

## **Policy and Resources Committee**

**Minutes of the Meeting Held on 16 July 2018  
10:00am Edwards Room, County Hall, Norwich**

### **Present:**

Mr A Proctor (Chairman)

Mr B Borrett  
Mrs P Carpenter  
Mrs E Corlett  
Mrs M Dewsbury  
Mr K Kiddie  
Mr S Morphew

Mr R Oliver  
Mr G Plant  
Mr D Roper  
Mr E Seward  
Mr M Wilby

### **Substitute Member present:**

Mr D Bills for Mr T Garrod

### **Also present:**

Mr B Spratt  
Mrs K Vincent

#### **1. Apologies for Absence**

1.1 Apologies for absence were received from Mr T Garrod.

#### **2 Minutes**

2.1 The minutes of the previous meeting held on 4 June 2018 were confirmed by the Committee and signed by the Chairman.

#### **3 Declarations of Interest**

3.1 There were no declarations of interest.

#### **4 Items of Urgent Business: The future of the Norfolk Fire and Rescue Service**

4.1 In reply to questions the Chairman said that the County Council's business case for why the fire service should continue to be run by Norfolk County Council would be published by the end of business on 17 July 2018.

5 **Public Question Time**

5.1 There were no public questions.

6 **Local Member Issues**

6.1 There were no local member questions.

***Section A – Items for Discussion and Decision/Action***

7a **Corporately significant vital signs performance management report**

7a.1 The annexed report (7a) by the Strategy Director was received.

7a.2 The Committee received a report by the Strategy Director that provided up to date performance management information for corporately significant vital signs.

7a.3 Some Members questioned the ratings for vital signs that were judged to be just below or just above their respective performance targets. This, however, was not entirely unexpected at this early stage in the year given the level of complexity of the performance measures that were defined as “corporately significant” or “under development”.

7a.4 Members drew attention to the number of apprenticeship starts in Norfolk which (apart from new apprenticeships in the NHS) continued to be below target, due to the impact of recent reforms and the levy that was used to upskill the current workforce rather than support new entrants.

7a.5 Members also drew attention to the percentage of Education Health Care Plans (EHCPs) completed within the 20- week timescale required by the DfE which was an improvement on the position in 2016 but continued to lag significantly below the national average. In tackling this issue, the County Council was working with the NHS on the health aspects of the assessment process and to look at new ways of joined up working that reduced demand and made better use of digital technology.

7a.6 It was pointed out that the NHS had been asked to refer reablement cases to Adult Social Services on a case by case basis rather than in batches of cases. This approach would increase efficiency in Adult Social Services and make for better joined up working.

7a.7 It was noted that the performance measure for the percentage of children subject to a permanent exclusion order remained under development. For a small number of children who were excluded from school the period of exclusion extended beyond the usual timescale. However, Members were informed that this was done with good reason and where necessary with the permission of the parents concerned.

7a.8 **RESOLVED**

**That the Policy and Resources Committee:**

**Note the corporately significant performance data and the recommended actions included within the Vital Signs and Performance Management Reports.**

**7b Risk Management Report**

7b.1 The annexed report (7b) by the Executive Director of Finance and Commercial Services was received.

7b.2 The Committee received a report by the Executive Director of Finance and Commercial Services that provided the corporate risk register as it stood in July 2018, along with an update on the Risk Management Strategy, and other related matters, following the latest review conducted during June 2018.

7b.3 Members drew attention to the delay in the publication of the Green Paper on care and support for older people until autumn 2018. Many national and local government bodies, including Norfolk County Council, were continuing to press for the publication of the Green Paper which would set out plans for how government proposed to improve care and support for older people and tackle the challenge of an ageing population.

7b.4 At Members request, it was agreed that an update report on the delivery of Broadland Northway would be reported to EDT, then to P&R later in the autumn when full costs were established.

