

## **Policy and Resources Committee**

**Minutes of the Meeting Held on Monday 1 June 2015**

**10:00am Edwards Room, County Hall, Norwich**

### **Present:**

Mr G Nobbs (Chair)

Mr S Agnew  
Mr M Baker  
Mr D Blake  
Mr B Borrett  
Mr M Castle  
Mr A Dearnley  
Mr C Jordan  
Mrs J Leggett

Mr I Monson  
Mr S Morpew  
Mr A Proctor  
Mr D Ramsbotham  
Mr D Roper  
Mr R Smith  
Dr M Strong  
Mrs A Thomas

### **Other Members Present:**

Mr R Coke  
Mr J Joyce  
Mr P Smyth  
Mrs S Whitaker  
Mr B Spratt  
Ms E Morgan  
Ms A Kemp  
Mrs C Walker

### **1. Apologies**

- 1.1 There were no apologies for absence

### **2 Chairman's Announcements**

- 2.1 The Chairman pointed out that this was the first meeting of the Committee where the Service Committee Chairs were formally attending as part of the changes introduced following the governance review.
- 2.2 The Chairman welcomed to the meeting Mr D Roper, as the new Vice Chair, Mr D Blake as a newly elected member who had been appointed to serve on the Committee, and Simon George as the new Executive Director of Finance.
- 2.3 The Chairman said that officers had decided to withdrawn the report that was at item 10 on the agenda and that any necessary budget revisions would be brought back to a future meeting of the Committee.

### **3 Minutes**

The minutes of the two previous meetings held on 23 March 2015 and 20 April 2015 were confirmed by the Committee and signed by the Chairman.

### **4 Declarations of Interest and Items of Urgent Business**

4.1 There were no declarations of interest and no items of urgent business.

### **5 Local Member Issues**

5.1 There were no local Member issues.

### **6 Implications for NCC following the general election 2015**

6.1 The annexed report (6) by the Managing Director was received. The report provided information to assist the Council in anticipating potential national policy changes as it developed its multi-year financial and strategic plans.

6.2 The Committee also received a supplementary briefing on the Queen's speech which was circulated to Members prior to the meeting, following a review of the Queen's speech published on 27 May 2015.

6.3 The Committee was asked to consider whether any specific action was required to make sure the Council's medium term financial and strategic plans took account of the implications highlighted in the report.

6.4 Dr M Strong said that she had a number of concerns about a government proposal to enable the extension of Right to Buy levels of discount to housing association tenants. She said that this proposal was particularly, but not exclusively, of concern to those living on the North Norfolk Coast where there were parishes with high numbers of second homes and the price of properties was often beyond those on low incomes. She said that for many years Norfolk residents had bequeathed houses and money to fund independent housing organisations and yet the money obtained now or in the future from discounted houses would not necessarily be used to build new properties in the same neighbourhoods. Dr Strong gave examples of housing associations from within her own division such as the 'Blakeney & Neighbourhood Housing Association' which was a private organisation operating since the war, based on properties and monies donated and run by volunteers, and in Wells-next-the-Sea 'Homes for Wells', an organisation similarly based on bequests, donations and volunteers. She added that whilst mainstream housing associations were seeking legal advice these local organisations did not have access to the funding necessary for such advice.

6.5 Dr Strong said that because the Government had not yet fully decided how it was going to implement its pledge to extend the right to buy to tenants of housing associations the following questions should be put before the new Secretary of State for Communities and Local Government directly and through the Norfolk MPs:

Firstly:

Question to Greg Clerk MP, the new Secretary of State for Communities and Local Government, asking him to put this concern to rest by stating that local housing organisations, such as at Blakeney and Wells, would be specifically excluded from the proposal.

Secondly:

Regarding all housing associations there was concern as to the wording of the Government's pledge which would allow the Government to widen access to home ownership by extending the 'right to acquire' rather than introducing a new right to buy.

Question to the Secretary of State for Communities & Local Government:

Is the Government considering widening access to home ownership by extending the 'right to acquire'?

**6.6 RESOLVED (by 9 votes in favour and 0 votes against)**

That the questions mentioned at paragraph 6.5 of these minutes should be asked of the Secretary of State for Communities and Local Government directly and through the Norfolk MPs.

- 6.7 Other Members then spoke about the importance of the Council continuing to focus on the key issues facing Service Committees that were set out in the report that would shape the Council's multi-year financial and strategic plans over the next five years.

**6.8 It was then further RESOLVED**

That the Committee note the likely direction of national policy development during the current Parliament and the potential implications associated with such development that were highlighted in the report.

