shires
	Mrs E Spagnola	Mr J Toye
	Mr A Varley	
<b>Members also attending:</b>	Mrs S Bütikofer (Observer)	Ms V Gay (Observer)
	Mrs P Grove-Jones (Observer)	Mr J Rest (Observer)
	Mr E Seward (Observer)	Mr A Brown (Observer)
<b>Officers in Attendance:</b>	Democratic Services and Governance Officer (Scrutiny) (DS&GOS), Democratic Services Manager (DSM), Head of Legal & Monitoring Officer (HLS), Head of Finance and Asset Management/Section 151 Officer (HFAM) and Head of Economic and Community Development (HECD)	

**Also in attendance:**

### 86 TO RECEIVE APOLOGIES FOR ABSENCE

Apologies were received from Cllr N Housden.

### 87 SUBSTITUTES

None.

### 88 PUBLIC QUESTIONS & STATEMENTS

None received.

### 89 MINUTES

Minutes of the meeting held on 12<sup>th</sup> February 2019 were agreed as a correct record and signed by the Chairman.

### 90 ITEMS OF URGENT BUSINESS

None received.

### 91 DECLARATIONS OF INTEREST

None declared.

### 92 PETITIONS FROM MEMBERS OF THE PUBLIC

None received.

**93      CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE BY A MEMBER**

The Chairman informed Members that whilst Cllr N Housden had given his apologies, he had submitted the following request for consideration by the Committee:

‘Would the Overview and Scrutiny Committee consider the impact of Norfolk County Council’s proposed cuts to the Norfolk Music Service on children in the District? It is suggested that the number of tutors it currently provides are reduced by half and the cost of lessons to parents is increased by almost a fifth. This will have a significant impact on children living within the District, limiting their options to learn music and partake in extra-curricular activities that benefit their health and wellbeing. Although, the responsibility for the provision of music tuition sits with the County Council, the impact on our residents is potentially very significant.’

The Chairman stated that he was mindful of Cllr Housden’s absence, and reminded Members that a statement from NCC on the issue had been shared with Committee Members prior to the meeting. Cllr J Toye commented that the statement from NCC suggested that lessons would be cheaper, but it also appeared that there would be an increase to individuals. He added that anything that reduced extra-curricular activity would have an effect, and having previously worked in high schools, he knew that all Councils would be looking at making cuts to these services.

Cllr L Shires stated that the issue was a big difficulty, and that her son had previously taken drum lessons, but had now stopped due to timetable clashes. She added that the loss of 30 minutes of academic study for music lessons was not fully supported by teachers, and students had begun to avoid these lessons as a result. It was suggested that there had been up to a 30% fall in the number of children taking music lessons as a result of timetable clashes. Cllr T Adams agreed with Cllr L Shires’ concerns, and noted that music was very important to children’s learning and development. In terms of costs, he added that he would be surprised if the rise from £34 to £40 per hour was sustainable. Cllr T Adams then suggested that the reduction from 46 to 21 tutors could undermine the range of instruments available to students, and could also make music tuition more exclusive. He added that whilst music services were not a District Council function, there was potential for £700k of savings, and he expected it would go to Scrutiny at NCC, which could provide NNDC with an opportunity to communicate its concerns.

Cllr H Blathwayt commented that playing music aided the overall education of children, and he felt that it would be appropriate for the Committee to communicate its disquiet to NCC.

Cllr V Gay stated that the decision from NCC was very regrettable, and that if the Committee were minded to express its disquiet, it would be a good idea. She added that NNDC did do some work to develop music with young people, but this was a small part of the picture.

Cllr P Grove-Jones stated that it was a shame that when cuts were made, most authorities went straight for the arts, and this was one of the most essential things to teach children. She added that she would also reiterate that NNDC should communicate its disquiet.

