

Policy and Resources Committee

Minutes of the Meeting Held on 29 January 2018

10:00am Edwards Room, County Hall, Norwich

Present:

Mr C Jordan (Chairman)

Mr B Borrett
Mrs M Dewsbury
Mr T Garrod
Mr K Kiddle
Mr S Morphew

Mr R Oliver
Mr D Roper
Mr E Seward
Mrs A Thomas
Mrs C Walker
Mr M Wilby

Substitute Member present:

Mr S Dark for Mrs P Carpenter

Also present:

Mr A Adams
Mr M Castle
Mr B Spratt
Mrs K Vincent
Mr B Watkins

1. Apology for Absence

- 1.1 An apology for absence was received from Mrs P Carpenter.

2 Minutes

- 2.1 The minutes of the previous meeting held on 27 November 2017 were confirmed by the Committee and signed by the Chairman.

3 Declarations of Interest

- 3.1 There were no declarations of interest
3.2

4 Items of Urgent Business

- 4.1 There were no items of urgent business but the Chairman updated the Committee on Fire Governance.

5 **Public Question Time**

The public question (and supplementary question) that the Committee received from Mr Pendred (together with the answers given in the meeting) can be found at Appendix A.

6 **Local Member Issues**

- 6.1 The local Member question that the Committee received from Mr Morphew (together with the answer given in the meeting) can be found at Appendix B.

Section A – Items for Discussion and Decision/Action

7 **Finance monitoring report Period 8: November 2017**

- 7.1 The annexed report (7) by the Executive Director of Finance and Commercial Services and the Strategy Director was received.
- 7.2 The Committee received a report from the Executive Director of Finance and Commercial Services that summarised the Period 8 (November 2017) forecast financial outturn position for 2017-18, to assist Members to maintain an overview of the overall financial position of the Council.
- 7.3 The Executive Director of Finance and Commercial Services pointed out that the main reason for the forecast overspend was pressure in Children's Services, in particular costs associated with looked after children. To help meet the anticipated shortfall, the Children's Services Committee had agreed to the action that was set out in paragraph 2.10 of the report, on page 26 of the agenda.
- 7.4 In reply to questions, the Director of Finance and Commercial Services said that the additional demand for SEND places had placed additional pressure on the High Needs block spend in the dedicated schools grant and that this matter was reported to Children's Services Committee.
- 7.5 **RESOLVED**

That the Policy and Resources Committee:

- 1. Note the period 8 forecast Revenue overspend of £2.790m, subject to approved use of reserves;**
- 2. Agree the use of £2.591m reserves, as set out in paragraph 3.2 below and paragraph 2.10 in Appendix 1 to the report, to reduce the level of the Children's Services forecast revenue overspend, as recommended by 16 January 2018 Children's Services Committee;**
- 3. Note the forecast General Balances at 31 March 2018 of £19.301m, before taking into account any over/under spends;**
- 4. Note the revised expenditure and funding of the current 2017-20 capital programme as set out in Appendix 3 of the report;**
- 5. Agree to the addition of £0.100m to the capital programme to fund a corporate financial reporting systems upgrade as described in section**

- 4 of Appendix 2 of the report (Capital Programme);
6. Approve the decision not to pursue potential retrospective performance deductions of £0.150m, due to incorrectly interpreted rectification periods through the early years of the Street Lighting PFI contract as explained in Appendix 1 section 5, and paragraph 4 of the report.

8 Delivering Financial Savings 2017/18

- 8.1 The annexed report (8) by the Executive Director of Finance and Commercial Services was received.
- 8.2 The Committee received a report by the Executive Director of Finance and Commercial Services that provided details of the forecast delivery of the 2017-18 savings agreed by the County Council at its meeting 20 February 2017.
- 8.3 The Executive Director of Finance and Commercial Services said that an officer working group was working closely with Independence Matters on a range of options to reshape the contract and service model for day services. Officers remained confident that significant savings in day services would be achieved in future years.