**7 Re-imagining Norfolk-a medium term strategy and financial plan**

- 7.1 The annexed report (7) by the Managing Director was received. The report provided a strategic framework for the County Council to re-focus its role and pursue its priorities within a radically reduced level of resources.
- 7.2 The Managing Director said that the Council would need to adopt a significantly different approach to the way in which it delivered its services in future, given the likely financial prospects for the Council that lay ahead. The Managing Director highlighted the work on devolution that was being done by Norfolk's Leaders making it clear that with fewer resources the future lay in working effectively across the whole public service on a local basis. She said that with fewer resources the goal was for people to experience a coherent 'public service' across Norfolk, regardless of jurisdictions or constraints about who did what.
- 7.3 Mr D Roper commended to the Committee the approach outlined by the Managing

Director, particularly the importance of a multi-year strategy. He stated that the Council must focus on performance and approach the budget in terms of making the case for spend rather than just cuts. Mr Roper further added that service committees modelling their services on 75% of addressable spend was an essential exercise to give Members choice and this should involve any “tipping points” where services would substantially change.

- 7.4 Mr B Borrett asked the Managing Director for a written explanation of what was meant by the words at paragraph 5.2 F of the report about “the Council’s addressable revenue budget” and how this compared with the Council’s “total revenue budget”. In reply, the Managing Director said that these two terms were explained in a detailed note that had gone before a recent member workshop session and that she would reissue this note to Members.
- 7.5 In reply to further questions, the Managing Director confirmed that the revenue implications of the capital programme would be considered at future meetings of the Committee. She also said that future reports that were brought before the Committee would place emphasis on the duties and responsibilities of Councillors as well as the duties and responsibilities that were placed on the Council.
- 7.6 Mr Dearnley suggested that Service Committee should be asked to model their services on having 85% of their current spend as well as on having 75% of their current spend. In reply, the Chairman said that he would expect Service Committees to come up with a range of expenditure options that took account of this suggestion.
- 7.7 Mrs Thomas suggested that Service Committee’s should distinguish between what were statutory and what were non-statutory responsibilities.
- 7.8 **RESOLVED** (by 8 votes in favour and 0 votes against and 9 abstentions):

That the Committee:

1. Agree to develop a multi-year strategy for Norfolk County Council, underpinned by robust medium term financial and performance plans.
2. Note and comment on Re-Imagining Norfolk, and agree to this as a framework for the Council’s multi-year strategy.
3. Request that Service Committees in July, model their services based on having 75% of their current overall spend as set out in Section 9.
4. Agree the approach to wider engagement as set out in Section 10 and ask officers to take forward the work outlined in Section 9.

## 8 **Delivering DNA**

- 8.1 The annexed report (8) by the Executive Director of Resources was received together with the appendix to the report (that was at item 19 on the agenda) which contained exempt financial information. The report updated the Committee on the latest developments concerning the DNA (Digital Norfolk Ambition) partnership with Hewlett Packard which was established in December 2013 to deliver step changes in terms of ICT provision at NCC.

- 8.2 The Committee was asked to consider excluding the public from the meeting under Section 100A of the Local Government Act 1972 for consideration of the information contained in the appendix to the report (at item 19 on the agenda) on the grounds that it involved the likely disclosure of exempt information as defined by paragraph 3 of Part 1 of the Schedule 12A to the Act, and the public interest in maintaining the exemption outweighed the public interest in disclosing the information.
- 8.3 Paragraph 3 concerned “information relating to the financial or business affairs of any particular person” (including the Authority holding the information).
- 8.4 Having applied the “Public Interest Test” it was **RESOLVED** (by 9 votes in favour and 1 vote against and with 7 abstentions) to confirm the exclusion listed below:-
- The exempt annex to the report contained information about Hewlett Packard’s (HP) pricing at a level of detail and in a form which would permit other providers to draw inferences about HP’s pricing strategy which might disadvantage HP in future tenders for similar services.
- The public interest in upholding HP’s legitimate expectation of confidentiality and in maintaining potential bidders’ confidence in the Council’s protection of commercially sensitive information outweighed the public interest in transparency.
- 8.5 After the Committee had considered the exempt information the public were readmitted to the committee room.
- 8.6 Officers confirmed that many of the earlier vulnerabilities in the DNA project had now been successfully addressed and that service departments were in the process of carrying out appropriate tests on software applications in order that the remaining devices could be deployed prior to 31<sup>st</sup> December 2015.
- 8.7 In response to Members’ questions, it was pointed out that, partly due to an underinvestment of resources at the start of the DNA project, the completion of the “device roll out” stage of the project had slipped from March 2015 to 31<sup>st</sup> December 2015 and that the “server refresh” stage of the project had slipped from December 2014 to December 2015. Officers also confirmed that HP was undertaking a joint information project with the Council under the DNA contract to give better access to social care cost information.
- 8.8 Mr B Borrett asked for a written response after the meeting to confirm the timetable for the completion of the DNA project (and how this varied from the original timetable) and to explain what (if any) impact the delays would have on the Council achieving its budget savings.
- 8.9 Mr C Jordan suggested that the Committee should set up a small working group to consider progress with the completion of the project and this was unanimously supported by all Members of the Committee.
- 8.10 **RESOLVED**

That the Committee:

1. Authorise the Group Leaders to establish a small working group to examine progress with the implementation of the DNA project.
2. Note that DNA was essential to resolving a number of critical issues for the Council – in particular better use of information and better targeting of resources.
3. Note the mitigating actions that were in place to address delays to progress of the technical delivery.

