

Cabinet

Date: **Monday 11 May 2020**

Time: **10am**

Venue: **Virtual Meeting**

Pursuant to The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020, the 11 May 2020 Cabinet meeting of Norfolk County Council will be held using video conferencing.

The Cabinet meeting will be broadcast live via Microsoft Teams. [Please click here.](#)

Membership:

Cllr Andrew Proctor	Chairman. Leader and Cabinet Member for Strategy & Governance.
Cllr Graham Plant	Vice-Chairman. Deputy Leader and Cabinet Member for Growing the Economy.
Cllr Bill Borrett	Cabinet Member for Adult Social Care, Public Health & Prevention
Cllr Margaret Dewsbury	Cabinet Member for Communities & Partnerships
Cllr John Fisher	Cabinet Member for Children's Services
Cllr Tom FitzPatrick	Cabinet Member for Innovation, Transformation & Performance
Cllr Andy Grant	Cabinet Member for Environment & Waste
Cllr Andrew Jamieson	Cabinet Member for Finance
Cllr Greg Peck	Cabinet Member for Commercial Services & Asset Management
Cllr Martin Wilby	Cabinet Member for Highways, Infrastructure & Transport

A g e n d a

1 To receive any apologies.

2 Minutes

To confirm the minutes from the Cabinet Meeting held on Monday 2 March 2020.

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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 **Matters referred to Cabinet by the Scrutiny Committee, Select Committees or by full Council.**

5 **To receive any items of business which the Chairman decides should be considered as a matter of urgency**

6 **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 **Tuesday 5 May 2020**. For guidance on submitting a public question, view the Constitution at <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>

7 **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 Tuesday 5 May 2020**.

- 8 NCC Response to COVID-19.** Page **36**
Report by the Executive Director of Strategy & Governance

- 9 COVID-19 financial implications for Norfolk County Council** Page **59**
Report by the Executive Director of Finance & Commercial Services

(Please note item 9 is an Urgent Key Decision and therefore not subject to the call-in process).

- 10 Reports of the Cabinet Member and Officer Delegated Decisions already made:**
To note the delegated decisions made since the last Cabinet meeting.

Decisions by the Cabinet Member for Highways, Infrastructure & Transport.

- [A47 North Tuddenham to Easton Dualling Scheme.](#)
- [Great Yarmouth Local Plan – Part 2.](#)
- [Tarmac Trading Ltd – Contract Extension.](#)
- [Additional Funding – Supported Bus Services.](#)
- [Civil Parking Enforcement Powers to Norwich City Council.](#)
- [Diss – TRO.](#)

Decision by the Cabinet Member for Communities & Partnerships

- [Wensum Lodge Steering Group](#)

Decisions by the Cabinet Member for Commercial Services & Asset Management.

- [Site 4 – Site Acquisition Wymondham](#)
- [Acquisition of Priory Nursery, Great Yarmouth](#)

Decisions by the Cabinet Member for Children's Services.

- [Schools Capital Programme Update](#)
- [DSG Additional Decisions](#)

Decisions by the Cabinet Member for Adult Social Care, Public Health & Prevention.

- [COVID-19 – Impact on MIG and PIP Charging Increases.](#)
- [COVID-19 – Legislation Implications for Adult Social Care.](#)
- [Additional Financial Support for ASC Providers.](#)

Decision by the Executive Director of Strategy & Governance

- [HR & Finance System Transformation Project.](#)

Decisions by the Head of Paid Service/Executive Director of Community & Environmental Services.

- [Concessionary Travel Bus Pass Scheme – Hours of Operation.](#)
- [Trading Standards](#)

- [Health Scrutiny Arrangements for Waveney - Amendment to Norfolk County Council Constitution](#)
- [Police & Crime Panel Scrutiny Arrangements - Amendment to Panel Arrangements](#)

Tom McCabe
Head of Paid Service
Norfolk County Council
County Hall
Martineau Lane
Norwich
NR1 2DH

Date Agenda Published: 30 April 2020

Cabinet

Minutes of the Meeting held on Monday 2 March 2020 at 10am in the Edwards Room, County Hall, Norwich

Present:

Cllr Andrew Proctor	Chairman. Leader & Cabinet Member for Strategy & Governance.
Cllr Margaret Dewsbury	Cabinet Member for Communities & Partnerships.
Cllr John Fisher	Cabinet Member for Children's Services.
Cllr Tom FitzPatrick	Cabinet Member for Innovation, Transformation & Performance.
Cllr Andrew Jamieson	Cabinet Member for Finance
Cllr Greg Peck	Cabinet Member for Commercial Services & Asset Management.
Cllr Graham Plant	Vice-Chairman and Cabinet Member for Growing the Economy.
Cllr Martin Wilby	Cabinet Member for Highways, Infrastructure & Transport.

Other Members Present:

Cllr Steve Morpew	Cllr David Bills
Cllr Alexandra Kemp	Cllr Vic Thomson
Cllr Bev Spratt	Cllr Emma Corlett
Cllr Mike Smith-Clare	

Executive Directors Present:

Tom McCabe	Executive Director of Community & Environmental Services and Head of Paid Service.
James Bullion	Executive Director of Adult Social Services
Helen Edwards	Chief Legal Officer and Monitoring Officer
Simon George	Executive Director of Finance & Commercial Services
Fiona McDiarmid	Executive Director of Strategy & Governance

1 Apologies for Absence

Apologies were received from Cllr Bill Borrett, Cabinet Member for Adult Social Care, Public Health & Prevention; Cllr Andy Grant, Cabinet Member for Environment & Waste and Lorne Green, Police & Crime Commissioner for Norfolk who had been invited to attend for agenda items 7 and 8.

2 Minutes

The minutes from the Cabinet meeting held on Monday 3 February 2020 were agreed as an accurate record and signed by the Chairman.

3 Declaration of Interests

Cllr Andrew Proctor, Chairman, declared an interest in agenda item 8 (Repton Property Developments Ltd. Business Plan) as he was a non-Executive Director of the company.

Cllr Greg Peck, Cabinet Member for Commercial Services & Asset Management, declared an interest in agenda item 8 (Repton Property Developments Ltd. Business Plan) and agenda item 16 (Hethel Innovation Ltd and Scottow Enterprise Park) as he was a Director of both companies.

4 Items of Urgent Business

- 4.1 The Chairman reported on the resolution of the Scrutiny Committee meeting held on 20 February 2020 following the call-in of the 'Life Opportunities for Adults with Learning Disabilities and/or Autism' report considered by Cabinet on 3 February 2020.

The Chairman read out the following resolution from the draft Scrutiny Committee minutes:

- That the Scrutiny Committee agreed with the ambitions and the general direction of travel behind Cabinet's decision, however they were keen to advise Cabinet (and the Service department) of a number of issues they considered should be taken on board when implementing the decision.
 1. There should be more co-production in areas such as the service specification, the monitoring arrangements and the reviews of the pilots. This will enable these issues to be better addressed when the implementation is planned and carried out and for the monitoring and review of pilots to be genuine co-productions.
 2. A way should be found to strengthen and improve the flow of information on learning disability issues to Councillors generally.
 3. A full briefing on the outcomes of the pilots should go to the People and Communities Select Committee so as to strengthen strategy development.
 4. Because of concerns about the scale of change for service users, their carers' and providers, the new services should be up and running before existing services and contracts are changed.

The Chairman advised that the call-in had not been about the decision made by Cabinet, which had been backed by the Scrutiny Committee resolution; it had been about the implementation of the decision.

5 Public Question Time

- 5.1 The list of public questions and responses is attached at Appendix A.
- 5.2 Dr Devulapalli stated it was encouraging to hear due regard would be paid to the carbon neutral goal of 2030 and that the West Norfolk Transport Infrastructure Steering Group was going to be established. As a supplementary question, Dr Devulapalli asked what elements of the public would be involved in the work as there was a lot of expertise in west Norfolk

which could provide valuable contributions into the transport plan and asked how they could be part of making that happen.

The Chairman deferred the question to the Cabinet Member for Highways, Infrastructure & Transport who responded that the West Norfolk Transport Infrastructure Steering Group had been set up and he was sure there would be an opportunity for local members of the public to have an input into its work.

6 Local Member Questions/Issues

- 6.1 The list of Local Member questions and the responses is attached at Appendix B.

- 6.2 As a supplementary question, Cllr Emma Corlett said that the coast hopper bus service had been built to connect with rail services and that quite a lot of commuters used that route as well as providing access to the coast and for walking the coastal path. Cllr Corlett asked if the Cabinet Member was aware that the departure of the bus was 40 minutes after the arrival of the train from Norwich and 46 minutes after the London train arrived at King's Lynn and if this demonstrated the need for the County Council to be more proactive in order to achieve best practice for members of the public.

The Chairman deferred the question to the Cabinet Member for Highways, Infrastructure & Transport who replied that he was aware there were some issues with the bus service, and he would raise the issue with the bus company. The Cabinet Member went on to say that the Coast Hopper service was a really busy, well-used service in north Norfolk which was important to both local people and tourists.

- 6.3 Cllr Mike Smith-Clare asked, bearing in mind the Government was carrying out a consultation into music education, why the Council was making significant changes now, when the results of the consultation may necessitate further changes later in the year.

The Chairman deferred the question to the Cabinet Member for Children's Services, who replied that the service hinged on its affordability. He added that the service was a traded model and there was a need to consider how that traded service was provided. He continued that if the Government consultation identified any further changes, these would be considered, but at the present time there was a need to provide a good service that was affordable.

- 6.4 Cllr Kemp stated that her question was about a super bus highway network for west Norfolk and she found it incredible that King's Lynn was not included in the list of eligible areas. She considered this completely unacceptable as west Norfolk had one of the highest carbon emission rates in Norfolk and the biggest increase of anywhere in the country. Cllr Kemp said that west Norfolk needed to be connected, with more buses for wellbeing and to help its economy. Cllr Kemp asked, as a supplementary question, if the Leader would back the campaign she was starting, for a super bus highway network for West Norfolk which was based on need and would he write to the Secretary of State for Transport to state he must back west Norfolk and help this vulnerable area.

The Chairman deferred the question to the Cabinet Member for Highways, Infrastructure & Transport who responded that the West Norfolk Transport Steering Group was being set up and he was sure they would look at all modes of transport.

7 Emergency Services Collaboration - Update.

7.1 Cabinet received the report by the Executive Director of Community & Environmental Services updating it on the progress that had been made so far, and the further work planned, since the formal agreement was put in place approximately one year ago.

7.2 The Cabinet Member for Communities & Partnerships introduced the report and moved the recommendations, highlighting the report was an update on the Emergency Services Collaboration, as it had been one year since the Police & Fire Services had signed the agreement to work more collaboratively. She added that the annual report had been jointly compiled by the Chief Constable and the Chief Fire Officer and highlighted the following:

- A shared emergency control room, with Norfolk Fire & Rescue Service (NFRS) moving into the Police Headquarters at Wymondham.
- Fire stations being shared in a variety of ways, including training and resources.
- Greater understanding of how other services worked.

The Cabinet Member continued that the collaboration agreement was working well, and more shared services would come forward in the near future.

7.3 The Cabinet Member for Innovation, Transformation & Performance welcomed the report, particularly the co-operation within his Division, adding that the first joint public meeting of the Fire & Police services had been held in Fakenham and had been well received by members of the public. The Cabinet Member added that he was sure the Police & Crime Commissioner would also endorse the report.

7.4 The Chairman highlighted the shared emergency control room and referred to the savings which amounted to approximately £100k over the first twelve months of the co-location, as a result of the collaboration agreement. The Chairman added that he looked forward to future collaborations.

7.5 The Vice-Chairman and Cabinet Member for Growing the Economy particularly welcomed the planned recruitment of six mental health nurses who would provide advice and guidance to staff to help them support colleagues, promoting early interventions and increasing referrals to support services.

7.6 Decision

Cabinet **RESOLVED** to

1. **note** the progress made and re-affirm the Council's commitment to the Emergency Services collaboration agreement between Norfolk Police & Crime Commissioner, Norfolk County Council, Norfolk Fire & Rescue Service, to continue to work together to improve the economy, efficiency and effectiveness of Norfolk's emergency services.

7.7 **Alternative Options**

None.

7.8 **Evidence and Reasons for Decision**

Working better, together, has enabled a number of service improvements and enhancements to be put in place. The Chief Fire Officer and Chief Constable have identified further areas where there is benefit in exploring closer collaboration over the coming year.

8 **Norfolk Fire & Rescue Service - HMICFRS Improvement Plan Update.**

8.1 Cabinet received the report by the Executive Director of Community & Environmental Services setting out the details of the progress made to deliver the activities set out in the Improvement Plan and the plans for further improvement activities.

8.2 The Executive Director of Community & Environmental Services highlighted that Her Majesty's Inspectorate of Constabulary and Fire & Rescue services (HMICFRS) had carried out its first inspection in 2019 and the service was now preparing for the next inspection in November 2020. He continued that, although there was much work to do, the service now had a solid foundation to build on and that it was very important work was undertaken with the whole fire service team to prepare for the next inspection. Cllr Dewsbury was chairing various meetings to maintain the momentum on the preparation work to ensure the service was fully prepared for the next inspection.

