



## Scrutiny Committee

Minutes of the Meeting Held on 20 September 2023  
at 10 am at County Hall Norwich

### Present:

Cllr Steve Morphew  
Cllr Daniel Elmer (Vice Chair)

Cllr Carl Annison	
Cllr Phillip Duigan	
Cllr Tom FitzPatrick	Cllr Brian Long
Clr John Fisher	Cllr Ed Maxfield
Cllr Mark Kiddle-Morris	Cllr Jamie Osborn
Cllr Keith Kiddie	Cllr Watkins

### Substitute Members Present

Cllr Tony White for Cllr Lesley Bambridge

### Also, present (who took a part in the meeting):

Titus Adam	Assistant Director of Finance
Hollie Adams	Committee Officer
Harvey Bullen	Director of Strategic Finance
Grahame Bygrave	Interim Executive Director of Community and Environmental Services
Paul Cracknell	Executive Director of Transformation and Strategy
Kat Hulatt	Director of Legal Services and Monitoring Officer
Joel Hull	Assistant Director - Waste and Water Management
Cllr Andrew Jamieson	Deputy Leader and Cabinet Member for Finance
Cllr Kay Mason Billig	Leader and Cabinet Member for Governance and Strategy
Tom McCabe	Chief Executive Officer
Kate Murrell	Waste Reduction & Recycling Manager
Cllr Greg Peck	Deputy Cabinet Member for Finance
Peter Randall	Democratic Support and Scrutiny Manager
Cllr Dan Roper	Local Member for Hevingham and Spixworth
Chris Starkie	Director of Growth and Investment
Cllr Alison Thomas	Cabinet Member for Adult Social Care
Cllr Eric Vardy	Cabinet Member for Environment and Waste

### 1 Apologies for Absence

1.1 Apologies were received from Cllr Lesley Bambridge (Cllr Tony White substituting)

### 2 Minutes

2.1 The minutes of the previous meeting held on 19 July 2023 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 There were no public questions.

### **5. Local Member Issues/Questions**

5.1 There were no local Member issues/questions.

### **6 Call In**

6.1 The Committee noted that the call-in on the agenda at item 11, "Call-in: Norwich - Dereham Road - Derestriction and 20mph Speed Limit Order and Bus and Cycle Lane Order" had been deferred and would instead be heard at the meeting due to be held on 25 September 2023.

### **7 Recycling Services**

7.1.1 Scrutiny Committee received the annexed report (7) providing information on the performance, plans and implications for the recycling service.

7.1.2 The Cabinet Member for Environment and Waste introduced the report to Scrutiny Committee:

- The report set out good work and progress as well as challenges being faced. A programme of recycling centre upgrades and replacements was also taking place, being delivered as a step change for the service provided to customers at Norwich North and Norwich South Recycling Centre sites. The report highlighted what was expected for the new sites at Sheringham, Wymondham, North Walsham and Long Stratton.
- Recycling centres in Norfolk dealt with around 60,000 tonnes of waste per year, over a million visitors, a satisfaction rate of over 80% and diversion from disposal of around 72%.
- One challenge for the County Council was a proposed national requirement to accept a limited amount of DIY waste for free from householders each week. Changes in legislation were expected to require this but councils would not be given funding to meet the cost. For Norfolk this would mean an extra £0.5m to £1m depending on the detail of the requirements.
- £9.7m had been given to the District, City and Borough Councils to deal with garden, food and recycling waste but this may increase this year due to changes in the amount they collect.

7.1.3

The Cabinet Member for Finance gave further information to Scrutiny Committee

- The report showed the response to the consultation on moving services from Mayton Wood Recycling Centre to the Norwich North site which will provide better services and be easier to use.
- Cabinet would consider the consultation findings, petitions and operational findings before it made its final decision and would take the opinions of Scrutiny Committee into account.