**9A 2014-15 Revenue Outturn Report**

- 9 A.1 The annexed report (9A) by the Executive Director of Finance was received. This report gave details of the outturn position for the 2014-15 Revenue Budget, General Balances, and the Council's Reserves at 31 March 2015, together with related financial information.
- 9 A.2 The Executive Director of Finance said that he would look into a suggestion from Members of the Committee that service departments should in future be expected to meet their debt write offs from within their own budgets rather than general balances and that he would report back to the Committee on this matter.
- 9 A.3 The Executive Director of Finance agreed to let Mr R Smith have details after the meeting as to sums set aside within the budget for "grants and contributions to be carried forward" and how this money would be allocated in the future.
- 9 A.4 It was noted that the latest position from the Government regarding War Veterans would be able to be reported to the next meeting of the County Council.
- 9 A.5 Mrs Thomas moved, duly seconded,
- "That the County Council's outturn revenue underspend for 2014/15 of £1.753m be allocated to Adult Social Services to help met the adult social services 2014/15 overspend."
- 9 A.6 On being put to the vote there were 9 votes in favour of the motion and 8 votes against whereupon it was

**RESOLVED –accordingly.**

- 9 A.7 It was further **RESOLVED**

1. To note the outturn Revenue underspend of £1.753m (2013-14 £0.477m) on a net budget of £308.397m (gross £1,411.879m);
2. To note the resulting increase in General Balances at 31 March 2015 from £19.000m to £20.753m;
3. To approve five debt write-offs over £10,000 totalling £64,585.37, as set out in paragraph 4 of the report.

**9B 2014-15 Capital Outturn Report**

9 B.1 The annexed report (9B) by the Executive Director of Finance was received. This report provides the final update on the progress towards the achievement of the capital programme set by the Council in February 2014.

9 B.2 The Executive Director of Finance agreed to let Mr R Smith have a written explanation after the meeting of the mechanisms that were used by officers to manage the large sums of money that were included in the capital programme.

9 B.3 Members asked for more information to be included in future progress reports to explain the reasons for the large differences between the figures in the columns that were contained in table 3a of the report.

**9 B.4 RESOLVED**

That the Committee:

1. note the outturn expenditure and funding of the 2014-17 capital programme and as set out in Annex A section 1 of the report.
2. note the progress of the 2014-15 programme, as set out in Annex A section 2 of the report.
3. note the changes which had occurred during the year as set out in Annex A section 3 of the report.
4. approve the carrying forward into 2015-16 of re-profiled/slippage amounts not previously approved, as set out in in Annex A section 3 of the report.
5. note the use of revenue and reserves to minimise the Council's borrowing requirement in 2014-15 as set out in in Annex A section 4 of the report.
6. note the capital receipts generated in year, including the impact on borrowing and on the capital receipts reserve, as set out in in Annex A section 5 of the report.

**10 Revisions to the 2015/16 Budget**

10.1 It was noted that this report had been withdrawn and that any necessary budget revisions would be brought back to a future meeting of the Committee.

**11 Annual Treasury Management Outturn Report 2014-15**

11.1 The annexed report (11) by the Executive Director of Finance was received. In accordance with regulatory requirements, this report provided information on the Treasury Management activities of the County Council for the period 1st April 2014 to 31<sup>st</sup> March 2015.

**11.2 RESOLVED**

To endorse and recommend to County Council, the Annual Treasury Management Report 2014-15.

12        **Delivering Financial Savings 2015/16**

12.1        The annexed report (12) by the Executive Director of Finance was received. This report provided an overview of the progress in delivering the savings agreed by the County Council at its meeting 16 February 2015.

12.2        **RESOLVED** (by 9 votes in favour 0 votes against and with 8 abstentions):

That the Committee note:

1. the forecast total shortfall of £5.862m in 2015-16, for which alternative savings needed to be identified;
2. the increase in the budgeted value of 2015-16 savings projects rated as RED to £10.552m, of which £4.800m was now forecast to be delivered;
3. the forecast savings shortfall on AMBER rated projects of £0.110m; and
4. the actions being undertaken by Chief Officers to deliver the agreed level of savings.

