Norfolk County Council
at your service

Corporate Affairs Overview & Scrutiny Panel

Minutes of the Meeting Held on 12 May 2010

Present:

Mr C Jordan	(Chairman)

Mr M Brindle
Mr S Clancy
Mrs D Clarke
Mr B Collins
Mr J Dobson
Mr S Dorrington
Mr R Hanton
Mr M Langwade
Ms J Mickleburgh
Mr A Proctor
Mr R Smith
Mr A White
Mr T Williams.

Substitute Members Present:
Mr R Bearman

Cabinet Members Present:

Mr I Mackie	Finance and Performance
Mr B Borrett	Corporate Affairs and Efficiency

Deputy Cabinet Member Present:

Mr J Herbert	Corporate Affairs

1. Apologies

Apologies were received from Mr M Hemsley (Mr R Bearman substituted), Ms J Toms and Mrs C Walker.

2. Election of Chairman

Mr C Jordan was elected as Chairman for the ensuing year.

3. Election of Vice-Chairman

Mr A Proctor was elected as Vice-Chairman for the ensuing year.

4. Minutes

4.1 The minutes of the meeting held on 12 May 2010 were agreed as a correct record and signed by the Chairman, subject to the following amendment:

- Paragraph 8.3, first bullet point to read: There are currently just over 4000 households on the housing register, an increase of 2000 since the choice-based home options system started in November 2007.

4.2 The Panel noted the following matters arising:

- Paragraph 9.5: The Principal Consultant Shared Services would provide the requested information to the Shared Services Working Group in the near future.
- Paragraphs 12 and 13: Written responses to questions would be re-circulated to the Panel, as some Members said they had not received them.

5. Declarations of Interest

There were no declarations of interest.

6. Matters of Urgent Business

There were no matters of urgent business.

7. Public Question Time

There were no public questions.

8. Local Member Issues/Member Questions

There were no local Member issues or Member questions.

9. Cabinet Member Feedback on Previous Review Panel Comments

There was no Cabinet Member Feedback.

10. Forward Work Programme: Scrutiny

10.1 The Panel received the annexed forward work programme for scrutiny (10).

10.2 The Chairman of the Shared Services Working Group, Mr Smith, reported that he hoped to bring the Group's conclusions to the next Panel meeting. The Group would meet next on 1 June to take evidence from the new Head of Procurement and further information on commissioning and partnerships.

10.3 The Chairman of the Sickness Absence Working Group, Mr Proctor, reported that the Group's conclusions would also be reported to the next Panel meeting.

10.4 The Panel noted that when it became the Corporate Resources Overview and Scrutiny Panel in July it would have a bigger remit. It was suggested that a list of the service areas covered by the new Panel should be considered at its first meeting and that the Panel should prioritise any areas for scrutiny.

Resolved:

10.3 The Panel agreed:

1) The scrutiny topics listed and reporting dates as presented.

2) That a list of service areas covered by the new Panel should be considered at its first meeting in July and that the Panel should prioritise any areas for scrutiny.

11. Corporate Affairs Integrated Performance and Finance Monitoring Report for 2009/10

11.1 The Panel considered the annexed report (11) by the Director of Corporate Resources, which set out finance monitoring information for the period to 31 March 2010.

11.2 The following comments were made in response to questions from the Panel:

- No limit was set for the reduction in Reserves and Provisions. These were continually reassessed according to known circumstances and the Cabinet considered any changes through regular finance reports. Compensation payments to staff in May 2010, resulting from implementation of the Modern Reward Strategy (MRS), would significantly reduce the level of Provisions and Reserves.
- The Local Authority Business Growth Incentive (LABGI) funding was not built into the County Council's base budget because the level of funding was not always known. In previous years the Cabinet had agreed that this money should be used to support strategic ambitions but that was not the case this year. Central Government did not attach any conditions to LABGI funding and Members decided how it should be spent.
- The reorganisation of Council Information Centres had resulted in an underspend. The budget has been adjusted in future years to reflect the ongoing saving.
- Slippage in the Capital Programme would be carried forward. A written response would be provided to Panel Members explaining how much of the proposed programme had slipped.
- The Cabinet received a report on 26 January 2009 which sought approval of the transfer of freehold of Fifers Lane to NCS. As part of that agreement, four properties were transferred back to Norfolk County Council (the Pineapple and three depots at Drayton Road, Hellesdon, Hall Road, Norwich and Beech Road, Drayton). Compensation payments were paid to tenants as they had been asked to move from the sites earlier than had been specified in the terms of leases.
- The latest report from the Administrators of Kaupthing Singer and Friedlander (Ernst and Young) had advised that the recoverable forecast had increased to between 65p and 78p in the £. That would amount to approximately an additional £400,000 being recovered. A further six monthly report was due in October. £3.164m had been paid by the Administrators, including on 1 April 2010 a third dividend payment of 5p in the £. The Administrators had announced in their latest report that a further dividend of not less than 5p in the £ would be made in July. The term "dividend" referred to the money being paid