7.2 The following points were discussed and noted:

- A Committee member noted that the responses to the consultation about the closure of Mayton Wood Recycling Centre included feedback from those who would have to travel further to reach the new site but that some people would also benefit from the new site being closer to them. It was also pointed out that 91% of people who responded to the consultation disagreed with the changes, and it was queried why this had not been considered. The Cabinet Member for Environment and Waste replied that Cabinet Members would take the consultation responses into account at the Cabinet meeting in October 2023 when they made the decision on whether to relocate the Mayton Wood facilities.
- Cllr Dan Roper spoke as Local Member for Mayton Wood Recycling Centre:
  - The league table of recycling centres in Norfolk showed this was the seventh most used recycling centre in Norfolk, taking 5% of the total waste tonnage. The saving from closing the centre would be around 1% of the budget.
  - This recycling centre processed nine times as much waste as Docking Recycling Centre and although usage of the site had fallen by one third, this meant it was still the active choice for two thirds of people.
  - The site serviced many villages from Wroxham to Aylsham and took business waste.
  - Cllr Roper felt that closing the site may increase fly-tipping, or encourage waste to be placed into bins, with the cost being passed onto the local District Council. Cllr Roper noted that although the distance to the new centre was six miles, some loads to a recycling centre required multiple trips, increasing this distance.
  - Local Parish Councils were against the closure of the centre including those bordering Norwich North Recycling Centre.
  - Thirty five percent of respondents to the consultation were over 65, and people who were already travelling some distance to reach the centre.
- The Chair asked for information on the responsibilities surrounding fly-tipping. The Assistant Director - Waste and Water Management replied that if fly-tipping was on private land it was the responsibility of the landowner to deal with; however they could and should report it to the district council to be investigated and included in local and national statistics. If it was found on public land the district council was responsible for collecting it, and the County Council was responsible for the cost of disposal.
- Officers confirmed that the 2021-22 data showed a 4.5% reduction in instances of fly-tipping Norfolk. The data for 2022-23 was due to be published in October 2023 and would be reported to Infrastructure and Development Committee. King's Lynn and Norwich had focussed campaigns to target fly-tipping. Most incidents were van sized or larger and 78% of incidents were items which would have been accepted for free at a recycling centre. The Norfolk Waste Partnership would review if there were more efficient ways to deal with flytipping and changes to collections, recycling centre charges, opening times and locations had not historically increased incidences of fly tipping.
- A Committee Member was concerned that the proposal to introduce booking systems at recycling centres would reduce freedom of use and increase fly-tipping. The Assistant Director - Waste and Water Management replied that this would only be considered as a possible method to manage the weekly free limit on DIY waste for households proposed by Government, however

more work on this option would need to be undertaken once the Government's proposals are known.

- The Vice-Chair felt that the recycling centre strategy was successful as shown by the high level of customer satisfaction but queried if the delay of the policy was a risk. The Assistant Director - Waste and Water Management confirmed this was a fair risk.
- The Assistant Director - Waste and Water Management clarified that recent performance was influenced by a reduction in the compost tonnage due to the drought in summer 2022 which had reduced garden waste. This figure was showing increase again this year.
- The Vice Chair noted that the key issues regarding closure of Mayton Wood Recycling Centre were possible negative impacts on those living nearby, increases in fly-tipping or reduction in recycling rate. He noted from the points raised so far that similar changes had not increased fly-tipping or impacted on recycling performance.
- Cllr Ed Maxfield arrived at 10:51
- Persistent Organic Pollutants (POPs) in furniture were discussed, and whether modifications would be needed to reflect changes in this area, such as increased storage for furniture or increased commercial operator charges. The Assistant Director - Waste and Water Management replied that this change would affect recycling centres and haulage as furniture would need to be transported un-crushed. Officers were engaging with Defra on this but as the County Council incinerated its waste, they were able to meet the requirement for disposal of POPs.
- A Committee member felt that a booking system at recycling centres may be useful for targeting regular visitors with education on producing less waste.
- The increase in visitor numbers and income from re-use shops was noted as positive and it was suggested that this be promoted more widely.
- A Committee Member asked if it would be possible for people to request support if needed at recycling centres. The Assistant Director - Waste and Water Management clarified that staff at recycling centres were expected to be able to help but were not obliged to do so for all, since people arrived with waste they had loaded into their own cars.
- The methodology around when hazardous waste disposal days were held was queried, since they were mostly in the summer. Officers confirmed that the late summer early autumn timing meant there was not a clash with a period of heavy site usage, as in spring and early summer, and that it was at a time when weather effects were less pronounced than in winter and hours of daylight were still favourable.
- Officers were asked whether take up of the re-use shops had been as good as expected. Re-use shops had been very successful so far; electrical testing could now be carried out at larger shops so more items could be sold. These were part of the County Council's commitment to have improved services.
- A Committee Member requested figures in context of overall tonnage of waste. It was confirmed that there was less waste than expected this year, including less mixed dry recycling, caused by consumer choices.
- The Assistant Director - Waste and Water Management reported that the perception of fly-tipping did not often match the facts, with the most recent data showing a reduction of 4.5% in Norfolk. Despite this, officers would continue to focus on tackling it and the Norfolk Waste Partnership were considering introducing covert surveillance in hot spots.
- The Leader and Cabinet Member for Governance and Strategy reported that South Norfolk District Council issued fines for fly-tippers where possible and

she encouraged other District Councils to do the same. Reuse events were held in some Districts to encourage residents to recycle unwanted items.

