



Scrutiny Committee

Minutes of the Meeting Held on 15 February 2023
at 10 am at County Hall Norwich

Present:

Cllr Steve Morpew (Chair)
Cllr Lana Hempsall (Vice Chair)
Cllr Carl Annison
Cllr Lesley Bambridge
Cllr Phillip Duigan
Cllr Barry Duffin
Cllr Mark Kiddle-Morris

Cllr Keith Kiddie
Cllr Brian Long
Cllr Ed Maxfield
Cllr Jamie Osborn

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

Cllr Andrew Proctor	Leader of the Council
Cllr John Fisher	Cabinet Member for Children's Services
Cllr Graham Peck	Cabinet Member for Commercial Services and Asset Management
Cllr Andrew Jamieson	Cabinet Member for Finance
Craig Chalmers	Director of Community Social Work
Titus Adam	Head of Strategic Finance, Service Budgeting & Accounting
Tom McCabe	Head of Paid Service
Simon George	Executive Director of Finance and Commercial Services
Paul Cracknell	Executive Director, Strategy and Transformation
Peter Randall	Democratic Support and Scrutiny Manager
Tim Shaw	Committee Officer

1 Apologies for Absence

- 1.1 Apologies were received from Cllr Richard Price, Cllr Brian Watkins, Ms Helen Bates (Church Representative), Giles Hankinson (Parent Governor) and Mr Paul Dunning (Church Representative).

2 Minutes

- 2.1 The minutes of the previous meetings held on 26 January 2023 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 two public questions which together with their answers can be found at Appendix A to these minutes.

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 Norfolk County Council Budget 2023-24

7.1 The annexed report (7) was received.

7.2 The Scrutiny Committee received a report that provided an overview of the Council's proposed 2023-24 Revenue Budget and Medium-Term Financial Strategy 2022-27 (considered at Appendix A) and Capital Strategy and Programme 2023-24 (considered at Appendix B) as these matters were presented to Cabinet and would be considered by Full Council.

7.3 It was noted that an extract from the Briefing for Councillors prepared by the Executive Director of Finance and Commercial Services (that formed part of the agenda papers for the next meeting of Full Council) had been sent to Members prior to this meeting. This document set out changes in the final Local Government settlement and corrections to the Cabinet budget papers.

7.4 Cllr Andrew Proctor, Leader of the Council, and Cllr Andrew Jamieson, Cabinet Member for Finance, explained how the report was the culmination of the budget setting process, built on previous reports to support effective member challenge of strategic and financial planning at a time when the Council had to deal with rising cost pressures, a £60m Budget gap for 2023-24, and more people requiring adults and children's services. They said that the Administration planned to put to Full Council a robust and sustainable budget that delivered on key priorities, supported the delivery of a County Deal to unlock future investment, and placed continuing transformation of the way services were delivered at the heart of cost control initiatives. The proposed level of Council Tax was set at a level that took account of the budgetary pressures people were facing.

7.5 Norfolk County Council 2023-24 Revenue Budget and Medium-Term Financial Strategy 2023-27

7.6 The annexed report (7A) was received. This report set out the Norfolk County Council Revenue Budget 2023-24 and Medium-Term Financial Strategy 2023-27.

7.7 Cllr Andrew Jamieson (Cabinet Member for Finance) was present along with other Cabinet Members (Cllrs Andrew Proctor, Leader of the Council, Cllr John Fisher, Cabinet Member for Children's Services and Cllr Graham Peck, Cabinet Member for

Commercial Services and Asset Management) to answer Councillors questions about the budget and the actions that were being taken.

7.8 The issues that were considered by the Committee included the following:

- The Chair said that he had expected the consultation on the strategic review to have been completed in time for the full year savings to form part of the 2023-24 budget. In reply, the Cabinet Member for Finance said that the overall figure of £17m of savings from the strategic review for 2023-24 remained unchanged from when this matter was considered by Cabinet in January 2023. Many of the savings from the strategic review did not require staff consultation. Those posts that were subject to consultation in February and March 2023 were part year savings in the budget for 2023-24. The strategic review would be an ongoing process and could be expected to achieve further savings in subsequent financial years.
- The Head of Paid Service said that the strategic review was a three-year process although most of the savings would have a full year effect on the budget for 2023-24.
- The Chair said that the 30-day staff consultation period implied that that there were fewer than 100 posts in scope that made up the £17m of cost savings from the strategic review. In reply, the Cabinet Member for Finance added that there were savings from posts within the scope of the review that were not currently filled and other savings such as travel costs and savings that arose from the transformation of services that made up a significant part of the budget savings.
- The Chair referred to the senior management structure of the Council that was being put to the Employment Committee later this week for approval with a saving from two posts of £250,000.
- Officers said that the strategic review had identified some new ways of “doing good management well” that had not arisen from service department reviews.
- The Cabinet Member said that he accepted a comment made by the Chair that the Council should look to undertake a regular strategic review that made the best possible use of its own internal staffing resources to support the structure that it needed to meet its commitments for further years.
- The Cabinet Member then answered questions about budgetary pressures that arose from price inflation, the lack of a multi-year settlement from the Government, the impact of the budget on equalities, the increase in the national living wage, home to school transport, and increases in the number of children with special needs and disabilities.
- The Cabinet Member also answered questions from the Vice-Chair about how the budget supported economic development, transport infrastructure, and the plans that were explained in the report to develop the role of libraries as multi-user hubs.
- The Chair drew attention to table 4 on page 55 of the agenda which showed the net revenue budget for each service department. Within the 2023-24 budget it was proposed that additional social care grant funding be recognised in full within the Adult Social Services base budget. The Executive Director of Finance and Commercial Services said that the Government had issued a policy statement that this position would roll over into 2024-25.
- A Member suggested that there should be more detail in the report about the money needed for meeting net zero carbon targets. In reply, the Cabinet Member said that a strategy to promote a green economy for Norfolk was due

to be presented to Cabinet in April 2023. This would set out cost pressures and capital schemes to achieve 2030 carbon neutrality and meet area wide emission targets.

