



Norfolk County Council

Scrutiny Committee

**Minutes of the Meeting held on the 22 May 2024
at 10am at County Hall Norwich**

Present:

Cllr Daniel Roper (Chair)
Cllr Andrew Proctor (Vice-Chair)
Cllr Carl Annison
Cllr Lesley Bambridge
Cllr Phillip Duigan
Cllr John Fisher
Cllr Tom FitzPatrick
Cllr Keith Kiddie
Cllr Mark Kiddle-Morris
Cllr Steve Morphew

Substitute Members Present:

Cllr Catherine Rowett for Cllr Jamie Osborn

Also Present:

Titus Adam	Assistant Director of Finance
Harvey Bullen	Director of Strategic Finance
Stephen Faulkner	Principal Planner – National Infrastructure Planning Lead Officer
Kat Hulatt	Director of Legal Services and Monitoring Officer
Cllr Jane James	Cabinet Member for Corporate Services and Innovation
Tom McCabe	Chief Executive
Peter Randall	Democratic Support and Scrutiny Manager
Laine Tisdall	Committee Officer
Matt Tracey	Growth and Infrastructure Group Manager

1 Apologies for Absence

- 1.1 Apologies were received from Cllr Jamie Osborn (Cllr Catherine Rowett substituting), and Paul Dunning. Cllr Ed Maxfield was also absent.
- 1.2 Committee Members welcomed both Cllr Daniel Roper and Cllr Andrew Proctor onto the Scrutiny Committee, as this was their first meeting as Chair and Vice-Chair respectively.

2. Minutes

- 2.1 The minutes of the previous meeting held on the 24 April 2024 were confirmed as an accurate record and signed by the Chair.

3. Declarations of Interest

3.1 There were no declarations of interest.

4. Public Question Time

4.1 No public questions were received

5. Local Member Issues/Questions

5.1 No local member questions were received.

6. Call In

6.1 The Committee noted that there were no call-in items at this meeting from the Cabinet meeting held on the 8 May 2024.

7. Norwich to Tilbury Overhead Power Line Proposal – Statutory Consultation by National Grid

7.1 The Committee received the annexed report (7).

7.2 Officers introduced the report, which was produced in response to National Grid publishing their Preliminary Environmental Information Report (PEIR) for consultation relating to their proposed Norwich to Tilbury electricity transmission project.

7.3 This was considered a nationally significant infrastructure project, with the Secretary of State for Energy Security and Net Zero due to make a final decision on whether it should proceed. The planned transmission route spanned 114 miles, of which 18 miles came within the jurisdiction of Norfolk. Approximately 89 pylons would need to be constructed in the county, the dimensions of which would be 50 metres in height and 330 metres apart from each other

7.4 The Council was robust in its response to the proposals in 2022 and 2023, strongly opposing the proposed pylons route, and fully supporting any offshore routes or alternative provision. Undergrounding of cables also garnered broad support. National Grid took these comments on board and there had been a number of changes since the summer 2023 consultation. Alternative provision in the Waveney Valley comprised a 1.2 mile stretch of undergrounding cables underneath the River Waveney. There were also minor changes to the route alignment to avoid the battery farm at Norwich Main substation and the solar farm in the Swainsthorpe/Mulbarton area.

