



Policy and Resources Committee

Minutes of the Meeting Held on 26 November 2018
2:00pm Edwards Room, County Hall, Norwich

Present:

Mr A Proctor (Chairman)

Mr B Borrett
Ms E Corlett
Mr S Dark
Mrs M Dewsbury
Mr T FitzPatrick

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

Substitute Member present:

Mr C Smith for Mr B Stone
Mr I Mackie for Mr R Oliver

Also present:

Mr M Castle
Ms A Kemp
Mr B Spratt

1 Apologies for Absence

1.1 Apologies for absence were received from Mr R Oliver and Mr B Stone.

2 Minutes

2.1 The minutes of the previous meeting held on 29 October 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

4.1 There were no items of urgent business.

5 **Public Question Time**

5.1 There were no public questions.

6 **Local Member Issues**

6.1 There was one local Member question from Ms A Kemp which can be found together with a supplementary question and the answer given in the meeting at Appendix A to these minutes.

Section A – Items for Discussion and Decision/Action

7 **Brexit Implications for the County Council**

7.1 **This item was withdrawn from the agenda until the following meeting when the national position became clearer.**

8 **Transition from a Committee to an Executive Leader and Cabinet system of governance**

8.1 The annexed report (8) by the Acting Chief Legal Officer was received.

8.2 The Committee received a report by the Acting Chief Legal Officer that included draft Articles and Appendices of the new Constitution from the Cabinet System Member Working Group (CWG) in readiness for Full Council to decide whether to transition to an Executive Leader and Cabinet system of governance from the AGM of Full Council in May 2019.

8.3 The Committee were informed that Article 13 of the Constitution provided for changes to the Constitution to be made by Full Council following consideration by the CWG who made recommendations to this Committee. The CWG had made the recommendations that were set out in the report and would be meeting again over the coming three months to determine the remaining appendices.

8.4 A minority of Members on the Committee said that the changes proposed by CWG were overtaken by events and by the Administration's announcement that they wanted the County Council to move to an Executive Leader and Cabinet model of governance. They said that how this model of governance would work in practice should be more carefully considered by CWG before the County Council was asked to reach a decision on the matter. In reply, the Acting Chief Legal Officer said that legislation permitted three forms of governance (mayoral, leader and cabinet and committee system) and the adoption by local authorities of variations on these models was not prohibited.

8.5 It was suggested that in view of the Norfolk Police and Crime Commissioner's announcement that he had opted to keep fire governance under review, CWG should consider what (if any) reference they wanted to make in the constitution to the potential role of the Police and Crime Commissioner in relation to the County Council's Fire Authority functions. The Acting Chief Legal Officer said that this was a matter for Full Council to decide on.

- 8.6 In reply to further questions, the Acting Chief Legal Officer said that he would re-write the draft constitution document in non-gender specific language.
- 8.7 A majority of Members on the Committee spoke about how the proposed model of governance befitted a large, modern day County Council and would provide for strong leadership at all levels of decision making. They said the proposed model took account of the unique characteristics of the county and the difficult financial circumstances in which the County Council had to operate and was therefore the right one for Norfolk.
- 8.8 In reply to questions about the role, size and workload of the small number of Select Committees, the Leader said that they were not a replacement for the current system of Committees and would not discharge any executive functions. Their terms of reference would be clearly set out in the draft of the new constitution.
- 8.9 In reply to further questions, the Leader confirmed that the principal decisions that would be taken by Full Council would be to appoint the Leader, to approve the Council's budget and to adopt development plan documents.
- 8.10 The Committee noted that the appendices to the constitution would include a financial scheme of delegation which determined decision making powers by virtue of the value of the decision taken.
- 8.11 **The Committee RESOLVED to RECOMMEND TO COUNCIL (by 9 votes to 4 votes):**
- A) to change from the current Committee system of governance to an Executive Leader and Cabinet system of governance from the Annual General Meeting of Full Council in May 2019;**
 - B) further work to produce the remaining draft Appendices is delegated to the Policy and Resources Committee working through the Cabinet System Member Working Group.**
- 8.11 **The Committee RESOLVED to note (by 9 votes to 4 votes):**
- C) that the final draft of the new Constitution will be returned to its meeting on 25 March 2019 to enable the Committee to recommend the final draft of the new Constitution to Full Council on 15 April 2019.**
- 9 **Implications of the Autumn Budget 2018**
- 9.1 The annexed report (9) by the 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 an overview of the Chancellor's Autumn Budget 2018 and summarised the findings of the recent Hudson review: Local Government Finance: Review of Governance and Processes, which would have