8.4 RESOLVED

That the Policy and Resources Committee note:

- a. the forecast shortfall of savings delivery of £5.261m, which amounts to 11% of total savings for 2017-18;
- b. the budgeted value of 2017-18 savings projects rated as RED of £7.428m, of which £2.725m are forecast to be delivered;
- c. the budgeted value of 2017-18 savings projects rated as AMBER of £1.214m, of which £0.656m are forecast to be delivered;
- d. the budgeted value of 2017-18 savings projects rated as GREEN or BLUE of £39.132m, of which £39.132m are forecast to be delivered; and
- e. the forecast position of savings delivery for 2018-19 (£7.174m shortfall) and 2019-20 (£0.100m shortfall).

9 Our Vision, Strategy and Service Plans

- 9.1 The annexed report (9) by the Managing Director was received.
- 9.2 The Committee received a report by the Managing Director that set out the Administration's Vision with its ambitions for the County and the Council's Strategy for each area of its work to be transformed to effectively deliver those ambitions.
- 9.3 Some Members said that a distinction should be drawn between the Vision statement, which contained very little detail about how it was hoped to achieve a sustainable way forward for the services that Norfolk's citizens valued and relied

on most, and the Strategy, prepared by officers, to protect as much as possible of the public services people valued and needed in Norfolk at a time when the financial prospects for local government were grim and in need of careful management.

- 9.4 The majority of Members were of the view that the Vision statement was widely supported in Norfolk and set out the links between the wellbeing and safety of Norfolk's citizens and the housing, infrastructure, environment and connectivity that was fundamental to the development of successful, self-sustainable local communities. The Vision set out the Administration's commitment to achieving specific proposals to sustain local services. It provided the confidence that was required for local businesses to deliver growth in the economy. The Administration was confident that the County Council's Strategy for 2018-21 would deliver new ways of working within the Council by way of a transformation programme that changed how council services were delivered in future.
- 9.5 The Chairman said that by modernising County Council services and making them fit for purpose, it was possible to avoid a defensive retreat to minimum statutory services that stored up more serious problems in the longer term.
- 9.6 In reply to questions, the Strategy Director said that each Service Committee would be expected to produce a 3 year forward plan, setting out how their areas of responsibility would be shaped by the ambition and principles of "Future Norfolk" and promote the Council's vision. An on-line version of the Norfolk Futures Strategy would be published on the County Council's website, together with an easy read version. Committee plans would need to set out what would be delivered over the next three years within the resources available. These service plans would be submitted to Service Committees in the March cycle of meetings. Progress against service transformation would be monitored by Policy and Resources Committee. There would be an intense focus by the Strategy and Delivery Unit on the corporate areas of the Strategy that could only be delivered through whole Council cross department working.
- 9.7 The Managing Director said that there was no disconnect between the vision, strategy and service plans. They fully complimented each other and set out new ways of working for the Council, and the priorities for a transformation programme that would change how County Council services were delivered for the better in the future.

- 9.8 **RESOLVED (with 9 votes in favour and 4 votes against)**

That the Policy and Resources Committee:

- a. **Adopt "Caring for our County: A Vision for Norfolk in 2021-22."**
- b. **Agree "Norfolk Futures" and the principles driving service transformation.**
- c. **Commission the Service Committees to develop plans to demonstrate how each area of the Council's work will change to deliver Norfolk Futures, progress against which will be monitored by Policy and Resources Committee.**

10 **Strategic and Financial Planning 2018-19 to 2021-22 and Revenue Budget 2018-19**

