

Policy and Resources Committee

Minutes of the Meeting Held on 27 March 2017

10:00am Edwards Room, County Hall, Norwich

Present:

Mr C Jordan (Chairman)

Mr M Baker
Mr R Bearman
Mr M Castle
Mrs H Cox
Mrs J Leggett
Mr I Mackie
Mr I Monson
Mr S Morphew

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

Substitute Member Present:

Mr P Smyth for Mr D Crawford

Also Present:

Mr B Borrett
Mr R Smith
Mr J Childs
Mr D Collis
Mrs M Dewsbury

(For ease of reference, items appear in these minutes in the order in which they appear on the agenda. This was not necessarily the order in which these items were considered at the meeting).

1. Apology for Absence

- 1.1 An apology for absence was received from Mr D Crawford.

2 Minutes

- 2.1 The minutes of the previous meeting held on 6 February 2017 were confirmed by the Committee and signed by the Chairman.

3 Declarations of Interest

- 3.1 Mr I Mackie declared a personal interest in Item 13 (Norse Consents) as a Director

of Norse and Norse Companies.

- 3.2 Mr B Stone declared a personal interest in Item 12 (Norse Consents) as the Norse member shareholder.
- 3.3 Mrs J Leggett declared a personal interest in Item 18 (Six Monthly Procurement Update) as a Trustee of Leeway, Domestic Violence and Abuse Services.
- 3.4 Mrs A Thomas declared that she had a personal interest in issues raised in the reports through her husband's employment with Marsh Ltd.

4 Items of Urgent Business

- 4.1 There were no items of urgent business.

5 Public Question Time

There were no public questions

6 Local Member Issues

- 6.1 There were no local Member questions.

Section A – Items for Discussion and Decision/Action

7 a. Vital Signs and Performance Management Reports

7.a. Resources and Finance/ Corporately Significant

- 7.a.1 The annexed reports (7a) (i and ii) by Executive Director of Finance and Commercial Services and Head of Business Intelligence and Performance Service and Corporate Planning and Partnership Service was received and considered together.
- 7a.2 The Committee received two reports by the Executive Director of Finance and Commercial Services and Head of Business Intelligence & Performance Service and Corporate Planning and Partnerships Service that provided up to date performance management information for Resources and Finance and for corporately significant vital signs. The reports were based on the 'vital signs' performance indicators agreed by the Committee as part of the Council's revised performance management framework introduced in April 2016.
- 7a.3 In the course of discussion the following key points were made:
 - The Committee asked that the performance dashboards within performance management reports include actual performance numbers as well as percentages to help provide an idea of the scale of change that is taking place within the Council. Related to this issue a Member asked for details to be provided after the meeting about the actual numbers behind the percentage mentioned in the report card on calls abandoned on the IMT service desk. (This can be found as an appendix to these minutes).

- It was pointed out that Adult Social Care was working ever more closely with the NHS and was in daily contact with the acute hospitals about issues related to delayed discharge. However, while delayed discharge continued to be an issue (particularly at the NNUH) the number of delayed discharges from hospital that were attributable to Social Care remained low.
- Members' drew attention to the importance of the work that was being done to achieve the performance target of 3% sickness absence within the Council which was a significant performance challenge.

7.a.4 **RESOLVED**

That the Policy and Resources Committee:

Note the performance data and the recommended action included within the Vital Signs and Performance Management Reports.

7b **Risk Management Report**

7b.1 The annexed report (7b) by Executive Director of Finance and Commercial Services was received.

7b.2 The Committee received a report by the Executive Director of Finance and Commercial Services that provided the Committee with the corporate risk register as it stood in March 2017, along with an update on the Risk Management Strategy 2016-19, and other related matters, following the latest review conducted during February 2017.

7b.3 In the course of discussion the following key points were made:

- The Committee's attention was drawn to the importance of the County Council taking action to mitigate against concentrations of flood risk within Norfolk's settlements and supporting the development of flood mitigation schemes across the county. This matter had been considered at Environment, Development and Transport Committee and was not judged by the majority of Members of the Committee to be a corporately significant risk.
- Members were assured that any significant risk that the NDR would not be constructed and delivered within the agreed budget would be reported to the Policy and Resources Committee at the earliest possible opportunity. Any such risk would also be reported to the Environment, Development and Transport Committee and the Audit Committee.

