

Policy and Resources Committee

**Minutes of the Meeting Held on 4 June 2018
10:00am Edwards Room, County Hall, Norwich**

Present:

Mr A Proctor (Chairman)

Mr B Borrett
Mrs P Carpenter
Mrs M Dewsbury
Mr T Garrod
Mr K Kiddie

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

Substitute Member present:

Ms C Rumsby for Ms E Corlett

Also present:

Mr A Adams
Mr B Spratt
Mr B Stone
Mr J Mooney

(For ease of reference, items appear in these minutes in the order in which they appear on the agenda. This was not necessarily the order in which these items were considered at the meeting).

1. Apologies for Absence

1.1 Apologies for absence were received from Ms E Corlett.

2. Minutes

2.1 The minutes of the previous meeting held on 26 March 2018 were confirmed by the Committee and signed by the Chairman.

3. Declarations of Interest

3.1 Mrs P Carpenter declared an "other interest" in item 10 (Norse Business Plan) because of the links that the Norse Group had with providing a housing function for Great Yarmouth Borough Council of which she and her husband were Members.

3.2 Mrs M Dewsbury declared an “other interest” in item 10 (Norse Business Plan) because her son worked for the Norse Group.

4 Items of Urgent Business

4.1 There were no items of urgent business.

5 Public Question Time

5.1 There were two public questions concerning the review of transport provision at item 11 on the agenda. The questions, together with the answers, can be found at Appendix A to these minutes.

6A Local Member Issues

6A.1 There were no local member questions.

6B Leader and Deputy Leader of the Council

6B.1 Mr S Morphey and Mr D Roper, the Leaders of the Labour and Liberal Democrat Groups on the Council, congratulated Mr A Proctor and Mr G Plant on their election to the positions of Leader and Deputy Leader of the Council.

Section A – Items for Discussion and Decision/Action

7 Finance Monitoring Report Outturn

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

7.2 The Committee received a report by the Executive Director of Finance and Commercial Services that provided details of the outturn position for the 2017-18 Revenue and Capital Budgets, General Balances, and the Council’s Reserves at 31 March 2018, together with related financial information. The report also provided a brief commentary on budgets which were the direct responsibility of this Committee.

7.3 In drawing Members attention to the under and over spends by service department that were set out in paragraph 4.2 of the report the Executive Director of Finance and Commercial Services pointed out that the significant increase in Adult Social Care (ASC) reserves was mainly due to £4.5m being added to an Adults Business Risk Reserve to support budget pressures in 2018-19.

7.4 During the discussion, the Executive Director of Finance and Commercial Services said that funding for the capital programme came primarily from grants and contributions provided by central government and that some capital schemes had had to be re-profiled into the 2018-19 capital programme. He also said that the Northern Distributor Route (NDR), now named Broadland Northway, had added £452,000 p.a. to the County Council’s long-term borrowing requirements.

7.5 Members' drew attention to the pressures on the Children's Services High Needs block spend which had caused an overspend in the schools' revenue budget in 2017-18. The Executive Director of Finance and Commercial Services said that this overspend was being funded by a loan from Locally Maintained Schools balances that would be repaid in future years. Following consultation with schools, the Schools Forum had agreed on a plan to reduce the under-lying overspend and repay the loan. Details could be found in the 22 May 2018 Children's Services Committee Finance Outturn Report.

7.6 **RESOLVED**

That Policy and Resources Committee:

1. **Note the Revenue outturn of an underspend of £0.235m on a net budget of £358.812m;**
2. **Note the General Balances of £19.536m at 31 March 2018, including the 2017-18 underspend of £0.235m;**
3. **Note the reserves carried forward at 31 March 2018 as set out in Appendix 1 paragraph 5.5 of the report;**
4. **Note the financial information in respect of budgets which are the direct responsibility of this Committee, as set out in Revenue Annex 2 page 1 of the report;**
5. **Note a debt write off of £0.117m resulting from the July 2017 P&R decision to liquidate Norfolk Energy Futures Limited, as described in Revenue Annex 2 page 2 of the report;**
6. **Note the expenditure and funding of the 2017-18 and future capital programmes as set out in Appendix 2 of the report.**
7. **Approve additional borrowing of £1.978m (Adult Social Care) and £1.694m (other services) to fund in-year capital expenditure where the revenue contributions have been placed in revenue reserves to support the MTFs as set out in Appendix 2 paragraph 3.8 of the report;**
8. **Approve the proposal to wind up the dormant Norfolk Regeneration Company Limited as set out in Appendix 2 paragraph 5 of the report;**
9. **Note the possible purchase of farmland as described in Appendix 2 paragraph 6 of the report.**

8. **Delivering Financial Savings 2017/18-Final Outturn Position**

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 provided details of the outturn position in respect of the delivery of the 2017-18 savings agreed by the County Council at its meeting 20 February 2017.

