

Policy and Resources Committee

Minutes of the Meeting Held on 30 November 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 Morpew
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 T Garrod for Mr I Monson

Members Present:

Mr R Coke
Mr J Joyce
Mr P Smyth
Mrs C Walker

Mr R Bearman
Ms A Kemp
Ms E Morgan
Mr J Timewell
Mr B Spratt

1.1 Apologies

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

1.2 Leader's Announcements

1.2 Abellio Greater Anglia Service

1.2.1 The Leader reported that the Managing Director of the County Council had written to the Managing Director of Abellio Greater Anglia to express deep concern at the unacceptable level of service provided by Abellio Greater Anglia in recent weeks, with over 900 trains being cancelled across East Anglia in the last two weeks alone. The main concern related to the disruption caused to local commuters and the fact that for five consecutive days, there had been no trains between Great

Yarmouth and Norwich due to “poor rail conditions”. The reply that the Managing Director had received from Abellio Greater Anglia could be found as an appendix to these minutes. The County Council was continuing to pursue this matter.

2A Minutes

- 2A.1 The minutes of the previous meeting held on 26 October 2015 were confirmed by the Committee and signed by the Chairman subject to the addition of the word “significant” in paragraph 7.2 before the words “...changes to the Council’s framework of pay and other employment terms and conditions.”

2B Matters Arising from the Minutes

- 2B.1 It was noted that a response was awaited from Mr. Joyce, Chairman of the Children’s Services Committee, about the letter that he had received from the Minister of State for Children and Families, Edward Timpson MP (minute 1.2E).
- 2B.2 With regard to minute 6B.2, it was noted that the comparative average figure for the volume of retrospective purchase orders for business practices outside of the County Council was 22%.The Executive Director of Finance said that it was not yet possible to provide the Committee with a comparison between the average value of spending on retrospective purchase orders at the County Council and the average value of spending at business practices elsewhere. This information would be reported to the next meeting of the Committee.
- 2B.3 Mr M Wilby asked for details outside of the meeting about the “ground breaking” ceremony for the Northern Distributor route.

3 Declarations of Interest

- 3.1 Mr A Proctor declared a Disclosable Pecuniary Interest in Broadland Growth Limited (a company mentioned in the report at item 12 on the agenda about direct property developments and disposal of land and properties). He said that he would leave the Committee room when Members considered this issue and take no part in the decision.

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 Financial Savings/Monitoring Reports

6A Finance Monitoring Report Period 6 September 2015

- 6A.1 The annexed report (6A) by the Executive Director of Finance was received. The Committee received a report that summarised the Period 6 (September 2015) forecast financial outturn position for 2015-16, to assist Members maintain an

overview of the overall financial position of the Council, including the budgets for which this Committee was directly responsible.

- 6A.2 In reply to questions, the Executive Director of Finance said that the figures in the report at item 6A on the agenda related to the Council's forecast revenue overspend and the figures at item 6b related to the total shortfall in departments savings for which alternative savings would need to be identified. Since the two sets of figures related to separate issues it was not possible to make direct comparisons. Officers within the Finance Directorate were working on actions to deliver savings or reductions in the revenue overspend figure which was expected to reduce thorough out remainder of the financial year. Of particular note in period 6 was the increased underspend in finance general which had increased by £2.8m since period 5.
- 6A.3 Members' drew attention to the recommendation of the Adult Social Care Committee that sufficient funding was essential for the transformation programme in adult social care to successfully achieve budget savings. The Adult Social Care Committee had asked the Policy and Resources Committee to ensure that sufficient resources were available to make this happen.
- 6A.4 Some Members were of the view that the Policy and Resources Committee should do more than note the recommendation of the Adult Social Care Committee. They added that the Adult Social Care Committee was of the view that the risk rating for the transformation project should be red.
- 6A.5 In reply, the Chairman said that he fully recognised that considerable support and resources were needed for the transformation programme to succeed and sufficient funding would be made available for this purpose.
- 6A.6 Officers added that rigorous recovery action was being taken within adult social care to reduce in-year spending as far as possible.
- 6A.7 In response to questions about the possibility of an increase in Council Tax for 2015/16, Mr Roper said that the public consultation documents on the Council's website had been updated to take account of announcements on Council Tax made by the Chancellor of the Exchequer as part of the 2015 Spending Review; it was too early to make any decisions on this matter before the public consultation had come to an end.
- 6A.8 **RESOLVED** to note:
- a. the period 6 forecast Revenue overspend of £5.743m (previous period 5, overspend £8.755m) on a net budget of £318.428m, as set out in Appendix 1 of the report;
 - b. a resolution of the 9 November 2015 ASC Committee in respect of the ASS Transformation Programme, as set out in Appendix 1 paragraph 5.4 of the report;
 - c. the forecast General Balances at 31 March 2016 of £19.200m, before taking into account any over/under spends;
 - d. 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;

- e. the revised expenditure and funding of the 2015-18 capital programme as set out in Appendix 3 of the report;
- f. support and contribute to the development of the 2016-19 capital programme, as described in Capital Annex 2 of the report.

