

Cabinet Scrutiny Committee

Date: **Tuesday 20 May 2014**

Time: **2pm**

Venue: **Edwards Room, County Hall, Norwich**

Persons attending the meeting are requested to turn off mobile phones.

SUPPLEMENTARY AGENDA

5 Call in: Replenishment of the General Reserve

Report by the Head of Democratic Services

(Page A3)

Chris Walton
Head of Democratic Services
County Hall
Martineau Lane
Norwich
NR1 2DH

Date Agenda Published: 15 May 2014



If you need this document in large print, audio, Braille, alternative format or in a different language please contact Customer Services on 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Call in: Replenishment of the General Reserve

Report by the Head of Democratic Services

This report relates to the call-in of the item featured in the Cabinet papers of 12th May 2014 entitled, '**Replenishment of the General Reserve**' (Item 11)'.

1. Cabinet, at its meeting on 12th May 2014, considered a report entitled 'Replenishment of the General Reserve' which stated that:

"Cabinet is recommended to agree:

1. The 2013-14 and 2014-15 savings of £7.82m set out in paragraph 2.3;
2. To recommend to County Council that the 2013-14 and 2014-15 budgets are reduced by £3.48m as set out in paragraph 2.3;
3. That, if savings options which have less direct impact on services emerge during 2014, substitution of these is an acceptable policy option."

A copy of the report considered by Cabinet can be found on the County Council's website at:

http://www.norfolk.gov.uk/Council_and_democracy/Your_Council/Committees/DisplayResultsSection/Papers/index.htm?Committee=Cabinet

2. The extract from the Schedule of Decisions for Cabinet's meeting is as follows:

4. Replenishment of General Reserve

The Cabinet received a report (item 11) which set out the savings required to generate the necessary funds to restore the general reserve.

Decision

RESOLVED that:-

1. The £7.82m savings from 2013-14 and 2014-15 set out at 2.3 of the Cabinet report be agreed;
2. If savings options which have less direct impact on services emerge during 2014, substitution of these is an acceptable policy option.

RESOLVED TO RECOMMEND TO COUNCIL that:-

The 2013-14 and 2014-15 budgets be reduced by 3.48m as set out in paragraph 2.3 of the Cabinet report, subject to hearing further representations from District Councils and those affected by the recommendation set out at 3.6 of the Cabinet report.

A copy of the draft minute for this item will be circulated in advance of the meeting.

3. Call ins

3.1 Call in by Councillors John Dobson, Brian Long and Jason Law.

Formal notification was received on 14th May 2014 that Councillors John Dobson, Brian Long and Jason Law wished to call in the item entitled 'Replenishment of General Reserve'.

Their call in letter is reproduced below:

"In accordance with para 2 of your letter CTTEE/CAB of 13 May 2014 and para 6.4 (b) of Article 6 of the Constitution, I wish to exercise my right to call in the Cabinet's decision to resolve at Para 4 sub-para 1 of the Schedule of Decisions of the Meeting on 12 May 21014 "The £7.82m savings from 2013-2014 and 2014-2015 set out at 2.3 of the Cabinet report be agreed" and specifically the "Further Savings Option" outlined in para 3.6.

I recommend that this decision be reconsidered by the Cabinet. This is because the advice proffered by the officers (specifically: Reduction in the highways patching budget of £0.9m and a reduction in the library book fund of £0.14m Or Reduction in the second home monies paid to the District Councils of £1.04m) and the approach decided on by the Cabinet) could be construed as being politically motivated, seeking to deflect attention away from those actually responsible for the Willows incinerator financial fiasco. It is an inelegant solution, some might consider spiteful, ignoring many other possibilities to fund the penalties not involving further service cuts. In respect of the reduction in second homes monies, it is provocative, ignores the fact that the original intended use of the second homes monies was to mitigate the adverse effects (house price inflation) of second homes in areas where their predominance means that local people can no longer afford to buy homes. The proposal invites retaliation from the Districts concerned, who are not obliged by law to collect the second homes supplements.

By way of preparation for the meeting I recommend that a detailed officer's report be written to bring forward formally further ways of providing additional funds to pay penalties not involving service cuts, e.g. increased efficiency savings, to include productivity, targeted further reductions in procurement, and quantified expectations in reducing and/or delaying the penalty, given that the County Council is the aggrieved party and has had to cancel the contract because of the failure of the Contractor to secure planning permission in the time stipulated. **The report should include advice as to why one of the most obvious ways to reduce the bill (to sell the Willows site back to the Borough Council of King's Lynn and West Norfolk) has not been proceeded with expeditiously, given the latter's willingness to pay the valuation price.**

My call-in includes additionally, and by extension, the follow-on Resolution at para 4

"Resolved to Recommend to Council that the 2013-14 and 2014-15 be reduced by £3.48m as set out in paragraph 2.3 of the Cabinet report, subject to hearing further representations from District Councils and those affected by the recommendation set out at 3.6 of the Cabinet report"

I shall provide a more detailed report in support of this call-in in due course.

I would like the following officer to be summoned to act as witness: Mr Timmins.

I am formally supported in this Call-in by the further two members required and they are Cllrs Long and Law,

Officer contact: **Chris Walton**
Head of Democratic Services

Tel: 01603 222620
chris.walton@norfolk.gov.uk



If you need this report in large print, audio, Braille, alternative format or in a different language please contact Julie Mortimer on 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.