- The Chair was pleased to see the increase in reuse and the efforts to tackle fly-tipping.
- A Committee Member queried the apparent lack of a recycling centre strategy or how this was communicated. The Assistant Director - Waste and Water Management replied to reassure that there was a clear strategy in place which was reflected in the County Council's delivery of improved and easier to use recycling centres and an increase in reuse as an important part of service.
- The Chair would discuss with officers whether this would be brought back to the Scrutiny Committee in future.

7.3.1 Cllr Brian Watkins **proposed** that the committee recommend to Cabinet that Mayton Wood Recycling Centre stay open, seconded by Cllr Jamie Osborn.

7.3.2 He noted that current usage at the centre was high, it was an active choice of centre for many people, it took a large amount of business waste, the change in location would impact on customer travel times, the high number of negative responses to the consultation and the equality impact assessment noting the impact on older and disadvantaged people.

7.3.3 With 4 votes for and 9 votes against, the proposal was lost.

7.4 Scrutiny Committee **RESOLVED** to consider and comment on the performance and plans for the recycling service.

## **8 Local Enterprise Partnership (LEP) Integration Plan**

8.1.1 Scrutiny Committee received the annexed report (8) setting out the approach being taken to integrate the Local Enterprise Partnership (LEP) into Norfolk County Council and included the LEP integration plan being prepared for Government.

8.1.2 The Leader and Cabinet Member for Strategy and Governance pointed out that the LEP was set up to support economic development in Norfolk 12 years ago. It was originally planned to be incorporated into the council as part of the County Deal but now would be integrated instead.

8.1.3 The Director of Growth and Investment introduced the report to Scrutiny Committee:

- This plan was in line with Government policy and would allow the council to strengthen work with the business community, as well as aligning with Better Together for Norfolk.
- The transition was set out in the report and the integration plan was discussed with the LEP earlier that day and endorsed. It would be discussed at Cabinet on 2 October 2023.
- It was intended that the work of the LEP staff would continue as much as possible according to budget constraints.
- There were plans to deliver a Norfolk Business Board, bringing together Districts, businesses, education and the voluntary sector.

8.2 The following points were discussed and noted:

- A Committee member asked if there would be links to the net zero ambitions of the council and if there would be Key Performance Indicators looking at

carbon reduction. The Director of Growth and Investment was on the net zero board and there would be opportunities for the skills board including retrofitting the green economy. The Director of Growth and Investment agreed to discuss this further with the Committee member outside of the meeting.

- The report referred to Norfolk as a lower waged and skilled economy. A Committee member asked what was being done to raise pay for people on lower incomes, noting that such roles were necessary, for example care and agriculture. The Director of Growth and Investment replied that this would be through a focus on business practice, technology and productivity to support businesses to improve wages.
- It was pointed out that care was not included in the workforce strategy. The Cabinet Member for Adult Social Care replied that Adult Social Care had a workforce strategy which included an aim for increased recognition and pay for those on the frontline of care. It would be important for workforce strategies to line up with each other.
- A Committee Member asked what would happen to agreements in place in the case that a District Council had developed a site in conjunction with the LEP, citing the example of the units developed in West Norfolk. The Director of Growth and Investment replied that the LEP loaned money to the Borough Council to develop the units and the contract would be moved to the County Council for repayment of the loan, with the Borough Council continuing to own the building.
- A Committee Member asked for information on progress towards integration. The Director of Growth and Investment confirmed that Government had not confirmed how much transition funding would be available however they were content with Norfolk's plan.
- A Committee member asked if the concerns of businesses had been reassured and if there were adequate resources to continue with the current level of business support. The Director of Growth and Investment replied that officers would do what they could within budget constraints but felt they could provide the support that was in place before.
- The Business Board would help the council reach out to the business community, including education on the skills board with their expertise on innovation, science and to ensure colleges could shape their skills agendas to support business need.
- The Vice-Chair queried the options for enterprise zone revenues and property assets set out in the report, noting that 100% of business rates from enterprise zones was currently retained locally for economic growth. The Director of Growth and Investment replied that there were currently negotiations with Districts for the option of this being pooled in Norfolk and operated through the Business Board. There was an ambition to retain continuity and for the enterprise zones to continue with existing arrangements.
- The legal structure of the New Anglia capital was queried; it was suggested that a 50:50 split did not reflect the size of the counties. This was not yet agreed and needed to be negotiated with Suffolk. New Anglia capital was an investment fund, invested in by LEP and discussions were being held on how to retain this moving forward, but it was not intended to split this.
- The Chair asked if there was a risk of Norfolk being left behind as part of the new strategy. The Director of Growth and Investment replied that Norfolk was leading the country in LEP integration and if it was executed well, the county

would maintain its links with Suffolk and have opportunities to make links with Cambridgeshire.

