Norfolk County Council

Scrutiny Committee

Date: **Wednesday 20 September 2023**

Time: **10 am**

Venue: **Council Chamber, County Hall, Martineau Lane, Norwich NR1 2DH**

Membership:

Cllr Steve Morphew (Chair)
Cllr Daniel Elmer (Vice Chair)

Cllr Carl Annison	Cllr Keith Kiddie
Cllr Lesley Bambridge	Cllr Brian Long
Cllr Phillip Duigan	Cllr Ed Maxfield
Cllr John Fisher	Cllr Jamie Osborn
Cllr Tom FitzPatrick	Cllr Brian Watkins
Cllr Mark Kiddle-Morris	

Parent Governor Representatives

Vacancy
Vacancy

Church Representatives

Ms H Bates
Mr Paul Dunning

Advice for members of the public:

This meeting will be held in public and in person.
It will be live streamed on YouTube and members of the public may watch remotely by clicking on the following link: Norfolk County Council YouTube

We also welcome attendance in person, but public seating is limited, so if you wish to attend please indicate in advance by emailing committees@norfolk.gov.uk

Current practice for respiratory infections requests that we still ask everyone attending to maintain good hand and respiratory hygiene and, at times of high prevalence and in busy areas, please consider wearing a face covering.

Please stay at home if you are unwell, have tested positive for COVID 19, have symptoms of a respiratory infection or if you are a close contact of a positive COVID 19 case. This will help make the event safe for attendees and limit the transmission of respiratory infections including COVID-19.

A g e n d a

1 To receive apologies and details of any substitute members attending

2 Minutes **(Page 5)**

To confirm the minutes of the meeting held on 19 July 2023

3. Members to Declare any Interests

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is on your Register of Interests you must not speak or vote on the matter.

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is not on your Register of Interests you must declare that interest at the meeting and not speak or vote on the matter

In either case you may remain in the room where the meeting is taking place. If you consider that it would be inappropriate in the circumstances to remain in the room, you may leave the room while the matter is dealt with.

If you do not have a Disclosable Pecuniary Interest you may nevertheless have an **Other Interest** in a matter to be discussed if it affects, to a greater extent than others in your division

- Your wellbeing or financial position, or
- that of your family or close friends
- Any body -
  - Exercising functions of a public nature.
  - Directed to charitable purposes; or
  - One of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union);

Of which you are in a position of general control or management.

If that is the case then you must declare such an interest but can speak and vote on the matter.

4 Public Question Time

Fifteen minutes for questions from members of the public of which due notice has been given. Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk) by **5pm on Thursday 14 September 2023.** For guidance on submitting a public question, please visit https://www.norfolk.gov.uk/what-we-do-and-how-we-work/councillors-meetings-decisions-and-elections/committees-agendas-and-recent-decisions/ask-a-question-to-a-committee

5 Local Member Issues/Questions

Fifteen minutes for local member to raise issues of concern of which due notice has been given. Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk) by **5pm on Thursday 14 September 2023**

6 To note that the deadline for calling-in matters, from the Cabinet meeting held on Monday 4 September 2023 was 4pm on Monday 11 September 2023

BREAK

Tom McCabe
Chief Executive
County Hall
Martineau Lane
Norwich
NR1 2DH

Date Agenda Published: 12 September 2023

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Norfolk County Council

Scrutiny Committee

Minutes of the Meeting Held on 19 July 2023
at 10 am at County Hall Norwich

Present:

Cllr Daniel Elmer (Vice Chair)

Cllr Carl Annison
Cllr Lesly Bambridge
Cllr Phillip Duigan
Cllr Tom FitzPatrick
Clr John Fisher
Cllr Mark Kiddle-Morris
Cllr Keith Kiddie
Cllr Brian Long
Cllr Ed Maxfield
Cllr Jamie Osborn
Cllr Watkins

Substitute Members Present:
Cllr Emma Corlett for Cllr Steve Morphew

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

Grahame Bygrave	Interim Executive Director of Community and Environmental Services
Al Collier	Director of Procurement
Cllr Margaret Dewsbury	Cabinet Member of Communities and Partnerships
Jonathan Franklin	Strategy Manager (Procurement & Net Zero)
Simon Hughes	Director of Property
Kat Hulatt	Assistant Director Governance (Legal Services) & Monitoring Officer
Cllr Jane James	Cabinet Member of Corporate Services and Innovation
Cllr Graham Plant	Cabinet Member of Highways, Infrastructure and Transport
Peter Randall	Democratic Support and Scrutiny Manager
Sarah Rhoden	Director of Community, Information and Learning
Jeremy Wiggin	Head of Sustainable Transport

1A Apologies for Absence

1A.1 Apologies were received from Cllr Steve Morphew (Cllr Emma Corlett substituting), and from Cabinet Members Cllr Eric Vardy and Cllr Andrew Jamieson.

1B Election of Vice-Chair for the meeting

1B.1 Cllr Jamie Osborn nominated himself seconded by Cllr Daniel Elmer. Cllr Jamie Osborn was duly elected to sit as Vice-Chair for the meeting.

2 Minutes

2.1 The minutes of the previous meeting held on 16 June 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 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 the call-ins received would be discussed at items 8, 9, 10 and 11.

7 **Implementation of the Climate Strategy**

7.1.1 The annexed report (7) was received.

7.1.2 The Strategy Manager (Procurement & Net Zero) introduced the report to Scrutiny Committee:

- The strategy published in June 2023 set out a vision for the Council's move towards a low carbon future. The next steps were translating this into practical delivery and that the right governance and monitoring was in place.
- This was forward looking and set out the approach to engagement and action planning, delivery of the estate's emission target, development of the funding blueprint, amending the policy framework and monitoring and reporting.

7.2 The following points were discussed and noted.

- The Vice-Chair asked what the timescales were for developing the funding blueprint. The Strategy Manager (Procurement & Net Zero) confirmed this was due by Winter 2023 or early 2024 and would look at mechanisms of funding.
- The Vice-Chair asked if the scale of funding required to achieve 14% reduction in emissions year on year had been looked at. The Director of Procurement replied that scope 3 was being broken down into procurement categories, with action plans being developed. This would be carried out alongside the procurement pipeline. The council produced around 1.4% of the county wide emissions
- It was noted that the largest procurement area was passenger transport with construction being the third largest area.
- With recognition that Norfolk County Council was the transport authority for Norfolk, officers were asked what funding there was to back up ambitions in the Local Transport Plan to reduce emissions. Officers replied that funding had been levered from the Department for Transport to fund schemes implementing

electric buses, active travel, cycle paths and walking and £50m had been achieved through the Bus Service Improvement Plan. The private sector was supporting the ambitions, for example First Bus had invested in the implementation of electric buses in Norwich. The Cabinet Member of Highways, Infrastructure and Transport added that around £180m Government funding had been received to use in Transport for Norwich and other projects to improve the carbon footprint of Norwich and Norfolk.

- Officers confirmed there had been engagement with supply chains, district councils, the NHS and transport operators among others before the climate strategy was published. Since publication there had been discussion with the Integrated Care System board, and a business conference held. Engagement would be ongoing. Upon a query about alternative methods of engagement and consultation, the Cabinet Member of Highways, Infrastructure and Transport confirmed that the legal framework for consultation with the public and stakeholders had been followed.
- The Interim Executive Director of Community and Environmental Services confirmed that the last upgrade phase of street lighting to LED would be due to start in the next 6 months.
- A Committee Member asked about progress towards reducing the use of gas and oil boilers. The Cabinet Member of Corporate Services and Innovation replied that the large gas boilers at County Hall had been removed, with the remaining gas energy sources planned for removal as part of the decarbonisation programme. Changing heating over from fossil fuel based to electric in other.
- The Cabinet Member of Highways, Infrastructure and Transport did not think there would be any immediate changes to this policy if the Governance of the Council changed to a directly elected leader. The Assistant Director of Governance (Legal Services) & Monitoring Officer added that if the Council moved to having a directly elected leader, Full Council would agree the policy framework.
- A Committee Member noted that not all bus, taxi and travel operators had the capital to invest in electric or low carbon vehicles and queried whether the Council should stop investing in such providers. Officers responded that, as the Council had plans to shift its own vehicles to electric, they were confident in the Council's progress in direct emissions. The Cabinet Member of Highways, Infrastructure and Transport noted that buses were required to have two MOTs a year and undergo emissions tests to remain legal.
- The Vice-Chair noted that a further 14% reduction in emissions in the County was required per year, and Norfolk was not on target to achieve this. He felt this new target should be reflected in the strategy.
- The Vice-Chair felt the scheme did not show how quantifiable carbon reduction would be achieved. The Interim Executive Director of Community and Environmental Services replied that guidance was expected from Government on Local Transport Plans which would set out the aims and ambitions for local transport and national carbon requirements moving forward to inform funding opportunities.
- Cllr Ed Maxfield arrived at 10:47.
- Indirect emissions and the lack of investment in support for businesses and social care providers to invest in transport was raised.
- The skill issue in Norfolk to retrofitting was raised as a concern and discussed. Officers responded that work was being carried out encouraging colleges to put

on training in these areas, and indicating to colleges and universities where the skills gaps were. The Chair was happy to note that the supply issue in these skill areas was being addressed.
- The Cabinet Member of Highways, Infrastructure and Transport confirmed that Cabinet Members had a good relationship with Norfolk's MPs who lobbied on the Council's behalf on improvements needed in the Norfolk education system.
- The Director of Procurement confirmed that action plans would be brought forward in autumn 2023.
- Use of renewable liquid gases and microgeneration was raised. Officers had looked at a range of renewable approaches for its buildings including microgeneration.

7.3 The Committee **considered** the plans for taking the climate strategy forward and for monitoring and reporting

8 Point of order

8.1 The committee agreed to take discussion of item 8, ""Call-In: Norwich Airport Industrial Estate Link, and item 9, "Call-In: Norwich Heartsease Fiveways Junction", together, with a separate vote to be taken on each item.

9. Call-In: Norwich Airport Industrial Estate Link, and Call-In: Norwich Heartsease Fiveways Junction

9.1.1 The annexed reports, (8) and (9) were received.

9.1.2 The Chair explained the way in which he would handle this item to best ensure a fair and balanced scrutiny process and to decide what (if any) issues the Committee would refer to the Cabinet. The options that were available to the Committee were set out in the report.

9.1.3 The Chair welcomed Cllr Emma Corlett, Cllr Alison Birmingham, Cllr Maxine Webb and Cllr Julie Brociek-Coulton as the Councillors who had called in the two decisions. They outlined their reasons for having done so and asked questions of Cllr Graham Plant, the Cabinet Member for Highways, Infrastructure and Transport and of the officers that were present for the consideration of these two items.

9.2.1 The Councillors who had called in the two items asked the Committee to consider their concerns which centred around governance of Transport for Norwich Advisory Committee:

- Governance issues had been raised about the Transport for Norwich Advisory Committee, which identified that members of the Advisory Committee were not able to make decisions. Decisions of the Advisory Committee were reserved to the Cabinet Member for Highways, Infrastructure and Transport.
- Work had been carried out to ensure Committee members understood and were operating within the Terms of Reference, which stated that the Advisory Committee would have 4 members from the Council, of whom one would be the Cabinet Member for Highways, Infrastructure and Transport, who would also be the Chair.
- Ahead of the meeting of the 31 May 2023, the agenda circulated indicated the Chair was not the Cabinet Member and there was no indication on this agenda

that the stated Chair was substituting for the Cabinet Member. Advisory Committee Members therefore chose to withdraw from the meeting and the meeting could not go ahead. The items due for consideration at the meeting were taken as a delegated Cabinet Member decision.
- Equality Impact Assessments were not circulated with the agenda reports; they were circulated at a later date, but Councillors felt this was not enough notice.

9.2.2 Cllr Birmingham discussed her concerns specifically related to the Norwich Heartsease Fiveways Junction call-in
- As local Member for Heartsease, Cllr Birmingham was disappointed that this scheme had not been discussed with her and the voice of residents had not been taken into consideration. She noted that 47% of respondents to the consultation on the proposal disagree with the aims and 49% disliked the shared use path.
- The scheme was not supported by the Norwich Cycling Campaign or the Norwich Society. There was no discussion with her as local member or consideration of the voice of local residents.
- Cllr Birmingham would have liked to see raised tables as a visual prompt to slow vehicles at the crossing and a raised area between the cycling and walking area. She was happy that her suggestion of a 20mph speed limit had been taken on board.
- Cllr Birmingham queried the proposal to buy land from the doctors' surgery between St Williams Way and Plumstead Road East.

9.3.1 The Cabinet Member of Highways, Infrastructure and Transport responded to the Councillors' comments:
- The Cabinet Member of Highways, Infrastructure and Transport believed that Cllr Birmingham had been involved in discussions related to the Heartsease development and site visits, and her points had been taken into account. Cllr Birmingham clarified that she had not attended a site visit.
- The Committee meeting arranged for the 31 May 2023 had been to discuss the two schemes which had been called in, but it had not been possible to proceed due to a Councillor leaving the meeting which made the meeting in-quorate.
- Due to the tight timescale involved with these two schemes, it was not deemed possible to bring them to a later meeting as doing so would have risked non-delivery and loss of funding. Because of this the Cabinet Member of Highways, Infrastructure and Transport took the decisions under delegation.
- Through the shaping of each scheme, the public and stakeholders had been engaged with.
- As the Heartsease scheme had been planned alongside other works in the area, delay in delivery of this scheme would have risked funding for the delivery of this and other schemes in the area (due to Department for Transport requirements that the funding needed to be spent by the end of the financial year)..
- The comments from Norwich Cycling Group were considered. It had not been possible to take all of their requests into account, but the best had been done in the constraints of the locations.

9.3.2 The Head of Sustainable Transport responded to the Councillors' comments:

- The Heartsease junction had a high accident rate particularly for pedestrians and cyclists due to the alignment of the junction. Other options for the junction had been looked at including a Dutch style roundabout, which were not possible due to the space.
- Land discussions were being progressed about gaining access to land around the junction to create segregated space for pedestrians and cyclists.
- Concerns raised in the public consultation had been addressed in the report. Active Travel England were involved in the design of the scheme and felt this was the best design within the constraints.
- Delivery of the schemes needed to be carried out within a set window or funding would be removed.
- The Head of Sustainable Transport had understood that Cllr Birmingham was involved in discussions and apologised if this was not the case.
- The Head of Sustainable Transport clarified that if the Transport for Norwich Advisory Committee had met to discuss these schemes on 20 July 2023 then delivery of these would have been at risk.

9.4 Councillors calling-in the decision questioned the Cabinet Member and officers:

- The inaccurate Chair listed on the agenda was queried. The Cabinet Member of Highways, Infrastructure and Transport clarified that he was not present at the meeting due to being at a funeral. The Assistant Director of Governance (Legal Services) & Monitoring Officer confirmed That Deputy Cabinet Members could attend meetings and support the Cabinet Member in decision making but could not make decisions. The terms of reference of the committee stated that the Cabinet Member would be Chair and allowed for substitution. The Cabinet Member of Highways, Infrastructure and Transport **agreed** to discuss with the Assistant Director of Governance (Legal Services) & Monitoring Officer to get clarity on the status around whether his Deputy Cabinet Member could substitute for him at Advisory Committee meetings.
- It was confirmed that in all cases, local member protocol should be followed, to inform members of changes to schemes in their area. The fact that Cllr Birmingham felt that she had not been engaged with adequately and Cllr Webb had not been engaged with about changes to a different scheme in her area meant that the protocol had not been followed.
- Cllr Emma Corlett summed up:
  - the Chair named on the agenda fell outside of the Terms of Reference of the Transport for Norwich Advisory Committee.
  - The Local Member Protocol had not been followed since Cllr Birmingham had not received proper engagement.
  - There had not been proper information circulated on why the meeting of the 20 July 2023 had been cancelled.

9.5 Members and substitute Members of the Committee questioned the Cabinet Member and officers:

- Points raised by Committee Members were that the Terms of Reference did not require named substitutes, that the constitution stated Cabinet Members could made decisions on an urgent basis without referring to anyone, and that there were no technical issues with the schemes. It was also pointed out that this was a non-decision making body.
- A Committee Member asked the Cabinet Member of Highways, Infrastructure

and Transport if he believed that the meeting was fully constituted with Cllr Hempsall, Deputy Cabinet Member of Highways, Infrastructure and Transport, attending in his absence. The Cabinet Member of Highways, Infrastructure and Transport replied that he believed that Cllr Hempsall had attended as his substitute. As this was an Advisory Committee, anything discussed at that meeting would have to be passed to him to inform his decision; his Deputy would not have the power to take the decision and so she would have passed the information discussed at the meeting to him. It was pointed out that since the agenda named Cllr Hempsall as the Chair, technically The Cabinet Member of Highways, Infrastructure and Transport did not give his apologies.

- The Cabinet Member of Highways, Infrastructure and Transport was asked what value he gave to the Advisory Committee. The Cabinet Member of Highways, Infrastructure and Transport replied that the Advisory Committee gave him advice on taking decisions, similar to the steering groups in Great Yarmouth and King's Lynn. It was important for Members to engage in discussions about schemes to provide him with advice which would help inform his decisions.
- The Cabinet Member of Highways, Infrastructure and Transport confirmed that he felt he had made the right decision based on the evidence. The department worked collaboratively with all District Councils on road and transport schemes and consulted with partners. The meeting to discuss the two schemes was convened to gain input from Councillors into his decisions however was in-quorate. Since there was a timescale in place round the two schemes in question, He had made them under delegation without reconvening a meeting.
- Both of the schemes in question had urgent statutory requirements including Traffic Regulation Orders and planning; once the meeting did not go ahead, the timescale for progression of the two schemes became critical. This meant that The Cabinet Member of Highways, Infrastructure and Transport took them both as delegated decisions.
- The Chair noted that 7.1c of the constitution set out the roles and responsibilities of Deputy Cabinet Members. This stated that they could deputise at meetings and speak on behalf of the Cabinet Member but did not have decision making power. Since the Transport for Norwich Advisory Committee was not a decision making body, the Chair felt that the Deputy Cabinet Member could have deputised, and the meeting could have gone ahead.

9.6 **Resolution of Call-In: Norwich Airport Industrial Estate Link**

9.6.1 To clarify the position around whether the Deputy Cabinet Member can substitute for the Cabinet Member at meetings, Cllr Brian Long proposed that the Scrutiny Committee should "note the call in and take no further action and suggest that the Cabinet Member review the terms of the reference of the Transport for Norwich Advisory Committee". Cllr Carl Annison seconded this proposal.

9.6.2 With 9 votes for, 3 against and 1 abstention, Scrutiny Committee **RESOLVED** to note the call-in but take no further action, and suggest that the Cabinet Member reviews the Terms of Reference of Transport for Norwich Advisory Committee

9.7 **Resolution of Call-In: Norwich Heartsease Fiveways Junction**

9.7.1 The Vice Chair proposed that "Scrutiny Committee refer the matter back to the Cabinet Member in consultation with the Local Member". Cllr Emma Corlett seconded this proposal. With 3 votes for, 9 against and 1 abstention, this proposal was lost.

9.7.2 Cllr Long proposed that “Scrutiny Committee should note the call in and take no further action and suggest that the Cabinet Member review the terms of the reference of the Transport for Norwich Advisory Committee”. Cllr Carl Annison seconded this proposal.

9.7.3 With 10 votes for and 3 against, Scrutiny Committee **RESOLVED** to note the call-in but take no further action, and suggest that the Cabinet Member reviews the Terms of Reference of Transport for Norwich Advisory Committee

9.8 The committee took a break from 12:13 until 12:25

10 Call In: Adult Learning –Community Delivery

10.1.1 The annexed report, (10) was received.

10.1.2 The Chair explained the way in which he would handle this item to best ensure a fair and balanced scrutiny process and to decide what (if any) issues the Committee would refer to the Cabinet. The options that were available to the Committee were set out in the report.

10.1.3 The Chair welcomed Cllr Emma Corlett, Cllr Alison Birmingham, Cllr Maxine Webb and Cllr Julie Brociek-Coulton as the Councillors who had called in the decision. They outlined their reasons for having done so and asked questions of Cllr Margaret Dewsbury, the Cabinet Member of Communities and Partnership, and of the officers that were present for the consideration of this item.

10.2.1 The Councillors who had called in the item asked the Committee to consider their concerns which centred around lack of engagement with the Adult Learning Steering Group and potential loss of service:

- The decision to remove adult learning from Wensum Lodge was made without consultation with the Adult Learning Steering Group
- The Steering Group was set up to discuss adult learning issues by People and Communities Select Committee.

10.3 The Cabinet Member of Communities and Partnerships and The Director of Community, Information and Learning responded to the Councillors’ concerns and those set out in the call-in documents:

- The steering group was consulted about issues such as content of courses and safeguarding but not about where courses were held as this was a business decision, noting that the service delivered from 137 locations. The location of courses was decided on statistics and demand.
- Communities committee in 2019 received a report on the future vision for Wensum lodge, which noted under-use of the site and a need for remedial repair putting a financial burden on the service. Following suggestion for use of the site as a creative hub, surveys were planned on this basis. However, the Covid-19 pandemic shortly after this meant that most courses moved online. Since the pandemic, courses had been moved back into various venues, including Wensum lodge and the option for learners to attend courses digitally had remained which meant the site continued to be under-used.

- There was an aim to deliver as many courses as possible in the 30% most deprived areas of the county, as set out in the Adult Learning Plan which was taken to the Adult Learning Steering Group, Infrastructure and Development select Committee for consideration prior to Cabinet approval.

10.4

Councillors calling-in the decision questioned the Cabinet Member and officers:

- The Terms of Reference of the steering group included being consulted on strategy, and ensuring that resources were managed well, therefore Cllr Webb suggested that the steering group should have been involved in the decisions discussed above. The Cabinet Member of Communities and Partnerships clarified that the feasibility study for a creative hub was not for an adult learning service.
- Consultation on the closure of Wensum Lodge was queried; the Director of Community, Information and Learning confirmed that staff forums and learner forums had been held. New locations for courses could not be confirmed at that time but would be discussed with learners and staff when known. Further forums would be held with staff and learners.
- The Director of Community, Information and Learning clarified that while some issues were discussed with the steering group, some issues were operational decisions which were tasked to the Director and Head of Service to implement, as part of implementation of the Adult Learning Plan agreed by Members. One such decision was the use of venues for courses. It was noted that course delivery locations changed often to meet needs of learners and there were 137 venues being used. Due to this frequent change, it was not possible to consult with the steering group each time.
- Cllr Emma Corlett felt that removing adult learning from Wensum Lodge was a strategic decision since 35% of classroom-based learning took place there which equated to 371 courses, of which 158 were self-financed and 213 were Government financed.
- Officers were asked if there were any calculations on risk of loss of income if courses were not able to be moved from Wensum Lodge to another location. The Cabinet Member for Communities and Partnerships replied that adult learning was self-sufficient; funding was received from Government funding, self-funded income and draw down of grants based on attainment of learners, and none from the Council budget. Therefore, the main risk highlighted was to self-funded learning, as Wensum Lodge was expensive to run. Therefore, the cost passed on to self-funded courses would increase as the cost to run the building increased.
- Councillors asked whether tutors had been asked how far they would be willing to travel. The Director of Community, Information and Learning confirmed that this discussion had not been held yet, but there would be focus on delivering courses where there was need in alternative venues in Norwich. Tutors were discussing their views with managers so that this could be considered.
- Cllr Emma Corlett expressed concern that there were not enough spaces in Norwich to move the courses held at Wensum Lodge into;
- Cllr Webb summed up:
    - the evidence for moving the service in the way described was not sufficient to show that the level of service currently provided could continue.
    - There had been no consultation with the Steering Group or Infrastructure and Development Committee on the changes.

- Wensum Lodge had always been seen as a jewel in the crown of adult education.

10.5 Members and substitute Members of the Committee questioned the Cabinet Member and officers:

- The Director of Community, Information and Learning confirmed that staff were told about the closure a couple of days before the cabinet report was published. The Vice-Chair felt there should have been a longer period of consultation on this with staff.
- The Director of Community, Information and Learning recognised that some courses were more challenging to move to another location. However, some tutors were excited to move to another location with better facilities and there was a mixed set of views on the change.
- A Committee Member queried how much Council funding was being used to upkeep the building, noting that many people in Norfolk did not access Wensum Lodge.
- Following a query, the Cabinet Member of Communities and Partnerships replied that other venues to hold adult learning were being reviewed to make them more accessible. Wensum Lodge had limited parking and no buses stopped there, so to access it by public transport relied on people being able bodied.
- A Committee Member asked whether, when seeking alternative venues, all types of provision would be sought - to assist those with lack of transport, for example. The Director of Community, Information and Learning confirmed that there was no intention for courses to stop being delivered and the service would seek to put on courses where possible in communities such as using libraries and other local venues. The Cabinet Member of Communities and Partnerships added that moving courses to community venues helped people to make friends local to them and supported the green agenda by reducing travel time.
- A Committee Member asked for more information on the long-term ambitions of Wensum Lodge raised in 2019, where there was consensus that the cost issues could be overcome. The Director of Property replied that, after the report in 2019, an architect reviewed the cost of improvements to the site and national professionals looked at heritage, access, utilities and drainage. From this, a cost plan was returned in February 2020, with a cost of £23m. Work on this project was halted during the pandemic when staff were redeployed to other areas of work. Inflation was now higher than February 2020, meaning the work to repair the building would be much higher than £23m. The funding environment was also different, and a change had been seen in the office market meaning less lets were taken up. Officers reviewed whether part of the vision could be delivered but it was not possible to split the project with cost pressures.
- A Committee Member asked if consideration had been given to public consultation over closure of Wensum Lodge. The Cabinet Member of Communities and Partnerships replied that this was a building in the oldest part of the city and had not always been used for Adult Education. She felt that continuing to adapt the building for the service's needs was taking away from the heritage of the site.
- The Chair noted that the argument was around whether the decision taken to remove adult education from Wensum Lodge was operational or not. He felt

that the courses which would be affected were limited to those with specialist equipment such as silversmithing and pottery. He therefore believed that this was an operational decision.

- Cllr Corlett did not agree with the Chair's summary; she noted that it was not the intention for classes to stop however it was a risk due to the unknown location of venues and tutor availability. She asked for more meaningful engagement with officers and learners and for information to be brought back to Cabinet and Scrutiny with public consultation.

10.6 The Vice-Chair proposed that "Scrutiny Committee refer the decision back to the Cabinet Member with a recommendation that public consultation be carried out", seconded by Cllr Brian Watkins. With 3 votes for and 9 against, the proposal was lost.

10.7.1 Cllr Brian Long proposed that Scrutiny Committee note the call-in but take no further action, seconded by Cllr Mark Kiddle-Morris.

10.7.2 With 9 votes for and 3 against, Scrutiny Committee **RESOLVED** to note the call-in but take no further action

11 Call In: Disposal, Acquisition and Exploitation of Property

11.1.1 The annexed report, (11) was received.

11.1.2 The Chair explained the way in which he would handle this item to best ensure a fair and balanced scrutiny process and to decide what (if any) issues the Committee would refer to the Cabinet. The options that were available to the Committee were set out in the report.

11.1.3 The Chair welcomed Cllr Emma Corlett, Cllr Alison Birmingham, Cllr Maxine Webb and Cllr Julie Brociek-Coulton as the Councillors who had called in the decision. They outlined their reasons for having done so and asked questions of Cllr Jane James, the Cabinet Member of Corporate Services and Innovation, and of the officers that were present for the consideration of this item.

11.2 The Councillors who had called in the item asked the Committee to consider their concerns:

- In 2019 the Communities Committee agreed a vision for redevelopment of Wensum Lodge so that it could be a community asset to benefit local residents. £5.71m was set aside in the capital programme agreed by Council in February 2023 for redevelopment of the site.
- In 2019 the Executive Director of Community and Environmental Services assured the Committee in 2019 that the project would be carried out and if it was not cost effective that other options would be explored.
- Councillors therefore felt they should have been made aware how much work had been carried out to pursue this vision and why instead it had been agreed to sell the site. It was noted that this point was answered under discussion of item 10.

11.3 The Cabinet Member of Corporate Services and Innovation responded to the Councillors' queries:

- The Council's Strategic Property Asset Management Framework 2021/22 to 2026/27 provided the policy basis for decision making on property basis stated at paragraph 6.2 that "when a property becomes an impediment to delivery of quality services it will be improved, removed or disposed of". The Policy stated at paragraph 6.5 stated that the Council "challenges use of its property on an ongoing basis, reviewing the use and future needs of property assets and their service delivery, and there is a continued emphasis on minimising the extend of the property estate retained for operational purpose".
- There were no alternative operational requirements for the Wensum Lodge site, and it was on this basis that the disposal of the site was taken to Cabinet.

11.4 Councillors calling-in the decision questioned the Cabinet Member and officers:

- When it was agreed, the development of Wensum Lodge fulfilled the aims of Better Together for Norfolk. Cllr Webb asked what had changed since this time. The Cabinet Member of Corporate Services and Innovation replied that since the Covid-19 Pandemic changes had been seen in the requirements for work and learning spaces and in funding. The Director of Property noted that there was also now a better understanding of the cost involved.
- Cllr Webb asked if discussions had been held with organisations regarding funding the redevelopment of the site. The Director of Property replied that discussions had been held with organisations as well as looking into national funding options. It was clear that the Council did not need the site; declaring it surplus meant that discussions could be held with colleges and Universities to see if they needed the site.
- It was noted that some tutors and learners had described the site as a maze and found it hard to drop off items for courses which required equipment. It was also noted that it was a difficult site for disabled learners to attend.
- Conversations with community groups who may want to take on the site were welcomed.
- Cllr Webb felt that the number of learners who travelled to access the site was testament of the facilities it provided.
- Cllr Brociek-Coulton asked how much time went into considering improvement or re-use of the site, siting paragraph 2.2 of the Strategic Property Asset Management Framework 2021/22 to 2026/27: "Work with Members and partners to identify opportunities for collaboration in the use, reuse and potential for meanwhile use of property", which she felt had not been carried out. The Cabinet Member of Corporate Services and Innovation noted paragraph 6.6 of the Plan which stated: "In the event of a property asset becoming surplus to an individual service need the Director of Property working with the Corporate Property Strategy Group (a Director led senior Officer Group representing all directorates) ascertains whether other service areas have an unmet need that could be addressed by re-using the property asset for that service. Once it is confirmed there is no further County Council requirement, Cabinet is asked to formally declare property assets surplus and then they are disposed of". She was confident that this process had been followed.
- The Cabinet Member of Corporate Services and Innovation confirmed that the £5.71m set aside for redevelopment of Wensum Lodge would be taken back to Cabinet for a decision on its alternative use. Corlett asked if this funding should be used for capital schemes with other community and cultural benefits. The Cabinet Member of Corporate Services and Innovation replied that it

would be inappropriate for her to look at this without a business case.

11.5 Members and substitute Members of the Committee questioned the Cabinet Member and officers:

- A Committee Member noted that the Council did not have a need for Wensum Lodge and the process followed to dispose of the site was the same as for other sites. Cllr Emma Corlett clarified that Councillors had called this disposal in as they did not agree with the rationale for the disposal.
- The Vice-Chair felt that there was not evidence that the site was surplus to council requirements as there was not yet evidence as to where some of the services delivered there would be delivered and if they could be delivered effectively elsewhere.
- The Director of Property confirmed that the cost did not inform the decision to dispose of the site; it was because it was not needed by Adult Education and other services also confirmed they did not need the site. Because of this it was declared as surplus to requirements.
- It was noted that since discussions about redevelopment of the site held in 2019 there had been the Covid-19 pandemic; changes to the ways that people meet, learn and carry out business had been seen when coming out of the pandemic.
- A Committee Member felt that passing on the building to another user would allow its use to continue and protect its heritage.
- A Committee Member queried the future of the music house which was on the site of Wensum Lodge. The Director of Property confirmed that discussions had been held with Norwich City Council who owned freehold of the site and, pending the outcome of discussions, this would be returned to them.

11.6 Cllr Maxine Webb summed up:

- It was not known if all the courses currently delivered at Wensum Lodge could be delivered elsewhere or if users would attend them in other locations.
- All of the work of the working group set up in 2019 had not been seen.
- She asked for this decision to be taken back to Cabinet with full public consultation and with partners to look at viability of the site.

11.7 Cllr Brian Long proposed that Scrutiny Committee note the call-in but take no further action, seconded by Cllr Carl Annison.

11.8 With 10 votes for and 3 against, Scrutiny Committee **RESOLVED** to note the call-in but take no further action.

12 Scrutiny Committee Forward Work Programme

12.1 The annexed report (at item 12) was received.

12.2 The Democratic Support and Scrutiny Manager confirmed that he would take away the actions raised during the discussion about the Climate Change Strategy and what the action plans would look like.

12.3 It was reported that the August 2023 meeting would be cancelled.

12.4 **RESOLVED**

That the Committee:

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

The meeting concluded at 14:11 pm

Chair

Scrutiny Committee

Item No: 7

Report Title: Recycling Services

Date of Meeting: 20 September 2023

Responsible Cabinet Member: Cllr Eric Vardy (Cabinet Member for Environment & Waste**)**

Responsible Director: Grahame Bygrave, Interim Executive Director of Community and Environmental Services

Executive Summary

The County Council provides 20 recycling centres across Norfolk and is delivering a programme of site upgrades to improve the service performance, make the service easier to use and to promote reuse.

In 2023/24 the recycling centre service budget is £7.2m and the budget for payments to the District, City and Borough Councils for the recycling they do is £11.8m. Two new recycling centres were opened in 2021 at Norwich North and Norwich South as part of the ongoing upgrade and improvement programme. As part of the programme of service improvements and efficiency, a decision regarding the ongoing operation of the Mayton Wood Recycling Centre is expected to be made when Cabinet meets in October and the findings from a consultation on the proposal are included in the report.

The current budget for the upgrade and improvement programme is £8.9m, but this is subject to the County Council's wider review of the capital programme. It currently includes provision for new sites for the Sheringham, Wymondham, Long Stratton and North Walsham areas as well as for CCTV upgrades and required site equipment.

Further clarity from Government is awaited on its proposal to require a limit on the amount of DIY waste that should be accepted for free from householders, with the current information indicating that this could be a new unfunded burden of around £0.5m to £1m a year for the County Council.