6B Delivering Financial Savings 2015/16

6B.1 The annexed report (6B) by the Executive Director of Finance was received.

6B.2 The Committee received an update report that provided an overview of the progress in delivering the savings agreed by the County Council at its meeting on 16 February 2015.

6B.3 Following discussion, the Committee **RESOLVED** to note:

- a. the forecast total shortfall of £12.216m in 2015-16, for which alternative savings needed to be identified;
- b. the budgeted value of 2015-16 savings projects rated as RED of £19.251m, of which £6.688m were now forecast to be delivered;
- c. the forecast savings shortfall on AMBER rated projects of £0.204m; and
- d. the forecast over-delivery of GREEN and BLUE rated projects totalling £0.551m.

7 Mid-Year Treasury Management Monitoring Report 2015-16

7.1 The annexed report (7) by the Executive Director of Finance was received.

7.2 The Committee received a mid-year monitoring report on the treasury management activities of the County Council for the period 1st April 2015 to 30th September 2015.

7.3 In reply to questions, the Executive Director of Finance said that the County Council continued to maintain its total gross borrowing limit within its authorised borrowing limit and that the County Council would find that there was little, if any, benefit in changing its borrowing limit to take advantage of continuing low base lending rates.

7.4 Members' were also informed that the County Council was in discussions with NORSE about the increased loan securitisation that was required for NORSE to have a monetary lending limit of a further £15m for long term capital loans of up to 7 years, and for those loans to be included in the Council's capital programme, as set out in the recommendation at paragraph 5.6 of the report.

7.5 The Committee **RESOLVED** to endorse and **RECOMMEND** to County Council the mid-year Treasury Management Monitoring Report 2015-16, including revisions to the 2015-16 Investment Strategy, as detailed in Section 5 of the annex of the report.

8. **Staff Car Parking**

- 8.1 The annexed report (8) by the Executive Director of Finance was received.
- 8.2 The Committee received a report about a package of measures recommended by the Members Working Group to manage demand for workplace car parking in the face of asset efficiency being achieved through consolidation of staff teams into fewer buildings resulting in greater intensification in the use of the buildings to be retained. Initially, these proposals would only apply to County Hall which would remain the core office base where staff numbers were expected to grow thereby creating increased pressure for workplace parking.
- 8.3 The Committee was assured that the parking requirements of disabled Members of staff would be fully protected and that the Member Working Group would be reconvened earlier than October 2016 should any outstanding issues need to be resolved in the meantime.
- 8.4 The Committee was informed that the approval of the City Council Planning Committee would be required for increased car parking capacity within the County Hall campus.
- 8.5 It was suggested by some Members that the Committee should only recommend to the Council the recommendations numbered four, five and six in the report, and that the results of the staff consultation about staff car parking should be reported back to this Committee before they were reported to the Council.
- 8.6 Mr Dunning, speaking on behalf of UNISON, said that UNISON welcomed the proposed consultation with staff and the opportunity for it to have an input into shaping the final stages of the process so that the needs of certain groups of staff were protected.
- 8.7 The Chairman moved the recommendations contained in the report subject, at the suggestion of Mr Roper, to the addition of the following words at the end of the eighth recommendation:
- “...”for the final decisions to be made alongside the results of the staff consultation.”
- 8.8 On being put to the vote there were 8 votes in favour of the motion moved by the Chairman and 8 votes against, whereupon, on the casting vote of the Chairman, it was **RESOLVED** to **RECOMMEND** that the Council:
1. Approve revisions to eligibility for workplace parking permits at County Hall with effect from 1 April 2016 as follows:
 - a. Employees living within 1 mile of County Hall would no longer be eligible for parking permits
 - b. New employees living within 3 miles of County Hall would not be eligible to receive workplace parking permit.