8.3 The Cabinet Member for Communities & Partnerships advised that monthly meetings would be held to prepare for the inspection in November 2020 and Cabinet would be kept updated on the work being done.

The Cabinet Member highlighted the following points:

- Bullying and unacceptable behaviour – staff were assisting in the development of a new cultural framework and grievance process.
- The Fire ICT team was now part of the Corporate IMT service, looking at technology improvements, not only to save money but to ensure it was effective.
- The backlog of home fire risk checks had been cleared, with a new system developed to ensure no backlogs happened in future.
- A new Integrated Risk Management Plan had been developed to cover the next three years, to improve the service and technology.
- A new recruitment campaign, which would pay particular regard to equality and diversity, and encourage more women and people from minority groups to join the service. The Cabinet Member highlighted that the service had seen an increase in female recruits following the campaign, with 25% of new apprentice fire fighters being female.

8.4 The Chairman highlighted the increased investment in the service which would help fund initiatives such as additional resources for community fire protection; fire prevention services for vulnerable people and the retention of the specialist

water capability. The Chairman also highlighted the additional capital investment in the service which would enable a roll-out of new ICT equipment; improvements and upgrades to some fire stations and the purchase of new fire appliances.

8.5 The Cabinet Member for Innovation, Transformation & Performance said that the integration of Fire's ICT into the Corporate IMT team was part of the ambition for efficient use of resources, working together to break down silos.

8.6 The Chairman mentioned that the service had been rated as "requires improvement" overall at the last inspection, with 4 "good" outcomes in the way it responded to fires and other emergencies; the way it responded to national risks; how it made the service affordable and good at getting the right people with the right skills. He continued that he hoped the action plan would translate into further "good" ratings at the next inspection in November 2020, a sentiment echoed by the Cabinet Member for Communities & Partnerships.

8.7 **Decision**

Cabinet reviewed and considered the progress made in delivering the Improvement Plan as set out in the report and at Appendix A and **RESOLVED** to:

1. **Agree** to receive a further update on progress at the Cabinet meeting in June 2020.
2. **Approve** the terms of reference for the new Strategic Development Oversight Group set out in Appendix B of the report. .

8.8 **Alternative Options**

Cabinet may wish to amend or make additions to the Improvement Plan.

8.9 **Evidence and Reasons for Decision**

The Improvement Plan aims to address the areas for Improvement identified by the HMICFRS, and are focussed on improving the efficiency and effectiveness of the service, and how we look after our people. The Improvement Plan sets out the activities the Chief Fire Officer has identified as necessary in order to demonstrate paying due regard to the findings of the HMICRS inspection, but also to improve the service for Norfolk communities.

The new Strategic Development Oversight Group will ensure that those groups representing Fire and Rescue staff are able to be involved in the future development of the service.

9 **Repton Property Developments Ltd Business Plan.**

9.1 Cabinet received the report by the Executive Director of Finance & Commercial Services providing details of the Business Plan for Repton Property Developments Ltd.

9.2 The Chairman highlighted that this was the first business plan from Repton Property Developments Ltd since its inception approximately two years ago, with its main objective being to build more homes as well as to make money for the

County Council. The Chairman also stated that the company would ensure all developments would be completed strictly in accordance with the Local Planning Authority affordable housing policies, for example the Acle site (which now had planning permission) had 92 market developments out of 137, with 45, in addition to the 92, being affordable homes.

- 9.3 The Cabinet Member for Commercial Services and Asset Management endorsed the Business Plan adding that extensive work had been undertaken with the Repton Board to bring forward the development and that he looked forward to seeing work start at the Acle site soon. He also added that it was hoped to see more developments start more quickly, and highlighted the importance of carrying out the works in such a way as to protect the public purse.
- 9.4 The Cabinet Member for Finance corroborated the comments already made, endorsed the Business Plan and commended the speed in which the proposals had been carried out. The Cabinet Member added that the company would be a useful contributor to the finances of Norfolk County Council for the future.
- 9.5 The Cabinet Member for Innovation, Transformation & Performance also endorsed and commended the Business Plan which he considered was a good example of using Norfolk County Council owned land and assets to provide much needed housing and affordable housing for the benefit of the wider county.
- 9.6 The Cabinet Member for Growing the Economy commended the report, adding it was good to see housing provided across the county, with the company moving in the right direction and creating a market, which may help private developers commence their schemes, as there were a number of schemes planned across the county which had not yet commenced.
- 9.7 The Cabinet Member for Highways, Infrastructure & Transport supported the report which would provide homes for Norfolk people and also create jobs in the construction industry which would help the economy. He added that he looked forward to seeing the houses built.
- 9.8 The Chairman added that the plan was not just about big sites, smaller sites would also be utilised through other providers to ensure homes were built.

9.9 **Decision**

Cabinet reviewed the Business Plan to 31 March 2021 to ensure it reflected the aspirations of the shareholder and **RESOLVED** to

Approve the Repton Property Developments Ltd. Business Plan to 31 March 2021.

9.10 **Alternative Options**

Norfolk County Council, as Shareholder, could set alternative objectives for the wholly owned company and request a revised Business Plan.

9.11 **Evidence and Reasons for Decision**

Repton's Board has approved a Business Plan and is subsequently seeking Cabinet's consent to operate the company in accordance with the Business Plan.

10 NCC HH Limited Articles of Association

10.1 Cabinet received the report by the Executive Director of Finance & Commercial Services asking it to review and adopt the proposed articles of association and the special resolution as detailed in the Appendix to the report.

10.2 The Cabinet Member for Finance, in introducing the report, highlighted that Cabinet was the entity which had to officially approve the Articles of Association.

10.3 Decision

Cabinet **RESOLVED** to:

1. **Formally** adopt the proposed Articles of Association and the Special Resolution for NCC HH Limited as set out in the Appendix to the report.

10.4 Alternative Options

The proposed articles of association will replace the model version that was used to establish the company. The alternative options are to either amend the proposed articles of association or to keep with the existing model articles of association.

10.5 Evidence and Reasons for Decision

Following the urgent decision taken by the Leader and Cabinet member for strategy & Governance to establish NCC HH Limited, the point has now been reached to adopt suitable articles of association which are consistent with other NCC wholly owned companies.

11 NCC Nurseries Limited Articles of Association

11.1 Cabinet received the report by the Executive Director of Finance & Commercial Services asking it to review and adopt the proposed articles of association and the special resolution as detailed in the Appendix to the report.

11.2 Decision

Cabinet **RESOLVED** to:

1. **Formally Adopt** the Articles of Association and the Special Resolution for NCC Nurseries Limited as set out in the Appendix to the report.

11.3 Alternative Options

The proposed articles of association will replace the model version that was used to establish the company. The alternative options are to either amend the

proposed articles of association or to keep with the existing model articles of association.

11.4 **Evidence and Reasons for Decision**

Following the urgent decision taken by the Leader and Cabinet Member for Strategy and Governance to establish NCC Nurseries Limited, the point has now been reached to adopt suitable articles of association which are consistent with other NCC wholly owned companies.

12 **Disposal, acquisition and exploitation of property.**

12.1 Cabinet received the report (including the exempt Appendix) by the Executive Director of Finance & Commercial Services, setting out proposals aimed at supporting Norfolk County Council's priorities by exploiting properties surplus to operational requirements, proactively releasing property assets with latent value where the operational needs can be met from elsewhere and strategically acquiring property to drive economic growth and wellbeing in the County.

12.2 The Chairman referred to the exempt Appendix containing commercially sensitive information, which Cabinet Members had received a copy of and said that, as no one had indicated they wished to refer to it in the discussion, it would not be discussed during the meeting. He added that the information would become available through the Land Registry once the sale had been completed.

12.3 The Cabinet Member for Commercial Services & Asset Management introduced the report and moved the recommendations, highlighting that the property team were constantly reviewing the use and future needs of property assets for service delivery to minimise the extent of the Council's estate.

12.4 The Cabinet Member for Highways, Infrastructure & Transport referred to the recommendations for assignment of leases for salt stores. He added that this winter had been mild with the gritters out on approximately 40 occasions this year and that it was essential to keep the salt stores topped up and easily accessible for gritting vehicles in order to keep the county safe.

12.5 The Cabinet Member for Growing the Economy said he was pleased to see the County Council was carefully considering its portfolio to ensure it maintained the best value for the public purse.

12.6 **Decision**

Cabinet **RESOLVED** to:

1. **Authorise** the disposal of plots 2 & 3 London Road, Attleborough, NR17 1YE (3002/038) to a commercial organisation on terms outlined in the exempt report and instruct the Head of Property to implement the disposal.
2. **Agree** to the Council accepting the assignment of a lease for the salt dome site at Saddlebow Industrial Estate, off Poplar Avenue, King's Lynn, PE34 3AQ on the existing terms for an annual rent of £7,250 per annum.

3. **Agree** to the Council accepting the assignment of a lease for the salt dome site at Sculthorpe, Tattersett Business Park, Army Road, Tattersett, NR21 on the existing terms for an annual rent of £10,000 per annum.
4. **Agree** to the Council entering a lease for Unit 4, Castle Acre Road, Swaffham PE37 7HY for 10 years at an initial rent of £43,500 per annum.
5. **Formally** declare the land at Bank Farm, Station Road, Welney (2090/102A) surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Cabinet Member for Commercial Services & Asset Management is authorised to accept the most advantageous offer.

12.7 **Alternative Options**

For the disposal of the land at London Road, Attleborough the alternative would be to decline the offer and retain the site.

In respect of the leasing of properties at King's Lynn, Tattersett and Swaffham the Highways Winter Service Review considered other options for provision of the service. EDT Committee resolved to procure a new contract for salt supply only resulting in the requirement to procure leases for sites for salt storage.

Declaring land holdings surplus is a result of the sites no longer being required for service delivery. The alternative would be to retain resulting in incurring holding costs for an asset that is not contributing to service delivery.

12.8 **Evidence and Reasons for Decision**

The disposal of the land at London Road, Attleborough releases land that is surplus to County Council use, provides the opportunity for significant capital receipts and provide an opportunity for commercial development. The leasing of properties at King's Lynn, Tattersett and Swaffham is the result of the Highways Winter Service Review undertaken by the Environment, Development and Transport Committee in 2019.

Declaring land holding at Bank Farm Welney surplus to County Council use means that the Corporate Property Team can consider options for the disposal and exploitation of this site.

13 **Finance Monitoring Report 2019-20 P10: January 2020**

- 13.1 Cabinet received the report by the Executive Director of Finance & Commercial Services giving a summary of the forecast financial position for the 2019-20 Revenue and Capital Budgets, General Balances and the Council's Reserves at 31 March 2020, together with related financial information.
- 13.2 The Cabinet Member for Finance introduced the report and moved the recommendations, highlighting that there had been a reduction of £0.5m in the Adult Social Care overspend, although the overspend was still £2.186m, with a

continued pressure on costs of care. The department was currently working to reduce the overspend by the end of the financial year.

The Cabinet Member also stated that there had been a further increase in the Children's Services overspend of approximately £400k, which brought the total overspend in Children's Services in 2019-20 to £13.7m after capitalising approximately £2m of equipment and also utilising a previous £2m to support paying the Dedicated Schools Grant (DSG). He added that new arrangements for dealing with the DSG were currently being worked up by the Department for Education (DfE) and formal arrangements were awaited, although the implications appeared to be that, while the DSG would carry forward in full to the new financial year, the DfE was not looking to local authorities to repay, or auditors to qualify the accounts, to make allowances for those repayments. The main reason the overspend had been reduced was that a grant had been received to cover extended free travel.

The Cabinet Member said that, now the financial year was coming to an end, it was possible to ascertain the savings which were unlikely to be made, which amounted to approximately £5.4m, representing 17% of the total budgeted savings of £31.6m. If that result was maintained it would mean the Council remained on par with other years, but ranked higher than most of its peers. However, next year, with a budget gap of £39m there was little room for slippage.

The Cabinet Member highlighted the recommendation that Cabinet was being asked to dissolve Educator Solutions Limited which was a dormant company which had nothing to do with the services provided under the Educator Solutions Brand and was surplus to requirements.

13.3 The Cabinet Member for Innovation, Transformation & Performance commended the report which showed how much of a grip on finances the County Council had. He added that all staff should be commended on the reduction in the overspend over the year.

13.4 The Chairman referred to the Spending Review in 2019, with the majority of Norfolk's share of the £1bn across the country of £17.5m being spent to support children's services budget pressures, rather than just Adult Services. He added that the Council was looking forward to the upcoming budget announcement on 11 March and also the provision of a fair funding settlement for the future.

13.5 **Decision**

Cabinet **RESOLVED** to:

1. **Approve** the proposal to dissolve the dormant Educator Solutions Limited as set out in Appendix 1, paragraph 9 of the report.
2. **Note** the period 10 forecast general fund revenue overspend of £1.375m noting also that Executive Directors will take measures throughout the year to reduce or eliminate potential over-spends;
3. **Note** the period 10 forecast shortfall in savings of £5.398m, noting also that Executive Directors will take measures throughout the year to mitigate savings shortfalls through alternative savings or underspends;

4. **Note** the forecast General Balances at 31 March 2020 of £19.623m, before taking into account any over/under spends;
5. **Note** the expenditure and funding of the revised current and future 2019-22 capital programmes.

