

Policy and Resources Committee

**Minutes of the Meeting Held on 24 September 2018
10:00am Edwards Room, County Hall, Norwich**

Present:

Mr A Proctor (Chairman)

Mr B Borrett
Mrs M Dewsbury
Mr T FitzPatrick
Mr S Morphew
Mr R Oliver

Mr G Plant
Mr D Roper
Mr E Seward
Mr B Stone
Mr M Wilby

Substitute Member present:

Mr B Spratt for Mrs P Carpenter
Mrs C Walker for Ms E Corlett

1. Apologies for Absence

1.1 Apologies for absence were received from Mrs P Carpenter and Ms E Corlett.

2. Minutes

2.1 The minutes of the previous meeting held on 16 July 2018 were confirmed by the Committee and signed by the Chairman.

2.2 In reply to questions, the Executive Director of Community and Environmental Services said that there was no firm date for the update report on the delivery of the Broadland Northway. Discussions with the contractor were ongoing and these would need to conclude before the final cost could be established.

3. Declarations of Interest

3.1 Mr T FitzPatrick declared an "other interest" in item 10 (Pension Contributions-Payments in Advance) as a Member of the Pensions Committee.

4. Items of Urgent Business

4.1 Mr D Roper asked the Chairman for permission to table a motion that if agreed by the Committee would suspend public consultation on the document entitled "Early Childhood and Family Services-Transforming Our Children's Centres". He said

that the motion would enable the public consultation document to be rewritten in a way that in his opinion reflected more accurately the Council's proposals regarding children's centres.

4.2 In reply, the Chairman said that he was unwilling to use his discretion and give permission for a motion on this issue to be tabled as a matter of urgent business.

5 **Public Question Time**

5.1 The Committee received a public question from Mr Elliott about how many more Social Workers, support staff and interpreters were required to manage the needs of 100 refugees. The question and answer can be found at Appendix A to these minutes.

5.2 In response to a supplementary question from Mr Elliott about whether the County Council had sufficient staff to meet the refugees' needs, the Executive Director of Adult Social Services confirmed that the earmarked staffing resources were adequate.

6 **Local Member Issues**

6.1 There were no local member questions.

Section A – Items for Discussion and Decision/Action

7 **Finance Monitoring Report**

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

7.2 The Committee received a report by the Executive Director of Finance and Commercial Services that summarised the Period 4 (July 2018) forecast financial outturn position for 2018-19, to assist members to maintain an overview of the overall financial position of the Council. There had been no material net budget movements since the previous finance monitoring report.

7.3 The Executive Director of Finance and Commercial Services drew Members' attention to table 2 on page 22 of the agenda which showed that the RAG rating for Children's Services had changed to RED. The forecast overspend on Children's Services was in relation to costs associated with looked after children and children who had a high level of needs. The spend associated with this was an issue of concern to all County Treasurers across the country. In reply to questions the Director said that the forecast overspend was an issue which had more to do with identifying the resources required to meet the unrelenting increase in demand for Council services and less to do with the need to introduce updated forecasting techniques.

7.4 In reply to questions about the extent to which the Council relied on the use of reserves, the Executive Director of Finance and Commercial Services said that a reserve was defined as an amount set aside for a specific purpose in one financial

year and carried forward to meet expenditure in future years. The Council carried forward reserves and provisions which were anticipated at the time when the budget was set in January 2018 and information about the latest forecasts could be found in tables 3a and 3b on page 23 and 24 of the agenda.

- 7.5 In reply to further questions, the Executive Director of Finance and Commercial Services said that if the Committee was to agree to support the request from Norse Care Ltd for a capital loan, to refurbish and re-open a decommissioned residential care home for the elderly that focussed on dementia care for self-funding private payers whose financial resources were above threshold levels, then this would reduce the average cost of providing dementia care places for all Norse care users and increase the level of return to the County Council on money loaned to Norse Care Ltd.
- 7.6 Members spoke in support of the project to create a 50-acre Energy Park at South Denes in Great Yarmouth. The Deputy Leader said that the County Council was in discussions with the Borough Council about the best form of governance for this major project. He agreed to update Mrs Walker after the meeting on what governance was proposed.