8.3 In reply to questions, the Executive Director of Finance and Commercial Services

said that (as a general benchmark) where the Council had achieved 90% or above of a budgetary performance target for a large area of new activity then this should be seen a good result.

- 8.4 A Member asked if the demand management interventions that were aimed at achieving long term savings in day care services should be put on hold until after the changes in transport provision (at item 11 on the agenda) were implemented. In reply, the Chairman of Adult Social Care Committee said that to meet the cost pressures in providing day care services it had been necessary to put in place an alternative approach to this issue as part of the new learning difficulties strategy. The Adult Social Care Committee was kept informed of developments aimed at reshaping the day care contract and continued to look to put in place a service model that enabled the long-term savings to be delivered.
- 8.5 The Executive Director of Finance and Commercial Services pointed out that Members were made aware of the on-going risk pressures that arose from rises in care costs, and additional business risks, particular to ASC savings projects, at the time when the Council's budget was set.
- 8.6 **RESOLVED**

That Policy and Resources Committee note:

- 1. The total shortfall of £4.872m in 2017-18, which amounts to 10% of total savings. This represents a £0.389m improvement from the position reported for period 10, due to increased savings delivery in Adults;**
- 2. Note the budgeted value of 2017-18 savings projects rated as RED of £7.553m, of which £2.894m have been delivered;**
- 3. The budgeted value of 2017-18 savings projects rated as AMBER of £1.214m, of which £0.881m have been delivered;**
- 4. The over delivery on GREEN and BLUE rated projects of £0.120m; and**
- 5. The total removal of savings of £7.174m 2018-19 savings and £0.100m 2019-20 savings reflecting delay and removal of savings as approved in 2018-22 budget setting by County Council on 12 February 2018.**

9 **Annual Treasury Management Report 2017/18**

- 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 information on the Treasury Management activities of the County Council for the period 1 April 2017 to 31 March 2018.
- 9.3 In reply to questions, the Executive Director of Finance and Commercial Services said that the current borrowing environment gave the County Council the chance to lock into historically low interest rates. After the publication of the report the County Council had borrowed an additional £10m as a 50-year maturity loan at an

interest rate of 2.61%. This was the current headline interest rate in local government for long term loans. It was likely that some further borrowing would take place in 2018-19 as the County Council continued to monitor long term rates for possible further prudential borrowing that took advantage of historically low interest rates.

9.4 The Executive Director of Finance and Commercial Services said that he was continuing to look to reduce the level of projected cash balances and to increase the use of capitalisation to fund expenditure traditionally funded from revenue sources.

9.5 **RESOLVED to RECOMMEND**

That Policy and Resources Committee endorse and recommend to County Council the Annual Treasury Management Report 2017-18.

10 **Norse Business Plan**

10.1 The annexed report (10) by the Executive Director of Finance and Commercial Services and the Norse Business Plan that was circulated with the supplementary agenda were received.

10.2 The Committee received a report by the Executive Director of Finance and Commercial Services that in order to aid good governance asked Members to complete their annual review of the Norse business plan.

10.3 The Norse Group Managing Director explained the diverse range of services across the functions of facilities management, waste management, property related services and care provision that were provided by the Norse Group.

10.4 Members drew attention to the fact that the Norse Group was the largest Local Authority Trading Company (LATC) in the UK.

10.5 **RESOLVED**

That Policy and Resources Committee:

- 1. Note the Norse Group Business Plan for 2018/19 that was approved by the Norse Group Board on 16 May 2018.**
- 2. Ask that in future years they be provided with an earlier opportunity in the Committee cycle to review the Norse Business Plan.**

11 **Review of Transport Provision to Access Services**

11.1 The annexed report (11) by the Executive Director of Children's Services that can be found with the supplementary agenda was received.

11.2 The Committee received a report by the Executive Director of Children's Services that set out four options identified by independent consultants to deliver a cultural and behavioural change in the way in which the County Council would meet the

transportation needs of its service users in the future.

