

Policy and Resources Committee

Minutes of the Meeting Held on 18 July 2016
10:00am Edwards Room, County Hall, Norwich

Present:

Mr C Jordan (Chairman)

Mr M Baker
Mr M Castle
Mr T Coke
Mrs H Cox
Mr A Dearnley
Mrs J Leggett
Mr I Monson

Mr G Nobbs
Mr D Roper
Mr B Spratt
Mr B Stone
Dr M Strong
Mrs A Thomas

Substitute Member Present:

Mr T Garrod for Mr A Proctor
Mr N Shaw for Mr I Mackie
Mrs C Walker for Mr S Morpew

Also Present:

Mr M Wilby
Mr J Joyce

Mr A White

1. Apologies for Absence

- 1.1 Apologies for absence were received from Mr I Mackie, Mr S Morpew and Mr A Proctor. Apologies for absence were also received from Mr B Borrett and Mr R Smith, service committee chairmen.

2 Minutes

- 2.1 The minutes of the previous meeting held on 31 May 2016 were confirmed by the Committee and signed by the Chairman.

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 **Public Question Time**

5.1 There were no public questions.

6 **Local Member Issues**

6.1 There were no local member issues.

Section A – Items for Discussion and Decision/Action

7 **Implications of EU Referendum Outcome**

7.1 The annexed report (7) by the Managing Director was received.

7.2 The Committee received a report by the Managing Director that set out some of the issues that had implications for local government and for the nation as a whole that arose as a result of the EU referendum on June 23rd 2016 and would need to be considered and closely monitored over the coming months.

7.3 Members expressed a diversity of views about what could be the implications for the County Council and for the nation as a whole of Britain's withdrawal from the EU and how these implications should be described in officer reports. It was considered too early to examine in any depth what the consequences would be for many aspects of the Council's role and functions and for Norfolk as a whole.

7.4 Members spoke about the importance of local government involvement in the negotiation process, particularly about the changes that affected councils as providers of services and about the future of EU structural funds. It was pointed out that if in the future there were restrictions placed on the movement of people from within the EU then this would have implications for those County Council employees who were EU nationals. It was therefore important for the County Council to keep staff informed of developments, particularly where there were implications for employment rights.

7.5 **RESOLVED:**

That the Committee note the report and agree that as more information became available further reports should be brought before relevant Committees and staff should be kept informed of developments, particularly where there were implications for employment rights.

8 **Finance Monitoring report Period 2, May 2016**

8.1 The annexed report (8) by the Executive Director of Finance was received.

8.2 The Committee received a report by the Executive Director of Finance that gave details of the forecast position for the 2016-17 Revenue and Capital Budgets, General Balances, and the forecast Council's Reserves at 31 March 2017, together with related financial information. The report also provided a brief commentary on Resources and Finance budgets which were the responsibility of

this Committee.

8.3 **RESOLVED:**

That the Policy and Resources Committee:

1. Note the period 2 forecast Revenue overspend of £9.503m.
2. Note the forecast General Balances at 31 March 2017 of £19.252m, before taking into account any over/under spends.
3. Agree to the use of the Corporate Business Risk Reserve specifically to fund:
 - i. £5.155m, to manage the identified additional budget pressures from the cost of care review and national living wage, and assumed in the forecasts contained within this report; and
 - ii. £5m to protect social care due to a reduction in funding allocated within the Better Care Fund.
 - iii. as proposed in the Adult Social Care Finance Monitoring Report Period 2 (May) 2016-17 and agreed at 4 July 2016 Adult Social Care Committee.
4. Note the forecast financial information in respect of Resources and Finance budgets which are the responsibility of this Committee, as set out in Appendix 2 of the report;
5. Note the revised expenditure and funding of the 2016-20 capital programme as set out in Appendix 3 of the report.

9 **Delivering Financial Savings 2016-17**

- 9.1 The annexed report (9) by the Executive Director of Finance was received.
- 9.2 The Committee received a report by the Executive Director of Finance that provided details of the forecast outturn position in respect of the delivery of the 2016-17 savings agreed by the County Council at its meeting on 22 February 2016.
- 9.3 It was suggested that the Chairmen and Vice-Chairmen of service committees should look to make themselves more freely available for radio and TV interviews concerning services for which their committees were responsible.

