



EXECUTIVE

5.30 p.m. – 7.20 p.m.

16 September 2009

Present: Councillors Morphew (Chair), Arthur, Blakeway, Bremner, Brociek-Coulton, Sands and Waters
Apologies: Councillors Morrey (Vice-Chair)
Also present: Councillors Little (A), Ramsay, Stephenson and Watkins

1. MINUTES

RESOLVED to agree the accuracy of the minutes of the Executive meeting held on 22 July 2009.

2. QUARTER ONE 2009/10 PERFORMANCE MONITORING

The Policy and Performance Manager presented the report.

Councillor Waters, Executive Member for Corporate Resources and Governance, said that the Scrutiny Committee had looked at the report in detail. There were a number of areas that were not progressing, such as housing voids. In the current economic climate it would be necessary to review the council's 53 priorities. In terms of presentation, there were one or two areas that needed greater clarity.

Councillor Stephenson, Chair of Scrutiny Committee, pointed out that there needed to be clear information provided regarding to whether performance targets were either city or county wide. She also said that it would be beneficial to members if they were aware of changes in the measurement of performance targets so that they could see whether an improvement had taken place.

RESOLVED to note the content of the report and the proposed actions contained within it.

3. LOCAL AUTHORITY NEW BUILD

The Senior Officer (Enabling) presented the report and answered questions.

Councillor Arthur, Executive Member for Housing and Adult Services, spoke in support of the report and said that it had been a long held desire for the Council to build its own housing made possible by the Government. Cambridge had been successful in the first bid and there was an established process for the local authority new build. The Council could ensure that the houses were of a high environmental

accreditation, would complement the existing housing stock and provide more affordable housing for the city. Sites had been identified and there had been careful evaluation of the risks.

Councillor Ramsay welcomed the opportunity for the Council to build houses and expressed a desire that these houses were of the highest environmental standard.

RESOLVED to agree to Council officers procuring the services of project managers to progress bids to the Homes and Communities Agency (HCA) Local Authority New Build grant fund.

4. PROPOSED EXTENSION TO THE HIGHWAYS AGENCY AGREEMENT TO 1 APRIL 2011

The Head of Transportation and Landscape presented the report and answered questions.

The Chair suggested that the Scrutiny Committee might want an opportunity to examine the Highways Agency Agreement when it came up for renewal in 2011 before the Council committed for a longer term.

RESOLVED to:-

- (1) approve the extension of the Highways Agency Agreement with Norfolk County Council to 31 March 2011;
- (2) note the principle enshrined in the Highways Agency Agreement that the County Council reimburse the City Council its proper costs in discharging the delegated functions;
- (3) ask officers to work with the County Council to ensure that any financial pressures are managed to ensure a financially sustainable budget position; and,
- (4) delegate consent to the agreement necessary to enable Norfolk County Council to deliver works associated with the Highways Agency Agreement and other highway type operations undertaken by the Council to the Head of Transportation and Landscape in consultation with the Deputy Leader of the Council and Executive member for sustainable city development;
- (5) invite the Scrutiny Committee to undertake a review of the costs and benefits arising from the continuation of the Highway's Agency Agreement beyond April 2011.

5. CNC BUILDING CONTROL

The Deputy Chief Executive Officer presented the report.

RESOLVED that the existing internal audit arrangements with South Norfolk Council's internal audit service and its Accounts and Audit Committee continue.

6. MEDIUM TERM FINANCIAL STRATEGY – PROPOSED GENERAL FUND EFFICIENCY SAVINGS (DRAFT CORPORATE EFFICIENCY AND IMPROVEMENT PROPOSALS)

The Chief Executive Officer presented the report and explained that part 1 of the report provided an overview and part 2 was more detailed and confidential because it affected staff and was subject to consultation.

In response to Councillor Ramsay, the Chief Executive Officer explained that the work of the consultants would be part of the scrutiny process but could be misleading if taken out of context at this stage.

