



Scrutiny Committee

Minutes of the Meeting Held on 16 February 2022
at 10 am at County Hall Norwich

Present:

Cllr Steve Morphew (Chair)

Cllr Lana Hemsall (Vice Chair)

Cllr Carl Annison

Cllr Lesley Bambridge

Cllr Graham Carpenter

Cllr Barry Duffin

Cllr Phillip Duigan

Cllr Mark Kiddle-Morris

Cllr Keith Kiddie

Cllr Ed Maxfield

Cllr Jamie Osborn

Cllr Richard Price

Cllr Brian Watkins

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

Cllr Tom FitzPatrick

Cllr Greg Peck

Cllr Andrew Jamieson

Cllr Bill Borrett

Cllr John Fisher

Tom McCabe

Simon George

Sarah Tough

James Bullion

Peter Randall

Kat Hulatt

Tim Shaw

Cabinet Member for Innovation, Transformation and Performance

Cabinet Member for Commercial Services and Asset Management

Cabinet Member for Finance (participating via Microsoft Teams)

Cabinet Member for Adult Social Care, Public Health and Prevention (participating via Microsoft Teams)

Cabinet Member for Children's Services (participating via Microsoft Teams)

Head of Paid Service and Executive Director of Community and Environmental Services

Executive Director of Finance and Commercial Services

Executive Director of Children's Services

Executive Director of Adult Social Services

Democratic Support and Scrutiny Manager

Head of Legal Services

Committee Officer

1. Apologies for Absence and related issues

1.1 It was noted that Cllr Phillip Duigan had replaced Cllr Nick Daubney as a member of the Committee.

1.2 Apologies were received from Mr Giles Hankinson (Parent Governor), Mrs Julie O' Connor (Church Representative) and Mr Paul Dunning (Church Representative). Apologies were also received from Cllr Andrew Proctor, the Leader of the Council,

who would have attended the meeting but for other Council business that involved him being elsewhere.

- 1.3 It was also noted that Cllr Andrew Jamieson, Cabinet Member for Finance, Cllr Bill Borrett, Cabinet Member for Adult Social Care, Public Health and Prevention and Cllr John Fisher, Cabinet Member for Children's Services, would be participating in today's meeting remotely via Microsoft Teams for Covid-19 related reasons.

2 Minutes

- 2.1 The minutes of the previous meetings held on 27 January 2022 were confirmed as an accurate record and signed by the Chair.

3. Declarations of Interest

- 3.1 There were no declarations of interest,

4 Urgent Business

- 4.1 No urgent business was discussed.

5. Public Question Time

- 5.1 There were no public questions.

6. Local Member Issues/Questions

- 6.1 There were no local member issues/questions.

7 Call In

- 7.1 The Committee noted that there were no call-in items.

8 Norfolk County Council Budget 2002-03

- 8.1 The annexed report (8) was received and noted.

- 8.2 This report provided the Committee with an overview of the Council's proposed 2022-23 Revenue Budget and Medium-Term Financial Strategy 2022-26 (considered at item 8A), Capital Strategy and Programme 2022-23 (considered at item 8B) and Annual Investment and Treasury Strategy 2022-23 (considered at item 8C) as these matters were presented to Cabinet and would be considered by Full Council.

- 8.3 The Executive Director of Finance and Commercial Services said that the Cabinet had not followed his advice to recommend to Council the maximum increase in Council Tax available for 2022-23. He was however content to sign off the draft budget as being robust and deliverable with the proposed lower-level increase in Council Tax, but this would make the savings gap for 2023-24 larger than originally planned and as such the budget planning process for that year would start with a report to Cabinet in April 2022.

- 8.4 Cllr Andrew Jamieson, Cabinet Member for Finance, said that the Cabinet was proposing a balanced budget that included an extra £25m to support front-line

services at a time when the Council was having to deal with rising cost pressures, the effects of the pandemic and more people requiring adults and children's services. The proposed level of Council Tax was set at a level that took account of the budgetary pressures people were facing.

8.5 It was noted that there were some minor adjustments to the revenue budget since it was presented to Cabinet that took account of the position in North Norfolk which were set out in table 1 on page 32 of the agenda.