13.6 **Alternative Options**

In order to deliver a balanced budget, no viable alternative options have been identified to the recommendations in this report.

13.7 **Evidence and Reasons for Decision**

Two appendices are attached to this report giving details of the forecast revenue and capital financial outturn positions:

Appendix 1 summarises the revenue outturn position, including:

- Forecast over and under spends
- Changes to the approved budget
- Reserves
- Savings
- Treasury management and
- Payments and debt performance

Appendix 2 summarises the capital outturn position, and includes:

- Current and future capital programmes
- Capital programme funding
- Income from property sales and other capital receipts.

14 **Highways Parish Partnership Schemes 2020/21**

14.1 Cabinet received the report by the Executive Director of Community & Environmental Services setting out the proposed parish partnership programme for 2020/21.

14.2 In introducing the report and moving the recommendations, the Cabinet Member for Highways, Infrastructure & Transport highlighted the following:

- 160 bids had been received from Town and Parish Councils across Norfolk in 2020/21. These bids had now been assessed using the set criteria.
- 153 small local schemes for communities were undertaken, for example trods, village gateways, bus shelters and vehicle activated signs.
- The programme was funded through Town and Parish Councils making a contribution, meaning Norfolk County Council was able to double the amount of funding.
- Norfolk County Council would fund approximately £401k which would support delivery of schemes totalling £919k.
- Benefits of the scheme included delivering local priorities identified by local people; drawing in additional funding for small scale highway improvements; giving local communities an opportunity to directly influence improvements in their local area.
- The report included a list of the schemes available.

- 14.3 The Cabinet Member for Growing the Economy agreed that this was a successful and well-received scheme by parishes across the county and by working with parish partners the lives of people were being made better through providing schemes that local people had requested, for example slowing down traffic, providing trods, etc.
- 14.4 The Cabinet Member for Communities & Partnerships endorsed the scheme, adding that Parish Councils valued the scheme and, in her division, Hingham had recently set up a speedwatch scheme and a traffic calming measure with the Parish Council being grateful for the contributions to help towards the costs of helping to control traffic in the village. She continued that Wicklewood had also been pleased to receive a contribution as there had been some new buildings in the village and a footway had been provided making access to schools easier for pedestrians.
- 14.5 The Cabinet Member for Children's Services endorsed the scheme, adding that Thorpe St Andrew had used it, and would continue to use it, to provide an additional three bus shelters on main routes to and from the city. He added that positive feedback had been received from residents and thought this was an excellent scheme.

14.6 **Decision**

Cabinet **RESOLVED** to:

1. **Approve** the 118 local schemes listed in Appendix B for inclusion in the Parish Partnership programme for 2020/21.
2. **Approve** the 35 vehicle activated sign schemes listed in Appendix C for inclusion in the Parish Partnership programme for 2020/21, subject to securing funding from the Safety Camera Partnership.

14.7 **Alternative Options**

Cabinet could decide to reduce the County Council's contribution to the Parish Partnership Programme or could decide to not utilise unallocated highways funding to allow all of the assessed bids to progress. In which case, a set of additional criteria would need to be developed to enable the current list of proposed schemes for 2020/21 to be re-assessed.

14.8 **Evidence and Reasons for Decision**

This Parish Partnership scheme enables delivery of schemes which have been identified as important by local communities.

The contribution from Town and Parish Council's and the Safety Camera Partnership means that we can deliver more schemes on the ground. In addition, where local communities support lower cost solutions, there is a positive impact on the wider highway's improvement programme. For example, over the last five years, the implementation of trods has enabled 32 much more expensive footway schemes to be removed from the forward programme.

15 Norfolk Library 5-year Strategy 2020/2025

15.1 Cabinet received the report by the Executive Director of Community & Environmental Services setting out the proposed vision and strategy for the Norfolk Library and Information Service.

15.2 The Executive Director of Community & Environmental Services highlighted that the Library Service was more than just about borrowing books. Libraries remained important, safe places in Norfolk for communities to meet, to work together, to learn, to raise aspirations and were an interface between staff and the local communities. He continued that no two libraries were the same and the staff at libraries worked with communities to design the best interventions for the needs of that particular community.

15.3 The Cabinet Member for Communities & Partnerships introduced the report and moved the recommendations, stating that the Norfolk Library and Information Service was recognised as one of the best in the country and that libraries were integral to public services, offering support to communities and businesses. She continued that libraries in Norfolk inspired reading and learning and provided information for people across the whole of Norfolk.

The Cabinet Member set out how the Library Strategy had been developed to align to the strategic objectives defined in Norfolk County Council's six-year plan –

- Growing the economy
- Thriving people
- Strong communities

15.4 The Chairman highlighted that throughout the strategy, the library was regarded as a place where people gathered to exchange ideas and information and that the best libraries were those which encompassed multiple functions and co-located with other services.

15.5 The Cabinet Member for Growing the Economy fully supported the library strategy, highlighting that every library would have a core offer that people could rely on; the impact of three interventions – activities, older people's activity, rhyme time and an informal social session on a drop-in basis and that the Norfolk Library Strategy could be delivered through the existing revenue budget. He also highlighted that 47 libraries would continue to be based in communities where they could be the face of the county council and meet local people's needs.

15.6 The Cabinet Member for Innovation, Transformation & Performance endorsed the report, adding that Libraries were no longer places just to borrow books; they were hubs where people could meet and learn. The Cabinet Member highlighted the summer reading challenge, which had helped educational services, and which had proved enjoyable for children and their parents.

15.7 The Cabinet Member for Communities & Partnerships advised that approximately 10,000 children had participated in the summer reading challenge in 2019.

- 15.8 The Cabinet Member for Highways, Infrastructure & Transport highlighted his local library at Harleston, which was busy at all times of the day, and asked if visitor numbers had increased across the county. The Director, Community, Information and Learning advised that visitor numbers had increased, and also highlighted the increased take-up of the Open Library scheme which meant Library Members could access libraries when they were unmanned early in the morning or in the evening.
- 15.9 The Chairman highlighted that libraries were multi-function hubs which supported the Council's Local Service Strategy.
- 15.10 The Cabinet Member for Finance endorsed the Library Strategy and commended officers for pulling the strategy together, adding that an important part of the Transformation Programme was showing how transformation made a service more economically viable to deliver. He cited Attleborough as a good example of how services could be offered in the future.
- 15.11 The Cabinet Member for Children's Services endorsed the report, adding that the ability to access libraries when they were unmanned was an excellent option, as well as the early years offer. He also said that his local librarian had provided feedback that the local community had welcomed the changes and that he felt the whole service needed to be congratulated.

15.12 **Decision**

Cabinet **RESOLVED** to:

1. **Approve** the proposed vision and strategy for the Norfolk Library and Information Service, as set out in Section 2 of the report.

15.13 **Alternative Options**

Further work could be carried out to develop an alternative vision and strategy for the Service. However, National and international benchmarking have been undertaken in forming this strategy, along with a situational positioning against the County Council's 6-year plan, Together, for Norfolk.

15.14 **Evidence and Reasons for Decision**

There is strong evidence to demonstrate the role of libraries in building strong and resilient communities. In addition, the Library and Information Service have developed the IMPACT tool (in conjunction with Norwich City Council) which measures the impact of activities – this is developing into a useful resource in analysing which activities and interventions are most effective.

A recent piece of work carried out by Suffolk Libraries showed that for every £1 invested in the library service £8.04 is returned in social value. This indicates that libraries create substantial impact on their local communities and for a wide range of stakeholders, including Children's Services, Adult Social Care and health.

In the work, the impact of just three interventions was measured – activities very similar to those offered in Norfolk's Libraries; an older people's activity, Rhyme Time and an informal social session, all operating on a drop-in basis.

The outcomes holding the highest social value were the development of literacy skills for children; improved wellbeing for parents; improved mental health, increased social networks and increased happiness.

All of which make a positive contribution to reducing social care demand for adults and children.

16 Hethel Innovation Ltd and Scottow Enterprise Park

16.1 Cabinet received the report by the Executive Director of Community & Environmental Services and the Executive Director of Finance & Commercial Services proposing putting in place a new arrangement that would see the site leased to Hethel Innovation Ltd. The new arrangement would enable a continued focus on delivering economic outcomes whilst also moving to a more commercial focus in terms of day to day operations.

16.2 The Executive Director of Community & Environmental Services stated that Scottow Enterprise Park had moved on in the last 5-6 years and the report sought to move the site to the next stage of its development.

16.3 The Cabinet Member for Growing the Economy, in introducing the report and moving the recommendations highlighted that Scottow Enterprise Park was currently operated and managed by Hethel Innovation Ltd (HIL) through a contract arrangement which was due to end in July 2020; therefore there was a need to secure new arrangements for the site. Leasing the site to Hethel Innovation Ltd would enable a continued focus on delivering economic outcomes whilst moving to a more commercial focus for day to day operations.

The Cabinet Member added that the closure of the RAF Coltishall site was a significant loss to the local community, particularly with the loss of approximately 600 jobs. The County Council had purchased the site allowing it to support the local economy. The site was now a thriving enterprise park which provided approximately 500 jobs, with Hethel Innovation Ltd being instrumental to its success. 97% of the start-up businesses at the Hethel Engineering site were still in business two years after set up, which in comparison to the national picture of 30% of small business failing in their first year. The proposal was an opportunity to build on these successes, with plans to develop the site and bring more buildings back into economic and productive use. The proposed new arrangement would enable a commercial and business-like approach whilst continuing the focus of delivering economic outcomes for Norfolk.

16.4 The Cabinet Member for Commercial Services & Asset Management endorsed the proposals, adding that Hethel Innovation Ltd had ambitious plans for the future on how they wanted to expand their brand throughout the county and beyond. He continued that the Scottow site, at 99% occupancy, proved HIL were doing a good job and he asked Cabinet to support the proposal.

- 16.5 The Cabinet Member for Innovation, Transformation & Performance endorsed the report, adding that, when the County Council bought the derelict site several years ago a new lease of life was needed and by bringing HIL on board with their expertise a huge difference had been made to economic outcomes. The Cabinet Member continued that HIL had a good business plan and he felt it was a good idea to lease Scottow Enterprise Park to them and let them work on it for the benefit of the county.
- 16.6 The Cabinet Member for Growing the Economy highlighted that the site, although leased to Hethel Innovation Ltd, would continue to be owned by the County Council, but managed and developed by HIL on a more commercial basis, using HIL systems and processes which were already utilised successfully at Hethel Engineering Centre, which was owned and operated by Hethel Innovation Ltd.
- The Cabinet Member highlighted the basis of the proposed lease arrangements as set out in the report, which set out the rights of both parties.
- 16.7 The Cabinet Member for Finance endorsed the proposal and added that HIL would bring rigor to Scottow governance with the site being retained by NCC.
- 16.8 The Cabinet Member for Commercial Services and Asset Management highlighted the synergy between the two companies, in that HIL was an incubator hub and had an excellent record of helping small businesses get established and which would also allow business to move to Scottow when they needed bigger premises.

16.9 **Decision**

Cabinet **RESOLVED** to:

1. **Delegate** authority to the Director of Property, in consultation with the Leader of the Council to enter into a lease with Hethel Innovation Ltd to operate and develop Scottow Enterprise Park from 1 April 2020 on the basis set out in this report.
2. **Approve** the amalgamation of the two relevant capital allocations from within the existing County Council capital programme into a single capital improvement fund for Scottow Enterprise Park estimated at £5.569m (actual figure will be dependent upon remaining expenditure incurred in 2019/20), which can be used to make a capital improvement fund available for Hethel Innovation Ltd (HIL) to access for site development work.
3. Subject to funding being available from the County Council's Capital Programme and the approval of a business case by the HIL Board, **delegate authority** to the Executive Director of Finance and Commercial Services, in consultation with the Cabinet Member for Finance, to consider and approve each business case for investment in the Scottow Enterprise Park.
4. **Approve** the Hethel Innovation Ltd Business Plan for 2020/21.
5. **Invite** Hethel Innovation to present their 2019/20 annual report to the May Cabinet meeting along with an update on any further plans they have for the future.

16.10 **Alternative Options**

The existing contract arrangements with HIL end in July 2020. If Members wished to continue with a similar contract arrangement, a competitive procurement exercise would need to be carried out urgently. There is no scope to extend the existing contract arrangements with HIL.

Selling or otherwise disposing of the site is not considered to be an option as this would trigger a significant overage payment to MoJ and as a result mean it is financially unviable at this time.

The Council could seek to lease the site to an alternative provider. However, there will not be a provider in the market that will be able to replicate the unique arrangement the County Council benefits from with HIL (see the risk section of the report).

It would be possible to bring the operation of the site back in-house, which would involve the TUPE transfer of relevant staff into the Council. This has been discounted on the basis that it could increase costs and would not be able to move to a more commercial focus in its operations.