Councillor Watkins referred to the discussion at the Scrutiny Committee meeting held on 10 September 2009 relating to an upturn in the economy and whether this would result in fewer savings being necessary in 2010/2011. The Chief Executive said that an increase in the bank interest rates would make a significant impact on the Council's position and this could mean that some proposals which impacted on services and staffing need not be implemented. However £8m was a significant sum in terms of the Council's overall budget and it was a struggle to identify the last £800,000 savings which could result in cuts to services.

The Chair then presented a statement as Leader of the Council in support of the proposals. (A copy of this statement is appended to these minutes.)

Discussion ensued in which the Chair and Councillor Waters, Executive Member for Corporate Resources and Governance, answered questions. A revised Corporate Plan would be presented to Council on 15 December 2009 to accompany the savings proposals. The Executive had always intended to provide services in a devolved way and the current economic climate had accelerated this. In response to a question from Councillor Little, the Chair confirmed that the Executive had briefed the consultants that privatisation of services was not part of the exercise. The Chief Executive Officer said that the authority had been benchmarked with comparable authorities for best practice efficiency savings and pointed out that the CityCare contract put £40m into private business. Members discussed the issue of authorities which have cut back to provide only statutory services such as Barnet Borough Council and what would be lost to the people of Norwich if this Council had to go down that route, such as CCTV, parks, Lord Mayor's events and the swimming pool.

(Determination of this item was deferred until consideration had been made of part 2 of the report.)

7. EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of Item 8 below on the grounds contained in the relevant paragraph of Schedule 12A of the Local Government Act 1972 (as amended).

***8. MEDIUM TERM FINANCIAL STRATEGY – PROPOSED GENERAL FUND EFFICIENCY SAVINGS (PARAGRAPH 4)**

The Chief Executive Officer presented the report and explained that Annexes B and C were work in progress. Therefore approval was being sought for officers to work up the proposals contained in these annexes and bring them back to the Executive in October at the start of the consultations. The Chief Executive Officer then answered questions on the proposals.

RESOLVED to:-

- (1) note the current financial situation, and implications for the Council's Medium Term Financial Strategy;
- (2) agree to continue to lobby Government for a fair distribution of concessionary fares funding;
- (3) note the preparatory work done to benchmark current spending and develop a range of proposals for efficiency and savings;
- (4) endorse the vision and guiding principles for further work to develop a new Norwich City Council that will be fit for the future (Annex A to this report);
- (5) agree the outline timetable for the overall efficiency and savings process (Annex B to this report);
- (6) agree to implement a range of efficiency savings to the General Fund budget with immediate effect (Annex A to Part 2 report), and to amend the 2009/10 budget accordingly;
- (7) agree in principle to implement a range of General Fund efficiency and cost reduction proposals (Annex B to Part 2 report), and to commission further work and full consultation, as appropriate, before reaching a final decision as part of the budget setting process for 2010/11;
- (8) agree in principle to implement a further range of General Fund cost and service reduction proposals (Annex C to Part 2 report), and to commission work to further develop proposed new working arrangements and structures, before reaching a final decision in December that will form part of the budget setting process for 2010/11;
- (9) note that the proposed savings amount to approximately £7.2m, and that therefore further work is still needed to identify around £0.8m of further savings;
- (10) agree to a range of formal staffing consultation and dialogue with local people and stakeholders on the draft proposals prior to final decisions;
- (11) note any proposals around shared services will be brought back to Executive for separate consideration;

- (12) note that any savings identified as part of the relet of direct services contracts will be brought to Executive for consideration in November 2009.

***9. NORWICH AND HCA STRATEGIC PARTNERSHIP (PARAGRAPH 3)**

The Director of Regeneration and Development presented the report.

The Head of Legal, Regulatory and Democratic Services that the Strategic Board would comprise 6 Board members and that 3 of these would be from the Council's Executive to represent the authority's interests.

The Chair referred to the contribution made by the officers involved in this project and said that it was an example of officers working well across services. The Chief Executive Officer said that an opportunity for the officers to meet with members of the Executive was being arranged.