- 7.5 An independent review commissioned in 2023 illustrated there was a demonstratable need for the project to go ahead due to increased transmission networks required to cope with additional offshore energy coming on-stream from Norfolk and elsewhere in the UK. Timing was of the essence, as the National Grid were operating on the understanding that the infrastructure was required by 2030. Therefore, a five-year window existed where the project could be paused for an improved scheme to be considered.
- 7.6 A more substantial report on the pylons was scheduled to be considered at a meeting of the Planning and Highways Delegations Committee on the 10 June 2024, where members would approve a formal response.
- 7.7 The following points were raised and discussed:
- A Committee Member queried if a landscape assessment for the Tas Valley should be considered, to establish the value of chalk streak habitats as these were little-recognised. Officers confirmed that a joint landscape survey had been commissioned for the Waveney Valley alongside Suffolk County Council. The onus was on local members to agree if the survey should be expanded to cover the Tas Valley. Co-operation with the planning authorities would be required if this proceeded further.
 - A Committee Member asked if there was an assessment of the carbon footprint for the concrete and steel required for the overland construction, compared to the footprint of an offshore route. Concern was expressed that the carbon footprint of the pylons would make Norfolk's Net Zero targets more difficult to reach. An officer stated that while this was not explicitly recorded in the report, it would be reasonable to raise the issue with National Grid for consideration.
 - A Committee Member queried if the option of a revised route in South Norfolk parallel to the Great Eastern Main Line and the existing pylons had been considered. Such a route would minimise the detrimental effect new pylons would have on the environment, which taking advantage of the existing route carved through the county by the railway line. Officers stated the parallel route had been raised with National Grid, with various technical aspects considered. The general view of the department was that if the power lines could not be offshored then the route should be consistently underground through Norfolk, given that the Tas Valley was as sensitive an environment as the Waveney Valley. However, it was acknowledged that the underground option would present different issues to be resolved.
 - A Committee Member noted that Suffolk County Council had come out in favour of pausing the project and queried if Norfolk should go for this option as well. Pausing would enable the offshore option to be reconsidered, with this option potentially enabling easier links with new windfarm projects. A fully integrated offshore grid would futureproof the energy system and potentially make the 2050 Net Zero targets easier to achieve. Officers agreed that pausing the project was a valid option, which would enable alternative provision to be rationally considered. An integrated offshore grid would be technically difficult to deliver but was possible to implement.

- A Committee Member queried if residents were aware of the intentions of the pylons taking power from Norwich to Tilbury at the time the project was mooted. Officers stated that around a decade ago, National Grid believed the existing transmission network was able to cope with increased offshore power, with no changes planned. However, since the last review further offshore projects had come online, plus approval had been granted to construct Sizewell C nuclear power station. These projects would have a significant impact on the existing transmission network, to the point where upgrades were now required.
- A Committee Member expressed concern regarding the cumulative impact of electrical infrastructure on the Norfolk environment, pointing to solar arrays, turbines, and expansions to electrical substations in his division. It appeared power transmission networks were becoming a big issue for the county, removing prime agricultural land from food use, and having a detrimental visual impact on the environment. Officers agreed that cumulative impact was a serious issue and that the Council would communicate this in its response to National Grid.
- A Committee Member requested clarity on the role of the Planning and Highways Delegations Committee, querying whether the committee made policy on behalf of the Council or whether it acted as a conduit to forward policy on behalf of the administration. The Monitoring Officer confirmed the role of the Planning and Highways Delegations Committee was to respond to nationally significant infrastructure projects. The Committee would not be making policy; rather they would simply deliberate and respond to the pylons project at their meeting in June 2024. The role of the Scrutiny Committee would be to help inform their response.
- A Committee Member mentioned that a motion on the Norwich to Tilbury pylons, which was passed at the May 2024 meeting of Full Council, stated that the Leader of the Council was to write to the National Grid. A progress update regarding the letter was requested. The Monitoring Officer clarified that the motion contained instructions for the executive to act, which would then be conducted. The letter was currently in production, with a response to be circulated once received.
- A Committee Member requested clarity that it was the Council's position that it would oppose pylons in any shape or form, but that it would be fine with undergrounding or offshore options. Pylons were considered state-of-the-art in the 1960s, but with the progress of technology, futureproofing the grid with new solutions would be optimum. It was felt the other options would be quicker to implement and be cost efficient in the long run, given the opposition that pylons would face. The Committee Member stressed that Norfolk County Council needed to be clear that it was in favour of upgrading transmission networks but not pylons. Officers confirmed that a report was being drafted based on the available evidence and recommendations.