- 10.1` The annexed report (10) by the Executive Director of Finance and Commercial Services was received. The Committee also received by way of a supplementary agenda the unconfirmed draft Service Committee minutes (Appendix G to the main report) and (to be found on the Committee pages website) the equality and rural impact assessment report.
- 10.2 The Committee received a report by the Executive Director of Finance and Commercial Services that set out the overall direction of travel for strategic and financial planning for 2018-19 to 2021-22 and provided the detailed financial information to support the Committee's proposed Revenue Budget and Council Tax recommendations.
- 10.3 The Vice-Chairman commended the officers for their hard word in compiling a very comprehensive budget report that was rooted in strong financial management. She said the report set out a budget strategy that was built to last and put in place a strong foundation for savings in future years.
- 10.4 In the ensuing debate the following key points were made:
- Some Members said that the budget report (when taken together with the equality and rural impact assessments) showed the extent of the squeeze that the Government was placing on local government expenditure and the inherent dangers for council services of the Administration's attempts to achieve what these Members described as four years of budget savings in three years.
 - The majority of Members took a different view. They said that the proposed budget was robust and entirely deliverable and showed the Administration's determination and commitment to make significant above inflation investments to protect adult social care and children's services and met demographic growth pressures. At a time of significant and sustained financial pressure, the Administration planned to invest in major infrastructure projects and deliver an overall balanced budget for the whole council.
 - It was pointed out that the Revenue Support Grant was likely to entirely disappear in 2020-21but significant uncertainty was attached to this and clearly the level of savings required in year three could be materially lower should this loss of funding not take place.
 - The Council had written to District Chief Financial Officers about a proposed change to the County's share of second homes council tax income in 2018/19. Only the Borough Council of King's Lynn and West Norfolk had formally responded although other discussions were ongoing.
 - No changes were proposed in payments to war veterans.

10.5 **RESOLVED**

That the Policy and Resources Committee:

1. Note the specific recommendations for budgets and savings proposals relating to Policy and Resources Committee's own budgets as set out in Appendix C and detailed in Appendix F of the report.
2. Note the statements regarding the robustness of budget estimates, assumptions and risks relating to the 2018-19 budget, set out in section 6, section 9, and the separate report on the Robustness of Estimates elsewhere on the agenda.
3. Note the feedback from Service Committees, and the further changes required to deliver a balanced budget as set out in this report (paragraph 9.11 and Table 7).
4. Note the findings of equality and rural assessments, linked at Appendix H(ii) to this report, and in doing so, note the Council's duty under the Equality Act 2010 to have due regard to the need to:
 - a. Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - b. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - c. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

10.6 RESOLVED TO RECOMMEND to County Council (with 9 votes in favour and 4 votes against):

- a. An overall County Council Net Revenue Budget of £388.799m for 2018-19, including budget increases of £137.242m and budget decreases of £107.255m as set out in Table 8 of this report, and the actions required to deliver the proposed savings.
- b. The budget proposals set out for 2019-20 to 2021-22, including authorising Chief Officers to take the action required to deliver budget savings for 2019-20 to 2021-22 as appropriate.
- c. With regard to the future years, that further plans to meet the remaining budget shortfalls in the period 2019-20 to 2021-22 are developed and brought back to Members during 2018-19.
- d. Note the advice of the Section 151 Officer, at paragraph 6.1 of the report, on the financial impact of an increase in council tax, as set out in section 8 of the report, and confirm, or otherwise, the assumptions that:
 - i. the Council's 2018-19 budget will include a general council tax increase of 2.99% and a precept of 3.00% for Adult Social Care, an overall increase of 5.99% (shown at Appendix D) as recommended by the Executive Director of Finance and Commercial Services.
 - ii. the Council's budget planning in future years will include council tax increases reflecting forecast levels of CPI, as set out in the Medium Term Financial Strategy (MTFS Table 5). These council tax assumptions have regard to the level of referendum threshold expected to be set for the year, and take into account the Government's assumptions in the Local Government

Finance Settlement that Local Authorities will raise the maximum council tax available to them. The final level of council tax for future years is subject to Member decisions annually.