7.7 **RESOLVED (with 4 abstentions)**

That the Policy and Resources Committee:

- 1. Note the period 4 forecast general fund revenue overspend of £5.634m (£5.356m), noting also that Chief Officers will take measures throughout the year to reduce or eliminate potential over-spends;**
- 2. Note the forecast General Balances at 31 March 2018 of £19.536m, before taking into account any over/under spends;**
- 3. Note the revised expenditure and funding of the current and future 2018-22 capital programme as set out in Appendix 3 of the report;**
- 4. Approve, subject to internal due diligence and agreed legal terms, the addition of £3m to the capital programme relating to a capital loan to Norse Care Ltd, for the refurbishment of a care home for the elderly focussing on dementia care as set out in Appendix 3 paragraph 3 of the report;**
- 5. Approve the addition of £2.75m to the capital programme to underwrite the acquisition of leases on priority sites at the Great Yarmouth Energy Park as set out in Appendix 3 paragraph 4 of the report;**
- 6. Approve the addition of £0.450m to the capital programme to meet farms capital projects, to be funded by future capital receipts as set out in Appendix 3 paragraph 5 of the report.**
- 7. Approve the addition of £2m to the Children's Services capital programme to replace revenue contributions which can be used to support the 2018-19 Children's Services revenue budget as set out in Appendix 3 paragraph 6 of the report.**

8 **Delivering Financial Savings 2018-19**

- 8.1 The annexed report (8) by the 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 outturn position in delivering the savings of £29.999m for the year that were agreed by the County Council as part of the 2018-19 budget setting process. The report commented on the exceptions to successful delivery which were rated RED or AMBER.
- 8.3 In reply to questions about the reasons for the forecast overachievement from changes in the charges for DIY construction and demolition waste, the Executive Director of Community and Environmental Services said that the original figure was a conservative estimate which had been set before it was possible to fully assess the impact of the change in policy. The saving was due to a combination of the cost increase and a reduction in how much the County Council paid to get rid of DIY waste.

8.4 **RESOLVED**

That Policy and Resources Committee note:

- a. **the total projected shortfall of £5.264m in 2018-19, which amounts to 18% of total savings;**
- b. **the budgeted value of 2018-19 savings projects rated as RED of £1.042m, of which £0.214m are forecast to be delivered;**
- c. **the budgeted value of 2018-19 savings projects rated as AMBER of £14.645m, of which £9.989m are forecast to be delivered;**
- d. **the budgeted value of GREEN and BLUE rated projects of £14.312m, where we are forecasting to deliver £14.532m.**
- e. **the forecast non-delivery and delay of savings totalling £3.200m in 2019-20, £1.000m in 2020-21 and £0.500m in 2021-22, which have been reflected in budget planning.**

9 **Strategic and Financial Planning 2019-20 to 2021-22**

- 9.1 The annexed report (9) by the Executive Director of Finance and Commercial Services and the Strategy Director was received.
- 9.2 The Committee received a report by the Executive Director of Finance and Commercial Services and the Strategy Director that summarised the Council's current budget planning position, including details of issues and actions being taken by Service Committees to support the whole Council to set a balanced budget for 2019-20 and the Council's responses to two recent consultations, relating to the proposed CIPFA Financial Resilience Index and the Government's Technical Consultation on the 2019-20 Local Government Finance Settlement.

The report also provided an overview of the approach to developing savings for 2019-20 for the Policy and Resources Committee's own budgets ahead of the detailed proposals being presented in October.