The Environment Agency has highlighted a requirement for the treatment by incineration of upholstered domestic seating in waste, as these may be items that contain fire retardant treatments that include 'persistent organic pollutants', and the longer-term requirements for materials that may contain these chemicals is expected to have a growing impact on the costs and complexity of dealing with them.

Action Required

1. **To consider and comment on the performance and plans for the recycling service.**

1. Background and Purpose

1.1 The purpose of this report is to inform Scrutiny Committee of the performance, plans and implications for the recycling service.

1.2 The County Council has a statutory role as the Waste Disposal Authority for Norfolk which is detailed in Section 51 of the Environmental Protection Act 1990, meaning that in relation to recycling centre services it:

a) Must provide places where residents can deposit their household waste
b) Has to allow for free disposal of household waste from residents
c) Can charge payment for other waste types and from non-residents

1.3 In addition Section 52 of the Environmental Protection Act 1990 requires the County Council to make payments to Waste Collection Authorities, ie the District, City and Borough Councils in Norfolk, for processing the household waste material they collect for recycling, and allows that it may make similar payments to others that do the same.

Subsequent legislation specifies the nature and principles of these payments and the alternative approaches that can be taken in two-tier local authority areas, which include specifying a 3% annual increase to such payments and the option to agree any alternative approach, both as opposed to the option of a Waste Disposal Authority requiring Waste Collection Authorities to use a processing service it has paid for, thereby removing the need for such payments.

1.4 The service is also a key part of the County Council's Better Together, for Norfolk strategy, contributing towards: a vibrant and sustainable economy; strong, engaged and inclusive communities; and a greener, more resilient future.

2. Recycling Centre Service Scope

2.1 The recycling centre service budget for 2023/24 is £7.2m for 20 sites across Norfolk, which includes the cost of all operations, labour, transport, maintenance and the cost of rents and leases associated with the service.

The recycling centres are operated on behalf of the County Council by Norse Environmental Services Ltd (NEWS) using an open-book accounting approach, meaning that the County Council has full visibility of all the costs of providing the service.

All recycling centres have standard opening hours of 09:00 to 16:00 throughout the year, with six sites operating part-time (Friday, Saturday, Sunday and Monday) and the remaining 14 open seven days a week. Details of the services provided at each site are available on the County Council's website which provides lots of useful information and guidance for customers.

2.2 Reuse activities at recycling centres have been expanding and the County Council now has a network of 15 reuse shops, which sell items such as bikes, furniture, bric-a-brac, toys, books and safety tested electrical items.

The most recent reuse shops, which are both purpose-built shops with dedicated staff and large showrooms of items for sale, were opened in 2021 and 2022 at the new Norwich North and Norwich South Recycling Centres. Recycling centres without space for a reuse shop store reusable items which are transported to other sites across the whole reuse network to be sold.

Most of the income from the shops is used to offset the costs of delivering the recycling centre service, with 5% of income from reuse being donated to a charity partner, which is currently the Big C cancer charity, with a cheque presentation for £22,000 made to the charity in May this year.

2.3 22 different materials are collected for recycling at each site (for example green garden waste, electrical items, metals, clothing and batteries), and an A to Z of items accepted can be found on the County Council's website.

With the aim to eliminate the need for customers to use steps to dispose of key materials such as green waste and non-recyclables, low level compactors are provided that allow material to be placed in without requiring steps, or split-level sites are delivered wherever possible, which allow customers to tip material over a safety barrier in to a container that is set at a lower level in a central compound.

2.4 The service for DIY type construction and demolition materials is offered through a Pay As You Throw service with low level charges in place to help provide a competitive and convenient option for householders dealing with this type of material. For example, the charge for an 80 litre bag of rubble or timber is £3.50, and for unsorted DIY waste the charge is £6.

Prices are set on the cost of disposal and transport for each material and charges are based on a visual inspection of the volume received. In addition, from Monday to Friday eight larger sites offer a trade waste service for small businesses and prices for that service are in line with the Pay As You Throw charges.

The prospect of a change in law that might require the provision of a limited free allowance for DIY waste from householders is covered in Section 5 below.

2.5 The County Council offers a free service for household hazardous waste (eg paint, household chemicals, preservatives, pesticides and fertilizers) through annual Household Hazardous Waste Day events that are currently held at seven sites across Norfolk on different weekends during September and October. This approach is more costs effective and efficient approach than providing a service at sites all year around and in 2022, 247 tonnes of household hazardous waste was received. This material was mainly paint, which has led to a refreshed 'Use it up or dry it out' campaign to advise householders of alternative options for paint disposal.

2.6 Recycling centres also provide a drop off point for up to three bags of litter from organised litter picks. This supports individuals who have carried out a small litter pick to recycle or dispose of the materials they collect. The service accepted over 100 bags in 2022/23, with larger litter picks directed to the District, City and Borough Councils for a collection.

3. Recycling Centre Upgrades and Improvement

3.1 The successful opening of both the Norwich North Recycling Centre and the Norwich South Recycling Centre in 2021 was part of an ongoing programme of upgrades and improvements to the recycling centre service. That programme currently includes four major projects:

Title	Description	Status and Timing
Sheringham Recycling Centre	A replacement site to provide an improved service including reuse	Planning decision due in 2023, construction expected in 2024/25
Wymondham Recycling Centre	A new improved site for the A11 corridor, including a large reuse shop	Planning application due in 2023/24, construction expected in 2024/25
North Walsham Recycling Centre	A replacement for the site at Worstead to accommodate increased usage and provide an improved service	At site selection stage, with planning application expected in 2024/25 and construction provisionally expected in 2025/26
Long Stratton Recycling Centre	A replacement for the Morningthorpe site to accommodate increased usage and provide an improved service	At site selection stage, with planning application expected in 2025/26 and construction provisionally expected in 2026/27

3.2 In addition to those projects a CCTV upgrade across the recycling centre network and an ongoing series of improvements to the welfare provision on sites for staff are due to be completed in 2023/24.

3.3 It should be noted that the County Council is undertaking a review of the future planned Capital Programme, which may have implications for the timing and deliverability of a number of capital schemes across the organisation.

4. Recycling Centre Service Performance

4.1 The table below provides a summary of the key performance aspects of the recycling centre service:

Performance Indicator	2022/23	2021/22	2020/21
Total throughput	61,227t	63,998t	49,992t
Recycling tonnage	21,435t	21,579t	16,935t
Composting tonnage	14,186t	17,677t	13,651t
Reuse tonnage	1,333t	1,051t	224t
Diversion rate from disposal	71.82%	72.80%	72.67%
Visitor numbers	1,286,341	1,014,800	722,627
Customer satisfaction rate	85%	82.6%	82.0%
Reuse income	£427,032	£189,536	£34,268

In recent years notable considerations influencing performance are:

a) In 2020/21 Covid-19 lockdowns, service closures and reuse shop closures reduced service volumes and demand.
b) In 2021/22 changes to society behaviours in response to Covid-19 led to a surge in service demand.
c) In 2022/23 an extended period of drought reduced the amount of garden waste received which reduced the diversion rate, as there was less material sent for composting.
d) The delivery of new recycling centres and reuse shops in late 2021 and early 2022 was associated with a more than doubling of income from reuse and an increase in customer satisfaction.

4.2 In 2022/23 Norwich North Recycling Centre received the highest tonnage at 4,989 tonnes and Docking Recycling Centre, which is a part-time site, received the lowest at 365 tonnes. And for the first quarter of 2023/24 the total recycling centre service volume is significantly higher, up 19% on the same period last year.

4.3 The 1,333 tonnes of materials sold through the reuse shops is equivalent to an estimated saving of 1,256 tonnes of carbon. There have been unusual, valuable and precious items pass through the shops such as pianos, wedding dresses and war medals and more recently site staff have been testing electrical items for reuse, which can then be sold on rather than recycled.

4.4 Customer satisfaction surveys are completed annually for the 20 recycling centres across Norfolk and during February and March 2023, 1,950 surveys were completed and the overall satisfaction with the service was 85%, up 3% on the previous year.

4.5 In 2022/23 the County Council received 262 compliments about the service directly or through a review left on Google. The theme of these was typically to compliment the staff or the ease of use of the site. For the same period there were 89 complaints, primarily over staff interactions followed by complaints about the DIY waste policy on charging, and in direct response throughout 2022 NEWS has undertaken customer service training with all staff, to help equip them with skills to deal with difficult situations effectively and professionally.

In addition to this, recycling services has dealt with 463 enquiries about the service or recycling more generally, in addition to those managed by the customer service centre team.

5. Recycling Centre Service Implications

5.1 DIY Waste at Recycling Centres

5.1.1 The County Council charges for DIY type construction and demolition waste at recycling centres in line with Schedule 1 of The Controlled Waste (England and Wales) Regulations 2012 which classifies this material as industrial waste, ie not household waste. The County Council has charged for such waste for over twenty years and in 2018 removed a weekly free allowance for householders of one 80 litre sack or one item a week.

5.1.2 In 2022 Defra held a 'Consultation on preventing charges for DIY waste at household waste recycling centres and call for evidence on booking systems at household waste recycling centres', which included a proposal to allow householders to free disposal of up to 300 litres of DIY type construction and demolition waste a week, whilst also indicating that no additional funding would be provided to councils to meet the cost of this proposal if it were to become a requirement.

On Sunday 18 June Government set out its plans on how DIY waste at recycling centres is going to be addressed via '*changes that will be brought in to force this year*' (details here https://www.gov.uk/government/news/council-diy-waste-charges-abolished and here Summary of responses and government response - GOV.UK (www.gov.uk)

5.1.3 Further clarity from Government is awaited on the implementation, detail and timing of its proposal, which importantly is not a ban on charging but is instead a limit on what should be accepted for free from householders. As it stands the new Government proposal is likely to specify that, in relation to small-scale projects undertaken by householders, there would be:

- *'free disposal of DIY waste up to two 50L rubble bags (or one bulky or fitted item no larger than 2,000mm by 750mm by 700mm, the approximate size of a bathtub or shower screen)'*
- *'at a frequency of 4 visits per household over a 4-week period'*

5.1.4 This requirement is not a policy change that is expected to have a notably significant effect on fly-tipping incident numbers, a view that is informed by the findings of a national investigation by waste charity Wrap on charging and fly-tipping ('The Relationship Between Fly-tipping Rates and HWRC Charging'), which established '*no evidence of an association between fly-tipping and charging at HWRCs*'.

5.1.5 The next steps are expected to be changes to the Controlled Waste (England and Wales) Regulations 2012 made this autumn, with the possibility of a required implementation start date for any change of early 2024.

5.2 Persistent Organic Pollutants (POPs) in Domestic Seating

5.2.1 In August 2022 the Environment Agency highlighted a national requirement for the treatment by incineration of upholstered domestic seating in waste (for example: sofas, sofa beds, armchairs, kitchen and dining room chairs, stools and foot stools, home office chairs, futons, bean bags, floor, and sofa cushions), as these may be items that contain fire retardant treatments that include 'persistent organic pollutants', also referred to as POPs.

The requirement for disposal by incineration, and not landfill, is to help prevent the release of such chemicals into the environment, and to ensure that this is the case arrangements are to be made to keep these types of items separate from other waste materials, even if they are all to be disposed of at the same incinerator.

5.2.2 To manage the transition to full national compliance, the Environment Agency has issued a set of Regulatory Position Statements (RPSs) which allows upholstered domestic seating to continue to be mixed with other non-recyclable waste, providing it is disposed of by incineration. This provision is in place until 01 December 2024, with a review in December 2023, after which time there is an expectation that upholstered domestic seating received by recycling centres across the country will be required to be placed in a separate covered container, without compaction. This is expected to impact the service through challenges in terms of space for additional containers and financial costs of transporting uncompacted waste.

To be eligible to use the RPSs the County Council and site operator NEWS were required to inform the Environment Agency of its intention to do so, and to provide an outline plan of how full compliance would be achieved before 01 December 2024. It is expected that assessments of compliance and future plans by the Environment Agency will start to increase across the country from summer 2023.

5.2.3 In the longer term, for example if the RPSs are not extended or if as is possible further materials containing POPs are brought in to scope, then such arrangements are expected to have a growing impact on recycling centre operations, as space may have to be allocated to keep items containing POPs separate, thereby reducing space for other materials and impacting additional contingency space provided for green, non-recyclable and timber waste. Further arrangements to have POPs waste shredded, so that it is suitable for incineration may also have to be made, which would add additional cost and complexity to operations that are yet to be fully quantified.

6. Recycling Centre Service Development

6.1 Alongside the development of new sites outlined in Section 3 above, the County Council is committed to making improvements to the service and operations to enhance the service for customers, improve performance and save money. Recent or expected developments are:

Title	Description	Timing
Book, DVD and CD recycling trial	Banks placed at recycling centres, currently accepting books and at some sites CDs and DVDs while markets are tested	Introduced May 2023
Safety and function testing of electrical equipment for reuse	Small items, including TVs, game consoles, toasters and kettles are tested and sold through reuse shops	Introduced early 2022 and expanding to all reuse shops as site staff are trained
Large electrical white goods reuse trial	Separate container placed at Norwich North Recycling Centre to trial collection of good quality white goods for reuse to the Norfolk Assistance Scheme, via the Benjamin Foundation	Trial commenced in July 2023
Body Cameras	Staff issued with personal body cameras to provide support for difficult interactions on sites	Implementation autumn 2023

6.2 Booking systems for customers using recycling centres are widely used across the country and require customers to book an appointment prior to arriving at the site. The changes to DIY charging that are expected to be introduced by Government (as outlined in Section 5.1 above) may mean that the potential role of a booking system for customers that use the recycling centre service has to be considered, to allow the County Council to respond to the Government's changes in a way that is capable of managing those requirements and limiting their financial impact.

6.3 Mayton Wood Recycling Centre

6.3.1 Cabinet on 30 January 2023 established a proposal to relocate operations from Mayton Wood Recycling Centre to the new Norwich North Recycling Centre (which opened in autumn 2021 and is around six miles or a 15-minute car journey from Mayton Wood). That proposal was made in response to a drop in customer numbers of around a third at Mayton Wood Recycling Centre since the new Norwich site opened. The proposal would also contribute towards the Council's savings targets, delivering a saving of around £70,000 a year.

6.3.2 Considerations around the proposal were outlined in a report to Full Council on 21 February 2023 ('Norfolk County Council Revenue and Capital Budget 2023-24 to 2026-27', pages 449 to 450) and following a recent six-week public consultation on this proposal, a decision about the future of the site is expected when Cabinet meets in October 2023. Details on the consultation process and responses to the public consultation are presented in Appendix A to this report *'Consultation on the Proposed Closure of Mayton Wood Recycling Centre - Findings Report'*.

7. Recycling Payments To District Councils

7.1 In 2022/23 the County Council made payments of around £9.7m to the District, City and Borough Councils for the recycling they collected (such as mixed dry recyclables, food or charged for garden waste collections) and items collected for reuse to contribute to the cost of processing these materials and in lieu of the avoided cost of their disposal.

The County Council's 2023/24 budget for such payments is around £11.8m and the rate paid to the District, City and Borough Councils is £69.97 for each tonne they collect and increases at a fixed rate of 3% a year.

The largest changes last year compared to the previous year related to a very large reduction in garden waste collected of 11,263 tonnes due to the summer drought, and there was also a large reduction in the amount of mixed dry recyclables collected of 5,337 tonnes.

Waste Collection Authority	Tonnes	£
Borough Council of King's Lynn and West Norfolk	26,669	£1,760,148
Breckland Council	21,009	£1,413,739
Broadland District Council	25,673	£1,736,176
Great Yarmouth Borough Council	12,426	£844,050
North Norfolk District Council	20,540	£1,285,007
Norwich City Council	17,396	£1,181,724
South Norfolk Council	23,457	£1,525,038

Total	**147,170**	**£9,745,882**

7.2 In 2022/23 the following payments were made by the County Council to charities, parish councils and other organisations for the materials they collected in each Waste Collection Authority area as below.

Waste Collection Authority Area	Tonnes	£
Borough Council of King’s Lynn and West Norfolk	189	£12,457
Breckland Council	239	£15,786
Broadland District Council	505	£33,379
Great Yarmouth Borough Council	144	£9,476
North Norfolk District Council	610	£40,238
Norwich City Council	393	£25,900
South Norfolk Council	117	£7,707
Total	**2,197**	**£144,943**

8. Financial Implications

8.1 In relation to Government’s DIY proposals for recycling centre services it has clarified that new funding will *not* be provided to councils to deal with the extra costs of this change to legislation, with the Department for Levelling Up, Housing and Communities (DLUHC) deciding ‘*that local authorities that currently charge householders to dispose of DIY waste will be required to absorb any associated costs*.’

Consequently, if changes to legislation go ahead as planned then the County Council would face a new unfunded burden of around £0.5m to £1m a year, depending on the detail of the new requirements and how customers respond to any required change, and informed by the reduction in the County Council’s cost that resulted from ending a weekly free allowance in 2018.

8.2 Packaging extended producer responsibility (pEPR) is expected to lead to producers paying the County Council via a national scheme for the costs of dealing with packaging. Such payments are expected to include part of the costs for recycling centres, with the payments of an unknown value for 2025/26 currently expected in late 2025.

8.3 The County Council’s budget for payments to the District, City and Borough Councils for the recycling they do is £11.8m for 2023/24 with some of this cost relating to materials from packaging and some relating to other materials like garden waste, food, paper and other items.

However, the implementation of pEPR is currently being presented by Defra as disregarding the existence of any payment by a Waste Disposal Authority to a Waste Collection Authority to support the cost of processing their recycling. Instead Defra is currently saying that it would expect local authorities in two-tier areas to change any payment arrangements to reflect the additional payment by producers to Waste Collection Authorities by agreement.

9. Resource Implications

9.1 Staff: None arising from this report.

9.2 Property: None arising from this report.

9.3 IT: None arising from this report.

10. Other Implications

10.1 Legal Implications: None arising from this report.

10.2 Human Rights Implications: None arising from this report.

10.3 Equality Impact Assessment (EqIA): None arising from this report.

10.4 Data Protection Impact Assessments (DPIA): None arising from this report.

10.5 Health and Safety Implications: None arising from this report.

10.6 Sustainability Implications:

10.6.1 Recycling centres brought an estimated benefit of -22,077 tonnes CO_2-eq through the recycling, composting and reuse of materials rather than using raw materials. These figures are calculated using the calculations in line with the Zero Waste Scotland and Greenhouse Gas protocol guidelines. Striving to recycle, reuse and compost as much of the waste received at sites as possible, has the best outcome, and helps deliver the County Council's Together for Norfolk priority, *to reduce our impact on the environment*

10.6.2 Overall the recycling centre service provides a net benefit of -20,921 tonnes CO_2-eq when compared to disposal of all waste and use of raw materials. Reuse is particularly beneficial as there is no reprocessing or service related transport involved when sold directly from the reuse shops which last year delivered the benefit estimated to be -1,256 tonnes CO_2-eq.

10.6.3 These figures are generated using a carbon estimation tool that has been developed by the recycling service to track the performance of the recycling centres. The tool tracks the carbon used through the operations of the service related to transport and energy use; it also estimates the benefit (in carbon terms) of recycling, composting, and reusing the separated material streams. Recycling of materials offsets carbon impacts associated with raw material extraction and processing and therefore often provides a negative carbon impact, by avoiding emissions that would have otherwise occurred.

10.6.4 Energy, water use and diesel use, related to mobile compaction, has been measured at each site and totals 94 tonnes CO_2-eq of carbon. Performance was improved at sites which have photovoltaic panels is place, which are built into the specification for new recycling centre developments.

10.6.5 Transportation of waste materials onto their next destination for processing has an estimated impact 1,062 tonnes CO_2-eq. The service is able to effectively reduce this figure by compacting waste and using Norfolk's network of transfer stations to bulk materials for onward transport.

10.7 Any Other Implications: None arising from this report.

11. Risk Implications / Assessment

11.1 There is a significant risk that the County Council will have a DIY policy requirement for its recycling centres imposed on it by Government via changes in legislation expected in 2023, and without the associated Government funding for that change being provided. Current estimates are that this could be a new unfunded burden of around £0.5m to £1m a year starting in 2024.

11.2 The delivery of new recycling centres can be delayed by the time taken to secure suitable sites and the process of securing permission and permits to construct and operate new sites, such delays creating a risk to project costs and delivery.

11.3 Packaging extended producer responsibility (pEPR) is expected to lead to producers paying the County Council via a national scheme for the costs of dealing with packaging, and this is expected to include payment for recycling centre services. The schemes has been subject to delays with the payments of an unknown value for 2025/26 now expected in late 2025.

The primary risk is that the scheme may be subject to further delay or be reduced in scope or abandoned. An additional risk is that the pEPR scheme remains incomplete and that no associated changes are made to recycling credits legislation, thereby requiring local authorities in two-tier areas to revisit any payments made by a Waste Disposal Authority by agreement.

11.4 There is a risk that the requirement from the Environment Agency to separate materials containing POPs at recycling centres, could mean that the performance of the service is impacted as smaller sites may not be able to accept the full range of materials, and that customers could be turned away with materials to take to larger sites.

12. Select Committee Comments

12.1 Not applicable, however Infrastructure and Development Select Committee is due to review the waste service at its meeting on 15 November 2023.

13. Recommendations

1. **To consider and comment on the performance and plans for the recycling service.**

14. Background Papers

14.1 'Waste Service Review' report, page 105 on the agenda for Infrastructure and Development Select Committee, 16 November 2022

14.2 'Norfolk County Council Revenue and Capital Budget 2023-24 to 2026-27' report, pages 449 to 450, Full Council, 21 February 2023

Officer Contact

If you have any questions about matters contained within this paper, please get in touch with:

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Appendix A

Consultation on the Proposed Closure of Mayton Wood Recycling Centre - Findings Report

1. Background

Norfolk County Council continues to work in challenging financial circumstances. In February, County Councillors agreed the County Council's 2023-24 budget which aims to tackle a £60m gap in finances and protect key services.

One consideration to saving money in this year's budget is to look at how we run our recycling centres in Norfolk. Following public consultation in autumn/winter 2022 a proposal to close all of Norfolk's recycling centres on Wednesdays was not introduced, however, a proposal to align summer and winter opening hours for recycling centres was approved, meaning that from 01 April 2023 recycling centres now close at 4pm all year round.

A further proposal was made by Cabinet on 30 January 2023, which was to move operations from Mayton Wood Recycling Centre to the new Norwich North Recycling Centre which opened in autumn 2021 and so that the site at Mayton Wood could close. The proposal would deliver a saving of around £70,000 a year and subsequently on 15 May 2023 the County Council launched a six-week public consultation on this proposal.

2. Methodology

An online consultation was developed which ran for six weeks, closing on 26 June 2023. This was hosted on the County Council's Citizen Space consultation hub. Paper copies, large print copies and Easy Read copies were available to download from the online portal, and available on request by email and phone (with a Freepost returns process in place).

3. Promotion

To ensure as many residents as possible could take part in the consultation it was promoted through the following channels:

- Press release to local media across Norfolk, including BBC Radio Norfolk, and the EDP.
- Social media promotion on Twitter, Facebook and NextDoor.
- Members briefing to all County Councillors.
- Information on the County Council staff intranet and staff newsletters (including Friday Takeaway).
- Information on the County Council's website www.norfolk.gov.uk
- Emails sent to key stakeholders.
- Parish Councils contacted via Norfolk Association of Local Councils.

We asked respondents how they heard about the Mayton Wood consultation and the response is tabled below.

Option	Total	Percent
Local media (e.g newspaper, radio)	151	17.34%
From a social media post (e.g Facebook)	458	52.58%
From a friend	62	7.12%
From a group I belong to	19	2.18%
From my place of work or education	1	0.11%
The Norfolk Residents' Panel	1	0.11%
District Council web page	9	1.03%
Norfolk County Council web page	30	3.44%
My Parish Council	45	5.17%
From an email I received	27	3.10%
Not Answered	68	7.81%

3.1 Media

There was media coverage about the consultation in publications/outlets including the Eastern Daily Press, BBC Radio Norfolk, North Norfolk News and Yahoo! News.

3.2 Social Media

The numbers for the social media campaign promoting the consultation were as follows:

Facebook Ads	15 to 21 May: reach 49,842, impressions 50,676. 31 May to 07 June: reach 50,848, impressions 52,376
Facebook	Post on 15 May (boosted on 18 May): reach 15,180, engagement 821, link clicks 692, cost per link click £0.07, amount spent £50.00
Nextdoor	Post on 17 May: impressions 3,086, comments 34. Post on 31 May: impressions 968, no comments
Twitter	Post on 15 May: impressions 4,203, engagements 54, link clicks 21

4. Analysis and reporting

Every response has been read in detail and analysed to establish the range of people’s opinions, identify any repeated or consistently expressed views, and evaluate the anticipated impact of proposals on people’s lives.

In most instances data is expressed in terms of the *number* of respondents owing to relatively small sample bases. Where *percentages* are used, totals may not necessarily add up to 100% because of rounding or multiple responses. The bases for each question vary owing to respondent selection of questions they wished to answer.

When summarising the feedback to the open questions we have selected quotations to help illustrate the spectrum of key themes emerging from the consultation feed-back, but these should not be taken to reflect the entirety of opinion. These quotes faithfully reflect an individual's articulation of that theme, and as such all quotations are given verbatim, with respective spelling/punctuation.

5. Respondent numbers

We received in total 871 responses to our budget consultation. 869 were submitted via the online Consultation Hub. 2 responses were received via the Have Your Say email address. We received no responses via post.

Several responses were also received via email after the consultation had closed and these were primarily to raise concerns about losing a local facility and the preference for Mayton Wood Recycling Centre over the larger Norwich based facilities.

5.1 Petitions

Two public petitions were set up opposing the relocation of Mayton Wood Recycling Centre.

The first was set up by County Councillors Steve Riley and Dan Roper and received 958 valid signatures and receipt of this petition was confirmed by the County Council on 03 July 2023.

The second was established by a member of the public on the Change.org website and received 1,182 signatures at the time of writing and at which time was still active and had not been received by the County Council.

Whilst the petitions were not formally part of the consultation response, and consequently are not considered in the following analysis of the consultation response, Members can take the signatures into account when making their final decision.

6. Analysis

6.1 Summary of findings

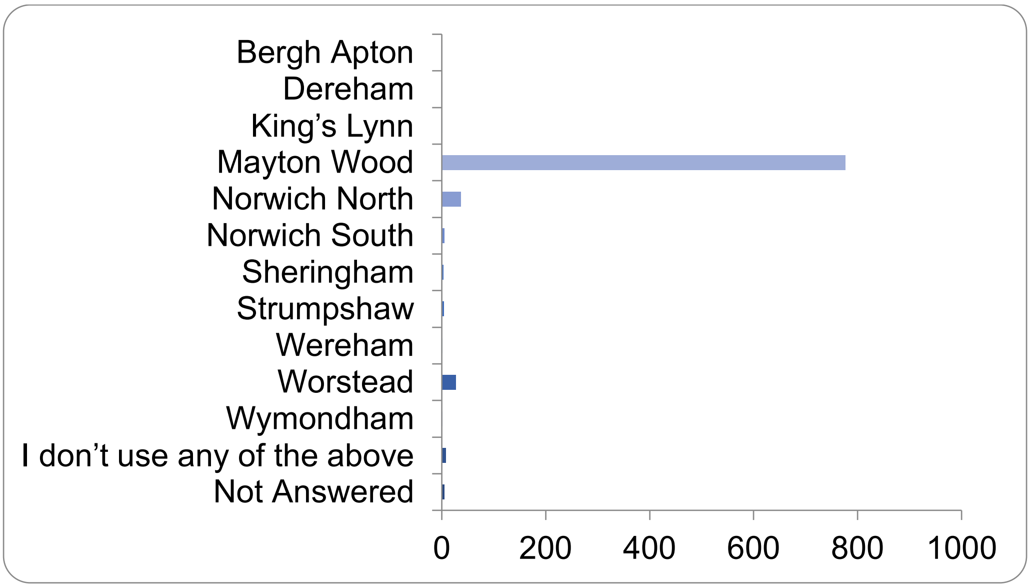
Of the 871 people that responded to this consultation, the overwhelming majority strongly disagreed with the proposal to close Mayton Wood Recycling Centre. When asked '*To what extent do you agree or disagree with the proposal to close Mayton Wood Recycling Centre'* 91.85% of respondents who answered the question, said they either disagreed or strongly disagreed with the proposal.

The main reasons given for opposing the proposal was a fear that the closure would lead to increased fly-tipping in the surrounding areas. People also cited the inconvenience of having to travel further to an alternative recycling centre, costing them more in fuel and time. There was also concern from many about the impact on the environment that the closure would bring. People were concerned that if the centre was closed it would discourage people from recycling and people's own carbon footprint would increase by making longer car journeys to alternative sites.

The staff who work at Mayton Wood were often praised for their friendliness and professionalism and respondents were concerned at the potential loss of the site's workforce. These themes are explored further in the rest of the analysis below.

6.2 Consultation Questions

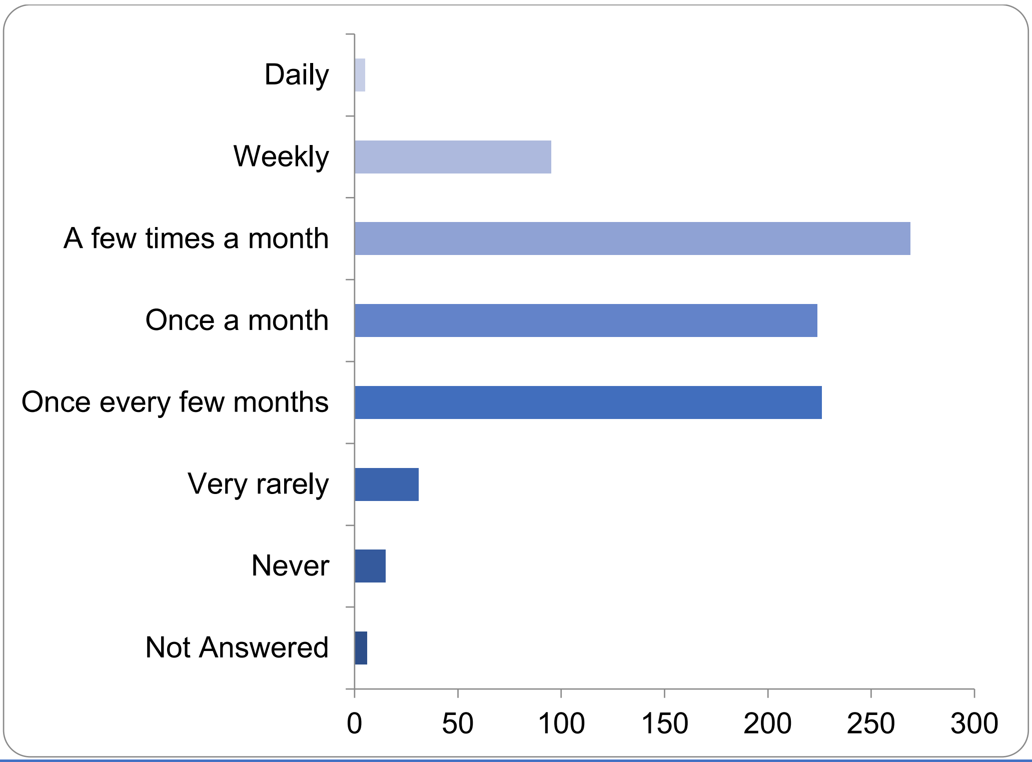
Q. Which recycling centre have you used MOST in the last 12 months?