- iii. **there will be no increase in the Adult Social Care precept in 2019-20, based on the current discretions offered by Government.**
- e. **That the Executive Director of Finance and Commercial Services be authorised to transfer from the County Fund to the Salaries and General Accounts all sums necessary in respect of revenue and capital expenditure provided in the 2018-19 Budget, to make payments, to raise and repay loans, and to invest funds.**
- f. **To agree the Medium Term Financial Strategy 2018-22 as set out in Appendix I, including the two policy objectives to be achieved:**
 - i. **Revenue: To identify further funding or savings for 2019-20 and 2021-22 to produce a balanced budget in all years 2018-22 in accordance with the timetable set out in the Revenue Budget report (Appendix E of the report).**
 - ii. **Capital: To provide a framework for identifying and prioritising capital requirements and proposals to ensure that all capital investment is targeted at meeting the Council's priorities, and to consider options available to maximise funding for capital expenditure whilst minimising the impact on future revenue budgets.**
- g. **The mitigating actions proposed in the equality and rural impact assessments (Appendix H (i) of the report).**

11 Capital Strategy and Programme 2018-19

- 11.1 The annexed report (11) by the Executive Director of Finance and Commercial Services was received.
- 11.2 The Committee received a report by the Executive Director of Finance and Commercial Services that presented the proposed capital strategy and programme for 2018-19 including information on the funding available to support the programme.
- 11.3 The Committee's attention was drawn to an email that the Executive Director of Finance and Commercial Services had sent to Members about the funding programme for the completion of the Norwich Northern Distributor Road and how this would involve modest council borrowing.

11.4 RESOLVED

That Policy and Resources Committee:

- 1. agree the proposed 2018-22 capital programme of £428.910m**
- 2. refer the programme to the County Council for approval, including the new and extended capital schemes outlined in Appendix B of the report;**

3. agree the Capital Strategy at Appendix D as a framework for the prioritisation and continued development of the Council's capital programme;
4. note capital grant settlements summarised in Section 4 of the report;
5. note the estimated capital receipts to be generated, subject to market conditions, over the next three years to support schemes not funded from other sources, as set out in Table 5;

11.5 RESOLVED TO RECOMMEND:

That County Council agree to the adoption and publication of the Council's Flexible Use of Capital Receipts Strategy for 2018-19 to 2022-23 as set out in Section 5 of the report.

12 County Council Budget 2018-19 to 2021-22: Statement on the Adequacy of Provisions and Reserves 2018-22

12.1 The annexed report (12) by the Executive Director of Finance and Commercial Services was received.

12.2 The Committee received a report by the Executive Director of Finance and Commercial Services that detailed the County Council's reserves and provisions, including an assessment of their purpose and expected usage during 2018-22. The report included an assessment of the Council's financial risks that should be taken into consideration in agreeing the minimum level of General Balances held by the Council.

12.3 RESOLVED TO RECOMMEND:

That County Council:

- a. Note the planned reduction in non-schools earmarked and general reserves of 36.5% over four years, from £74.169m (March 2017) to £47.112m (March 2022) (paragraph 5.2 of the report);
- b. Note the policy on reserves and provisions in Appendix C;
- c. Agree, based on current planning assumptions and risk forecasts set out in Appendix B of the report:
 - i. for 2018-19, a minimum level of General Balances of £19.301m, and
 - ii. a forecast minimum level for planning purposes of:
 - a) 2019-20, £22.738m; and
 - b) 2020-21, £23.578m; and
 - c) 2021-22, £23.791m, as part of the consideration of the budget plans for 2018-22, reflecting the transfer of risk from Central to Local Government, and supporting recommendations;
 - iii. Agree the use of non-school Earmarked Reserves, as set out in Appendix E of the report.

13 County Council Budget 2018-19 to 2021-22: Robustness of Estimates

13.1 The annexed report (13) by the Executive Director of Finance and Commercial Services was received.

13.2 The Committee received a report from the Executive Director of Finance and Commercial Services that provided an analysis of the robustness of the estimates used in the preparation of the County Council's budget which was reported elsewhere on the agenda.

13.3 RESOLVED TO RECOMMEND:

That the County Council agree to the level of risk and set of assumptions set out in the report, which underpin the revenue and capital budget decisions and planning for 2018-22.

14 Annual Investment and Treasury Strategy 2018-19

14.1 The annexed report (14) by the Executive Director of Finance and Commercial Services was received.

14.2 The Committee received a report by the Executive Director of Finance and Commercial Services that in accordance with regulatory requirements, presented the Council's investment and borrowing strategies for 2018-19, including the criteria for choosing investment counterparties.