8A **Norfolk County Council 2022-23 Revenue Budget and Medium-Term Financial Strategy 2022-26**

8A.1 The annexed report (8A) was received. This report set out the Norfolk County Council Revenue Budget 2022-23 and Medium-Term Financial Strategy 2022-26.

8A.2 Cllr Andrew Jamieson (Cabinet Member for Finance) was present remotely via Microsoft Teams, along with other Cabinet Members who were participating either remotely or in person, to answer Councillors questions about the budget and the actions that were being taken.

8A.3 The issues that were considered by the Committee included the following:

- The Cabinet Member for Finance and commercial Services explained how the medium-term financial strategy that underpinned the budget for all County Council services focused on supporting the Council's approach to the pandemic, made the private sector care market in Norfolk more stable and sustainable, and delivered on transformational change. The Cabinet Member for Finance also spoke about budgetary pressures that arose from price inflation, changes in Norfolk's population profile and increases in the number of children with special needs and disabilities.
- The Cabinet Member answered questions about budgetary pressures that arose from price inflation, additional spend on the adult care market, home to school transport, changes in Norfolk's population profile and increases in the number of children with special needs and disabilities. It was noted that table 3 on page 55 of the agenda showed a comparison of the proposed budget for 2022-23 with the position for the previous year.
- It was also noted that the budget for 2022/23 took account of a 6% increase in the fees paid to the private care sector, set at slightly less than the rate of inflation.
- It was pointed out that the Council had received £18.9 m of ring-fenced funding in the current financial year to deal with hardship issues arising from the pandemic. This funding was not used in the current financial year (due to the use of other departmental monies) and had been retained from that year.
- The Executive Director of Finance and Commercial Services said that the Public Works Loans Board provided the Council with fixed rate loans. A rise in interest rates would not affect the Council's historically low repayments. The Council had locked into borrowing for the next 40-50 years at rates as low as 1.65%, a situation that was unlikely to continue.
- Cllr Tom FitzPatrick, Cabinet Member for Innovation, Transformation and Performance explained the reasons why the Council would be willing to make more use of external expertise to transform the work of the Council.

- The medium-term financial strategy that underpinned the budget would focus on supporting the Council's ambitions and delivering on transformational change.
- There were ideological differences of opinion expressed by Members of the Committee as to whether (following the appointment of Newton Europe) the Council should look to buy in the expertise of other consultants or increase the capacity of its own staff to undertake transformation and reorganisation tasks.
- It was noted that fees for Newton Europe would be paid out of the Adult Social Care Business Risk Reserve.
- The Executive Director said that within the base budget there was an organisational change budget of £1.5m that was available for ad-hoc consultancy work and to fund redundancies that arose from organisational change.
- A Councillor said that Norfolk was "lagging behind" in the roll-out of EV charging points and the lack of charging infrastructure was holding back the adoption of EVs.
- It was pointed out that there was no explicit mention in the report about the money needed for meeting net zero carbon targets and for meeting the costs that arose from natural disasters caused by climate change, however, there were numerous references to expenditure on highway improvements and the economic benefits of building the Western Link Road.
- The Executive Director said that the Council was looking at how to include carbon zero targets in budget setting documents and would be doing so after the budget setting process started again in April 2022.
- The Executive Director added that he would see what could be done to pull together those budgetary proposals that had an impact on the environment and produce them in a more coherent way for future years.
- Councillors welcomed the references in the budget to monies allocated for more active travel initiatives. The Cabinet Member for Finance said that this money would be used to fund the maintenance of existing travel networks as well as new walking and cycling routes throughout the county.
- Councillors also welcomed the Norwich Castle Keep Project which was part of a continuing commitment by the County Council to support tourism and bring more visitors into the centre of Norwich.
- The Cabinet Member for Finance added that Council Tax was set at a sustainable level for Norfolk and not at a level to compete in a league table with neighbouring authorities.
- The County Council held approximately 5% of its budget in reserves which the Executive Director said was an appropriate level for Norfolk.
- The Committee noted that by 2025 there could be a shortfall in the high needs block within the schools grant of £150m (triple the current sum). The Chair asked for this shortfall (which was common across all comparable Councils and was an issue that needed to be resolved at government level) to be kept under review.
- The Chair pointed out that failure to secure government funding for the Norwich Western link was recognised as an Amber possible major risk. This could virtually wipe out the Council's general reserve, reduce the Council's resilience to future shortfalls and shocks, deplete the Council's "invest to save capacity" and add pressure to every revenue budget while reserves were restored.
- The Executive Director said that no specific reserve was set aside to deal with