Option	Total	Percent
Ashill	0	0.00%
Bergh Apton	1	0.11%
Caister	0	0.00%
Dereham	1	0.11%
Docking	0	0.00%
Heacham	0	0.00%
Hempton	0	0.00%
King's Lynn	1	0.11%
Mayton Wood	777	89.21%
Norwich North	37	4.25%
Norwich South	5	0.57%
Morningthorpe	0	0.00%
Sheringham	3	0.34%
Snetterton	0	0.00%
Strumpshaw	4	0.46%
Thetford	0	0.00%
Wells	0	0.00%
Wereham	1	0.11%
Worstead	27	3.10%
Wymondham	1	0.11%
I don't use any of the above	8	0.92%

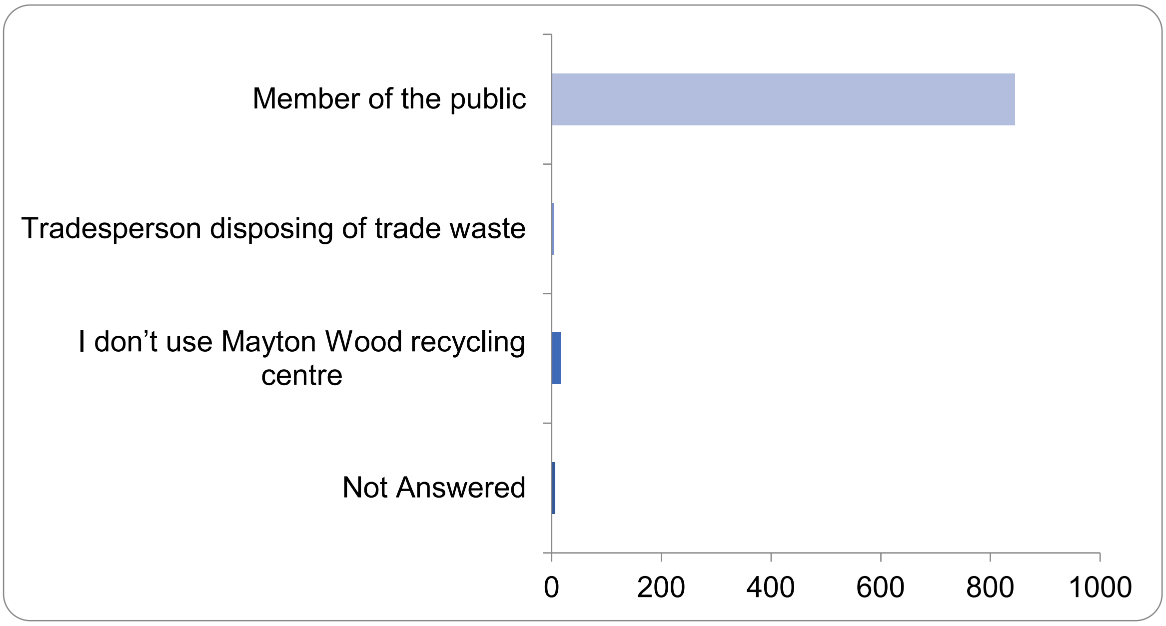
Not Answered	5	0.57%

Q. How often do you use Mayton Wood Recycling Centre?



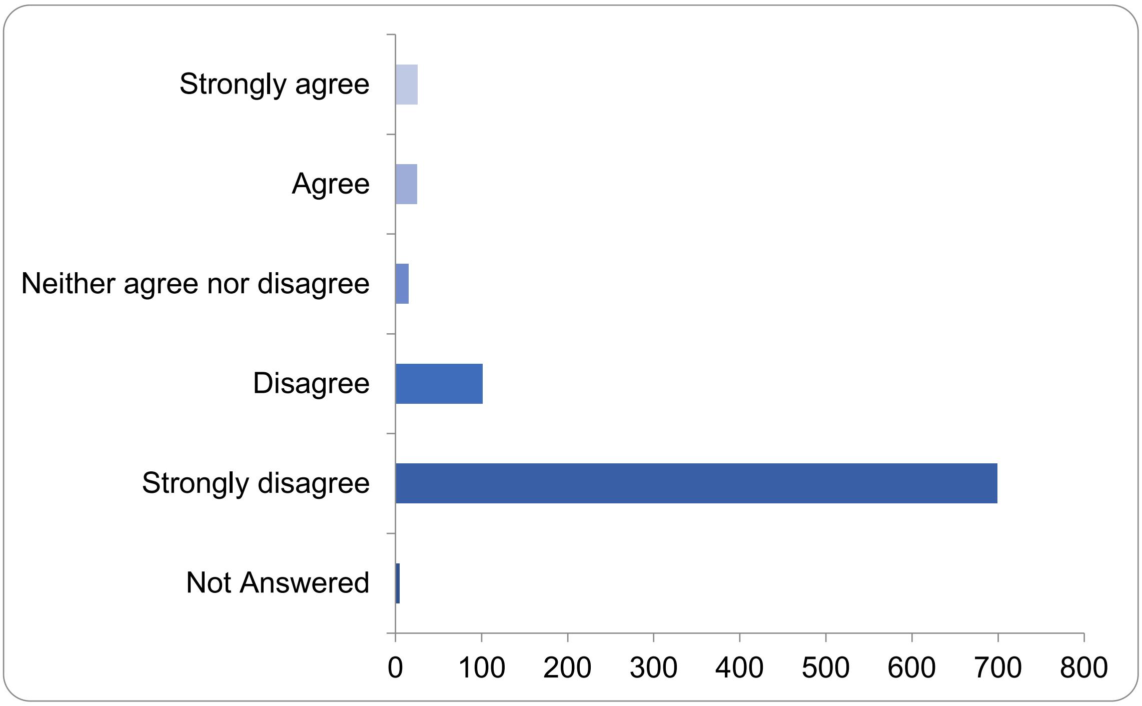
Option	Total	Percent
Daily	5	0.57%
Weekly	95	10.91%
A few times a month	269	30.88%
Once a month	224	25.72%
Once every few months	226	25.95%
Very rarely	31	3.56%
Never	15	1.72%
Not Answered	6	0.69%

Q. When you use Mayton Wood Recycling Centre, do you primarily use it as a...



Q. To what extent do you agree or disagree with the proposal to close Mayton Wood Recycling Centre?

Option	Total	Percent
Member of the public	845	97.01%
Tradesperson disposing of trade waste	4	0.46%
I don’t use Mayton Wood recycling centre	16	1.84%
Not Answered	6	0.69%



Option	Total	Percent
Strongly agree	26	2.99%
Agree	25	2.87%
Neither agree nor disagree	15	1.72%
Disagree	101	11.60%
Strongly disagree	699	80.25%
Not Answered	5	0.57%

Q. Why did you say that?

There were 807 responses to this part of the question: a summary of all comments is provided on the next pages.

Theme	Number	Comments
Fly-tipping Concern about a rise in fly-tipping in the surrounding areas	319	Will lead to an increase in fly tipping and the £70,000 saving will be lost. *There is already flytipping around Badersfield which is 3 minutes from the tip, if the tip is closed, it'll likely be a lot worse.* This will lead to more fly tipping in our beautiful countryside. Rubbish is regularly tipped at Carter Lane in Stratton Strawless so without this local tip there's likely to be more leading to additional costs for disposal. *It is outrageous that you are proposing to close this well used centre. It serves our local community and by closing it fly tipping will be greatly increased; people will not travel extra distance to dispose of their waste and dispose of it locally. The cost of clearing up this fly tipping will far outweigh the cost of keeping Mayton Wood open. Furthermore, the extra travel to dispose of waste will increase pollution and the carbon footprint. I implore you to reconsider this decision.* It's handy to throw thing away that are too big for bins at home. I think there would be more people fly tipping if we didn't have this here *I worry about increased fly tipping if people can't access recycling centres* There is frequently a problem with fly tipping in the local area, if the Mayton site were to be closed this could lead to the problem increases. Causing a negative financial and environmental impact.

		Mayton site is my closest amenity, living in a very rural location. Having to drive further has an impact on residents cost of living and management. It's local and there is so much fly tipping around the site already which will only get worse once it closes. *It is proven that Fly Tipping increases and the cost of clearing illegally dumped rubbish costs Thousands of Pounds every year.* Should the Mayton Wood recycling centre be closed, this will open up the floodgates for the dumping of rubbish all around the surrounding area. Whilst making a financial saving on the one hand, the cost of clearing up rubbish dumped by the roadside - in addition to making the area look unsightly - will create a hazard for both other road users and for the cleanliness of the area. Surly reduced staff levels and the cost of clearing illegally dumped rubbish will save Thousands £.
Convenience Local residents like the convenience of Mayton Wood's location to them	236	It is most convenient centre for us and I fear that closing it will simply increase fly tipping in the area. Already a problem. *It is well used and convenient* Mayton Wood is extremely convenient for this side of Norwich. Cannot see how you think it's better for us to travel further to the new recycle centre. Why was the idea for closing on Wednesdays not accepted. Mayton wood is on main routes, easy to locate. Men are most helpful as we are very elderly, always a good and quick turnaround of cars. We are sure the fly tipping will increase. Judging by the amount of rubbish on the sides of roads and the huge amount of housing going up too can only think poor beautiful Norfolk will become a huge dumping ground…..if you look about it's already started. *It's very convenient to get to and is quiet meaning you can get through it quickly. I don't need to drive on major roads to get there which is another plus. Traffic on the A140 is heavy enough as it is.* It's convenient…easy to get to from Sprowston. The reuse shop is great. If you close it, I guess there will be more and more fly tipping. Why, I wonder did you build the new one by the NDR if you really needed to close Mayton to save money. Dumb!!! Convenient to use. Well situated for ease of use and to get to

		It's local to myself and very easy to get too. Closing Mayton Wood would be an incredible inconvenience as I'm a pensioner so I try to avoid driving on the very busy roads. Mayton Wood is convenient and nearby. It is also close to Buxton, Coltishall and Wroxham all three of which I visit frequently so I can combine my journey with a trip to the tip. I would not use the new tip near the airport as this would mean a special journey and would not be worth it for small items. *I live in Coltishall. It will be a personal inconvenience to me to travel further to either Worstead or Norwich North. I do not expect my inconvenience to weigh much in the debate but the same will apply to many others who live in the same immediate catchment area. A return trip to Mayton wood takes barely 15 mins excluding the unloading time. The alternatives will take at least 3 times longer and probably more. The same will apply to others who occupy the same catchment area as I do.*
Travel Respondents concerned about having to travel further distance to alternative sites	225	We'll need to travel further, using more time, fuel and cost. Please also remember that many users fill their car with waste and do a specific 'dump run', so combining a journey to the new north Norwich site trip with an already preplanned journey with the family wont happen. We will need to do specific journeys, averaging around 10 additional miles. *I'd have to travel further in my car.* It would mean us driving much further to have to recycle our bins more, which would have a negative environmental impact. *Travel 30 mins each way to Norwich, with possible several loads. Fuel costs…. need I say more.* Mayton wood is only 2 miles away, a good size and efficient. The other Recycling centres are a lot further away which would mean using more fuel and a much longer journey and wait time at the recycling centre especially Worsted which is smaller and always has a que. *Added travel distance to dispose of rubbish would cause many issues. The site is a service to the community that you are trying to take away again. I am total against the move to close Mayton. To ask people around Mayton Wood to go all the way to the new site on the NDR is very short vision.* Norwich is further., cramped and difficult to use as badly designed and dangerous to navigate *Still used extensively - visits dropped by 1/3rd, but means 2/3rd still using as their LOCAL site. 15-20min drive for next nearest*

		site increases traffic levels and pollution levels on our roads, and inconveniences users. The alternative is miles away *The Mayton Wood facility in Buxton is convenient to our location, despite being several miles away. The alternative recycling facilities are at a much greater distance. Closing Mayton Wood will force us to travel longer distances, requiring more fuel and time. I believe that closing Mayton Wood to save £70,000, or £5,833 monthly, will result in much greater costs for the public and tradesmen, and could also be accompanied by an upsurge in flytipping in the region.*
Staff Respondents praising the staff who work at Mayton Wood or are concerned about potential job losses	151	Because it is local, has easy access and provides excellent facilities. The staff are also incredibly helpful. *It's convenient for me, staff are knowledgeable, helpful, always ready to offer advice.* It must be extremely concerning for the staff at the Mayton Wood site to have this time of uncertainty - not knowing whether they will be re-used themselves in a different site, or in a different capacity. Clearly, any of these staff who lose their jobs will be an unacceptable cost to the health and welfare of them personally and to the taxpayer. *Mayton Wood for anyone who lives within the Aylsham area is an essential site. Easily accessed from the town and the surrounding area it helps those of us attempt to dispose of our waste responsibly nearby. The staff are way beyond excellent, kind friendly and always volunteering to help those who are older before they need to ask and they help those of us a little younger by making sure we are alright as well. They are invaluable.* The tip is invaluable. If you close it more fly tipping will take place in our wonderful Norfolk countryside and the bill for clearing this up along with other factors, will soon exceed the £70k saving making it a short sighted move. Also many of us do not travel towards Norwich Airport area at all! Why close a facility that is well used well run and with staff that are well liked when despite what you say about it being not fit for future purpose, it can definitely be improved and for minimal cost Everyone using it, is just courteous and good about queues about the narrow road access and it’s just simple for us. Having to travel to dispose of waste, is always, always a bad idea. Tradespeople and handymen and women, will be less likely to

		behave responsibly and domestic waste will also be dumped. Environmentally, this would be a really poor idea. *It's a well used site which is not difficult to use. The staff are incredibly pleasant and always prepared to help. We have used this site for the last 23 years. We have gone to the Norwich North site and we're very disappointed. Incredibly busy, people rude and staff looking harassed. Not impressed but figure that county needs to make cuts but ones that do not reflect our rural way of life. Modern life seems to be pulled towards mass centralisation.*
Environment Respondents concerned about the effects the closure of Mayton Wood would have on the environment	147	Driving the extra distance to Norwich North centre would not only put more pressure on the roads but also more immersions in the atmosphere. *It would mean a much further drive which would be more polluting.* Additional travelling which goes against green policy to reduce travel *Additional cost of travel and damage to the environment.* Still used extensively - visits dropped by 1/3rd, but means 2/3rd still using as their LOCAL site. 15-20min drive for next nearest site increases traffic levels and pollution levels on our roads, and inconveniences users. *Fly tipping is bad enough down our country roads and with this closure this will just increase !* Pollution for adding a 12 mile round trip for all the local residents to the new site. *I would have to drive further, increasing traffic congestion on a main road and increasing air pollution.* *Rural locations are beset by fly-tipping already; the closure of mayton Wood would exacerbate this problem.*
Locality Respondents talk of how Mayton Wood serves the local area	108	Mayton is always busy and serves the local community. Providing employment and encouraging recycling. Closing it would increase fly tipping and associated costs. I feel very strongly that Mayton should be left open and continue to serve the local community, as promised when the new recycling centres were built and opened in Norwich. The proposed £70k savings would never materialise. *It's a well used and well maintained local facility. It caters to the community's need. Going to Norwich will add mileage, pollution and inconvenience to many people. Including our family.*

		Mayton recycling centre is a community resource. You saw a drop off of a third because places like horning are now much closer to the Norwich north site. The site at Mayton Wood serves a large number of people in local communities, many of whom do not routinely travel to Norwich. The increase in traffic and accompanying carbon footprint of all these users driving to the Norwich North site will be significant. It will likely overwhelm the Norwich North site and I suspect there will be a marked increase in fly-tipping from those who are not willing to make the significantly longer journey to other sites. *Mayton Wood is convenient for many local villages. It's availability encourages its regular use. It is extremely well set out and the staff are helpful. As people get older they require more help.* It's conveniently located for many villages in the area and some disabled people, like my mother, can not go the further distance. *It's local to so many people towards the coast is not central to villages*
Cost pressures Respondents concerned about how the changes might add to their current cost of living	61	Additional fuel cost to drive to a centre further away. *To go to another centre is going to cost a lot in petrol and I can’t afford to spend more on fuel.* As a trader I have used Norwich North a few times but its very busy and sometimes long waiting times to unload. It's only going to get worse, working on North Norfolk, Mayton Wood is the nearest site for me, and like me lots of people feel the same. Norwich North is too far and really busy most days. It means losing time and spending more diesel! I feel that North Norfolk is being left behind. I can see an increase in fly tipping! *To go to another recycling centre will take longer and cost me more in petrol.* Will increase costs to travel to other facilities. *There should be more not fewer recycling centres. Driving to the new Norwich centre takes time, money and carbon* I would not be able to afford to travel further - foresee an increase in items being disposed of with household waste

		Because the licensed person we use to help us with large disposals would probably stop trading or charge us more than we can afford.
Queues Respondents worried about the potential for long queues at other recycling centres if Mayton Wood closes	59	By closing it you will encourage more fly tipping. The Norwich site can be busy with 20 min queues. *It's already difficult to use the Norwich North Recycling centre because of long queues. Closing Mayton Wood will make it even harder.* Purely because the Norwich North depot is already struggling to cope with the amount of people using it. There is not enough parking space at the Reuse shop and closing Mayton would send a huge volume of traffic out people to an already crowded facility. *Extra travelling involved going to another center. This will also put extra work on the other centers and more likely to have to queue to use them* Local vicinity & much easier manoeuvrability for vehicles. Keeping congestion away from already busy roads going towards NDR & Norwich. If more people have to use the new Norwich North one I'm sure queuing will be the result
Efficiencies Suggestions that Norfolk County Council could budget better/find the savings elsewhere	57	Local recycling center to myself. staff are always friendly and the recycle centre is busy. £70k in the grand scheme is nothing and I'm pretty sure the fat cats at the top of the council have had nice pay rises and bonuses this year. *The council can't keep taking our services away, it would be a better idea to reduce the wages of north Norfolk council members* Because re-cycling centres should be maintained at all cost. They are a vital structure to keeping items out of landfill & encouraging us all to recycle. £70,000 can easily be clawed back from other areas, and Bo from something so vital & important. *Fly tipping will increase people are lazy and also see time as valuable, not to mention fuel costs. it may only be another 6 miles or so to the next tip but there are unfortunately many who will just decide to dump their rubbish in our beautiful countryside. Your £70k savings will be quickly swallowed up by the fly tipping you will be cleaning up.*

		A saving of £70,000 seems pitiful compared to the ridiculous and excessive amount of so-called road "repairs" that the Council seems happy to pay contractors for and which local drivers have to endure. Surely some serious and meaningful savings could be made by cutting back on the Council's massive construction budget and reserving road construction for essential work only. Closing down Mayton Wood seems petty and spiteful by comparison.

The above topics were mentioned by respondents over 50 times, so have been included in the table with illustrative comments. Other themes that were citied frequently, but less than 50 times, were comments about the rationale behind the proposal, the potential increase in traffic on the roads surrounding Norwich North Recycling Centre, especially the Broadland Northway. People also commented on how it would be harder to dispose of green waste and the effect on people living in rural areas closing Mayton Wood would have. People also expressed concern about how the Recycling Centres would cope with the new houses and increased population of the area in the coming years.

There were 26 positive comments about the proposal.

Q. If our proposal to close Mayton Wood Recycling Centre went ahead what impact, if any, would this have on you?

There were 816 responses to this part of the question: a summary of all comments is provided below.

Theme	Number	Comments
Travel Respondents concerned about having to travel further distance to alternative sites	398	More travelling to get to a recycling centre, which would cost more on fuel. *Would have to travel further and in a different direction to a route we already pass regularly* Yes as above the new tip is much further away for us.I'd have to use an alternative. *Would have to travel further and the other sites are not so convenient for me with the other commitments I have* Longer to travel, waiting time will be longer as new recycling centre on wrong side of area. Trying to get to NDR is bad enough from Hoveton and Wroxham *Doubling of the drive time, having to use the dreaded A140 and therefore I would be less likely to go.* I would have to travel further and in more traffic. Most inconvenient.

		A 1 hour ,12 mile ,round trip to dispose of waste. Just have further to go and it will be extremely busier It would be further to get to Norwich north. *More miles to drive, queues, inconvenience.* It would force us to get to Norwich site, not convenient as rarely go that way, another extra trip. *A longer journey to recycling centres elsewhere.* Significant additional travel time and fuel cost.
Cost pressures Respondents concerned about how the changes might add to their current cost of living	149	Increase in personal costs at a time when we can least afford it. *More travel costs, more stress and anger at the overpowering decisions affecting my community families and friends* Significant travel cost. *Extra fuel cost if I were to continue to recycle as I have been*. With increase in fuel costs people just can't afford any more expenditure. What the council is doing is saving money by putting the cost onto the public, appalling! *I would have to drive further, meaning using more fuel ,therefore creating more pollution. As a pensioner it would cost me more money which I don't have.* Higher cost in the additional traveling. Both money and time. *There is frequently a problem with fly tipping in the local area, if the Mayton site were to be closed this could lead to the problem increases. Causing a negative financial and environmental impact. Mayton site is my closest amenity, living in a very rural location. Having to drive further has an impact on residents cost of living and management.* Would have to store recycling up and go less often as fuel costs would increase. *More time, more cost, more inconvenience - the usual council initiative*

Reduced recycling Respondents saying they would be discouraged from recycling as regularly if Mayton Wood closed	122	As much rubbish as I could possible fit in would go into my landfill bin, sadly, including garden waste. I would no longer use the recycling centres. *I would struggle to recycle my items.* Well, I would consider doing less recycling, particularly of the kind of items I donate to Mayton Wood for them to sell and offset some of the costs. I would take more to charity. *It would make it more difficult to recycle, I'd, therefore, be less likely to do it.* Wouldn't recycle as much *Well my extra rubbish ect will have to go in my wheelie bin! The extra garden waste will have to wait until I can fit it in my bin as I can not afford another bin.* It would make dumping my rubbish far more time consuming and costly. The bulk of my waste is green garden waste, that as a pensioner, I cannot afford to dump in a brown bins for collection. I will not use the new Center in Norwich having had a bad experience there. I have never heard of the other places you mentioned either, and so dumping my rubbish would become very difficult indeed. *I would likely do much less recycling.* *Mayton Wood has an excellent reuse shop, which I've made use of a lot. Worstead - my next closest option - does not.* I would not be able to use another site as it's to far *I would need to drive 15 minutes each way to the next nearest site which would be incredibly inconvenient with a toddler and would deter me from utilising the facility.* would refuse to use any other recycling centre as closing this site is impractical. There are plenty of other sites that are essentially pointless that you should close. *I would probably put more rubbish in my bins at home* I would be less likely to recycle some appliances and material as it would mean having to deal with a busy space and a lot of traffic.

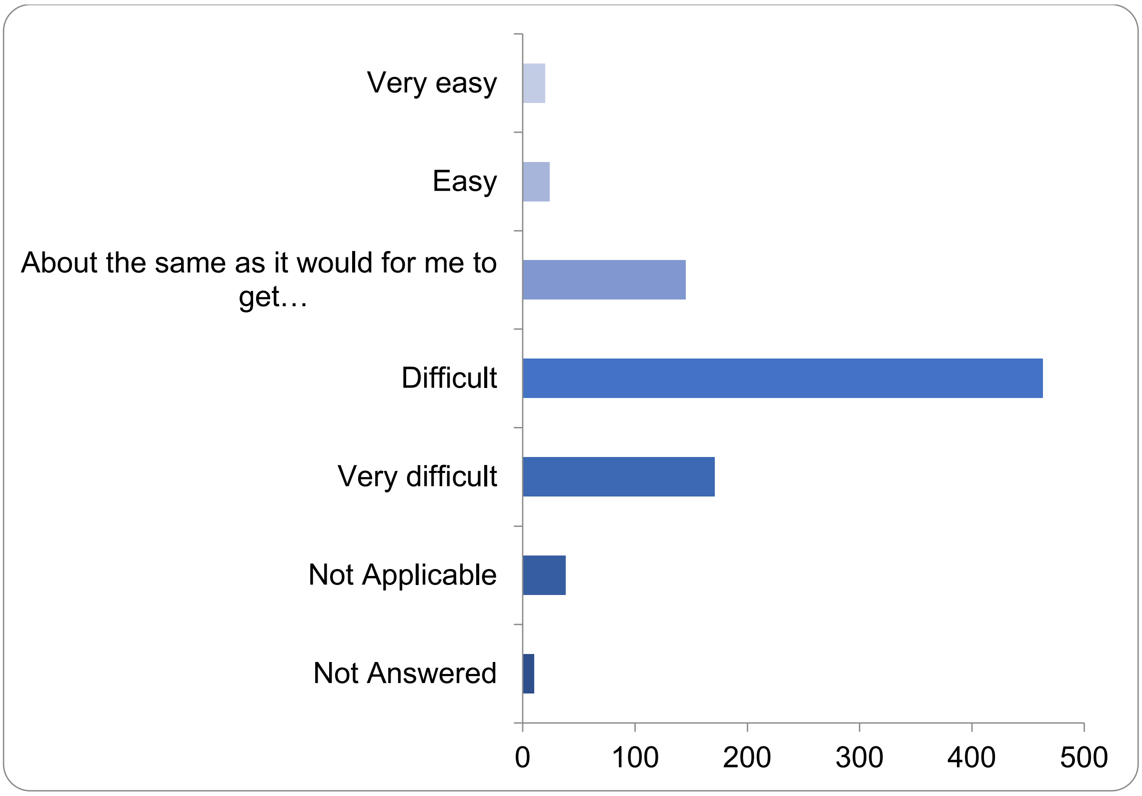
		It would cost significantly more to travel to Norwich so I would put as much waste in my domestic bin as I could, which won't get recycled. I will probably not bother taking stuff to the recycling centre and fill my garage up with any rubbish. *We would have no where to take our rubbish* I would be tempted to use my refuse bin
Fly-tipping Concern about a rise in fly-tipping in the surrounding areas	117	Will increase flytipping in the un-spoilt countryside. *I fear closing this will also increase flytipping in the area.* Mayton is closest to where we live. Closing it will add more pressure on Worstead tip, cause road problems regarding access there. If people cannot get access to a tip fly tipping will increase, just like it did when charges were introduced! *Having to drive further. Likely see yet more fly tipping on roadside and back roads and woodland causing upset to wildlife and ecosystem* t would cost more in time, money and environmentally to recycle. It would encourage fly-tipping which would be depressing to see and will cost someone to clear up. *More incidents of fly tipping* Will increase travel time to a recycling centre, and will probably lead to increased fly tipping which bring additions cost to NCC. *As a landowner, I would be left with the increased cost of clearing up more fly tipping.* Increased fly tipping and waste on the roads *Suspect increase in flytipping. People don't want to be inconvenienced by waiting to enter the site and will just dump.*
Environment Respondents concerned about the effects the closure of Mayton Wood would have on the environment	104	Probably an extra 45 minutes of driving. Which must be seen as directly adding to greenhouse gas emissions. *Do you have an estimate for the extra carbon emissions from the closure of Mayton Wood? I would see this as an absolute requirement of an Environmental Impact Assessment.*

		Massively. Going to Norwich would add mileage, pollution and cost. *It would impact the environment as I would be forced to drive further.* I would probably recycle less, impacting the environment, or have to travel twice as far to another centre which will also impact the environment *It'll have an impact in the local area and the local countryside. This is a busy site, why take away a service that works? If we want all the bells and whistles that the other site offers, then we'll go there. Keep it basic. We want to recycle and deposit waste quickly, locally and efficiently. Mayton Wood offers that without having to drive many, many more miles thus impacting on our carbon footprint in a very negative way. There are so many reasons this site shouldn't close and I've highlighted just a few here.* We would have to travel much further, pollute the air and that should not fit in with the council green policy. *My carbon foot print and driving would increase*.
Inconvenience Respondents speak of the inconvenience caused by travelling to an alternative recycling centre	56	Very inconvenient *We would have to use the Norwich North facility but it would be less convenient.* Cause inconvenience and result in putting more in fortnightly rubbish bins - rather than recycling. *I would not be able to dispose of my rubbish so conveniently.* Just means further to drive and inconvenience *Cost, inconvenience, Norwich will be too busy and you will get multiple complaints.* I may find I put things in the bin that I would otherwise recycle as I am busy teacher and my time is limited. This facility is very convenient for me.
Queues Respondents worried about the potential for long queues at other recycling centres	53	It would clearly increase fly tipping which had been an issue around Spixworth , queue times would be extended, ndr would be busy with bad drivers and trailers, roundabouts are bad enough already

if Mayton Wood closes		*I would anticipate increased queuing times at alternative sites* It would just take me much longer to get to the next one, cost more, take more time as will be busier and more pollution in fumes driving *I would have to use the new recycling centre, which would get busier and the queues would grow - I really don't want to spend my time in a queue unnecessarily. The queues at the NDR recycling centre are already significant at certain times.* The new north recycling centre is based at a very busy junction on the A140, and I feel with the whole North side of Norwich using this facility it is going to be extremely busy, and difficult to access. *The lack of choice depending on what I was going to dump and whether I would be able to make sure I could dump without having "FULL " signs telling me I'd have to come back another day (!!??)* If it closed I probably wouldn't recycle as much because Norwich North is always queued up. *More people using it more queues car sitting there with engines running.*

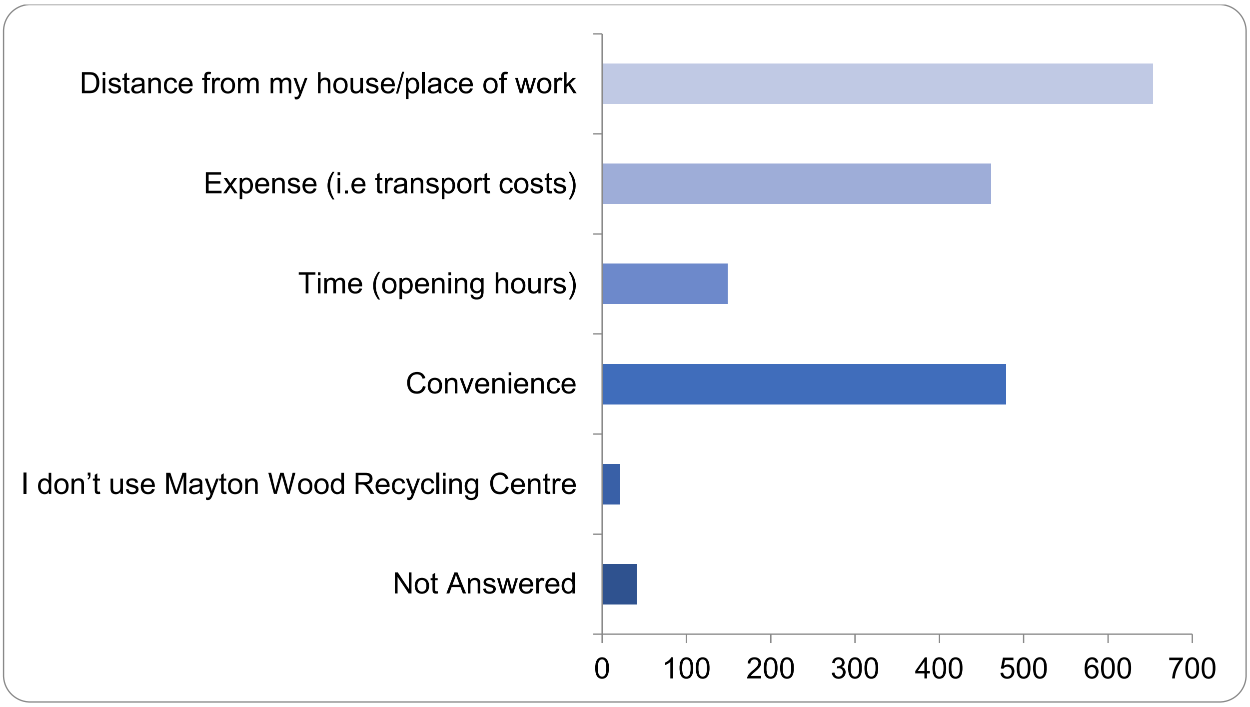
The above topics were mentioned by respondents over 50 times, so have been included in the table with illustrative comments. Other themes that were citied frequently, but less than 50 times included respondents saying that the proposed closure would have no impact on them personally. Others were worried about traffic and potential dangers of driving on the NDR. Respondents also cited they would not be able to dispose of green waste as easily, they would make less frequent trips to dispose of their waste and comments about the rationale behind the proposal.

Q. If you currently use Mayton Wood Recycling Centre, how easy would it be for you to get to either Norwich North Recycling Centre or Worstead Recycling Centre?



Option	Total	Percent
Very easy	20	2.30%
Easy	24	2.76%
About the same as it would for me to get to Mayton Wood	145	16.65%
Difficult	463	53.16%
Very difficult	171	19.63%
Not Applicable	38	4.36%
Not Answered	10	1.15%

Q. Why did you answer the last question *[If you currently use Mayton Wood Recycling Centre, how easy would it be for you to get to either Norwich North Recycling Centre or Worstead Recycling Centre?]* the way you did?



Option	Total	Percent
Distance from my house/place of work	653	74.97%
Expense (i.e transport costs)	461	52.93%
Time (opening hours)	149	17.11%
Convenience	479	54.99%
I don't use Mayton Wood Recycling Centre	21	2.41%
Not Answered	41	4.71%

Other, please write here: There were 103 responses to this part of the question. The most common concerns were about the impact on the environment and the increased traffic on the surrounding roads, especially the NDR. None of these themes were mentioned more than 15 times in the responses to this question.

6.2 Equality Impact Assessment evidence

In total, there were 62 comments relevant to the EQIA: references to 'pensioners' are likely to relate to the protected characteristic of age.

