



Cabinet

17:30 to 18:20

15 November 2023

Present: Councillors Stonard (chair), Jones (vice chair), Giles, Hampton, Kendrick and Oliver

Also present: Councillor Galvin, Green group leader

1. Declarations of interest

There were no declarations of interest.

2. Public questions/ petitions

There were no public questions.

3. Questions to cabinet members

There were no questions to cabinet members from members of the council.

4. Minutes

RESOLVED to approve the accuracy of the minutes of the meeting held on 18 October 2023.

5. Corporate Performance Report for Quarter 2, 2023-2024

Councillor Stonard, leader of the council and cabinet member for inclusive and sustainable development, presented the report and referred members to the appendices. During his presentation he highlighted that the key performance indicators (KPIs) included the changes to KPI 11 to increase responses and monitor community safety and residents' perceptions of feeling safe in their local area during the day and at night. The report detailed progress against the council's corporate priorities and the reasons for KPIS being red or amber, and referred members to the table of successes at Appendix A, commenting that overall it was a pleasing report.

Councillor Giles, cabinet member for communities and social inclusion, referred to the improvements to processing speeds for the assessment of new housing benefit claims (paragraph 28 of the report) averaging 16.9 days over the year and well within the 19.5 day target. The Department of Work and Pensions had praised the service for its excellent performance. He pointed out that whilst not a corporate KPI the

Revenues and Benefits service had also improved the assessment of applications for Council Tax Reduction to just under 32 days, which was within the target of 35 days, and added his congratulations to the team.

Councillor Galvin referred to KPI 26, noting that the number of complaints responded to within 10 days dropped by 10 per cent this quarter, whilst the total volume of complaints had increased by 5 per cent, and asked which services were unable to achieve their targets. The Interim Head of Housing and Community Safety said that the two principal drivers for complaints were in Property Services relating to the wider issues of contract delivery by Norwich City Services Ltd and Environmental Services. The Executive Director of Development and City Services said that there was a new organisational structure in the service and processes needed to be in place to ensure that complaints were responded to. Some complaints were really requests for services such as cutting back hedges and vegetation.

RESOLVED to note the progress of the performance indicators for this quarter.

6. Budget Monitoring Report for Quarter 2, 2023-2024

(This report is contained in the supplementary agenda pack.)

Councillor Kendrick, cabinet member for resources, said that he had been on a course in Bristol to prepare him for advising on financial matters as a member of a Local Government Association Peer Review panel. Norwich City Council's financial management was well regarded in the sector. Many councils did not publish or share its financial reports with other members of the council or members of the public. He referred to the current financial difficulties experienced by other councils and cautioned that several years ago this council had been unable to balance its budget. Since 2011, the council had been in a much better financial position despite a decade of austerity. He thanked the Interim Chief Finance Officer and S151 Officer and S151 predecessors, and said that he looked forward to working with Karen Sly, Director of Finance and S151 Officer when she takes up her appointment.

The cabinet member for resources then presented the report which demonstrated that the council was in a strong financial position at the end of quarter 2 to go into the budget setting process for the next financial year.

In reply to a question from Councillor Galvin, the Interim Chief Finance Officer said that there was no additional budget allocated to the wholly owned company (referred to in paragraph 1.5) and an expectation, that the cashflow loan would be repaid in the current financial year.

RESOLVED to:

- (1) note the forecast £3.260m underspend on the general fund revenue account and the £2.015m overspend on the Housing Revenue Account (HRA);
- (2) note the forecast £0.486m underspend against the general fund and the £0.297m underspend against the HRA capital programmes.
- (3) note the areas of significant variances contained within the report.

- (4) note the detailed breakdown of capital programme variances.
- (5) note the carry-forward of unspent 2022/23 capital budgets for utilisation in 2023/24 and future years as approved under delegation by the Interim Chief Finance Officer.
- (6) note the re-profiling of capital budgets as approved under delegation by the Interim Chief Finance Officer resulting in the revised capital programme set out in Appendix 1.
- (7) approve the proposed virement within the 2023/24 HRA capital programme as set out in Appendix 2.
- (8) note the virements and additions to the 2023/24 General Fund capital programme approved under delegation by the interim chief finance officer as set out in Appendix 2.
- (9) recommend to Council, the removal of £6.250m of General Fund budgets and £4.306m of HRA budgets from the 2023/24 General Fund and HRA capital programmes as set out in Appendix 2.

7. Corporate Risk Register, Quarter 2, 2023-2024

(This report is contained in the supplementary agenda pack.)