Cllr N Pearce stated that NCC risked fracturing a generation, and that cuts to music would meet an angry response. As a result, he agreed that a letter to NCC must be strongly worded. Cllr T Adams suggested that if the Committee were minded to submit a letter to NCC, then it should also be addressed to the Chairman of their Overview & Scrutiny Committee, so that it could be taken into account during their discussion of the cuts.

Cllr J Rest stated that he had been asked to speak on behalf of Cllr N Housden, who had submitted a declaration of interest. The Democratic Services Manager read out Cllr Housden's declaration of interest which stated:

'I am a musical instrument coordinator for the music service and am employed by NCC, simply put I deliver instruments to schools and also collect. It is a term to term contract, which started in November. I was asked to help as the Service was in total chaos in terms of this role. The cuts really do not effect me and I would not expect to be doing the work after August 2020.

Secondly, my wife is a peripatetic music tutor and has worked as such for 12 years, with the music service. She will be directly affected by the proposals, in terms of contract, income and the music sessions provided for the schools.'

Cllr J Rest commented that the proposals suggested that children would go to the tutors as opposed to tutors visiting the schools. He stated that music was a great outlet for some and was a service that must continue to be provided, otherwise there could be an awful effect on children.

Cllr W Fredericks asked whether it would be possible to suggest to NCC that they worked with schools to improve the services available. Cllr J Rest replied that the music tutors worked by contract for NCC and were not directly employed by schools, furthermore they had to cover large areas which required Cllr Housden to deliver the instruments.

The Chairman stated that he had no preconceptions on the proposals, and suggested that the comments should be taken at face value. He added that the Committee had to bear in mind that NNDC were not the deliverers of the service, though it would affect local residents. He continued that the project was at an early stage, and it was not yet clear how it would work in practice. He then suggested that the Committee should write to express its concerns at this stage.

Cllr N Pearce asked whether schools could contact parents to provide feedback in relation to the proposed cuts.

Cllr J Toye suggested that the Committee should write to NCC and copy in the Chair of the O&S Committee to express severe concerns about the potential denial of music services to a generation. Cllr W Fredericks stated that she supported the idea of sending a strongly worded letter, and added that she would like to include the wording, extremely concerned. Cllr A Varley agreed that the letter had to be strongly worded, and suggested that reference should be made to the detrimental impact it would have on children. Cllr N Pearce stated that having worked within the industry for some time, he suggested that the letter should include comment that we 'deplore the thought' to note the Committee's aversion to the proposals.

Cllr L Shires stated that local authorities should be focused on limiting inequality rather than broadening it. She added that cuts appeared to be made continually

without any impact assessments, which often resulted in effects that disproportionately impacted the lives of lower income families.

The Chairman summarised the points made, and suggested that the Scrutiny Officer could draft a letter and share it with Members via email before sending.

It was proposed by Cllr J Toye and seconded by Cllr H Blathwayt that the Scrutiny Officer write to the Head of Music Services at NCC, copying in the Chair of the Overview & Scrutiny Committee, to express the Committee's concerns in reference to the proposed changes.

## **RESOLVED**

**That the Scrutiny Officer write to the Head of Music Services at NCC, copying in the Chair of the Overview & Scrutiny Committee, to express the Committee's concerns in reference to the proposed changes.**

### **94 RESPONSES OF THE COUNCIL OR THE CABINET TO THE COMMITTEE'S REPORTS OR RECOMMENDATIONS**

The Democratic Services & Governance Officer (Scrutiny) informed Members he had included in the agenda a statement made by the Cabinet Portfolio Holder for Finance in acceptance of the Committee's budget recommendations.

### **95 BUDGET MONITORING 2019/20 - PERIOD 10**

The HFAM introduced the report and informed Members that with the end of the financial year approaching, a very small surplus was predicted and there were no issues to report. He added that of the three recommendations included in the report which had been accepted by Cabinet, the most significant was the acceptance of a new energy contract. The contract would enable 94.5% of the Council's energy to be supplied from renewable sources, at a lower cost that would save approximately 64 tons of Co2 per year.

