



Scrutiny Committee

Minutes of the Meeting Held on 19 October 2022
at 10 am at County Hall Norwich

Present:

Cllr Steve Morpew (Chair)

Cllr Carl Annison

Cllr Lesley Bambridge

Cllr Graham Carpenter

Cllr Phillip Duigan

Cllr Mark Kiddle-Morris

Cllr Keith Kiddie

Cllr Ed Maxfield

Cllr Jamie Osborn

Cllr Richard Price

Cllr Robert Savage (substitute for Cllr Barry Duffin)

Cllr Brian Watkins

Cllr Tony White (substitute for Cllr Lana Hemsall)

Parent Governor representative

Mr Giles Hankinson

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

Cllr Andrew Proctor

Cllr Andrew Jamieson

Cllr Shelagh Gurney

Tom McCabe

Simon George

Paul Cracknell

Kat Hulatt

Karen Haywood

Tim Shaw

Leader of the Council

Cabinet Member for Finance

Deputy Cabinet Member for Adult Social Care, Public Health & Prevention

Head of Paid Service

Executive Director of Finance and Commercial Services

Executive Director, Strategy and Transformation

Head of Legal Services

Democratic Services Manager

Committee Officer

1 Apologies for Absence

- 1.1 Apologies were received from Cllr Barry Duffin, Cllr Lana Hemsall, Ms Helen Bates (Church Representative) and Mr Paul Dunning (Church Representative).
- 1.2 An apology was also received from Cllr Daniel Elmer (Deputy Cabinet Member for Children's Services) for the item about the quarterly update on Children's Services and Adult Social Care Performance Review Panels.

2 Minutes

- 2.1 The minutes of the previous meetings held on 22 September 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. Public Question Time

4.1 There were no public questions.

5. Local Member Issues/Questions

5.1 There were no local member issues/questions.

6 Call In

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

7 Strategic Review Update

7.1 The annexed report (7) was received.

7.2 The Scrutiny Committee received a report that provided an update on progress towards the organisation wide strategic review commenced by Cabinet on the 4th April 2022.

7.3 During discussion of the report with Cllr Andrew Proctor (the Leader of the Council), Cllr Andrew Jamieson (Cabinet Member for Finance), Tom McCabe (Head of Paid Service) and Paul Cracknell (Executive Director, Strategy and Transformation) the following key points were noted:

- The Leader said that the strategic review was designed to be a whole organisation exercise. The initial focus was on the role and number of management layers and spans of control, to enable the right capacity and capability across the organisation within the current challenging financial landscape.
- Work by the Strategic Review Project Team had commenced in mid-May 2022 following a competitive procurement process.
- The initial stages of the review had centred on determining the right balance of work done at the centre of the organisation and that done by the services themselves.
- This was the first time that such a review had been undertaken in more than 10 years.
- In the past organisational change had evolved on a departmental basis.
- The strategic review would partly be delivered by implementing standardised job role profiles across departments, which would help to maintain a good structure in the future and mitigate equal pay risk.
- The Leader said that the Council was right to have not started on a strategic review of this nature while fighting Covid in such a big way.

- The Chair said that Covid had not stopped work on the transformation agenda, and this was not the first year in which the Council was under financial pressures; the annual challenge rounds and the corporate board should have identified layers of duplication in senior management at a much earlier stage. A mechanism needed to be put in place for the Council to be able to reflect on what came out of the review and look to identify what further changes might be required in the future.
- In reply to questions, the Head of Paid Service said that the existing organisational structure and the management approach to change had served the Council well for many years. This could be seen by the way in which the Council had performed during the Covid pandemic. Now that the Council was starting to work in a post covid world, the Executive Directors were of the view that this was an appropriate time to take a few steps back and to have a fresh look at the overall organisation. The external financial pressures on the Council meant that the review would remain an ongoing process.
- It was pointed out that a real challenge in the review would be dealing with the job losses that were necessary to deliver a balanced budget. Formal consultations with staff were expected to start in early 2023.
- It was planned to achieve in the region of £16m in savings from Phase 1 of the review.
- Front line social workers were in short supply and were not at risk from the review.
- The Executive Director, Strategy and Transformation said that there were regular contract meetings with the external consultants, and that a programme steering group, task and finish groups and a design and engagement group had been set up to oversee the management of the programme.
- The costs of employing the consultants would be made public at a more appropriate time.
- A Councillor expressed some concern about how a risk of staff resistance to large scale change might impact on the Council's ability to deliver key aspects of the review.
- In reply, the Leader said that while it was right to understand the risks associated with the review it was also important to understand the mitigation measures that Cabinet were putting in place to deal with those risks. The Cabinet would monitor the risks by way of regular performance monitoring reports.
- In reply to questions from the Chair about how the review fitted in with the timetable for the 2023/24 budget, the Cabinet Member for Finance said that all the savings from staffing reductions were not expected to be delivered until sometime in the new financial year. This was because it would be necessary to work through the notice periods for staff effected by the review.

- The Chair said that the financial impact of any extended notice periods needed to be set out in the budget.
- The Cabinet Member said that to provide an answer regarding numbers and types of staff who might fall into this position would mean identifying individuals, and it would be wrong to do so at this time. By January 2023 there would be a sufficiently clear enough picture to be able to come before Members with a higher level of clarity as to the individuals concerned.
- The Chair said that the report lacked the assumptions and projections to explain what was expected to happen at given points in the review.
- In reply, the Cabinet Member said that savings identified by the strategic review had to be assessed for deliverability before they were presented to Members as part of the budget setting process. Savings from vacant posts would be delivered from 1st April.
- Net zero was not an explicit part of the strategic review report and therefore did not feature in it.
- The Chair said that he would be seeking further information after the meeting to explain the process whereby the organisational changes would happen and to what timetable.