implications for local government and had resulted in announcements about the timing of the Local Government Finance Settlement.

- 9.3 The Committee's attention was drawn to the additional social care funding for 2018-19 to fund winter pressures and support winter resilience, specifically for those activities which reduced the need for people to receive formal social care and support and provided for their safe discharge from hospital. The Executive Director of Adult Social Services said that whilst the County Council had only received from the Government the specific funding conditions for winter pressures monies earlier today, this matter had been considered at Adult Social Care Committee and it was known that this funding could be used to bolster short term capacity in the homecare and care home markets and to manage potential market failures, such as that which had occurred with Allied Healthcare. The Adult Social Care Committee would be kept informed about how this funding could be used to manage potential market failures.
- 9.4 It was pointed out that while the Government recognised that some early years providers were struggling financially they had not signalled that local government bodies would be able to apply for specific funding to support this market.
- 9.5 The Committee welcomed the funding that the County Council would receive to tackle potholes, repair damaged roads and invest in keeping bridges open and safe and noted that details were awaited from the Government regarding the amount of funding that Norfolk would receive from the Housing Infrastructure Fund and the Future High Streets Fund. Funding from both these sources was needed to support local areas of the county to develop and to fund plans to make high streets and town centres more fit for the future.

9.6 **RESOLVED**

That Policy and Resources Committee:

1. **Note the implications of the Autumn Budget 2018 as set out in the report.**
2. **Note the date for the Local Government Finance Settlement.**
3. **Confirm that Service Committees will not be required to identify additional savings but note that any change to planned savings or removal of proposals will require alternative savings to be identified by the relevant Committee.**
4. **Commission officers to incorporate any changes arising from the Autumn Budget and Provisional Local Government Finance Settlement into budget planning in order to report this to Committees as part of budget setting in January 2019.**

10 **Finance Monitoring Report**

- 10.1 The annexed report (10) by the 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 summarised the Period 6 (30 September 2018) forecast financial outturn position for 2018-19, to assist Members to maintain an overview of the overall financial position of the Council.

- 10.3 The Executive Director of Finance and Commercial Services drew Members' attention to the table at paragraph 2.2 of the report. In reply to questions about the budget for Children's Services he said that the forecast overspend was mainly in relation to costs associated with looked after children and children who had a high level of needs, and that the Council's spending in this area of budgetary activity was not expected to get any better in the immediate future. This issue remained of concern to all County Treasurers across the country.
- 10.4 The Deputy Leader reported on the action that the County Council continued to take on funding issues through the work of the LGA who had produced a report about the costs associated with looked after children and children who had a high level of needs. He said that in a rural county like Norfolk there were additional transport costs associated with meeting the high costs in this area of budgetary activity and the Government had been made fully aware of this.
- 10.5 In reply to questions about the capital programme, the Executive Director of Finance and Commercial Services said that movements in the capital programme were reported directly to service committees who were able to report directly to the County Council on capital programme planning for 2019-22.

