

Policy and Resources Committee

Minutes of the Meeting Held on 1st September 2015

10:00am Edwards Room, County Hall, Norwich

Present:

Mr G Nobbs (Chair)

Mr S Agnew
Mr M Baker
Mr B Borrett
Mr M Castle
Mr A Dearnley
Mrs J Leggett
Mr C Jordan
Mr I Monson

Mr S Morpew
Mr D Ramsbotham
Mr D Roper
Mr R Smith
Dr M Strong
Mr M Wilby

Substitute Members present:

Mr T Garrod for Mr A Proctor
Michael Chenery of Horsbrugh for
Mrs A Thomas

Other Members Present:

Mr R Coke
Mr J Joyce
Mr P Smyth
Mr J Timewell
Ms S Whitaker
Mrs C Walker

1. Apologies

1.1 Apologies for absence were received from Mr A Proctor and Mrs A Thomas

2A Minutes

2A.1 The minutes of the previous meeting held on 20 July 2015 were confirmed by the Committee and signed by the Chairman.

2B Matters Arising

2B.1 Mr Roper confirmed that the Digital Norfolk Ambition Working Group had (so far)

met on two occasions and considered such issues as the current service delivery model for ICT and the ICT platform, Public Service Network Accreditation, device deployment and server migration. Mr Roper added that a further meeting of the Working Group was planned for this afternoon and that the Working Group was due to present an interim report to the Committee on 26 October 2015.

- 2B.2 The Managing Director confirmed that she had received an email response from Vodafone about the difficulties that the failure of the Good for Enterprise Service had caused the County Council and that the County Council was following up with Vodafone what further steps they might take to mitigate against such an issue occurring again in the future.
- 2B.3 Mr Smyth confirmed that overall responsibility for the business continuity issues that arose from the temporary failure of the Good for Enterprise Service rested with the Policy and Resources Committee rather than the Communities Committee.
- 2B.4 It was agreed that a report (deferred from the meeting on 20 July 2015 in order to obtain additional information) about the proposed acquisition of land using compulsory purchase powers at Attleborough for a new primary school could be considered at the next Policy and Resources Committee meeting on 28 September 2015. (Note: This item will be considered by the Capital Priorities Group and then at a subsequent meeting of this Committee).

3 Declarations of Interest

- 3.1 There were no declarations of interest.

4. Item of Urgent Business

- 4.1 There were no items of urgent business.

5 Local Member Issues

- 5.1 There were no local Member issues.

6A 2015-16 Financial Monitoring Report June 2015

- 6A.1 The annexed report (6A) by the Executive Director of Finance was received that provided details of the forecast position for the 2015-16 Revenue and Capital Budgets, General Balances, and the forecast Council's Reserves at 31 March 2016 (period 3), together with related financial information.
- 6A.2 As well as providing the Committee with the Period 3 forecast, the Executive Director of Finance gave an early indication of the current revenue position in Period 4 which was showing a £1m reduction in the projected overspend on services for adults. As in previous years, further reductions in the Council's overall overspend were expected as the 2015/16 financial year progressed.
- 6A.3 In reply to questions about the implications that the projected budget overspends could have at the end of the financial year for the Council's general balances, Mr

Roper said that as part of monitoring the budget, officers had been asked to consider means of dealing with this issue. However, it was too early in the budget cycle for this Committee to consider these options and this might not become necessary.

6A.4 The Executive Director of Finance said that he would provide Mr Smith with details after the meeting as to the current financial position regarding the Northern Distributor Route (NDR) and Mr Wilby with details as to the current financial position regarding the County Hall refurbishment project. The financial position regarding the NDR was due to be considered in detail by the Council tomorrow and the implications for the Council's budget would be included in the Committee's next financial monitoring report.

6A.5 In reply to further questions, the Executive Director of Finance said that work was continuing within the Resources Directorate to decrease the high proportion of retrospective purchase orders and spending and move closer to the industry percentage average of 22% by volume. The Executive Director of Finance added that the risk register was being updated and responsibility for its implementation and the monitoring of progress had passed within the Resources Directorate to Norfolk Audit Services. The risk register was being reworded and would be reported to Audit Committee in September. An increased level of detail regarding the risk register would be included in future reports to the Policy and Resources Committee.