- c. Employees whose main work location was not County Hall will no longer be eligible for workplace parking permit.
- 2. Approve the introduction of a second Non Parking Day at County Hall for all employees eligible for workplace parking permits.
- 3. Approve the introduction of charging employees for the use of workplace parking on their Non Parking Day at County Hall on a “pay as you go” and agree that this was set at £5 per day.
- 4. Instruct Officers to seek planning consent for increasing car parking capacity within the County Hall campus.
- 5. To note that in addition work would be done to promote and further facilitate alternative means of travel to County Hall such as walking, cycling, car sharing and use of public transport.
- 6. To agree that employee consultations were undertaken on the above proposals to identify and help mitigate operational and equalities impacts.
- 7. To agree that the Members Working Group be reconvened in October 2016 to review effectiveness of the above measures.
- 8. Refer P&R’s decisions on the above recommendations to Full Council for the final decisions to be made alongside the results of the staff consultation.
- 9. Delegate to the Executive Director of Finance the responsibility for implementing the changes agreed by Full Council to the Car Parking Policy.

9 **Review of Financial Standing Orders**

- 9.1 The annexed report (9) by the Executive Directors of Finance was received.
- 9.2 The Committee received a report that recommended updates to the Financial Regulations of the County Council. The recommendations that the Committee made to Full Council included changes to reflect the establishment of a new Corporate Property Team.

9.3 **RESOLVED to RECOMMEND** to the County Council:

The updates to the Financial Regulations that were contained in the report.

10. **County Hall Programme**

- 10.1 The annexed report (10) by the Executive Director of Finance was received.
- 10.2 The Committee received a report that provided an update and overview of the major programme of works that were undertaken at County Hall. The report indicated that the programme was on schedule to complete all the works within scope in April 2016 and within budget.
- 10.3 It was suggested that the arrangements for cyclists to park at County Hall should be reassessed to take account of changes within the County Hall site generally and that the timing of the glass barriers within the entrance area of County Hall should be changed to allow sufficient time for those with walking impediments to pass through them unhindered.
- 10.4 Mr Jordan said that the areas of the County Hall complex (mentioned in paragraph 2.3 of the report) that were outside the scope of the current programme of work

should be included for the sake of completeness before the project came to an end. In reply, officers said that to undertake this work would require between £3m and £4m of additional funding being made available in the capital programme. The Chairman said that at no stage had these areas of the building being included in the scope of the County Hall programme. He asked officers to produce a detailed business case into the viability of this work being undertaken.

10.5 **RESOLVED** to:

- a. Note the progress made on the County Hall programme;
- b. Commission a further report in spring 2016 outlining a strategic plan for the development or disposal of Carrow House.

11 **Health and Safety Mid-Year Report**

11.1 The annexed report (11) by the Executive Director of Resources was received.

11.2 The Committee received a report that provided key updates on information in the annual report presented in July 2015, also comparing against national performance indicators. Additionally, updates were provided on work carried out by the HSW Team which contributed to the 2015/16 work strands identified in the July 2015 annual report.

11.3 Members' drew attention to the pilot study (mentioned in the executive summary of the report) into the merits of coaching new headteachers in their health and safety responsibilities and into ensuring the County Council's health and safety management system was maintained in schools. Members suggested that the results of this study might be of benefit in other areas of County Council work.

11.4 **RESOLVED** to:

Note the Health, Safety and Well-being Mid-Year report.

12 **Direct Property Developments and Disposal of Land and Properties**

12.1 Mr A Proctor, having declared a Disclosable Pecuniary Interest in Broadland Growth Limited (a company mentioned in the report) left the Committee room while the Committee considered this item and took no part in the matter.

12.2 The annexed report (12) by the Executive Director of Finance was received.

12.3 The Committee received a report that included proposals to support the Council's priorities for focussing on key objectives of the Council's Asset Management Plan to proactively exploit the latent value of the property portfolio and release capital resources for other priorities. The Committee also received on the table copies of a brochure that illustrated the commercial nature of the projects that were mentioned in the third of the recommendations in the report.

12.4 The Committee gave its full support to the proposed course of action set out in the report. It was noted that suitable checks would be made to ensure that the correct level of consultation had taken place with landowners and tenants affected by the

disposal of the land mentioned in the report and that Local Members continued to be consulted on property disposal issues in accordance with established procedure.

12.5 The Committee **RESOLVED** to:

1. Authorise further work was undertaken to assess options for delivering direct property developments and report back to the Committee with recommendation in March 2016.
2. Authorise the disposal of land at Lingwood and land at Blofield, east of Plantation Road and authorise the Corporate Property Officer to directly negotiate with Broadland Growth Ltd on terms and conditions to be agreed in consultation with the Executive Director of Finance and the Chair of P&R Committee.
3. Confirm and formally declare each of the following sites surplus to County Council use and agree, following a viability assessment, to be developed or disposed of on terms to be agreed by the Corporate Property Officer in consultation with the Executive Director of Finance and the Chair of P&R Committee:
 - a. The Oaks, Harvey Lane, Norwich.
 - b. Marham Road, Fincham.
 - c. Row Hill Farm Barns, Hindringham.
 - d. Vicarage Barns, Elmham.
 - e. Former Ticket Office site, Surrey Street, Norwich.

