

Corporate Affairs Overview & Scrutiny Panel

Minutes of the Meeting Held on 17 March 2010

Present:

Mr C Jordan (Chairman)

Mr M Brindle

Mrs D Clarke

Mr J Dobson

Mr R Hanton

Mr M Hemsley

Mr M Langwade

Ms J Mickleburgh

Mr A Proctor

Mr R Smith

Ms J Toms

Mrs C Walker

Mr A White

Cabinet Members Present:

Mr I Mackie Finance and Performance

1. Apologies

Apologies were received from Mr B Borrett, Mr S Clancy, Mr B Collins, Mr S Dorrington, Mr J Herbert and Mr T Williams.

2. Minutes

The minutes of the meeting held on 20 January 2010 were agreed as a correct record and signed by the Chairman.

3. Declarations of Interest

Mr Smith declared a personal interest in item 8 (South Norfolk Alliance), being a member of the South Norfolk Alliance.

4. Matters of Urgent Business

The Chairman encouraged Members to complete the 'Effectiveness of Scrutiny at Norfolk County Council' questionnaire that had been circulated to them.

5. Public Question Time

5.1 Question from Mr John Martin

The entire shareholding in Norse Group Ltd (Norse) is held by Norfolk County Council (NCC). Norse is the parent company of nineteen subsidiaries,

delivering a wide range of services throughout the UK to the private sector as well as the public sector. Some 5,300 people are employed. It has an annual turnover of more than £155m. Despite this, its most recent accounts show an operating loss of over £2.75m. What is NCC, essentially a provider of vital public services in Norfolk, doing owning and locking up assets in this unwieldy loss-making conglomerate particularly at a time when all of NCC's energies and resources should be concentrated on the provision of those services?

Reply by the Cabinet Member for Finance and Performance

The Cabinet Member explained that the underlying financial health of the company was good and Norse had returned £12m to the County Council since 2002, which had then ploughed back into front-line services. By setting the company up 22-years-ago, councillors had ensured a cost-effective alternative to the private sector existed in Norfolk which provided 'market moderation' worth around £4m a year. The operating loss referred to for 2008-09 was due to extraordinary items such as write-offs and notional pension adjustments and the Group has retained profits, after tax, of £8.86m.

The Group had recently contributed £1.75m towards the remodelling of Norwich's Theatre Royal; it was currently providing apprenticeships through the successful Build Norfolk initiative and had helped more than 2000 staff through Skills for Life courses - all successes which had seen the company win the EDP's Community Impact award twice.

Norse predominately provided public services and the business model had proved an attractive and progressive way of working offering good value for money, which was why it has been embraced by councils up and down the country in recent years. Winning contracts outside the County brought jobs and boosted the Norfolk economy, so there was much to celebrate in what was an undoubted Norfolk success story with a national dimension.

Mr Martin asked the following supplementary question:

Norse has failed to declare a dividend in any of the three accounting years expiring on 31 January 2009, and has made a loss in two of those. What direct financial benefit, in the form of cash injections into its annual budget, has NCC derived from its ownership of Norse during that time and is it not now highly appropriate for NCC to dispose of those subsidiaries of Norse that are not exclusively involved with the provision of public services within Norfolk given Norse's heavy reliance upon the property and construction sectors, its poor profits record, its loan indebtedness to NCC, its huge pension scheme deficit and its lack of accountability to NCC?

The Cabinet Member recommended to Mr Martin that he should write to Norse. However, when Mr Martin stated that he had already written to Norse and had not received a reply to his detailed questions, the Cabinet Member agreed to provide a written response.

6. Local Member Issues/Member Questions

There were no local Member issues or Member questions.

7. Cabinet Member Feedback on Previous Review Panel Comments

There was no Cabinet Member Feedback.

8. South Norfolk Alliance (Local Strategic Partnership)

8.1 The Panel received the annexed report (8) from the Chief Fire Officer, which provided Members with the results of the partnership questionnaire completed for the South Norfolk Alliance.

8.2 The Chairman welcomed Councillor Martin Wilby, the Chairman of South Norfolk Alliance, and Sandra Dinneen, Chief Executive of South Norfolk Council, to the meeting. Councillor Wilby then gave a presentation and an information pack was circulated to Members, which included a copy of the presentation slides (attached at Appendix A to these minutes), an information leaflet on the South Norfolk Neighbourhood Fund and a copy of the Sustainable Community Strategy for South Norfolk (2008-2018).