13        **Asset Management Plan – Strategy 2015/18**

13.1        The annexed report (13) by the Executive Director of Finance was received. The report recommended that the Committee approve an asset management plan for 2015/2018 that would make property a catalyst of change by adopting a “Single Estate” approach within NCC and promoting a sharp external focus, for example taking a proactive role in creating a more joined up public sector approach to services and “One Public Estate “ programme across Norfolk.

13.2        Officers were asked to correct a number of minor factual errors in the report and to include mention of the involvement of Members in the preparation of the strategy.

13.3        **RESOLVED**

That the Committee approve the Asset Management Plan for 2015-2018.

14        **Establishing a Corporate Property Team**

14.1        The annexed report (14) by the Executive Director of Finance was received. This report set out the background and current position in establishing the Corporate Property Team and implementing a Corporate Landlord model for managing and occupying property.

14.2        The Executive Director of Finance was asked to ensure that service committees were made aware of the new arrangements and given an opportunity to feed back any detailed comments.

14.3        Mr C Jordan asked to be given a written response after the meeting about the officer make-up of the corporate property team including their contact details.



14.4      **RESOLVED**

That the Committee note the new arrangements and endorse the Corporate Landlord approach which means that all service directorates and members must refer all property requirements and issues through the Corporate Property Team as the corporate property client instead of instructing NPS directly.

15      **Sale of land at Acle**

15.1      The annexed report (15) by the Executive Director of Finance was received.

This report concerned the disposal of approximately 5.6 hectares of agricultural land situated to the north of Norwich Road, Acle, with the benefit of outline planning permission for up to 140 residential dwellings, which represented a significant element of the disposals programme for 2015/16. Together with the two other sites reported at items 16 and 17 below, the total estimated sales proceed at £4.8m represented 48% of the £9.9m projected sales for 2015/16.

15.2      The Executive Director of Finance revised the recommendations included in the report for this item and the reports for items 16, and 17 on the agenda so that the Committee was asked to approve for each of these items one of the two options below:

A)      Instruct the Assistant Director, Property to develop proposals for the direct development of the surplus land (working with appropriate partners) to maximise the financial return to the Council, bringing back recommendations to the Committee for approval.

Or

B)      Approve the disposal of the surplus land.

15.3      In reply to questions, the Chairman confirmed that the new arrangements did not conflict in any way with the County Council's existing policy on County Farms.

15.4      The Executive Director of Finance was asked to let Mr Monson know outside of the meeting who would be responsible for the maintenance of the open space for recreational use.

15.5      **RESOLVED**

That the Assistant Director, Property be authorised to develop proposals for the direct development of the surplus land (working with appropriate partners) to maximise the financial return to the Council, bringing back recommendations to the Committee for approval.

16      **Sale of land at Lingwood**

16.1      The annexed report (16) by the Executive Director of Finance was received. The report concerned the disposal of approximately 1.23 hectares of land comprising the former (first and nursery) school site in Lingwood. The land has the benefit of outline planning permission for up to 20 dwellings. The sale of this land represents

a significant element of the disposals programme for 2015/16. Together with the two other sites reported on this agenda, the total estimated sales proceeds at £4.8m represent 48% of the £9.9m projected sales for 2015/16.

**16.2 RESOLVED**

That the Assistant Director, Property be authorised to develop proposals for the direct development of the surplus land (working with appropriate partners) to maximise the financial return to the Council, bringing back recommendations to the Committee for approval.

**17 Sale of land at Blofield, east of Plantation Road**

17.1 The annexed report (17) by the Executive Director of Finance was received. The report concerned the disposal of approximately 1.5 hectares of agricultural land situated to the east of Plantation Road in Blofield. The land has the benefit of outline planning permission for up to 14 dwellings. The sale of this land represents a significant element of the disposals programme for 2015/16. Together with the two other sites reported for sale on this agenda, the total sales at £4.8m represent 48% of the £9.9m projected sales for 2015/16.

**17.2 RESOLVED**

That the Assistant Director, Property be authorised to develop proposals for the direct development of the surplus land (working with appropriate partners) to maximise the financial return to the Council, bringing back recommendations to the Committee for approval.

**18 General comments made at the end of the meeting by Mr Smyth, Chairman of Communities Committee**

At the end of the meeting, Mr Smyth, Chairman of Communities Committee, asked for it to be recorded in the minutes that he considered it important for Members to be seen to be taking a strategic view on all the issues that were brought before Policy and resources Committee and to not be seen to be influenced by their membership of service committees, particularly when voting at Policy and Resources Committee on issues that could disadvantage service committees of which they were not Members.

The meeting concluded at 1.05 pm

**CHAIRMAN**



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