- A Committee Member stated that despite being billed as a national infrastructure project, the pylons would have no benefit to Norfolk. The only areas which would see a positive impact would be Thurrock and Greater London, as they were the terminus of the project. It was suggested that Norfolk should openly take the view that localised power benefiting local residents was the way forward for the 21st Century. Concern was expressed that this project would take power away from Norfolk when the county was already experiencing shortages of electricity. Officers stated that the report would contain recommendations based on this line of enquiry.
- A Committee Member commented that the report stated pylons were the most economical option but that no figures were available to back up this assertion. Concern was expressed that the pylons would have a detrimental impact on the heritage of Norfolk. Officers stated that National Grid had said the evidence showed pylons the most economical option but did not take into account wider environmental factors affecting Norfolk.
- The Chair queried if financial figures on the cost of the project that were brought to the October 2022 meeting of the Scrutiny Committee were now out of date. Officers stated this was likely the case. There were ten options set out in the October 2022 report, with financial and technical information for each. It was understood that an offshore solution could cost up to five times more than onshore. Pylons and overhead lines were the cheapest option, but this did not make them the correct option for Norfolk. The financial figures would be included in the report to the Planning and Highways Delegations Committee.
- A Committee Member expressed grave concern regarding the effect pylons would have on residents in his division, as Diss and Roydon would be disproportionately affected. If the pylons were approved, Roydon would be surrounded on all sides by the already existing pylons, the electrified Great Eastern Main Line, and the new pylons. Concern was expressed that the maps provided by National Grid appeared to have omitted existing power lines. It was hoped that planners would consider the cumulative effect on smaller localities in Norfolk. Officers thanked the Committee Member for his comments and made note of them.
- A Committee Member commented that a substation was recently installed in his division near Necton, stating it was a prudent choice that the company chose underground installation rather than overhead power lines. Undergrounding cables would mean the project could be blended into the environment and eventually returned to nature. Concern was expressed that there were areas in Norfolk such as Snetterton and parts of Thetford which were already experiencing a shortage of electricity. Further substations and transmission improvements were required, but this project would mean power would bypass businesses and residents in Breckland and other parts of Norfolk. If the project went ahead, the pylons would be an eyesore for miles around, while having little or no tangible benefit for the county. Officers thanked the Committee Member for his comments and noted them.

- A Committee Member queried as to where and when the Council would make a decision on this project. Concern was expressed that while the Leader of the Council had been quoted in the local media that an open meeting would be held, referring to the Planning and Highways Delegations Committee, there were no Local Members in the affected area on the Committee. A lack of representation on the body making the decision was concerning. The Monitoring Officer clarified that the function of the executive was to respond to consultation, that by law the decision must be made by a committee or by a Member of the Executive. A number of Local Members were invited to the Planning and Highways Delegations Committee to put their views and concerns forward, but they would be non-voting due to the executive process. The Monitoring Officer stated she was content that the Scrutiny Committee had discussed the matter, enabling Local Members the ability to input their views and concerns into the process.
- A Committee Member endorsed the view of Members that the cheapest option did not necessarily mean the best option. There had been much anger from residents that National Grid were seemingly presenting the cheapest option for the project as obligatory. There was a view that Norfolk was a happy place to live, which residents would like to preserve.
- A Committee Member asked if the 2030 deadline for implementation of the project would create any issues with wind constraint payments, as National Grid were already facing financial penalties for having to switch off wind power during times when the grid could not cope. Officers stated there were questions which needed to be answered around this issue.
- A Committee Member queried if the Council could raise project issues with the gliding club at Tibbenham Airfield. Officers stated that this was a statutory duty of the Civil Aviation Authority, who would consider issues of which the Council was not qualified to advise upon. However, the Council could certainly raise economic issues with the airfield.
- The Vice-Chair stated that the official position of the Council was to oppose the pylons, but that this needed to be strengthened. The motion passed at the May 2024 meeting of Full Council contained several actions and supported the comments within the report to Scrutiny. There did not seem to be much clarity on the timetable for the project, as the 2030 deadline meant only six years remained to complete the infrastructure. It appeared cost implications were driving the project rather than the actual cumulative impact it would have on Norfolk. Officers acknowledged that the stated timetable was ambitious. The application was due to be submitted in 2025 and the Secretary of State for Energy Security would approve in 2026, leaving only just over three years to build the entire power line.