EQIA Evidence	
Question	**Comment**
Question 5: To what extent do you agree or disagree with the proposal to close Mayton Wood Recycling Centre?	It's a local amenity which is easy for me to get too as being disabled I can't get too far. Any further I would have to rely on other people. I like being independent. *The other tip sites are not so easy to get to especially for my elderly mother in law who uses the top regularly! In closing this one you will inevitably make the other sites busier and in turn I fear people will not get rid of their items responsibly*

	The closure would severely affect us and other local elderly residents who would experience great difficulty travelling to the suggested Norwich North Recycling centres. It's local to myself and very easy to get too. *Closing Mayton Wood would be an incredible inconvenience as I'm a pensioner so I try to avoid driving on the very busy roads*. Because it is not far from where I live and easily accessible. To go to another Centre is going to cost a lot more in petrol and I can't afford to spend more on fuel on a pension. I *would think twice about travelling so far to the new recycling centre which is very intimidating for older members of the community.* A facility that is used on a frequent basis by the older generation, those that do not use the new NDR where the new recycling centre is located. *As a retiree/pensioner I would not do that but I might stockpile before considering a longer trip. Then we get into health issues and rats. All actions have consequences. I hope you make the right one. I do not count closure of Mayton Wood to be that.* Mayton Wood is convenient for many local villages. It's availability encourages its regular use. It is extremely well set out and the staff are helpful. As people get older they require more help. *Those who use Mayton Wood would have to travel further for the purposes of disposing of waste, most likely Norwich North or Worstead. This would at best be an inconvenience to those for whom Mayton Wood is their local recycling center. For more vulnerable individuals the issues could be far worse e.g. those with mobility issues may find it harder to dispose of waste, which could lead to a build up in their properties, causing health and safety issues. Invariably, as is often the case, it is the most vulnerable who will be most affected by these cuts to local services.* Ultimately I have no doubt that the reason for the closing of Mayton Wood is financial. However, as the points outlined above hopefully demonstrate, not only would said closure be detrimental to local residents, I suspect it also wouldn't save the council much in terms of finances and could even lead to increased costs due to; resources required at other centers due to increased numbers, road costs due to wear & tear and increased traffic, social care having to have increased involvement with vulnerable people unable to clear their homes, and the costs involved in dealing with increased fly-tipping. *Mayton wood is a very convenient recycling centre operated by helpful staff. There are a lot of elderly people living within a 2/3 mile radius who regularly use this centre. Surely the added journey time of a six mile*

	round trip is not good as we are trying to reduce our carbon footprint and the cost of extra petrol is not attractive. I am a wIdow in my eighties with a large garden and get overwhelmed with garden waste etc., although I pay for a garden bin, which is only collected once a fortnight. I certainly wouldn't drive to the new recycling centre near the airport from Horstead so it does not bear thinking about what would happen if Mayton Wood closed. *I live in Burgh and Maytin Wood is the closest to me. At nearly 76 and not always having help available, it would be most inconvenient to close this site. There are many people of my age and older who don't like to drive very far and are frightened if the fast through traffic at the big new site. Also, in this day of trying to save our planet, the distance involves polluting the atmosphere with petrol or diesel fumes. It also costs more for those of us on a small state pension or income. People would just dump more in their rubbish bins and there would be more fly tipping. Please keep Maytin Wood open.* It is only a 5 minute drive from where I live in Horstead. The staff at the site are exceptionally professional, courteous and helpful, the site is well managed and sensibly laid out. It would be a major blow if the site closed as longer journeys would be necessary to one of the other sites which as we increase in age, will prove more difficult for us. *The main alternative Norwich North is badly laid out and not older person friendly. In contrast Mayton Wood is much more elderly friendly with particularly helpful staff. I choose to drive past Norwich North to go to.Mayton Wood as it is so much better.* In Autumn I have trailer loads of leaves to dispose of and find it necessary to go to Mayton Wood with my trailer full. If I had to go to a Norwich it would mean crossing the N D R which I am not happy to do especially with a trailer on the back of my car. I am 79 and do not want to deal with busy roundabouts !!Please reconsider the closure It's conveniently located for many villages in the area and some disabled people, like my mother, can not go the further distance. *I would have to drive further, meaning using more fuel ,therefore creating more pollution. As a pensioner it would cost me more money which I don't have.* *Mayton centre is easy to get to, staff very friendly and helpful. I believe to close it would result in even more fly tipping. We are elderly and don't like driving on the Southern bypass at the best of times*. As I am now 70 and struggle with mobility and often use my small trailer at Mayton wood I can back up tight to bin. at the Norwich north centre I have to leave the trailer at a park area and then try and walk my material down to the right bin a have tried Norwich north and had to try and get

	assistance without any help forthcoming I strongly object to the closer of Mayton. *This is a great recycling centre equidistant for many people who live in the surrounding villages. A lot of the population of those villages are more elderly and therefore do not want to travel far. It is in a great location and in my opinion would have consequences with regards to fly tipping if the facility closed. The areas this covers are remote and therefore easily accessible to fly tippers. These are beautiful country lanes and I would like to keep them that way.* The service from staff at Mayton Wood is second to none. So helpful to us seniors. We don't get that kind of help from Norwich North. Having read your introduction it sounds as if it's a done deal already, as with many consultations I find. Such a shame. *If Mayton Wood were to close I and my neighbours, would have so much further to travel amongst far heavier traffic. As an O.A.P I find it better and the staff at Mayton Wood are most helpful.* I know of many people especially the more elderly we are frightened to travel on the NDR especially around the sprowston roundabout. They are at present happily using the Mayton site. What are they supposed to do with their recycling? *I feel there is a need for both types of sites Please reconsider and keep Mayton for your more rural people*. As people get older they may have to find people too help them and these people will not go further afield so more use of the green bin. Not everyone is computer able so why not put a document at Mayton Wood so people can sign it on site to agree or disagree with the potential Closure. *As an older person Mayton Wood is close and easy to use, the people that there are very helpful and kind. I would be very upset if it closes and do not want to go to the new one at the airport.* I prefer a smaller site as not so far to carry stuff to each bin - my husband has Parkinson's so it's important for us to offload easily/ we find Norwich too big and too far to walk to different bins *"IT WOULD CAUSE ME, AS A PENSIONER, MORE EXPENSE TO TRAVEL TO NORWICH. ALSO, EVERYONE IS SUPPOSED TO BE MORE MINDFUL OF USING CARS BECAUSE OF THE EFFECT ON THE ENVIRONMENT.*

	We are both very elderly, disabled & live in Buxton so we use this dump on our way to do our weekly shopping at Wroxham to save on fuel & help the environment. *As a pensioner getting to Mayton Wood is bad enough and a distance of almost ten miles from Erpingham area, being a village of many OAP's, as are many of the other villages in this area are. So where do we have to go to recycle any goods that are NOT collected with normal bin collections, 20 miles or more to Norwich, absolutely diabolical.* *It's local to me living in Aylsham and I find this easy to get to and it's staff are friendly and very helpful due to being disabled.* Has this proposal been considered in terms of its equality impact ? I am particularly concerned about its impact on on older and local residents? The North Norwich site is a considerable distance from Mayton Wood. As a regular user I have noticed that many of Mayton's service users tend to be older people. *Because I'm disabled and can't drive for long it's an easy journey for me the others would be a struggle*
Question 6: If our proposal to close Mayton Wood Recycling Centre went ahead what impact, if any, would this have on you?	Depression. Watching the council destroy a perfectly good system because of total mismanagement and greed. *Mayton wood helps me dispose of my rubbish & I am also able to help out my elderly neighbours with their extra waste. If it's closed I wouldn't be able to help them.* A huge impact. The increased drive would cost more, and as we are a family that struggles with health issues, the difference between the drives is enough to make it a lot more difficult for us both financially and health wise. Not only that, but fly tippers tend to tip things on our main road that goes past the base. If this increases it will cause more dangerous situations. *It would make dumping my rubbish far more time consuming and costly. The bulk of my waste is green garden waste, that as a pensioner, I cannot afford to dump in a brown bins for collection. I will not use the new Center in Norwich having had a bad experience there. I have never heard of the other places you mentioned either, and so dumping my rubbish would become very difficult indeed.* I would have to use Norwich North which as a very elderly citizen I would find more stressful *I am not sure what we would do as an elderly couple one of whom is disabled and will not drive on the NDR.* I am nearly 76 and don't always have help to move things and find the new site (which I inspected) very frightening and difficult to park. I would have to drive further and I am on a state pension so have to watch every

	penny. I try not to use my car so as not to pollute the atmosphere. I'm trying to live a green life. *Would mean my disabled relatives would be unable to take stuff to a recycling centre. Not to mention the extra fuel costs and time that would be required to go the further distance. This will only increase the risk of fly tipping in the countryside.* I would have to drive further, meaning using more fuel ,therefore creating more pollution. As a pensioner it would cost me more money which I don't have. *Be more difficult driving there as we are getting older*. I would find it almost impossible to dispose of my material without some assistance and it’s no good saying the staff are there to help when push comes to shove no one is there to help. *I went to this facility today actually and saw one of the staff members help a less abled gentleman dispose of his garden waste. It was genuinely a lovely thing to see and the gentleman concerned was so touched. You simply can't let those people down.* I would, as a Parish Councillor, have to deal with the public reaction in the aftermath of the decision. We have many older retired people living in our parishes, they drive around the locality they know but some would not drive to the ring road, their independence would therefore be compromised. If there was an increase in fly tipping for reasons such as increase of cost or inability to go the distant this then becomes an issue that has to be managed at an increased cost to the council. *I would have to use the Norwich North site, which is further, exposed to the weather (I am 79) and, as mentioned, has an unhelpful parking arrangement. If you have to park near the shop due to high density of users and have heavy items that have to go near the top it is not easy to get back up the top because of the traffic flow arrangements. I would get by, of course, but it would be a deterioration of service by NCC.* Make it further to travel costing more in fuel has Old age pensioners, we can do without things costing more travelling further at her age people are struggling enough as it is this just adds to a very stressful time with costs spiralling for everything *As an older person with limited mobility who hates driving, extreme inconvenience.* *We are OAPs and with a shorter journey to Mayton it would cost us more in fuel to get to Norwich North* Make life difficult as I don't want to drive to Norwich. Will cost me much more. As a pensioner this is important.

	And i dont think it fair that you will take away a service to the local elderly. I would not feel as confident going to the Norwich site and I speak for a number of people of my age who live out of Norwich. *Being disabled the shorter a journey the better, plus extra time and cost to travel to a different site.*
Question 8. Why did you answer the last question *[If you currently use Mayton Wood Recycling Centre, how easy would it be for you to either Norwich North Recycling Centre or Worstead Recycling Centre?]* the way you did?	I also have Aspergers syndrome coupled with an anxiety disorder and find going to mayton helps me feel less anxious when using a site. So mental health and disability are a factor also *Health problems in driving* Painful and difficult for me to drive longer distance due to medical issues (bowel cancer) *We are elderly & disabled*

7. Respondent Profile

The profile of 'individual' respondents (858 individuals) is as below:

Option	Total	Percent
Male	440	50.52%
Female	378	43.40%
Prefer not to say	37	4.25%
Prefer to self-describe	3	0.34%
Not Answered	13	1.49%

Responses by age (861 individuals) is as below:

Option	Total	Percent
Under 18	0	0.00%
18-24	3	0.34%
25-34	48	5.51%
35-44	95	10.91%
45-54	138	15.84%
55-64	220	25.26%

65-74	212	24.34%
75-84	95	10.91%
85 or older	6	0.69%
Prefer not to say	44	5.05%
Not Answered	10	1.15%

Responses by long-term illness, disability or limiting health problem (854 individuals) is as below:

Option	Total	Percent
Yes	195	22.39%
No	542	62.23%
Prefer not to say	117	13.43%
Not Answered	17	1.95%

Responses by condition or disability (190 responses, some consultees have ticked more than one box) is as below:

Option	Total	Percent
Blind or partially sighted	2	0.23%
D/deaf or hard of hearing	23	2.64%
Limiting health condition e.g. heart disease, asthma, strokes, osteoarthritis, rheumatoid arthritis, fibromyalgia and myalgic encephalomyelitis (ME) etc.	133	15.27%
Learning Disabilities	6	0.69%
Neurodiversity e.g. autistic spectrum disorders, dyslexia, dyspraxia	16	1.84%
Mental health conditions – e.g. depression, schizophrenia, bipolar affective disorders, eating disorders, obsessive compulsive disorder	29	3.33%
Physical disability e.g. limb disorder, amputee, wheelchair user, cerebral palsy, motor neurone disease, muscular dystrophy	32	3.67%
Other	681	78.19%
Not Answered	2	0.23%
Total	23	2.64%

Responses by ethnicity*[1] is as below:

Option	Total
Asian British	6
Indian	0
Pakistani	0

[1] In the online consultation, this question was presented with separate headings for each ethnicity, for this findings report the results have been merged into one table.

Bangladeshi	0
Chinese	1
Black British	0
Caribbean	1
African	1
White and Black Caribbean	2
White and Black African	1
White and Asian	4
English, Welsh, Scottish, Northern Irish or British	777
Irish	6
Gypsy or Irish Traveller	0
Roma	0
Arab	0

Responses by language spoken (830 individuals) is as below:

Option	Total	Percent
English	830	95.29%
Not Answered	41	4.71%

One person responded in the text box provided saying 'Welsh' was their first language.

Responses by district (860 individuals) is as below:

Option	Total	Percent
Breckland	2	0.23%
Broadland	655	75.20%
Great Yarmouth	0	0.00%
King's Lynn and West Norfolk	1	0.11%
North Norfolk	186	21.35%
Norwich	15	1.72%
South Norfolk	1	0.11%
Not Answered	11	1.26%
Total	2	0.23%

Responses from those with caring responsibilities (787 individuals) is as below:

Option	Total	Percent
No	639	73.36%
Yes – for children with additional needs	28	3.21%
Yes – for older family members	120	13.78%
Yes – other	84	9.64%
Not Answered	639	73.36%

Other please write here:
Various family members and voluntary groups

Nanny
How is this relevant?
Yes other
My husband
Younger brother
Carer for disabled person
family members
children under 5
Have children and elderly parents
Children
Younger wife breathing difficulties
Mother in law
Sister with profound mental disability and health
For my wife
No but my wife and family do
For my partner
Parents
I care for a young adult with a disability (you have not allowed for this in your options)
Looking after terminal ill daughter
Yes, for disabled spouse
Full time carer for disabled spouse
My father who has Alzheimer's
My husband
My Husband
My wife
Yes - disabled husband
Elderly friends
For each other
For disabled couple
I look after my uncle in his 80 s and my Grandson during school time etc.
My uncle in his 80,s and y Grandson during school times as well as recreational which helps my daughter outstanding times as she s not in the best of health but it works both ways for us.
Family member of a similar age.
Irrelevant as I am answering on behalf of an organisation
Care for our adult daughter.
Disabled husband
Elderly father.
Yes wife
For my wife

Responses from those outlining employment status (846 individuals) is as below:

Option	Total	Percent
Employed (full time)	267	30.65%

Employed (part time)	103	11.83%
Self employed	83	9.53%
Unemployed	7	0.80%
Student	1	0.11%
Looking after the family home	14	1.61%
Long-term sick	18	2.07%
Retired	353	40.53%
Not Answered	25	2.87%

Scrutiny Committee

Item No: 8

Report Title: Local Enterprise Partnership (LEP) Integration Plan

Date of Meeting: 20 September 2023

Responsible Cabinet Member: Cllr Mason Billig (Leader and Cabinet Member for Strategy & Governance**) & Cllr Fabian Eagle(**Cabinet Member for Growing the Economy**)**

Responsible Director: Chris Starkie (Director for Growth and Investment)

Executive Summary

LEP integration into upper tier local authorities was announced in the Chancellor's March 2023 budget statement. The Chancellor announced that the Government would launch a consultation into transferring responsibilities for local economic growth and development from LEPs to local authorities from April 2024.

Following an information gathering exercise, on 4th August 2023 Government confirmed its decision to integrate LEPs into upper tier local authorities. Government's view is that there is likely to be scope for greater join-up, efficiencies, and clarity for the private sector by LEP functions being discharged within mayoral combined authorities, devolution deal areas, and upper tier local authorities.

Government's sponsorship and core funding of LEPs will now cease. Government will now support local authorities to take on LEPs' functions as set out in the Government's March 2022 LEP integration guidance and previously supported by annual core funding – namely, business representation, strategic economic planning, and responsibility for the delivery of government programmes where directed.

Government expects these functions to be exercised by upper tier local authorities (working in collaboration with other upper tier local authorities as appropriate), where they are not already delivered by a combined authority, or in areas where a devolution deal is not yet agreed.

Government is providing some revenue funding to local authorities in 2024/25, in Norfolk this funding will be paid to Norfolk County Council, to support them to deliver the functions currently delivered by LEPs. Details of this support will be confirmed in due course. Funding beyond 2024/25 will be subject to future Spending Review decisions.

The Integration of LEPs is also a key element of the in-principle County Deal, but the Chancellor's intention to integrate LEPs in all parts of England into local authorities means it is taking place with or without the in-principle County Deal.
Therefore, the integration plan outlined has been developed to work with or without a county deal being in place.

LEP integration provides the opportunity to strengthen Norfolk County Council's work with business and the economy, by bringing together LEP functions with those of the Growth and Investment directorate and other NCC functions.

It aligns with the Norfolk Together for Norfolk corporate strategy, particularly the Growing our Economy theme. It also provides an opportunity for NCC to be more visible in its support of business and to strengthen working with partners including districts.

A report on LEP Integration was previously presented to the Infrastructure and Development Committee on 12th July 2023. The committee was asked to:

- Consider the changes in policy for the integration of the LEP functions nationally and the role upper tier authorities are asked to undertake.
- Consider the approach proposed to integrate the LEP functions into Norfolk County Council
- Provide feedback on the proposed approach.

This report outlines the approach being taken to integrate the LEP into NCC and includes at Appendix A the LEP Integration plan being prepared for Government.

The approach and plan follows a period of consultation on options for the integration, including feedback from the July 12th I&D Committee.

These options have been explored with partners and stakeholders, who continue to be briefed and involved in discussions.

For example, workshops to discuss LEP integration and establishment of a Business Board were held with Norfolk district council chief executive officers on 17 July and 21 August 2023. The LEP Integration approach was also presented to Norfolk Leaders on 27 July 2023.

Stakeholders include NCC members, Norfolk district council leaders and chief executive officers, as well as business and education representatives. Business and education leaders have been engaged through LEP sector groups and sub-boards and the LEP board received an update at its July board meeting.

The LEP Integration Plan will also need to be agreed by the New Anglia LEP Board and signed off by the Chair at a LEP Board meeting, currently scheduled for 20 September 2023.

The transition plan has also continued to be co-designed with New Anglia LEP and Suffolk County Council, to ensure plans are aligned.

If endorsed by the LEP Board in September 2023 and NCC Cabinet on 2nd October 2023, along with comments and feedback from the Scrutiny Committee. The LEP Integration Plan for Norfolk will be submitted to Government by end of October 2023. The LEP Integration is expected to conclude by April 2024.

Recommendations

Scrutiny Committee is asked to:

1. **Provide feedback on the proposed approach for the LEP Integration Plan**
2. **Recommend a progress report is brought back to the committee and Cabinet in April 2024**.

1. Background and Purpose

1.1 New Anglia Local Enterprise Partnership is one of 38 LEPs established under the Coalition Government in 2011 and covers the counties of Norfolk and Suffolk. At the time of its establishment, Government wanted LEPs to cover a minimum of two upper tier council areas.

1.2 The partnership was established as a company limited by guarantee with 16 board members, who serve as directors of the company, from local authorities, business and education. The leader of Norfolk County Council is a board member and director of the company.

1.3. Since 2011 the LEP has invested more than £150million in Norfolk and generated at least £650million in matched funding. Its investments have created approximately 8,000 jobs in the county, and more than 7,500 businesses provided with one-to-one support.

1.4. In a letter to LEPs and local authorities in March 2022 Government outlined its future plan for LEPs:

"Local Enterprise Partnerships (LEPs) have played an important role in supporting local economic growth since their inception in 2011. LEPs have brought businesses, education and local government together, delivered large capital investment schemes, provided vital support to businesses during COVID-19, hosted impactful programmes on behalf of government departments and developed economic strategies for their areas. Government values the contribution LEPs have made and continue to make to their local economies.

"The publication of the Levelling Up White Paper marked a turning point for local growth policy. It set out a series of ambitious missions to level up by, for example, increasing pay, employment, skills and productivity, ensuring every area has a globally competitive city, and offering every part of England a devolution deal that wants one within the new devolution framework. The missions will be cross-

government, cross-society efforts, and it will be vital that the private sector plays a role in delivering against them. Government recognises the strategic value of involving business leaders and other stakeholders in local decision-making, and of locally-led economic strategies covering functional economic areas. Government have therefore advised they will be re-wiring the system to ensure it is fit for purpose, including by integrating the functions and roles of LEPs into unitary and upper tier local authorities….

“Government wants to ensure that businesses will continue to be able to access the support, insights and representation that LEPs provide, and to ensure that an independent business and stakeholder voice continues to play its vital role supporting growth in all parts of England.”

1.5. In the Budget Statement, 15th March 2023, the Chancellor developed the Government’s position, announcing that the Government would launch a consultation into transferring responsibilities for local economic growth and development from LEPs to local authorities, from April 2024. The Government is minded to stop core funding from 24/25, with LEP functions to be delivered by local government.

1.6 The Department for Levelling up, Housing and Communities (DLUHC) requested that each local authority and Local Enterprise Partnership submit a questionnaire with relating to LEP integration. During May 2023, Norfolk County Council, Suffolk County Council and New Anglia LEP worked together to coordinate their responses to the questionnaire.

1.7 Following this national information gathering exercise, on 4th August 2023 Government confirmed its decision to integrate LEPs into upper tier local authorities. Government’s view is that there is likely to be scope for greater join-up, efficiencies, and clarity for the private sector by LEP functions being discharged within mayoral combined authorities, devolution deal areas, and upper tier local authorities, working together as appropriate.

1.8 Government’s sponsorship and core funding of LEPs will now cease. As private enterprises, LEPs may choose to continue operating, but government will now support local authorities to take on LEPs’ functions as set out in the Government’s March 2022 LEP integration guidance and previously supported by annual core funding – namely, business representation, strategic economic planning, and responsibility for the delivery of government programmes where directed.

1.9 Government will therefore provide some revenue funding to local and combined authorities in 2024/25 to support them to deliver the functions currently delivered by LEPs. Details of this support will be confirmed in due course. Funding beyond 2024/25 will be subject to future Spending Review decisions.

1.20 The purpose of this report is to outline the LEP Integration Plan for Norfolk (see Appendix A), following a period of consultation with stakeholders who include district and borough colleagues as well as representatives from business, education and the voluntary sector.

1.21 If endorsed by the LEP Board in September 2023 and NCC Cabinet on 2nd October 2023, the LEP Integration Plan for Norfolk will be submitted to Government by end of October 2023. The LEP Integration is expected to conclude by April 2024.

2. LEP Functions for Integration

2.1 New Anglia LEP delivers a number of economic development and skills functions locally on behalf of Government, for which it either receives core Government funding or separate grant funding (eg Growth Hubs, Careers Hub, Skills Boot Camps).

2.2 The Government has highlighted which LEP functions it wishes to see continue. This was set out in a letter to LEPs in March 2022. Government expects the following LEP functions to continue:

• Strong independent **business voice** via a new Norfolk Business Board
• Strategic **economic planning** in partnership with local leaders which clearly articulates the area's economic priorities and strengths
• **Delivery of functions** on behalf of Government including (but not limited to) Growth Hubs, Careers Hubs, **Enterprise Zones**
• **Skills analysis** to support Local Skills Improvement Plans
• Monitoring and assurance of existing local growth programmes of funds for which LEPs are responsible (e.g. Growth Deal and Getting Building Fund).

2.3 The LEP has a wide range of functions and programmes to consider which go beyond the Government's core list:

• **Inward Investment** – Invest Norfolk and Suffolk
• Growth Hub and **wider business support** eg Scale Up New Anglia
• **Business grant and loan programmes** eg Growing Places Fund, Growth Through Innovation
• **Industry councils** and sector groups such as Agri-tech, Energy and ICT Digital, plus programmes such as NAAME, Creative East and Space East
• **Innovation Board** and Connected Innovation programme
• **Skills advisory panel**
• **Skills Boot Camps** programme
• **Careers Hub and Enterprise Adviser Network**
• **New Anglia Capital**

2.4 The LEP also has responsibilities to monitor existing and legacy programmes, which Government has indicated need including in the transition. These include:

• Growth Deal and Getting Building Fund
• Growing Business Fund
• Enterprise Zones
• ERDF Growth Programme (Growth Hub, small grants programme)

3. LEP Assets

3.1 The LEP has a number of assets, which are not covered by the transfer of functions. These assets include:

- Enterprise Zone agreements and revenues
- Property investments and loans
- New Anglia Capital portfolio

3.2 Local agreements are being developed between NCC, district partners and the LEP board over how these assets are managed as part of LEP Integration.

3.3 Norfolk and Suffolk County Councils have agreed, in principle, the assets will be split by geographies – Norfolk County Council will manage assets relating to Norfolk as part of the transition, and Suffolk will manage assets relating to Suffolk.

3.4 New Anglia LEP has a number of Enterprise Zone agreements in Norfolk: Nar Ouse in King's Lynn, South Denes and Beacon Park in Great Yarmouth, the Norwich Research Park in South Norfolk and Scottow Enterprise Park in North Norfolk. These enterprise zones generate revenue through retained business rates, a proportion of which is currently ring-fenced for New Anglia LEP to deliver economic development. Therefore, management of future income is being considered as part of the integration plan. There are also monitoring responsibilities for existing Memoranda of Understanding (MoUs) agreements for each enterprise zone.

3.5 New Anglia LEP also has a number of property investments and loans, which will require agreements between local partners as to how these are handled as part of the LEP integration.

3.6 There is also the New Anglia Capital portfolio - New Anglia Capital is a separate legal entity (100% owned by NALEP) which makes investments in potential high growth companies who do not have access to mainstream finance. Essentially it exists to address a market failure in the finance sector.

3.7 There is an expectation that local agreement will be reached over future use of assets. However, if an agreement cannot be reached, Government would facilitate resolution.

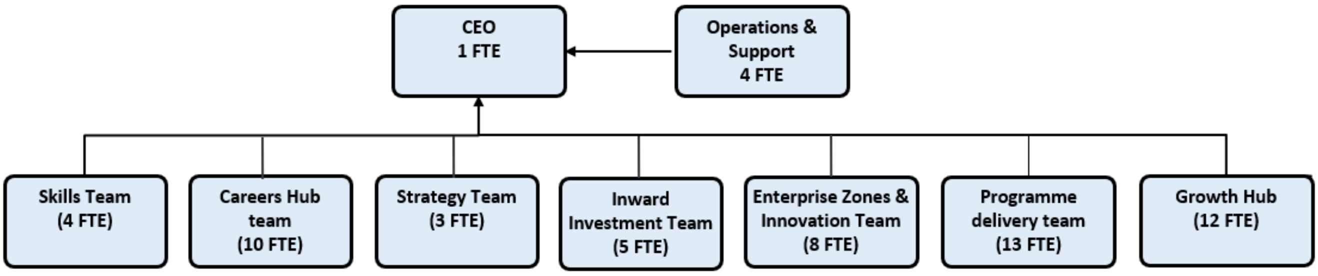
4. LEP Staff

4.1 New Anglia LEP currently directly employs staff across its services and core business responsibilities.

4.2 The LEP Integration plan includes the LEP's current organisational structure. New Anglia LEP is currently taking specialist advice around TUPE.

4.3 Figure 1 below, demonstrates the teams linked to the LEP functions.

Figure 1: LEP Staff by LEP Function



4.4 Once it is understood which roles are in scope where TUPE applies, a process taking place now and concluding in winter 2023, Norfolk and Suffolk County Councils will agree how these roles will be hosted across the separate authorities.

4.5 The LEP has sufficient reserves set aside to cover any potential staff liabilities arising from the transition. This mitigates the financial risk of staff transferring to the county council.

5. Integration plan

5.1 Norfolk County Council, Suffolk County Council and the LEP must submit a plan to Government outlining the approach that partners will take towards integration, ensuring alignment with the Government's ambitions.

5.2 More details of the plan can be found at Appendix 1 – please note sections relating to finance (section five) and staffing (section six) remain confidential in line with Government guidance because of the sensitive nature of those ongoing discussions.

5.3 The two county councils and the LEP are responsible for the LEP Integration as set out by Government, but are engaging with partners on the process and governance arrangements for the integration.

5.4 The LEP Integration Plan will need to be endorsed by NCC Cabinet and is also being considered by NCC Scrutiny Committee before submission to Government. The LEP Integration plan will also need to be approved by the LEP Board at a meeting 20th September 2023, whose membership includes business, district authorities, VCSE and education providers.

5.5 Business Voice

The role of business is seen as critical in the process of LEP integration and Government has mandated the creation of a Norfolk Business Board.

Norfolk County Council has started engaging with business representatives on the development of a business board, in addition to district authorities, with work due to step up with members and stakeholders over the optimum terms of reference including governance and responsibilities of the business board.

5.6 It is proposed that the Norfolk Business Board will be a stand-alone business board with the following purpose:

- A partnership between business, education and local government to enable sustainable growth in Norfolk.
- A strategic board designed to shape policies and create actions to improve Norfolk businesses and employees.

5.7 The responsibilities of the Business Board include:

- To develop an ambitious evidence based economic strategy for the county
- To act an advocate for Norfolk's economy to raise the county's profile with Government
- To work to attract new business investment into the county
- To convene businesses to understand their needs and ambitions
- To act as an enabling vehicle for sector specific councils and groups
- To develop and oversee programmes to support business growth (including start-up and increasing innovation and productivity).
- To make recommendations for funding projects and programmes to support business growth

5.8 The Norfolk Business Board will consist of 16 members. This will include business leaders (VCSE), local authority leaders (county and district) and education representatives (FE & HE). Members will be recruited through external advertisement. A 3-year term is anticipated.

The Norfolk Business Board would be an unincorporated partnership with Norfolk County Council as the accountable body. NCC would hold funds on behalf of the business board and employ any staff dedicated to the board.

5.9 <u>Projects, Programmes and Services</u>

The implementation plan outlines the list of projects, programmes and services delivered by the LEP and how these will be transferred to Norfolk County Council and Suffolk County Council.

5.10 These include: Growth Hub, Inward Investment service, Enterprise Zones management, sector groups and industry councils, Innovation board and programmes, clean growth, skills boot camps, Careers Hub, skills hub, business grant and loan programmes, management of legacy programmes, economic strategy development and evidence base.

5.11 These activities will be transferred into NCC's Growth and Investment directorate and funded through a combination of residual LEP funding, and ongoing funding from Government and other external sources such as the Careers and Enterprise Company.

5.12 We anticipate most of the services being transferred will continue during 24/25 financial year. However, further budget planning is being completed between now and the end of 2023 as Government confirms what transition funding it will make available and the level of LEP residual funding is established.

5.13 Some programmes will continue to be managed on a two-county basis. This is where both county councils agree the service operates more efficiently on a two-county footing and/or where external funding requires a two-county service.

5.14 In these instances – for example Skills Boot Camps and Careers Hub – one of the two county councils will act as the lead partner with an agreement in place between the two authorities on the management of the programme.

5.15 Norfolk County Council is working with the LEP and district and borough colleagues to reach agreement on the future use of Enterprise Zone revenues. These revenues are ring fenced for economic development.

5.16 Options include pooling the EZ receipts across Norfolk to enable all areas to benefit from the growth, or the district which contains the EZ pooling with the county council and for funds only to be restricted for use in that district.The former approach is the preference of the county council as it is in line with previous use of the funding.

5.17 Norfolk County Council is also working with district colleagues on agreement over the use of revenues generated of a small number of property assets. Finances generated by these assets is also ringfenced for economic development.

5.18 LEP staffing

The two authorities are working with the LEP on an appropriate split of staffing and funding in a way which ensures continuity of service and maximises operational efficiencies as well as honouring TUPE responsibilities. It is anticipated that there will be some staff who are in scope of this work and would transfer to Norfolk and Suffolk County Councils within timescales to be agreed.

5.19 Transition plan

A number of discussions have been taking place over the past 2 months with Government, to determine expectations and more specific timescales for individual streams of work. Workshops with partners and stakeholders continue to ensure options explore meet their needs and expectations.

5.20 For Norfolk County Council members, ongoing engagement with this work will take place though the Members' Engagement Working Group meetings which take place every two weeks.

6. Impact of the Proposal

6.1 Integration of LEPs is a key element of the in-principle County Deal, but the Chancellor's intention to integrate LEPs in all parts of England into local authorities means it is taking place with or without the in-principle County Deal.

6.2 The proposed approaches above provide high level view of the process for integrating the continuing functions, funding and staff into Norfolk County Council and Suffolk County Council, in line with the Government's approach and timeline for integration.

6.3 The Council believes the approaches to integration outlined provides an opportunity to complement and strengthen the county council's support for businesses and skills programmes, while continuing the partnership model fostered by the LEP.

6.4 For example there are some clear benefits from bringing together NCC's activities around skills and employment with LEP programmes such as Skills Boot Camp and Careers Hub. Further business support and sector development activity carried out by NCC will be strengthened by integration of the LEP's Growth Hub and Innovation activity.

6.5 For Norfolk County Council, it will be important to ensure that the integration process, as a result of current work, will have the least financial and legal implications to NCC, and be supported by model of Governance that continues to foster partnership and collaboration.

6.6 Whilst the integration will include the transfer of some staff, the county council is ensuring that redundancy and pension liabilities are covered and ongoing revenue to support roles is in place.

7. Key Milestones

7.1. Following the Government publication of its decision on 4th Aug 2023, the following key milestones are outlined below:

- LEP Board sign off draft proposed Norfolk LEP Integration Plan – 20 September 2023

- NCC Cabinet consider sign off of proposed Norfolk LEP Integration Plan –2nd October 2023

- Norfolk LEP Integration Plan proposals submitted to Government – end October 2023

• Arrangement of transfer of assets and staff notifications – October to December 2023

• Closure of New Anglia LEP - Norfolk and Suffolk County Council LEP Integration completes - March 2024

8. Alternative Options

8.1 A number of alternative options have been considered and rejected. These are listed as follows:

8.2 Allowing the LEP to continue operating as now. This option is permitted in the Government's guidance but is not their preferred option. It has also been rejected by Suffolk County Council and the LEP as not a financially viable option given the Government has said it will no longer fund LEPs.

8.3 Demerging the LEP to create a Norfolk only LEP. This option would leave the LEP as a single county entity. Rejected as the Government has said it will no longer fund LEPs.

8.4 Allowing the LEP to close and not transferring functions to NCC. Rejected as this option would be against the Government's guidance and would also mean the county would miss out on services provided by the LEP.

8.5 Allowing the LEP to close and transferring functions to a range of partners – eg districts. Rejected as this option is against the Government's guidance, and therefore would miss out on Government funding. It would also be far more complex from a legal and TUPE perspective, be more costly and is not supported by the LEP board.

9. Financial Implications

9.1 Detailed in the 4th August 2023 announcement on LEP Integration, Government will provide some revenue funding to local and combined authorities in 2024/25 to support them to deliver the functions currently delivered by LEPs. Details of this support will be confirmed in due course. Funding beyond 2024/25 will be subject to future Spending Review decisions.

9.2 The integration plan proposal is expected to be met within existing budgets.

9.3 Any residual funds from the LEP Integration, or future income from assets will be ringfenced specifically for economic activity and allocation overseen in partnership with stakeholders. Residual funds from the LEP Integration, or future income from loan repayments cannot be used by Norfolk County Council for other council activities.

10. Resource Implications

10.1 Staff: The proposal will require appropriate Human Resources advice and support given the TUPE transfers.

10.2 Property: N/A

10.3 IT: N/A

11. Other Implications

11.1 Legal Implications: The proposal will require appropriate legal support given for the reframing of legal agreements regarding shared assets and the novation of a number of contracts from the LEP to Norfolk County Council.

11.2 Human Rights Implications: N/A

11.3 Equality Impact Assessment (EqIA) (this must be included):
11.3.1 A comprehensive range of evidence has been gathered and analysed, to enable the Council to develop a sound equality impact assessment about the likely impacts of the Deal on people with protected characteristics. This has involved reviewing data about people and services that might be affected, contextual information and commissioned research about local areas and populations.

11.3.2. The equality impact assessment conducted as part of the public consultation on the County Deal, identified that a core theme in the public consultation was a desire to ensure that the needs of disabled and older people in Norfolk and people with other protected characteristics in relation to growth, infrastructure, employment, housing, transport and education are understood championed, prioritised and addressed.

11.3.3. Although the integration of the LEP functions now forms part of a separate Government policy to that of the County Deal, it will still contribute to ensuring that everyone in Norfolk is able to play their part in developing Norfolk's economy, and LEP strategy will always give due regard to equality.

11.3.4. Details of the equality impact assessment is included in the Cabinet papers for 5 June 2023 (pages 264 – 271)

11.4 Data Protection Impact Assessments (DPIA): N/A

11.5 Health and Safety implications (where appropriate): N/A

11.6 Sustainability implications (where appropriate): N/A

11.7 Any Other Implications: N/A

12. Risk Implications / Assessment

12.1 Although any integration plan proposal should be met within existing budgets, the county council will need to consider if it is prepared, as a point of principle, to deliver functions on behalf of Government were core funding not available in 2025/26.

13. Recommendations

Scrutiny Committee is asked to:

1. **Provide feedback on the proposed approach for the LEP Integration Plan**
2. **Recommend a progress report is brought back to the committee and Cabinet in April 2024**.