- It was pointed out that Table 5 on page 57 of the agenda set out the breakdown of net funding changes for 2023-24. The net funding increase of £59.550m included £75.665m funding increases and £16.115m funding decreases.
- The County Council held approximately 5% of its budget in reserves which was an appropriate level for Norfolk.
- Table 6 referred to Fire and Rescue efficiency savings which were explained on page 393 of the agenda.
- The Committee heard how the Council was committed to supporting the Fire and Rescue Service and how there continued to be movement in the figures shown in the report, partly as a result of the pay award that had not yet been resolved. This matter would be addressed in future Cabinet budget monitoring reports.
- The Chair referred to the significant use of reserves within the Adult Social Services budget.
- The Cabinet Member said that the reserves in the Adult Social Services budget partly related to money set aside from Covid.
- A statement on the adequacy of provisions and reserves used in the preparation of the County Council's budget could be found on page 190 of the agenda. The Council's reserves included Earmarked Reserves (reserves for special purposes or to fund expenditure that has been delayed) and General balances (Reserves that were not earmarked for a specific purpose). Departmental reserves were set aside to be used for specific purposes during the year and were sustainable.
- Councillors welcomed the references in the budget to monies allocated for more active travel initiatives.
- The medium-term financial strategy that underpinned the budget would focus on supporting the Council's ambitions and delivering on transformational change.

7.9. Capital Strategy and Programme 2023-2024

- 7.10 The Committee received a report (7B) that presented the proposed capital strategy and programme for 2023-24 and included information on the funding available to support that programme.
- 7.10 In introducing the report Cllr Andrew Jamieson (Cabinet Member for Finance) explained the aims of the Capital Strategy and how the strategy provided for improvements in service delivery and met the aims and aspirations of service departments.
- 7.11 The size of the capital programme reflected capital grant settlements, forecast capital receipts, other external and internal funding sources and proposed borrowing.
- 7.12 Councillors 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.

- 7.13 Members also raised technical issues about the long-term capital plans for the Council, including the future capital spending on the delivery of active travel schemes, the net 1 million trees project (which currently stood at 300,000 new trees), tree replacement, new housing with care schemes throughout the county for adults with learning disabilities and for older people, the Council's extensive bus improvement programme, spending on better broadband, investment in the Fire and Rescue Service, the funding for the Western Link road and how this would appear in the risk register.
- 7.14 The Chair asked for an update in writing after the meeting regarding the level of benefits that were expected from the proposal to spend more money on the My Oracle programme (page 530 of the agenda). The Chair also asked for more information in writing about the proposal to spend additional money on the SEND programme (by the creation of 500 additional places), how much of the £120m of SEND money that had been allocated had already been spent, and how this level of spending fitted in with any additional money and bids for money to increase the capacity of this service.

7.15 **RESOLVED**

That Committee note the suite of 2023-24 budget reports presented to Cabinet on 30 January, as appended to the report presented to this Committee, with particular focus on the Cabinet recommendations to County Council in relation to:

- **The Norfolk County Council Revenue Budget 2023-24 and Medium Term Financial Strategy 2023-27**
- **The Capital Strategy and Programme 2023-24**

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

8 **Annual Investment and Treasury Strategy 2023-24**

- 8.1 The Committee received a report (8) that set out Annual Investment and Treasury Strategy 2023-26. The report provided Members with a copy of the revised Annual Investment and Treasury Strategy 2023-24 and associated Cabinet papers. The plan formed part of the Norfolk County Council Policy Framework, which required a scrutiny process to take place in accordance with part 11B of the NCC constitution.

- 8.2 Cllr Andrew Jamieson (Cabinet Member for Finance) introduced the report.

8.3 **RESOLVED**

That Committee:

- **Note the proposed Annual Investment and Treasury Strategy 2023-24.**
- **Ask officers to produce a report to the Leader and Cabinet Member on behalf of the Committee in accordance with section 11b of the Norfolk County**

Council Constitution (Budget and Policy Framework Procedure Rules), that states the Committee has no comments that it wishes to make.

That all Members of the Committee wish to place on record their appreciation and thanks to Simon George, the Executive Director of Finance and Commercial Services who was due to leave the Council shortly, for all his hard work on their behalf.

9 Scrutiny Committee Forward Work Programme

9.1 The annexed report (9) was received.

9.2 Members' attention was drawn to an additional meeting of the Committee that would be held on 16 March 2023 to discuss the integrated fire risk management report.

9.3 RESOLVED

That the Committee:

Note the current forward work programme as set out in the appendix to the report.

The meeting concluded at 1.15 pm

Chair