10.6 **RESOLVED**

That Policy and Resources Committee:

- 1. Note the period 6 forecast general fund revenue overspend of £4.496m (p5 £5.696) 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 2 of the report;**
- 4. Support the development of the 2017-20 capital programme, including the capital strategy, prioritisation scoring method, and potential new schemes, as set out in Appendix 3 Capital Annex 2 of the report.**

11 **Delivering Financial Savings 2018-19**

- 11.1 The annexed report (11) by the Executive Director of Finance and Commercial Services was received.
- 11.2 The Committee received a report by the Executive Director of Finance and Commercial Services that provided details of the forecast outturn position in delivering the savings of £29.999m for the year that were agreed by the County

Council as part of the 2018-19 budget setting process. The report commented on the exceptions to successful delivery which were rated RED or AMBER.

11.3 **RESOLVED**

That Policy and Resources Committee:

1. **Note the total projected shortfall of £5.695m in 2018-19, which amounts to 19% of total savings;**
2. **Note the budgeted value of 2018-19 savings projects rated as RED of £3.542m, of which £1.057m are forecast to be delivered;**
3. **Note the budgeted value of 2018-19 savings projects rated as AMBER of £12.145m, of which £8.715m are forecast to be delivered;**
4. **Note the budgeted value of GREEN and BLUE rated projects of £14.312m, where we are forecasting to deliver £14.532m.**
5. **Note the forecast changes to assumptions and rescheduling of savings totalling £4.200m in 2019-20, £3.000m in 2020-21 and £2.500m in 2021-22, which have been reflected in budget planning.**

12 **Mid-Year Treasury Management Monitoring Report 2018-19**

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 provided information on the treasury management activities of the County Council for the period 1 April 2018 to 30 September 2018.

12.3 **RESOLVED**

That Policy and Resources Committee RECOMMEND:

That County Council approve the Mid-Year Treasury Management Monitoring Report 2018-19.

13 **Norfolk Business Rates Pool Annual Report 2017-18 and 2019-20 Business Rates Pilot Bid**

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

13.2 The Committee received a report by the Executive Director of Finance and Commercial Services that provided a summary of the financial benefits of the Business Rates Pool, and the decisions taken to date in respect of allocating the pool's resources to economic development projects in Norfolk. The report also provided details of the work which was undertaken with Norfolk Leaders in submitting a bid to the Ministry of Housing, Communities and Local Government (MHCLG) for a 75% Norfolk Business Rates Pilot in 2019-20.

13.3 The Executive Director of Finance and Commercial Services confirmed that the Policy and Resources Committee was the body asked to endorse the Norfolk Leaders decisions. He said that the Leaders' meeting which took place on 22 November 2018 had agreed that the projects listed in Appendix A to the report, as amended by the minor changes proposed by Chief Executives that were set out in minute 13.4 below, should be approved by Policy and Resources Committee.

13.4 Given the comments made by the Executive Director of Finance and Commercial Services, the Committee agreed that the following minor changes should be made to the projects listed at Appendix A to the report:

- To increase the amount allocated to the East Norwich project from £0.200m to £0.300m, subject to the approval of LEP funding;
- To fund £0.070m of the Great Yarmouth Marketplace project in the current year with the remaining balance of £1.083m to be funded 50% from the 2018-19 Pool and 50% from the 2019-20 Pool;
- To hold a further 2017-18 Pool bidding round to distribute the balance of funding; and
- To ask Norfolk Leaders to confirm if they wished to receive a report on the potential to match the LEP's £0.500m Innovation Growth Fund with BRP in future years.

13.5 **RESOLVED**

That Policy and Resources Committee:

- 1. Notes the performance of the Norfolk Business Rates Pool and endorses the decisions taken by Norfolk Leaders in respect of:
a) allocation of the 2017-18 Pool resources; and
b) requesting that MHCLG allow the Norfolk Business Rates Pool to continue into 2019-20, in the event that Norfolk is unsuccessful in applying to become a pilot for 75% Business Rates retention.**

- 2. Notes the update on the bid for 2019-20 Business Rates Pilot status.**

14 **People and Workforce Plan and Service Delivery Report**

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

14.2 The Committee received a report by the Strategy Director that summarised the County Council's key priorities to ensure that the Council had a skilled and engaged workforce to meet the needs of Norfolk residents and communities now and in the future.