- 9.3 The Executive Director of Finance and Commercial Services drew Members' attention to table 1 on page 66 of the agenda which explained the latest forecast budget gap for planning purposes for the period 2019-20 to 2021-22.
- 9.4 In reply to questions, the Executive Director of Finance and Commercial Services said that the County Council had a good track record of achieving planned savings, and was prudent in both its use of reserves, and the capital receipts flexibility offered by Government. Financial planning for 2019-20 to 2021-22 was being undertaken in the face of very substantial uncertainty at the national level about the level of local government funding and the distribution of funding between individual local authorities and changes in the mechanism used by Government to determine the provision of Council funding. The County Council's planning assumptions took account of inflation at 2% and an increase in council tax in 2021-22 of 1.99% as well as the plans that service committees had to transform the way in which services were provided.
- 9.5 Members said that they welcomed the initiative taken by the Norfolk Leaders to prepare an application for the Council to become a Business Rates Pilot in 2019-20, as set out in paragraph 6 of the report.
- 9.6 **RESOLVED**

That Policy and Resources Committee:

- 1. Note the revised MTFs forecast gap of £45.322m (table 1 of the report) for the period 2019-20 to 2021-22, which assumes that new savings can be identified at the required level of £22.089m for 2019-20;**
- 2. Note the Service Committee budget setting issues and pressures identified (section 5 of the report) and the implications for the Council's 2019-20 Budget, which have been reflected in the updated MTFs position set out in this report (section 2 and table 1 of the report);**
- 3. Agree the latest budget planning position and associated council tax assumptions, including that future year budget planning should be based on an increase in council tax of 1.99% in 2021-22, which will ultimately be subject to agreement by Full Council in the relevant year;**
- 4. In relation to the Committee's own budgets:**
 - a. Note the key areas of risk in relation to 2019-22 budget planning for the Committee's budgets, including any additional pressures and the robustness of existing planned savings as set out in section 3 of the report, noting that any changes may impact on the overall budget gap and will require additional offsetting savings to be found;**
 - b. Agree the proposed approach and key themes to focus on in developing savings proposals for 2019-20 to 2021-22, including how the principles of the Council's Strategy, Norfolk Futures,**

will inform and shape budget planning activity set out in section 3 of the report, having regard to the existing savings for 2019-20 and beyond which were agreed as part of the 2018-19 budget round (table 3 of the report); and

- c. Commission officers to develop detailed savings proposals to be presented to the Committee for consideration at the October meeting in order to help close the forecast 2019-20 to 2021-22 budget gap.
5. Note the implications of the technical consultation on the local government finance settlement 2019-20 and the outline terms of the response submitted by the Council (section 4 of the report);
6. Subject to discussions by Norfolk Leaders and, in the event that a bid is to be submitted, agree the principle of an application to become a Business Rates Pilot in 2019-20, delegating authority to the Executive Director of Finance and Commercial Services (in consultation with the Leader) to submit a bid in partnership with Norfolk district councils, noting the associated risks in the absence of a “no detriment” offer; and
7. Note the proposals for development of a Financial Resilience Index by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the response submitted by the Council (Appendix 1 of the report).

10 Pension contributions – Payments in advance

10.1 The annexed report (10) by the Executive Director of Finance and Commercial Services was received.

10.2 The Committee received a report by the Executive Director of Finance and Commercial Services that summarised a proposal to make an up-front payment of employer pension contributions to the Local Government Pension Scheme (LGPS). The effects of this would be to make a financial contribution to the authority’s general fund.

10.3 **RESOLVED**

That the Policy and Resources Committee:

1. **Agree in principle the pre-payment of pension contributions for 18 months to March 2020 to realise savings set out in the report;**
2. **Delegate the actual amount to be pre-paid to the Executive Director of Finance and Commercial Services, following finalisation of the pension contribution rates due for the period by the actuary.**

11 Joint Health and Wellbeing Strategy 2018-22

11.1 The annexed report (11) by the Director of Public Health was received.

11.2 The Committee received a report by the Director of Public Health that outlined the development by partners of the Joint Health and Wellbeing Strategy 2018-22. The Committee also received on the table copies of the strategy document for 2018-