7.8 The Scrutiny Committee **RESOLVED** the following:

1. To **NOTE** the status of the Norwich to Tilbury Project and the proposed strategic comments to be reported to the County Council's Planning and Highways Delegations Committee on 10 June 2024.

2. To **ENDORSE** the comments in the annexed report and to **FORWARD** any further strategic comments to the Planning and Highways Delegations Committee.
3. To **RECOGNISE** that detailed technical matters were still being considered as part of the comprehensive assessment by officers of the Preliminary Environmental Information Report (PEIR).

8. Strategic and Financial Planning 2025-26

- 8.1 The Scrutiny Committee received the annexed report (8).
- 8.2 The Cabinet Member for Corporate Services and Innovation introduced the report, which was produced to support the Committee's scrutiny of the Council's process for developing the 2025-26 Budget. It also represented an opportunity for the Committee to consider the overall timeline and activity required to deliver a balanced budget.
- 8.3 A budget gap of £45m was forecast for 2025-26. Significant uncertainty remained regarding funding levels for 2025-26 and beyond, with no definitive information about the level of Local Government Settlement.
- 8.4 Financial planning over the medium-term to 2028-29 was taking place, which had identified a budget gap of £189m across the four years. Significant budget growth and cost pressures were built into the assumptions over this period.
- 8.5 A number of savings had already been identified and planned, particularly within Children's Services. An assumption of a 2.99% rise in Council Tax was built into the planning for 2025/26, but uncertainty remained regarding referendum thresholds for future years. Clarity on this was expected around December 2024. It was essential for the Council to deliver a balanced budget while still providing the services required by the residents of Norfolk
- 8.6 There had been one fiscal event to date; the Spring Budget announced on the 6 March 2024. There was nothing specific within the Budget for local authorities; however this was to be expected.
- 8.7 The following points were raised and discussed:
 - The Chair queried the inclusion of a second home premium, as the political dimension of charging certain residents a higher level of Council Tax had to be taken into consideration before any decision was made. The Cabinet Member responded that she did not wish to pre-empt any decision-making by the district councils in Norfolk, as there were positive and negative aspects of the option. The Council would deal with the outcomes as and when the district councils took these decisions.

- A Committee Member commented that a considerable amount of work was required by Cabinet Members and Select Committees to close the £45m budget gap by February 2025. The assumptions included a 3% figure for pay inflation, however the latest national figures released earlier today showed a drop in the inflation rate. The Committee Member queried whether this drop would reduce the burden of inflation on the figures and if this were factored in. Officers commented that various assumptions had to be made regarding external factors, of which pay awards was one such factor. The local government pay award for 2024-25 was broadly in line with expectations; however, this was only an offer at present as it had not yet been accepted. If the pay assumptions came in lower than expected, this would help close the budget gap.
- The Chair asked if any changes to interest rates were factored into the assumptions. Officers stated that the working assumption was that interest rates would fall later in 2024. Any change to interest rates would impact on the cost of Council's new borrowing, alongside delivering additional interest income from cash balances held.
- A Committee Member queried the current level of earmarked reserves and what the Council's business risk reserves were being spent on and expressed concern that these had been run down to a much lower level. Officers stated that reserves always formed part of the budget setting process. There was a legal requirement for officers to advise the Council annually on a sustainable level of reserves. Local authorities held reserves to manage risks to the organisation. The level of risk always remained fluid, which would have an impact on the level of reserves held. It was acknowledged that recovery funding following the COVID-19 pandemic had impacted the level of reserves in recent years, as some funding had been received towards the end of financial years. The latest position on the Council's reserves was due to be reported at the June meeting of Cabinet, which would show a reduction in the level of reserves. There had been significant budget pressures within Adult Social Care and Children's Services during 2023-24, which had seen reserves used to bolster their positions. This would also be reported to Cabinet in June. Officers stressed that local authorities needed to find a middle ground between having too high a level of reserves and too low a level. The business risk reserves were set up to counter any unexpected financial pressures.
- A Committee Member stated his displeasure with the budget challenge mechanism, as it seemed to arrive at the same conclusion each year. He considered that a more transparent method was required to set the Council's budget and provide further opportunity for scrutiny, particularly given the potential of a General Election later in 2024. The Cabinet Member gave an overview of the budget challenge mechanism, giving her personal view that the budget-setting process should be accelerated if possible. The transformation team was currently working with all Council departments to understand their strategic priorities and how this fitted into the Council's mission. The onus was to see what could be done differently.