#### Questions and Discussion

Cllr P Grove-Jones noted that she had heard that interest rates would now fall to 0.25%, and asked how this might affect the Council. The HFAM replied that the base rate had a low impact on the Council, mainly with regards to overnight funds which had a very low impact on the Council's overall investment income. Cllr P Grove-Jones stated that municipal bonds were an interesting means of raising money, and asked if the Council utilised these. The HFAM replied that the Public Works Loan Board could change its rates, and there were also alternatives in the market that could provide loan functions. He added that these providers would prefer to offer larger loans around the £15m mark. It was noted that the Council would borrow for costs related to Splash and the new waste contract, and these decisions would be made at the appropriate time.

Cllr N Pearce stated that whilst the report covered 43 pages, it did not show the level of work involved and he wished to place on record his thanks to the officers.

The Chairman referred to proposed changes to the Budget Monitoring Report that would bring it in-line with performance monitoring. It was noted that the level of detail from both reports would need to be condensed to focus on high level reporting, and this could be expected around June. The HFAM stated that the Committee's budget

discussion this year had been the best he'd seen, and it was now important that the Committee maintained the same approach of looking at strategic issues and additional pressures. This would reduce the focus of the reports to around 15 key issues, and aim to link more closely with the MTFP and performance reports. The HFAM suggested that the new Inphase system would aid the process of moving to this more joined-up approach, which would allow the Committee to get the best from the reports. The HLS added that she was involved in the work that had brought various teams together to deliver the new style of reporting, and added that the changes would be introduced slowly, with a focus on strategic direction over minor details. The Chairman agreed that it was important for the Committee to place greater focus on strategic issues to look at the bigger picture.

Cllr G Mancini-Boyle asked for an update on the progress of the agreed scrutiny panels that would review the delivery of the Corporate Plan. The DS&GOS replied that the Terms of Reference were being drafted and it was hoped that preparations would be completed in time for May.

## **RESOLVED**

**To note the report.**

### **96 REVIEW OF THE EQUALITY & DIVERSITY POLICY**

The DSM introduced the item and informed Members that it had come to the Committee as a result of a motion to Full Council to accept a revised anti-Semitism statement. She added that it was apparent that the Equality and Diversity policy document had not been reviewed since 2006, though a draft of the new associated employment statement was attached for review. It was suggested that it would be up to Members to determine how to review the policy.

#### Questions and Discussion

Cllr S Bütikofer stated that she was keen to look at a wider inclusion, and suggested that work to review the policy could be picked up as part of the work of the upcoming Scrutiny Panels. She added that after looking at the current policy, that there was a reasonable amount of work to be done, and that the anti-Semitism statement currently sat alongside the policy. The HLS informed Members that the policy formed part of the Council's corporate governance framework, and as a result it must be addressed as a matter of priority, as it exposed the Council to risk. She added that officer resourcing would be required to draft a new policy.

Cllr E Seward stated that it was at the December meeting of Full Council during the anti-Semitism statement discussion that he had noticed when the policy had last been reviewed. He added that the Equality and Human Rights Commission had developed the Equality Act in 2010, and since then the understanding of equality had progressed significantly to become much more inclusive. He added that he had spent 30 years with the Committee for Racial Equality, so it was an issue dear to his heart and he believed the Council's policy needed updating as soon as possible. Cllr S Bütikofer stated that she agreed with the comments of Cllr Seward, and added that whilst the issue was raised in relation to discussion around anti-Semitism, the policy must be updated to cover all communities. She added that big increases in hate crimes such as islamophobia were being seen, and it was important to address these issues.

The Chairman stated that the Committee needed to decide how the issue should be

addressed, and suggested that it could form part of the work of the Scrutiny Panels that were in the process of being established.

Cllr J Toye stated that all Members needed to be involved, and that the Council should be sure not to exclude any groups from this involvement. He then referred to planning policy, and stated that 'access to all' should be a meaningful statement. The Chairman agreed but reminded Members that they needed to agree how to take the work forward, and suggested that everyone could provide input to the process at work-stream level.