Councillor Kendrick, cabinet member for resources, introduced the report. He explained that all risks were reviewed by the risk owners and the senior management team. He drew members' attention to the risks showing as red and advised members that if the mitigation measures did not reduce them, they would be referred to members. The audit committee would be reviewing the risk register at its next meeting (21 November 2023). The corporate risks needed careful monitoring on a month-to-month basis but these appeared to be static. He regretted that the bill on nutrient neutrality had failed and that the Department of Levelling Up and Communities had not removed the restrictions.

In reply to a question from Councillor Galvin, the Interim Chief Finance Officer (S151 Officer) said that he considered that the risks classed as "static" was a reasonable position as it took time for mitigation to come through. There were other factors too such as capital risk monitoring which was expected to come through in the next quarter.

RESOLVED to that the cabinet notes the identified risks and the direction of travel.

8. Rough Sleeping Strategy – Prevention, Intervention and Recovery 2023-2028

Councillor Jones, deputy leader and cabinet member for housing and community safety, introduced the report, in which she thanked the officers for their contribution. Since 2009, the council had produced a separate Rough Sleeping Strategy to its Homelessness Strategy. She was proud of the work that the council does with its partners in the Pathways Consortium and their contribution to the review of the Rough Sleeping Strategy 2017-2022. Rough sleeping was significant to those who

experienced it. In Norwich, the number of people sleeping rough had reduced to 7, which went against national trends, but there was no room for complacency.

The deputy leader referred to the report and said that the key challenges for the work with those rough sleeping included: the Covid pandemic and its impact on homelessness; the cost-of-living crisis; people with no recourse to public funds; and long term and multiple disadvantages. The Pathways Consortium partners, including St Martin's Housing Trust and the Magdalen Group, had contributed to the consultation on the strategy, and the Norwich Co-production Alliance (a group of people with lived experience of rough sleeping) were invited to comment on the final version of the draft strategy. The council had a leading role in addressing rough sleeping but could not do it alone without the assistance of a wider network of key stakeholders across the city. The strategy followed the government's key priority areas: Prevention; Intervention and Recovery and Systems and sets out targets to measure success. This includes working with hostels to decrease the number of people evicted from the hostel system; the creation of a post to work with partners to deliver targeted services; introduction of a trauma informed approach and enhanced tool kit to assist front line staff; and housing led projects. The strategy was a positive step forward.

The chair welcomed the report.

In reply to a question from Councillor Galvin, the Interim Head of Housing and Community Safety said that the Housing First model removes the barrier of requiring a medical assessment of the individual before providing housing and then ensures that there was "wrap around" support to assist them. Going forward there would be full awareness that a medical assessment would not be requested. The deputy leader referred to discussion in the community about mental health issues and support and would be very concerned if someone was excluded on those grounds.

RESOLVED to approve the Rough Sleeping Strategy 2023-2028.

9. The Tenancy Strategy, Tenancy Policy and Tenancy Agreement (Key decision)

Councillor Jones, deputy leader and cabinet member for housing and community safety, introduced the report and said that the process to renew the Tenancy Strategy, Policy, and Agreement, had been delayed due to the Covid pandemic. She thanked the tenants and members of the council who had taken part in the consultation exercise, and praised the work of the officers in the engagement with tenants in a variety of ways including letters, texts, and social media, and the council's website. There had been over 500 responses to the consultation, improving on the 91 responses to previous consultations. Over 8 out of 9 tenants agreed with the changes and the remainder wanted clarification on specific points. It was 10 years since the Tenancy Strategy had last been published and there have been a lot of changes in that time including increased financial pressures on tenants from the cost of living crisis, changes in the stance towards lifetime secure tenancies, and to reflect the work of the council to support residents subjected to domestic abuse. Work was in progress on the review of the council's Anti-Social Behaviour policy. She expressed her gratitude to the report authors for their report and contribution.

The chair also commented that this was an excellent piece of work.

RESOLVED to approve the Tenancy Strategy, Tenancy Policy and Tenancy Agreement documents.

10. Procurement of Council Insurance Programme (Key decision)

Councillor Kendrick, cabinet member for resources, introduced the report. He said that the current insurance contract was due for renewal from April 2024 and due to the council's scale of operations its insurance needs were complex.

The chair commented that the council's insurance needs included cover for cybersecurity and the civic regalia.

In reply to question from Councillor Galvin, the Head of Legal and Procurement said that the procurement process for the insurance contract was a lengthy process and had been started in April 2023. The reason for delegated approval being sought was to ensure that officers could move quickly following evaluation of submitted tenders to confirm the preferred bidder in January 2024, and resolve any contractual requirements before cover comes into place in April 2024.