14.3 Mr Oliver asked for a financial analysis of the following:

Total Council Borrowing v Annual Council Income.

Total Council Interest v Total Income for the Council.

Mr Oliver also asked for a comparison with the position of other Authorities regarding this information.

(Note: this information would be sent to Members by way of a briefing note when it became available).

14.4 RESOLVED TO RECOMMEND:

That Policy and Resources Committee endorse and recommend to County Council the Annual Investment and Treasury Strategy for 2018-19 at Appendix 1 to the report, including:

- a. the capital prudential indicators included in the body of the report,**
- b. the treasury management prudential indicators detailed in Annex 4 of the report and**
- c. the Minimum Revenue Provision Statement 2018-19 at section 5 of the report.**

- 15 **Recycling Norfolk's Disused Railways – a vision for a cycling and walking network for the County**
- 15.1 The annexed report (15) by the Executive Director, Community and Environmental Services was received.
- 15.2 The Committee received a report by the Executive Director, Community and Environmental Services that proposed officers undertake a feasibility exercise into the business case for bringing Norfolk's disused railway infrastructure back into use as an integrated cycling and walking network. It was proposed that the feasibility work would focus on three disused railways, Weaver's Way (owned in part by Norfolk County Council), King's Lynn to Fakenham and King's Lynn to Hunstanton. A general feasibility study of the whole of the network would also be undertaken in parallel with this detailed work.
- 15.3 In reply to questions, Executive Director, Community and Environmental Services said that the general feasibility study would include specific in-depth feasibility studies of at least three significant lengths of disused railway at an estimated cost of £350,000. The general feasibility study would take 12 months to complete. The funding required for the feasibility study was included in the proposed capital programme elsewhere on the agenda.
- 15.4 Members suggested that the vision statement should be extended to include horse riders. They said that investing in an integrated cycling, horse riding and walking network would support local businesses and property values and enable those living in isolated rural communities who did not have access to a car or to public transport to gain access to new employment opportunities.
- 15.5 **RESOLVED**
- That Policy and Resources Committee:**
- a. **Ask that Officers investigate the feasibility of using disused railways and other underused parts of the transport system to improve cycling, horse riding and walking links. The work will focus on connecting urban areas and market towns with places of employment, education, retail and leisure.**
- b. **Note that three disused railways will be investigated as a pilot, Weaver's Way, King's Lynn to Fakenham and King's Lynn to Hunstanton with a small amount of initial physical work undertaken on Weaver's Way if (additional) external funding allows.**
- 16 **Progress on the Council's Equality, Diversity & Inclusion Objectives 2017-2020**
- 16.1 The annexed report (16) by the Executive Director, Community and Environmental Services was received.
- 16.2 The Committee received a report by the Executive Director, Community and

Environmental Services that summarised the progress made so far on the Council's Equality, Diversity and Inclusion Objectives 2017-2020, and emerging issues.

- 16.3 The Vice-Chairman, speaking as the Member Champion for Equality, Diversity and Inclusion, said that she welcomed the opportunity that the report (and the report that followed it) provided for Members to be able to discuss in a public meeting the work that was being done to promote equality, diversity and inclusion across the County Council's workforce.

16.4 **RESOLVED**

That Policy and Resources Committee:

1. **Revise the objectives to improve focus on promoting equality and inclusion across the workforce and to revise Objective 5 as set out in Appendix 2 of the report.**
2. **Approve the revised Equality, Diversity & Inclusion Policy (Appendix 3 of the report).**
3. **Note that Norfolk County Council has been awarded the top level of Disability Confident Leader by the Department of Work and Pensions.**

17 **Bullying and Harassment Cases**

- 17.1 The annexed report (17) by the Managing Director was received.
- 17.2 The Committee received a report by the Managing Director that followed a request from the December 2017 meeting of the County Council about the number of bullying and harassment claims that were made in the last two years, any action or learning points that had arisen, and if any changes were required to the Council's procedures, following a number of high profile cases.
- 17.3 Members were pleased to note that there was no evidence of a systemic problem of sexual harassment in the County Council or one of bullying or harassment generally.
- 17.4 Members asked for the Council's Bullying and Harassment Policy to apply in equal measure to Members as well as to Officers.
- 17.5 **RESOLVED**

That Policy and Resources Committee:

1. **Note the available evidence on the number of cases.**
2. **Note the re-introduction of the Bullying and Harassment policy as a standalone policy to reinforce its importance, together with aligned employee and management support, to enable any issues to be raised and resolved effectively.**
3. **That the re-introduced Bullying and Harassment policy be re-**

worded in a way that means it applies to Members and Officers of the Council in equal measure.