the Norwich Western Link risk. It was impractical to be continually topping up revenue reserves to mitigate against the specific failure of large capital projects. Norfolk County Council applied a similar approach to that taken by other Councils and worked to an assumption that 20% of the cost of major capital projects were at risk should they not proceed to completion. The Executive Director did however say that the mitigation actions that could be taken by the Council regarding large capital projects such as the Western Link would be reviewed when the budget was looked at in April 2022.

- At the end of the debate on the revenue budget, Members discussed the timetable for the budget for 2022/23 which was set out on page 50 of the agenda that would start with a report to Cabinet in April 2022. It was noted that for 2022/23 there would be a two- stage budget process with public consultation in the summer which was welcomed by the Scrutiny Committee

8A.4 **RESOLVED**

That the Committee note the report and thank the Cabinet Members and officers who had attended the meeting for their help in answering Councillors detailed questions.

8B. **Capital Strategy and Programme 2022-2023**

8B.1 The Committee received a report (8B) that presented the proposed capital strategy and programme for 2022-23 and included information on the funding available to support that programme.

8B.2 In introducing the report Cllr Andrew Jamieson (Cabinet Member for Finance) and the Executive Director of Finance and Commercial Services explained the aims of the Capital Strategy and how the strategy provided for improvements in service delivery and meet the aims and aspirations of service departments.

8B.3 Cllr Greg Peck spoke about plans to make better use of office space at County hall and the 8th floor of the building being allocated to the Great Yarmouth and Waveney CCG.

8B.4 Members raised issues concerning future capital spending on the Council's street lighting upgrading programme, the spending on better broadband, the opportunities that the capital programme provided for children and young people, the adult social services care programme and expenditure on libraries. Members also raised issues about the use of cleaner bus technology and the procurement for Norwich park and ride of electric buses, issues which were being taken up with external partners.

8B..5 **RESOLVED**

That the Committee note the report and thank the Cabinet Members and officers who had attended the meeting for their help in answering Councillors detailed questions.

8C **Annual Investment and Treasury Strategy 2021-22**

- 8C.1 The Committee received a report (8C) that set out Annual Investment and Treasury Strategy 2021-22.
- 8C.2 Cllr Andrew Jamieson (Cabinet Member for Finance) and the Executive Director answered technical questions about the Annual Investment and Treasury Strategy 2021-22.
- 8C.3 During discussion the Executive Director said that the Council invested its money mainly in UK banks and that he would be willing to consider issues of ethical investment as part of the budget planning process for future years.

8C.4 **General comments**

At the end of the debate, Councillor Borrett answered questions about the budgetary benefits of an integrated care system with the NHS, the relocation of the Great Yarmouth and Waveney CGC to County Hall and the opportunities that these changes provided for a closer working relationship with the City and District Councils.

Councillor Fisher explained the budgetary plans for Children's Services and particularly for SEND expenditure.

8C.5 **RESOLVED**

That Scrutiny Committee note the report and thank the Cabinet Members and officers who had attended the meeting for their help in answering Councillors detailed questions.

9 **Scrutiny Committee Forward Work Programme**

- 9.1 The annexed report (9) was received.
- 9.2 The Democratic Support and Scrutiny Manager drew Cllrs attention to changes in the work programme previously reported to the Committee which were highlighted in the appendices to the report. This was subject to further change. Following comments made earlier in this meeting, a standard scene setting item for the annual budget setting process would be added to the forward work programme for April 2022.

9.3 **RESOLVED**

That the Committee:

Note the current forward work programme as set out in the appendix to the report which was subject to a revised work programme being distributed to Members in the next week.

The meeting concluded at 12.40 pm

Chair