The HLS suggested that officers could draft a policy if the Committee were to request resource for this as part of its recommendation.

Cllr G Mancini-Boyle suggested that that this should be the start of a talking point, and the policy would need to be continually reviewed and monitored.

Cllr N Pearce stated that he was supportive of updating the policy via a sub-Committee or Scrutiny Panel approach.

Cllr L Shires stated that there had been a clear response from the HLS, and the important thing was to get moving, which meant that the recommendation should ask for officer resource to begin drafting a new policy.

It was proposed by Cllr G Mancini-Boyle and seconded by Cllr J Toye that SLT allocates the officer resource to draft a new Equality and Diversity Policy, and that the new policy be reviewed by the relevant Scrutiny Panel.

## **RESOLVED**

**To request that SLT allocates the officer resource to draft a new Equality and Diversity Policy, and that the new policy be reviewed by the relevant Scrutiny Panel.**

## **97 SHERINGHAM LEISURE CENTRE UPDATE**

Cllr V Gay – Portfolio Holder for Culture and Wellbeing introduced the report and informed Members that the swimming pool at the old Splash facility remained closed, as safety was always the first priority. It was hoped that once repairs were complete, that the facility could reopen by Easter. Members were informed that the normal template and a cost summary of the project was included, and that the top risk remained the failure of the existing facility. It was noted that communications issues were often raised, and that a meeting with the new Communications Manager was planned to address these issues. Cllr V Gay stated that overall the project remained on-track, and though there had been some delays caused by weather, it was hoped that this time could be made up in the future.

### Questions and Discussion

Cllr H Blathwayt asked in regards to the planned reopening of the existing Splash site, whether the current health emergency would be taken into account. Cllr V Gay replied that it would certainly be taken into consideration. She added that the rest of the facility remained open, and it was just the pool that was closed for the time being. Cllr S Bütikofer stated that the Council would be following the advice of Central Government and Public Health England on all matters relating to health.

The Chairman asked for details on the contingency fund, to which Cllr V Gay replied that £81k of the construction contingency had been spent, and the client contingency remained untouched.

Cllr G Mancini-Boyle questioned whether a health and safety log for the project could be shared with Members. The Chairman noted that the purpose of the project monitoring was to ensure that the project was delivered on time, and on budget. The HECD added that the issues log already included in the update would bring forward any issues of major significance, and reassured Members that the contractors were submitting weekly and monthly updates. It was reported that at present, one of the key health and safety issues was caused by stray golf balls.

The Chairman reminded Members that in addition to noting the report, it was also necessary at this stage, for Members to determine the frequency of reports going forward. He asked if Members would be happy to relax reports to a quarterly basis, with the potential for more frequent updates if any issues were to arise. It was suggested that more detail could be added to the portfolio holder updates at Full Council meetings.

It was proposed by Cllr A Varley and seconded by Cllr W Fredericks to reduce the frequency of the Splash project updates from monthly to quarterly.

**RESOLVED**

**To reduce the frequency of the Splash project updates from monthly to quarterly.**

**98 THE CABINET WORK PROGRAMME**

The DS&GOS informed Members that the Cabinet Work Programme was up to date.

**RESOLVED**

**To note the Cabinet Work Programme.**

**99 OVERVIEW & SCRUTINY WORK PROGRAMME AND UPDATE**

The DS&GOS informed Members that the Work Programme was up to date, though there were several items outstanding that could potentially be added to the Work Programme for the next municipal year.