18 Determination of Admission Arrangements 2019-20

18.1 The annexed report (18) by the Director of Children's Services was received.

18.2 The Committee received a report by the Director of Children's Services that following a consultation process recommended no changes to Norfolk's proposed coordinated admissions scheme and timetable for the school year 2019/20. The report was presented to Children's Services Committee on 16 January 2018 and recommended to Policy and resources Committee for approval.

18.3 RESOLVED

That Policy and Resources Committee:

- 1. With regard to Local Authority admissions co-ordination, approve the co-ordination schemes and timetables including in-year co-ordination for 2019/20.**
- 2. With regard to Admission arrangements for Community and VC schools, make no changes to the current (2018/19) policies for 2019/20.**

Section B – Items for Report

19 Notifications of Exemptions Under Contract Standing Orders

19.1 The annexed report (19) by the Executive Director of Finance and Commercial Services was received.

19.2 The Committee received a report by the Executive Director of Finance and Commercial Services that set out the exemptions that had been made up to 2 November 2017 under paragraph 9.11 of Contract Standing Orders and that were over £250,000 and therefore needed to be notified to the Policy and Resources Committee.

19.3 RESOLVED

That as required by paragraph 9.12 of the Council's Contract Standing Orders, Policy and Resources Committee note the exemptions that have been granted under paragraph 9.11 of Contract Standing Orders by the Head of Procurement and Head of Law in consultation with the Chairman of Policy and Resources Committee that are over £250,000.

20 Feedback from Members serving on Outside Bodies

20.1 **None received.**

The meeting concluded at 11.40 am

Chairman

APPENDIX A

Public question from Mr Michael Pendred:

In view of the self-awarded councillors allowance of the 11%, back dated to May which is four times the rate of inflation and dwarfs the pay cap to the public sector workers does the Chairman of this committee support and affirm the openness and transparency of the County council and make public in the list of members interests and connections should they make voluntary donations to charity and be wary of any conflict of interest in future council determinations.

Answer by Chairman:

I absolutely support and affirm the openness and transparency of the County Council. With regard to declaring charitable donations, there is no requirement for Members to record any voluntary donations to charity in their register of interests. It is for individual Members to be mindful of any conflicts of interest in the business of the Council and act accordingly.

The Chairman was asked by way of a **supplementary question** whether in the light of the recent comments he had made on Radio Norfolk about Members allowances and the comments made previously about him in the local media he considered himself to be a fit and proper person to lead the Council.

Answer by Chairman:

Whilst it was for the people of Norfolk through the electoral process to decide if he was a fit and proper person to serve the interests of Norfolk, he considered that he was getting on with the job of serving the interests of the people of Norfolk who had elected him.

APPENDIX B

Local Member question from Mr Steve Morphew:

Will the Leader of the Council and Managing Director please report back on their discussions in their recent meeting with the Secretary of State for Communities and Local Government? In June 2017 the Leader sent the Secretary of State suggestions in a still unpublished letter that could have resulted in the abolition of the County Council or many of the democratically elected councils in Norfolk. Were these suggestions pursued at the recent meeting?

Answer by Chairman:

The Leader regularly pursues opportunities to promote Norfolk and represent its interests to Government. He had a private meeting with the SoS for Housing, communities and local government in his office in the House of Commons on 10 January. The discussion explored future funding for Housing infrastructure, Fair Funding for Local Government, regeneration of key sites in the County, and the local Industrial strategy. The Leader was accompanied by the Managing Director.