- It was confirmed that the County Council would be the accountable body, with the economic strategy being part of the policy framework
- The Chair asked if partners would make recommendations into the system. The Director of Growth and Investment confirmed that the governance and skills board was being evolved and there was an aim for autonomy and independent decision making.
- The chair felt that the economic strategy needed information on tourism, creativity and other elements included, for further consideration at a later date.
- The Chair asked if there would be trade union involvement in the changes. The Director of Growth and Investment replied that they would be involved in development of the business board.
- The inclusion of agritech in the report was noted as positive as this was a growing sector in the county, and the importance of working with education providers on digital skills and supporting the Cambridge to Norwich corridor was noted.

8.3 Scrutiny Committee **RESOLVED** to:

- 1 Provide feedback on the proposed approach for the LEP Integration Plan
- 2 Recommend a progress report is brought back to the committee and Cabinet around April 2024 including the timetable of the Economic Strategy development.

The Committee took a break from 12:30 until 12:58

**9. Amendment to the Annual Investment and Treasury Management Strategy 2023-24**

9.1.1 Scrutiny Committee received the annexed report (9) setting out details of a proposal to amend the Treasury Management and Investment Strategy for 2023-24 to increase the treasury management investment limit for the Norse Group.

9.1.2 The Cabinet Member for Finance introduced the report to Scrutiny Committee:

- This amendment was part of the policy framework which Cabinet was asked to approve at its meeting on 4 September 2023. The amendment was an increase in Norse Group's treasury management limit from £15m to £25m. This amendment would be taken to Full Council for agreement following discussion at Scrutiny Committee.
- The increase was due to refinancing of a £10m loan with the Council via a 1-year facility.
- The overall Norse Group debt was £25.9m compared to their turnover of £359m in the last financial year and assets of £192.9m.
- The capital loan limits of Norse Group would be reviewed as part of a wider review of Norse Group's operations.
- The Director of Strategic Finance added that paragraph 4.4 of the report showed that this was an overdraft facility for Norse Group which they did not use very often. The review of Norse Group was being carried out as part of good governance and to help The Director of Strategic Finance familiarise himself with the Group in his new role.

9.2 The following points were discussed:

- A Scrutiny Committee Member queried why this disparity at Norse had only just been realised since Norse's treasury management limit of £15m had been agreed at the Budget Council meeting in February 2023. They queried if the change was being made due to difficulties in cashflow at the Group. The Cabinet Member for Finance acknowledged that this should have been changed in February, however stated that the change was not being made due to difficulties in cashflow at Norse Group. This was a one-year loan and would be refinanced after this time; the £25m limit would be reviewed in February 2024 to see if it should be reduced back down to £15m.
- A Scrutiny Committee Member wanted to know how this compared to other local authority trading companies. The Cabinet Member for Finance confirmed that Norse Group was the largest Local Authority Trading Company (LATCo) in the country, however compared to commercial organisations this was a low facility. The Director of Strategic Finance confirmed that the increase was in line with what Norse had been advised they needed and was not out of line with other organisations but would be kept under review.
- The Vice-Chair felt that the increase did not pose much risk to the Council given the size and length of the loan being given.
- A Committee Member queried what accounting mechanisms were in place to ensure the previous £10m Norse energy loan into a treasury management fixed deposit. The Director of Strategic Finance replied that it was up to Norse how they chose to re-finance this loan and he would have further conversations with them about how they planned to repay this as part of the discussions with them about their wider Governance.
- The Director of Strategic Finance confirmed that the only change to the appended policy and its appendices was the increase from £15m to £25m.
- Chair noted that this was taking place as part of a wider review of Norse Group and asked about how this would fit into the work around Wholly Owned Companies being brought to Scrutiny Committee at their next meeting or if there were any risks which arose. The Cabinet Member for Finance replied that it was important to look at Norse and its ongoing work as part of the ongoing strategic view which should run alongside the work of Scrutiny Committee. This would help inform the information being brought to Scrutiny Committee.

9.3 Scrutiny Committee **RESOLVED** to note the amendment to the Annual Investment and Treasury Management Strategy 2023-24 (as appended) to increase the treasury management investment limit for Norse Group to £25.000m in order to maintain the existing level of cash flow facility available to the company and that this would be taken to Full Council for agreement.