16.11 **Evidence and Reasons for Decision**

The County Council has a unique relationship with HIL. The company was set up with the intention of it being the County Council's economic development company. This was recently clarified by the Council through a shareholder direction letter to the HIL Board of Directors. This set out the purpose of HIL as follows:-

Hethel Innovation Ltd (HIL) was established with the intention of it operating as the County Council's economic development company. The primary purpose of the company is to support inclusive economic growth and deliver associated economic benefits for benefit of Norfolk communities, particularly where there are specific challenges or the market has failed to address need.

The secondary objective of the company is to generate income to enable the company to operate without the need for financial support from the County Council, and to generate income which can be used to fund activities which deliver the company's core purpose.

This direction and purpose of HIL was unanimously supported by the HIL Board of Directors. This purpose places HIL in a unique position in terms of being able to support the County Council's economic objectives through its operations.

17 **Peer Review Action Plan**

- 17.1 Cabinet received the report by the Executive Director of Strategy & Governance setting out the Action Plan response to the recommendations of the Peer Review conducted in October 2019.

- 17.2 The Executive Director of Strategy & Governance reminded Cabinet that this was a more detailed action plan following on from the Cabinet report in December 2019.
- 17.3 In introducing the report, the Chairman and Cabinet Member for Strategy & Governance said that the action plan was a result of the Peer Review held in October 2019 which had recognised the significant progress the County Council was making in “rebooting the council”. The Chairman highlighted the specific recommendations from the Peer Review, particularly recommendation ‘H’ (The Council should undertake the proposed review of the new governance arrangements and commission this externally). The review had now been carried out by a small team from the LGA.

The Chairman continued that the actions from the review would be taken seriously and responded to through the action plan set out in Annex 1 of the report and which set out the details of the recommendations, the person responsible for the actions and the general timeframe for completion.

The Chairman added that overall ownership of the action plan sat with him, as Leader of the Council, with the Executive Director of Strategy and Governance overseeing the implementation of the actions.

- 17.4 The Cabinet Member for Innovation, Transformation & Performance supported the report, adding that this was not a tick-box exercise, it was about learning from the review and benefitting the Council by taking the actions seriously to obtain the most benefit to the county council from the peer review.
- 17.5 The Cabinet Member for Communities & Partnerships highlighted recommendation ‘J’ (The adult skills agenda in Norfolk is a theme that everybody should unite around and links strongly with the inclusive growth agenda), and pointed out that the Adult Learning Service had looked at providing courses in areas of deprivation to upskill local people, apprenticeship courses and also run courses in local libraries where they were accessible to local people. The Chairman also highlighted the “Good” rating achieved by the Adult Learning Service following its last Ofsted inspection.
- 17.6 The Cabinet Member for Growing the Economy commended the report and said he was pleased to see achievable actions which were due to be completed in 2020.
- 17.7 The Chairman highlighted that the Executive Director of Strategy and Governance had oversight of the action plan to ensure it was implemented.

17.8 **Decision**

Cabinet **RESOLVED** to:

1. **Agree** the Peer Review Action Plan.

17.9 **Alternative Options**

The paper rolls out an action plan based on the report's recommendations. It is proposed that a do-nothing option would not be suitable.

17.10 **Evidence and Reasons for Decision**

The Peer Challenge Report presented to Cabinet in December 2019 provides full details of the visit by the Peer team and their commendations which will then be enacted through the action plan.

18 **Delegated Decisions Reports**

Cabinet **noted** the following Cabinet Member Delegated Decisions

Decisions made by the Cabinet Member for Highways, Infrastructure and Transport:

- DfT 'Pinch Point' Bid Submission.
- Recommendations of the Greater Norwich Development Partnership Board.
- Proposed minor amendments to Planning Obligations Standards 2020.

Decision by the Cabinet Member for Communities & Partnerships.

- Building Contractor for Norwich Castle: Gateway to Medieval England Development.

Decision by the Executive Director of Community & Environmental Services.

- Residual Waste: Suffolk Inter-Authority Agreement.

The meeting ended at 11.10am.

Chairman



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**Cabinet
2 March 2020
Public & Local Member Questions**

**Agenda Public Question Time
item 5**

Question from Pallavi Devulapalli

I am sorry to say that the King's Lynn Transport Plan filled me with dismay. Norfolk has a net zero carbon 2030 goal - there are no targets for the amount by which active transport will increase or for the necessary reduction in vehicular traffic.

I request that the plan is re-written with the 2030 zero carbon commitment embedded in it as the central feature so that only those options which pass the test of how they will reduce carbon emissions, are considered. We will then have a Transport Plan that is fit for purpose, fit for the future and fit for the people of King's Lynn and West Norfolk.

Response:

The King's Lynn Transport Strategy has provided a balanced multi-modal implementation plan of schemes that can be developed to respond to funding opportunities as they arise. It was not felt appropriate to set targets for specific modes when there is uncertainty in funding levels. Schemes and measures will be taken forward paying due regard to the new NCC Environmental Policy, which seeks to work towards 'carbon neutrality' by 2030, and the updated Local Transport Plan which is under development. Cabinet has agreed to establish a West Norfolk Transport and Infrastructure Steering Group, consisting of Elected Members from both Councils, to oversee and advise on taking schemes forward.

Question from Victoria Flute.

Why have you agreed the NDR link road route - spending more than £7 million just on planning - when full ecological surveys have not even been carried out yet (risking an extremely, nationally important site for bats). And why was traffic data not collected before the route was chosen? So the even the effectiveness of easing congestion is doubtful.

Response:

Traffic and environmental surveys were undertaken prior to the preferred route being agreed and details are in the Option Selection Report available via our website (<https://www.norfolk.gov.uk/-/media/norfolk/downloads/roads-and-transport/nwl/nwl-option-selection-report-july-2019.pdf>).

Question from Barry Bailey

Norfolk Highways claim Ferry Road Horning is a private road and are not responsible for any aspect concerning the safety of road users. Although a private road, section 230 of the 1980 Act states the local authority must fix dangerous private roads and recharge these expenses to Frontage residents where these residents have failed to maintain the road to a good standard which is clearly the case. One Horning resident seriously damaged his car and I understand others have had similar experiences. It is only a matter of time before someone is seriously injured as the potholes are not visible when full of water. ENQ900157090 was closed recently.

Response:

Ferry Road is not an adopted highway, but it is a Public Right of Way known as Restricted Byway – Horning RB16.

According to our records Ferry Road is a private road, so Section 130: duty to assert and protect public rights does not apply and it is not normally appropriate for the Council to intervene in matters of dispute between private landowners.

Whilst Section 230 powers are available to the Council in relation to Ferry Road, it should be regarded as an emergency intervention power to be used in exceptional circumstances. Section 230 of the Highways Act states that highway authorities have powers (not a duty) to order frontagers to carry out repairs to the road which are “needed to obviate danger to traffic”. Taking into consideration the fact that this is a lightly trafficked no-through road, the Council does not consider that this test is currently met.

With regards to Ferry Road’s status as a restricted byway, drivers are exercising their private right to use Ferry Road to access private properties. The Council would not intervene unless the damage is compromising the public’s use whereby the expectation would be that those causing the damage would undertake the repair.

Agenda Local Member Issues/Questions item 6

Question from Cllr Emma Corlett. How much public money has been spent year-on-year on the development of the Coast Hopper bus service?

Response:

The CoastHopper bus service between Hunstanton and Wells has been running commercially since May 2015. The only subsidy from the County Council is £20,000 to support the winter service between Wells and Mundesley.

Question from Cllr Ed Maxfield

In his letter of 30 July 2019 in response to mine about the risk of flooding in Norfolk, the Leader of the Council stated that a review of policies within the Council's 2015 Local Flood Risk Management Strategy would be undertaken this financial year. When will this work be completed and will it take into account any lessons to be learnt from Storms Clara and Dennis?

Response:

Officers in the Flood & Water Team have reviewed the policies in the Local Flood Risk Management Strategy. This review will, after consultation with relevant authorities, be taken to the Infrastructure & Development Committee meeting during 2020.

The Flood & Water Team regularly updates its guidance, procedures and work programmes, particularly after surface water flood events and updated climate change predictions. However, the flooding associated with storms Ciara and Dennis has more relevance to the National Flood & Coastal Erosion Risk Management (FCERM) Strategy and the Norfolk Resilience Forum.

Question from Cllr Tim East

How did the Council underspend early years provision by £2.274 million in 2018/2019 and £3.5 million in 2017/2018/ early years funding, which is 7% of the 3&4 year old funding budget and 2% over the Department for Education's permitted 5% retention and what has this underspend been spent on and was it used to improve the education of the under 5s in Norfolk?

Response:

In order to provide a full response to this question, please find attached (**Appendix (i)**) a further Member briefing that answers frequently asked questions regarding the Early Years block of the Dedicated Schools Grant and decisions that have been made to date.

Please also see the Cabinet Member Delegated decision published on the 28th February regarding 2020-21 base funding rates for early year funded provision following the increase in the funded rate to Norfolk from the Department for Education for 2020-21.

<https://norfolkcc.cmis.uk.com/norfolkcc/DelegatedDecisions.aspx>

Question from Cllr Mike Smith-Clare

Can Cabinet clarify how residents and other stakeholders in Yarmouth Nelson and Southtown were consulted over the cuts announced on 26th February 2020 to Norfolk County Council's Music Service, if the subsidy of these services for children eligible for free school meals in my ward will remain at 50% and why the £700k trading loss wasn't flagged up in the budget all Councillors debated on behalf of their residents on 17th February 2020?

Response:

There is no change to the 50% subsidy for instrumental teaching for children on free school meals or to full tuition funding for children looked after. As an additional offer, all instrument hire will become free of charge (an offer that has not previously existed). These will be funded through the Music Hub. The Music Hub will also continue the offer to schools for every year 4 child to learn an instrument free of charge for a term.

The deficit in the Music Service was known of at the time of budget setting, however plans were already in-train to ameliorate this loss within the Educator Solutions part of Children's Services budget to enable Education and Learning to remain within their approved budget.

Question from Cllr Alexandra Kemp

West Norfolk, with 105 villages and hamlets, scores high on the scale of rural disadvantage, isolation and poor social mobility, but has had no meaningful investment in strategic transportation infrastructure, since the previous government gave Lynn £5.3 million for a state-of-the-art fast transit Bus Lane, to speed up bus journeys into the town.

Now Sajid Javid, came to West Norfolk during the General Election promising Govt, if re-elected, would fund an infrastructure revolution in West Norfolk.

What steps will the Leader take to help West Norfolk (and rural Norfolk) obtain funding for a Bus-Super- Highway-Network and fleets of electric buses to improve connectivity and wellbeing?

Response:

The recent announcement from the Government regarding extra funding for super bus highways and electric buses is very welcome. The criteria for the superbus fund lists where, in each local authority, a bid can be made. King's Lynn unfortunately is not in the list of eligible areas. Therefore, we cannot bid for a superbus highway in King's Lynn. The All Electric bus fund requires significant investment from both local operators and the Council, so we need to evaluate all costs as part of any bid assessment.

Early Years Funding: Frequently Asked Questions

Many of you will have received a letter from Early Years' providers earlier this year, detailing an underspend in the Early Years' budget and how this has been used to offset deficits in the High Needs Block. A briefing was issued in January that provided some background intended to be useful in understanding the issue raised.

The funding referred to is linked to individual children and enables parents to access funded 15- and 30-hour placements for 3-4-year-olds.

This is a further briefing on the matter following further questions that have been received that is hopefully of use to you. It is in the format of some frequently asked questions.

It is acknowledged that some providers would like a review of the local early years funding formula. The local formula currently agreed for Norfolk contains discretionary supplements designed to encourage providers to have more flexible opening hours and higher qualified staff. Please note that the local authority will commence a consultation with all early years' providers in the 2020-21 financial year as to whether discretionary supplements continue, or whether there is an increase in the overall general base rate paid to providers for 2021-22 onwards.

Background

The Dedicated Schools Grant includes funding, the Early Years Block, to enable parents to access funded 15- and 30-hour placements in early years provision for qualifying children. The funding available is based on government predictions of how many children will attend early years settings, such as childminders, nurseries and pre-schools in the county each year.

Further information is available in appendix A, which is a copy of a Member briefing distributed January 2020.

The rules for both how the local early years formula should be set and the elements that the formula can and cannot contain are set out in Operational Guidance and Regulations.¹

It is always the local authority's intention to pass as much of the hourly rate received from the Department for Education (DfE) to providers for funded hours. As in previous years, we will continue to discuss over-/under-spends with the DfE when the outturn position is known.

How are the funding allocations received for the Early Years Block?

Unlike other parts of the Dedicated Schools Grant (DSG), the allocation to the Early Years (EY) block is amended both during the financial year that it relates to and after the end of the financial year. This includes the potential for funding to be clawed back, and it is extremely challenging for any authority to predict the potential level of any clawback.

The result is that any *under- or over-spend on the block reported at year-end is not the final position* – instead, the DfE adjust the EY block allocation in the following July. This adjustment is based upon the rate that funding is allocated to the local authority and the census information, and is not based upon the rate paid to providers – therefore, the funding available per hour to pay providers for parental claims needs to be based upon the rate per hour allocated to the local authority and not a division of the total allocation.