13 **Re-procurement of Telephony & Data Network Services**

- 13.1 The annexed report (13) by the Executive Director of Resources was received.
- 13.2 The Committee received a report about how the County Council was nearing the end of the procurement process to buy a replacement network to cover its corporate requirements. The new contract was expected to deliver substantial savings compared to the current arrangements and be made available to those organisations which currently shared our network (including schools some district councils and the Norfolk and Suffolk Foundation NHS Trust); to all other public bodies in Norfolk; and to public bodies in neighbouring counties.
- 13.3 With reference to paragraph 1.6 of the report, it was pointed out that the County Council's "principal call off" arrangements would no longer include Broadland District Council which (together with Norwich City Council) would have their own "principal call off" arrangements within the new contract. With reference to paragraph 1.17 of the report, it was pointed out that services which had a direct impact on end users, such as telephony and contact centre services, would not be altered until September 2016 at the earliest.
- 13.4 Mr Roper said that if the Working Group had significant concerns about the contract then the matter would be reported back to the Policy and Resources Committee to take the final decision.
- 13.5 The Committee was informed that to enable time for a managed transition for the re-procurement of telephony and data network services, the Council would need to

sign the new contract before Christmas. To give some flexibility in timing for the final stage of the procurement, and to enable detailed member review of the proposed award decision, the Committee **RESOLVED** to:

Delegate the award decision to the Executive Director of Resources, in consultation with the Member ICT Working Group.

14A Managing Director's Strategic Update: Devolution

14A.1 The annexed report (14A) by the Managing Director was received. The Committee also received an amended Appendix A to the report which had been circulated with a supplementary agenda.

14A.2 The Managing Director explained the work that was being undertaken to progress a good devolution deal for Norfolk and Suffolk, including the Challenge Session that local authority leaders and the LEP had held with Lord Heseltine on 4 November 2015, the next steps in the process for Norfolk, the wider policy context and the other deals that were announced to date.

14A.3 In reply to questions, the Managing Director said that the Challenge Session had discussed the possibility of extending the Norfolk and Suffolk deal to take in Cambridgeshire. However, Cambridgeshire appeared to be more interested in joining with London and Essex, rather than with Norfolk and Suffolk, and there was merit in embedding a Norfolk and Suffolk deal at the earliest opportunity, rather than waiting for Cambridgeshire to make its aspirations more clear.

14A.4 The Committee **RESOLVED** to:

- a. Note the progress to date
- b. Agree that the Leader and Managing Director continue to pursue negotiations together with our partners to obtain the best devolution deal for Norfolk, in preparation for decision of a Devolution deal by Full Council.

14B Managing Director's Strategic Update: Re-Imagining Norfolk

14B.1 The annexed report (14B) by the Managing Director was received.

14B.2 The Committee received a report that provided information on selected areas of work being undertaken across the Council to implement the report on Re-Imagining Norfolk agreed by the Council in June 2015.

14B.3 The Committee was informed that the Re-Imagining Norfolk team were undertaking a systems wide review of priorities across the Council to align the priorities of the Council with those of its partners and other public services. A performance framework for these priorities, including a timetable, would be reported to the Committee in February 2016.

14B.4 The Committee **RESOLVED** to note:

- a. Development of a virtual public service for Norfolk – working with other local authorities, police and the NHS.

- b. The Corporate Bid Team – the latest on the work of this team which was established to make Norfolk successfully compete for external grants, as one of our initiatives to raise more revenue
- c. Member workshops on implementing the Council's four priorities of real jobs, excellence in education, infrastructure and supporting vulnerable people.

The meeting concluded at 1.00 pm

Chair



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Dr Wendy Thomson, CBE
Managing Director
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27 November 2015

Dear Wendy,

Thank you for your letter dated 24th November regarding the service we've provided in recent weeks.

I would like to begin by apologising to you and all of the residents that were affected by the problems we faced earlier this month. I know that Jonathan has been in touch with you directly already, both to update you on the situation as it developed and was addressed, but also to clarify some misapprehensions in your letter about the restoration of services and how we have fulfilled the commitments we made to you and other stakeholders in our correspondence with you.

Further to Jonathan's most recent emails, I must reiterate how unprecedented this year has been in terms of diesel unit availability. It's always difficult at this time of year, but nothing like as problematic as conditions this autumn have been.