- 11.3 The Chairman said that Children's Services Committee (and not Policy and Resources Committee) was the most appropriate committee to fully evaluate options 1, 2 and 3 in the independent consultants' report for redesigning transport provision for children and young people who were eligible for travel to school, both in terms of mainstream schools, specialist provision and post 16.
- 11.4 Members agreed that for the County Council to get things right, and improve its management arrangements for meeting transport demand for children and young people, whilst at the same time improving the independence of passengers, the Council's approach required a full evaluation of options 1, 2 and 3 by Children's Services Committee.
- 11.5 Members said that it would be important for Children's Services to develop an approach in wider than cost saving terms and for that approach to encourage families to actively participate in their child's travel arrangements and support their child's independence, where possible. It was suggested that there should be an extensive dialogue between planners, schools, passengers and carers and that the dialogue should include those responsible for providing transport testing their approach with schools and families.
- 11.6 Members spoke favourably about the potential that a redesigned transport provision offered for collaboration with the NHS non-emergency transport service, using the same vehicles to deliver across all client groups.
- 11.7 The Committee noted that Adult Social Care spend on transport was reducing and that to implement option 4 would support delivery of the transport savings already agreed in the ASC budget.
- 11.8 **RESOLVED**

That Policy and Resources Committee:

- 1. Ask Children's Services Committee to undertake a full evaluation of options 1, 2 and 3 in the independent consultants' report.**

It was further RESOLVED (with 9 votes in favour, 2 votes against and 2 abstentions)

That Policy and Resources Committee:

- 2. Give approval for officers to implement Option 4 in the report immediately, reporting to the relevant committee as appropriate.**

12 **Norse Consents**

- 12.1 The annexed report (12) by the Executive Director of Finance and Commercial Services was received.

12.2 The Committee received a report by the Executive Director of Finance and Commercial Services that sought approval for the appointment of Directors to companies in the Norse Group.

12.3 **RESOLVED to RECOMMEND**

That Policy and Resources Committee:

Recommend to Full Council the appointment of directors to companies in the Norse Group as detailed in Appendix A to the report.

13 **Norfolk County Council's Membership of the Local Government Association**

13.1 The annexed report (13) by the Executive Director of Finance and Commercial Services was received.

13.2 The Committee received a report by the Executive Director of Finance and Commercial Services that set out details of changes to the arrangements of the Local Government Association (LGA), to establish a new incorporated LGA. This was intended to keep membership costs down, and required the County Council to agree to sign up to the new arrangements.

13.3 It was noted that the proposals set out in the report did not change the Council's existing LGA liabilities or the benefits and services that were available to the Council through LGA membership.

13.4 **RESOLVED**

Authorise the Executive Director of Finance and Commercial Services to apply for Norfolk County Council to be admitted as a member authority of the LGA's private unlimited company.

14 **Internal and External Appointments**

14.1 The annexed report (14) by the Managing Director was received.

14.2 **RESOLVED:**

That Policy and Resources Committee:

- 1. Make appointments to those external bodies, internal bodies and Champions position as set out in Appendix B to these minutes.**

Section B – Items for Report

15 **Feedback from Members serving on Outside Bodies**

15.1 **None received.**

The meeting concluded at 11.10 am

Chairman

Appendix A to the minutes

Public question from Kim Woodrow:

"Have you taken into account the children's feelings and how this will affect their schooling and daily life's, how they will not be safe at local "drop off" points given the children ample opportunity to run! Not being safe! For the child/children or families? "

Answer:

The proposals that are being discussed by councillors currently are part of a broad range of recommendations regarding travel for children and young people who are eligible for travel to school, both in terms of mainstream schools, specialist provision and post 16. These recommendations are based on an assessment of what works well in other local authority areas around the country, including those that have a mix of urban and rural travel routes similar to Norfolk. Also, these recommendations build on Norfolk's excellent track record with independence travel training and our current pilot of personalised travel options; both of which have been developed with representatives from schools and from parent/carer groups. However, of most importance is that we would not expect any child to be collected from a central pick-up point if it were not appropriate, either because of their own needs or if they are not accompanied by an adult (other than for those children who are part of the independence travel scheme also); each child and family's situation will be assessed individually and we know that it will not be an appropriate option for everyone.

Public question from Victoria Trattles:

I have two children with SEN and an EHCP. Both have anxiety and attend specialist provision, and receive school transport.

It would be disastrous if the change happened. Both require pick up and drop off every school day. It would be impossible to arrange a so called pick up point as they both travel different routes at different times with a PA

Answer:

The proposals that are being discussed by councillors currently are part of a broad range of recommendations regarding travel for children and young people who are eligible for travel to school, both in terms of mainstream schools, specialist provision and post 16. These recommendations are based on an assessment of what works well in other local authority areas around the country, including those that have a mix of urban and rural travel routes similar to Norfolk. Also, these

recommendations build on Norfolk's excellent track record with independence travel training and our current pilot of personalised travel options; both of which have been developed with representatives from schools and from parent/carer groups. However, of most importance is that we would not expect any child to be collected from a central pick-up point if it were not appropriate, either because of their own needs or if they are not accompanied by an adult (other than for those children who are part of the independence travel scheme also); each child and family's situation will be assessed individually and we know that it will not be an appropriate option for everyone.