Why is the funding rate so low?

¹ <https://www.gov.uk/government/publications/early-years-funding-2020-2021>;
<http://www.legislation.gov.uk/uksi/2018/10/regulation/10/made>;
<http://www.legislation.gov.uk/uksi/2018/10/regulation/9/made>

Norfolk is amongst the 48 lowest funded local authorities per hour, with a rate received of £4.30 from 2017-18 to 2019-20, which will rise to £4.38 for 2020-21.

No increase has been specifically provided by the DfE in relation to the additional costs to early years providers of national living wage increases and increasing costs of living since the formula was introduced in 2017-18.

The EY NFF methodology includes existing labour market costs for the locale, which has the effect of perpetuating low rates of pay.

Further information is available with the January 2020 Member briefing at appendix A.

What is the role of the Schools' Forum and why 5% of 3-4-year-old funding is retained?

Schools Forum must be consulted upon financial issues relating to arrangements for early years provision and any proposed formula changes (including redistributions).²

The requirement for a 95% pass-through is based on the budgeted figures for Early Years. This is what we budget for and the DfE check that we comply with this.

As part of these powers and responsibilities, the Schools Forum should be consulted upon the budgeted utilisation of up to 5% of the allocated early years rate from the DfE to fund the costs that the local authority incurs in relation to meeting its statutory duties³:

- to secure sufficient childcare for working parents
- to secure early years provision free of charge
- to provide information, advice and assistance to parents and prospective parents
- to provide information, advice and training to childcare providers
- to secure the equivalent of 30 hours of free childcare over 38 weeks of the year for qualifying children
- to secure free childcare for qualifying children

For 2019-20, Norfolk County Council (NCC) has budgeted for £1.238m of additional costs in relation to these statutory duties above those costs funded from the Early Years Block of the DSG. The local authority has not, and cannot, utilise any underspend on the Early Years Block to fund these additional costs. *Therefore, these additional costs are always met from local taxpayers' resources.*

As a note, for 2017-18 the local authority was only required to budget to pass-through at least 93% of the funding allocation, to allow for transition to the new arrangements. However, as NCC only utilised 5% at the point of transition to the EY NFF, no agreement was sought from the Schools Forum to utilise any additional pass-through of funding.

Why has there been over-estimate of hours in initial allocations from the DfE since the introduction of the Early Years National Funding Formula?

The Early Years National Funding Formula (EY NFF) was introduced in 2017-18; the same year that 30-hour placements for qualifying children was introduced part-way through the year.

The estimated number of hours that the initial EY block allocation is based on is undertaken by the DfE and utilises the census date from the previous January (i.e. nearly a year out of date).

² <https://www.gov.uk/government/publications/schools-forums-operational-and-good-practice-guide-2015>

³ The Early Education and Childcare - Statutory Guidance for Local Authorities, from the Department for Education, details for English local authorities their duties regarding section 2 of the Childcare Act 2016 and sections 6, 7, 7A, 9A, 12 and 13 of the Childcare Act 2006 <https://www.gov.uk/government/publications/early-education-and-childcare--2>

The level of take up for the 30-hours placements was hard to predict, due to lack of available data about the number of parents who would take up the offer and the number of providers who would offer spaces, combined with severe difficulties with the HMRC system that parents were required to use to be able to access their funding entitlement.

This led to a slow build-up of hours claimed and has resulted in ongoing adjustments being made to allocations by central government through clawbacks as the actual number of hours claimed became apparent.

The table below shows planned versus actual hours for 2017-18 and 2018-19 along with the 2019-20 forecast actuals. This shows that year-on-year there has been lower take-up of funded places by parents than predicted by the DfE.

Hours Comparisons	Planned		Actuals	Planned	Actuals
	3-4-year old 15 hours	3-4-year old 30 hours	3-4-year old	2-year old	2-year old
2017-18	6,727,313	1,218,647	7,303,490	1,145,962	1,134,289
2017-18 Variance			-642,470		-11,672
2018-19	6,773,202	1,978,396	8,071,720	1,183,805	1,037,358
2018-19 Variance			-679,878		-146,447
2019-20	6,815,235	1,929,939	8,464,943	1,069,041	947,289
2019-20 Variance			-280,230		-121,751

Why is this funding block so difficult to set the budget for?

The EY block of the DSG is the only block where the DfE has a system of clawbacks both during and after the financial year that the funding relates to. The other blocks can receive additional funds due to differences in pupil growth predictions, but funding is not clawed back if the predictions prove to be over-optimistic. Decisions have to be made regarding the funding levels for providers without all the relevant information for the year in question.

For illustrative purposes, the timeline below shows when decisions are required and the information available for one year’s funding:

Prior Financial Year			Relevant Financial Year			Next Financial Year	
Dec	Jan	Feb	Jul	Feb	Mar	May	Jul
EY Block Allocations Announced based upon Jan census 11 months prior							
	Early years Budget presented to Schools Forum						
	5% Central expenditure agreed by Schools Forum						
	Children's Committee agrees DSG budgets						
		Indicative budgets sent to EY providers					
			Adjustment to the EY Block allocation (full year) based on Jan census 6 months prior				
				Spring term claim forms received - provides a clearer full year forecast			
					Final claims processed		
					Estimate if a creditor/debtor needed for the July Adjustment in the following financial year		
					Year End Position (i.e. block over- or under-spend reported)		
						DSG (including EY Block year end position) reported to Schools Forum	
							July adjustment to the 'Relevant' year's EY Block allocation covering Sep-March

What is the impact for Norfolk of Early Years Block clawbacks?

The table below shows the clawbacks after the financial year end and the adjusted over-/under-spends:

£m	Budget	Outturn	Over-/under-Spend	July Clawback in following year above creditor estimate	Adjusted over-/under-spend
2016-17	32.856	33.595	0.739	0.203	0.942
2017-18	40.856	37.329	-3.527	0.376	-3.353
2018-19	43.613	41.086	-2.527	0.795	-2.108

(i.e. in effect the underspends in 17-18 and 18-19 should have been reduced)

The following table shows the variance between actual spend / forecast and budgeted allocations based upon DfE estimates split between the different key elements. *It should be noted that the 2019-20 is an early indication based upon the census data and analysis of the spring term received to date – however, this is subject to change and not a final position.*

Funding Comparisons, £m	3-4-year-old base rate	2-year-old base rate	Supplements
2017-18 variance	-£2.345	-£0.061	-£1.105
2018-19 variance	-£2.481	-£0.762	-£0.138
2019-20 forecast variance	-£0.653	-£0.633	

(There are additional elements to the Early Years Block that are not included in the table below for simplicity of demonstrating these three key elements.)

This shows that *the latest forecast for 2019-20 anticipates a significantly reduced underspend for 3-4-year-old funding* (15- and 30-hour placements combined) compared to the previous years. Without a contingency, the 3-4-year-old fund could be forecasting an overspend. The Block will still be subject to clawbacks in July 2020 that may offset this forecast underspend.

Whilst understanding of the data has improved, the timeline for information and decisions above shows that the system of estimates and clawbacks put in place by the DfE for this funding Block, combined with uncertainty regarding take-up of both 15- and 30-hour placement by parents, makes it very difficult to predict with spend with accuracy.

What would the 2019-20 forecast be if rates set based upon the 2018-19 underspend at the financial year-end?

When the 2019-20 EY budget was set, it was anticipated that there would be an underspend (and associated claw back) from the DfE due to the number of hours estimated by the DfE being too high, but it was not known how significant this would be as the necessary data was not available.

The local authority had seen that the number of estimated hours from the DfE had reduced for the 30-hour allocation, and so it was reasonable to assume that there would be a significant clawback and, therefore, we could not assume that this would be additional funding available in the system for distribution to EY providers through an increased rate.

As an example, if we had adjusted the 2019-20 hourly rate to providers on the assumption that the underspend would be recurring from 2018-19, we would now be forecast an overspend in the region of £2m. This is a crude estimate⁴ for illustrative purposes and this calculation takes no account of the clawbacks anticipated due to take up of funded hours in both years being lower than originally forecast by the DfE.

⁴ This estimate is based upon the underspend on 3-4 year old 2018-19 base rate divided by the number of hours funded in 2018-19, to get an equivalent hourly rate, and then multiplied by the number of hours forecast to be funded in 2019-20: approx. 2.6m additional spend then offset by the current forecast (£0.6m) 2019-20 underspend.

Why has a contingency been required?

Until recently, an overspend on the DSG was understood to be the responsibility of the local authority.

Prior to the introduction of the new EY NFF, the Early Years Block had over-spent in Norfolk, which had been offset with the DSG as a whole through underspends on other blocks.

When the new EY NFF was introduced in 2017-18, modelling was undertaken on the current take-up for 15 hours and for the supplements. However, it was very unclear what the level of take up would be for the 30-hours claims and, therefore, it was unclear what the level of any potential clawbacks from the DfE would be if the modelling was incorrect. There was also a lack of information as to what the expected level of take-up would be in relation to the supplements, particularly for quality and flexibility, when the formula was introduced.

Therefore, given the DSG terms and conditions in place at the time, Norfolk needed to allow a contingency both in relation to uncertainty over the number of hours and the level of supplements that will be claimed.

Whilst understanding of the data has improved, when the 2018-19 and the 2019-20 funding budgets were set, the take up was still unclear as shown by the timeline for decision making above.

What is the impact of the DSG Grant Terms and Condition changes?

Since the 2019-20 budget was set, the DfE have consulted upon changes to the grant terms and conditions of the DSG, and the outcome of the consultation has recently been announced.

This makes it very clear that there is not a call upon local tax payers' resources if there is an overspend on the DSG, and this is a marked change from the previous terms and conditions.

However, there is still an expectation upon each local authority to adhere to principles of good financial management for the DSG.

Appendix A: Early Years Funding NCC Members Briefing Jan 2020

Many of you will have received a letter from Early Years' providers, detailing an underspend in the Early Years' budget and how this has been used to offset deficits in the High Needs Block. This briefing gives some background, which you may find useful in understanding the issue raised.

The funding referred to is linked to individual children and enables parents to access funded 15 and 30 hour placements.

This budget, for Early Years funded places, comes from the ring fenced and tightly regulated Dedicated Schools Grant (the "schools' budget"). The underspend in question relates to less than 0.5% of the overall £600m DSG budget.

The DSG includes the funding for maintained schools, the high needs block and the early years block. The funding available through the early years block is based on government predictions of how many children will attend early years settings, such as childminders, nurseries and pre-schools in the county each year. The underspend arose because fewer children took up Early Years placements than were budgeted for, based on DfE predictions.

The significant overspend on the high needs block has been widely discussed by members as an ongoing pressure. The underspend was used to offset some of this overspend – supporting some of Norfolk's children with the highest needs.

All of the budget has been used to support Norfolk's children and the movement of funding was done with the agreement of the Department for Education.

In addition:

- The requirement for a 95% pass-through is based on the budgeted figures for Early Years. This is what we budgeted for and the DfE check that we comply with this.
- Norfolk is amongst the 48 lowest funded local authorities per hour:
 - The EY National Funding Formula (EY NFF), introduced 1 April 2017, has a 'floor' of £4.30 for 2019-20
 - Norfolk's calculation under the EY NFF is below the minimum amount; therefore the 'floor' rate of £4.30 is received
 - The EY NFF methodology includes labour market costs – thus potentially perpetuating low rates of pay
 - The average rate per hour is £4.86 for 2019-20, with the highest at £8.31 for one London Borough
- The DSG is a single ring-fenced grant budgeted in blocks; under-spends on one block are offset against over-spends on other blocks – we have confirmation from DfE regarding this approach

It has been widely reported that the part of the schools' budget that supports children with specialist needs has been overspent. This is a national issue and we have been making the case to government for more sustainable funding.

Cllr John Fisher, Cabinet Member for Children's Services, provided a quote for the EDP in response to their enquiry on this issue:

He said: "We want to ensure nurseries, pre-schools and childminders are receiving as much funding as possible. We completely recognise the ongoing funding pressures facing Early Years providers in the county and are talking to the DfE about this issue and what we can do to support our youngest children, should any future underspend arise. However, this issue alone will not solve the ongoing pressures on Early Years providers or on the overall schools' budget. This needs a solution from central government, and we will continue to make the case for better funding for Norfolk."

Cabinet

Item No:8

Decision making report title:	NCC response to Covid-19
Date of meeting:	11 May 2020
Responsible Cabinet Member:	Cllr Andrew Proctor, Leader of the Council and Cabinet Member for Strategy & Governance
Responsible Director:	Fiona McDiarmid Executive Director for Strategy & Governance
Is this a key decision?	No

Introduction from Cabinet Member

The response to Covid 19 in Norfolk has been a huge community and partnership effort spearheaded by local government. In the past few weeks, the county has stood up and adapted to the new “norm” of remote working, the suspension of key services, home schooling and changing the way we operate, with frontline workers serving the public having to observe strict social distancing rules.