**7b.5 RESOLVED**

**That Policy and Resources Committee:**

- 1. Note the changes to the corporate risk register (Appendices A and B to the report), the progress with mitigating the risks; and**
- 2. Note the scrutiny options for managing corporate risks, (Appendix C to the report);**
- 3. Note the movement of corporate risks since the last meeting (Appendix D to the report);**
- 4. Note the Finance and Commercial Services departmental risk summary (Appendix E to the report);**

**8 Finance monitoring report P2: May 2018**

8.1 The annexed report (8) by the Executive Director of Finance and Commercial Services was received.

8.2 The Committee received a report by the Executive Director of Finance and Commercial Services that summarised the Period 2 (May 2018) forecast financial outturn position for 2018-19, to assist Members to maintain an overview of the overall financial position of the Council.

8.3 The Executive Director of Finance and Commercial Services drew Members' attention to the additional borrowing set out in paragraph 3.4 of the report and confirmed that in view of the current historically low interest rates available, he would be actively considering the opportunity for further borrowing during the course of the year.

8.4 **RESOLVED**

**That Policy and Resources Committee:**

1. **Note the period 2 forecast general fund revenue overspend of £5.356m, noting also that Chief Officers will take measures throughout the year to reduce or eliminate potential over-spends;**
2. **Note the forecast General Balances at 31 March 2018 of £19.536m, before taking into account any over/under spends;**
3. **Note the revised expenditure and funding of the current and future 2018-22 capital programme as set out in Appendix 3 of the report;**
4. **Note the addition of £1.686m to the capital programme relating to the purchase of farm land at Halvergate as set out in Appendix 3 paragraph 4 of the report;**
5. **Approve the addition of £0.150m to the capital programme to automate manual HR processes, as set out in Appendix 3 paragraph 5 of the report.**

9. **Delivering Financial Savings 2018/19**

9.1 The annexed report (9) by the Executive Director of Finance and Commercial Services was received.

9.2 The Committee received a report by the Executive Director of Finance and Commercial Services that provided details of the forecast year-end position in respect of the delivery of the 2018-19 savings agreed by the County Council at its budget meeting on 12 February 2018.

9.3 In reply to questions about the accuracy of the RAG ratings, the Executive Director of Finance and Commercial Services said that the decision to rate a project as RED or YELLOW was based on the criteria shown in the report which, while more an art than an exact science, ensured that there was a common standard across all Service Committees. The RAG rating levels were kept under constant review at the corporate level which maintained the focus on the effective delivery of both the previous years' agreed savings and future planned savings, and minimised risks to the Council's overall financial position and supported the delivery of the 2018-19 Budget.

9.4 With reference to the table on page 125 of the report the Executive Director of Finance and Commercial Services confirmed that 2019/20 would be the final year

that the County Council returned second homes council tax money to the District Councils.

## 9.5 **RESOLVED**

**That Policy and Resources Committee note:**

- 1. the total projected shortfall of £5.248m in 2018-19, which amounts to 17% of total savings;**
- 2. the budgeted value of 2018-19 savings projects rated as RED of £0.642m, of which £0.050m are forecast to be delivered;**
- 3. the budgeted value of 2018-19 savings projects rated as AMBER of £14.645m, of which £9.989m are forecast to be delivered;**
- 4. the budgeted value of GREEN and BLUE rated projects of £14.712m.**

## 10 **Strategic and Financial Planning 2019-20 to 2021-22**

- 10.1 The annexed report (10) by the Executive Director of Finance and Commercial Services was received.
- 10.2 The Committee received a report by the Executive Director of Finance and Commercial Services that provided an overview of the Council's current budget planning position, including the forecast budget gap for 2019-20 to 2021-22, and proposed a strategic and financial planning framework for Service Committees Strategic Planning.
- 10.3 The Executive Director of Finance and Commercial Services clarified section 114 of the Local Government Finance Act 1988, which required him to report to Members if it appeared that the expenditure the authority proposed to incur in a financial year was likely to exceed the resources available to it to meet that expenditure. The Executive Director confirmed that he therefore took a view of the robustness of the Council's budget across the whole period covered by the Medium Term Financial Strategy.
- 10.4 Some Members questioned why (with reference to table 4 on page 137 of the agenda) no assumed council tax increase was planned for 2021/22. It was suggested that to include an assumed figure would improve the strategic and financial planning process going forward. In reply the Chairman said that the assumed council tax increases for 2019/20 and 2020/21 were subject to Full Council's decisions on the levels of council tax, which were made before the start of each financial year, no increase in council tax was planned for 2021-22 because the County Council's budget planning process was being reprofiled over the 3-year period that led up to 2021/22.
- 10.5 In reply to further questions, the Executive Director of Finance and Commercial Services said he would provide the Committee at its next meeting with an early indication of corporate budget proposals that would shape 2019-22 budget planning activity.