14. Background Papers

Appendix A: NCC LEP Integration Plan

Officer Contact
If you have any questions about matters contained within this paper, please get in touch with:

Officer name: Roberta Willner
Telephone no.: 01603 222710
Email: Roberta.willner@norfolk.gov.uk

If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Cities & Local
Growth Unit

INTEGRATION PLAN TEMPLATE

INTRODUCTION AND GUIDANCE

The Levelling Up White Paper set out the UK Government's ambition for more integrated, better aligned and empowered local institutions with the tools they need to unlock economic growth and 'level up' at a local level. To that end, the Government is encouraging the integration of LEPs and their business boards or private sector membership into mayoral combined authorities (MCAs), the GLA and institutions with devolved powers for the purpose of hosting a county deal**.**

This document is intended to provide an illustrative template for those developing integration plans. It should be read in parallel with the guidance published on Local Enterprise Partnership integration on 31 March 2022, available at the following link:
https://www.gov.uk/government/publications/local-enterprise-partnerships-integration-guidance

It is expected that the process of integration planning will be led by the body that is taking on LEP functions and roles – i.e. the local authority, (M)CA or institution with devolved powers for the purpose of hosting a county deal, depending on the preferred local solution – working in close partnership with the relevant local LEP(s). The respective local LEP(s) should play a key role in co-developing the plan and should sign it off prior to its submission to government for consideration.

It is recognised that the formal process of transferring any assets, loans, investments or liabilities between existing LEP(s) and local democratic institutions will require agreement between both parties. This form should not therefore be considered a substitute for following the relevant laws and regulations that will apply in such cases. The purpose of this form is instead to aid the process of integration and inform the direction of any future government funding.

In areas currently without a devolution deal, the government will not expect local partners to submit an integration plan; LEP integration will be considered as part of any future negotiations.

The precise blend of LEP services and functions to be integrated will differ depending on local circumstances. In many areas, LEPs are already well integrated into their local (M)CA. Those leading the process of integration planning are therefore asked to complete only those sections of this form which apply in their case.

The document is structured around the following key themes:

- SECTION 1: CORE INFORMATION
- SECTION 2: GEOGRAPHY & GOVERNANCE
- SECTION 3: BUSINESS VOICE
- SECTION 4: PROJECTS, PROGRAMMES AND SERVICES
- SECTION 5: FINANCE & ASSETS
- SECTION 6: STAFFING
- SECTION 7: TIMESCALES & DELIVERY
- SECTION 8: PUBLIC SECTOR EQUALITY DUTY

It is recognised that many of the issues covered in this template will require further development and testing ahead of any formal integration. Those completing the document are therefore encouraged to share as much detail as possible, including any emerging solutions where plans are yet to be finalised.

Where the preferred local solution is to integrate an existing LEP into more than one authority, it is likely that separate forms will be needed for each individual area. However, the process of integration planning may require that both plans are developed in parallel. Government officials will be happy to discuss making alterations to this template to aid the sharing of information on a case-by-case basis,

Any commercially sensitive information may be submitted in parallel to the main integration plan. The use of annexes is also recommended for non-sensitive issues where more detail is required.

Completed plans should be sent to the central LEP Integration inbox (LEP.Integration@levellingup.gov.uk) and copied to the relevant Area Lead in the Cities and Local Growth Unit.

The first deadline for submission of plans to government is 23:59hrs on Friday 29 July 2022. Where more time is needed, local partners are encouraged to contact their local Area Lead to discuss future submission dates. The government remains keen to work with local partners to allow LEP functions and roles to be integrated into local democratic institutions at the earliest practicable opportunity.

SECTION 1: CORE INFORMATION

Core Details & Current Arrangements	
1.1 **Name of LEP which is to be integrated.**	New Anglia LEP (NALEP)
1.2 **Name of authority into which the LEP is being integrated.**	Norfolk County Council NB - NALEP is being integrated into its two geographic counties: Norfolk County Council (NCC) and Suffolk County Council (SCC). This plan has been completed by NALEP and Norfolk County Council and sits alongside the Suffolk submission.
1.3 **Current relationship with the LEP**	The leader of Norfolk County Council is a LEP board member. The chair and chief executives are members of the Norfolk Public Sector Leaders Board.
Integration Leads	
1.4 **Contact details for integration leads**	LEP Chief Executive - Rosanne Wijnberg NCC Director of Growth and Investment - Chris Starkie

SECTION 2: GEOGRAPHY & GOVERNANCE

Geography		
2.1 (a) **Is the local LEP geography coterminous with the (M)CA boundary or the area over which a devolution deal is being negotiated?**	Yes ☐	No x
2.1 (b) **If not, does the area situated outside the MCA or devolution deal geography constitute a functional economic area?**	Yes x	No ☐

Norfolk is a self-contained labour market, in part due to its peripheral and coastal location, but also due to the distance from other regional cities and the limited connectivity of the transport network. It is an area covered by a single County Council and seven districts, who work together to protect and improve the functional economic area by meeting economic development, environmental and social challenges collectively. With over 100 miles of coastline, significant historic and cultural assets, two nationally recognised educational institutions (the University of East Anglia and Norwich University of the Arts), rural landscapes, coastal communities, market towns and three urban centres, Norfolk boasts a unique and distinctive identity, strengthened by its people's passion and pride of place.

Norfolk has a rich history of innovation and manufacturing, creating some of the most iconic British brands and products, shipped around the world for centuries. This is assisted by our premier knowledge bases such as the University of East Anglia, Norwich Research Park, Lotus cars and Aviva. Norfolk has the scientific, creative, engineering and professional skill base to help grow the UK economy.

Norfolk covers an area of 5,400 square kilometres and is home to over 900,000 people and 39,000 businesses (predominantly SMEs). The County's foundational economy was built on agriculture and manufacturing. While both remain important sectors there has been significant diversification and investment into clean energy, financial services, agri-food, agri-tech and life sciences research. Today the economy generates £19bn of GVA per annum.

The county has Enterprise Zones (Great Yarmouth South Denes & Beacon Park, King's Lynn NarOuse, Norwich Research Park and North Norfolk Scottow Enterprise Park) and is part of the Cambridge-Norwich Tech Corridor. Norfolk is home to both a fast-growing digital tech sector as well as internationally renowned research into food and agri-tech. Norfolk has diverse engineering and advanced manufacturing expertise that can turn cutting-edge research and ideas into products and services, in addition to being well position for the growing clean energy sector totalling £39bn over the next 20 years, with the Southern North Sea offshore wind market poised to increase significantly in both pace and scale to meet expectations around Net Zero.

The A11 **Cambridge Norwich Tech Corridor** represents dynamic and growing sectors, which have significant linkages and interdependency. They also benefit from considerable local supply chain, and talent pipeline. Sectors include manufacturing, advanced engineering, food and life sciences. Linked to the A11 tech corridor, is what's becoming known as the Norwich Research Triangle. This triangle joins expertise at the Norwich Research Park (the largest single-site concentration of research in food, health and life sciences in Europe, fostering a unique mix of world-leading research) to the engineering expertise at Lotus and Hethel with further growth planned to establish a technology hub in the region with potential to create in excess of 500 further jobs by 2026, leverage £500m investment and safeguard the area as a centre for sports car operations. The triangle then links to the world class agri-food expertise at the Easton Food Enterprise Park, just off the A47. In addition to recent investments such as the Broadland Food Innovation Centre, the Food Enterprise Park aims to position itself as the leading site for Controlled Environment Agriculture in the world. To date £60m has been invested in sites and building facilities.

King's Lynn and West Norfolk have huge potential, with lower land values. There are opportunities to capitalise on good rail and road links, just under an hour away from Cambridge, to attract investment and boost productivity and GVA to the local economy in the manufacturing and engineering sectors. This could cement King's Lynn as the place for SMEs to thrive by attracting and retaining skilled innovators to generate enterprise and high value employment for the town, by building on the NarOuse and NORA developments.

Norfolk has rapidly become a global leader for offshore wind. Shallow water, deep-water ports and ideal weather conditions of the Southern North Sea offer developers and their supply chains, the perfect environment for multi-billions of pounds worth of investment. Some of the world's biggest wind farms are being built off the Norfolk coastline including, Norfolk Vanguard East and West, East Anglia Hub, in addition of 4 extension projects; Sheringham Shoal, Dudgeon, North Falls and Five Estuaries. **Great Yarmouth** is ideally situated to capitalise on this growth and accelerate new jobs in the local supply chain. Facilities such as Beacon Park and the deep-water port will unlock this growth. Businesses looking for modern offices, industrial units or development land, including quayside space, can take advantage of the Great Yarmouth and Lowestoft, with sites in and around the ports, aiming to support growing clusters of energy related companies.

Norfolk is at the forefront of tackling the challenges and opportunities of climate change. Strengths in energy generation and usage, and high-tech, sustainable agri-food present major opportunities, in particular the cross-sector opportunities which will have a major contribution to the UK's transition to a post-carbon economy.

Thanks to the booming offshore wind cluster, Great Yarmouth, a relatively deprived coastal town, generates £1.8bn of GVA. Meanwhile Greater Norwich is becoming a dynamic innovative city with a burgeoning data science cluster, fin-tech start-ups, research institute and an array of cultural and arts attractions. 20% of Norfolk's GVA is generated in Norwich alone. If this current momentum if built on, and Norfolk's GVA per capita approaches the England average, the economy could generate a net additional £5bn per year, a 25% increase. This would require multi-pronged effort to create and expand new businesses and jobs, attract more large companies into Norfolk, smartly leverage major investments like offshore wind.

The regeneration of **East Norwich** will deliver the largest brownfield development in the East of England Region and will ensure early and successful implementation of the allocation strongly supported by the emerging Greater Norwich Local Plan. It is an ambitious project to create a sustainable new urban quarter for the city, supported by the preparation of a masterplan for East Norwich and a commitment to substantial future investment. The regeneration of East Norwich will support manufacturing, digital creative, professional services and tourism.

Cultural tourism is also a hugely important economic contributor to Norfolk, attracting people to live and work in the county. It supports more than 54,000 jobs and contributes about £2.8bn to the local economy with further potential to grow in the next five years. The area's vibrant cultural sector boasts award-winning theatres and major international festivals.

Norfolk's economy is sizeable, however its current per capita GVA is much lower at £21k when compared to similar regions and the national average of £27k. This is explained by the legacy strength of lower-GVA generating sectors, such as manufacturing and agriculture, that have suffered productivity declines over the last decade. Norfolk's rates of business and job creation lag behind national average at 13% for business creation (against 29% nationally) and 9% for job creation (against 14%). These county-level statistics mask significant regional variation. The higher-than-average contingent of agricultural and tourism businesses means that pressure on seasonal labour supply, rapidly escalating materials and energy costs, combined with destabilisation of logistical supply chains poses a pertinent threat to our economy. Historically, Norfolk is a lower wage, lower skill economy – Median resident earnings are £28,571 vs £32,944 in East of England – over £4000 more per year. Whilst skills levels have increased, the gap between Norfolk and national figures has increased. For example, Norfolk residents with Level 3 qualifications is 5% lower than the national average and NVQ4+ is 5% lower than national average. This gap is widening over time and also highlights 7% of Norfolk population (over 64,000 people) have no qualifications at all. Without Government-funded programmes, a significant proportion of Norfolk's growth potential will not be achieved as critical employment space to accommodate the fast-growing sectors such as clean energy and high-value manufacturing will not be brought forward by the market. Potential private sector led growth in the region will also be greatly assisted by the geographic clusters, by utilising the A11 corridor through to East Norwich, the energy cluster in Great Yarmouth, and manufacturing cluster in King's Lynn – leveraging existing infrastructure investment.

2.2 (a) **Do you consider it is viable to maintain a separate LEP for the area situated outside the MCA or devolution deal geography?**	Yes ☐	No ☐
N/A, as NALEP covers only the counties of Norfolk and Suffolk.		
2.2 (b) **If not, please describe the proposed solution for maintaining relevant LEP functions in the area that will remain outside the (M)CA boundary or devolution deal geography.**		
N/A		

SECTION 3: BUSINESS VOICE

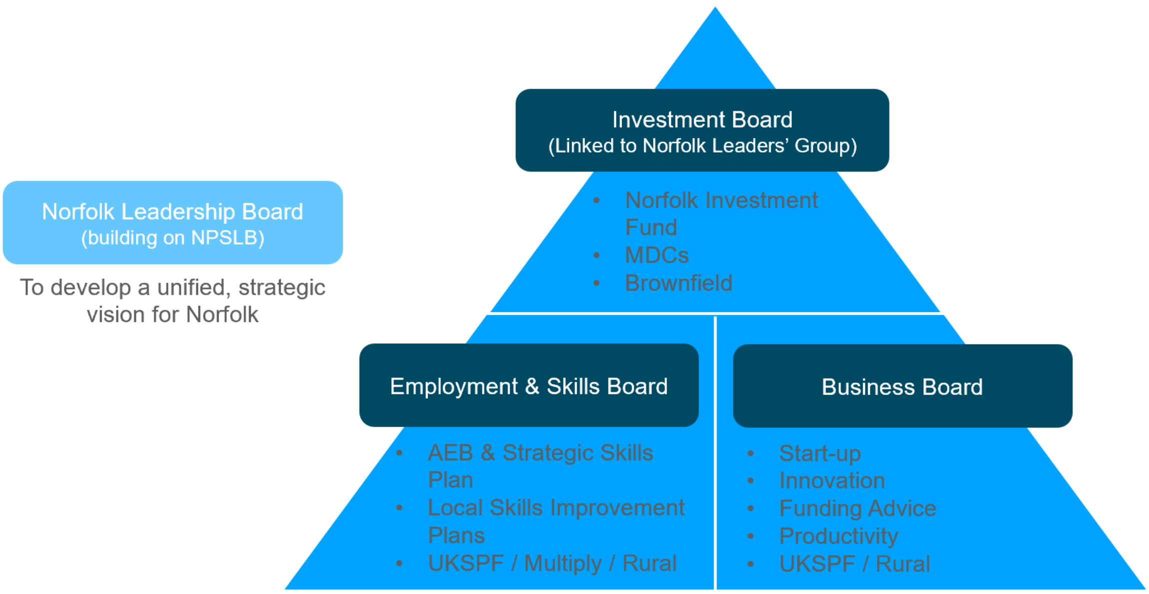
Current and Future Activity

Please set out how you intend to embed a strong, independent and diverse local business voice in the (M)CA or institution with devolved powers for the purpose of hosting a county deal. Answers should cover the following points:

(a) **Proposed Model & Governance Structure** (e.g. a stand-alone business board, sub-board or other structure. Please also set out your proposed approach to maintaining any existing thematic sub-boards managed by the LEP);
(b) **Expected Role & Responsibilities** (e.g. how will members be meaningfully involved in local decision making? How will their independence be maintained; and what responsibilities will they have? *In answering these questions, it may be helpful to attach proposed terms of reference setting out the key functions and objectives of independent business members*)
(c) **Membership** (including the mix, balance and diversity of independent business members and any other partners drawn from outside of the business community. Please also set set out your proposed approach to utilising existing LEP Board Members);
(d) **Future Recruitment** (including details of how you will ensure business members are openly recruited and politically independent);
(e) **Continuing Partnerships** (e.g. will any board or equivalent structure and its members continue to play a role in any existing partnerships, such as Town Deal Boards?).

(A) Proposed model and Governance structure

The Norfolk Business Board will be a stand-alone business board.
- An unincorporated partnership
- Partnership between business, education and local government to enable sustainable growth in Norfolk
- Strategic board designed to shape policies and create actions to improve Norfolk businesses and employees
- Will sit alongside the Investment Board and Employment & Skills Board within NCC
- The Business Board will also feed into the Norfolk Leadership Board for strategic sounding and, should a county Deal be in place by April 2024, the Directly elected Leader and NCC Cabinet for decision making



(B) Expected Role & Responsibilities

The role of the Business Board will be strategic with some commissioning capability, it is expected it will advise the County Council and Norfolk Leadership Board and oversee functions and activity related to business support and growth.

The responsibilities of the Business Board will include:
- Developing an ambitious evidence based economic strategy for the county
- Acting as an advocate for Norfolk's economy to raise the county's profile with Government
- Working to attract new business investment into the county
- Convening businesses to understand their needs and ambitions
- Acting as an enabling vehicle for sector specific councils and groups
- Developing and overseeing programmes to support business growth (including start-up, and increasing innovation and productivity).
- Making recommendations for funding projects and programmes to support business growth

Potential role
- Develop economic strategy for Norfolk and advocate on behalf of county
- Oversee/manage programmes transferred into NCC from the LEP
- Oversee/manage pooled revenues e.g. EZ, pooled business rates
- In the event of a devolution deal could have a role in advising the Investment Board and for allocation of UKSPF
- Bid for future funding and programmes

(C) Membership

The Norfolk Business Board will consist of 16 members. This will include business leaders (VCSE), local authority leaders (county and district) and education representatives (FE & HE).

Members will be recruited through external advertisement, with a three year term anticipated.

SECTION 4: PROJECTS, PROGRAMMES AND SERVICES

Current and Future Activity
4.1 **Please list the projects, programmes and services currently delivered by the local LEP. (Please indicate in the description where activity is delivered jointly with another partner).** *In each case you should indicate whether, subject to receiving equivalent funding, the (M)CA or institution with devolved powers for the purpose of hosting a county deal would continue to undertake each activity. Where a different set of functions/services is being delivered for a neighbouring area, you should repeat the exercise for that area.*

Title	**Short Description** (1-2 sentences)	**Will the activity continue once the LEP is integrated? (subject to future funding)**	
		Yes	**No**
		☐	☐

Service	**Description and future proposal**	**Will the activity continue? (subject to future funding)**
Inward Investment	**Description** Service focused on working with Department of Business and Trade and the market to attract both UK and International investment to Norfolk and Suffolk. **Future Proposal** Continue with joint Norfolk and Suffolk capability until 30/03/2024 with expected extension to 30/03/2025, funded by NCC and SCC. Resources to be employed by Norfolk County Council (2-3 FTE) and Suffolk County Council (1-2 FTE) and operate as a virtual team.	Yes
Growth Hub (Advisors)	**Description** A team of telephone and front line advisors. Norfolk advisors are employed by the NALEP, Suffolk advisors are employed by YTKO. **Future Proposal** Norfolk advisors will be transferred into NCC.	Yes
Growth Hub (Back Office)	**Description** Management and coordination of the Growth Hub, including the CRM system. Staff currently employed by the NALEP. **Future Proposal** Continue with existing service in Norfolk and Suffolk to 30/03/2025. Current LEP employees to be transferred to SCC and NCC. Review in Apr 2025 in line with new UKSPF funding regime	Yes
Growth Hub (High Growth Service)	**Description** Service focused on working with local business to support them to expand and grow e.g. access to grants, access to sites, access to staff and training etc. **Future Proposal**	Yes

	Continue with existing service in Norfolk and Suffolk to 30/03/2025. Current LEP employees to be transferred to SCC and NCC. Review in Apr 2025 in line with new UKSPF funding regime	
Enterprise Zones	**Description** Enterprise Zones are land and financial incentives to support local business growth. 25-year agreements for retention of business rates. **Future Proposal** NCC to take on administration and monitoring role, funded via a top slice of revenues. Agreement reached on maintaining Pot A and Pot B agreements in place. Agreement on Pot C revenues being agreed between NCC, District Councils and the LEP.	Yes
Industry Councils & Sector Groups	**Description** Industry Councils exist for the priority sectors in the Norfolk and Suffolk Economic Strategy and include stakeholders from business, local government and education. The Councils inform the development of programmes and investments. **Future Proposal** The following industry Councils exist and will continue in the short term on a Norfolk/Suffolk geography where appropriate, subject to availability of funding: • Agri-Food • Digital Council • Culture • NAAME (manufacturing) • Finance Industry Group Norwich and Ipswich	Yes
Monitoring of existing investments and programmes	**Description** Monitoring of existing investments is required to ensure the numerous funding packages and interventions provided by NALEP (generally from government or ERDF funding including Getting Building Fund, Growing Places Fund etc) are being spent in the agreed manner and are delivering the agreed outputs and returns. **Future Proposal**	Yes

	Monitoring of Norfolk grants and loans will be integrated into Norfolk County Council	
Innovation Programme and Board	**Description** The Connected Innovation programme and Board are focused on improving the success of start-ups in new industries in Norfolk and Suffolk e.g. space applications. **Future Proposal** This will be continued on a two-county basis, with staffing resource integrated into NCC and SCC, operating as a virtual team.	Yes
Creative East	**Description** Programme to support creative industry businesses in Norfolk, Suffolk, Cambs and Peterborough. UEA lead partner, LEP accountable body **Future proposal** NCC and SCC are already partners in the project. The project will be continued with LEP's responsibilities transferred to NCC or SCC	Yes
Space East	**Description** Dedicated programme to develop the space cluster in Norfolk and Suffolk **Future Proposal** This will be continued on a two-county basis, with resource integrated into either NCC or SCC.	Yes
Clean Growth	**Description** LEP has developed a project and bid to government around industrial decarbonisation. Existing work is funded by NCC but could be expanded if bid is successful. **Future Proposal** The programme to be transferred into NCC as a key part of NCC's climate strategy.	Yes
Skills Advisory Panel (SAP) & Skills Hub	**Description** The Skills Advisory Panel, originally funded by DfE was made up of stakeholders from across business, local government and education and was intended to better inform the Skills training and pathway requirements needed in Norfolk and Suffolk. The Skills Hub is a partnership across SCC, NCC and the LEP and is intended to ensure the skills offer is aligned to local needs and priority sectors.	Yes

	Future Proposal The Skills Advisory Panel has ceased operating and will be replaced by a Skills Board for Norfolk. The Skills Hub will be reformed on a two-county basis utilising existing NCC and SCC resources.	
Careers Hub and Enterprise Adviser Network	**Description** These activities are focused on providing younger people, including school pupils, with practical advice about career choices. **Future Proposal** To be integrated into Norfolk County Council, who will operate the service on behalf of Norfolk and Suffolk, if funding is provided.	Yes
Skills Boot camps	**Description** Skills boot camps are intended to provide re-training or top up training to people who are changing career course or enhancing existing skills. Boot camps are intensive courses typically over 16 full time weeks. **Future Proposal** To be integrated into Suffolk County Council, who will operate the service and let the contracts on behalf of Norfolk and Suffolk, if future funding rounds are provided.	Yes
Economic Strategy and evidence base	**Description** Economic strategy and evidence base to support local growth planning and to identify priority sectors for investment. **Future Proposal** Norfolk will develop its own local economic strategy and programme that would sit as part of a wider regional approach.	Yes
Business Grants/Loans (Growth Through Innovation)	**Description** Grants to help businesses invest in innovation, research and development. **Future Proposal** Residual funding to be split between Norfolk and Suffolk, with the decision to be made on whether to continue the programme or use the funding for other purposes depending on resources transferred.	Yes

Business Grants/Loans (Business Transition to Net Zero)	**Description** Grants to help businesses reduce their carbon footprint and increase productivity. **Future Proposal** Residual funding to be split between Norfolk and Suffolk, with the decision to be made on whether to continue the programme or use the funding for other purposes depending on resources transferred.	Yes
Business Grants/Loans (Growing Places Fund)	**Description** Loan funding for businesses. **Future Proposal** Residual funds and existing loans to be transferred to Norfolk with the potential to continue the programme.	Yes
New Anglia Capital	**Description** New Anglia Capital is a separate legal entity (100% owned by NALEP) which makes equity investments in potential high growth companies who do not have access to mainstream finance. New Anglia Capital has £4m of equity investments across 23 start-up companies. **Future Proposal** Remains as separate company. Investments will be allowed to mature. Top slice of any exits to fund a contract to operate the fund. Net proceeds of any exits will be shared 50-50 between SCC and NCC, to be documented in a legal agreement between the parties. NCC have offered to provide staffing to manage NAC which would sit alongside existing equity fund LCIF.	Yes
UEA Enterprise Fund	**Description** LEP provided significant funding towards the UEA investment fund which provides grants and equity investment to undergraduate and graduate businesses. **Future Proposal** Funding has been allocated but responsibility for participation in the programme, including use of the remaining funding, to pass to NCC, including membership of the steering group.	Yes

SECTION 5: FINANCE & ASSETS N.B. Please submit any commercially sensitive information in parallel to the main integration plan, where appropriate.

Commercially Sensitive – Data contained in Confidential Appendix B.

SECTION 6: STAFFING – N.B. This section should be treated with the upmost sensitivity. Please submit any sensitive information in parallel to the main integration plan, where appropriate.

Commercially Sensitive – Data contained in Confidential Appendix B.

SECTION 7: TIMESCALES & DELIVERY

Proposed Timescale
7.1 **Please indicate your preferred timescale for integrating LEP role and functions.**
NCC is working on the basis that NALEP will be integrated on 1st April 2024, based on government position as set out in the Spring 2023 budget. Some aspects will be integrated on a 'soft' basis, in the months before 1st April 2024, whilst some financial aspects will not be moved to the NCC balance sheet until after the close audit, likely Autumn 2024. The LEP as a company limited by guarantee and Suffolk CC as the accountable body, are expected to appoint corporate recovery accountants for the company closedown process.
Governance of the Integration Process
7.2 (a) **What mechanisms will be in place to manage the integration process at the local level?**
The integration is being managed by senior officers from NCC and the LEP, with specialist support from NCC's Legal, HR and Finance. The plan will be signed off by the LEP board, NCC's cabinet and will also be shared with the Norfolk Public Sector Leaders Board.
7.2 (b) **If the existing LEP is intending to formally cease operation and dissolve following its integration, who will be responsible for managing the transition and any legacy issues?**
NALEP is being integrated into Norfolk County Council and Suffolk County Council who will be responsible for managing the transition and any legacy issues.
Knowledge Management

7.3 **What is the plan for reviewing records ahead of any formal integration to ensure relevant documents are maintained and individuals can continue to access records for continuing work?**
The LEP has established a data room for NCC and SCC colleagues to access and ensure visibility of all documentation and records during the transition process. As the LEP is being integrated into Norfolk County Council and Suffolk County Council, the councils will take on responsibility for relevant record keeping. In addition, NCC is anticipating a number of staff transferring from the LEP to NCC which will assist with knowledge transfer.

Approvals		
7.4 **Has this integration plan been agreed by the relevant boards/persons in both the local LEP(s) and MCA (or institution with devolved powers for the purpose of hosting a county deal)?** Please attach a signed letter from the Chair of the local LEP(s) by way of confirmation.	Yes ☒	No ☐
This integration plan has been reviewed by relevant members at NCC, and by the NALEP Board.		

SECTION 8: PUBLIC SECTOR EQUALITY DUTY

Public Sector Equality Duty		
8.1 **Has the Public Sector Equality Duty been considered and complied with in the preparation of this plan?**	Yes ☒	No ☐
8.2 **Where applicable, please describe any impacts – positive or negative – that have been identified on people based on their protected characteristics?** (This section should also highlight the steps taken to mitigate any negative impacts that have been identified)		
None have been identified.		

Scrutiny Committee

Item No: 9

Report Title: Amendment to the Annual Investment and Treasury Management Strategy 2023-24

Date of Meeting: 20 September 2023

Responsible Cabinet Member: Cllr Andrew Jamieson (Deputy Leader and Cabinet Member for Finance)

Responsible Director: Harvey Bullen, Director of Strategic Finance

Executive Summary

This report sets out details of a proposal to amend the Treasury Management and Investment Strategy for 2023-24 to increase the treasury management investment limit for the Norse Group.

The Treasury Management and Investment Strategy for 2023-24 forms part of the Council's Policy Framework and this amendment therefore requires consideration by the Scrutiny Committee to provide advice and recommendations to Full Council.

Recommendations

To:

1. consider and recommend to Full Council the amendment to the Annual Investment and Treasury Management Strategy 2023-24 (as appended) to increase the treasury management investment limit for Norse Group to £25.000m in order to maintain the existing level of cash flow facility available to the company.

1. Background and Purpose

1.1. This report proposes an amendment to the Annual Investment and Treasury Management Strategy 2023-24 as adopted by the Full Council in February 2023. This report proposes an amendment to the Annual Investment and Treasury Management Strategy 2023-24 as adopted by the Full Council in February 2023. The Scrutiny Committee has a clear role in providing challenge to any refresh or amendment to items that make up the policy framework. This is set out in part 11B of the NCC constitution, alongside guidelines around communication with members and the process leading to

Full Council approval. The item must be considered by the Scrutiny Committee in good time, and the Committee are asked to provide a report to the Leader of the Council outlining a summary of discussions and any recommendations put forward by the Scrutiny Committee. The report will be produced by officers based on discussions at the meeting and signed off by the Chair and Vice-Chair of the committee to ensure accuracy. It will include details of any minority views expressed as part of the debate at the Scrutiny Committee. Having considered any report from the Scrutiny Committee, the Leader or Executive will agree proposals for submission to the Council and report to Council on how any recommendations from the Scrutiny Committee have been taken into account.

1.2. Due to the technical nature of the proposed change, and the required timescale for decision-making in this instance, at its meeting of 4 September 2023, Cabinet has approved a governance route as set out below:

Date	Meeting
Monday 4th September	**Cabinet** – endorsement of proposed amendments to the Annual Investment and Treasury Management Strategy 2023-24, and referral to Full Council via the Scrutiny Committee
Wednesday 20th September	**Scrutiny Committee** – scrutiny of proposed amendments, with the committee receiving a full draft of the updated Investment and Treasury Management Strategy 2023-24, alongside a covering paper outlining key changes and associated implications.
Tuesday 26th September	**Full Council** – the revised strategy to be put to Full Council for debate and approval. Full Council will also receive a report from the Scrutiny Committee detailing discussions and associated recommendations.

2. Proposal

2.1. The proposal is to amend the Annual Investment and Treasury Management Strategy 2023-24 (as appended) to increase the treasury management investment limit for Norse Group to £25.000m in order to maintain the existing level of cash flow facility available to the company.

2.2. In accordance with the recommendation to Full Council made by Cabinet on 4 September 2023, the Director of Strategic Finance proposes that Scrutiny Committee recommend to Full Council the following policy framework amendment, which requires Full Council approval and pre-scrutiny process as set out within this report. This recommendation proposes to increase the Treasury Management Investment counterparty limit for the Norse Group to £25.000m (from £15.000m). This revised limit is forecast to provide adequate headroom for the Group’s short-term working capital requirements. This recommendation will change Appendix 4 of the Annual Investment and Treasury Management Strategy for 2023-24 as set out below:

Revised Appendix 4: Time and monetary limits applying to investments

The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

COUNTERPARTY	NCC LENDING LIMIT (£m)	OTHER BODIES LENDING LIMIT	TIME LIMIT
UK Banks	£60m	£30m	Up to 3 Years (see notes below)
Non-UK Banks	£30m	£20m	1 Year
Royal Bank of Scotland / Nat. West. Group	£60m	£30m	2 Years
Building Societies	£30m	£20m	1 Year
MMFs – CNAV	£60m (per Fund)	£30m (per Fund)	Instant Access
MMFs – LNVAV			Instant Access
MMFs – VNAV			Instant Access
Debt Management Account Deposit Facility	Unlimited	Unlimited	6 Months (being max period available)
Sterling Treasury Bills	Unlimited	Unlimited	6 Months (being max period available)
Local Authorities	Unlimited (individual authority limit	Unlimited (individual authority limit £10m)	3 Years
The Norse Group	**£25m *[previously £15m]***	**Nil**	**1 Year**
Hethel Innovation Limited	£1.25m	Nil	1 Year
Repton Property Developments Limited	£1.0m	Nil	1 Year
Independence Matters CIC	£1.0m	Nil	1 Year
Property Funds	£10m in total	Nil	Not fixed
Ultra short dated bond funds	£5m in total	Nil	3 years
Corporate bonds	£5m in total	Nil	3 years
Corporate bond funds	£5m in total	Nil	3 years
UK Government Gilts / Gilt Funds	£5m in total	Nil	3 years

2.3. The full updated Annual Investment and Treasury Management Policy 2023-24 is appended to this report and includes the notes to the table above (which are unchanged from the version approved by Full Council in February 2023).

3. Impact of the Proposal

3.1. Norfolk County Council has lending and cash flow facility arrangements in place with the Norse Group, including a short term lending facility as part of the Council's overall Annual Investment and Treasury Strategy 2023-24 approved as part of 2023-24 budget-setting by Full Council in February 2023.

3.2. Within the Annual Investment and Treasury Management Strategy 2023-24, there is a treasury investments counterparty list setting out the time and monetary limits which the Council applies to its treasury investments. This Policy Framework item includes a Treasury Management Monetary Limit of £15.000m and a time limit of 1 year for the Norse Group. Historically, this has only been called upon for short term purposes to support the Group's overall cash flow position. As a result of the increased cashflow demands within the group, as set out below, a recommendation is being proposed to increase the Norse Group treasury management investment limit to £25.000m. This revised limit is forecast to provide adequate headroom for the Norse Group's short-term borrowing and working capital requirements.

4. Evidence and Reasons for Decision

4.1. Norse Group is a wholly owned subsidiary of Norfolk County Council.

4.2. In December 2015, the County Council provided Norse Energy with a £10.000m capital loan, following a recommendation by Policy and Resources Committee 30 November 2015. The £10.000m seven-year capital loan was repaid in December 2022, at which point it was refinanced in accordance with the Annual Investment and Treasury Strategy 2022-23, in the form of a 12-month fixed term investment deposit (until December 2023).

4.3. The impact of this refinancing has been to convert the previous capital loan into a treasury management fixed deposit, which counts against the Norse Group's treasury management limit, effectively reducing the available cash flow facility to £5.000m. In order to maintain the Norse Group headroom at the previous level of £15.000m, it is therefore proposed that Scrutiny Committee (following the recommendations from Cabinet 4 September 2023) recommend to Full Council an amendment to the Annual Investment and Treasury Management Strategy for 2023-24 to increase the Norse Group Treasury Management Investment limit to £25.000m. This revised limit is forecast to provide adequate headroom for the Group's short term working capital requirements.

4.4. As noted above, the Norse Group generally only uses this working capital facility occasionally, and for short term borrowing. This reflects the Group's cash flow requirements and in particular is driven by the uneven timing of receipts from 3rd party customers (predominantly other local authorities). Excluding the £10m 12-month fixed term investment, the Norse Group has used the facility on 10 occasions since January 2022 with the following characteristics:

Average value	£2,575,000
Average % interest rate	6.15%
Average duration	15.4 days

4.5. The Norse Group Short Term Working Capital Facility specifies a Bank of England Base plus 2.6% interest rate for Treasury Management (cash flow) borrowing. This ensures a market comparable rate of return for the County Council on the provision of this facility to the Norse Group. The current facility draw down totals £12.750m and has earned £0.41m interest receivable in 2023-24.