- The Chair queried the robustness of the process used to produce the savings target. Officers stated there was an element of “crystal ball gazing” when it came to assumptions, as circumstances could, and would, change very quickly. It was a statutory requirement to plan further ahead to ensure the Council did not end up in financial difficulties. The process made assumptions regarding various items, which would then be brought together to create a final figure. As a result, a budget gap was almost always guaranteed. The Council’s budget tended to grow each year, due to the demand for its services outstripping the level of funding available. Therefore, it was expedient to review the way the Council worked and make efficiencies wherever possible. The challenge faced every year was when there was a discrepancy between the level of funding available and what the Council required to deliver statutory services. The figures in the report were based on the best information known at the time of publishing. The recent period of high inflation had caused many challenges to be faced, but it now appeared inflation was trending downwards, therefore easing pressure on future years.
- The Chair commented that it would be an aspiration to enter the public consultation stage in Autumn 2024 without a budget gap, and asked if it was possible for a commitment that when proposed public services changes needed to go to consultation, that the detail was available beforehand. The Cabinet Member stated this was an aspiration for the administration, but that often events overtook priorities.
- A Committee Member pressed for clarity regarding earmarked reserves, expressing concern that these and the business risk reserves were being used for day-to-day spending, which was unsustainable. An officer commented that while the reserves used were one-off, reserves would be replaced over the year. The level of reserves was part of the budget-setting process.
- A Committee Member queried the sustainability of the Council’s safety valve agreement with the government. An officer commented that there had been significant pressures experienced within Children’s Services schools budgets in 2023-24. Conversations were due to take place with the government relating to the future of the safety valve agreement.

8.8 The Scrutiny Committee **RESOLVED** the following:

1. To **CONSIDER** the report from Cabinet.
2. To **PROVIDE** feedback and recommendations to officers where appropriate.
3. To **CONSIDER** the proposed strategic and financial planning timeline presented by officers and **OUTLINE** the role of scrutiny moving forward.

9. Quarterly Update on Children’s and Adult Social Care Performance Review Panels.

9.1 The Scrutiny Committee received the annexed report (9).

- 9.2 Cllr Brian Long and Cllr Mark Kiddle-Morris introduced the report, which outlined the progress to date with regards to the ongoing activity of the two Performance Review Panels (PRPs), one for Adult Social Care and one for Children's Services.
- 9.3 The Children's Services Performance Review Panel had undertaken regular scrutiny of Children's Services Vital Signs measures, in addition to a deep dive into Education, Health and Care Plans (EHCP). It was felt that Panel Members now had a greater understanding of the EHCP process.
- 9.4 The Adult Social Care Performance Review Panel was aware of an imminent inspection of Adult Social Care. Panel Members were given reassurance that the department was prepared for the inspection.
- 9.5 The Scrutiny Committee **RESOLVED** the following:
1. To **NOTE** progress and activity from the two performance review panels.
 2. To **PROVIDE** feedback and recommendations where appropriate.
 3. To **NOTE** the panel forward work programmes, providing feedback to the panel leadership around potential items for further investigation.

10. Scrutiny Committee Forward Work Programme

- 10.1. The Scrutiny Committee received the annexed report (10), setting out the current forward work plan for the Committee.
- 10.2 The following point was raised and discussed:
- A Committee Member requested that a report on roadworks in Norfolk be added to the forward work plan for consideration later in 2024, as there had been many public comments and media coverage over the previous couple of months.
- 10.3 The Scrutiny Committee **RESOLVED to NOTE** the current forward work programme.

The meeting concluded at 12:03

**Cllr Daniel Roper, Chair
Scrutiny Committee**



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