6A.6 **RESOLVED**

That the Committee note:

- a. the period 3 forecast Revenue overspend of £12.325m (period 2 overspend £12.386m) on a net budget of £318.428m, as set out in Appendix 1 to the report;
- b. the forecast General Balances at 31 March 2016 of £19.200m, before taking into account any over/under spends;
- c. the revised expenditure and funding of the 2015-18 capital programme as set out in Appendix 2 to the report;
- d. the forecast financial information in respect of Resources and Finance budgets which are the responsibility of this Committee, as set out in Appendix 3 to the report.

6B.1 **Delivering Financial Savings 2015-16**

6B.1 The annexed report (6B) by the Executive Director of Finance was received. The Committee received a report that provided an overview of the progress in delivering the savings agreed by the County Council at its meeting of 16 February 2015.

6B.2 The Executive Director of Finance drew the Committee's attention to paragraphs 3.1.4, 3.1.5 and 3.1.10 of the report which set out details regarding the savings rated as red that were considered to be of most significant concern for the Council's overall budget. He said that there was no industry standard to distinguish between the different coloured ratings (of red, amber and green) and that it was

not possible to draw direct comparisons between the forecast budget shortfall figures mentioned in this report and the budget overspend figures that were included in the earlier report at item 6A on this agenda.

6B.2 In reply to questions from Mr Smith and Mr Borrett about what (if any) plans were being made to deal with service committees' anticipated budgetary shortfalls, Mr Roper said that where such incidences occurred service committees were expected to identify alternative savings and report these back to the Policy and Resources Committee.

6B.3 Mr Joyce said that early indications for Period 4 showed that the financial position faced by Children's Services had improved by £400,000.

6B.4 The Director said that he would provide Mrs Leggett with details after the meeting about the changed role of the Treasury Management Team within the Council.

6B.5 **RESOLVED**

That the Committee note:

- a) the forecast total shortfall of £11.572m in 2015-16, for which alternative savings need to be identified;
- b) the increase in the budgeted value of 2015-16 savings projects rated as RED to £19.088m, of which £7.745m are now forecast to be delivered;
- c) the forecast savings shortfall on AMBER rated projects of £0.424m; and
- d) the forecast over-delivery of GREEN rated projects totalling £0.195m.

7. **Strategic and Financial Planning 2016-17 to 2018-19**

7.1 The annexed report (7) by the Executive Director of Finance was received. This report provided the Committee with an update on the strategic and financial planning process for 2016-17 to 2018-19, and positioned the County Council to produce its budget for 2016-17 in accordance with the law and proper standards. Following the development of initial ideas for savings to address the forecast 2016-17 budget gap, the report recommended that Service Committees consider proposals which could be progressed in the current financial year, 2015-16, to deliver early savings.

7.2 It was noted that Committee Chairs were being asked to update the Policy and Resources Committee on financial and service planning when it next met on 28 September 2015.

7.3 Members stressed the importance of working with the Norfolk MPs and the Local Government Association to address the Council's wider needs and concerns.

7.4 **RESOLVED:**

That the Committee:

- a. Note the progress towards setting the 2016-17 to 2018-19 Strategic and Financial Plan, and the timetable for Committee decisions over the coming months.

- b. Note the potential impact of Government's national policy decisions on Norfolk County Council, and the significant areas of uncertainty remaining.
- c. Recommend that Service Committees in September consider their spending proposals:
 - 1. in light of budgets based on 75% of their addressable spend, to allow for choices and options to be considered initially at October Policy and Resources Committee; and
 - 2. in light of the reductions required to achieve a balanced budget for 2016-17 to 2018-19 (84% of addressable spend over three years). This equates to a £42.028m reduction in expenditure across the Council in 2016-17, delivering the first year of the £110.593m budget gap as identified in the 1st June Reimagining Norfolk Policy and Resources report.
- d. Recommend that Service Committees consider the potential for early savings to revenue budgets for in-year delivery in 2015-16.