5. Alternative Options

5.1. None identified.

6. Financial Implications

6.1. As set out within the report. The proposed amendment to the limits within the Annual Investment and Treasury Management Strategy 2023-24 ensure that there is adequate headroom for the Norse Group's short term working capital requirements, which is appropriate for the size of the Group and its turnover.

6.2. Once the revised Treasury Management Limit is established, it is proposed that a further review of the Norse Group's overall funding requirements, including the treasury management and capital loan limits, should be undertaken by the Director of Strategic Finance as part of the Council's ongoing governance of its largest company. Any further changes required as a result will be reported to Cabinet within the capital programme and Annual Investment and Treasury Management Policy as part of the annual budget-setting process for 2024-25.

7. Resource Implications

7.1. **Staff:** None identified.

7.2. Property: None identified.

7.3. IT: None identified.

8. Other Implications

8.1. Legal Implications: None identified.

8.2. Human Rights Implications: None identified.

8.3. Equality Impact Assessment (EqIA) (this must be included): None identified.

8.4. Data Protection Impact Assessments (DPIA): None identified.

8.5. Health and Safety implications (where appropriate): None identified.

8.6. Sustainability implications (where appropriate): None identified.

8.7. Any Other Implications: None identified.

9. Risk Implications / Assessment

9.1. Risks are as set out in the report and the Finance Monitoring Report 2023-24 P4: July 2023 to Cabinet in September 2023.

10. Select Committee Comments

10.1. None.

11. Recommendations

To:

1. consider and recommend to Full Council the amendment to the Annual Investment and Treasury Management Strategy 2023-24 (as appended) to increase the treasury management investment limit for Norse Group to £25.000m in order to maintain the existing level of cash flow facility available to the company.

12. Background Papers

12.1. Finance Monitoring Report 2023-24 P4: July 2023, Agenda Item 12, Cabinet, 4 September 2023

Officer Contact

If you have any questions about matters contained within this paper, please get in touch with:

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If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

ANNEX 1

Treasury Management Strategy

including

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

2023-24

Note: Appendix 4 in this report has been amended to reflect the proposed change to the Counterparty Treasury Management Limits for Norse Group

INDEX

1 Introduction

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

> *"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

1.2 Reporting requirements

1.2.1 Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability.

The aim of the Capital Strategy is to ensure that all elected members understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

The Capital Strategy is reported separately from this Treasury Management Strategy Statement. Non-treasury investments including loans to companies are reported through the Capital Strategy and Finance Monitoring Report, with summary information included in Treasury Management reports. This is to ensure separation of the core treasury function under security, liquidity and yield principles, and other investments, including loans to subsidiary and other companies which are usually driven by expenditure on assets for service delivery and related purposes.

Depending on the nature of any particular project, the capital strategy will cover:

- Strategic context
- Corporate priorities
- Capital investment ambition
- Available resources
- Affordability
- Capacity to deliver
- Risk appetite
- Risk management; and
- Determining the appropriate split between non-financial and treasury management investment, in the context of ensuring the long-term financial sustainability of the authority

Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the DLUHC Investment Guidance and CIPFA Prudential Code have not been adhered to.

Norfolk County Council does not hold any non-treasury and/or non-financial investments which are designed purely to generate a financial return: all non-treasury investments, for, example loans to subsidiaries and companies for Norfolk based projects and/or to support subsidiary companies fund their capital investment plans, and all have been approved as part of the capital strategy and programme.

To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown in this report.

1.2.2 Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals:

a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
   - the capital plans (including prudential indicators);
   - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
   - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
   - an Annual Investment Strategy, (the parameters on how investments are to be managed).

b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition the Council will receive quarterly update reports.

c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny
The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Council's Treasury Management Panel and Cabinet.

Quarterly reports – In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council/Board but do require to be adequately scrutinised. This role is undertaken by the Cabinet.

Scheme of Delegation
A summary of the Treasury Management Scheme of Delegation is at Appendix 8, with the Treasury Management role of the Section 151 Officer at Appendix 9.

1.3 Treasury Management Strategy for 2023-24

The strategy covers two main areas:

Capital issues

- capital expenditure plans and the associated prudential indicators;
- minimum revenue provision (MRP) policy (paragraph 2.4 and Appendix 1).

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training has been provided to members at the December 2022 Treasury Management Panel, and further training will be arranged as required.

In accordance with the CIPFA Code, the Council

- records and monitors attendance at Link training webinars
- prepares tailored learning plans for treasury management officers and board/council members where necessary.
- requires treasury management officers and board/council members to undertake self-assessment against the required competencies using the CIPFA "Assessment of Effective Scrutiny" self assessment tool 2022
- has regular communication with officers and board/council members through the Treasury Management Panel, encouraging them to highlight training needs on an ongoing basis.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function and members of the Treasury Management Panel will be maintained by the Treasury and Banking Accountant.

1.5 Treasury management consultants

The Council uses Link Group, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. Through a competitive tender in 2019, the Council has ensured that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subject to regular review.

2 The Capital Prudential Indicators 2023-24 – 2025-26

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital expenditure £m	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Services	241.536	249.139	342.254	231.134	211.196
Capital loans to group and other companies	11.178	4.000	8.800	1.800	0.000
Infrastructure loans to third parties	2.155	0.000	0.000	0.000	0.000
Total	**254.869**	**253.139**	**351.054**	**232.934**	**211.196**

Other long-term liabilities - The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding/borrowing need.

Financing of capital expenditure £m	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Capital grants	131.832	178.013	153.217	106.943	140.268
Revenue and reserves	2.840	0.199			
Capital receipts	8.993	24.000	20.000	10.000	10.000
Prudential borrowing	111.204	50.927	177.837	115.991	60.928
Capital programme	**254.869**	**253.139**	**351.054**	**232.934**	**211.196**
Estimated slippage			(100.000)	(55.000)	(30.000)
Cumulative slippage	**0.000**	**0.000**	**(100.000)**	**(155.000)**	**(185.000)**
New borrowing requirement after slippage	111.204	**50.927**	**77.837**	**60.991**	**30.928**
Net financing need for the year	**254.869**	**253.139**	**251.054**	**177.934**	**181.196**

Slippage has been incorporated into the calculations in line with historic patterns of capital spend and the Q3 Capital Programme Review undertaken by the Capital Review Board. Although members approve capital programmes based on annual expenditure, it is not uncommon for projects to be delayed due to, for example, planning issues. In addition, where grants become available, these will be used ahead of borrowing to fund projects.

To better reflect actual likely expenditure, and to help avoid the risk of borrowing in advance of need, an adjustment for slippage has been incorporated into the calculations shown in this strategy.

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure shown in paragraph 2.1 above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £43.6m of such schemes within the CFR.

The Council is asked to approve the CFR projections below:

£m	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Opening CFR	**887.047**	**969.763**	**987.695**	**1,029.268**	**1,051.161**
Other Financing Adjustments	(0.042)				
Net financing need for the year (above)	111.204	50.927	77.837	60.991	30.928
Less MRP and other financing movements	(28.446)	(32.995)	(36.264)	(39.098)	(40.677)
Movement in CFR	**82.716**	**17.932**	**41.573**	**21.893**	**(9.749)**
Closing CFR	**969.763**	**987.695**	**1,029.268**	**1,051.161**	**1,041.412**

A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the authority's overall financial position.

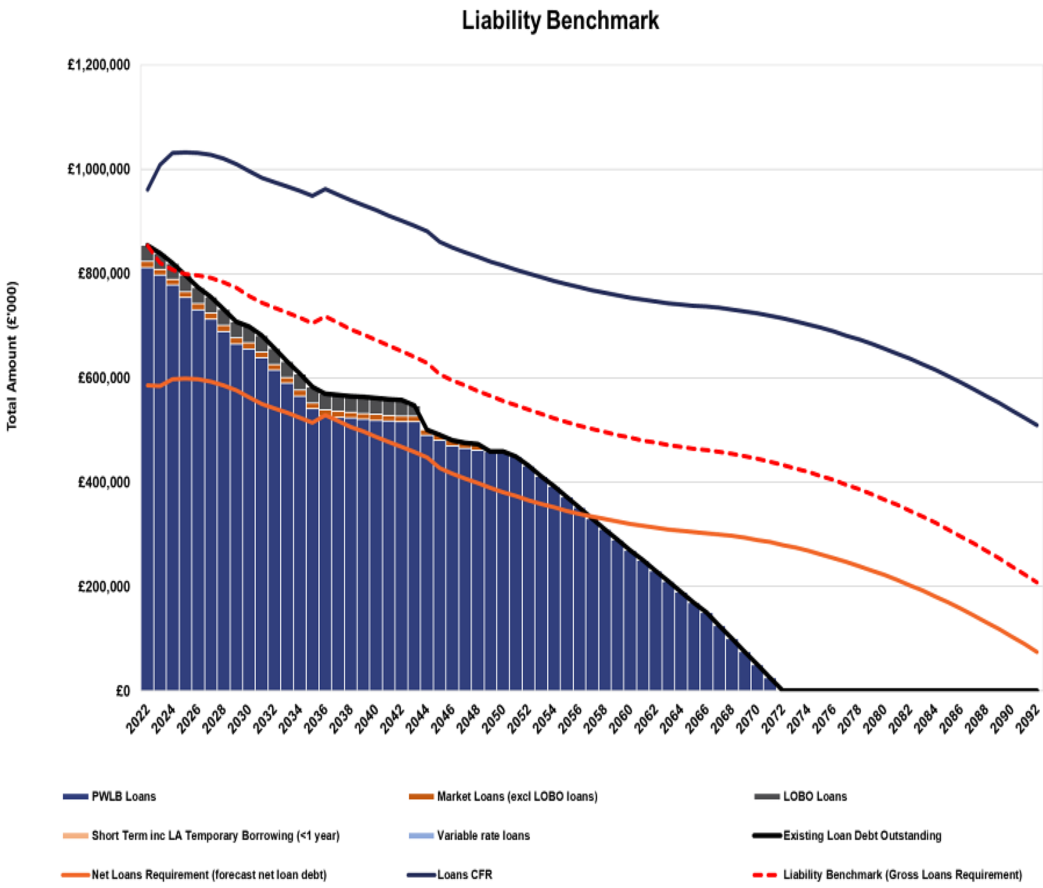
The capital expenditure figures shown in 2.1 and the details above demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Authority's remaining activity.

In line with the Capital Strategy, the external borrowing requirement planned in conformance with the new DLUHC requirements for applying for certainty rate borrowing from the PWLB is:

External borrowing £m	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Service spend	97.871	46.927	69.037	59.191	30.928
Housing	11.178	4.000	8.800	1.800	0.000
Regeneration	2.155	0.000	0.000	0.000	0.000
Preventative action					
Treasury Management					
TOTAL	**111.204**	**50.927**	**77.837**	**60.991**	**30.928**

2.3 Liability Benchmark

A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.



There are four components to the LB: -

1. **Existing loan debt outstanding**: the Authority's existing loans that are still outstanding in future years.
2. **Loans CFR**: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement**: this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

2.4 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources £m	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Opening investments	**210.940**	**267.973**	**241.039**	**218.203**	**202.212**
Net (use) of reserves, capital grants, working capital etc.	58.237	(26.007)	(10.000)	(5.000)	(5.000)
Capital expenditure funded through prudential borrowing	(111.204)	(50.927)	(77.837)	(60.991)	(30.928)
New Borrowing	110.000	50.000	65.000	50.000	20.000
Closing investments	**267.973**	**241.039**	**218.203**	**202.212**	**186.283**

2.5 Minimum revenue provision (MRP) policy statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP). It is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

DLUHC regulations have been issued which require the full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision.

For expenditure incurred before 1 April 2008 which forms part of supported capital expenditure, the MRP policy will be:

- **4% reducing balance (CFR method)** – MRP will be calculated as 4% of the opening GF CFR balance;

From 1 April 2008 for all unsupported borrowing the MRP policy will be:

- **Asset life method (straight line)** – MRP will be based on the estimated life of the assets;

Capital expenditure incurred during 2022/23 will not be subject to an MRP charge until 2023/24, or in the year after the asset becomes operational

The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

MRP in respect of assets acquired under Finance Leases or PFI will be charged at an amount equal to the principal element of the annual repayment;

For capital expenditure on loans to third parties where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan.

MRP Overpayments - Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

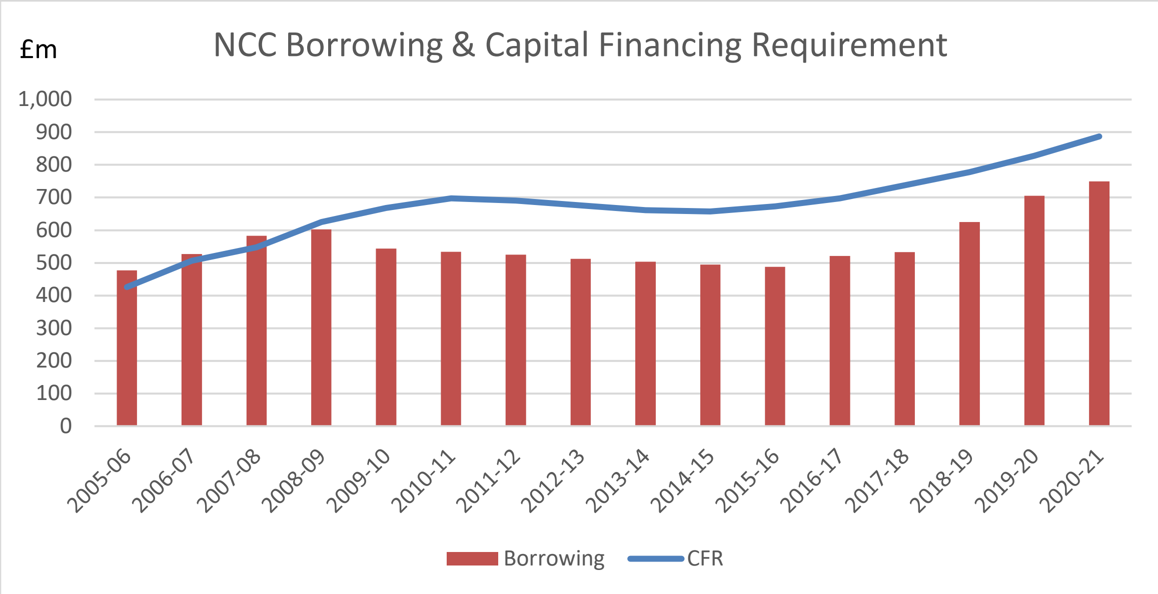
Cumulative VRP overpayments made to date are £1.173m.

The Council's MRP Statement has been updated after having regard to the MRP Guidance and takes into account the addition of right-of-use assets which will result from the impact of IFRS16 which will affect the Council's accounts in 2023-24.

3 Borrowing

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

The table below summarises the Council's historic capital financing requirement and borrowing:



3.1 Current portfolio position

The overall treasury management portfolio as at 31 March 2022 and for 30 November 2022 is shown below for both borrowing and investments.

	31 March 2022	30 November 2022
Treasury Investments		
Banks	230.0	205.0
Local authorities	0.1	0.2
Money Market funds	37.5	94.1
	267.6	**299.3**
Treasury external borrowing		
PWLB	811.9	804.2
Commercial (including LOBOs)	42.3	42.3
	854.2	**846.5**
Net-treasury borrowing	**586.6**	**547.2**

Note: the 31 March column above is reconciled to the Council's Statement of Accounts by adjusting for uncleared BACS payments on balances, and accrued interest on loans.

At the end of November 2022 the bank deposits were with Barclays, Natwest, Close

Brothers, Goldmans Sachs, Australia New Zealand Bank, Toronto-Dominion Bank, DBS Bank and Landesbank Baden-Wuerttemberg and the Money Market Funds with Aberdeen, Federated and Aviva. At 30 November there is £120m invested in non-uk banks.

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£m	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Debt at 1 April	749.274	854.243	888.917	935.045	961.626
Expected change in Debt - repayments	(5.031)	(15.326)	(18.872)	(23.419)	(23.466)
Expected change in Debt – new borrowing	110.000	50.000	65.000	50.000	20.000
Debt at 31 March	**854.243**	**888.917**	**935.045**	**961.626**	**958.160**
Other long-term liabilities (OLTL) 1 April	48.170	46.962	43.601	40.073	36.212
Expected change in OLTL	(1.208)	(3.361)	(3.528)	(3.861)	(4.181)
OLTL forecast	**46.962**	**43.601**	**40.073**	**36.212**	**32.031**
Gross debt at 31 March	**901.205**	**932.518**	**975.118**	**997.838**	**990.191**
The Capital Financing Requirement	969.763	987.695	1,029.268	1,051.161	1,041.412
Under / (over) borrowing	**68.558**	**55.177**	**54.150**	**53.323**	**51.221**

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022-23 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Executive Director of Finance and Commercial Services reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: limits to borrowing activity

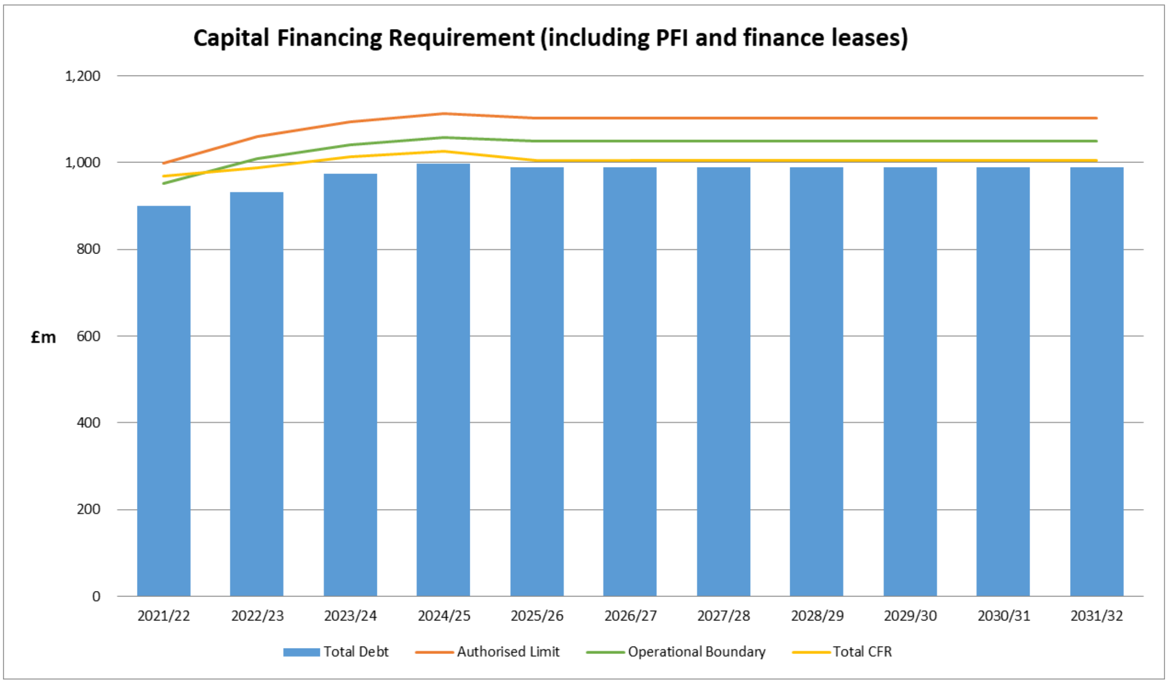
The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary £m	2021-22 Target	2022-23 Target	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Debt	905.340	964.195	989.195	1,014.949	1,009.381
Other long-term liabilities	45.965	44.476	40.073	36.212	32.031
Total CFR	**951.305**	**1008.671**	**1,029.268**	**1,051.161**	**1,041.412**

The authorised limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which reflects the total approved capital expenditure, plus an allowance for schemes which may be approved in-year:

1. This is the statutory limit determined under section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

Authorised limit £m	2021-22 Target	2022-23 Target	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Debt	950.607	1012.405	1,038.654	1,065.696	1,059.850
Other long-term liabilities	48.263	48.923	44.080	39.833	35.234
Total	**998.870**	**1,061.328**	**1,082.735**	**1,105.529**	**1,095.084**



3.3 Prospects for interest rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 8th November 2022. These are forecasts for certainty rates, gilt yields plus 80 bps:

Link Group Interest Rate View	08.11.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.30	4.30	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.50	4.50	4.40	4.30	4.20	4.00	3.90	3.70	3.60	3.50	3.40	3.30	3.20
25 yr PWLB	4.70	4.70	4.60	4.50	4.40	4.30	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.40	3.30	3.20	3.20

Additional notes by Link on this forecast table: -

- *The Link forecast reflects a view that the MPC will be keen to demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened throughout 2022, but the new Government's policy of emphasising fiscal rectitude will probably mean Bank Rate does not now need to increase to further than 4.5%.*
- *Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures have lessened – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.*
- *The CPI measure of inflation will peak at close to 11% in Q4 2022. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market. Wage increases, excluding bonuses, are currently running at 5.7%.*
- *Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started but will focus on the short to medium end of the curve for the present. This approach will prevent any further disruption to the longer end of the curve following on from the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy.*

In the upcoming months, Link's forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine and the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

Yield curve movements have become less volatile under the Sunak/Hunt government. PWLB 5 to 50 years Certainty Rates are, generally, in the range of 3.75% to 4.50%. The medium to longer part of the yield curve is currently inverted (yields are lower at the longer end of the yield curve compared to the short to medium end).

Link views the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook but markets are volatile and further whipsawing of gilt yields across the whole spectrum of the curve is possible.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is to the downside. Indeed, the Bank of England projected two years of negative growth in their November Quarterly Monetary Policy Report.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).

- **The Bank of England** acts too quickly, or too far, over the next two years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.

- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.

- **Geopolitical risks,** for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates an even more rapid series of increases in Bank Rate faster than we currently expect.

- **The Government** acts too slowly to increase taxes and/or cut expenditure to balance the public finances, in the light of the cost-of-living squeeze.

- **The pound weakens** because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.

- Longer term **US treasury yields** rise strongly, if inflation numbers disappoint on the upside, and pull gilt yields up higher than currently forecast.

Borrowing advice: Link's long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are now above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

Link suggested budgeted earnings rates for investments up to about three months' duration in each financial year are as follows: -

Average earnings in each year	
2022/23 (remainder)	3.95%
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%
Years 6 to 10	2.80%
Years 10+	2.80%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

3.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate increases over the remainder of 2022 and the first half of 2023.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Executive Director of Finance and Commercial Services will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates,* then borrowing will be postponed.

- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast,* fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

3.5 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Debt rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a very large difference between premature redemption rates and new borrowing rates.

If rescheduling is to be undertaken, it will be reported to the Cabinet at the earliest meeting following its action.

The portfolio will continue to be kept under review for opportunities and if circumstances change, any rescheduling will be reported to Cabinet at the earliest opportunity.

3.7 New Financial Institutions as a Source of Borrowing and Types of Borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a "cost of carry" or to achieve refinancing certainty over the next few years).

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

3.8 Approved Sources of Long and Short-term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
UK Municipal Bond Agency	●	●
Local Authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance Companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock Issues	●	●
Local Temporary	●	●
Local Bonds	●	
Local Authority Bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance Leases	●	●

4 Annual investment strategy

4.1 Investment policy – management of risk

The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This section deals solely with treasury (financial) investments as managed by the treasury management team. Non-financial investments, essentially loans made for capital purposes, are covered in the Capital Strategy.

The Council's investment policy has regard to the following: -

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Council's investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite.

In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions.

The above guidance from the DLUHC and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings. A comparative analysis of ratings from different agencies is shown as Appendix 2, and an indicative list of approved counterparties as Appendix 3.

2. **Other information**: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as **"credit default swaps**" and overlay that information on top of the credit ratings.

3. **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use including ‘specified’ and ‘non-specified’ investments.

    - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally, they were classified as being non-specified investments solely due to the maturity period exceeding one year.
    - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in Appendix 4.

6. **Transaction limits** are set for each type of investment in 4.2.

7. This authority will set a limit for its investments which are invested for **longer than 365 days**, (see paragraph 4.4).

8. The Council will only use non-UK banks from countries with a minimum sovereign rating of AA+ (Appendix 7). The **sovereign rating of AA+** must be assigned by one of the three credit rating agencies. No more than £30m will be placed with any individual non-UK country at any time.

9. This authority has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

10. All cash invested by the County Council will be either Sterling or Euro deposits (including Sterling certificates of deposit) or Sterling Treasury Bills invested with banks and other institutions in accordance with the Approved Authorised Counterparty List. The inclusion of Euro deposits enables the County Council to effectively manage (subject to European Central Bank deposit rates) Euro cash balances held for schemes such as the France-Channel-England Project.

11. As a result of the change in accounting standards for 2022-23 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund.

12. In November 2018, the Ministry of Housing, Communities and Local Government (“MHCLG”), concluded a consultation for a temporary IFRS9 override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years to 31 March 2023. At the time of writing the Council has no pooled investments of this kind.

This authority will pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year.
The above criteria are *unchanged* from last year.

4.2 Creditworthiness policy

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Executive Director of Finance and Commercial Services will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Link Group, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur, and this information is considered before dealing. For instance, a negative rating Watch applying to counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

The criteria for providing a pool of high-quality investment counterparties, (both specified and non-specified investments) is:

- **Banks:**

(i) **UK Banks** requires both the short and long-term ratings issued by at least one of the three rating agencies (Fitch, S&P or Moody's) to remain at or above the minimum credit rating criteria.

UK Banks	Fitch	Standard & Poors	Moody's
Short Term Ratings	F1	A-1	P-1
Long Term Ratings	A-	A-	A3

(ii) **Non-UK Banks** requires both the short and long term ratings issued by at least one of the three rating agencies (Fitch, S&P or Moody's) to remain at or above the minimum credit rating criteria and a sovereign rating of AA+ assigned by one of the three credit rating agencies.

Non-UK Banks	Fitch	Standard & Poors	Moody's
Short Term Ratings	F1+	A-1+	P-1
Long Term Ratings	AA-	AA-	Aa3

- **Part Nationalised UK Bank:** Royal Bank of Scotland Group. This bank is included while it continues to be part nationalised or it meets the ratings for UK Banks above.

- **The County Council's Corporate Banker:** if the rating for the Council's corporate banker (currently Barclays) falls below the above criteria, sufficient balances will be retained to fulfil transactional requirements. Other than this, balances will be minimised in both monetary size and time invested.

- **Building Societies:** The County Council will use Building Societies which meet the ratings for UK Banks outlined above.

- **Money Market Funds (MMFs)**: which are rated AAA by at least two of the three major rating agencies. MMF's are 'pooled funds' investing in high-quality, high-liquidity, short-term securities such as treasury bills, repurchase agreements and certificate of deposits. Funds offer a high degree of counterparty diversification that include both UK and Overseas Banks. Following money market reforms, MMFs will be allocated to sub-categories (CNAV, LNAV and VNAV) to meet more stringent liquidity regulations. However, the Council will continue to apply the same minimum rating criteria.

- **UK Government:** including the Debt Management Account Deposit Facility & Sterling Treasury Bills. Sterling Treasury Bills are short-term (up to six months) 'paper' issued by the UK Government. In the same way that the Government issues Gilts to meet long term funding requirements, Treasury Bills are used by Government to meet short term revenue obligations. They have the security of being issued by the UK Government.

- **Local Authorities, Parish Councils etc.:** Includes those in England and Wales (as defined in Section 23 of the Local Government Act 2003) or a similar body in Scotland or Northern Ireland.

- **Wholly owned companies: The Norse Group, Hethel Innovation Limited and Repton Property Developments Limited, Independence Matters CIC:** short-term loan arrangements made in accordance with approved service level agreements and the monetary and duration limits detailed below in Appendix 4.

- **Property funds (where not classed as capital expenditure)**: these are long term, and relatively illiquid funds, expected to yield both rental income and capital gains. The use of certain property funds can be deemed capital expenditure, and as such would be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

- **Ultra-Short Dated Bond Funds** will use funds that are AAA rated and only after due diligence has been undertaken.

- **Corporate Bonds:** These are bonds issued by companies to raise long term funding other than via issuing equity. Investing in corporate bonds offers a fixed stream of income, paid at half yearly intervals. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

- **Corporate bond funds:** Pooled funds investing in a diversified portfolio of corporate bonds, so provide an alternative to investing directly in individual corporate bonds. Minimum long-term rating of A- to be used consistent with criteria for UK banks. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

- **UK Government Gilt funds:** A gilt is a UK Government liability in sterling, issued by HM Treasury and listed on the London Stock Exchange. They can be either "conventional" or index linked. Using a fund can mitigate some of the risk of potential large movements in value.

Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

Time and monetary limits applying to investments. The time and monetary limits for institutions on the Council's counterparty list are set out in Appendix 4.
The proposed criteria for specified and non-specified investments are shown in Appendix 6.

Creditworthiness
Significant levels of downgrades to short- and long-term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the

wake of the Truss/Kwarteng unfunded tax-cuts policy. Although the Sunak/Hunt government has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

CDS prices
Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link-provided Passport portal..

4.3 Other limits
Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

a) **Non-specified investment limit.** The Council has set limits for non-specified investments in accordance with the criteria set out in Appendix 6. For example, they are bound by the limits for investments set out in Appendix 4 and the upper limit for principal sums invested for longer than 365 days shown in paragraph 4.4. This ensures that non-specified investments are only made within appropriate quality and monetary limits.
b) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of *AA+.*
c) **Other limits.** In addition:
   - no more than £30m will be placed with any non-UK country at any time;
   - limits in place above will apply to a group of companies.

4.4 Investment strategy
In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

Investment returns expectations.
The current forecast shown in paragraph 3.3 includes a forecast for Bank Rate to reach 4.5% in Q2 2023.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

Average earnings in each year	Previously	Now
2022/23	0.50%	3.95%
2023/24	0.75%	4.40%
2024/25	1.00%	3.30%
2025/26	1.25%	2.60%
2026/27	2.00%	2.50%
Years 6 to 10	2.00%	2.80%
Years 10+	2.00%	2.80%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit:

Upper limit for principal sums invested for longer than 365 days			
£m	**2023/24**	**2024/25**	**2025/26**
Principal sums invested for longer than 365 days	£100m	£100m	£100m
Current investments >365 days as at 31 December 2022	£0m	£0m	-

4.5 Investment risk benchmarking
This Authority will use an investment benchmark to assess the investment performance of its investment portfolio of overnight, 7 day, 1, 3, 6 or 12 month compounded / SONIA.

4.6 Non-treasury investments

Although this section of the report does not specifically cover non-treasury investments, a summary of non-treasury loans is included at Appendix 10. This appendix shows that the impact of these loans on the Council's revenue budget is not material in comparison to its turnover.

4.7 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Outturn Report.

5 Appendices

Appendix 1 - Minimum Revenue Provision Statement

Appendix 2 - Ratings comparative analysis

Appendix 3 - Indicative List of Approved Counterparties for Lending

Appendix 4: Time and monetary limits applying to investments

Appendix 5: The Capital and Treasury Prudential Indicators

Appendix 6: Credit and counterparty risk management

Appendix 7: Approved Countries for Investments

Appendix 8: Treasury Management Scheme of Delegation

Appendix 9: The Treasury Management Role of the Section 151 Officer

Appendix 10: Non-treasury investments

Appendix 1 - Minimum Revenue Provision Statement 2023-24

A1 Regulations issued by the Department of Communities and Local Government in 2008 require the Council to approve a Minimum Revenue Provision (MRP) statement in advance of each year.

A2 Members are asked to approve the MRP statement annually to confirm that the means by which the Council plans to provide for repayment of debt are satisfactory. Any revisions to the original statement must also be issued. Proposals to vary the terms of the original statement during the year should also be approved.

A3 MRP is the provision made in the Council's revenue budget for the repayment of borrowing used to fund capital expenditure - the Council has a statutory duty to determine an amount of MRP which it considers to be prudent, having regard to guidance issued by the Secretary of State.

A4 In 2023-24:

- For capital expenditure incurred before 1 April 2007 which is supported by Formula Grant (supported borrowing), the MRP policy will be to provide the amount to set aside calculated in equal instalments over 50 years.
- For all capital expenditure since that date which is supported by Formula Grant (supported borrowing), the MRP policy will be to provide the amount to set aside calculated in equal instalments over 50 years from the year set aside is first due.
- In calculating the amounts on which set aside is to be made pre 1 April 2007 Adjustment A will be applied.
- Any charges made over the statutory minimum revenue provision, voluntary revenue provision or overpayments can, if needed, be reclaimed in future years if deemed necessary or prudent, and cumulative overpayments disclosed. At 31 March 2021 the cumulative amount over-provided was £3.26m. The over-provision was fully released in 2021-22.
- For expenditure since 1 April 2008, the MRP policy for schemes funded through borrowing will be to base the minimum provision on the estimated life of the assets in accordance with the guidance issued by the Secretary of State.
- Re-payments included in annual PFI and finance lease/right of use asset arrangements are applied as MRP.
- Having identified the total amount to be set aside for previously unfunded capital expenditure the Council will then decide how much of that to fund from capital receipts with the residual amount being the MRP for that year.

A5 Where loans are made to third parties for capital purposes, the capital receipt received as a result of each repayment of principal, under the terms of the loan, will be set aside in order to re-pay NCC borrowing and to reduce the Capital Financing Requirement accordingly. MRP will only be accounted for if an accounting provision has been made for non-repayment of the loan or if there is a high degree of uncertainty regarding the repayment. This arrangement will also be applied where a third party has committed to underwrite the debt costs of a specific project through amounts reserved for capital purposes.

A6 The Council will continue to make provision at least equal to the amount required to ensure that each debt maturity is met.

