

Policy and Resources Committee

Minutes of the Meeting Held on 28 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 S Morphew

Mr A Proctor
Mr D Ramsbotham
Mr D Roper
Mr R Smith
Dr M Strong
Mrs A Thomas
Mr M Wilby

Substitute Members present:

Mr B Spratt for Mr I Monson

Other Members Present:

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

1.1 Apologies

1.1A Apologies for absence were received from Mr I Monson.

1.2 Leader's Announcements

Flooding incident at County Hall.

1.2A The Chair said that during the evening of 17 September 2015 there was a major leak which resulted in a flood in some areas on floors 7 to 3 of County Hall. The leak was from a valve serving the main sprinkler pipework distribution system on floor 7 resulting in water flowing from the service riser cupboard on that floor. The leak activated the fire alarm and the building was evacuated and Norfolk Fire and Rescue Service attended the site. The source of the leak was located by the Fire

and Rescue Service who together with NORSE maintenance staff isolated the valve to stop the flow of water.

- 1.2B The Chair added that once the building could be re-entered, an overnight clean-up was undertaken by NORSE and RG Carters. This successfully cleared up most of the water so that whilst the carpets were still wet, the building was functional and open for staff coming into work on the following day. Over the weekend a specialist contractor was on site to completely dry out carpets on the affected floors. Overall there was very little damage caused with just a small number of wooden filing and storage units suffering minor damage. An independent review had been commissioned of the sprinkler system in order to ascertain the cause of the leak and if any remedial measures were required. Until this was completed the system has been modified to reduce the risk of future incidents.
- 1.2C The Chair said that he was grateful to all those who had responded to the call out on the night of the incident especially NORSE cleaning staff and the staff from RG Carters who worked overnight on such short notice. Their hard work meant that the extent of the damage was limited and that the building was able to operate as normal from the following morning onwards.

1.3 **Chief Fire Officer, Nigel Williams**

- 1.3A The Chair announced that Chief Fire Officer Nigel Williams, Norfolk Fire and Rescue Service, who had been awarded the Queens Fire Service Medal in the 2015 Queen's Birthday Honors List, was due to retire very shortly after 5 years' service. Members placed on record their thanks to Nigel Williams (who was in attendance) for all his hard work in making the Norfolk Fire and Rescue Service one of the top performing fire and rescue services in the country and wished him a long and happy retirement.

2A **Minutes**

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

2B **Matters Arising**

2B.1 **Minute 2B.1 of 1 September 2015 -Digital Norfolk Ambition PSN Accreditation**

Mr Roper said that he was pleased to be able to report that on 9 September 2015 the County Council had received its Public Services Network (PSN) accreditation for a full year. The PSN was a computer network run by the government to help public sector organisations to work together and vital to the working of the County Council.

2B.2 **Minute 2B.2 of 1 September 2015- Vodafone and the Good For Enterprise Service**

The Managing Director reported that a letter from Vodafone about the Good for

Enterprise Service failure had been circulated to Members of the Committee. The County Council was making clear to Vodafone its expectations of this service and closely monitoring their performance.

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.

6 2015-16 Financial Monitoring Report July 2015

- 6.1 The annexed report (6) by the Executive Director of Finance was received. The Committee received a report 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 4), together with related financial information.
- 6.2 Mr Roper drew Members' attention to the reference to the review of accounting treatment for notional debt repayment that was mentioned at page 21 of the agenda. He said that other Local Authorities that had revisited this policy (such as Birmingham, Kent and Somerset) had found that this had resulted in significant budget savings. Norfolk County Council had set aside £25m each year for the Minimum Revenue provision calculation for debt undertaken prior to 2008. Further detail about this saving could be found on page 102 of the agenda which estimated the potential implications for Norfolk at £5.216m.
- 6.3 The Committee was informed that due to the timing of the growth in the number of Looked After Children (LAC) the forecast for Children's Services had worsened and was now being assessed as "red". However, the high numbers of LAC was out of sync with the high performance projections and the increasing focus within the new Children's Services structure on the LAC system which was ensuring there was consistent good quality assessment and planning for Looked After Children. As improvement continued in this area there was expected to be more positive impact on LAC numbers. Comparable Local Authorities were also experiencing an increase in LAC numbers with resulting financial pressures.
- 6.4 It was pointed out that the numbers of retrospective purchase orders varied greatly from one department to another according to the kind of purchase order that was being produced. For example, there were approximately twice as many retrospective purchase orders for Children's Services, where it was necessary to respond quickly to the social care needs of children, as there were for Environment, Development and Transport. A departmental analysis was currently being undertaken into the numbers and types of retrospective purchase orders which would be shared with Members when it had been completed.

- 6.5 In reply to Members' questions, the Committee was informed that the Council was strengthening its risk management arrangements. A Medium Term Risk Management Strategy was being prepared for the Managing Director and the Executive Director of Finance that would be subject to review and oversight by the individual departmental senior management teams. For ease of reference the highest risks were being plotted on a "heat map" that had been shared with the Audit Committee to illustrate each risk's relative position measured by likelihood and impact. The "heat map" would be shared with Members of the Policy and Resources Committee at a future meeting.
- 6.6 The Executive Director of Finance was asked to review the table at page 42 of the agenda so that it included a more meaningful comparison of "expenditure to date" in relation to the "full year forecast" and provided an indication of "Council income".