8.3 Following the presentation a question and answer session took place during which the following was noted:

- ** The waiting list for affordable housing in South Norfolk was approximately 24,000 (an increase of around 3,000 during the year). A similar situation had been experienced in all areas.
- ** It was agreed that this minute be amended and was corrected at the committee meeting on 12/05/10. Please view the minutes of that meeting in order to note the correction made.
- South Norfolk promoted local housing for local people and worked with Parish Councils to deliver the many schemes that were currently running.
- Second homes monies had been used to boost the number of affordable housing in the area.
- The Local Strategic Partnership (LSP) used themed sessions to encourage people to attend those relevant to them. This had led to the concept of developing a business forum, as local businesses wanted a vehicle through which they could feed into meetings.
- The Chairman of Bunwell Parish Council had volunteered the village for the Green Village pilot. The village was lucky to have a very enthusiastic Chairman who was good at getting the community involved.
- South Norfolk had five Safer Neighbourhood Area Partnerships (SNAPs), which covered separate areas and met every four months. Each area had a special identity with different problems. There was a dedicated neighbourhood manager for each area who worked closely with the police. SNAPs had been joined with the Police for just over 12 months to streamline activities and were made up of five District Councillors, 1 County Councillor, a Police Sergeant and community

representatives. Every Parish had a voice at meetings and activities such as walk-about were undertaken to help find out about local issues. SNAPs had become much more positive and collaborative environments, moving towards spreading best practice rather than hearing complaints.

- South Norfolk Alliance provided a link between local and county policies and was an important part of a making things happen. It helped the County Council to be involved at a local level.

8.4 The Chairman thanked Councillor Martin Wilby and the officers present for attending the meeting.

Resolved:

8.5 The Panel agreed that:

- 1) Scrutiny of the South Norfolk Alliance was complete.
- 2) A summary of LSP best practice should be considered by the Panel after hearing from each of Norfolk's LSPs, to share with LSP partners.

9. Scrutiny – Shared Services

- 9.1 The Panel received the annexed report (9) from the Chairman of the Shared Services Working Group, which provided an update on recommendations reported to the Panel in January and details of the future work programme.
- 9.2 The Working Group Chairman, Mr Smith, introduced the report and explained that it was a holding report to update the Panel on work done to date and to seek the Panel's observations on the future work programme.
- 9.3 The Principal Consultant Shared Services updated the Panel on the outcome of the Public Services Leaders Board meeting that had taken place the previous day. He explained that the Board had been established in September 2009 and comprised the political Leaders of Norfolk's Local Authorities, Chairs of the two Primary Care Trusts, the Police Authority and the Broads Authority, supported by their Chief Executives. The Board had agreed a work programme around achieving efficiency savings, which focused on the following three areas:
- Waste management
 - Asset management (with a focus on vehicles)
 - Regulatory services

The total spend for these three areas, across Norfolk, amounted to approximately £100m each year. The Board had spent £40,000 on local consultants to look at service improvements and the conclusions had been reported to the Board the previous day. A range of potential savings had been identified, which totalled approximately £30m over a five year period. Chief Executives would discuss the options with their political Leaders during the coming week and the outcome of those discussions would be reported at the next Chief Executive Group meeting. The Principal Consultant Shared Services emphasised that the amount of savings made would be dependent on the level of ambition of leadership in the county and whether the bodies

involved wished to collaborate. In addition, it had been proposed that each District Council should identify a theme as part of the Total Place agenda and submit a bid to the Regional Improvement and Efficiency Partnership (RIEP) for funding to improve outcomes for citizens in Norfolk. A meeting was due to take place with the RIEP as a first step to securing this investment.