22. The report sought the Committee's support and endorsement of the Strategy before it was put before Council in October 2018 for sign off.
- 11.3 In reply to questions about whether the objectives of the Joint Health and Wellbeing Strategy that were outlined in the strategy document were sufficiently robust, Mr Borrett, the Chairman of the Health and Wellbeing Board, said that the role of this document was to provide the Board's partner organisations with the strategic direction to enable them to fully support a single sustainable health and social care system (which focused on prioritised prevention, tackled health inequalities and integrated ways of working in the delivery of people-centred care) and the document fully fulfilled this purpose.
- 11.4 **RESOLVED to RECOMMEND to FULL COUNCIL:**
- That Policy and Resources Committee support the strategic direction of the Joint Health and Wellbeing Strategy 2018-22 and endorse it for submission to Council.**
- 12 **Council Tax Exemption for Care Leavers**
- 12.1 The annexed report (12) by the Executive Director of Children's Services was received.
- 12.2 The Committee received a report by the Executive Director of Children's Services that recommended the County Council be asked to support a council tax exemption for care leavers up to the age of 25 years that would help relieve some of the financial pressures of independent living for this particularly vulnerable group and was in keeping with the aims and aspirations stated in the Department of Education document 'Keep on Caring'.
- 12.3 **RESOLVED to RECOMMEND to FULL COUNCIL:**
- 1. That a scheme be adopted as set out in the report to deliver a full council tax discount for all Norfolk care leavers living either in or out of Norfolk who are under the age of 25 and are solely responsible for payment of the bill, or who occupy a property with other Norfolk care leavers aged up to 25.**
 - 2. Commission officers to undertake further work with the seven Norfolk District Councils and the Norfolk Police and Crime Commissioner to seek to agree that all authorities bear their share of the full discount and that a uniform scheme can be implemented across Norfolk.**
- 13 **Enterprise Zone Update**
- 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 provided details of legal agreements required to

facilitate the operation of the “Space to Innovate” Enterprise Zone sites, which needed to be agreed between the New Anglia Local Enterprise Partnership (the LEP), County Council, and relevant District Council.

13.3 The Executive Director of Finance and Commercial Services agreed to let Members know when the legal agreements were completed.

13.4 **RESOLVED**

That Policy and Resources Committee:

- 1. Delegate authority to the Executive Director of Finance and Commercial Services to agree the final terms of the legal agreements in relation to the Enterprise Zone sites at Scottow, Norwich Research Park and Nar Ouse Business Park (drafts appended to this report) for signature on behalf of Norfolk County Council.**
- 2. Delegate authority to the Executive Director of Finance and Commercial Services to sign the legal agreement in respect of the Enterprise Zone site at Egmere when it is available.**

14 **Local Government Association (LGA) Corporate Peer Review**

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

14.2 The Committee received a report by the Managing Director that recommended Norfolk County Council should work with the Local Government Association’s Corporate Peer Review Team to conduct a Corporate Peer Review into how the County Council was transforming services and approaches for the people of Norfolk and gaining additional insights to inform future strategy. It was proposed that the Corporate Peer Review Team would come into the Council for four days beginning 26 November 2018.

14.3 In welcoming the County Council’s participation in a Corporate Peer Review, the Committee agreed to change the start time for its meeting on 26 November 2018 from 10 am to 2 pm.

14.4 **RESOLVED**

That Policy and Resources Committee:

- 1. Confirm that the County Council will work with the LGA to conduct a Corporate Peer Review in the last week of November 2018.**
- 2. Agree to change the start time for its meeting on 26th November 2018 from 10 am to 2 pm.**

15 **Annual Report of Compliments and Complaints**

15.1 The annexed report (15) by the Managing Director was received.

15.2 The Committee received a report by the Managing Director that considered formal

complaints and representations made by members of the public and Members of Parliament, received by Norfolk County Council's Complaints Team between 1 June 2017 and 31 May 2018. The report set out the main issues and trends by Department and the service improvements that had been implemented as a result. The report also formally reported to Members the annual letter from the Ombudsman.