## 10. **Resolution to outstanding receivables and payables balances between NHS Norfolk and Waveney Integrated Care Board (ICB) and Norfolk County Council**

10.1.1 Scrutiny Committee received the annexed report (10) summarising the key points taken into consideration in the resolution of outstanding receivables and payables between NHS Norfolk and Waveney Integrated Care Board (ICB) and the Council.

10.1.2 The Cabinet Member for Finance introduced the report to Scrutiny Committee:

- The proposed resolution had been covered in the press; a report on this matter



being taken to Cabinet and to Scrutiny Committee.

- If agreed, this would mean the Council would forgo payment of £2.419m and this would need to be written off, however, this bad debt was provided for so there would be no movement to the Adult Social Care account, and the NHS had agreed to pay Norfolk County Council £6m against their outstanding debts in addition to £1.14m already resolved. The Council would receive £7.92 in total.
- If the settlement was not agreed the council would be resigned to negotiations over the thousands of invoices which would incur a high cost to the council or result in taking an expensive legal route and taking up staff hours.
- This matter related to NHS legacy organisations, and the Council had taken the decision to draw a line under this to ensure the NHS and Council could continue to provide care to those who needed it and maintain a positive relationship with the Integrated Care Board. The new Integrated Care Board had been in place for a year; better integration could bring benefits including better financial management.
- This debt had arisen over a number of years and so robust controls needed to be in place moving forward. A credit control facility had been assigned to manage the debt with the ICB and a working group had been set up with organisations to deal with the outstanding financial issues, with escalation routes in place if resolutions were necessary. This would ensure the risk of similar incidents in the future was reduced.

10.2 The Director of Strategic Finance added that there was a very high volume of invoices during the time period in question. Better working practices would need to be put in place moving forward to mitigate against similar incidences in the future.

10.3 The following points were discussed and noted:

- A Committee Member felt that his concerns about this issue had been addressed to ensure this did not happen again, and asked what was in place to ensure robustness in the process to stop a debt of this type building up in the future. The Cabinet Member for Finance confirmed that steps were being put in place that would ensure proper written agreements on collective services between the Council and Integrated Care Board over a range of areas.
- The Chair queried what the process had been for reaching the position with the Integrated Care Board. The Cabinet Member for Finance replied that out of the total of £400m worth of transactions which had taken place over 5 years, £40m were in dispute. Some of this had been repaid quickly, resulting in a remaining disputed £10m. Discussions had then been held with the Integrated Care Board for 9 months to reach the current position.
- The Vice Chair asked about the review looking at what had gone wrong and how this would take place. The Cabinet Member for Finance replied that this would take place via a Joint Working Capital Group and would report back to the department. A timeline for this had not yet been agreed with the working group. The Chair **requested** that a progress report on this review be brought back to Scrutiny Committee in 2-3 months' time.
- The Vice-Chair queried if the new procedures should be reviewed by an external audit process. The Director of Strategic Finance replied that he did not think this was necessary as the internal audit team could form an independent review on whether the procedures were working.
- A Committee Member asked if there had been opportunities before this point

to identify and resolve the issue which arose. The Cabinet Member for Finance replied that much of this debt arose during the pandemic when teams were supporting hospitals with fast discharges and staff were redeployed to other areas; this meant that some processes were not adhered to as usual. The Cabinet Member for Finance confirmed that this had been “bottomed out” for this financial year.

- The Chair pointed out that some of the transactions dated from before the Covid-19 pandemic and queried if there were other factor involved. The Interim Executive Director of Adult Social Services discussed that there would be a joint approach between senior social workers and health staff to identify care needs and commission it. This would ensure invoices were in the correct systems; in the past when decisions had been required at speed, sometimes there had not been a join-up with the correct admin system. Stronger systems were being put in to ensure this did happen and a dedicated space to ensure discussions could be held for more complicated cases.
- The Chair felt that this issue should be included as a risk; The Cabinet Member for Finance replied that this was included as a bad debt provision and The Director of Strategic Finance said that there was funding set aside in the accounts to cover this; this was not indicated due to negotiations that were ongoing and the need to keep the figure confidential.
- A Committee Member asked if there was a dedicated credit control in place with the Integrated Care Board. The Director of Strategic Finance replied that there was and this would stay in place in the future.

10.4 Scrutiny Committee noted the NHS Norfolk and Waveney Integrated Care Board (ICB) and Norfolk County Council receivables and payables outstanding balances resolution arrangement described in Appendix 1 of the report.

## **11 Scrutiny Committee Forward Work Programme**

11.1 The annexed report (at item 11) was received.

11.2 Scrutiny Committee **RESOLVED** to note the current forward work programme as set out in the appendix to the report

The meeting concluded at 13:55 pm

**Chair**