10.6 **RESOLVED**

**That Policy and Resources Committee:**

1. **Note how the principles of the Council's Strategy, Norfolk Futures, will inform and shape 2019-22 budget planning activity;**
2. **Approve the updated budget assumptions and note the key areas of risk in relation to 2019-22 budget planning as set out in section 4 of the report;**
3. **Consider the forecast budget gap of £94.696m, which reflects the changes (as set out in table 5 of the report) from the 2018-22 Medium Term Financial Strategy (table 1 of the report);**
4. **Approve the budget planning principles (paragraph 4.2 of the report) and guidance for 2019-20 and commission Service Committees to begin developing their savings proposals accordingly;**
5. **Approve the indicative savings targets 2019-20 to 2020-21 (section 5 of the report), noting the existing savings for 2019-20 and beyond which were agreed as part of the 2018-19 budget round (table 3 of the report); and**
6. **Note the budget planning timetable set out in section 6 of the report.**
7. **Receive an early indication at their next meeting of corporate budget proposals that will shape 2019-22 budget planning activity.**

11. **Health, Safety and Well-being Annual Report**

11.1 The annexed report (11) by the Strategy Director was received.

11.2 The Committee received a report by the Strategy Director that provided an overview of the Health, Safety and Well-being (HSW) performance of NCC for 2017/18 and the activities of the HSW Service to support the management of risks. An indication of the plan for next year and the information necessary for Members to satisfy themselves of the effectiveness of the NCC health and safety management system were provided.

11.3 **RESOLVED**

**That the Policy and Resources Committee:**

1. **Note the Health, Safety and Well-Being Annual Report for 2017/18 and the actions outlined throughout the report and specifically the organisation's HSW performance.**
2. **Note the progress made against the priorities and plan for 2017-20 to date.**

3. **Place on record the Committee's thanks to those involved in the positive overall Health, Safety and Well-being performance of the County Council in 2017/18 and in particular the work that is done to support performance on mental health issues.**

12 **Liquidlogic/Social Care System Replacement Implementation**

12.1 The annexed report (12) by the Executive Director of Adult Social Services was received.

12.2 The Committee received a report by the Executive Director of Adult Social Services that asked Members to note the progress on delivering the new Social Care System for Adult Social Services, Children's and Finance and to consider whether they would like any further reports at future meetings of this Committee.

12.3 **RESOLVED**

**That Policy and Resources Committee:**

**Note the good progress on delivering the new Social Care system for Adult Social Services, Children's Services and Finance and ask to receive a further update report in 6 months-time.**

13 **Syrian Vulnerable Persons Resettlement Scheme (VPRS) – Progress Report**

13.1 The annexed report (13) by the Executive Director of Adult Social Services was received.

13.2 The Committee received a report by the Executive Director of Adult Social Services that provided an update regarding the provision of the current Syrian Vulnerable Persons Resettlement Scheme (VPRS) and considered the extension of this provision beyond 2020.

13.3 **RESOLVED**

**That Policy and Resources Committee:**

1. **Note the success and the breadth of work carried out by the People from Abroad team.**
2. **Agree to the resettlement of a further 100 Syrian refugees across 2018/2019 and 2019/2020 (50 each year) within the locality of Greater Norwich subject to the conclusion of discussions with the appropriate District Councils.**

14 **Sourcing Strategy for Council Services**

14.1 The annexed report (14) by the Executive Director of Finance and Commercial Services was received.

14.2 The Committee received a report by the Executive Director of Finance and

Commercial Services that in response to a request from Members, recommended an approach to decide how to deliver services and whether they should be delivered in-house, traded, provided by an arm's length company or outsourced.