9.4 **RESOLVED**

That the Policy and Resources Committee:

1. Note the forecast total shortfall of £5.889m in 2016-17, which amounted to 14% of total savings, and for which alternative savings needed to be identified;
2. Note the budgeted value of 2016-17 savings projects rated as RED of £7.050m, of which £1.496m were now forecast to be delivered; and

3. Note the forecast savings shortfall on AMBER rated projects of £0.335.

10 **Budget 2017-18 Planning and Efficiency Plan**

- 10.1 The annexed report (10) by the Executive Director of Finance was received.
- 10.2 The Committee received a report by the Executive Director of Finance that provided an update on various elements of the Council's budget process for 2017-18. In particular, the report set out details of the draft Efficiency Plan which would be required to enable the Council to access the guaranteed minimum funding allocations up to 2019-20 as set out in the Local Government Finance Settlement 2016-17.
- 10.3 The Committee noted that the draft Efficiency Plan that was attached as an appendix to the report had been prepared in a way that met the Government requirements for the Council to gain access to the four year funding allocations offered by Government for the period up to 2019-20. The Efficiency Plan was not designed to present new information to the Committee. It was designed to be a concise document that included some principles that were common to all Local Authorities.

10.4 **RESOLVED to recommend:**

1. That the County Council accepts the Government's offer of a four year funding allocation by submitting an Efficiency Plan to the Department for Communities and Local Government before 14 October 2016;
2. The draft Efficiency Plan 2016-17 to 2019-20 to County Council for approval, noting that the Plan will be updated to reflect Full Council's decisions about the County Council Plan and then communicated to the Department for Communities and Local Government;

10.5 **RESOLVED**

That the Policy and Resources Committee:

1. Note the latest position in respect of the allocation of Transitional Funding held in the 2016-17 Budget;
2. Note the progress in developing further savings proposals for 2017-18 and the proposed next steps in the budget setting process.

11 **Performance and Risk**

11.1a **Resources and Finance vital signs performance management Report**

- 11.1a. 1 The annexed report (11.1a) by the Executive Directors of Resources and Finance (that formed part of the supplementary agenda) was received.
- 11.1a. 2 The Committee received a report by the Executive Directors of Resources and Finance that presented current performance against this Committee's performance

indicators (for Resources and Finance services).

11.1a. **RESOLVED**

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That the Policy and Resources Committee:

Note the performance data, information and analysis presented in the vital sign report cards and agree that the recommended actions identified were appropriate.

11.1b **Corporate vital signs performance management report**

11.1b. The annexed report (11.1b) by the Head of Business Intelligence and Performance Service (that formed part of the supplementary agenda) was received.

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11.1b. The Committee received a report by the Head of Business Intelligence and Performance Service that explained the Council's vital signs remained under review in the light of significant ongoing changes and challenges, and that committees would continue to be involved in discussions and decisions about ensuring that the Council's indicators and performance management arrangements addressed Norfolk's most important issues and outcomes, and supported improved accountability.

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11.1b. **RESOLVED:**

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To note the performance data, information and analysis presented in the vital sign report cards.

11.2 **Risk Management Report**

11.2.1 The annexed report (11.2) by the Executive Director of Finance was received.

11.2.2 The Committee received a report by the Executive Director of Finance that provided the Committee with the corporate risk register as it stood at the end of June 2016, along with an update on the Risk Management Strategy 2016-19, and other related matters, following the latest review conducted during June 2016.

11.2.3 **RESOLVED:**

That the Policy and Resources Committee:

1. Note progress with Risk Management since the last presentation of the Risk Management report to the Policy and Resources Committee meeting.
2. Note the changes to the corporate risk register (Appendices A and B of the report), and the progress with mitigating the risks; and
3. Note the Council's corporate risk appetite and tolerances, as described in the report and the corporate risk register were acceptable and sound, and
4. That, while the Council's 'Risk Management Framework' was fit for purpose, it was due to be refreshed and would be presented to a future committee meeting.