7b.4 The Committee **RESOLVED to note:**

1. **The changes to the corporate risk register, the progress with mitigating the risks; and**
2. **The scrutiny options for mitigating corporate risks**
3. **The movement of corporate risks since the last meeting**
4. **The Finance and Commercial Services departmental risk summary.**

8. **Finance Monitoring Report –Period 10 (January 2017)**

8.1. The annexed report (8) by Executive Director of Finance and Commercial Services was received.

8.2 The Committee received a report by the Executive Director of Finance and Commercial Services that provided 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 The Committee **RESOLVED** to:

- 1 **Note the period 10 forecast Revenue overspend of £4.522m (P8 £5.512m);**
- 2 **Endorse and recommend to County council for approval the use of reserves in 2017 as follows:
Human Resources and organisational Development reserves £0.300m for reasons set out in Appendix 1 section 3 of the report**
- 3 **Note the forecast General Balances at 31 March 2017 of £19.252m, before taking into account any over/under spends;**
- 4 **Note the forecast financial information in respect of Policy and 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 current 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 and Commercial Services was received.

9.2 The Committee received a report by the Executive Director of Finance and Commercial Services 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 The Committee **RESOLVED** to note:

- a. **the forecast total shortfall of £8.248m in 2016-17, which amounts to 20% of total savings, and for which alternative savings need to be identified;**
- b. **the budgeted value of 2016-17 savings projects rated as RED of £10.233m, of which £1.985m are now forecast to be delivered;**
- c. **the budgeted value of 2016-17 savings projects rated as AMBER of**

- £0.750m, of which £0.405m are now forecast to be delivered;**
- d. the forecast over delivery of £0.345m on GREEN and BLUE rated projects; and**
- e. the forecast total shortfall of £13.325m of 2017-18 savings and £18.472m of 2018-19 savings reflecting delay and removal of savings as approved in 2017-18 Budget setting by County Council.**

10 Equality and Accessibility Objectives 2017-2020

- 10.1 The annexed report (10) by the Executive Director, Community and Environmental Services was received.
- 10.2 The Committee received a report by the Executive Director, Community and Environmental Services that proposed five equality and accessibility objectives for 2017-2020, for Policy and Resources Committee approval.
- 10.3 **The Committee RESOLVED:**
 - 1. To note the emerging local and national issues summarised in paragraphs 10 to 19 of the report.**
 - 2. To agree the draft equality and accessibility objectives set out in Appendix 1 to the report**
 - 3. To note that the Council's Member-led Strategic Equality Group will report annually to Policy and Resources Committee on progress on the objectives, as part of the Equality Duty Information Report which the Council has a statutory duty to publish by 31st January each year.**

11 Industrial Strategy Green Paper –Norfolk County Council Response

- 11.1 The annexed report (11) by the Executive Director, Community and Environmental Services was received.
- 11.2 The Committee received a report by the Executive Director, Community and Environmental Services that set out the Government's consultation on its green paper 'Building our Industrial Strategy' which provided the Council with a chance to shape Government's thinking on the sectors, skills and the infrastructure required to help businesses thrive in Norfolk.
- 11.3 The Committee was informed that the Council's approach would be to highlight the three sectors where both the Council, and the New Anglia Local Enterprise Partnership, believed that Norfolk had a genuine competitive advantage: Energy (the East of England Energy Zone brand and our renewable energy strengths, including 'clean tech', which uses renewable materials and energy sources to provide superior performance and efficiency), the Bio Economy (which encompasses our strengths in food production and plant research) and ICT/Digital Creative. In showcasing these sectors, the Council would highlight the skills and infrastructure requirements to deliver nationally-significant growth and the freedoms and flexibilities needed from Government to make it happen. These priorities would inform the County Council vision for the county, Future Norfolk.

- 11.4 Members drew attention to the investment that was required to support the Third River Crossing at Great Yarmouth and the dualling of the Acle straight which were vital to the economic prosperity of Great Yarmouth. It was pointed out that investment would be crucial to provide a direct route into the town from the south, to provide the link between the trunk road network and the expanding port and the South Denes Enterprise Zone sites, and to overcome the problem of limited road access to the peninsula of Great Yarmouth.
- 11.5 Members' also drew attention to the investment required to deliver the Ely Junction rail improvements and "Norwich in 90" improvements that would enable the sector to compete more credibly for business in the capital.
- 11.6 The Committee **RESOLVED:**
- To endorse the County Council's response to the Green Paper on the Government's Industrial Strategy as set out in the report.**
- 12 **NORSE Governance Review-Update**
- 12.1 The annexed report (12) by the Executive Director of Finance and Commercial Services and the Chief Legal Officer was received.
- 12.2 The Committee received a report by the Executive Director of Finance and Commercial Services and the Chief Legal Officer that provided a summary of progress with enhanced governance provisions in respect of the Norse Group.
- 12.2 The Committee **RESOLVED:**
- To note the report.**
- 13 **NORSE Consents**
- 13.1 The annexed report (13) by the Executive Director of Finance and Commercial Services was received.
- 13.2 The Committee received a report by the Executive Director of Finance and Commercial Services that sought consent for the appointment of Directors and the creation of new NORSE companies.
- 13.3 **The Committee RESOLVED:**
- 1. To recommend to Full Council the appointment of Directors to companies in the Norse Group as detailed in Appendix A to the report.**
 - 2. To delegate to the Executive Director of Finance & Commercial Services the authority to approve the creation of Peterborough Norse Ltd, after reviewing the financial due diligence that is currently being undertaken.**
 - 3. To approve the creation of Daventry Norse Ltd.**