Appendix 2 - Ratings comparative analysis

Moody's		S&P		Fitch		
Long-term	**Short-term**	**Long-term**	**Short-term**	**Long-term**	**Short-term**	
Aaa	P-1	AAA	A-1+	AAA	F1+	Prime
Aa1		AA+		AA+		High grade
Aa2		AA		AA		
Aa3		AA-		AA-		
A1		A+	A-1	A+	F1	Upper medium grade
A2		A		A		
A3	P-2	A-	A-2	A-	F2	
Baa1		BBB+		BBB+		Lower medium grade
Baa2	P-3	BBB	A-3	BBB	F3	
Baa3		BBB-		BBB-		
Ba1	Not prime	BB+	B	BB+	B	Non-investment grade speculative
Ba2		BB		BB		
Ba3		BB-		BB-		
B1		B+		B+		Highly speculative
B2		B		B		
B3		B-		B-		
Caa1		CCC+	C	CCC	C	Substantial risks
Caa2		CCC				Extremely speculative
Caa3		CCC-				In default with little prospect for recovery
Ca		CC				
		C				
C		D	/	DDD	/	In default
/				DD		
/				D		

Appendix 3 - Indicative List of Approved Counterparties for Lending

UK Banks

Barclays Bank
Bank of Scotland Plc (*)
Close Brothers
Goldman Sachs
Santander UK
Lloyds Bank (*)
HSBC Bank Group

Non-UK Banks

Australia:

- Australia & New Zealand Banking Group
- Commonwealth Bank of Australia
- National Australia Bank Limited

Canada:

- Bank of Montreal
- National Bank of Canada
- Toronto-Dominion Bank

Germany:

- DZ Bank AG
- Landesbank Baden-Wuerttemberg
- Landesbank Hessen-Thueringen Girozentrale

Singapore:

- DBS Bank Ltd
- Oversea-Chinese Banking Corp
- United Overseas Bank Limited

Sweden:

- Svenska Handelsbanken

Part Nationalised UK Banks

Royal Bank of Scotland(#)
National Westminster(#)

UK Building Societies

Coventry BS
Leeds BS
Nationwide BS
Yorkshire BS

Money Market Funds

Aberdeen Investments
Federated Investors
Aviva
Northern Trust

UK Government

Debt Management Account Deposit Facility
Sterling Treasury Bills
Local Authorities, Parish Councils

Other – Group companies (non-capital)

The Norse Group
Hethel Innovation Limited
Repton Property Developments
Independence Matters CIC

Note: (*) (#) A 'Group Limit is operated whereby the collective investment exposure of individual banks within the same banking group is restricted to a group total.

Appendix 4: Time and monetary limits applying to investments

The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

COUNTERPARTY	NCC LENDING LIMIT (£m)	OTHER BODIES LENDING LIMIT (£m)	TIME LIMIT
UK Banks	£60m	£30m	**Up to 3 Years** (see notes below)
Non-UK Banks	£30m	£20m	**1 Year**
Royal Bank of Scotland / Nat. West. Group	£60m	£30m	**2 Years**
Building Societies	£30m	£20m	**1 Year**
MMFs – CNAV	£60m (per Fund)	£30m (per Fund)	**Instant Access**
MMFs – LNVAV			**Instant Access**
MMFs – VNAV			**Instant Access**
Debt Management Account Deposit Facility	Unlimited	Unlimited	**6 Months (being max period available)**
Sterling Treasury Bills	Unlimited	Unlimited	**6 Months (being max period available)**
Local Authorities	Unlimited (individual authority limit £20m)	Unlimited (individual authority limit £10m)	**3 Years**
The Norse Group	£25m	Nil	**1 Year**
Hethel Innovation Limited	£1.25m	Nil	**1 Year**
Repton Property Developments Limited	£1.0m	Nil	**1 Year**
Independence Matters CIC	£1.0m	Nil	**1 Year**
Property Funds	£10m in total	Nil	**Not fixed**
Ultra short dated bond funds	£5m in total	Nil	**3 years**
Corporate bonds	£5m in total	Nil	**3 years**
Corporate bond funds	£5m in total	Nil	**3 years**
UK Government Gilts / Gilt Funds	£5m in total	Nil	**3 years**

Notes:

- In addition to individual institutional lending limits, 'Group Limits' are used whereby the collective investment exposure of individual banks within the same banking group is restricted to a group total lending limit. For example, in the case of Lloyds Bank and Bank of Scotland, the group lending limit for the Lloyds Banking Group is £60M.

- The maximum deposit period for UK Banks is based on the following tiered credit rating structure:

Long Term Credit Rating (Fitch or equivalent) assigned by at least one of the three credit rating agencies	Maximum Duration
AA-	Up to 3 years
A	Up to 2 years
A-	Up to 1 year

  Deposits may be placed with the Royal Bank of Scotland as a UK Part Nationalised Bank and Local Authorities may be made for periods of 2 and 3 years respectively.

- The Council will only use non-UK banks from countries with a minimum sovereign rating of AA+. The sovereign rating of AA+ must be assigned by one of the three credit rating agencies. No more than £30m will be placed with any individual non-UK country at any time. Approved countries for investments are shown at Appendix 7.

- For monies invested on behalf of the Norse Group, Independence Matters and Norfolk Pension Fund there is a maximum monetary limit of £10m per counterparty. Operationally funds are diversified further as agreed with the individual bodies.

- Long-term loans to the Norse Group and other subsidiary companies are approved as part of the Council's capital programme.

- The use of property funds, bonds and bond funds, gilts and gilt funds will be subject to appropriate due diligence.

- Certain property funds may be classed as a capital investment. If this is the case then they will be approved via the capital programme. If the fund is classed as revenue, then the IFRS 9 implications will be fully considered: unless the DCLG specifies otherwise, any surpluses or losses will become chargeable to the Council's general fund on an annual basis.

Appendix 5: The Capital and Treasury Prudential Indicators

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

5.1 Capital Expenditure

Capital expenditure £m	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Adult Social Care	14.817	14.196	12.473	22.482	15.401
Children's Services	52.379	29.707	118.296	61.323	21.325
CES Highways	103.564	153.172	107.926	105.658	153.090
CES Other	22.901	23.825	58.706	23.483	1.200
Finance and Comm. Servs	61.208	32.156	53.654	19.989	20.180
Strategy and Governance	0.000	0.083	0.000	0.000	0.000
Total	**254.869**	**253.139**	**351.054**	**232.934**	**211.196**
Loans to companies included in Finance and Comm Servs above	**11.178**	**4.000**	**8.800**	**1.800**	**0.000**
GNGB supported borrowing to developers	**2.155**	**0.000**	**0.000**	**0.000**	**0.000**
Loans as a percentage	*5%*	*2%*	*3%*	*1%*	*0%*

Non-treasury investments – proportionality

The table above demonstrates that loans to companies and developers, as a percentage of all capital expenditure, are a relatively low proportion and therefore do not present undue risk in the context of the programme overall.

5.2 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream.

%	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Financing costs (net)	59.351	64.599	71.851	75.162	79.685
Net revenue costs	733.818	784.689	788.209	808.189	828.301
Percentage	8.09%	8.23%	9.12%	9.30%	9.62%

The estimates of financing costs include current commitments and budget proposals.

The Prudential Code 2013 acknowledged that the "Financing Costs to Net Revenue Stream" indicator may be more problematic for some authorities regarding the level of government support for capital spends. In these instances, it is suggested that a narrative explaining the indicator may be helpful. At this stage, it is considered that the table above can provide useful information.

5.3 Maturity structure of borrowing
Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits. The Council is asked to approve the following treasury indicators and limits:

Maturity structure of fixed & variable interest rate borrowing 2022-23		
	Lower	**Upper**
Under 12 months	0%	10%
12 months to 2 years	0%	10%
2 years to 5 years	0%	10%
5 years to 10 years	0%	20%
10 years to 20 years	0%	30%
20 years to 30 years	10%	30%
30 years to 40 years	10%	30%
40 years to 50 years	10%	40%

The percentages shown in the table above are proportions of total borrowing.

5.4 Control of interest rate exposure:

The table above indicates how the authority manages its interest rate exposure to ensure a degree of alignment between asset lives and appropriate interest rates and spreading the time over which any debt re-financing may need to happen.

Only £42.250m out of total borrowing of over £849m (less than 5% of total borrowing) is potentially variable, and the rate will only vary if borrowing rates rise to above 4.75%. Forecast borrowing rates suggest that that this threshold will not be exceeded in the foreseeable future. Planned borrowing is expected to be at fixed rates to take advantage of low interest rates as they arise, and to limit long term exposure to variable rates.

With positive cash balances, the Council has maintained an under-borrowed position which avoids short term exposure to interest rate movements on investments. The Council will continue to balance the risks of borrowing while cash balances are available, against the long-term benefits of locking into low borrowing rates

5.5 Interest Rate Forecasts 2022-2025

Link Group Interest Rate View	08.11.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.30	4.30	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.50	4.50	4.40	4.30	4.20	4.00	3.90	3.70	3.60	3.50	3.40	3.30	3.20
25 yr PWLB	4.70	4.70	4.60	4.50	4.40	4.30	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.40	3.30	3.20	3.20

PWLB forecasts are based on PWLB certainty rates.

5.6 ECONOMIC BACKGROUND

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	Eurozone	US
Bank Rate	3.0%	1.5%	3.75%-4.00%
GDP	-0.2%q/q Q3 (2.4%y/y)	+0.2%q/q Q3 (2.1%y/y)	2.6% Q3 Annualised
Inflation	11.1%y/y (Oct)	10.0%y/y (Nov)	7.7%y/y (Oct)
Unemployment Rate	3.6% (Sep)	6.6% (Sep)	3.7% (Aug)

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at 5.5% - 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

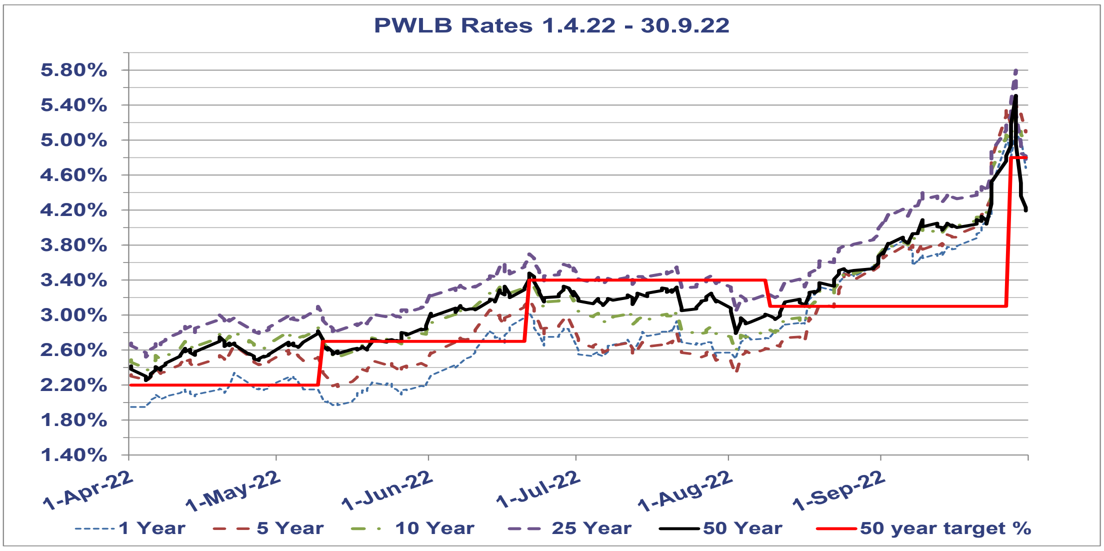
Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3% in November and the market expects Bank Rate to hit 4.5% by May 2023.

Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and December. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17th November gave rise to a net £55bn fiscal tightening, although much of the "heavy lifting" has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have completely reversed the increases seen under the previous tenants of No10/11 Downing Street.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one if not more quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of $1.035, on the Monday following the Truss government's "fiscal event", to $1.20. Notwithstanding the £'s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28th September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting ever lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.95%	2.18%	2.36%	2.52%	2.25%
Date	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
High	5.11%	5.44%	5.35%	5.80%	5.51%
Date	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
Average	2.81%	2.92%	3.13%	3.44%	3.17%
Spread	3.16%	3.26%	2.99%	3.28%	3.26%

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

CENTRAL BANK CONCERNS – NOVEMBER 2022

At the start of November, the Fed decided to push up US rates by 0.75% to a range of 3.75% - 4%, whilst the MPC followed a day later by raising Bank Rate from 2.25% to 3%, in line with market expectations. EZ rates have also increased to 1.5% with further tightening in the pipeline.

Having said that, the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.

Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.

In addition, the Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Will the £160bn excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

Appendix 6: Treasury Management Practice (TMP1) - Credit and counterparty risk management

The DLUHC issued Investment Guidance in 2018, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council has adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Executive Director of Finance and Commercial Services has produced its treasury management practices (TMPs). This part, covering investment counterparty policy requires approval each year.

Annual investment strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months, once the remaining period to maturity falls to under twelve months.

These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, housing association, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency e.g., Standard and Poor's, Moody's and/or Fitch rating agencies.
5. A body that is considered of a high credit quality (such as a bank or building society). This category covers bodies with a minimum Short-Term rating of AAA (or the equivalent) as rated by Standard and Poor's, Moody's and Fitch rating agencies.

In accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. These criteria are shown in detail in Appendix 4.

Non-specified investments –are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

	Non Specified Investment Category	Limit (£ or %)
a.	**Supranational bonds greater than 1 year to maturity** **(a) Multilateral development bank bonds -** These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Reconstruction and Development Bank etc.). **(b) A financial institution that is guaranteed by the United Kingdom Government** (e.g. National Rail, the Guaranteed Export Finance Company {GEFCO}) The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.	Not currently included as approved investment
b.	**Gilt edged securities** with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.	Ref Appendix 4
c.	**The Council's own banker** if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.	Ref Appendix 4
d.	**Building societies not meeting the basic security requirements under the specified investments**. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings.	Not currently included as approved investment
e.	Any **bank or building society** that meets minimum long-term credit ratings, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).	Ref Appendix 4
f.	**Share capital** in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. This Authority would seek further advice on the appropriateness and associated risks with investments in these categories.	Not currently included as approved treasury investment.
g.	**Loan capital** in a body corporate. The use of these loans to subsidiaries and other companies will normally be deemed to be capital expenditure. However, working capital loans are dealt with under Treasury Management arrangements. This Authority would seek further advice on the appropriateness and associated risks with investments in these categories.	Ref Appendix 4
h.	**Bond funds.** These are specialist products, and the Authority will seek guidance on the status of any fund it may consider using.	Ref Appendix 4

i.	**Property funds –** The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using.	Ref Appendix 4

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link Group as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Executive Director of Finance and Commercial Services, and if required new counterparties which meet the criteria will be added to the list.

Use of external fund managers – at the time of writing the Council does not use or plan to use external fund managers.

Appendix 7: Approved Countries for Investments (as at 2 December 2022)

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Qatar
- **U.K.**

Appendix 8: Treasury Management Scheme of Delegation

(i) Full Council

- approve the Policy Framework and the strategies and policies that sit within it (Source: Council constitution);
- Note: the Policy Framework includes "Annual investment and treasury management strategy".

(ii) Cabinet terms of reference

- to prepare, for adoption by the Council, the budget and the plans which fall within the policy framework).

(iii) Audit and Governance Committee

- Consider the effectiveness of the governance, control and risk management arrangements for Treasury Management and ensure that they meet best practice. (Source: Audit Committee Terms of Reference)

(iv) Treasury Management Panel

The Panel's terms of reference are to:

- consider and comment on the draft Annual Investment and Treasury Strategy prior to its submission to Cabinet and full Council
- receive detailed reports on the Council's treasury management activity, including reports on any proposed changes to the criteria for "high" credit rated institutions in which investments are made and the lending limits assigned to different counterparties
- receive presentations and reports from the Council's Treasury Management advisers, Link Asset Services
- consider the draft Treasury Management Annual Report prior to its submission to Cabinet and full Council.

(v) Executive Director of Finance and Commercial Services

- "responsible for the proper administration of the financial affairs of the Council including … investments, bonds, loans, guarantees, leasing, borrowing (including methods of borrowing)…"

  (Source: Scheme of delegated powers to officers)

  See Appendix 9 for detailed responsibilities.

Appendix 9: The Treasury Management Role of the Section 151 Officer

The S151 (responsible) officer is the Executive Director of Finance and Commercial Services. Responsibilities include:

Constitution – officer roles

- Have responsibility for the administration of the financial affairs of the Council and be the Section 151 Officer.
- Statutory responsibilities of the Chief Finance Officer (Section 151 officer) Budgeting and Financial Management, Exchequer Services, Pensions, Investment and Treasury Management, Risk & Insurance, Property, Audit. ICT and Procurement and Transactional Services.

Financial Regulations

- execution and administration of treasury management decisions, including decisions on borrowing, investment, financing (including leasing) and maintenance of the counter party list.
- prepare for County Council an annual strategy and plan in advance of the year, a mid-year review and an annual report.
- regularly report to the Treasury Management Panel and the Cabinet on treasury management policies, practices, activities and performance monitoring information.
- monitoring performance against prudential indicators, including reporting significant deviations to the Cabinet and County Council as appropriate.
- ensuring all borrowing and investment decisions, both long and short term, are based on cash flow monitoring and projections.
- ensuring that any leasing financing decisions are based on full options appraisal and represent best value for the County Council, in accordance with the County Council's leasing guidance.
- the provision and management of all banking services and facilities to the County Council.
- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities

- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following *(TM Code p54): -*
  - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
  - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
  - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
  - *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
  - *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

Appendix 10: Non-treasury investments

Existing non- treasury investments (loans) at 31 March 2022

Loans	£m
NORSE Energy (capital investment)	10.000
Norse Group (capital investment)	2.687
Norse Group (Aviation Academy)	5.867
NEWS	0.318
NorseCare	2.844
Hethel Innovation Ltd (Hethel Engineering Centre)	7.011
Norwich Airport Radar (relocation due to NDR)	2.194
Repton Property Developments Limited	12.550
LIF loans to developers in Norfolk	6.766
Total loans to companies	**50.238**
NDR Loan – underwritten by CIL receipts	34.501
Total long-term debtors in balance sheet	**84.739**

In addition to the loans listed above, equity of £3.5m has been invested in Repton Property Developments Limited, a wholly owned housing development company.

A more detailed schedule of the above loans, showing objectives and explanations of each investment are detailed in Appendix 3 to the Mid-Year Treasury Management Monitoring Report 2022-23 presented to 5 December 2022 Cabinet.

Potential future non-treasury capital investments

Non-treasury investments: The following schemes if approved will result in loans to wholly owned companies or third parties. These loans will be for capital purposes, are Norfolk based, and are designed to further the Council's objectives. None of the loans listed are purely for the purpose of income generation.

Scheme	Background	Approximate value
Capital equity in, and loans to wholly owned companies	**Repton Property Developments** The company is developing land north of Norwich Road Acle surplus to County Council, as well as other appropriate surplus land holdings. **Other projects** From time to time the Council's wholly owned companies further the Council's objectives through capital investments. This facility is included in the capital programme.	£23m included in capital programme

Proportionality of non-treasury investments:
The total value of loans (including CIL supported debt) is not likely to exceed £100m. At an indicative interest rate of 4.2% (giving a margin of approximately 1% over current PWLB borrowing rate) this would mean interest of £4.2m pa. This approximates to less than 20% of the Council's general reserves, 2% of the Council's net expenditure, and 0.5% of departmental gross expenditure. As a result, reliance on income from non-treasury is therefore considered to be proportionate and manageable.

Scrutiny Committee

Item No: 10

Report Title: Resolution to outstanding receivables and payables balances between NHS Norfolk and Waveney Integrated Care Board (ICB) and Norfolk County Council

Date of Meeting: 20 September 2023

Responsible Cabinet Member: Cllr Andrew Jamieson (Deputy Leader and Cabinet Member for Finance)

Responsible Director: Harvey Bullen, Director of Strategic Finance

Executive Summary

This report summarises the key points taken into consideration in the resolution of outstanding receivables and payables between NHS Norfolk and Waveney Integrated Care Board (ICB) and the Council.

Recommendations

To:

1. consider the NHS Norfolk and Waveney Integrated Care Board (ICB) and Norfolk County Council receivables and payables outstanding balances resolution arrangement described in Appendix 1.

1. Background and Purpose

1.1. As part of being a health and care system, and being partners within an Integrated Care System, local NHS organisations and the Council have an intertwined financial relationship. Part of this relationship includes invoicing for financial arrangements we have in place, in particular with the Norfolk and Waveney Integrated Care Board (ICB).

1.2. The council and NHS work together closely in the ICB, to provide a range of care across Norfolk. Since 2018, the Council has billed the NHS for almost £400 million. Due to the complexity of the transactions and some changes to NHS organisations and structures, there was an outstanding balance.

1.3. The County Council has sought to ensure that the people who needed care over the last five years received it – even if we hadn't been fully reimbursed by the NHS.

1.4. Appendix 1 sets out the approach which has been adopted to support the resolution of these outstanding receivables and payables balances which have arisen between the two organisations over an extended period of time.

2. Proposal

2.1. £5.95m is due to be paid to the county council by the NHS, as a final settlement for care provided in Norfolk since 2018. Cabinet has agreed to write off £2.4m, which will not affect services, as it can be accommodated within the existing 2023-24 Budget and bad debt provision.

2.2. This represents a pragmatic decision to draw a line under the situation and ensure that the council and NHS continue providing care to those who need it.

2.3. The NHS and County Council are committed to ensuring robust financial systems are in place for care transactions.

3. Impact of the Proposal

3.1. For the avoidance of doubt, those who required our help and support received it, ahead of resolving which organisation needed to pay for it. This report sets out clearly the huge volume and complexity of financial transactions which lie behind providing the right joined-up care for people who need it.

3.2. The finance team have gone through line-by-line hundreds of individual transactions and are now working with counterparts in the ICB to set up robust processes and systems to ensure future arrangements are subject to regular oversight. These new arrangements will be subject to internal audit, and regular monitoring to give transparency and assurance about fair apportionment of costs across health and social care.

3.3. Officers from both the council and the ICB are working closely together to formulate an equitable, comprehensive, and binding agreement with NHS partners that will ensure that all future 'shared care' agreements, recharges and reimbursements are reliably recorded and honoured, regardless of organisational changes or re-structures, changes in personnel, or other external factors such as the Covid pandemic. The delivery of care to people with high health and social care needs can be very complex, as are the financial arrangements to support this delivery.

3.4. The council and NHS colleagues are committed to continue working in partnership to provide the care people need, underpinned by a new, robust protocol which will prevent any future dispute or misunderstanding. Due to the scale of our financial relationship, over 30,000 invoices during the five years in question, there is always the chance of records not wholly aligning. In this instance, we will now have a refreshed process and multi-layered supporting governance that ensures these instances are managed and resolved in a timely and appropriate way.

4. Evidence and Reasons for Decision

4.1. As set out in Appendix 1 and the Finance Monitoring Report 2023-24 P4: July 2023 to Cabinet in September 2023.

5. Alternative Options

5.1. As set out in Appendix 1 and the Finance Monitoring Report 2023-24 P4: July 2023 to Cabinet in September 2023.

6. Financial Implications

6.1. As set out in Appendix 1 and the Finance Monitoring Report 2023-24 P4: July 2023 to Cabinet in September 2023. The Council will be:

- receiving a payment of £5.952m against outstanding debts;
- forgoing payment of £2.419m, which will need to be written off; and
- agreeing to settle £1.135m outstanding invoices.

7. Resource Implications

7.1. **Staff:** As set out in Appendix 1 and the Finance Monitoring Report 2023-24 P4: July 2023 to Cabinet in September 2023.

7.2. Property: None identified.

7.3. IT: None identified.

8. Other Implications

8.1. Legal Implications: Implications as set out in the report and Appendix 1. The process of write off has followed the Council's Financial Regulations.

8.2. Human Rights Implications: None identified.

8.3. Equality Impact Assessment (EqIA) (this must be included): None identified.

8.4. Data Protection Impact Assessments (DPIA): None identified.

8.5. Health and Safety implications (where appropriate): None identified.

8.6. Sustainability implications (where appropriate): None identified.

8.7. Any Other Implications: None identified, beyond those set out in Appendix 1 and the Finance Monitoring Report 2023-24 P4: July 2023 to Cabinet in September 2023.

9. Risk Implications / Assessment

9.1. Risks are as set out in Appendix 1 and the Finance Monitoring Report 2023-24 P4: July 2023 to Cabinet in September 2023.

10. Select Committee Comments

10.1. None.

11. Recommendations

To:

1. consider the NHS Norfolk and Waveney Integrated Care Board (ICB) and Norfolk County Council receivables and payables outstanding balances resolution arrangement described in Appendix 1.

12. Background Papers

12.1. Finance Monitoring Report 2023-24 P4: July 2023, Agenda Item 12, Cabinet, 4 September 2023

Officer Contact
If you have any questions about matters contained within this paper, please get in touch with:

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If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Appendix 1: NHS Norfolk and Waveney Integrated Care Board (ICB) and Norfolk County Council receivables and payables outstanding balances resolution arrangement

Background

As part of being a health and care system, and being partners within an Integrated Care System, local NHS organisations and the Council have an intertwined financial relationship.

In any one year, the NHS transfers around £60-90m of funds to NCC – which is used to pay for care for people who need it and run services which support the health and social care system. Over the last five years, around £400m has come to the council from the NHS as set out in the table below:

2018/19	2019/20	2020/21	2021/22	2022/23	Total
£m	£m	£m	£m	£m	£m
61.2	59.7	99.7	88.9	90.5	399.9

Part of this relationship includes invoicing for financial arrangements the Council has in place, in particular with the Norfolk and Waveney Integrated Care Board (ICB). The purpose and scale of these transactions varies considerably from large, nationally mandated, transactions such as the Better Care Fund, down to hundreds of very locally arranged shared financial contributions relating to staff roles or care costs.

As with any business relationship, a process has to be undertaken to ensure invoices are raised appropriately, any queries or errors are addressed, and the ensuing residual payment is made. As a result of the complex financial relationships, and the many and varied responsibilities of both the NHS organisations and the Council, a historic debt has built up over a period of time between the organisations. These reciprocal debts have in part arisen because of the reforms and restructuring within NHS partner organisations, which have led to some loss of knowledge of the agreements which formed the basis for raising invoices.

Historically, a number of the issues have arisen when individuals have complex health and social care needs. Collectively, the NHS and Adult Social Services seeks to wrap care – health and social care – around the individual. For ease, one organisation commissions that care and the invoices the other party for their elements of the cost.

With many thousands of such individual instances, changing organisations and changing financial and process systems, it has not been possible to track and reconcile all the transactions.

From a County Council perspective, we have worked in good faith and put people first by prioritising getting care provided for individuals and not allowing that care to be held up by accounting processes.

The Council and ICB have recently undertaken a wholesale process to reconcile our respective payables and receivables balances up to and including 31/03/2023 and reach a resolution to any unpaid invoices. The proposed approach represents a pragmatic resolution to the historic debt accumulated between public sector organisations, which can be accommodated within the Council's existing 2023-24 budget envelope and provides a solid foundation on which to move forward in partnership. It will however be essential that robust processes are agreed and implemented to seek to ensure that this scenario does not recur in future. The specific details of the settlement offer are set out below, together with future arrangements.

ICB owing NCC (Receivables)

Both the ICB and NCC have made settlement offers over the last few months to resolve this outstanding balance. Through this process we have seen the ICB increase their recent and final proposed offer by £0.9m. This has led to the following recommended proposal:

	£m
Outstanding balance at 31/03/23	9.511
Now resolved	-1.140
Remaining outstanding balance due	**8.371**
ICB to pay	-5.952
Residual balance (to be written off)	**2.419**

This means the ICB would pay £5.952m against a remaining outstanding balance of £8.371m of debt. The residual balance of £2.419m would remain unpaid and need to be written off by the Council. Whilst not ideal to write off any outstanding debt, this £2.419m needs to be put into the context of the £399.9m of income billed to the ICB over the period 2018/19 to 2022/23 this debt relates to. The debt write off is 0.6% of the income billed.

The Adult Social Care department had previously set aside within its departmental reserves a level of "bad debt" provision. Therefore, the cost has been allowed for and can be managed without any additional pressure on the 2023/24 revenue budget.

NCC owing ICB (Payables)

As at 10/05/2023, NCC owed the ICB £2.8m in unpaid invoices. The Council paid a level of balances during May. For those left unresolved, the focus has been on the balances due up to and including 31/03/2023. For this period £1.747m remained unresolved.

Of the outstanding £1.747m, the Council would pay £1.135m of this balance. The residual balance of £0.611m would remain unpaid and need to be written off by the ICB. Any cost implications for the Council of making the £1.135m payment would be contained within 2023/24 departmental revenue budgets, or met through reserves.

Summary Position and recommendation

Under this proposal the Council would be:

- receiving a payment of £5.952m against outstanding debts;
- forgoing payment of £2.419m, which will need to be written off; and

- agreeing to settle £1.135m outstanding invoices.

The net payment to the Council as a result of this settlement would be £4.817m.

Cabinet approved the above settlement offer at its meeting of 4 September 2023.

Alternative options

Whilst accepting the above settlement was recommended, alternative options existed as follows:

a. Decline the settlement and look to continue to negotiate at a macro level.

However, the ICB had stated this round of negotiations as the final offer and therefore this was not considered to be a realistic option.

b. Decline the settlement and take a micro approach to pursuing every individual invoice.

Whilst this was an option, and the ICB had indicated this as an alternative way forward should their offer not be accepted, there were several issues/risks for both the County Council and the ICB of pursuing this approach. These included:

- Complexity of the task – over 1200 individual invoices, often with multiple lines spanning over 5 years;

- Resource – due to the quantity of invoices both partners would need to commit significant resource to undertaking any exercise. This comes at a time when the ICB is restructuring and there is a risk that the ICB would be unable to commit sufficient resource to complete the task in a timely way and the Council would need to identify additional resources;

- Cashflow – once settled, the Council would expect payment within 30 days whereby a micro approach of settling each individual invoice would yield far slower payment;

- Outcome – Whilst invoices were of course raised in good faith, providing full and undisputable evidence of an underlying agreement to pay may prove problematic at this scale and over this length of time particularly as some of the debts and invoices relate to NHS legacy organisations. Therefore, the Council and ICB may very well undertake a more detailed, longer piece of work and end with a result that adds no additional benefit beyond the existing offer.

- Relationships – Whilst undertaking these negotiations, the Council rightly moved to safeguard itself from an accumulation of more debt, which had operational consequences for the ICB. The Council wishes to ensure it maintains positive relationships with the ICB as a strong partner within the Integrated Care System and it would be better to draw a line under the historic debt rather than risk relationships becoming strained.

c. Decline the settlement and pursue a formal, or legal, route of settlement.

Whilst this was always an option, should the Council have decided to reject the ICB proposal, the ICB had suggested an alternative approach to resolving the situation which would need to be considered and pursued before litigation were considered. Litigation is not always beneficial financially and is never advisable in terms of maintaining a good ongoing working relationship.

Future arrangements

As part of the settlement agreement with the ICB, we have jointly agreed to set up robust governance between our organisations to monitor transactions and build over-arching agreements, so we avoid this position going forward.

Specifically, we will work towards finalising:

- A written agreement of collective services between NCC and the Integrated Care Board (ICB)
- A written agreement for Transforming Care and Winterborne.
- A written agreement for S117 financial responsibilities

This process is already underway between partners.

The accumulation of this debt has happened over an extended period. It is therefore important that the Council continue to evolve its approach to debt collection with the NHS. In particular:

- The finance function has assigned dedicated credit control capacity to managing the account with the ICB.
- The Council is setting up a joint working capital group with the ICB to have monthly discussions about debt. This will include a clear escalation route as both the Council and ICB wish to avoid a repeat of the current situation.
- The Council will increase the robustness of the arrangements with the ICB.
- The Council will review its collective end to end invoicing process to ensure the Council and ICB have the most effective route of raising and collecting this income.

This resolution arrangement will clear balances up to the start of current financial year (to 31/03/2023). Now that this has been agreed, the Council and ICB are rapidly refocusing on any balances due relating to the current financial year.

Scrutiny Committee

Item No: 11

Report Title: Call in: Norwich - Dereham Road - Derestriction and 20mph Speed Limit Order and Bus and Cycle Lane Order

Date of Meeting: 20 September 2023

Responsible Cabinet Member: Cllr Graham Plant (Cabinet Member for Highways, Infrastructure & Transport)

Responsible Director: Grahame Bygrave – Interim Executive Director, Community and Environmental Services

Executive Summary

This item relates to the call-in of the delegated Cabinet Member decision: Norwich - Dereham Road - Derestriction and 20mph Speed Limit Order and Bus and Cycle Lane Order

1. Background and Purpose

1.1 This item relates to the call-in of the delegated Cabinet Member decision Norwich - Dereham Road - Derestriction and 20mph Speed Limit Order and Bus and Cycle Lane Order

1.2. The Decision was published on the 29th August 2023. Full details of the decision and associated documents can be found at **Appendix A.**

2. Call-in and Meeting Procedure

2.1 Notification was received on Tuesday 5th September that Cllr Mike Sands, Supported by Cllrs Julie Brociek-Coulton, Matt Reilly and Brenda Jones wished to call the decision in. The notice outlining the reasons behind the call-in is attached at **Appendix B.** The Chief Legal and Monitoring Officer has confirmed that it is valid under the requirements of the constitution. It will therefore be considered at the meeting of the Scrutiny Committee scheduled for the 20th September 2023

2.2 The Chair and Vice-Chair of the Scrutiny Committee have agreed the following meeting procedure when handling the call-in:

- Those Councillors calling-in the decision will be given collectively 10 minutes introduction to explain their reasons for call-in.
- The Chairman will ask the Cabinet Member and officers if they wish to add anything at this stage.
- Those Councillors calling-in the decision will then be given collectively 20 minutes to question the Cabinet Member and officers. They do not have the right to put forward recommendations; this right is reserved for Members or substitute Members of the Committee only.
- Members and substitute Members of the Committee will then question the Cabinet Member and officers (As the call-in does note relate to education matter the Parent Governor and Church representatives may not put forward or vote on motions. They may still participate in the debate).
- Those Members who have called-in the decision will collectively have 5 minutes at the end of the debate to sum up their arguments.
- Following this, the Chairman will sum up the debate and ask the Committee if they wish to make any proposals regarding the call-in. At this stage, only a limited number of proposals will be considered to be in order. The options available to the committee are as follows:
    - A. The Committee refers the decision back to the decision maker (in this case, the Cabinet Member).
    - B. The Committee refers the decision to Full Council (the Committee should only use this power if the decision is deemed to be either i) contrary to NCC's policy framework; or ii) contrary to or not wholly in accordance with the budget).
    - C. The Committee notes the call-in, but takes no further action.