RESOLVED to delegate to the executive director with responsibility for insurance, in consultation with the cabinet member for resources to enter into contracts for insurance cover for the council.

11. Exclusion of the public

RESOLVED to exclude the public from the meeting during consideration of items *12 and *13 (below) on the grounds contained in the relevant paragraphs of Schedule 12A of the Local Government Act 1972 (as amended).

***12. Corporate Risk Register, Quarter 2 2023/2024 (Paragraph 3)**

RESOLVED, having considered the report, to note the exempt appendix.

***13. Disposal of Assets (Housing) (Paragraph 3)**

Councillor Jones, deputy leader and cabinet member for housing and community safety, introduced the report and said that the disposal of these two properties would provide capital receipts back into the Housing Revenue Account.

RESOLVED to approve the disposal of the freehold interest in the property assets of the two properties referred to in the report.

CHAIR



Extraordinary Cabinet

16:30 to 18:55

22 November 2023

Present: Councillors Stonard (chair), Jones (vice chair), Giles, Hampton, Kendrick and Oliver

Also present: Councillor Galvin, Green group leader

1. Declarations of interest

There were no declarations of interest.

2. Public questions/ petitions

The Leader of the Council explained that extraordinary meetings would not normally include public questions, however given the level of public interest expressed in the item he was allowing the public to ask questions.

Two public questions had been received. The first was from Mr Hugh McGlyn the secretary of the Norwich Over the Wensum Neighbourhood Forum.

Mr McGlyn asked the leader of the council and cabinet member for inclusive and sustainable development the following question:

“The Norwich Over the Wensum Neighbourhood Forum is a Council approved body, working with the community of our defined Neighbourhood Area in the development of a planning policy document in the form of a Neighbourhood Plan. Our area is north of the river Wensum, and Anglia Square is in the centre of the area.

As a Forum we decided not to take a position on the Anglia Square development as such, given a variety of opinions within the Forum and the residents of the area. However, the officers of the Forum feel it is incumbent on us to hold the council to account for planning decisions deeply affecting the area.

We note that because of the very short notice of this session, we have not been able to confer in a meaningful way with members of the Forum over what they would like to ask and so are confining ourselves to questions of clarity and process. Please could you clarify whether although we are given to understand it has been legally decided that the Councillors must make this

decision, have the Councillors had opportunity to get input from the Planning Committee on this matter?

Secondly there appears to be no discussion of what community infrastructure projects will not take place if the CIL is not paid or how the shortfall for necessary projects would be made up. Has this been considered? Has there been any consultation with people in the area? We note that there is a complex Section 106 agreement. Can it be confirmed that this has been signed by all parties? Also can you explain if this has been designed to in any way mitigate the impact of the CIL exemption?

Thirdly, we understand that although for Weston Homes Phase 1 and 2 are likely to be loss making because of the large upfront costs (apparently even with the £15 million grant from Homes England Housing Infrastructure Fund), Phases 3 and 4 (of necessity) will make a profit. Can we be reassured on behalf of the people living the area that the Council will bear in mind the impact of the development on already stretched services and infrastructure and defend the payment of CIL to mitigate this impact? If you do not feel able to do that today, may we be reassured that the needs of our community will be at the forefront of your minds should there be any further CIL exemption requests from this or any other developer?"

Councillor Stonard responded:

"The legal advice about the process has made it clear that planning applications committee does not have the authority to make a decision on CIL ECR and that it must be a decision made by the local authority's executive, that is, either the leader of the council or the wider cabinet. There is no requirement to consult.

The CIL Regulations allow charging authorities to grant relief and the report carefully sets out the matters Cabinet should consider in assessing the claims. ECR should only be granted if the council believes there is an unacceptable impact on the economic viability of the development. Regulation 55 (3)(c) applies.

The Regulations do not require the effect of 'lost CIL' to be considered, however because of uncertainty about the delivery of Anglia Square, to date CIL income from this site has not been factored into the city's or the Greater Norwich Growth Board's (GNGB) CIL projections and would not, in any event, be of significant benefit to the Council's own general fund expenditure. If development was to go ahead without ECR, the majority of CIL paid (85%) would go into the CIL pool managed by the Greater Norwich Growth Board (GNGB) on behalf of the 3 district councils that are represented by the GNGB. Any CIL generated would be spent on projects across the wider Greater Norwich area and would not necessarily directly benefit the Norwich Over the Wensum Neighbourhood area.