by the Administrators to the County Council in respect of the Council's claim to recover its Icelandic Bank investments.

- The additional VAT recovery was a result of a civil court in 2008, which provided a limited opportunity for local authorities and other businesses to make claims for the return of VAT paid between 1973 and 1996.The County Council's VAT Officer had submitted claims, which enabled an additional £0.5m to be recovered. The recovered amount was being invested in the County Council's winter maintenance programme.
- Merging the Redundancy and Pension Reserve with the Organisational Change Reserve had been agreed by the Cabinet in January 2010. Redundancy costs as a result of the Organisational Review would not be specified separately as there was no accounting requirement to do that. However, the information could be provided on request.

Resolved:

11.3 To note the report and that a written response would be provided to Panel Members explaining how much of the proposed Capital Programme had slipped.

12. Asset Performance Report 2009

12.1 Members considered the annexed report (12) by the Managing Director of NPS Property Consultants Ltd, which summarised details relating to Highways, ICT and operational property assets during the financial year 2008-09. The Panel was asked to consider whether any aspects required further scrutiny.

12.2 In response to comments and questions, the Managing Director NPS Property Consultants Ltd advised that:

- Non-operational properties were defined by the Government and included property such as County Farms and roads. Surplus properties were those properties that Departments declared they no longer had a use for.
- The details of energy consumption from street lighting and buildings were provided in the Norfolk County Council Asset Performance Report 2009. The County Council was committed to 25% reduction in CO^2 emissions.
- Analysis of water consumption enabled reduction targets to be set. Details were provided in the Norfolk County Council Asset Performance Report 2009.
- Schools were the biggest challenge for the County Council as they consumed the biggest amount of energy and water. Capital investment and behavioural change in schools would provide big savings, through schemes like Energy Busters, but any revenue savings would stay with the schools.
- A detailed action plan would be considered by the Cabinet in June, ranking the worst performing premises (the bottom 25%) and activities

that would be undertaken to improve each. Capital investment would be in addition to a behaviour change programme, which together would have a significant impact on reducing the County Council's carbon footprint. Short-term investment in energy/water saving devices would enable long-term savings.

- A detailed report on the County Council's Carbon Reduction Commitment had been considered by the Planning, Transportation, Environment and Waste Overview and Scrutiny Panel in March. The 5% reduction target was for absolute consumption. If the County Council invested in new buildings, increasing the overall number, bigger savings would need to be found elsewhere.
- The total amount spent on energy was currently around £14m. That would rise to around £18m in four years time if nothing was done. £13.5m investment was planned over five years to save energy and bring down costs in the long term.
- For every £1000 spent on capital investment, around 1 tonne of CO^2 would be saved and the associated costs.
- The 21 buildings not fully accessible to people with disabilities could expose the County Council to claims under the Disability Discrimination Act. Many were Listed buildings and it would not be possible to make them fully compliant.
- The template created by the 'Effective Use of County Buildings' Scrutiny Working Group, as a result of its work on the King's Lynn area, had been used in subsequent reviews in Great Yarmouth and Thetford.
- The organisation had been challenged by the Cabinet Member for Corporate Affairs and Efficiency and the Deputy Cabinet Member for Corporate Affairs to meet a 25% reduction in office accommodation stock. This would involve new ways of working and cultural change, which would take time to implement, as well as reducing the number of buildings.
- Norfolk Forward provided a framework to ensure the County Council achieved the quality of office stock required. Reducing the amount of operational stock would automatically reduce the overall cost, through reduced energy bills etc. When the decision about establishing the new Norwich unitary authority was known the County Council could also consolidate its sites in the Norwich area. Reducing the 34 separate offices scattered across the county to 5 or 6 for back office support within 3 to 5 years was realistic.
- Reducing office stock had always been included in the plan but there had not been sufficient leverage or enthusiasm to move forward until the recent national financial crisis.
- The Children's Services Overview and Scrutiny Panel received a regular report on energy consumption in schools.