8 **Staff Car Parking**

- 8.1 The annexed report (8) by the Executive Director of Finance was received. The report set out a range of policy options to allow the Council to make more effective use of its car parking assets and allow the Council to achieve a budgeted saving approved at Full Council in February 2015.
- 8.2 Mr Roper moved, duly seconded by Mr Castle, that the Committee set up a Working Group to consider policy options for staff car parking on County Council premises and this was **RESOLVED** (by 9 votes in favour and 0 votes against) as set out below:
- 8.3 That the Committee:
 - a. Note the report.
 - b. Set up a task and finish group consisting of 2 Conservatives and 1 member from each of the other political parties (with names provided by the Group Leaders) plus 1 union representative to consider policy options for staff car parking on Council premises.
 - c. That, having considered the options (including the implications for local residents), the Working Group reports back to the Policy and Resources Committee in November 2015 with the intension that a final decision on the matter is taken at full Council.

9 **Re-Imagining Norfolk- An Update**

- 9.1 The annexed report (9) by the Managing Director was received. The report explained how Re-Imagining Norfolk was the agreed strategic framework for the County Council to re-focus its role and pursue its priorities within a radically reduced level of resources over the next 3 years.
- 9.2 The Managing Director explained how Re-Imagining Norfolk provided the

framework for the Council to meet its specific objectives and pursue the key themes going forward that were set out in paragraph 3.8 of the report. A set of objectives and measureable outcomes for the Council would be reported for consideration by the Committee in January 2015.

- 9.3 The Managing Director was congratulated on the success of the newly established Corporate Bidding Team in ensuring that Norfolk competed successfully when there were opportunities to secure grants through bids to external funding sources. The projects that had been completed and those that were at the development stage were included in the tables at paragraphs 5.7.1 and 5.8.1 of the report. It was noted that a more detailed breakdown of the projects to date and those that were in the pipeline would be taken to Committees in the Autumn.
- 9.4 The Managing Director added that Norfolk's eight councils and the chief constable had commissioned external consultants from the New Local Government Network to conduct preliminary research and propose options in response to the devolution agenda. Their report presented five options but the favoured approach, following talks with Norfolk's district council leaders, was to seek a devolution deal that involved Norfolk and Suffolk.
- 9.5 The Chair said that Norfolk County Council had indicated that it was keen to work with Suffolk County Council on the submission of a multi-county proposal before the Government deadline of 4 September 2015 that might involve clusters of districts working in partnership with the county councils to make savings in areas such as transport/infrastructure; health and social care; flooding; blue light services; planning and housing and economic development. The Leaders of Norfolk and Suffolk Councils were of the opinion that the option of two counties working together was one that they could all agree with. During discussions about road infrastructure, it had been suggested that there could be merit in working together with Cambridgeshire but Cambridgeshire appeared to be more interested in exploring options to join up with other areas.
- 9.6 It was noted that shortly after the County Council had made its submission to the Government it would be shared with all Members of the Council.

9.7 **RESOLVED:**

Members noted the progress set out in the report.

10 **Norse Group Annual Report 2014-15**

- 10.1 The Committee received a report by the Managing Director of the Norse Group Ltd. This report outlined the positive results of the Norse Group Ltd for the financial year 2014-15.
- 10.2 The Committee congratulated the Managing Director of Norse Group Ltd on the continued success of the business in providing a comprehensive range of services to both the public and private sector clients in Norfolk and throughout the UK during the financial year 2014/15. Members asked that, as an example of the Group's continued success for it to be mentioned in the minutes that the Care

Quality Commission accreditation had been maintained for all NorseCare Group establishments throughout the reporting period.

10.3 In response to questions the Managing Director of Norse Group Ltd said that he would consult with officers within the newly established client management team on an improved procedure for the way in which local members should be consulted on issues affecting the work of the Norse Group.

10.4 Mr Dearnley asked that a suitable message be passed on to all schools about the merits of pupils looking to undertake a career in engineering services.

10.5 **RESOLVED:**

That the Committee notes the on-going growth in the business and the benefits the Company continues to bring to the Norfolk economy.

11 **Exempt Minutes of the previous meeting held on 20 July 2015**

11.1 The exempt minutes of the previous meeting held on 20 July 2015 were confirmed by the Committee and signed by the Chairman.

The meeting concluded at 12.35 pm

Chair



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