The redevelopment of the Anglia Square will benefit the neighbourhood area, very significantly. The removal of highly prominent underutilised and physically deteriorating vacant buildings, that currently blight the area will both allow the comprehensive redevelopment of Anglia Square and unlock wider

benefits and further redevelopment in the longer term. The development will boost the city's housing supply, deliver at least 106 new affordable homes, create much needed local employment for Norwich residents and refresh the shopping offer in the area. Infrastructure benefits where necessary have been secured either through planning conditions or through the S106, which has been signed by all parties. The S106 has been designed to mitigate the impact of CIL exemption.

Phase 3 is not due to get underway until 2026 and phase 4 until 2028. Further claims for ECR cannot be made until a time closer to these start dates. If claims are submitted, the viability position will be a lot clearer as actual costs and development values will be included in the viability assessment. ECR would only be considered under the council's policy if the conditions of the CIL Regulations in respect of ECR, are met."

In response to Mr Mc Glyn's supplementary question, Councillor Stonard advised that he could not prejudge the decision that cabinet would make but mitigation of the impact of the development would be considered as part of the decision making process.

The second public question was from Ms Libs Olley on behalf of the Norwich Renters Collective.

Ms Olley asked permission to present the leader of the council with a petition which was accepted and she read the wording of the petition as follows.

"We the undersigned call on Norwich City Council cabinet members not to exempt developers from paying Community Infrastructure Levy and to uphold democratic accountability to Norwich residents over decision making processes.

Weston Homes recently received planning permission from Norwich City Council for a proposed development of Anglia Square, despite only committing to delivering 10% affordable housing.

Now, to make matters worse, whilst thousands of us have seen our council tax increase, Weston Homes, whose 2022 turnover was £130 million, are seeking an exemption from paying the development levy which is estimated to be £7.7million. Weston Homes are already set to make millions from the development.

The money raised by this levy, if paid, would be put towards supporting local services and developing essential community infrastructure in the local area. At least 15% of this fund would go towards supporting local neighbourhood priorities.

Norwich City Council have now scheduled a shock extraordinary cabinet meeting to take place this Wednesday 22 November to discuss awarding Weston Homes an exemption – taking the power to decide this away from Norwich City Council Planning Committee despite previously stating this decision would go to planning committee for full consideration and scrutiny.

The cabinet have announced they will not be accepting questions from the public on this issue, shutting down local democracy and accountability. Norwich residents deserve better.

We believe developers should not be exempt from paying the levy and that Anglia Square and the surrounding communities should have access to the funds they need.”

The leader of the council thanked Ms Olley for the petition and noted that public questions had been accepted at this meeting at his discretion, he then invited Ms Olley to ask her question, she asked the leader of the council and cabinet member for inclusive and sustainable development the following:

“In February this year, in its budget statement, Norwich City Council recognised more than a decade of cuts from national government had impacted the council's ability to fund essential local services and highlighted the need to bridge a £6.2 million budget gap this year.

Over the past year, residents in Norwich have seen an increase in council tax, bills, private rents, cost of food, childcare and more - thousands are struggling to make ends meet. Meanwhile, Weston Homes are seeking to be exempt from the Community Infrastructure Levy, an essential fund for Norwich.

Given this backdrop of an extremely challenging financial situation faced by Norwich City Council, if Weston Homes are awarded this exemption, where will the council find the financial resources to pay for the much needed infrastructure to support the addition of 1100 housing units in Anglia Square?”

Councillor Stonard responded:

“As referred to in the previous answer, because of uncertainty about the delivery of Anglia Square, to date CIL income from this site has not been factored into the city's or the Greater Norwich Growth Board's (GNGB) CIL projections and would not, in any event, be of significant benefit to the council's own general fund expenditure, which as you have identified continues to be under significant financial strain. If development was to go ahead without ECR, the majority of CIL paid (85%) would go into the CIL pool managed by the Greater Norwich Growth Board (GNGB) on behalf of the 3 district councils that are represented by the GNGB. It would be spent on projects across the wider Greater Norwich area, with only a proportion directly benefiting the city. Therefore, the granting of ECR does not impact on current CIL income projections.

Planning conditions and the S106 secure the necessary infrastructure to make this development acceptable – this includes public transport and highway improvements, drainage and utility upgrades, green infrastructure and mitigation to ensure that the development will not result in adverse effects on protected European sites; improved community facilities and reserving space for healthcare uses.”