- 14 **Approval to further investigate the financing of the Attleborough Link Road**
- 14.1 The annexed report (14) by the Executive Director of Finance and Commercial Services was received.
- 14.2 The Committee received a report by the Executive Director of Finance and Commercial Services that sought authority for County Council officers to develop a Heads of Terms agreement in relation to the lending of £18m to Ptarmigan Land for the purpose of constructing the Attleborough Link Road. The Committee was informed that the proposed Link Road would facilitate the development of 4,000 new homes on the 'strategic urban extension' at Attleborough.
- 14.3 The link road was seen by Members to be crucial to the future development of the town. However, Members commented that the security of the loan would be vital in obtaining Committee approval for this matter to proceed when this issue was next reported to the Committee.
- 14.4 The Committee **RESOLVED:**
1. **To authorise the Director of Finance and Commercial Services to develop a draft Heads of Terms in relation to lending £18m to Ptarmigan land for the construction of the Attleborough Link Road.**
 2. **That the final agreement is brought back to this Committee for approval and recommendation on to Full Council for addition to the Capital budget.**
- 15 **Disposal and Acquisition of Properties**
- 15.1 The annexed report (15) by the Executive Director of Finance and Commercial Services was received.
- 15.2 The Committee received a report by the Executive Director of Finance and Commercial Services that was aimed at supporting the County Council's priorities by exploiting properties surplus to operational requirements, pro-actively releasing property assets with latent value where the operational needs could be met from elsewhere and strategically acquiring property.
- 15.3 The Committee **RESOLVED:**
1. **To agree to the acquisition of a lease for a parcel of land adjacent to Stracey Arms Mill from the Diocese of Norwich at £250 per annum for 25 years, a licence at nil fee from Mr and Mrs White for the positioning of a crane on their land and an easement at nil fee from Mr & Mrs White over their land for the construction of a ramp and path.**
 2. **To formally declare the three former highway landholdings at Fakenham, Holt and Stoke Ferry surplus to NCC service requirements and instruct the Head of Property to dispose of the sites in accordance with established policy or exploit to maximise the receipt or revenue income.**

3. **To formally declare the land to the rear of Harford Park & Ride site, Keswick surplus to NCC service requirements and instruct the Head of Property to dispose of the sites in accordance with established policy or exploit to maximise the receipt or revenue income.**

16 Norfolk and Waveney Sustainability and Transformation Plan Update

- 16.1 The annexed report (16) by the Managing Director and Norfolk & Waveney STP Lead was received.
- 16.2 The Committee received a report from the Managing Director and Norfolk & Waveney STP Lead that informed the Committee about the development of the Sustainability & Transformation Plan (STP) for the Norfolk and Waveney area and outlined the current status. The report provided a summary of the key elements of the STP. It invited the Committee to consider the current status and the governance arrangements and to agree the Council's representation on the STP Oversight Group.
- 16.3 The Committee **RESOLVED:**
- To agree the Council's representation on the STP Oversight Board, as set out in the report, as part of the overall governance arrangements.**

17 Recommendations from the Constitution Advisory Group

- 17.1 The annexed report (17) by the Managing Director was received. The report set out the recommendations of the Constitution Advisory Committee meetings held on 1st and 16 March 2017.
- 17.2 During discussion of this item some Members expressed the view that this was not the time to make changes to governance arrangements. They were of the opinion that economic development and the oversight and development of business, property and county farms functions did not fit together neatly under one Committee and that the report should therefore be deferred for further consideration after the forthcoming elections.
- 17.3 **Mr Castle moved, duly seconded by Mr Morphew**
- That Member consideration of the proposal to establish a Business and Property Committee should be deferred so as to allow the Council to take a measured approach to the proposal to establish a Business and Property Committee after the forthcoming elections.**
- On being put to the vote the motion was **LOST, there being 8 votes in favour and 9 votes against.**
- 17.4 Mr Mackie and Mr Spratt then spoke in favour of retaining the existing role of the County Farms Advisory Board with regard to the scrutiny of operational decisions on county farms.