2.3 The Final list of witnesses to be invited to attend will be agreed by the Chairman and presented to the Committee on the day.

3. Financial Implications

3.1 Detailed in appended report (Appendix A).

4. Resource Implications

4.1 Staff:
Detailed in appended report (Appendix A).

4.2 Property:
Detailed in appended report (Appendix A).

4.3 IT:
Detailed in appended report (Appendix A).

5. Other Implications

5.1 Legal Implications:
Detailed in appended report (Appendix A).

5.2 Human Rights Implications:
Detailed in appended report (Appendix A).

5.3 Equality Impact Assessment (EqIA) (this must be included):
Detailed in appended report (Appendix A).

5.4 Data Protection Impact Assessments (DPIA):
Detailed in appended report (Appendix A).

5.5 Health and Safety implications (where appropriate):
Detailed in appended report (Appendix A).

5.6 Sustainability implications (where appropriate):
Detailed in appended report (Appendix A).

5.7 Any Other Implications:
None identified

6. Risk Implications / Assessment

6.1 Detailed in appended report (Appendix A).

7. Select Committee Comments

7.1 None applicable

8. Background Papers

8.1 Appendix A: Norwich - Dereham Road - Derestriction and 20mph Speed Limit Order and Bus and Cycle Lane Order
8.2 Appendix B: Call-in notice - Norwich - Dereham Road - Derestriction and 20mph Speed Limit Order and Bus and Cycle Lane Order

Officer Contact
If you have any questions about matters contained within this paper, please get in touch with:

Officer name: Peter Randall, Democratic Support and Scrutiny Manager
Telephone no.: 01603 307570

Email: Peter.randall@norfolk.gov.uk

If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Norfolk County Council

Record of Individual Cabinet Member Decision

Responsible Cabinet Member: Cabinet Member for Highways, Infrastructure & Transport)

Background and Purpose:

These proposals relate to approved schemes along the Dereham Road corridor which are being delivered as part of the Department for Transport's (DfT's) Transforming Cities Fund. This report sets out the Traffic Regulation Orders required for the introduction of bus and cycle lanes along Dereham Road and the 20mph speed limit on the old alignment of Dereham Road that are required to implement the approved schemes.

The bus and cycle lane proposals will make improvements to support sustainable modes of transport, particularly bus travel.

A 20mph speed limit Order is proposed along the residential street U78246 Dereham Road. This road is set back from the main alignment of A1074 Dereham Road and the TRO process is proposed to formalise the 20mph speed limit in this location.

Decision: To approve the implementation of a provision of bus lane and cycle lane and establishment of 20mph speed limit as set out in Appendix B.

Is it a key decision? No

Is it subject to call-in? Yes

If Yes – the deadline for call-in is: 4pm, Tuesday 5 September 2023

Impact of the Decision: As detailed in the attached Report.

Evidence and reason for the decision: As detailed in the attached Report.

Alternative options considered and rejected: As detailed in the attached Report.

Financial, Resource or other implications considered:
As detailed in the attached Report.

Record of any conflict of interest: None

Background documents: N/A

Date of Decision: 25/08/2023

Publication Date of Decision: 29/08/2023

Signed by Cabinet Member:

I confirm that I have made the decision set out above, for the reasons also set out.

Signed:

Print name: Cllr Graham Plant

Date: 25/08/2023

Accompanying documents:

- Appendix A: Site Location Plan
- Appendix B: Extents of proposed 20mph Speed limits and bus and cycle lane traffic regulation order layout plan
- Appendix C: Objections comments from the consultation
- Appendix D: Statement of Reasons

Once you have completed your internal department clearance process and obtained agreement of the Cabinet Member, send your completed decision notice together with the report and green form to committees@norfolk.gov.uk

Individual Cabinet Member Decision Report

Item No:

Report Title: Norwich - Dereham Road - Derestriction and 20mph Speed Limit Order and Bus and Cycle Lane Order

Date of Meeting: N/A

Responsible Cabinet Member: Cllr Graham Plant (Cabinet Member for Highways, Infrastructure & Transport**)**

Responsible Director: Grahame Bygrave – (Interim Executive Director, Community and Environmental Services)

Is this a Key Decision? No

Executive Summary / Introduction from Cabinet Member

These proposals relate to approved schemes along the Dereham Road corridor which are being delivered as part of the Department for Transport's (DfT's) Transforming Cities Fund. This report sets out the Traffic Regulation Orders required for the introduction of bus and cycle lanes along Dereham Road and the 20mph speed limit on the old alignment of Dereham Road that are required to implement the approved schemes.

The bus and cycle lane proposals will make improvements to support sustainable modes of transport, particularly bus travel.

A 20mph speed limit Order is proposed along the residential street U78246 Dereham Road. This road is set back from the main alignment of A1074 Dereham Road and the TRO process is proposed to formalise the 20mph speed limit in this location.

Recommendations

To implement the proposed Traffic Regulation Orders to introduce bus and cycle lanes along A1074 Dereham Road, and to establish the 20mph speed limit on U78246 Dereham Road as set out in Appendix B.

1. Background and Purpose

1.1 The Department for Transport (DfT) awarded Norwich £32m capital funding through the Transforming Cities Fund (TCF). Norfolk County Council's successful application was based on a vision to "invest in clean and shared transport creating a healthy environment, increasing social mobility and boosting productivity through enhanced access to employment and learning."

1.2 The proposals for the Dereham Road corridor were presented to the Transport for Norwich Advisory Committee on 26 January 2023. As an indicated vote, all members of the committee agreed to approve the proposals for Dereham Road and the undertaking of statutory processes for the Traffic Regulation Orders (TROs) and noticing required to implement the proposals. This decision was confirmed by the Cabinet Member in a Decision-Making Report dated 1st June 2023.

1.3 The statutory consultation for the TROs took place between 7th July and 1st August 2023. Two objections have been received to the TROs, one from a local councillor and another from a member of the public. It has not been possible to resolve these objections.

2. Proposal

2.1 The proposal seeks to introduce a bus and cycle lane along the Dereham Road (south side) from a point 50 metres east of its junction with C162 Longwater Lane eastwards for a distance of 421 metres and Dereham Road (north Side) from a point 100 metres east of its junction with U78239 Richmond Road eastwards for a distance of 188 metres. See Appendix B – Extents of proposed bus and cycle Lane Traffic Regulation Order (TRO) layout plan.

2.2 The statutory consultation took place in July 2023 (1st notices posted on site) with the process ending on the 1st August 2023.

2.3 Two objections are received during the consultation. Cllr Sands has questioned the need for the travel hub with bus gates, the extended bus lanes and the surface crossing near the Bowthorpe roundabout. Cllr Sands also raised concerns over traffic congestion with the proposed changes.

The other objection from a local resident stating concerns on traffic congestion and pollution from the proposed bus lanes, and questioned the need of a 24-hour bus lane.

Details of the objections can be seen in Appendix C.

3. Impact of the Proposal

3.1 The proposed bus and cycle lane will provide shorter and more consistent bus journey times and improve facilities to encourage active travel. The impact of the proposal was documented in the Individual Cabinet Member Delegated Decision report. Please find a link in section 12 of this report.

4. Evidence and Reasons for Decision

4.1 A decision to approve the proposals and statutory processes for them has already been taken. The issues raised in the objections to the TROs have already been fully considered following the public consultation process held in November 2022. It has not been possible to resolve the objections listed above because the disagreement on the impact from the bus lanes on the traffic on Dereham Road. The TROs are required in order to implement the approved scheme and it is therefore recommended that the TROs shall be implemented as proposed.

5. Alternative Options

5.1 Existing bus lanes along Dereham Road currently operate 24hrs and the current proposal for new sections of bus lane proposed would be consistent with this, and also in line with the Department for Transport's National Bus Strategy for England.

Consideration might be given to bus lanes operating with restricted hours rather than 24 hours. However, this might not resolve the objections and as stated above would not be consistent with the adjacent existing bus lanes or government policy.

6. Financial Implications

6.1 The TROs and associated works are being funded by the DfT's Transforming Cities Fund (TCF). The inability to implement the TROs and the approved scheme may result in the loss of the allocated funding and the cost of work carried out to date.

7. Resource Implications

7.1 Staff:
The scheme is being designed and delivered utilising existing resources.

7.2 Property:
Nil
7.3 IT:
Nil

8. Other Implications

8.1 Legal Implications:
Nplaw have advised on the making of this Traffic Regulation Order and confirmed that actions taken to date have been compliant with the legislative requirements.

8.2 Human Rights Implications: Nil

8.3 Equality Impact Assessment (EqIA) (this must be included):

Norfolk County Council has a duty to pay due regard to equality when exercising its public functions. In making this TRO, we have considered the potential impact on local people, particularly disabled and older people and parents and carers of children, and others who may have particular needs when using the highways.

Public consultation on the TRO has taken place, to enable people to highlight any issues that are important for the Council to be aware of before a decision is made. The proposed improvements should help improve safety for all highway users.

8.4 Data Protection Impact Assessments (DPIA):
As part of the consultation and implementation process, all personal data has been removed from reports being put into the public domain. Personal data has been stored as per the Council's standards in the event that we may need to correspond with affected parties as part of this process.

8.5 Health and Safety implications (where appropriate):
Implementation of this bus and cycle lane should improve safety for non-motorised users in and around Dereham Road and improve public health by making it easier for people to choose active modes of travel.

8.6 Sustainability implications (where appropriate):
The proposed bus and cycle lane will provide improvements to support sustainable modes of transport, particularly bus travel.

8.7 Any Other Implications: Nil

9. Risk Implications / Assessment

9.1 The proposals will benefit bus passengers and cyclists and will have minimal impact on traffic.

10. Select Committee Comments

Not applicable.

11. Recommendations

11.1 To implement the proposed Traffic Regulation Orders to introduce bus and cycle lanes along A1074 Dereham Road, and to establish the 20mph speed limit on U78246 Dereham Road as set out in Appendix B.

12. Background Papers

- Appendix A – Site Location Plan
- Appendix B – Extents of proposed notices, Speed limits and bus and cycle lane traffic regulation order (TRO) layout plan
- Appendix C – Objection comments – as a result of consultation
- Appendix D – Statement of reasons
- Individual Cabinet Member Decision Report - 1st June 2023

Officer Contact

If you have any questions about matters contained within this paper, please get in touch with:

Officer name: David Allfrey
Telephone no.: 01603 223292
Email: david.allfrey@norfolk.gov.uk

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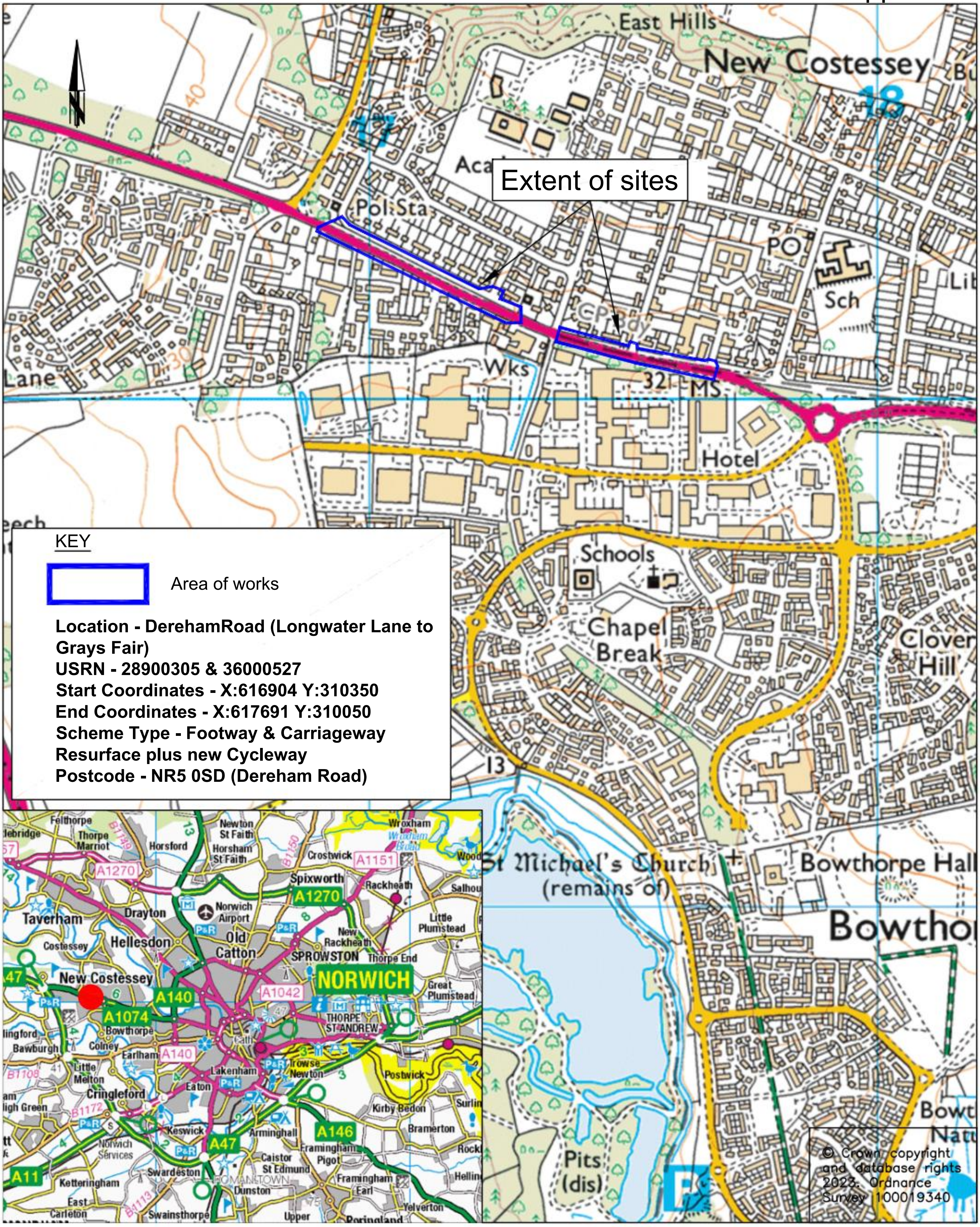
Appendix A



KEY

Area of works

Location - DerehamRoad (Longwater Lane to Grays Fair)
USRN - 28900305 & 36000527
Start Coordinates - X:616904 Y:310350
End Coordinates - X:617691 Y:310050
Scheme Type - Footway & Carriageway Resurface plus new Cycleway
Postcode - NR5 0SD (Dereham Road)

Norfolk County Council

DRAWING TITLE

TCF Transforming Cities
Longwater to Grays Fair Junction
Site Location Plan

Drawing Status:

Tom McCabe
Executive Director of Community and Environmental Services
Norfolk County Council
County Hall
Martineau Lane
Norwich NR1 2SG

REV.	DESCRIPTION	DRAWN	CHECKED	DATE

	INIT.	DATE
SURVEYED BY	OS	2023
DESIGNED BY	BR	10/21
DRAWN BY	YN	07/23
CHECKED BY	JR	07/23

DRAWING No. PAA009-TEN-0000-001

PROJECT TITLE TCF Tranforming Cities Longwater to Grays Fair Junction

SCALE 1:10000 @ A4

FILE No. PAA009

ORIGINAL SIZE: A4 IG 12/10/16

Appendix B

Norfolk County Council

Tom McCabe
Executive Director of Community and Environmental Services
Norfolk County Council
County Hall, Martineau Lane
Norwich NR1 2SG

DRAWING TITLE
Dereham Road - Longwater Lane
TRO and Notices Location plan 2

REV.	DESCRIPTION	DRAWN BY	CHECKED	DATE
A	Footway conversion area adjusted	BR		
B	Priority footway and pedestrian crossing added	BR		
C	footway conversion 4 added	BR		
D	Footway conversion 1 extended	BR		

	INITIALS	DATE
SURVEYED BY	OS	04/23
DESIGNED BY	BR	04/23
DRAWN BY	BR	04/23
CHECKED BY	JR	05/23

DRAWING No. PAA009-TCF-TRO-002
PROJECT TITLE Transfering Cities Dereham Road - Longwater Lane
SCALE NTS @ A1
FILE No. PAA009

ORIGINAL SIZE: A1

Appendix C
Objection comments as a result of consultation

Originator	Objection comments received
Person 1 Cllr Mike Sands	No need to have the bus lane extensions, the surface crossing at Wendene, the bus cut through across the central reservation. And the whole proposal will lead to traffic congestion.
Person 2 Resident of Stafford Avenue	At the present time for large parts of the day the left hand lane (towards Gurney Road) is grid locked from the Bowthorpe round about to Norwich Road. You are going to extend this gridlocked traffic up beyond Longwater Lane and add to pollution, we don't have 24-hour buses why a 24-hour bus lane? I would like to be able to get out of Stafford Avenue not be stuck because you have created a 2-mile traffic jam. And you did not answer my question how many traveling vehicles using Dereham Road stop in Costessey.

THE NORFOLK COUNTY COUNCIL
(A1074 DEREHAM ROAD)
(Provision of Bus Lane and Cycle Lane) ORDER 2023

STATEMENT OF REASONS FOR THE MAKING OF THE ORDER

The proposal to make the Order is made because it appears to the County Council that it is expedient to do so in accordance with Sub-Sections 1(b), (d), (e) and (f) of Section 1 of the Road Traffic Regulation Act, 1984, namely -

"(b) for preventing damage to the road or to any building on or near the road;

(d) for preventing the use of the road by vehicular traffic of a kind which, or its use by vehicular traffic in a manner which, is unsuitable having regard to the existing character of the road or adjoining property;

(e) without prejudice to the generality of paragraph (d) above) for preserving the character of the road in a case where it is especially suitable for use by persons on horseback or on foot, or

(f) for preserving or improving the amenities of the area through which the road runs;"

The proposed bus and cycle lanes will improve facilities to encourage active travel. The bus lanes will provide shorter and more consistent bus journey times, and improve journeys for passengers on services along A1074 Dereham Road.

The existing carriageway is wide enough for the introduction of dedicated bus lanes without losing the number of existing traffic lanes.

Norfolk County Council

Call in Request Form

This form is to be completed and signed by any Member of the Council, with the support of at least 3 other Members and must be returned to Democratic Services at committees@norfolk.gov.uk within 5 working days of the Cabinet decisions being published or, if the decision has been taken by an individual member or Chief Officer, within five working days of the decision being published under the Access to Information Procedure Rules in part 11A of the Constitution. Where education matters are involved, the Parent Governor and Church representatives together count as one Member.

Please telephone the Director of Democratic and Regulatory Services on 01603 222949 or Democratic Services Manager on 01603 228913 to make them aware that the call-in form is on its way. You will receive a confirmation email once it has been received.

A Call-In request will only be valid if it has been received in person (by email) by the above people within the 5 working day deadline which will be specified in the decision letter.

Please note that the call-in procedure does not apply to urgent decisions.

Decision Title and minute number
Norwich - Dereham Road - Derestriction and 20mph Speed Limit Order and Bus and Cycle Lane Order

Decision taken by (i.e. Cabinet, Cabinet Member, Chief Officer)
Cllr Graham Plant – Cabinet Member for Highways, Infrastructure and Transport

Date of Decision
25th August 2023

	Reasons for call in	**Highlight which of the following apply and explain why you consider the process/principle has not been followed by the decision maker (as appropriate)**
1.	The decision is not in accordance with the budget and policy framework	
2.	The decision is a key decision and it has not been taken in accordance with the Constitution.	
3.	There is evidence that the principles of decision-making (as set out in Part 4 of the Constitution) have not been complied with. These principles are:	The consultation was very limited. Officers present at locations instead of listening seemed to be using a pre-written script.

	a) Actions agreed will be in proportion with what the Council wants to achieve.	The purpose of this scheme that has been outlined is to achieve a smoother flow of traffic. The report does not provide sufficient evidence to show the recommendations approved by the Cabinet Member will achieve that. It has been stated that these improvements will lead to an increase in the number of buses and routes around this part of Norwich. There is no evidence in the report that First buses are contractually obliged to do this following the implementation of this scheme, or how this scheme will ensure that Dereham Road could cope with any potential increase in buses. No evidence was presented as to the projected traffic congestion created by the bus crossing, pedestrian crossing or bus lanes on each side of the road. No alternative scheme was presented utilising the Wendene Road roundabout as the main access point for buses into (or out of) New Costessey via Breckland Rd and Three Mile Lane.
	b) Appropriate consultation will have been carried out and decisions will take account of its results and any professional advice given by Officers.	There was clear objection to the bus lanes as cited on page 100 of the agenda papers for the January 2023 TfN committee meeting here - Document.ashx (cmis.uk.com) yet the officer recommendation was to continue with the bus lanes, citing traffic data and traffic surveys. The data and evidence being relied on has not been presented to the public or Members and therefore needs consideration before the scheme is formally signed off by the Cabinet Member.
	c) Decisions will reflect the spirit and requirements of Equalities and Human Rights legislation.	There is no EqiA attached – the report says they've considered some protected characteristics but the assessment is not there to see. With no Equalities Impact Assessment attached there is no evidence to back up the report's findings in respect of the effect this decision will have on residents with protected characteristics.
	d) The presumption that information on all decisions made by the Council, the Executive and Committees should be public with only those issues that need to be exempt by virtue of the Access to Information Rules will be taken in private.	
	e) Decisions will be clear about what they aim to achieve and the results that can be expected.	The scheme has overarching aims, however these are not specific and there is no evidence laid out in the report of how the Council will monitor the scheme to determine whether it is meeting its agreed aims. In the initial report to the Transport for Norwich Committee in November 2021, it was cited that bus

		journey times could reduce by two minutes but this has not been referred to since. There is also no mention of the expected increase in the number of bus passengers or the anticipated reduction in car journeys for local residents the scheme will achieve.

Detailed reasons for call in or any additional information in support of the call in that you wish to submit
To be clear on my objections: The consultation was very limited, despite affecting all of Bowthorpe and Costessey only a narrow band of residents either side of Dereham Rd received notice. I know a number of people (a number at my instigation) attended the consultation, but Highways claim only two objections. The proposal is to create an extension to the bus lane back from Gurney Lane to Wendene roundabout. As any local people know congestion then starts from Gurney Lane toward the city past the Larkman Lane traffic lights. This congestion will be extended back past the Wendene roundabout. What will make it worse is the rest of the proposal. Which is: A bus lane in the right hand lane from Gurney Rd junction toward Wendene heading out of the city. About 70m before Wendene roundabout a cut through the central reservation and the side reservation to Three Mile Lane this to be controlled by traffic lights for buses only. In addition to this, a little closer to the roundabout a light controlled surface pedestrian and cycle crossing. Traffic exiting the Wendene roundabout will then in just 40 metres or so experience in quick succession two sets of traffic lights. This will add to the congestion already described on the city bound side of Dereham Road. There is a well-used pedestrian cycle underpass at this same location which parents of school children prefer and tell me is well used as it represents a safer crossing; this is to be upgraded with better lighting regardless of the creation of a new crossing. What makes far more sense and would save the better part of £4million would be to leave things as they are, but to change the route of the 23/24 slightly to turn left at the Wendene roundabout diverting down to Bowthorpe centre to pick up passengers (giving Bowthorpe residents a regular route to Longwater retail centre) here to then go back up Wendene Rd to the roundabout and traverse the roundabout into New Costessey accessing the route through Three Mile Lane. Even if this Bowthorpe route addition was not introduced the 23/24 route would still gain best access to New Costessey by negotiating the roundabout to access the route through Breckland Rd and Three Mile Lane.

Please use the space below to add any further comments. You may wish to consider: • **The outcome you would like to see as a result of this decision being called in** • **Any further information that the Scrutiny Committee might wish to consider when assessing this call in.*** • **Any Cabinet Members/Officers you would like to attend the meeting.*** * Please note this will be at the Chair of Scrutiny Committee's discretion
Outcome I wish to see:

Reconsideration with a view to cancellation of the entire scheme as it pertains to Dereham road from the Wendene Rd roundabout to the junction with Gurney Lane. Further information Scrutiny Committee might wish to consider when assessing this call-in: The traffic surveys and data analysis that is being relied on to support the scheme. Cabinet Members/Officers: Cllr Plant, Cabinet Member Appropriate Highways Officers

Although it is not a constitutional requirement you are advised to speak to the Chair of Scrutiny Committee before submitting your call in. If you wish to record any comments from the Chair, please insert them below

Name (please print)	Signature	Date
Mike Sands	*Mike Sands*	05.09.2023

In accordance with the Constitution you must sign this form and obtain the signatures of at least three other Members of the Council:

Name (please print)	Signature	Date
Julie Brociek-Coulton	*Julie Brociek-Coulton*	05.09.2023
Matt Reilly	*Matt Reilly*	05.09.2023
Brenda Jones	Brenda Jones	05.09.2023
Colleen Walker	Colleen Walker	05.09.2023

I have considered the above call in and confirm that it is valid under the requirements of the Constitution. I have considered the above call in and confirm that it is not valid under the requirements of the Constitution for the following reasons. In coming to this conclusion, I have consulted the Chair of the Scrutiny Committee. Signed by the Director of Legal Services and Monitoring Officer ………………………………

Date ………………………..

Please return to Democratic Services at committees@norfolk.gov.uk

Scrutiny Committee

Item No: 12

Report Title: Scrutiny Committee Forward Work Programme

Date of Meeting: 20 September 2023

Responsible Cabinet Member: None

Responsible Director: Tom McCabe, Chief Executive Officer

Executive Summary

This paper sets out the current forward work programme for the Scrutiny Committee, outlining committee dates and agreed items.

Recommendations

Members of the committee are asked to:

1. Note the current Scrutiny Committee forward work programme and discuss potential further items for future consideration.

1. Background and Purpose

1.1 Members of the Scrutiny Committee took part in a work programming session held on the 22 April 2023, discussing proposed items for the Committee to consider through until May 2024.

1.2 The work programme attached is amended frequently to better reflect officer pressures and changes to the Cabinet forward plan of decisions.

1.3 All topics are subject to change, with the committee remaining flexible to ensure the ability to adapt to emerging and urgent topics for consideration.

2. Proposal

2.1 Members are asked to note the attached forward programme of work **(Appendix A)** and discuss potential further items for consideration.

3. Impact of the Proposal

3.1 Maintaining the proposed work programme will ensure that the Scrutiny Committee has a full schedule of work, and officers are well prepared to present to the committee.

4. Financial Implications

4.1 None

5. Resource Implications

5.1 Staff:

None

5.2 Property:

None

5.3 IT:

None

6. Other Implications

6.1 Legal Implications:

None

6.2 Human Rights Implications:

None

6.3 Equality Impact Assessment (EqIA) (this must be included):

None

6.4 Data Protection Impact Assessments (DPIA):

None

6.5 Health and Safety implications (where appropriate):

None

6.6 Sustainability implications (where appropriate):

None

6.7 Any Other Implications:

None

7. Risk Implications / Assessment

7.1 None

8. Select Committee Comments

8.1 None

9. Recommendations

Members of the Scrutiny Committee are asked to:

1. Note the Scrutiny Committee forward work programme and discuss potential further items for future consideration.

10. Background Papers

10.1 **Appendix A** – Scrutiny Committee Forward Programme of Work

Officer Contact
If you have any questions about matters contained within this paper, please get in touch with:

Officer name: Peter Randall
Telephone no.: 01603 307570
Email: peter.randall@norfolk.gov.uk

IN TRAN communication for all

If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Scrutiny Committee Forward Work Programme **Appendix A**

Date	Report	Further notes/Comments	Better Together for Norfolk - Strategic Goal(s)*	Cabinet Member	Lead Officer
20/09/23	Annual Investment and Treasury Management Strategy 23-24 – Policy Framework Amendment.	Policy framework item	- A Vibrant and Sustainable Economy	Andrew Jamieson, Cabinet Member for Finance	Harvey Bullen, Director of Strategic Finance
	Finance Monitoring Report – Cabinet Meeting held on the 4th September 2023 – update on Recommendation 10	Requested by the Chair of Scrutiny	- A Vibrant and Sustainable Economy	Andrew Jamieson, Cabinet Member for Finance	Harvey Bullen, Director of Strategic Finance
	Recycling Services	Requested by Scrutiny Members	- A Greener, More Resilient Future	Cllr Eric Vardy, Cabinet Member for Environment and Waste	Grahame Bygrave, Executive Director of Community and Environmental Services
	Update on LEP integration	Requested by Scrutiny Members	- A Vibrant and Sustainable Economy	Cllr Kay Mason-Billig, Leader of the Council and Cabinet Member for Governance and Strategy	Paul Cracknell, Executive Director of Strategy and Transformation

				Cllr Fabian Eagle, Cabinet Member for Growing the Economy	
18/10/23	County Deal – Update	Scheduled item on the County Deal timeline	- A Vibrant and Sustainable Economy - Better Opportunities for Children and Young People - Healthy, Fulfilling and Independent Lives - Strong, Engaged and Inclusive Communities - A Greener, More Resilient Future	Cllr Kay Mason-Billig, Leader of the Council and Cabinet Member for Governance and Strategy	Paul Cracknell, Executive Director of Strategy and Transformation
	Update on NCC Wholly Owned Companies	Requested by Scrutiny Members	- A Vibrant and Sustainable Economy - Better Opportunities for Children and Young People - Healthy, Fulfilling and Independent Lives	Cllr Kay Mason-Billig, Leader of the Council and Cabinet Member for Governance and Strategy &	Tom McCabe, Chief Executive

			- A Greener, More Resilient Future	Cllr Alison Thomas, Cabinet Member for Adult Social Services	
	Performance Review Panels – Quarterly Update	Standard quarterly item	- Better Opportunities for Children and Young People - Healthy, Fulfilling and Independent Lives	Cllr Alison Thomas, Cabinet Member for Adult Social Care & Cllr Penny Carpenter, Cabinet Member for Children's Services	Debbie Bartlett, Executive Director of Adult Social Care & Sarah Tough, Executive Director of Children's Services
	Strategic and Financial Planning 2023-24	Standard budget setting item	- A Vibrant and Sustainable Economy	Cllr Andrew Jamieson, Cabinet Member for Finance	Harvey Bullen, Director of Strategic Finance
22/11/23	Review of Norfolk Flood Prevention Activity	Agreed by the Scrutiny Committee at the meeting held on the 23 November 2022	- A Greener, More Resilient Future	Cllr Graham Plant, Cabinet Member for Highways, Infrastructure and Transport	Grahame Bygrave, Executive Director of Community and Environmental Services
	Coastal Erosion/Drought in Norfolk	Requested by Scrutiny Members	- A Greener, More Resilient Future	Cllr Eric Vardy, Cabinet Member for Environment and Waste	Grahame Bygrave, Executive Director of Community and Environmental Services

13/12/23	County Deal – Consideration of Statutory Instrument	Scheduled item on the County Deal timeline	- A Vibrant and Sustainable Economy - Better Opportunities for Children and Young People - Healthy, Fulfilling and Independent Lives - Strong, Engaged and Inclusive Communities - A Greener, More Resilient Future	Cllr Kay Mason-Billig, Leader of the Council and Cabinet Member for Strategy and Governance	Paul Cracknell, Executive Director of Strategy and Transformation
	Update from the Chair of the Norfolk Countywide Community Safety Partnership	Standing item	Strong, Engaged and Inclusive Communities	None	Grahame Bygrave, Executive Director of Community and Environmental Services
	Digital Connectivity in Norfolk	Requested by Scrutiny Members	- A Vibrant and Sustainable Economy - Better Opportunities for Children and Young People - Healthy, Fulfilling and Independent Lives	Cllr Jane James, Cabinet Member for Corporate Services	Paul Cracknell, Executive Director of Strategy and Transformation

			- Strong, Engaged and Inclusive Communities		
20/12/23	Nothing Currently Scheduled				
25/01/24	Update on Local Government Finance Settlement	Standard budget setting item	- A Vibrant and Sustainable Economy	Cllr Andrew Jamieson, Cabinet Member for Finance	Harvey Bullen, Director of Strategic Finance
	Access to Museums Service	Requested by Scrutiny Members	- Strong, Engaged and Inclusive Communities	Cllr Margaret Dewsbury, Cabinet Member for Communities and Partnerships	Grahame Bygrave, Executive Director of Community and Environmental Services
	People with Disabilities, Engagement and Charging Policy	Requested by Scrutiny Members	- Healthy, Fulfilling and Independent Lives	Cllr Alison Thomas, Cabinet Member for Adult Social Care	Debbie Bartlett, Executive Director of Adult Social Care
	Performance Review Panels – Quarterly Update	Standard quarterly item	- Better Opportunities for Children and Young People - Healthy, Fulfilling and Independent Lives	Cllr Alison Thomas, Cabinet Member for Adult Social Care & Cllr Penny Carpenter, Cabinet Member for Children’s Services	Debbie Bartlett, Executive Director of Adult Social Care & Sarah Tough, Executive Director of Children’s Services

14/02/24	Scrutiny Committee 2023-24 Budget scrutiny	Standard budget setting item	- A Vibrant and Sustainable Economy - Better Opportunities for Children and Young People - Healthy, Fulfilling and Independent Lives - Strong, Engaged and Inclusive Communities A Greener, More Resilient Future	Cllr Andrew Jamieson, Cabinet Member for Finance	Harvey Bullen, Director of Strategic Finance
20/03/24	Nothing Currently Scheduled				
24/04/24	Performance Review Panels – Quarterly Update	Standard quarterly item	- Better Opportunities for Children and Young People - Healthy, Fulfilling and Independent Lives	Cllr Alison Thomas, Cabinet Member for Adult Social Care & Cllr Penny Carpenter, Cabinet Member for Children's Services	Debbie Bartlett, Executive Director of Adult Social Care & Sarah Tough, Executive Director of Children's Services

The *‘Better Together for Norfolk – County Council Strategy 2021-25’*** outlines five strategic priorities. These are:*

- *A Vibrant and Sustainable Economy*

- *Better Opportunities for Children and Young People*
- *Healthy, Fulfilling and Independent Lives*
- *Strong, Engaged and Inclusive Communities*
- *A Greener, More Resilient Future*

When scheduling items for the work programme the committee should consider, where applicable, the item contributes to the above strategic goals and overall delivery of the County Council's strategy for 2021-25.