In response to Ms Olley's supplementary question, Councillor Stonard responded that the necessary infrastructure for the development was secured via the S106

agreement. He considered that two separate issues were being conflated inappropriately, the first: did the development qualify for Exceptional Circumstances Relief (ECR) and the second: the cost of living crisis and the council's finances. He noted that Weston Homes might have a turnover of £130 million but turnover was not profit. He emphasised that the council took the cost of living crisis very seriously

3. Comments from Councillors

The chair advised that he had received four requests in advance from members of the council to speak on the item that would be considered. He called on the first speaker, Councillor Osborn to speak who said the following:

“As the ward member for Mancroft ward I note that Mancroft residents will be most impacted by the development and consider that they want and deserve a say on the scheme. CIL ECR should only be granted where there is overwhelming public benefit from the development, what is the benefit to the community of this development. The community want better street lighting, traffic calming measures and cleaner and better looked after streets this is where the CIL could be spent. If the development goes ahead there will be an extra 1,000 properties in Anglia Square in an area already struggling with infrastructure, it would close the door on existing community facilities and will create an extra demand for services. If the scheme does bring benefits it will be for the buy to let market.

The applicant says that if ECR is not granted they will walk away from the scheme, they said the same in 2018 when the planning application was refused but they did not. The applicant does not want to lose the money they have already sunk into the scheme and won't walk away and we should hold them to account. The applicant says with ECR their profit margins will be 9% and without it 7.7%, I note the developer has achieved a six fold increase in profits over the last few years.

Councillor Stonard has made a plea to the Chancellor for a fair deal for Norwich, he should ask the same of the developers of Anglia Square.”

Councillor Stonard, asked the second speaker Councillor Stutely to speak who said the following:

“I'd like to congratulate the Norwich Renters Collective for their petition, getting so many signatures in such a short space of time. I have a responsibility to the residents in my ward, private renters in the city and those waiting for social housing. Weston Homes will be awarded £15 million from Homes England in the way of Housing Infrastructure Funding (HIF), they can develop the scheme without state aid from Norwich City Council. CIL ECR represents a tax break and is unacceptable and cabinet should vote against it.”

Councillor Stonard, asked the third speaker Councillor Galvin to speak who said the following:

“As a member who sat on Planning Applications Committee (PAC) and considered the planning application I am disappointed that this CIL ECR application was not considered by that committee as we were previously told

it would be. It is unfortunate that the correct legal advice was not sought sooner but even so the application could have gone to PAC to be debated where members are not whipped, why was this option not considered. Referring to the report the HIF application fetters the council's discretion by stating payment is dependant on ECR being awarded and accordingly the contract is to be changed. Why is this being allowed this would not be allowed if it were the tender for a contract so why is it in this case.

In 2018 Weston Homes said they would walk away from the development if the HIF payment was lost as a result of the planning application being refused but they did not and I am sceptical about them walking away now. Have other councils within the GNGB been consulted and how would the decision to grant ECR affect our relationship with them. The argument that 85% of CIL is pooled and therefore doesn't matter is a strange one, would you say this of any other development. There are lots of questions and inconsistencies with this application which need to be addressed."

Councillor Stonard, asked the fourth speaker Councillor Davis to speak who said the following:

"The clause within the HIF contract which stipulates that CIL ECR must be granted prior to the money being drawn down fetters member discretion. Every case should be considered individually on its own merits and the decision made in relation to the viability of the scheme. The HIF money should not be a factor in the decision and the decision should not be made until the contract is changed. The decision has to be made on the evidence that is in front of you and I would urge you to defer making this decision until there is an up to date amended contract with Homes England in place in relation to the HIF application."

4. Determination of Applications for Community Infrastructure Levy Exceptional Circumstances Relief (CIL ECR) for Phases 1 and 2 of Anglia Square redevelopment

Councillor Stonard, leader of the council and cabinet member for inclusive and sustainable development confirmed that no member of cabinet had been whipped in relation to this decision and asked all members of cabinet to confirm that this was the case which they did. Councillor Stonard asked officers to present the report. The Head of Planning and Regulatory Services and the Development Strategy Manager provided a presentation which is available [here](#) and then took member questions.

The Development Strategy Manager advised that the standard range of developer's profit considered reasonable was 15-20%. The figures in the presentation took account of Housing Infrastructure Funding (HIF) being granted and gave the best case scenario. Weston Homes' costs were different to most developers as they made savings by having in house contractors and supply chain savings as they delivered substantial developments.

The Head of Planning and Regulatory Services advised the value of the developer's S106 contribution was greater than the CIL ECR would be.