6.7 **RESOLVED**

That the Committee note:

- a. the period 4 forecast Revenue overspend of £10.807m (period 3 overspend £12.325m) 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.

7 **Delivering Financial Savings 2015-16**

- 7.1 The annexed report (7) 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 16 February 2015.
- 7.2 The Committee's attention was drawn to the redesign of the Adult Social Care pathway that was mentioned at paragraph 3.1.6 of the report. In reply to questions, the Executive Director of Adult Social Services said that this issue was about using data and information better to manage voids in Supported Living. At the start of the redesign process this had been inappropriately linked to the sprint and to the development of the iHub. The work done manually within Adult Social Care to improve data quality and processes alongside the sprint had delivered significant benefits and this saving was being incorporated into the wider Adult Social Care Committee saving from Changing Models of Care.
- 7.4 In reply to questions, it was pointed out that the sale of some antiquarian and collectible library books that did not relate to Norfolk, or to Norfolk's history, had yet to be completed. This sale was subject to fluctuations in the antiquarian book

- market. In order to get the best prices, the sale was likely to take some time yet to complete.
- 7.5 Members' attention was drawn to the 11 savings projects rated as "red" that were referred to in paragraph 2.4 of the report. Details as to the specific action being taken to address these shortfalls could be found at paragraph 2.8 of the report.
- 7.6 With reference to paragraph 3.1.5 of the report, it was pointed out that given the rising demands, changing expectations and reduced resources available to Adult Social Care, in common with other local authorities, Norfolk County Council had to reduce the funding that was made available for wellbeing activities for adults. Additional reviewing capacity of individuals' personal circumstances had been brought in to speed up this process. However, going through the reassessment of individual packages of care, and in so doing identifying any alternative local wellbeing activities that might be available to those individuals in the local community, and in helping them to access those activities, was a quite lengthy process that might take some time to complete.
- 7.7 It was agreed to examine a proposal from Mr Ramsbotham that the County Council could set up a charitable trust fund for members of the public who might want to make a donation to help the Council meet its budgetary savings targets and that that this should be examined alongside having in place a new process for educating the public as to the range of services that were provided by the County Council.
- 7.8 **RESOLVED**
- That the Committee note:
- a. the forecast total shortfall of £11.341m 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 £18.811m, of which £7.343m 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 and BLUE rated projects totalling £0.551m.
- 8 **Developing Re-Imagining Norfolk – Resources Directorate and Finance and Property Directorate**
- 8.1 The annexed report (8) by the Executive Directors of Finance and Resources was received. The report updated the Committee on proposals for developing Re-Imagining Norfolk in relation to the services for which it was directly responsible. The appendices to the report set out an officer view of what services could look like at 75% addressable spend and with a total of 21 budget saving proposals that would deliver permanent revenue savings of £16.916m over the next three years in respect of Policy and Resources budgets, equivalent to 25% of addressable spend.
- 8.2 Mr Roper suggested that "the review of accounting treatment for national debt

repayment" (mentioned at page 96 of the agenda and at paragraph 6.2 of these minutes) should be taken as a separate savings proposal from the other savings proposals mentioned in Appendix 2 to the report that related specifically to Resources, and Finance and Property.

- 8.3 In reply to questions from Mr Spratt, the Executive Director of Finance said that he was working closely with colleagues at Norfolk's district councils on ways to drive up what were already high Council tax collection rates (that varied from between 95% to 99%) and that he would share details about this work with Members of the Committee in due course.
- 8.4 In reply to further member questions, the Executive Director of Finance said that an explanation of the financial implications of seeking a rise in Council Tax would be brought before the Committee later in the year when more information about what this would mean for the Council became available from the Government.

8.5 **RESOLVED**

That the Committee:

- a. note the strategies for developing savings set out in section 6 of the report
- b. note the illustrative service models set out in Appendix 1 to the report
- c. note the savings proposals set out in Appendix 2 to the report
- d. Ask officers to bring back to this committee's October meeting (for consideration alongside the proposals from other Committees) fully developed savings proposals that will contribute to the delivery of a budget based upon 75% of the Committee's addressable spend, to allow for choices and options to be considered and to support the delivery of a balanced budget for 2016-17.

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

- 9.1 The annexed report (9) by the Executive Director of Finance was received. This report provides the Committee with an update on progress towards the setting of the 2016-17 to 2018-19 Strategic and Financial Plan, and the timetable for Committee decisions in the led up to the Council setting the Budget and Council Tax in February 2016. This report summarised the early savings proposals which had been presented to Service Committees.
- 9.2 The Committee heard from the Chairs of Service Committees about the detailed budget options discussions that had taken place at Service Committees to date. It was noted that these were set out in paragraph 2 and Appendix 1 to the report and could also be found in some detail in the minutes and reports of these meetings.
- 9.3 The Chairs of Service Committees said that re-modelling services based on 75% of current addressable spend could mean that some of the Council's most important services were run at a much reduced level and would struggle to meet their statutory obligations. It was pointed out that discussions were being held with Shropshire County Council about a revised customer pathway for adult social care, that had been introduced in that county, that made use of a social enterprise

model of service delivery, and if a similar approach could be taken in Norfolk.