**RESOLVED**

**To note the Work Programme.**

**100 EXCLUSION OF THE PRESS AND PUBLIC**

It was proposed by Cllr A Varley and seconded by Cllr P Heinrich

**RESOLVED**

**That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as**

**defined in paragraph 3 of Part I of Schedule 12A (as amended) to the Act.**

## **101 PROPERTY REPORT**

The HLS introduced the report and informed Members that the Estates Manager (report author), was unable to attend the meeting. She suggested that it might be useful for new Members to understand some of the context of the property, and reported that the associated Itteringham Shop had been in the village since 1637, and had been community run since 1994. It was stated that the shop had changed hands in 2012 with the sale of Fairmeadow House, as it was considered to be part of the same property. Under new ownership, the HLS reported that the five year lease on the shop was due to be terminated upon its expiration in March 2017, allowing six months for the shop to vacate the premises. She added that the shop was subsequently listed as an asset of community value, as a result of significant public concern regarding potential closure of the shop, bearing in mind its history. It was reported that the owners would not sell the shop separately to the community association (ICA), and as a result the ICA started fundraising to buy both properties. The HLS noted that due to differences between the owners and ICA, the latter approached the Council for assistance, and various options were considered. The HLS reminded Members that the issue was time limited, and that the Council had been involved in the process at a late stage. As a result, the HLS reported that in order to safeguard the shop, Members and officers felt it was right to intervene to give some security to the ICA. The HLS noted that purchasing property in North Norfolk was not deemed to be a high risk investment, and at that point a business case was developed for the neighbouring Fairmeadow House to be converted in a holiday let, and a subsequent report proceeded to Cabinet. She added that following the purchase, the shop had remained in the premises under a lease, with the potential for the ICA to buy the shop in the future.

### Questions and Discussion

The Chairman thanked the HLS for the introduction, and offered Cllr S Bütikofer the opportunity to speak.

Cllr S Bütikofer stated that she wanted to add some further context for new Members, and noted that the purchase had been brought to Committee by the previous administration at very short notice. As Chair of the Overview & Scrutiny Committee at the time, Cllr K Ward had given her permission for it to be an item of urgent business. As the Leader of the Opposition at the time, Cllr S Bütikofer stated that she had expressed concerns regarding the purchase, and though supportive of saving the community asset, stated that she had reservations about the purchase of Fairmeadow House. She added that she believed that the shop should be separated from Fairmeadow House, and that the house should be sold on.

The HLS stated that occasionally urgent items would come before Cabinet and it was reasonable to make appropriate use of this provision. It was noted that in this case, there had been a need for urgent action as the situation was particularly time sensitive. The HLS stated that it was appropriate for Members to take a different view of the projects of another administration, but suggested that Members needed to ensure that an objective was maintained. She added that extensive discussion had been held on risk appetite, and that nothing the Council did was without risk. It was suggested that the Committee should take a measured approach to the report, to determine how the asset has performed, to review it, and to learn from it.

The Chairman stated that the purpose of the report was to consider what has



happened in respect of the project, and contribute to the options, so that Cabinet can consider any actions.

Cllr P Grove-Jones noted that the risk training provided had been interesting, and suggested that if the asset was not profitable, then sale should be considered.

The HFAM began by referring Members to the report, which noted that the key objective of the purchase was to save the community shop. He added that the property would likely also prove to be a good investment over time, though this could require some patience. One of the initial lessons learnt, was that the Council had to be clear on the key drivers for projects, and had to better understand how to measure project outcomes. The HFAM reported that initial projections had considered how quickly the letting business would build, though this may have been optimistic. He added that income in the second year of operation had more than doubled, but this had come with an associated increase in costs. It was anticipated that income would continue to increase, but it would take time to build a customer base.

In terms of yield, the HFAM stated that the property would need to be run in more business-like manner, by maximising income and decreasing management costs. In relation to this, it would be possible to have a separate profit and loss account for the project.

Feedback on the property was reported to be positive, but the HFAM warned that the Council may be spending too much to achieve this. In terms of the properties facilities, it was noted that it slept eight, but only had two toilets and one shower, which could discourage potential bookings.

On property value, the HFAM reported that three valuations had been received, which ranged from a £170k loss on the original investment, to a £70k gain. There was provision for improvements to the property, such as improvements to the annex, or the installation of additional washing facilities, but these would be subject to a business case. Additional opportunities also included separating the property from the village shop.