9.4 During discussion the Panel noted the following:

- In setting up shared services internally, the County Council needed to bear in mind that new arrangements might not necessarily fit all departments. It would need to look carefully at what some departments might have to sacrifice to implement new arrangements.
- The Working Group Chairman was commended for proceeding cautiously with the scrutiny and creating a strong platform from which the work could be taken forward.
- Some Members felt that the increasing amount of closer working between Local Authorities in Norfolk would result in a Unitary authority in all but name. They felt that Norfolk County Council should reconsider its position.
- Some Members felt that it would be wrong for some District Council functions, such as planning and housing, to be centralised across Norfolk.
- The Norfolk County Strategic Partnership Joint Scrutiny Panel had agreed that it should undertake scrutiny of the Public Services Leaders Board, which was currently accountable to nobody.
- Efficiency savings from shared regulatory services would be fairly modest (around £2m/year). The consultants had not recommended the option of establishing a single regulatory service for Norfolk.
- Waste Management had the biggest spend and was the area in which the biggest savings could be achieved (around £22m/year). The consultants had favoured an amalgamation between waste collection authorities, rather than a single set of arrangements for the county.
- Efficiency savings from the asset management area (vehicles) could amount to £5m over five years. This would come from changing the way that local authorities spent money acquiring vehicles.
- Substantial savings could be made by changing the way that items are procured, to get the best market value.

Resolved:

- 9.5 The Panel noted the report and agreed that the Principal Consultant Shared Services should provide the following information to the Working Group:
- 1) A copy of the reports considered by the Public Service Leaders Board.
 - 2) A thematic breakdown of the potential £30m savings over five years to Members.
 - 3) A briefing note containing his thoughts on procurement.

10. Scrutiny – Review of the Council’s Constitution

- 10.1 The Panel received the annexed report (10) which set out initial findings and recommendations of the Working Group.
- 10.2 The Assistant Head of Democratic Services circulated a list of the items contained in the existing Policy Framework (attached at Appendix B to these minutes). He also highlighted that the proposed amendments to Overview and Scrutiny Panel arrangements would achieve some savings from the reduced number of meetings held each year.
- 10.3 During discussion the Panel noted the following:
- It was important that the Council didn't lose the flexibility to add other plans and strategies to the Policy Framework. The Working Group's recommendations included that the Panel review the content of the Framework annually and it was important to consider the process for that in due course.
 - The Working Group would look at the procedure rules for Full Council meetings at a later stage in the review. At that point it would discuss how those meetings could be made more inclusive and how it could become a forum for proper debate.
 - Concerns were raised about whether anyone would have the ability to cover an Executive role for more than one local authority. Members were assured that the aim of the recommendation at paragraph 3.1 of the report was to enable the Leader of the County Council to appoint who he or she wanted to. In reality, if someone with a District Executive position agreed to join the County Council's Cabinet, the assumption was that from a practical point of view they would have to resign from their District Executive position.
 - Concerns were raised that there were a number of documents covering scrutiny processes that had not been agreed by an Executive body and that there was no single document covering scrutiny policy for Norfolk County Council. It would be helpful for Members and third parties if those documents could be brought together within the Constitution.

Resolved:

- 10.4 The Panel endorsed the recommendations set out in the report, with the following amendments and additions:
- 1) The Working Group should consider a process for the annual review of the Policy Framework.
 - 2) The title of the Corporate Affairs O&S Panel at paragraph 4.4 of the Panel report should be changed to Corporate Resources O&S Panel.
 - 3) County Farms Policy and Scrutiny at Norfolk County Council should be added to the list of the items contained in the existing Policy Framework.

11. Forward Work Programme: Scrutiny

- 11.1 Members received the annexed forward work programme for scrutiny (11) and were advised that updates relating to the Treasury Management Strategy and Policy would be presented to the Panel as appropriate.
- 11.2 It was suggested that it would be helpful and timely for the Panel to add Norse to its scrutiny work programme, given that it had recently featured on a number of committee agendas, to clarify the intricacies of Norse arrangements. The Scrutiny Support Officer confirmed that Terms of Reference no longer needed to be considered by the Overview and Scrutiny Strategy Group. A draft would be agreed at the next scrutiny planning meeting, for presentation to the Panel.

Resolved:

11.3 Members agreed:

- 1) The scrutiny topics listed and reporting dates as presented.
- 2) That scrutiny of Norse should be added to the forward work programme.

12. Chief Executive's Department Service Planning 2010-13

12.1 Members considered the annexed report (12) by the Director of Corporate Resources, which set out the main proposed activities within the Chief Executive's Department Service Plans.

12.2 Members were advised that:

General

- Officers would take Members' comments on board before service plans were finalised.
- The County Council's service planning framework requires services to demonstrate how they are delivering against corporate objectives through a set of objectives that services contribute towards. Service plans were not drawn up in isolation and services worked together to ensure links were made between related activities to avoid duplication. The service actions were for the year ahead and had a planning horizon of three years.