In response to a question from the deputy leader and cabinet member for housing and community safety the Executive Director of Development and City Services advised that the HIF contract with Homes England (HE) had not been formally amended since 2019. The contract was drawn up when the scheme was vastly different in that it included a higher tower block and a greater density of housing units. At that time, HE were concerned that without ECR being granted 50% of the £15 million infrastructure funding was at risk. The development was now significantly different, and therefore so was the risk that it would erode the HIF funding. Initial conversations with HE indicated that they are minded to agree to the contract being amended in order that the HIF payment was not dependant on ECR being granted. The Head of Planning and Regulatory Services advised that she met weekly with HE and that it was hoped the contract could be amended by the end of the calendar year.

Councillor Giles the cabinet member for communities and social inclusion asked what weight members ought to give the contract clause. The Executive Director of Development and City Services advised that the weight members chose to apply to the clause was a matter for them to determine. They were cognisant of the risk and there was no legal imperative to determine the application in any direction, members were free to determine it as they saw fit. The Head of Legal and Procurement and the council's Monitoring Officer noted that the question of members discretion being fettered was being managed through the HE contract. The decision which was being made was an executive one and it was for members to consider relevant factors and come to a reasoned decision.

Councillor Kendrick, the cabinet member for resources asked why there were two different approaches to the financial consultation. The Development Strategy Manager advised that two different cost levels were being assessed, the first included common developer costs and was independently audited by Avison Young and factored in the costs of a scheme of this nature such as contracting out. The second set of costings followed Weston Homes' model which was different to that of most developers in that they had in house contractors which reduced the cost of professional fees, contractors profit typically costing 5-6% of a development. Weston Homes had been very open about the level of costs they had incurred at other schemes and again these costs had been independently audited by Avison Young which gave reassurance that the costs were realistic.

Various review mechanisms were built into the S106 agreement which could increase the number of affordable housing units in following stages. Weston Homes were not sure how they were going to finance all of the development whether it would be from equity reserves or borrowing. If they did need to borrow to finance the development then this would subsequently affect the viability of the scheme detrimentally. The costs included in the presentation represented the best case scenario, reasonable profit levels were typically 15% and 17.5% on more high risk developments which arguably Anglia Square was.

Councillor Oliver the cabinet member for wellbeing and culture asked if ECR were granted on phase one and two of the development was the council obligating itself to granting ECR for the later phases of the development. The Head of Planning and Regulatory Services advised that the HIF monies had an availability period attached to it which was extended to June 2025. Phases three and four of the development where not expected to be built by then and the HIF would have already been spent

on up front costs. Therefore the HIF application would not be part of the consideration of any ECR application which might be submitted for later phases of the development. The Head of Legal and Procurement and the council's Monitoring Officer advised that the council's own ECR policy required each application to be considered on its individual merits and that the nature of the risk profile of the scheme would shift in later phases.

The Head of Planning and Regulatory Services advised that the CIL regulations in relation to ECR were very clear in that each phase of the development would be considered individually. The application was not looking at the whole development which was included in the report to give wider context. The decision for members to determine today was only in relation to phases one and two of the development. The Development Strategy Manager advised this was why the financial viability modelling was done on a phase basis and that there were separate reports included in relation to both phases.

Councillor Hampton cabinet member for climate change noted that ECR should be granted where there were wider community benefits such as the delivery of affordable housing and asked why only 10% affordable housing rather than 33% was included in the development. The Head of Planning and Regulatory Services advised that within the city centre there was an ideal requirement for 28% affordable housing and in relation to the Anglia Square development the quantum of affordable housing was determined within the planning application. She noted that monies achieved by the developer over a certain level would result in the clawback of some funds which could be used to invest in affordable housing.

Councillor Galvin asked why the decision on the ECR application was being made now and why not when the HIF contract was updated, what legal assurance was there that the council would not be open to judicial review. The Head of Planning and Regulatory Services advised that the HIF availability period ran to June 2025 and with the timescales being so tight the developer wanted the ECR application determined now as they wanted to wait for the judicial review period to lapse before works on the site started. Legal advice had been taken on the Cabinet report and she considered that there should be no issue renegotiating the contract with HE.

Councillor Jones the deputy leader and cabinet member for housing and community safety referred to the report which detailed a potential 7-9% profit for the developers with a profit margin of 9% if ECR was granted and asked why the financial modelling did not include borrowing costs. The Development Strategy Manager advised the developer did not want to present a false position and as they had not made a decision regarding how they would fund the development via equity or borrowing they could not give the figures. The figures used in the financial modelling represented the best case scenario in terms of what profits could be achieved.