Resolved:

12.3 To note the outputs and the actions that were being taken to improve performance.

13. 2010/11 Member Learning and Development Programme

13.1 Members considered the annexed report (13) by the Head of Democratic Services, which asked the Panel to comment on and agree the proposed Plan.

13.2 Members made the following comments:

- Newly elected Members commended the quality of the induction programme they had received.
- Panel Members who had already participated in the Personal Development Plan (PDP) process encouraged others to take up the opportunity.
- One Member felt that better use could be made of officers' time than providing Member training. The same Member commented that Member training events were often poorly attended and suggested that money could be saved by making better use of e-learning packages. Other Members felt that a good programme was offered, that it provided good value for money and catered for different ways of learning.
- A Member workshop would be arranged to explain in detail the Annual Governance Statement and Annual Statement of Accounts, in advance of the Audit Committee's June meeting.

13.3 In response to comments and questions, the Head of Democratic Services and Scrutiny advised that:

- The programme at Appendix 3 provided an indication of the events being organised and Members would be kept up-to-date with any changes. The Member workshop on the Annual Statement of Accounts would be added.
- 22 Members had undertaken PDPs since the County Council elections had taken place.
- The total budget for Member training was £30,000, which represented excellent value for money for the broad range of support that was provided. It was possible to deliver a wide range of training within the budget because much of it was provided in-house by officers.
- Opportunities for joint training were already made available to Members. For example, Norfolk's local authorities shared training through the Norfolk Scrutiny Network and opportunities for joint training on standards were considered by Norfolk Monitoring Officers. Joint Member training was also offered through the East of England Member Officer Support Network.

Resolved:

13.3 To agree the attached Member Learning and Development Plan 2010/11.

14. Risk Management within Norfolk County Council and the Department of Corporate Resources

14.1 Members considered the annexed report (14) by the Director of Corporate Resources which asked the Panel to comment on the risks reported and actions identified.

14.2 The Panel noted the following:

- Overview and Scrutiny Panels should feedback any comments on departmental risks to the Audit Committee.
- The Corporate Risk Register included the risk of increased pressure on finances and this was regularly reviewed by the Chief Officer Group. The likelihood of further cuts to public sector funding as a result of the change in Government was covered by that risk.
- The County Council had set its budget based on a certain level of Government funding and it was highly unlikely that the new Government would reduce that grant. Officers were planning for a reduced level of funding in future years and delivering the Administration's pledge not to increase council tax. Members would be required to make some difficult choices about the services provided by the County Council in future.
- The information provided for Risk 1 (the risk of failure of ICT) could be improved by giving more detail about what progress had been made to mitigate this risk.
- The organisation could not function without ICT, so if it failed it would have to find the money to put it right. In practice, steps were being taken to prevent the organisation from getting into that position. Risk 1 would always be a high risk and the judgement that officers and Members needed to make was whether enough was being done to mitigate that risk.
- The Cabinet Member for Corporate Affairs and Efficiency had recently authorised spend of £1.5m to £2m over the next two to three years to increase data storage capacity.
- Risk 2 (disruption to services arising from the establishment of a Norwich Unitary Council) had rightly been identified as high risk. The Panel would need to take a view on the disaggregation of assets arising from the establishment of a Norwich Unitary Council. This would create an additional burden for the Finance Department which was already under pressure from the development of shared services.
- One Member raised concerns about whether the tasks to mitigate Risk 3 (capacity at the Corporate Centre) were adequate.

Resolved:

14.3 To note the risks reported and the actions identified for the continued embedding of risk management.

The meeting closed at 11.25am.

Chairman

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