- 9.4 It was noted that Service Committees would be meeting again in October 2015 and a full set of proposals was due to be considered by Policy and Resources Committee on 26 October 2015.

9.5 **RESOLVED:**

That the Committee:

- a. Note the progress towards setting the 2016-17 to 2018-19 Strategic and Financial Plan.
- b. Note the budget options that were presented to Service Committees during September.
- c. Receive verbal updates from the service committee chairs on their budget options discussions during the September Committee round.
- d. Recommend that Service Committees bring forward further proposals to deliver budgets based on 75% of their addressable spend, including a complete set of budget proposals for 2016-17, to allow for choices and options to be considered initially at October Policy and Resources Committee.

10 **Development of the Council's three-year strategy**

- 10.1 The annexed report (10) by the Executive Director of Resources was received. The Committee received a report that included a suggested approach to develop and finalise the County Council Plan. The County Council Plan was the vehicle for articulating the Council's medium term service and financial strategy as part of the Council's over-arching policy framework. In the Council's constitution, the Policy and Resources Committee was responsible for co-ordinating the development of the Plan and submitting it for approval by Full Council.

10.2 **RESOLVED:**

That the Committee:

- a. Agree the framework for the County Council Plan and associated Committee Plans as set out in the report.
- b. Note and agree the timetable set out in section 3.5 of the report.

11 **Devolution Opportunities for Norfolk and Suffolk Councils- Update on Progress**

- 11.1 The annexed report (11) by the Managing Director was received. The report updated Members about the devolution agenda in Norfolk and Suffolk. The report detailed some of the benefits and opportunities that the current Devolution agenda offered in areas such as skills, transport, infrastructure, housing, policing, health and welfare, and outlined the next key milestones.

- 11.2 The Committee noted that there had been a number of recent meetings between

Council leads, the new Local Enterprise Partnership and the government about the devolution agenda. These discussions had centred on what new powers could be obtained from the government, provided government resources were made available to use those powers.

- 11.3 The Committee discussed how Members of the Council should be updated on opportunities for the devolution agenda and it was suggested that this should be an item on the agenda for a meeting of the full Council at the earliest available opportunity.

11.4 **RESOLVED:**

That the Committee:

- a. Note progress to date
- b. Agree the principle of a Norfolk and Suffolk Combined Authority
- c. Agree that the Leader and Managing Director continue to play a full part in discussions, representing the best interests of Norfolk residents.
- d. Ask that the Chair and other Group Leaders agree on an appropriate date for bringing the devolution opportunities for Norfolk and Suffolk Councils to a meeting of Full Council at the earliest possible opportunity.

12 **Syrian refugee crisis – Norfolk response**

- 12.1 The annexed report (12) by the Managing Director (that was marked on the agenda to follow) was received. The report summarised the Government's policy on the Syrian conflict and refugee crisis, and the latest guidance available from the Home Office about the Syrian Vulnerable Person's Relocation Scheme.
- 12.2 The Chair reported that he had hosted a task force with community leaders from across Norfolk, to explore a county-wide response to the humanitarian crisis. This had included representatives from the County Council, Norwich City Council, borough and district councils, Norwich City Football Club, the Eastern Daily Press, the Bishop of Norwich and Norfolk's Lord-Lieutenant.
- 12.3 The task force had considered the concerns of many Norfolk residents about the plight of Syrian refugees, and the need to address these concerns, and find a way to respond which met the needs of refugees, as well as those of county residents, alongside current pressures on health, housing, education and social services.
- 12.4 In 2006-2011 Norfolk was one of the few areas of the country which had resettled vulnerable refugees via a similar resettlement initiative - the Gateway Protection Programme. There had been extensive learning from this about the long term support needs of refugees.
- 12.5 The policy design of the revised Syrian Vulnerable Person's Relocation (VPR) Scheme, and the funding available, was inadequate to address the needs of

refugees over the long term. Discussions were taking place across government to address this as quickly as possible.

12.6 The Chair advised that a number of actions were being taken forward following the task force. This included work being coordinated by the County Council to develop a policy briefing about the design of the scheme and the financial support available. The task force would use this briefing to make representations to Government to make the changes necessary to the VPR scheme.

12.7 The Chair advised that the task force had agreed that 50 Syrian refugees could be settled in Norfolk, if the policy design of the scheme and the funding available meant the scheme was sustainable over the long term.

12.8 **RESOLVED:**

That the Committee note the actions being taken by the Council to explore a countywide response to the Syrian refugee crisis and the range of actions being taken to respond to concerns expressed across Norfolk by residents.

The meeting concluded at 12.35 pm

Chair



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