#### 14.3 **RESOLVED**

**That Policy and Resources Committee:**

- A. Note the context and rationale for sourcing decisions set out in sections 2-5 of this report;**
  
- B. Agree that:**
  - i. insourcing (including insourcing and trading);**
  - ii. service provision by an arm's length company (again including trading), and**
  - iii. disaggregation of the contract to remove the prime contractor role should all be considered as options when a significant contract is to be extended or replaced, and that the analysis should cover the aspects set out in section 6 of the report; and**
  
- C. Note the conclusions reached in section 6 of the report about specific categories of expenditure and:**
  - i. The work already undertaken, and that planned, in respect of IT contracts and highway service delivery; and**
  - ii. That Environment, Development and Transport Committee is expected to consider the procurement strategy for waste services beyond 2020 in November 2018, and ask that before any longer-term arrangements are made an options appraisal be completed including an assessment of whether any aspects of the service should be insourced or delivered by an arm's length provider.**

#### 15 **Limited Company Consents**

15.1 The annexed report (15) by the Executive Director of Finance and Commercial Services was received.

15.2 The Committee received a report by the Executive Director of Finance and Commercial Services that asked the Committee to recommend to the County Council the appointment of Directors to companies in the Norse Group and a change in registered office for the Norse Group companies.

15.3 The Committee **RESOLVED to RECOMMEND:**

**The appointment of Directors to companies in the Norse Group as detailed**



**in Appendix C to this report.**

**The change in registered office for Norse Group companies as detailed below:**

In August the Group Solicitors team, which is responsible for the administration of the Norse Group company books will move to Fifers Lane. As the registered office of a company is where official communications are sent it would be appropriate to change the registered office of all the Norse Group companies to the Fifers Lane address (Addfills registered office is Fifers Lane) **280 Fifers Lane, Norwich, Norfolk, NR6 6EQ.**

**16 Notifications of Exemptions Under Contract Standing Orders**

16.1 The annexed report (16) by the Executive Director of Finance and Commercial Services was received.

16.2 The Committee received a report by the Executive Director of Finance and Commercial Services that set out the exemptions that had been made up to 13 June 2018 under paragraph 9.11 of Contract Standing Orders and that were over £250,000 and therefore needed to be notified to the Policy and Resources Committee.

16.3 **RESOLVED**

**That Policy and Resources Committee:**

**As required by paragraph 9.12 of the Council's Contract Standing Orders, note the exemptions that have been granted under paragraph 9.11 of Contract Standing Orders by the Head of Procurement and Head of Law in consultation with the Chairman of Policy and Resources Committee that are over £250,000.**

**17 Low Carbon Financial Instrument 2: An Economic Development Funding Opportunity**

17.1 The annexed report (17) by the Executive Director of Community and Environmental Services was received.

17.2 The Committee received a report by the Executive Director of Community and Environmental Services about an opportunity to lead a regional Low Carbon Investment Fund over a 10-year period from 2019-2029, funded by the European Regional Development Fund. The Fund would invest £8m to support around 33 growing technology companies in the East of England with an average loan or equity investment of £245,000 per company, and leveraging in an estimated £19m private investment. The Fund would cover three LEP areas; New Anglia, Hertfordshire and the Cambridgeshire and Peterborough Combined Authority.

17.3 The Committee noted that the UEA was committing £1.1m of legacy funding from the original Fund to support a package of investment-readiness activity to sit

alongside the £8m investment vehicle. This funding was already available through investment returns and would be contracted as a UEA commitment in the process of setting up the Holding Company.

- 17.4 The Committee also noted that taking on this role would enable the Council to maximise the opportunity for Norfolk businesses to benefit from investment from the Fund and would give the Council the ability to co-direct with UEA the reinvestment of returns. Norfolk County Council would therefore have a key role in the investment (and further re-investment) of returns in economic development activity over the long-term, a potentially significant opportunity for the Council.