14.3 It was noted that an update report would be reported to the Committee twice a year. At Members' request when the People and Workforce Plan and Service Delivery document was next presented to the Committee it should include the Council's core values and also the achievements since the previous report.

14.4 **RESOLVED**

That Policy and Resources Committee commend the contents of the report.

15 **Review of Whistleblowing Policy**

15.1 The annexed report (15) by the Acting Chief Legal Officer was received.

15.2 The Committee received a report by the Acting Chief Legal Officer that provided a summary of the proposed changes to the Council's Whistleblowing Policy following a review against the latest legislation, guidance and best practice. The policy met national standards.

15.3 Members said that the Council's whistleblowing policy should be subject to annual review.

15.4 **RESOLVED**

That Policy and Resources Committee:

- 1. Agree that the policy will be promoted, and progress, outcomes and lessons learned reported to the County Leadership Team and to this Committee for annual review.**
- 2. Agree that the terms of reference for the Audit Committee will be updated to include responsibility for receiving assurance on the effectiveness of the policy.**
- 3. Approve the revised Whistleblowing Policy 2018, which fully meets national standards.**

16 **Limited Company Consents**

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

16.2 **The Committee RESOLVED to RECOMMEND:**

That Full Council agree to the appointment of directors to companies as detailed in the report.

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

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

17.2 **RESOLVED**

That as required by paragraph 9.12 of the Council's Contract Standing Orders, Policy and Resources Committee 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.

18 Appointments to Outside Organisations – Urgent Decision

- 18.1 The Committee noted that following consultation with Group Leaders, the Managing Director agreed that Cllr Carpenter replaced Cllr Thirtle as the Council's representative on the Council of Governors of James Paget University Hospitals NHS Foundation Trust.

Section B – Items for Report

19 Feedback from Members serving on Outside Bodies

- 19.1 The Chairman briefly updated the Committee on issues which had been considered at meetings of outside bodies.

Appendix A

Question from Alexandra Kemp:

“ Today the Policy and Resources Committee will consider the change of this Council's Constitution from the Committee System to the Cabinet System - how does the Committee propose to ensure a climate of trust and openness, where whistle-blowers in the organisation, raising concerns about the provision of this Council's Services, including to vulnerable children and adults in this Division, are protected in accordance with the law; where all genuine concerns are followed up with due care and diligence; and where the important function, carried out by the representatives of recognised trade unions, to speak up for employees, in defence of professional standards and in the public interest, is fully understood and respected ?”

Answer:

Cllr Kemp's attention is drawn to item 15 of the agenda. This item presents the revised Whistleblowing Policy which has been specifically updated to bring the arrangements in Norfolk in line with the latest legislative and best practice requirements. Additionally, agenda item 8 contains the draft of the main elements of the new Constitution. However, as the Report for item 8 makes clear, the remainder Appendices of the Constitution need to be produced and will be over the next four months. Amongst the Appendices will be an updated version of the Access to Information Rules which will set out the Council's approach and obligations for disclosure of information.

Supplementary question:

Would the Committee ensure the draft Constitution does not overload the 'People and Communities Select Committee' with the remit of three present committees, Children's, Adult's and Communities, including Public Health and Adult Education: this workload would be far too heavy for a single Committee to develop and review policy, make reports and recommendations to Cabinet and Council, and give key services the scrutiny and attention they deserve; and could the Committee include Local Member Questions?

Answer:

The Executive Leader and Cabinet form of governance involves the discharge of executive functions by the Council's Leader and Cabinet. Consequently, the functions currently being discharged by Committees will be discharged by the Leader and the Cabinet. The new Committee Procedure Rules and provision for local Member engagement will be produced in due course for consideration by the Cabinet System Member Working Group.

The meeting concluded at 11.40 am

Chairman