Corporate Finance

- There was no specific financial plan linked to Norfolk Forward. The overall County Council Plan stated that finance needed to support the organisational changes taking place through Norfolk Forward.
- Procurement was currently part of Corporate Finance, but reporting arrangements would change with the implementation of shared services.
- Oracle R12 was the latest software version for the County Council's finance systems.

Democratic Services

- The service plan needed to be realistic about what could be delivered and was the tool to help focus staff on what should be achieved by the end of the year. It set out how Members could be supported to help the County Council achieve the relevant service objectives. Other service plans, such as Communications and Customer Service, dealt with public engagement. Members currently scrutinising the Constitution might wish to consider matters such as public engagement.
- Work by the Registration service to develop links with schools around Citizenship was just beginning. Feedback for the ceremonies held at County Hall, which involve the whole family, is very positive and involving schools would foster an understanding by young people of the process that people have to undergo to become British Citizens. The Head of Democratic Services would be pleased to hear from any Members who had experience or ideas to bring to bear on this topic.
- The bullet point 'work with Parish and Town Councils on implementing any Unitary structures' could be removed.
- The Head of Democratic Services would be pleased to work with political groups to encourage Members to 'Blog' and 'microblog'. He would also look into whether this might include using Twitter.

12.3 Members made the following comments, which the Policy and Performance Officer agreed to feed back to heads of service.

Communications and Customer Service

- The service needs to ensure that activities such as 'developing a Community Engagement Strategy' and 'delivering a countywide campaign to increase awareness of the many ways residents can influence decision making' are not done in isolation and are properly integrated.

Corporate Programme Office

- The strength of business process re-engineering would come not just from identifying new or improved processes but putting them into practice. Implementation needed to be reflected in service actions.

Human Resources/Organisational Development

- The service might wish to clarify phrasing such as 'Develop a plan to assist worklessness in the community' and 'including the development of job families'.

12.4 The Policy and Performance Officer also agreed to seek written responses to the following detailed questions about service actions for the year ahead:

Communications and Customer Service

- How will the research with those groups in the county who currently feel less well informed be done? Is this the same research as that proposed for finding out Norfolk residents' most preferred media outlets?
- What is meant by the phrase 'Develop a picture of key bloggers and microbloggers in and about Norfolk and develop a plan to better engage them'?

ICT Services

- What is the Ideas Laboratory?

Policy and Performance Team

- What is a community tension monitoring contingency plan?

Resolved:

12.6 The Panel noted the draft key actions and agreed that:

- 1) Members' comments should be fed back to heads of service.
- 2) Written responses should be obtained for detailed questions.

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

13.1 Members considered the annexed report (13) by the Director of Corporate Resources which set out performance and finance monitoring information for the third quarter of 2009/10.

13.2 Members were advised that:

- The number of employees declaring a disability had been on a downward trend for some time. At the third quarter data showed that numbers were starting to increase, although the County Council was unlikely to meet the end of year target.
- A Disability Action Group for employees had recently been set up to help improve our understanding of the issues and inequalities experienced by disabled staff working at the County Council and what actions might be taken to improve them. Other work involved addressing under-reporting by encouraging employees to declare their disability through confidential routes, including those who find their status had changed.
- There was a proactive approach to improving the numbers of Black and Minority Ethnic (BME) employees in the workforce and those declaring a disability. An example was given of a recruitment fair which had been designed with the help of a local group from BME communities, to ensure that it was accessible and visible to those communities.
- A sum of money had been set aside for Strategic Ambitions, which had been allocated by the Leader and reported to Cabinet. An equivalent amount of money had not been set aside for future years. This had been one-off funding and had been utilised.
- Property Management and Corporate Minor Works capital budgets were managed by NPS. Corporate Minor Works was a lump sum allocation, prioritised by officer groups and given to service to spend to meet ad hoc/one-off spends as they arose.

13.3 The Policy and Performance Officer agreed to seek written responses to the following detailed questions:

- Could Members have more information about what was being done to increase the diversity of the workforce in terms of BME communities and those declaring a disability? How many were offered an interview and how many were appointed?
- Had potential delays in inputting sickness absence data, following the recent upgrade of the Oracle HR system, impacted the data received by the working group looking into sickness absence?
- Was there room for a more coherent approach for sickness absence reporting, to allow statistics to be comparable between departments?

Resolved:

- 13.4 The Panel noted progress made and agreed that written responses should be obtained for detailed questions.

The meeting closed at 11.55am.

Chairman



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