15.3 **RESOLVED**

That Policy and Resources Committee:

- 1. Note the contents of the report and endorse the action proposed to improve performance set out in paragraph 1.4 of the report.**
- 2. Note the Ombudsman report and the actions to be taken in response.**

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

16.1 The annexed report (16) by the Executive Director of Finance and Commercial Services was received.

16.2 The Committee received a report by the Executive Director of Finance and Commercial Services that set out the exemptions that had been made up to 13 September 2018 under paragraph 9.11 of Contract Standing Orders and that were over £250,000 and therefore needed to be notified to the Policy and Resources Committee.

16.3 **RESOLVED**

That Policy and Resources Committee:

As required by paragraph 9.12 of the Council's Contract Standing Orders, note the exemptions that have 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 are over £250,000.

17 **Limited Company Consents**

17.1 The annexed report (17) by the Executive Director of Finance and Commercial Services was received.

17.2 The Committee received a report by the Executive Director of Finance and Commercial Services that asked the Committee to recommend to the County Council the appointment of Directors to companies listed in Appendix A to the report.

17.3 The Executive Director of Finance and Commercial Services asked the Committee to agree to the following additional change in the appointment of directors:

Hethel Engineering Centre: Barry Stone to replace Keith Kiddie.

17.4 RESOLVED to RECOMMEND to FULL COUNCIL:

- 1. The appointment of directors to companies as detailed in appendix A to the report.**
- 2. The appointment of Mr B Stone to replace Mr K Kiddie as a director of the Hethel Engineering Centre.**

18 Recommendations from the Constitution Advisory Group meeting held on 4 September 2018

18.1 The annexed report (18) by the Chairman of the Constitution Advisory Group was received.

18.2 The Committee received a report by the Chairman of the Constitution Advisory Group that asked the Committee to recommend to the County Council the recommendations that arose from the CAG meeting on 4 September 2018 that were set out in the report.

18.3 That in respect of the recommendations from the CAG meeting held on 4 September 2018 the Policy and Resources Committee RESOLVED to RECOMMEND to FULL COUNCIL:

- a. Health and Wellbeing Board – Governance and Systems Leadership (report to CAG attached at Appendix A to the report)**

That Policy and Resources Committee recommends Council to amend the constitution accordingly to enable the changes below:

- 1. Agree that the Chair of the N&W Sustainability & Transformation Partnership (STP) and the N&W STP Executive Lead become full members of the HWB (para 2.3 of the report refers).**
- 2. Agree that the cabinet member for Community Health and Safety at Waveney District Council (or its successor authority) becomes a full member of the HWB (para 2.5 of the report refers).**
- 3. Agree that there should be provision for members of the public to ask questions in line with procedural rules (as outlined in Appendix B to the report).**

- b. Review of Financial Standing Orders (FSOs) and Consequential Amendments to the Constitution (report to CAG attached at Appendix B to the report).**

That Policy and Resources Committee recommends to Council the changes to Financial Regulations as set out in Appendix 1 of the report to CAG.

- c. Communities and Environmental Services – Trading Standards –**

Addition to Part 6.2 – Scheme of Delegated Powers to Officers (report to CAG attached at Appendix C to the report).

That Policy and Resources Committee recommends Council to amend Part 6.2 of the Constitution to include the additional provision as set out in the report to CAG.

- d. Appointment of Senior Officers (report to CAG attached at Appendix D to the report).**

That Policy and Resources Committee recommends to Council that the Director of Growth and Development be added to the list of posts set out in Part A of the Appendix to Part 6.4 of the constitution.

- e. Changes to the Scheme of Delegation for the determination of Planning Applications and the provision of Training for Members of the Planning (Regulatory) Committee (report to CAG attached at Appendix E to the report).**

That Policy and Resources Committee recommends to Council that the changes to the constitution are adopted as set out in the report and that the training requirements apply to all Members and Substitute Members sitting on the Committee.