Particularly in the first few weeks of the pandemic, the county council has had to respond swiftly and effectively, to rapidly changing Government announcements, including: social distancing, shielding those with health conditions, the use of buildings and transport; closures of schools to all except for vulnerable children and children of key workers; distribution of food and community support; guidelines on the use of protective personal equipment (PPE) and efforts to source this at a time of high international demand; firefighters offering mutual aid to the ambulance service; and many more. Enormous change has been managed and delivered in just a few weeks.

In addition to the work on critical services, the council has tried to ease the pressures of people in “lockdown” by offering digital support through the library, adult learning and museum services, to help people’s wellbeing and support home schooling. Councillors have continued to serve their communities, often through digital means. This Cabinet meeting is the first one at NCC to take place virtually, so that people can see that we remain open and accountable, despite the challenges.

The local government sector has shown that it can respond in the most challenging of times, sometimes against all the odds, and in the toughest of environments. Everyone working in it wants to make that positive difference to people’s lives which has been illustrated so well by the dedication and commitment shown by colleagues across Norfolk County Council, working with all its partners, making a difference to everyone in Norfolk in these extraordinary times.

The NHS has responded magnificently to the challenges it has faced and so too have all the people working in the care sector, who play a crucial role in easing pressure on hospitals; social workers making home visits to the most vulnerable people in our communities, young and old alike. School staff have managed an unprecedented situation maintaining a curriculum and structure for home schooled children and being there for vulnerable children and key workers. Many colleagues have refocussed their work or taken on new activities such as working in our new distribution hub, contact centre staff taking on

a prominent role including working at weekends, the fire service supporting the ambulance service, sourcing PPE, different demands within public health, health and safety, waste and highways along with all our operational staff needed to run the council.

Residents in Norfolk have responded so well to the massive changes which has helped the Council do its work.

To all those I have mentioned, my fellow Councillors, the senior management team, volunteers who work alongside us in fact everyone, whatever your role, I would like to extend my sincere thanks and appreciation for what you all have done and I am sure will continue to do.

Recommendations

- 1. To formally thank all staff involved in the significant effort to keep people safe and protected**
- 2. To acknowledge the work that has been carried out by NCC and partners during the COVID-19 pandemic**
- 3. To agree the proposed areas of focus and provide direction as to the priorities for the Council**
- 4. To consider and comment on the findings of the dynamic equality impact assessment of COVID-19, as set out in Section 11.4 of this report and in doing so, note the Council's duty under the Equality Act 2010 to have due regard to the need to:**
 - Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;**
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and**
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.**

(Note that due to the size of the document, the appendix is being made available electronically via an embedded hyperlink)

1. Background and Purpose

- 1.1. To provide Cabinet with a summary of Norfolk County Council's (NCC) planning and response to Covid-19.
- 1.2. The report details the work that Norfolk County Council is undertaking in response to the Covid-19 pandemic. The contents of the report are based on circumstances that are changing frequently and therefore some areas may become superseded by new information on an ongoing basis.

2. Context

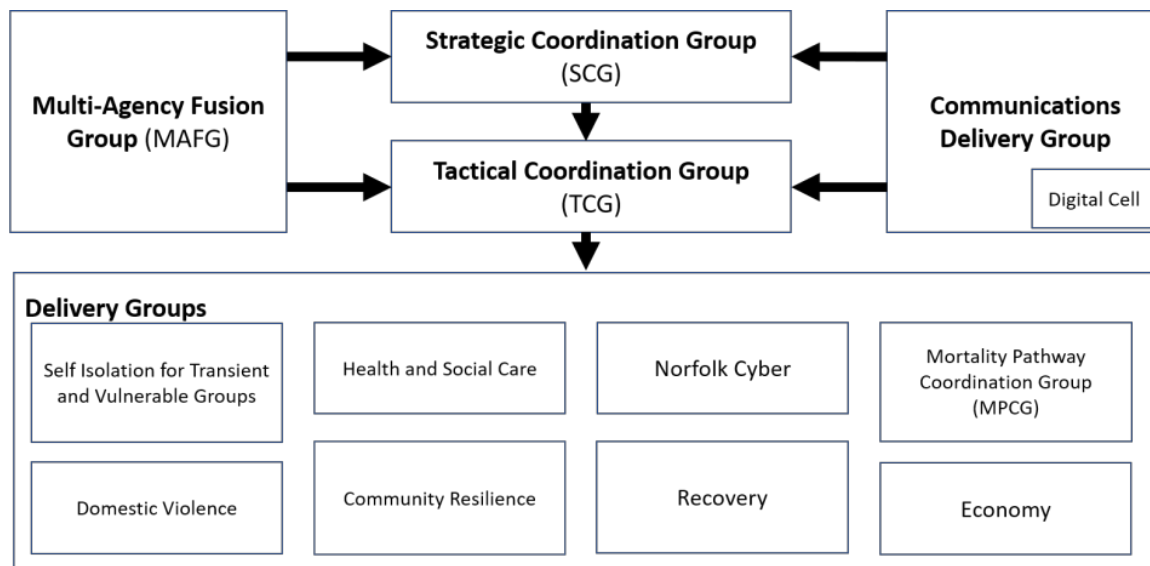
- 2.1. On 31 December 2019, the World Health Organisation (WHO) was informed of a cluster of cases of pneumonia of unknown cause detected in Wuhan City, China. The cause is now identified as a Coronavirus, one of the family of viruses which caused the SARS (Serious Acute Respiratory Syndrome) outbreak in 2002-2003 across the world. The virus was subsequently named Covid-19.
- 2.3 In response, the UK government announced a four phase strategy to deal with the spread of the virus. These are:

- Contain: detect early cases, follow up close contacts, and prevent the disease taking hold in this country for as long as is reasonably possible;
- Delay: slow the spread in this country, when the virus does take hold, lower the peak impact and push it away from the winter season either by a moderate delay strategy or a harder strategy to suppress the transmission; (We are now in that suppression phase.)
- Research: better understand the virus and the actions that will lessen its effect on the UK population; innovate responses including diagnostics, drugs and vaccines; use the evidence to inform the development of the most effective models of care;
- Mitigate: provide the best care possible for people who become ill, support hospitals to maintain essential services and ensure ongoing support for people ill in the community to minimise the overall impact of the disease on society, public services and on the economy.

- 2.4 We are currently in the Delay phase, as part of which, on 16 March 2020, the UK government announced significant changes to the social distancing and other measures asked of people, especially those with symptoms or who are more vulnerable. From 20 March, the country has been in full “lockdown” with all but essential movement allowed.
- 2.5 In Norfolk, the first patient with coronavirus was confirmed at the Queen Elizabeth hospital on 15 March 2020. The first death in the County was recorded at the same hospital on 17 March. At the time of publication, there have been 1386 laboratory confirmed cases of the coronavirus in Norfolk, and 271 deaths have been recorded in hospitals from people who tested positive for the virus.
- 2.6 In addition to the numbers in 2.5, the Office of National Statistics have published data confirming that, as at 24 April, a further 31 people had died in care homes across Norfolk, having tested positive for the coronavirus. Adult Social Services, Public Health and NHS partners are collaborating to support care providers, particularly care homes where the impact of COVID-19 poses significant risk to vulnerable people. The approach includes surveillance and tracking, prevention advice, testing, and intensive support for outbreaks. Further details of this and other work with care homes is set in Appendix A.

3. Governance arrangements

- 3.1. In addition to existing management and oversight arrangements for individual services and agencies, a command, control and co-ordination structure has been put in place.
- 3.2. These arrangements bring together all relevant agencies and bodies in one place to enable Norfolk’s approach and response to be jointly planned, co-ordinated and any risks managed. These structures are particularly important as the scale of impact from Covid-19 stretches across all communities and services, and a mechanism to ensure a joined up and co-ordinated approach is key to making the best use of resources and delivering the best possible response for Norfolk.
- 3.3. The structure in Norfolk is similar to those in place in other areas across the country and is summarised in the diagram below.



- 3.4. The County Council has put in place a Gold and Silver Group structure to ensure that all of the County Council's activities can be considered together, and at pace. Other public bodies/agencies also have similar structures in place. These arrangements are well rehearsed and are often utilised when we respond to incidents, for example the Beast from the East or tidal surges.
- 3.5. The Gold group focusses on strategic oversight, and the Silver Group on tactical issues. Both groups comprise senior officers from across the council. There are a number of workstreams below these groups focussing on issues like PPE and staff resource.
- 3.6. A multi-agency approach for Norfolk has also been put in place under the Norfolk Resilience Forum; this is a well-established Forum that meets regularly to plan for emergencies. The structure primarily comprises a Strategic Co-ordination Group and Tactical Coordination Group together with Delivery Groups as set out above. We have also taken some steps to bolster this arrangement given the size of the challenge we are facing. In particular, we have secured three accomplished senior advisors with significant strategic leadership and operational command experience.
- 3.7. In a similar way to the County Council's Gold and Silver structure, the two main groups focus on strategic and tactical issues respectively, with a number of delivery groups reporting into them, including groups focussing on health and social care and the Norfolk economy. The multi-agency approach through the Norfolk Resilience Forum includes the following public bodies/agencies:-
- Norfolk County Council (including the County Council's Gold Chair to ensure join up of arrangements)
 - All seven district councils
 - Norfolk Constabulary
 - Norfolk Fire and Rescue Service
 - British Transport Police
 - East of England Ambulance Trust
 - Public Health England
 - Norfolk and Waveney CCG
 - NHS England

- Highways England
- Environment Agency
- Ministry of Defence
- Ministry of Housing, Communities and Local Government
- Coastguard
- Norfolk Prisons

4. A Public Health approach

- 4.1. Norfolk County Council has a duty to improve the health of our residents and protect them from risks to their public health. The Council's Public Health team have made prevention a priority for Norfolk, supporting and enabling people to take control of their health, and targeting our services to meet the greatest need with a function supportive but distinct from Public Health England.
- 4.2. This unprecedented public health emergency has graphically demonstrated the value and effectiveness of a council based public health team providing rapid and effective local leadership and specialist support to the council and across the system both here in Norfolk and regionally, complementing and supporting the work of Public Health England across the eastern region.
- 4.3. Taking full advantage of its unique role within the health & social care system and utilising the strong relationships already established, Norfolk County Council's Public Health team have worked tirelessly to provide a wide range of critical functions from specialist public health advice on issues such as PPE, testing and mortuary management, data modelling and analysis to support the NHS, supporting our providers to re-configure public health services to maintain safe critical support to those in need whilst relieving the pressure on primary care and so protecting the NHS. Working closely with our Communications team, they have provided clear messages and advice to the general public and members with the Director of Public Health providing regular radio interviews and press articles.
- 4.4. Planning for a pandemic was started well before Covid19 was discovered. In September 2019 Norfolk tested, under exercise, a Flu Pandemic Plan, enabling the Norfolk Resilience Forum to draw up emergency plans for pandemic flu, and for other system functions such as the management of mass deaths.
- 4.5. Norfolk County Council's Public Health played the lead role in establishing the emergency planning response prior to the first cases in the UK. The flu pandemic plan and excess deaths plan were reviewed in early February 2020 as the Covid19 epidemic developed in Asia. Emergency planners, along with community NHS providers and Public Health stood up and chaired the Strategic Coordinating Group (SCG) and Tactical Coordination Group (TCG) by 12 February to support implementation of the national strategy that initially focussed on containment. Support cells to address mortality pathways, epidemiological modelling, and communications were established at this stage also.
- 4.6. Subsequently, across Norfolk, enhanced case identification with community testing (led by the NHS and in line with Public Health England guidance), isolation and contact tracing was implemented. At this stage the general public were asked to take measures such as hand washing, reporting symptoms linked to key risks such as travel, and change travel plans. These principles of basic communicable

disease control remain our key messages and the bastion of management of control of infection spread.

- 4.7. With this transition from the containment to a delay phase of the strategy, the council's public health staff have established a 7-day rota system providing public health technical advice, interpreting scientific evidence and legal regulations, supporting commissioning and business continuity actions to Norfolk County Council (NCC) Gold & Silver command. This included advising the resilience forum, SCG and TCG, the NHS incident response and Infection Control Groups. Our team also supported many vulnerable people – providing public health advice, guidance and support to drug and alcohol services and the multi-agency group for homelessness and vulnerable people across Norfolk.

5. NCC mobilisation and response

- 5.1. In the wake of the crisis and lockdown announcements, the council rapidly redeployed its resources and took steps to minimise the risk of spread of the disease arising from its activities.
- 5.2. On 17 March, staff able to do so were instructed to work from home. Our internal command and control structure was established to dovetail with multi-agency command and control. Activities were re-prioritised to reflect the new reality. A number of commissioned services were put onto a different footing to reflect the changed circumstances – with a different operating model or a change to emergency-only provision, whilst many were stood down.
- 5.3. Alongside the organisational pivot, public health activities were intensified, including:
- Providing advice on infection control and management to staff
 - Media messaging on reducing the risk of infection, reassuring the public and seeking to mitigate the impact of social control measures
 - Information and analysis – modelling the likely impact of an epidemic on the population of Norfolk started about 10 March. This early start means we are now ahead of the curve in terms of epidemiological data and analysis available to plan service capacity. There is ongoing work to model likely impacts; and also monitoring and surveillance of current data to measure the current impact.
 - Providing mutual aid to Public Health England for infection control

A full list of Council responses to the coronavirus can be found in **Appendix A**.