Appendix B to the minutes

POLICY AND RESOURCES COMMITTEE APPOINTMENTS 2018/19

LOCAL GOVERNMENT ASSOCIATION APPOINTMENTS

1. LGA General Assembly (4)

Andrew Proctor (4 votes)
Graham Plant (1 vote)
Steve Morphew (1 vote)
Dan Roper (1 vote)

2. County Council Network (4)

Andrew Proctor
Graham Plant
Steve Morphew
Dan Roper

3. East of England Local Government Association (1) and 1 substitute

Andrew Proctor
Graham Plant (Sub)

POLICY AND RESOURCES COMMITTEES/ BOARDS/PANELS/GROUPS

1. Joint Consultative & Negotiating Committee (7)

This is a forum for discussion between staff trades unions and the County Council on employment related matters

Deputy Leader
1 Labour (Emma Corlett)
4 Conservative (Tony Adams, Tom FitzPatrick, Tony White, Roy Brame)
1 Lib Dem (David Harrison)

2. Member Support & Development Advisory Group (5)

This Group champions Member Development and Member Support.

3 Conservative – Colin Foulger, Greg Peck, Thomas Smith
1 Labour - David Collis
1 Lib Dem – Eric Seward

3. Norse

Shareholder Representative – Karen Vincent
Member Director – Andrew Jamieson (serves on the Norse Group Board, NPS Board and NCS Board).

4. Norse Shareholder Committee (6)

This Committee supports the development of NORSE Group, ensures that the legal and commercial interests of the County Council are considered and protected and advises this Committee accordingly.

Shareholder Representative (Chair)

1 Lib Dem - John Timewell
4 Conservative – Fabian Eagle, Harry Humphrey, Roy Brame, Bill Borrett
1 Labour – Steve Morphew

5. NorseCare Liaison Board (2)

Member Director and the Chairman of Adult Social Care Committee.

6. Strategic Equalities Group

No appointments – review in July 2018

7. Treasury Management Panel (5)

1 Labour – Steve Morphew
3 Conservative - Ian Mackie, Brian Iles, Andrew Proctor
1 Lib Dem - Brian Watkins

8. Constitution Advisory Group (5)

3 Cons – Ian Mackie, Andrew Proctor, Graham Plant
1 Lab – Steve Morphew
1 Lib Dem – Dan Roper

POLICY AND RESOURCES COMMITTEE OUTSIDE BODIES

1. Queen Elizabeth Hospital Trust – Governors' Council (1)

Sandra Squire

The Trust achieved Foundation Trust status in February 2011, at which time the 'shadow' Governors' Council gained it legal authority. The Governors' Council totals 33. There are 9 appointed governors, 6 staff governors (3 clinical and 3 non-clinical) and 19 publicly voted governors (9 from West Norfolk, 2 from North Norfolk, 4 from Cambridgeshire, 1 from Breckland, and 1 from South East Lincolnshire and the Rest of England. Council appointees as a Governor of an NHS Trust should not also be members of the Norfolk Health Overview and Scrutiny Committee because of the potential / perceived conflict of interest.

2. Norfolk and Suffolk NHS Foundation Trust – Partner Governor (1)

Tom Smith

Norfolk and Suffolk NHS Foundation Trust provides mental health services, alcohol treatment, learning disability and eating disorder services across Norfolk and Suffolk. It was formed from the merger of the two former county mental health trusts in the two counties. The Board of Governors represent the interests of the members and partner organisations in the local health economy in the governance the trust, and for sharing information about key decisions with the membership. There is a statutory requirement for Council representation. Council appointees as a Governor of an NHS Trust should not also be members of the Norfolk Health Overview and Scrutiny Committee because of the potential / perceived conflict of interest.

3 Norfolk and Norwich University Hospital Trust – Council of Governors (1)

Shelagh Gurney

The Trust provides the Norfolk and Norwich hospital, providing acute hospital care for almost 1m patients annually. Council appointees as a Governor of an NHS Trust should not also be members of the Norfolk Health Overview and Scrutiny Committee because of the potential / perceived conflict of interest.

4. Council of Governors of James Paget University Hospitals NHS Foundation Trust (1)

Hayden Thirtle

The Governors' Council holds the Board of Directors to account for the performance of the Trust. Council appointees as a Governor of an NHS Trust should not also be members of the Norfolk Health Overview and Scrutiny Committee because of the potential / perceived conflict of interest.

5. Repton Property Development Company Board (2)

The Property Development Company established by the County Council

Brian Iles
Keith Kiddie

6. ESPO Shareholder Representative (1)

John Fisher

Champion: Mental Health – Emma Corlett