- f. Order of Business at Council Meetings**

That Policy and Resources Committee recommends to Council that the order of business at Council meetings as currently set out in 2.1 of Part 3.2 of the constitution be amended so that motions under Standing Order 9 be considered after reports/recommendations from Committees and Member questions to Committee Chairmen.

Section B – Items for Report

19 Decisions taken under Urgency Powers

The Committee noted that the Managing Director had approved the following changes to Councillor Directors of Repton Developments following consultation with the Chairman and Vice Chairman of the Committee:

Barry Stone and Carl Smith replaced Keith Kiddie and Brian Iles.

20 Feedback from Members serving on Outside Bodies

20.1 No verbal update reports were received.

Appendix A

Public question from Mr Elliott

How many more Social Workers, support staff and interpreters will be employed to manage the needs of the 100 refugees, given that the existing 52 will have ongoing support needs (albeit diminishing) until their funding runs out after the end of 5 years and will public transport costs be met for the new cohorts, especially if they live in the Broadland area, as these costs bare heavily for families currently and can funding be found for a computer and lessons for each family from the start of their welcome here as IT skills are such an important part of society now?

Answer from Executive Director of Adult Social Services:

Staffing levels

At this stage, it is too early to predict how many social workers, support staff or interpreters will be needed to support the needs of 100 refugees. This is because the needs of refugee families who will be coming to Norfolk are not yet known, and it is also not yet known how many refugees will arrive at any one time. What we do know, however, is that the needs of the 52 Syrian refugees that arrived in Norfolk between 2016 and 2018 were comfortably met by a social work manager, 0.5 Social Worker and 1.0 Development Worker together with the staff more widely within the People from Abroad Team and in conjunction with the offers of help from volunteers and the local community.

To date, all staffing has been delivered within the grant funding that we receive.

Transport

Syrian families are rehoused in the greater Norwich area. The local authority does not provide travel permits for refugees unless there is an assessed need on the grounds of disability. Where a refugee is eligible for Personal Independence Payment, Blue Badge or a concessionary bus pass, the Council will support the refugee to apply. This is to ensure that no greater preference is given to refugees than other residents who are similarly in receipt of benefits. Where there are special circumstances the resettlement team will take these into account within their assessment.

Provision of computers

Under the terms of the funding provided by the Home Office for Syrian refugee resettlement, the Council is not permitted to provide computers to Syrian refugees. The Home Office has advised that:

“The [local authority] funding should not be used to procure luxury items: This means that Funding received should be used for food storage, cooking and washing facilities but should not include the provision of other white goods or brown goods, i.e. TV’s, DVD players or any other electrical entertainment appliances. This shall not preclude the Recipient from providing refugees with additional luxury, white or brown goods through other sources of funding.”

Therefore, if the Council were to purchase computers or provide broadband for the families it would be in breach of the terms of the funding. We are, however, able to report that a university has provided the project with a small number of reconditioned laptops and a focused short course of ESOL has been planned with our adult education service to enable the refugees to gain the necessary skills to

use the internet and on successful completion of the course, refugees will be given one of these reconditioned laptops. In common with other residents on welfare benefits, refugees are encouraged to budget efficiently so they are able to afford economically priced internet packages for themselves.

Computers for school children

Schools, academies, free schools and further education colleges who accept Syrian refugees from the relevant age groups are eligible for additional funding to meet the needs of these children in their school. In Norfolk, this equates to £800 per pupil per term (£600 for pre-school establishments) for three terms. Schools can access this funding by applying to the Council's People from Abroad team for payment of the grant. There is no restriction on how schools spend this funding and therefore if a child's school believes it would help the child to have a computer at home, there is no reason why the school could not choose to provide it. This funding is in addition to the English as an Additional Language payment made to schools and Pupil Premium funding.

The meeting concluded at 12.10 pm

Chairman