I can honestly say we haven't seen so many trains out of service all at once for this reason in previous years. Despite sending trains to Ilford and Derby (which have lathes to repair the wheels), the diesel units were suffering wheel damage faster than we could get them repaired and back into service. It is also worth noting that we have an additional train set in use on local services that we hired last year, beyond our core franchise fleet, without which the position would have been even more difficult.

I'm pleased to confirm that, as you will have heard, the fleet situation has improved over the past week, and we restored the normal timetable on the Norwich to Great Yarmouth route on Monday, 23 November. However, I know the circumstances were particularly frustrating because on Monday morning, Network Rail suffered points failures at Reedham and Acle and these prevented access to and from the Yarmouth line.

I'm well aware of the disruption these infrastructure problems caused and I really do understand the impact that this sort of incident has on our customers, especially when people are trying to get to work and other important personal arrangements. Our Train Running Controllers were ready and waiting to get trains moving again once Network Rail engineers had rectified the problems and re-opened the line but, as Jonathan mentioned to you, we did have sufficient diesel units ready to operate a full service between Norwich and Yarmouth on Monday. The Great Yarmouth line is normally one of our most punctual routes and it's frustrating to see that good record dented by recent events.

We are continuing to put pressure on Network Rail to improve their performance and I know they're committed to restoring more reliable performance on our franchise. We can see the effort is going in, but we must see the results and we are now increasing the number of daily and weekly meetings with Network Rail to see what more can be done to prevent these highly disruptive infrastructure issues from occurring in the first place.

Returning to the recent fleet problems we've faced, I appreciate the situation this autumn has been unacceptable. In the short term, we're now providing special compensation arrangements for weekly, monthly, and annual season ticket holders on the Norwich to Great Yarmouth route so that these customers can be refunded for their daily travel cost for all of the days that the rail services were suspended and substituted with a bus replacement service. We have put posters at all stations on the Great Yarmouth line, as well as providing details via station and on-train staff and on the website to encourage those affected to claim.

Looking further ahead, we will be holding a full review of the issues in partnership with Network Rail to ensure the situation is improved for future years. We have already spoken with the Department for Transport and emphasised the need to ensure that actions identified are delivered regardless of the timing and outcome of the franchise renewal process.

However, it's quite clear that there are two big issues which need to be reviewed and the first of these is Network Rail's railhead treatment programme. Ultimately it's the railhead conditions which caused the wheel damage and the conditions have clearly been far worse than ever before, and this suggests the preventative measures taken by Network Rail were not effective enough this year. We are working with Network Rail to achieve a more effective programme from them for next year.

We'll also be looking at what we can do to try and prevent such damage to our fleet, and to enable quicker repairs if they are needed. Obviously in the long-term franchise (which starts next October) there is an opportunity to look at providing an additional wheel lathe at our Crown Point depot in Norwich so that the trains don't have to be sent away for repairs to wheel damage.

On the subject of our fleet, you may already be aware that we're currently implementing a large number of reliability improvement schemes (e.g. those impacting doors, couplers and traction motors for example). One of these preventative measures includes an industry-leading piece of work that our Fleet department are leading on. They are currently developing various new modules for our remote train monitoring system, and these will remotely track hundreds of components on the train and send warning signals to our engineers when a component shows the tell-tale signs of failure. This will allow them to replace a component before it causes a train to fail, rather than after, and we are convinced that we will see positive results on the back of this investment.

In addition to this, we have recently engaged an external company to assist us in a major transformational change for our Engineering Team. The external company has extensive experience in the airline industry, oil and gas, plus the rail industry. They specialise in the 'planning-led' approach to engineering. In broad terms, this seeks to utilise intricate and independent planning to ensure that all planned and indeed unplanned Fleet work and repairs can be carried out in the most efficient way possible. The stated objective is to increase productivity by 30%, which will lead to greater reliability and availability (as the levels of 'deferred' work will reduce). It will also create further resource to implement the considerable number of existing reliability improvement initiatives more quickly. The change is a substantial one and involves structural change to create the independent planning function, but the external team started with us a month ago now and we are beginning to make progress. The investment is a big one, but it is absolutely necessary, as we do need to generate greater reliability from our ever ageing fleet, before it is replaced in the next franchise.

In summary, there is an awful lot of hard work going in to ensure we don't see this situation repeated next year, and our Bid team are also considering a range of different improvements that could be

delivered as part of the new franchise to ensure we continue to improve train services across East Anglia and the rest of our network.

Thank you for taking the time to write to me regarding these issues, and if you have any other queries then please do get in touch.

Yours sincerely,



Jamie Burles
Managing Director