RESOLVED to:-

- (1) endorse in accordance with the decision of the Executive of 22 July 2009 that the following action of the Director of Regeneration and Development be endorsed:

‘That the Collaboration and Investment Agreement between Norwich City Council and the Homes and Communities Agency (HCA) which forms the Norwich and HCA Strategic Partnership includes a clause relating to Material Breach’.
- (2) record the Executive's appreciation of the work of the officers across the different services who had contributed to the establishment of the Norwich and HCA Strategic Partnership;
- (3) approve the appointment of Councillors Arthur, Morrey and Morpew to the Strategic Board of the Norwich and HCA Strategic Partnership.

CHAIR

**APPENDIX
Item 6**

Statement by Leader of the Council

As the city knows, we have long harboured ambitions to bring services the council provides closer to residents so they can have a greater say over what happens in their areas. We expected this to become a key part of the creation of a new unitary council. As things have turned out, the affect on the council finances of the recession mean it makes sense to bring forward our plans to radically change the way the council works.

Greater savings could be achieved through creating a new council, but faced with a gap of £8m it makes sense to change the way the council works to make it more cost effective and save money now. It will also give us the shape to develop in what seems to be an uncertain world for council finances for some time to come and still with the hope of a unitary council becoming a reality in 2011. Because we started in a good financial position last year and with the consent of the people of the city we have used our reserves to make the time to plan changes properly, we are better placed than most councils to make changes and we are most certainly ahead of most in our plans.

A new council structure based around locality or neighbourhoods will bring influence and services closer to those who need them. Of itself it doesn't save much money, but what it does is enable the rest of the council – the bits you often don't get to see, to be restructured and reduced. Together with renegotiation of our contracts and seeking money from other sources, this closes the gap in our funding. However there is still likely to be a shortfall as the £8m is just too big a figure to deal with.

If we are successful in persuading the government to change the formula for the immensely popular bus pass funding this could make up to £2m a year difference to the council and would reduce the problem to much more manageable proportions... Not only don't we dare rely on this, we don't know what the inevitable squeeze on public spending to come will mean to council funding so it is prudent to make savings and then find we have more money than we thought rather than assume good news and be left with even worse problems for the future.

We have been working against a set of clear principles I want to share with the city

1. There will be no extension of privatisation of services although we will be looking at opportunities to work with other pubic sector bodies to share services and potentially work in partnership on projects with public and private sector partners
2. Whilst there are likely to be significant job losses in the council we will do everything we can to minimise people being made redundant. The cost in financial and loss of expertise terms is too high. Natural wastage, redeployment and other ways of reducing staff costs makes more sense.
3. We will avoid front line service reductions in the services you value most – we will prioritise keeping the streets clean, making people feel safe in their homes and on their streets and helping people during the recession. Where there is no option other than to reduce services the reductions will be done in ways

that seek to protect those areas most in need of support. We will talk to residents about the differing needs of different areas of the city.

4. Whilst there will be formal consultation where necessary, we intend to develop a dialogue with residents about how their council will operate in the future. So while we may set dates by which we want to hear views on specific topics there is no restriction on when and how people can have their say. The development of locality and neighbourhood services will enhance people's ability to influence what goes on in their area and their city. As that evolves we want to encourage residents to talk with the council in ways that suit them best.

Inevitably making these changes against such a financial backdrop is not what we would choose, and equally we would prefer to see them made in a way and at a time when things were on the up. However that just is not where the world is and we have a choice of responding to the problem in a creative and forward looking way or, as is perhaps traditional, making swingeing cuts and hoping and waiting for better times.

Making the change is both radical as a response and will have radical consequences. Before the recession Norwich was on the cusp of realising the opportunities we had earned as a city to bring investment, prosperity and quality of life to our growing population. We now have the chance to lead the recovery and be at the forefront of a prosperous, sustainable and proud city. The city council is facing up to our responsibilities to you and asking you to play your part in making the changes and help us make decisions on priorities by letting us have your views and accepting that sometimes things just can't be as we might ideally want.

The next year will be challenging in both good and less good ways. With your help and support the city and the city council can emerge stronger, more confident and better able to deliver for the people and the city.

Steve Morphew
16 September 2009