- 17.5 It was pointed out that the Constitution for the County Farms Advisory Board lacked clarity regarding the role of the Policy and Resources Committee, the Economic Development Sub-Committee and the powers delegated to the Managing Director and the County Farms' Officers who exercised the Council's functions relating to County Farms. In view of this, Mr Mackie moved a motion that asked for the policy on the future of county farms to be reviewed at Full Council.
- 17.6 After debate the motion was withdrawn on the grounds that should the Council agree to set up a new Business and Property Committee then it would be a matter for the new Committee to decide whether it wished to put in place a Member Sub-Group for the scrutiny of operational decisions relating to county farms.
- 17.7 **The Committee then voted separately on each of the recommendations contained in the report.**
- 17.8 **With regards to the recommendations from CAG held on 1st March 2017:**

(a) The creation of a Business and Property Committee (report to CAG was attached at Appendix A to this report)

After debate the Committee RESOLVED to RECOMMEND by 10 votes in favour and 5 votes against:

1. **To endorse and recommend to Full Council the proposal to establish a Business and Property Committee with Terms of Reference as set out in the report (attached at Appendix A to the report). This included dis-establishing the existing Economic Development Sub Committee.**

After debate the Committee then RESOLVED to RECOMMEND by 9 votes in favour, 4 votes against and 4 abstentions:

2. **To recommend to Full Council that the most appropriate format for a new Business and Property Committee would be as a Service Committee of 9 Members**

(b) Norse Shareholder Committee and the role of the Norse Shareholder Representative (report to CAG attached at Appendix B)

After debate the Committee then RESOLVED to RECOMMEND by 11 votes in favour 2 votes against and 1 abstention:

1. **To endorse the proposal as set out in Appendix B of the report and recommend it to Full Council for approval.**

- 17.8 **With regard to the recommendations from CAG held on 16th March 2017 as follows:**

(c) Review of Governance Arrangements (report to CAG attached at

Appendix C to the report to this Committee)

After debate the Committee then RESOLVED to RECOMMEND by 11 votes in favour 2 votes against and 1 abstention:

- 1. That the Constitution be changed to give the Council flexibility in agreeing the appropriate size of its Committees every 4 years at the AGM of the new Council. The Committees will not lose their political proportionality.**

After debate the Committee then RESOLVED to RECOMMEND by 9 votes in favour and 8 votes against:

- 2. That the Constitution be changed so that Service Committee Vice-Chairs and Service Committee Chairs who are currently invited to attend meetings of P&R Committee, are permitted to become full members of P&R Committee.**

After debate the Committee then RESOLVED to RECOMMEND by 9 votes in favour and 8 votes against:

- 3. That the Constitution be changed to give P&R Committee a clearer role in the development of significant policies as well as delegated responsibility for critical decisions which result in the Council incurring significant expenditure or making significant savings in a particular budget area and/or which have an impact on a significant proportion of Norfolk's residents.**

After debate the Committee then RESOLVED to RECOMMEND (in relation to recommendation 4 as a whole) by 9 votes in favour and 8 votes against:

- 4. That the Role and Terms of Reference of the Service Committees be changed reflecting the changes to P&R and other changes introduced as a result of the review and that:
 - a. Non-Councillor membership of Children's Services Committee be reduced to the statutory representatives (the two Church representatives) and that the Children's Services Committee should in the future consider the purpose and appropriateness of any wider membership.**
 - b. Children's Services Committee reviews the appropriateness, membership and terms of reference of its Panels and Internal Groups.****

After debate the Committee then RESOLVED to RECOMMEND by 9 votes in favour 2 votes against and 5 abstentions:

- 5. That the Emergency Committee be disestablished.**

After debate the Committee then RESOLVED to RECOMMEND by 9 votes in favour, 4 votes against and 4 abstentions:

6. That the Constitution be changed to incorporate the updated Policy Framework as given in Annex A to Appendix C of the report.

18 Six Monthly Procurement Update

18.1 The annexed report (18) by the Executive Director of Finance and Commercial Services was received.

18.2 The Committee received a report by the Executive Director of Finance and Commercial Services that provided a regular update on procurement issues, so that Members had sufficient notice about forthcoming procurements to provide strategic input and be aware of current issues and of any concerns.

18.3 The Committee **RESOLVED:**

- 1. To note the pipeline on contracts contained in the annex to the report.**
- 2. To note the interim findings concerning contract management.**
- 3. To note the update concerning the Eastern Shires Purchasing Organisation (ESPO).**

Section B – Items for Report

19 Decisions taken under Delegated Authority

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

19.2 The Committee received a report by the Managing Director that set out decisions taken in relation to property matters by officers under the scheme of delegation and “hierarchy of decision making” since the last report to the Committee.

19.3 **RESOLVED:**

To note the report.

20 Feedback from Members serving on Outside Bodies

20.1 No verbal update reports were received.

The meeting concluded at 12.40 pm

Chairman

Appendix to Policy and Resources Committee minutes of 27 March 2017

Minute 7a.3

The IMT Service Desk February Abandonment rate of 7% related to 244 calls