6. Effect on the economy

- 6.1. It is clear that Covid-19 is already having a profound impact on economies globally, nationally and locally. There have been several important reports published on the possible longer-term fiscal and economic implications.
- 6.2. At a global level, the IMF projects global growth in 2020 to fall to -3 per cent. This is a downgrade of 6.3 percentage points from January 2020, a major revision over a very short period – under the assumption that the pandemic and required

containment peaks in the second quarter for most countries in the world and recedes in the second half of this year.

- 6.3. The UK government's policy response to the massive shock to the economy was to increase public spending, tax deferrals and holidays, direct support to small businesses through business rates grants, furloughing payments for employees, some support for self-employed people, loans and loan guarantees – to support household incomes and to limit business failures and layoffs.
- 6.4. On 14 April, the OBR published their economic scenario¹ for what might happen to the UK economy as a result of Covid-19. It is an illustrative scenario, based on particular assumptions regarding the duration of the measures and their economic impact, that 'shines a light' on the channels through which the economic disruption and the government's policy response are likely to affect the public finances.
- 6.5. The OBR stresses that the scenario should not be taken as their view of the most likely path for the economy and public finances.
- 6.6. The OBR expects real GDP to fall by 35% in the second quarter of this year. The table below shows the OBR scenario output losses by sector for the second quarter of 2020:

Sector	Per cent	
	Weight in whole economy value added	Effect on output relative to baseline
Agriculture	0.7	0
Mining, energy and water supply	3.4	-20
Manufacturing	10.2	-55
Construction	6.1	-70
Wholesale, retail and motor trades	10.5	-50
Transport and storage	4.2	-35
Accommodation and food services	2.8	-85
Information and communication	6.6	-45
Financial and insurance services	7.2	-5
Real estate	14.0	-20
Professional, scientific and technical activities	7.6	-40
Administrative and support activities	5.1	-40
Public administration and defence	4.9	-20
Education	5.8	-90
Human health and social activities	7.5	50
Other services	3.5	-60
Whole economy	100.0	-35

- 6.7. The 35% decrease outlined in 6.6 is calculated as an average of the likely impact on different sectors, weighted according to the size of each sector in the national economy.
- 6.8. Although the impact of the economic shutdown will be universally felt, it will vary across regions and between sectors. The Centre for Progressive Policy² has applied this methodology to every local authority district in the UK, weighting the

¹ https://cdn.obr.uk/Coronavirus_reference_scenario_commentary.pdf

² <https://www.progressive-policy.net/publications/which-local-authorities-face-biggest-immediate-economic-hit>

average sectoral hit by the distribution of each local authority's GVA by sector. They find that nine out of the ten worst affected local authorities will be in the Midlands or the North West. For Norfolk, the same scenario suggests that the decline in GVA could be³:

Region	LA name	Decline in GVA	Rank
East of England	Norwich	41%	67
East of England	Breckland	41%	85
East of England	North Norfolk	39%	153
	King's Lynn and West		
East of England	Norfolk	38%	172
East of England	Great Yarmouth	35%	251
East of England	Broadland	32%	337
East of England	South Norfolk	25%	378

- 6.9. Analysis by the Centre for Economics and Business Research⁴ shows that close to half of UK employment is spread across the manufacturing, construction, retail, accommodation & food services and other services sectors. Jobs in these industries are often characterised by high-contact intensity as workers are in close proximity to customers or their co-workers, therefore are the most impacted.
- 6.10. The same analysis suggests that Wales and the East of England are the next two regions (after Yorkshire and Humber and N.Ireland) with the highest employment shares in these at-risk sectors with 55%, and 54%. This is well above the national average of 48%. The housing markets in these regions face potentially the biggest potential disruption due to job and income losses in the months ahead.
- 6.11. Across the whole of Norfolk, our biggest number of businesses are in some of the sector areas most likely to be adversely affected – construction, agriculture, leisure and tourism and retail. These categories are also amongst our highest GVA sectors. Compared with the East of England and all of England, we have a much higher proportion of businesses in the agricultural sector, along with tourism and leisure sectors. The latter, being mostly small businesses dependent on seasonal trade, are at considerable risk of failure.
- 6.12. The Economic Strategy (published by New Anglia Local Enterprise Partnership (LEP) in December 2017) sets out key data across Norfolk and Suffolk's nine key sectors, with regards to GVA, number of jobs and number of businesses. This data is due to be refreshed in March 2020.

³ The rankings are out of 383 local authorities and in descending order of the most decline in GVA

⁴ <https://cebr.com/reports/the-coronavirus-crisis-is-about-to-spill-over-into-the-uks-housing-market-but-not-all-regions-will-be-hit-equally-hard/>

	Key Sector								
	Agriculture, Food & Drink	Visitor Economy	Life Sciences	Digital Creative & ICT	Financial Services and Insurance	Energy	Construction and Development	Advanced Manufacturing	Ports and Logistics
Norfolk & Suffolk									
GVA	£3.6 bn	£2.3 bn	£0.9 bn	£1.4 bn	£2.1 bn	£1.0 bn	£3.2 bn	£5.1 bn	£2.3 bn
% of total	11.10%	11.10%	2.80%	4.50%	6.70%	3.10%	10.10%	16.10%	7.30%
Jobs	79,000	89,100	10,000	24,400	29,200	8,000	70,700	84,500	48,700
% of total	10.00%	11.30%	1.30%	3.10%	3.70%	1.00%	9.00%	10.70%	6.20%
Businesses	8,310	7,050	660	4,320	1,760	420	9,000	5,920	3,880
% of total	13.90%	11.80%	1.10%	7.20%	2.90%	0.70%	15.10%	9.90%	6.50%
GVA per job	£44,900	£26,000	£88,400	£58,100	£73,300	£126,000	£45,400	£60,500	£47,900
% of total	111.00%	64.30%	218.20%	143.60%	181.10%	311.00%	118.20%	149.50%	118.20%

- 6.13. ONS data showing the impact of Covid-19 on Norfolk's economy will not be available for one year plus. In the meantime, LEP partners are expending significant resource into gathering evidence and intelligence of the continued impact of coronavirus on our local economy using alternative sources (e.g. business surveys; contacts with the Growth Hub).
- 6.14. The LEP are leading the Economy Delivery Group to coordinate the response to the economic shock from COVID19 across Norfolk. Membership of the Delivery Group includes all the districts plus business representative groups and the Department for Work and Pensions. The LEP are developing a number of tools that can be used to help develop and inform recovery plans including:
- A sector heat map which considers the risks and opportunities for each sector covering demand, supply chain, workforce and operations.
 - A trends analysis which looks at the trends within the business intelligence that we received and updated weekly.
 - Sector snapshots, containing data down to district level where possible. The first sector snapshot will be of the visitor economy.

7. Financial impact on the Council

- 7.1. The financial impact on the Council of responding to the coronavirus will be significant and the separate report on this agenda shows its early scale. A report by the Local Government Association warns that the coronavirus crisis is pushing Councils in England to the brink of financial failure, with increased costs from supporting vulnerable people at the same time as income from fees, council tax and rates is falling. It has called for the Government to provide a "cast-iron commitment" to cover the full costs of coronavirus-related work and compensate councils for lost income. Norfolk County Council is fully supporting the lobbying work of the Local Government Association, the County Councils Network and through Norfolk MPs.
- 7.2. Since the budget announcements on 11 March 2020, the Government has provided £43.674m of COVID-19 emergency funding to Norfolk County Council to support the response to the coronavirus COVID-19 pandemic.
- 7.3. District councils have been allocated their own share of the emergency funding, totaling £9.569m to support all of their service areas, including homelessness and

⁵ Data extracted from <https://newanglia.co.uk/wp-content/uploads/2020/03/2017-12-05-FINAL-Economic-Evidence-Report-single-pages-HighRes.pdf>

rough sleeping. In addition, they have received £275.9m to deliver grants to local small businesses, and those in the retail, hospitality and leisure sectors. Districts have also received a share of the national Council Tax Hardship Fund totaling £7.416m to deliver council tax reliefs. A further amount of £0.054m has been allocated to district councils to tackle rough sleeping.

8. Working better together

- 8.1. Better joint working and collaboration has been the central concern of Leaders of Norfolk's local authorities for some time, even prior to the pandemic. In May 2019 Norfolk Leaders Group agreed that they wanted to focus on how local authorities in Norfolk could better function as a whole, prompted by changing demands, financial pressures, the redesign of public services and the need to implement whole system approaches to use local government resources as efficiently as possible. Early areas of potential closer working were agreed as developing a Norfolk Growth Plan; Local Service Strategy and public service delivery; inclusive growth and social mobility, the environment, waste and climate change.
- 8.2. Together, local authority leaders in Norfolk commissioned the East of England Local Government Association to provide an intensive workshop programme to agree a shared ambitious strategy; a high level delivery plan; governance structures for effective joint working and a clear narrative for Norfolk. This programme was due to complete just as lockdown came into force and is currently on hold. It is the intention to resume this work as soon as it is feasibly possible.
- 8.3. The effectiveness of NCC's response to the Covid19 crisis has been enhanced by the partnership approach provided through the resilience forum particularly the Strategic Co-ordinating Group (SCG). The challenges through to "normalisation" and into the recovery phase will need the efforts of all the agencies serving Norfolk to be aligned. Consideration should therefore be given to retaining the "best bits" of that approach to deal with the strategic challenges ahead. This approach would build on the existing partnership of the Norfolk Leaders' Group and the Working Better Together initiative.
- 8.4. It is therefore proposed that a Norfolk Public Sector Leaders Board is launched comprising local government, health, police authorities and the New Anglia Local Enterprise Partnership. The purpose of the group will be to consider issues of strategic importance to Norfolk's recovery, and collectively shape and drive our strategic agenda locally, and with central government.

9. Next steps

- 9.1. Norfolk County Council has successfully risen to the challenge of the coronavirus crisis. Covid-19 response to date has been arduous and intensive, but in some ways relatively straightforward. The necessary tasks have been reasonably obvious, and the main issues have been with co-ordination, resourcing, communications and supply chain. The normalisation and subsequent recovery phases are likely to be far more complex and have the greatest impact both on the future shape and culture of the council itself and on the life chances of the people of Norfolk. As a start point the following key themes have been identified:

- Delivering Covid-19 control services as required

- Supporting and sustaining colleagues, partners and the care providers' market
- Maintaining support services for vulnerable and shielded people
- Management of public space
- Safe(r) reintroduction of essential face-to-face services and activities and management of council workspaces
- Sustaining and enhancing the new ways of working that have been introduced and realising the benefits.
- Controlled restarting of projects
- Restoring normal democratic functions
- Capturing lessons learned

- 9.2. There is no doubt that we and all our partners have learnt to work differently and more collaboratively and it is all our intentions to take advantage of the opportunity to effect positive change for the future. Particular examples are in ensuring the care industry is properly supported and funded to recognise its vital role in society; how the enthusiasm of volunteers can be retained working in our communities; and how the relationship between local and central government can be reset so that local government is no longer starved of the resources it so desperately needs.
- 9.3. We are still in an emergency and critical incident situation and the imperative to protect life needs to remain front and centre. The SCG will need to be kept pulsing away in the background but now is the time for planning for recovery to be got under way as it will take time to realise. The focus of recovery will cover human, social, environmental and economic aspects to build long term sustainable capacity for Norfolk and its residents, in which Norfolk County Council will play a significant and leading role with its partners. One thing is certain, we will not be going back to what was done before so new ways of working will emerge giving the Council time and space to look at alternative scenarios
- 9.4. Economic recovery will be the single biggest focus by a substantial distance of Norfolk's recovery efforts. We know there are sectors which are particularly affected, including Agri food and the visitor economy (tourism, culture and hospitality businesses). We will work with the LEP, all levels of business, government departments and all our partners to ensure there is a joined-up approach, identifying the critical/ urgent issues and gaps in Government support and the long-term impacts which will feed into the development of a regional recovery plan. A key action being accelerated is developing a tourism action plan for the visitor economy, working with the region's tourism bodies to ensure its recovery and future resilience.

9 Financial Implications

- 9.2 The current crisis will have a significant impact on the financial position of the Council and Cabinet will receive a further report on our Medium Term Financial Strategy.

10 Resource Implications

- 10.2 **Staff:** There are no current direct implications arising from this report. We have adapted some working practices and policies and over time will reflect any minor potential furlough arrangements in line with government advice. Staff have

responded well to being deployed to other work needs across NCC and the broader partnerships.

10.3 **Property:** There are no direct property implications arising from this report.

10.4 **IT:** There are no direct IT implications arising from this report.