Councillor Oliver the cabinet member for wellbeing and culture asked what the definition of a neighbourhood was as referred to in the report as 15% of CIL would go to the neighbourhood area. The Executive Director of Development and City Services advised that the council divided the city into four neighbourhood areas; North, South, East and West. Therefore the neighbourhood area was significantly larger than the Anglia Square area.

Councillor Giles the cabinet member for communities and social inclusion asked what role market research had played in determining the residential and commercial values for the scheme. The Development Strategy Manager advised that qualified valuers were used who looked at a number of schemes they considered comparable. The most relevant scheme was determined to be St. James Mill but it was recognised that scheme would achieve a higher value due to the area it was located in.

Councillor Oliver the cabinet member for wellbeing and culture asked about job creation in relation to the scheme. The Head of Planning and Regulatory Services advised that the wider socio-economic benefits were considered as part of planning application. The prediction of the number of jobs created was considered reasonable at the time that the planning application was considered.

Councillor Jones the deputy leader and cabinet member for housing and community safety asked what the council tax benefit to the city would be if the development went ahead. The Interim Chief Finance Officer and the council's S151 officer advised that the net impact was difficult to predict as it depended on the numbers claiming single person discount, student exemptions and Council Tax Reduction Scheme granted but that the overall yield was expected to increase.

In response to a question from the cabinet member for wellbeing and culture the Executive Director of Development and City Services advised that when the council adopted its ECR policy it looked at a number of other councils that had adopted an ECR policy but that less than half a dozen had actually applied the policy to a particular scheme. He was not aware of any academic studies which looked at the benefit of ECR policies. He considered that ECR was a tool to be used to get complex regeneration projects away.

In response to a question from the deputy leader and cabinet member for housing and community safety the Executive Director of Development and City Services advised that members could determine to grant a partial ECR award but noted that any CIL paid would still be split 85% to GNGB and 15% to the neighbourhood area. The Head of Legal and Procurement and the council's Monitoring Officer reminded members that if they were to agree something different to the proposal before them then they were required to justify their decision.

The Head of Planning and Regulatory Services confirmed that the developer would be required to fund environmental credits in relation to nutrient neutrality as soon as the development went above slab level. However, if the law in relation to nutrient neutrality changed these mitigation measures may not be required.

Councillor Giles the cabinet member for communities and social inclusion asked what the complexities of the site and the development difficulties were. The Head of Planning and Regulatory Services responded that it was a very complicated site, the large district centre needed to remain in operation throughout the development, demolishing the existing structures was complicated by the fact that one could not be demolished without impacting another, the buildings were riddled with asbestos which again complicated demolition, it was a tightly banded site with well used roads surrounding it, the area was one of high archaeological interest and former industrial use of the site meant that remediation of contamination of the land was required. All

these works were required to be done in advance of building works starting and therefore impacted on cashflow.

In response to a question from the cabinet member for communities and social inclusion the Head of Planning and Regulatory Services advised the community measures agreed as part of S106 agreement included a green infrastructure payment in relation to improvements at Gildencroft and Wensum parks, extra car club provision for the area, a contribution to the development of the area of land under the fly over which is city council owned, improving the public realm in terms of enhancing Anglia Square, the introduction and management of a new changing places facility on the site, on site improvements to the yellow pedalways system and improvements to bus stop facilities on Magdalen Street.

The Executive Director of Development and City Services noted that these infrastructure improvements were direct benefits to the local community but that the investment of £200million in a development over ten years in a deprived ward would also provide significant benefits. It would significantly increase employment opportunities, lead to the removal of buildings which blighted the landscape and it would very likely encourage development of other sites in the locality. The community benefits were not limited to the infrastructure benefits alone and as other developments came forward CIL would apply.

In response to a question from Councillor Giles the cabinet member for communities and social inclusion the Head of Planning and Regulatory Services advised that at the time that the planning application was submitted educational services made no objection to the development. She noted that the type of accommodation included one and two bedroom flats which tended to not be attractive to families. The County Council as the Local Education Authority considered that there was enough capacity within local schools and colleges to accommodate an increase in roll numbers.

(As the meeting had come to the two hour mark a ten minute break was taken)

The chair asked members if there were any points that they wished to raise, to explain their view or to debate. Councillor Jones the deputy leader and cabinet member for housing and community safety considered that the city needed an increase in housing provision of all tenures, she expressed a wish that the development included more affordable housing but noted that this had been considered as part of the planning application and was not the question in front of members now. She considered that the development would deliver wider regeneration benefits to the area.

Councillor Kendrick the cabinet member for resources concurred that there was a urgent need in the city for all types of housing, there were many young professionals who could not get on the housing ladder for example. He noted that a 100 units of affordable and social housing was better than no units and that buildings which currently blighted the area would be removed. He would support the application for ECR.