12 **Health, Safety and Wellbeing Annual report 2015/16 and Improvement Plan 2016/17**

- 12.1 The annexed report (12) by the Executive Director of Resources was received.
- 12.2 The Committee received a report by the Executive Director of Resources that provided the Committee with an overview of the health, safety and well-being activities and issues from the last year, an indication of the plan for next year and information about the effectiveness of the NCC health and safety management system.
- 12.3 Members spoke about the high level of sickness absence from musculoskeletal problems. This was attributed by officers to an increase in hot-desking at a number of NCC sites. Officers said that a number of improvements were planned to the display screen equipment e-learning and assessment process for 2016/7 that should help improve the situation.
- 12.4 **RESOLVED:**
- To note the Employee, Health, Safety and Well-being Annual Report for 2015/16 and Improvement Plan for 2016/17 together with the actions outlined throughout the report and specifically the delivery strand detailed in section 8 of the report.

13 **Disposal and Acquisition of Properties**

- 13.1 The annexed report (13) by the Executive Director of Finance was received.
- 13.2 The Committee received a report by the Executive Director of Finance that included proposals aimed at supporting County Council priorities by exploiting properties surplus to operational requirements, pro-actively releasing assets with latent value where the operational needs could be met from elsewhere and strategically acquiring property.
- 13.3 With reference to paragraph 2.26 of the report the Executive Director of Resources said that it was intended to extend the closing date for bids for Horsford Playing Fields and Former Manor House until the first weekend of September 2016 to allow interested parties time to put forward a co-ordinated proposal.
- 13.4 The Executive Director of Finance was questioned about whether the proposed purchase price for 59-61 St Peter's Road, Great Yarmouth represented good value for money. It was noted that Children's Services Committee had confirmed its support and that NPS Property Consultants, acting on behalf of the County Council, had reached a provisional agreement with the vendor to purchase the site.
- 13.5 **RESOLVED:**
1. That the grant by Norfolk County Council of a standard 125 year lease based on the DfE template for a peppercorn rent in respect of the following schools be confirmed :

(i) East Rudham CE VC Primary School:

Lease in respect of the playing fields at the School with effect from 1st June 2016 to the Diocese of Norwich Multi Academy Trust.

(ii) Valley Primary School:

Lease in respect of the school site with effect from 1st June 2016 to the Heart Education Trust.

2. To delegate to the Executive Director of Finance the granting of standard leases based on the DfE template in respect of academy conversions in accordance with the Academies Act 2010.

3. To grant an annual licence to the British Red Cross Fire and Emergency Support Service for part of Sprowston Fire Station at £0pa.

4. To grant a lease to South Norfolk District Council of part of the Long Stratton High School Playing Field for 25 years at £1.00pa.

5. To grant a lease to Eastern Power networks for a parcel of land in the car park at Alderman Peel High School for 99 years at £1.00pa.

6. To approve disposal of Horsford Playing Fields and Former Manor House on terms to be agreed by Head of Property in consultation with the Executive Director of Finance, Managing Director and Chair of P&R Committee.

13.6 It was also **RESOLVED** (with 10 votes in favour and 1 vote against)

7. To approve the purchase of 59-61 St Peter's Road, Great Yarmouth NR30 3BQ on terms agreed by the Head of Property in consultation with the Executive Director of Finance, Managing Director and Chair of this committee.

14 **Norse Consent – Appointment of Auditors**

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

14.2 The Committee received a report by the Executive Director of Finance to enable Norse to complete the procurement of external audit services in line with the company's governance arrangements.

14.3 Members questioned whether the appointment of NORSE external auditors should be for a 10 year period. In reply, the Executive Director of Finance said that this complied with the pre-determined criteria and could be made to be subject to review by the Committee after 5 years of the 10 years appointment.

14.4 **RESOLVED**

That delegated authority be given to the Executive Director of Finance to approve the appointment of NORSE Auditors in consultation with the Council's Shareholder representative for an initial period of 5 years with an option to extend for a further 5 years subject to Policy and Resources Committee undertaking a review after the initial 5 years period.

15 **Notifications of Exemptions Under Contract Standing Orders**

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

15.2 **RESOLVED**

To note the exemptions that had 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 were over £250,000.

The meeting concluded at 11.10 am

Chairman