17.5 **RESOLVED**

**That Policy and Resources Committee agree:**

- 1. Norfolk County Council should submit a bid to the Ministry for Housing Communities and Local Government for £8m ERDF funding to deliver the proposed Low Carbon Financial Instrument.**
- 2. To receive a paper in due course with a proposal to set up a Holding Company, in collaboration with UEA, to run the project, alongside a proposal to appoint Directors.**

18 **Effecting a Smooth and Timely Transition from a Committee to a Cabinet System of Governance**

- 18.1 The annexed report (18) by the Chairman of the Cabinet System of Governance Working Group was received.

- 18.2 The Committee received a report by the Chairman of the Cabinet System of Governance Working Group that set out the progress made in transitioning from a Committee to a Cabinet system of governance.

18.3 **RESOLVED**

**That Policy and Resources Committee:**

- 1. Note the progress made by the Working Group;**
- 2. Note the milestones for further activity (Appendix 1 of the report);**
- 3. Endorse:**
  - The principles of the new governance system (paragraph 3.1 of the report)**
  - The proposed approach to the scheme of delegation (paragraph 4.1 of the report)**
  - The proposed scrutiny structure (paragraph 5 of the report)**
  - The overall proposed structure for further detailed development by officers (Appendix 2 of the report).**

## 19 **Officer Employment Procedure Rules**

- 19.1 The Committee considered an agenda item (19) that referred to Officer Employment Rules (Part 6.4 of the constitution) which set out the list of posts where Members were permitted to be formally involved in senior appointments. Currently the appointment of the Head of Communications was not included in this list and any member involvement was advisory. As this post was currently vacant, and given the political sensitivity of the council's communications function, the Managing Director had suggested that this was more appropriately a Member appointment.
- 19.2 It was noted that to make this change to the constitution this proposal would normally go via the Constitution Advisory Group (CAG). Members of CAG had been consulted and agreed that this proposal should be formally considered by this Committee to make a recommendation to Council in July 2018.
- 19.3 Members were asked to endorse a recommendation to Council that the position of Head of Communications was included in the list set out in Part A of the Appendix to Part 6 of the Constitution (Senior Officers which were appointed by a Member Panel).
- 19.4 Members asked that CAG should consider if there were any other senior officer positions that should be added to the list of appointments which were made by a Member Panel.
- 19.5 The Committee **RESOLVED to RECOMMEND to County Council:**
- 1. That the position of Head of Communications is included in the list set out in Part A of the Appendix to Part 6 of the Constitution (Senior Officers which will be appointed by a Member Panel).**
  - 2. That the Constitution Advisory Group (CAG) should consider if there are any other Senior Officer positions that need be added to the list of appointments which are made by a Member Panel**

## **Section B – Items for Report**

### 20 **Feedback from Members serving on Outside Bodies**

- 20.1 The Chairman fed back to Members on the outside bodies which he had attended since the last meeting of the Committee.

### 21 **Exclusion of the Public**

- 21.1 The Committee was asked to consider excluding the public from the meeting under Section 100A of the Local Government Act 1972 for consideration of the item below on the grounds it involved the likely disclosure of exempt information as defined by paragraph 3 of Part 1 of the Schedule 12A to the Act, and the public interest in maintaining the exemption outweighed the public interest in disclosing

the information.

- 21.2 Paragraph 3 stated “information relating to the financial or business affairs of any particular person” (including the Authority holding the information).

Having applied the “Public Interest Test” it was recommended the Committee confirm the exclusions listed below:-

- 21.3 The consideration of this item involved the discussion of business and commercial information including details about third party company operations, which could significantly weaken their position in a competitive environment by revealing this activity to competitors.

Inappropriate disclosure would or would be likely to prejudice internal and third party interests which might expose the Norfolk County Council to legal action in the future.

## 22 **Norwich Airport Ltd**

- 22.1 The Committee received a report (containing exempt information) by the Executive Director of Finance and Commercial Services that provided an update on recent officer discussions with Norwich Airport Ltd and Norwich City Council about the future of the airport.

### 22.2 **RESOLVED**

**That Policy and Resources Committee agree on the response that the County Council should make to the implications of the expiry of the Public Private Partnership Agreement and other matters that have been raised during the discussions. These were set out in the exempt report.**

**The public part of the meeting concluded at 12.10 pm and the exempt part at 12.50 pm.**

**Chairman**