7.4 **RESOLVED**

That the Committee note the current position in relation to the issues mentioned in the Strategic Review Update report received by Cabinet on the 3 October 2022 and ask that they be kept informed of developments as the review progresses.

8 **Strategic and Financial Planning 2023-24**

8.1 The annexed report (8) was received.

8.2 The Scrutiny Committee received an update report on the Council's process for developing the 2023-24 Budget which provided an opportunity for the Committee to consider savings proposals identified to date, the approach to public consultation, and the overall timeline and activity required to deliver a balanced budget.

8.3 The Committee considered the following:

- The scale of the budget gap identified within the Medium -Term Financial Strategy (MTFS) agreed by Full Council in February 2022 was one of the largest that the Council had ever faced.
- Many elements of the budget remained unknown at this stage but had the potential to make a material impact on the level of resources available to the Council to deliver services in the future.
- Many of the proposed savings were a sign of the continuing success of the initiatives that formed a part of the Council's transformation programmes.

- The waste reduction initiatives were based on harmonising waste recycling centres summer opening hours and closing them on a Wednesday, the day of the week when they were least used.
- The Chair questioned the implications of an increase in the minimum wage and the impact that this year's wage increases would have on next year's budget.
- It was pointed out that the pressure from the 2022-23 pay offer was estimated as at least £7.600m and represented both an in-year (2022-23) issue and an additional pressure to be addressed in 2023-24.
- The Cabinet Member said that the Administration was working on a range of assumptions and mitigations that depended on what the Council learnt from the Government in December. The main assumption was that most of the additional pressures were covered by the mitigation measures mentioned in the report.
- The Cabinet Member said that Council Tax was the means whereby the Council balanced the cost of providing services when set against the income available.
- The Executive Director of Finance and Commercial Services said that while contingency measures were made around issues such as the minimum living wage it would not be until the second week of December before the Council would know with any degree of certainty if it needed to find more than the £60m budget gap. If the Local Government Settlement was significantly worse than the modelling, and the Council was able to meet the reduction by an increase in Council Tax, then that would be his recommendation to the Council.
- The Executive Director also said that high levels of inflation meant that income from business rates and other sources of income would rise significantly.
- In reply to questions, the Cabinet Member said that there was nothing to be achieved by him coming forward with budgetary assumptions that were still "in the making" until such matters became clearer. The additional financial benefits that came from the Connecting Communities initiative cantered on the work done by Newton Europe and if they were able to meet their "stretched" targets. Most of the Council's borrowing was at a fixed interest rate of 1.8% over 50 years. The money from borrowing was being used to put in place transformational changes. Going forward there plans to have more rigorous controls on capital expenditure than had been the case in the past.
- The Leader said that as well as the work that was being done by the Council there was work being done by the local Government Association and the County Council Network around the need for local government to receive sustainable funding.

1. That the Committee note the current position in relation on the Strategic and Financial Planning 2023-24 report to Cabinet on 3 October 2022, including:
 - a. Budget proposals identified to date;
 - b. The proposed approach to public consultation;
 - c. Service and budget related pressures identified to date;
 - d. Key areas of risk and uncertainty related to development of the 2023-24 budget.
2. Note the implications for scrutiny of the overall NCC budget setting process.

9 **Quarterly update on Children's and Adult Social Care Performance Review Panels**

9.1 The annexed report (9) was received.

9.2 The Chair said that because Cllr Daniel Elmer was unable to attend he would defer consideration of the work of the Children's Services Performance Review Panel until November 2022.

9.3 The Committee received an update on recent work undertaken, key actions, updates on actions from scrutiny, and an overview of the forward programmes of work for the Adult Social Care Performance Review Panel.

9.4 The Committee discussed with Cllr Shelagh Gurney (Chair of the Adult Social Care Performance Review Panel) the report so far is related to the work of the Adult Social Care Performance Review Panel, received answers to questions and considered the following:

- Cllr Gurney said that she had extended an invitation for those who were not represented on the Panel to attend the meetings remotely.
- The Panel has met once since the last update to the Committee in July 2022, on 29th September 2022.
- The panel had challenged the service around the outcomes from the peer review, providing a deep dive review of the findings and outlining expectations for future sessions.
- The full report would be circulated to panel members ahead of publication, with feedback incorporated from the panel into formal action plans for improvement.
- The outcomes of the pier challenge would go before Cabinet later this year.
- Measures had been put in place to reduce front line pressures and waiting times.
- The impact on consistency, quality assurance and management of risk policies had been examined.

9.5 **RESOLVED**

That the Committee note the progress and activity of the Adult Social Care Performance Review Panel.

10 **Scrutiny Committee Forward Work Programme**

10.1 The annexed report (10) was received.

10.2 The Chair said that people external to the Council would be attending the next meeting of the Committee for the issue of flooding and sewage discharge; it was proposed to structure the meeting so that this issue was considered in the morning and other items considered in the afternoon.

10.3 **RESOLVED**

That the Committee:

Note the current forward work programme as set out in the appendix to the report subject to the next meeting being structured to include the item on flooding and sewage discharge in the morning and other scheduled items that afternoon.

The meeting concluded at 12.34 pm

Chair