A comfort break was taken from 11.15 – 11.25

The Chairman informed Members that the original request for the report had been made by Cllr J Rest, and he would be invited to explain his reasons for the request. Cllr J Rest stated that he believed that the project had been processed without prior review, and that it was now appropriate to consider disposing of the asset at the best market value available.

The Chairman stated that the Committee needed to take an objective look at the project, and use the information included in the report to develop informed recommendations. It was noted that the original business case may have been overly optimistic, and this needed to be taken into account for future commercialisation projects. The HFAM replied that whilst the project hadn't produced some of the financial benefits expected, it had still delivered the key objective of saving the community shop. In terms of a fall-back position, he added that there was always the option to sell the asset, though the outcome could vary depending on the timing of the sale. In reply to the Chairman, the HFAM stated that the business case had been optimistic about the letting market, but there were still constraints on the property that could limit its potential, such as limited bathing facilities. It was suggested that ideally, the project needed time for the income

develop and to achieve maximum capacity.

The HFAM stated that future projects would still pose potential risk, but lessons had already been learnt from the business case. He added that to Fairmeadow House, income had still almost tripled, and it was now time to reduce management costs. It was suggested that potential options to consider could include greater involvement from the ICA, or a pricing review. The HFAM noted that changes such as allowing dogs had led to substantial increases in lettings, which showed signs of movement in the right direction.

The Chairman asked if it was fully understood at this stage, what had gone right and wrong with the project, to which the HFAM replied there was certainly more to learn, but significant lessons had been learnt. The HFAM added that the national average for return on commercialisation investments was 2.2%, whereas the NNDC target was 4%. As a result, the question should be asked whether the Council could accept a lower rate of return to achieve other outcomes. The Chairman asked whether these considerations would be material in informing the decision that needed to be made, to which the HFAM replied that they not provide significant input at this stage. He added for example, that the Egmore proposal had never been expected to generate significant returns, but was intended to generate economic development within the district. It was suggested that the utopia project would tick off all corporate priorities, but this was not always possible.

The HLS stated that upon revisiting the original report, the key objective had always been to save the community shop, and whilst it had been assumed that the ICA would offer more support to run the house, this was somewhat beyond the remit of the group. Other risks were identified in the report, such as the potential for lower than expected income, and increased maintenance costs, and Members made the decision at the time with these risks in mind. The HLS informed Members that she had personal experience of running a similar property, and suggested that the focus needed to move to yield rather than occupancy, and for this reason it would be worthwhile reviewing the pricing structure. Further options could include reviewing the management and cleaning operations to seek a reduction in costs. The HLS stated that there were three elements that improved the appeal of properties to potential renters, which included hot tubs, log burners and proximity to beaches, of which the first two could be considered.

Cllr N Pearce stated that in hindsight, it was possible that mistakes were made, but efforts should now focus on maximising the profitability of the property. He noted that the project did save the community shop, which was the key objective and should be remembered as such. It was suggested that as it was the wrong time to sell, the property should be given two more years to establish itself, and after that point a decision can be made on its future. At this time, Cllr N Pearce suggested that the shop should be separated and appropriately transferred to community ownership.

Cllr T Adams stated that he had previous experience of the holiday let sector through the running and cleaning of properties. He stated that he did have concerns regarding the timing of the investment, and would like to know whether NNDC employed local individuals for cleaning and maintenance. Cllr T Adams noted that the destination of the property limited its appeal in comparison to coastal properties, and suggested that consideration should be given to selling the property.

Cllr P Grove-Jones stated that under normal circumstances a business would be given three years to make profit, after which time the business would need to make profit or cease trading, and this should be no different.

Cllr P Heinrich stated that his gut reaction would be to sell the property, but doing so at this time could lead to a loss. Therefore, he suggested that this should be revisited in the future, and in the meantime, consideration should be given to reviewing management and cleaning costs, and making significant improvements to the bathroom facilities, as this could improve the saleability of the property in the future.