Councillor Giles the cabinet member for communities and social inclusion noted that the CIL regulation 55 (1) (b) referred to the charging authority when considering ECR applications to grant, should consider if it expedient to do so and asked what should be taken into account when considering the question of expediency. The Executive

Director of Development and City Services advised the regulations directed members to consider if the decision needed to be made now, would the scheme come forward without support and was the relief necessary and appropriate to support the viability of the scheme. The Head of Legal and Procurement and the council's Monitoring Officer advised members that the decision was essentially asking members to consider if the CIL regulations had been met. The regulations dictated that the council have an ECR policy in place and that the developer had submitted information to indicate that if CIL paid it would unacceptably impact the viability of the scheme.

In response to a question from the cabinet member for wellbeing and culture the Executive Director of Development and City Services advised that £2.1million of CIL would be foregone with the majority of this due to go to the GNGB and that this represented a minor percentage removed from the pool overall. He noted that Norwich was in a unique position in that since it had begun to pool CIL with the GNGB in 2013 for infrastructure investment the city had had more CIL money spent for infrastructure, transport and connectivity than it had actually raised from within it.

Councillor Stonard, leader of the council and cabinet member for inclusive and sustainable considered it was a circular argument as CIL would only be payable if the development could go ahead. The Executive Director of Development and City Services advised that if the development went ahead there would be a regeneration benefit to the wider area and that it was hard to advise on the theoretical impact of loss of CIL income.

Councillor Hampton cabinet member for climate change noted that there was an uncertainty in relation to risk versus benefits of granting ECR. She confirmed that she had not been whipped or lent on in relation to the decision and had a robust opportunity to be brought up to date in relation to relevant policies. The planning application had already been determined and the application met the test determined within the CIL regulations in relation to the site and circumstances of the development.

Councillor Giles the cabinet member for communities and social inclusion noted that the CIL regulations had three criteria to be met which he summarised as follows. Firstly, was there an ECR policy in place, he noted that there was and this was not being revisited nor was the planning application. Secondly, would failing to grant relief from CIL make the scheme unviable, he noted that members had heard market evidence that utilized a series of other sites in the city to calculate the base residential and commercial values of the development. Further it had been set out in detail what the complexities of developing on the site were.

He considered in relation to viability that it was proven this was borderline and the scheme was only viable due to the model Weston Homes had in place in terms of having their own in house contractors and enough equity reserves to not require borrowing unlike most developers. He considered that the scheme represented a once in a generation opportunity to develop the site. He noted that planning guidance considered an acceptable profit margin to be 15-20% and that the council's own affordable housing SDP considered 15% reasonable with it increasing to 17.5% for riskier sites. Within the draft Greater Norwich Local Plan Anglia Square was included as the second largest brownfield site within the city and its development

was an opportunity for regeneration at a significant scale and to be a catalyst for wider regeneration within the north of the city.

He noted that within phases one and two of the development the percentage of affordable housing to be delivered was significantly higher than 10%. He listed the community benefits the scheme would result in; the extensive highways work undertaken as part of S106 agreement, the improved bus network, enhanced pedal ways, enhanced green infrastructure, GIRAMS (Green Infrastructure and Recreational impact Avoidance and Mitigation) payment, nutrient neutrality mitigation and the provision of a community hall and hub. He considered that on this basis the second CIL criteria was met.

The third criteria did the charging authority consider it expedient to do so, in his view did not add much to the determination but was met and on the basis that all the criteria were met he was minded to vote in favour of the application.

The chair took each recommendation in turn and following a vote it was:

RESOLVED to agree that:

1. There are exceptional circumstances (within the meaning of the CIL Regulations 2010 as amended) that justify the grant of Exceptional Circumstances Relief in respect of phase 1 Anglia Square development (REF 22/00434/F) and that it is therefore expedient to grant Exceptional Circumstances Relief;
2. To grant Exceptional Circumstances Relief for the phase 1 of the Anglia Square development (22/00434/F) in accordance with the Council's adopted Exceptional Circumstances Relief policy.
3. There are exceptional circumstances (within the meaning of the CIL Regulations 2010 as amended) that justify the grant of Exceptional Circumstances Relief in respect of phase 2 Anglia Square development (REF 22/00434/F) and that it is therefore expedient to grant Exceptional Circumstances Relief;
4. To grant Exceptional Circumstances Relief for the phase 2 of the Anglia Square development (22/00434/F) in accordance with the Council's adopted Exceptional Circumstances Relief policy.

CHAIR