In reply to comments regarding conversion of the property's annex, the HLS replied that this would be difficult, as it had poor access and would be unlikely to gain the necessary planning approval for conversion into a separate dwelling. Cllr P Heinrich asked whether it would be possible to develop a business case for the conversion of the annex. Cllr E Spagnola suggested that two beds with a ceiling hoist would enable the annex to be put to greater use. Cllr W Fredericks added that the annex could help the property appeal to a niche market. She then asked if the property could be offered for long term rental, and if sold, whether the money would be returned as capital. It was confirmed that it would be capital if sold. Cllr L Shires replied that there was likely a very limited market for five bedrooms houses within North Norfolk rental market. She added that the project had been a valuable learning experience for the Council, and agreed that whilst now was not the time to sell, the property should be given a chance to develop.

The HFAM informed Members that the property was currently managed by English Country Cottages, and the cleaning was carried out by Norfolk Cleaning. He added that there had been two significant elements of capital expenditure on the property, which included the installation of a bunded oil tank, and a new septic tank at a cost of £28k. It was reported that this initial expenditure had frontloaded the property with significant costs, though these were one-off and would not be incurred again. The Chairman suggested that this showed that some issues may have been overlooked during the property survey. He then asked if these costs were outlined in the report, to which the HFAM replied that they were included, but not specifically mentioned. He added that surveys of the property had been undertaken, though septic tanks were often overlooked. The tank was reported to have sprung a fundamental leak one and half years into ownership, and new regulations required certain investment. It was noted that property surveys were a requirement of purchase, but they did occasionally miss things.

Cllr H Blathwayt stated that he agreed that the business should focus on yield rather than occupancy, and as a result, the pricing structure should be reviewed. He added in terms of tenancy, that if a future sale was possible, then the property should remain as a holiday let enable an easier sale. It was noted that losing money on property in North Norfolk would be very difficult. Cllr H Blathwayt suggested that the property business should be allowed a five year run to establish itself, subject to a pricing review, and added that if the annex could be used as an accessible holiday let, this would be a positive step.

Cllr J Toye stated as local Member that he had to reinforce the importance of saving the community shop, and added that he agreed that the property needed two more years to reach its full potential.

Cllr A Brown stated that he agreed that a business case should be considered for the conversion of the annex into an accessible holiday let, but noted that this could be compromised by its limitations. The HLS noted that these issues would only be relevant if the intention were to let the annex separately from the main property, but if the property were to be let as one, then this would not be an issue.

The Chairman noted that a majority of Committee Members appeared to agree with the officers recommendations of continuing to run the property as a holiday let for a further two years. In addition it had been suggested that a review of the lessons learnt should be undertaken, alongside a review of property management, cleaning, and pricing. Finally, it was suggested that improvements such as additional bathroom facilities or the conversion of the annex into an accessible holiday let should also be consideration. Cllr L Shires proposed the recommendations and by Cllr P Heinrich seconded.

## **RESOLVED**

### **To recommend to Cabinet:**

- 1. That the Council continues with the current holiday letting of the property for a 5 year period, starting from the date of purchase, to allow the business to prove itself as either economically viable, or to reach a point at which sale of the property would be financially advantageous.**
- 2. That action be taken to identify lessons to be learnt from the underperforming holiday letting aspect of the venture, so that they may be recognised and used to inform decision making on future commercial projects**
- 3. That interventions be made to improve the arrangements for managing and running of the property to minimise costs, maximise occupancy and improve efficiency.**
- 4. That consideration is given to making a range of potential improvements to the property to increase its market appeal, which could include making it fully or in-part (i.e. the Annex) DDA compliant, and/or installing additional bathing facilities, to improve financial viability.**
- 5. That a review of the pricing structure is undertaken by the Assets Team to improve occupation and yield during peak, mid-season and off-peak periods, to improve financial viability.**

The meeting ended at 12.22 pm.

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Chairman