11 Other Implications (if not applicable, add N/A next to each sub heading)

11.2 **Legal Implications :** None identified

11.3 **Human Rights implications:** None identified

11.4 **Equality Impact Assessment (EqIA):** COVID-19 has impacted on every individual and family across Norfolk, particularly on people with protected characteristics. New evidence is emerging daily about the nature and extent of this impact. In view of this, the Cabinet is maintaining a dynamic equality impact assessment, which is available at:

https://norfolkcc.cmis.uk.com/norfolkcc/Committees/tabid/62/ctl/ViewCMIS_CommitteeDetails/mid/381/id/169/Default.aspx

This impact assessment is being used by Cabinet to inform decision-making during the COVID-19 crisis. It is being continually updated to inform business continuity planning. Mitigating actions are being developed wherever necessary and these are summarised in the assessment. Cabinet is asking all elected members to review the dynamic impact assessment and keep Norfolk County Council informed of any new impacts that emerge for people with protected characteristics in their division, so that the assessment can be updated accordingly.

11.5 **Health and Safety implications:** We continue to put in place full and up to date advice and risk mitigation responses for all our staff in light of the pandemic.

11.6 **Any other implications:** None identified

13. Risk Implications/Assessment

13.1. All risks associated with Covid-19 are documented in the Norfolk County Council Corporate Risk Register.

Officer Contact

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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 A

Details of Norfolk County Council's response to the coronavirus by area.

Corporate

- Since 17 March 2020, all NCC colleagues have been working from home except for where essential services require colleagues to be on the premises (i.e. customer contact centre). Non-essential buildings were closed and activities were re-prioritised to reflect the new reality.
- A rapid roll-out of “soft telephony” (MS Teams), Teams voice conferencing facilities and other remote working technology (such as Zoom) was undertaken and has enabled over 5000 employees to access NCC systems remotely and continue to support the organisation and the public. Systems to enable virtual council meetings have also been successfully set up. E-learning and training guidance, produced concurrently, have enabled colleagues to make best use of the new systems, which have been robust throughout this period.
- The Human Resources team mobilised rapidly to support the organisation in understanding and responding to a range of new government legislation and guidance such as health and safety, staff testing and working safely, school closures, furlough and dealing with caring responsibilities.
- New people policies were rapidly promulgated, to provide guidance to colleagues and managers on flexible working, managing remote teams, as well as new leave and bereavement support arrangements. Regular dialogue and well-trusted relationships with the union body has facilitated rapid change in our policy arrangements.
- A revised internal communications approach was adopted including clear, directional updates for all managers to support their role in managing new working arrangements and enabling their teams to keep safe and connected.
- A new “skills bank” was developed to enable the effective redeployment of colleagues to critical support roles across the organisation and workforce planning for step-down facilities. At the same time, our HR system has been enhanced to include a dashboard for daily tracking of absence, giving us a good understanding of our employees’ availability and capacity. Daily briefings to all managers have ensured that up to date, critical information reaches managers and staff in a timely manner.
- A proactive Manager Outreach service has ensured that we ensure managers are well-supported and guided in a difficult dynamic along with critical incident support should this be required.
- Our Finance team have worked hard to ensure a pragmatic approach in allocating the £27m of the government COVID-19 grant, supporting the provider market and temporarily suspending new charging policies during this period.
- Early in the epidemic Public Health and Intelligence & Analytics colleagues started work to develop an epidemiological model to predict how many cases were likely to occur in Norfolk and the level of increased need for health and social care services. The excellent work undertaken by analysts to develop the model and refine it with epidemiologists from University East Anglia and Norfolk and Norwich University Hospital, has put Norfolk SCG in a strong position to inform planning
- A multi-disciplinary expert team from Strategy & Governance, Public Health and the Leader’s Office have been working throughout to coordinate and update information and briefings for County Council elected members, the Norfolk MPs, and key stakeholders

across the whole public service and voluntary sector system in Norfolk, as well as provide advice and assistance to constituents making contact via their MPs.

- Communications and Public Health lead officers have regularly responded to media requests, including Q&A on BBC Radio Norfolk with Dr. Louise Smith Director of Public Health and other members of her team. Other work includes interviews for the EDP and other media. We have provided public health advice, and psychology expertise to the communications team to produce a series of communications products:
 - Basic messaging on hand washing, and social distancing, and to provide the public with up to date information, advice and guidance on the pandemic.
 - Spearheaded a localised campaign, complementing national advice, and using behaviour change techniques to encourage Norfolk residents to practice good hand hygiene, stay home and maintain social distancing.
 - Working with the Local Enterprise Partnership (LEP), we have led a campaign to ensure that local businesses are supporting national messages and are playing their key role in ensuring key public messages are reaching our communities.

Public Health Norfolk

- Norfolk County Council has a duty to improve the health of our residents and protect them from risks to their public health with a function supportive but distinct from Public Health England.
- This unprecedented public health emergency has graphically demonstrated the value and effectiveness of a council based public health team providing rapid and effective local leadership and specialist support to the council and across the system both here in Norfolk and regionally, complimenting and supporting the work of Public Health England across the eastern region.
- Taking full advantage of its unique role within the health & social care system and utilising the strong relationships already established, Norfolk County Council's Public Health team have worked tirelessly to provide a wide range of critical functions from specialist public health advice on issues such as PPE, testing and mortuary management, data modelling and analysis to support the NHS, supporting our providers to re-configure public health services to maintain safe critical support to those in need whilst relieving the pressure on primary care and so protecting the NHS. Working closely with our Communications team, they have provided clear messages and advice to the general public and members with the Director of Public Health providing regular radio interviews and press articles.
- Planning for a pandemic was started well before Covid19 was discovered. In September 2019 Norfolk tested, under exercise, a Flu Pandemic Plan, enabling the Norfolk Resilience Forum to draw up emergency plans for pandemic flu, and for other system functions such as the management of mass deaths.
- Norfolk County Council's Public Health played the lead role in establishing the emergency planning response prior to the first cases in the UK. The flu pandemic plan and excess deaths plan were reviewed in early February 2020 as the Covid19 epidemic developed in Asia. Emergency planners, along with community NHS providers and Public Health stood up and chaired the Strategic Coordinating Group (SCG) and Tactical Coordination Group (TCG) by 12 February to support implementation of the national strategy that initially focussed on containment. Support cells to address mortality pathways, epidemiological modelling, and communications were established at this stage also.

- Subsequently, across Norfolk, enhanced case identification with community testing (led by the NHS and in line with Public Health England guidance), isolation and contact tracing was implemented. At this stage the general public were asked to take measures such as hand washing, reporting symptoms linked to key risks such as travel, and change travel plans. These principles of basic communicable disease control remain our key messages and the bastion of management of control of infection spread.
- With this transition from the containment to a delay phase of the strategy, the council's public health staff have established a 7-day rota system providing public health technical advice, interpreting scientific evidence and legal regulations, supporting commissioning and business continuity actions to Norfolk County Council (NCC) Gold & Silver command. This included advising the resilience forum, SCG and TCG, the NHS incident response and Infection Control Groups. Our team also supported many vulnerable people – providing public health advice, guidance and support to drug and alcohol services and the multi-agency group for homelessness and vulnerable people across Norfolk.
- Our staff have led a re-prioritisation approach to maintain vital public health frontline services and have worked closely with all our providers to develop innovative responses to maintain these services. As a result all commissioned services have implemented new operational models for critical services and agreed which services could be temporarily withdrawn focused on easing the pressure on NHS primary and hospital care.
- Non urgent, preventative activity in primary care has been suspended for the peak of the epidemic to allow GPs to focus on acutely unwell patients, again protecting the patients most in need and the NHS.
- Significant partnership work has enabled us to procure and set up a temporary mortuary centre at Scottow, and to develop a mortality pathway, ensuring people are treated with respect and dignity in death.

Education and schools

- The Council's Education department rapidly re-shaped the role and function of the local education system, moving from a universal model to a focus on support for families of keyworker staff and continued provision for vulnerable children. To achieve that, the Council brokered the creation of a cluster model - supporting schools and settings to work together, to share resources and maintain resilience and continuity of provision. A bank of support staff has been identified, including supply teachers, who are available to supplement school staffing teams where this is required. Social care teams continue to work with schools to put in place support measures to enable vulnerable children (those with a social worker) to attend school.
- The Council's Children's Services has supported the work of schools to enable families to access Free School Meals, and, following the launch of the new National Voucher system, has played a key role in helping schools navigate the system, and reporting issues to the DfE. Full FAQs for schools and parents have been produced by the Children's Services Learning and Inclusion team, also available on our website. The process for parents accessing the vouchers has been complex, and the Council's Customer Service Centre has been supporting parents as required.
- Special schools have remained open for key worker and vulnerable children, one of which has extended provision to mainstream school children with ASD. A strategic plan has been agreed with all the Special Schools and shared with the Department for Education to ensure that families and children are appropriately supported. All but one are planning to open for some children from the start of the summer term.
- For children and their families with special education needs and disabilities, the Children's Services SEND team have agreed revised approaches to the Education

Health and Care Plan process. Parents' forums have been consulted, as has the Department for Education, so that the new system is fully supported.

- The Council has also been providing additional support to early years providers to remain open for the children of key workers. This has included a similar level of coordination and support to that for mainstream schools, as well as financial, staffing and catering support.
- Engagement with Norfolk's Further Education colleges has also been led by Children's Services, to enable appropriate educational provision for key vulnerable learners post-16. This has included ensuring high risk children are jointly assessed with social workers to ensure the right provision is being made. Weekly welfare checks have been put in place, for all 16-18 year olds who are not in employment, education or training, and we continue to monitor those children who are not on a school roll.
- Children's services have had a departmental-wide focus on vulnerable children. This has included a strategy to re-engage those after the Easter school holidays in coming back into school, or having a robust plan around each child to ensure their welfare and safety.
- Planning has been put in place by Children's Services to ensure that there is a robust worst-case scenario plan in the event of capacity across the county becoming insufficient to provide care for early years and school-age children of key workers. This provision is sited around the three acute hospitals and extended to Norfolk's Cottage hospitals where they are identified as possible field hospitals.

Children and Young People's Social Care

- Faced with a significant reduction in safeguarding referrals, the Council has launched a new campaign to protect children during coronavirus lockdown. [See Something, Hear Something, Say Something campaign](#) has been launched to keep children safe, as families face pressure of staying home. The county-wide campaign encourages everyone to look out for the county's children, and has focused on protection from harm within the family, online exploitation, as well as children's and young people's mental health.
- Strategically all our partnerships around children have combined to ensure safeguarding is the focus of everybody's business.
- Critical safeguarding and family support services continue to be delivered, albeit provided in different ways. Face to face visits are still taking place for those with highest need. Child Protection Conferences, Looked after Children reviews, Fostering Approval Panels, Adoption Panels, and Court Work and Contact are all now virtual.
- The fostering service continues to support foster carers in their home through a range of technology. Staff are in regular contact with foster families as needed and can continue to provide clinical psychology support and advice through the Foster Care Hub.
- We remain in contact with our care leavers using many different social media platforms and technology to ensure they are safe and well
- We have also worked with partners to launch a new web page www.justonenorfolk.nhs.uk/mentalhealth. This is now the single place to find out how to access mental health advice and support for 0 -25 year olds in Norfolk & Waveney.
- Our residential children's homes have remained open and fully functioning despite some staff absence.
- Children's commissioners have continued to be in regular contact with providers as part of monitoring their capacity to maintain essential and critical services and at this point, and whilst the style of service delivery is changing, most are able to adapt and continue to support children and families. Many of the services we commission have moved their support for children, young people or families onto telephone or online channels, in line with the current social distancing restrictions.

- And our children community partnership teams are working together with partner agencies reaching out to families in need of additional support before a crisis occurs at this very difficult time. Very importantly we have maintained and are building our direct engagement with children and young people to inform our communication and changes to service delivery.

Adult Social Care

The department and our dedicated staff have flexibly and efficiently responded to the health crisis. We have seen:

- Proactive contact that has ensured **7000 people have been risk assessed** to ensure contingency planning in place
- Dedicated work on **waiting lists and review lists** to ensure prioritisation
- **7 day a week working** across all operational areas, (funded through over-time)
- **A switch to mobile working and call centre arrangements** to enable flexible and safe working.
- **Strengthened Emergency Duty Team** arrangements in place, in partnership with Childrens Services to ensure urgent response arrangements 24 hours.
- Formation of **leadership arrangements with Norfolk and Waveney CCG** to oversee integrated health and social care arrangements, and to mutually agree commissioning, delivery and quality arrangements.
- Social work and occupational health teams have, with health, fundamentally **re-designed hospital discharge processes**. Based on the Home First principle, this has helped to ensure there is capacity in all three hospitals and that people do not stay longer than is absolutely necessary
- Mental health and learning disability teams ensure **weekly and 2 x weekly phone** contact across the entire caseload.
- Teams have called around 2,100 people who receive their support as a **Direct Payment** (a payment directly into their bank).
- All **individuals with learning disabilities** whose services, such as day opportunities, have been reduced/curtailed due to social distancing requirements have been contacted by telephone to offer support and check on welfare.
- Staff normally employed to deliver **building-based day** opportunities are being deployed to support individuals/their families in different ways – for example, to accompany someone with learning disabilities who needs to go for a walk for their daily exercise.
- Urgent respite to prevent care breakdown (urgent respite) has been commissioned and it will be for people with learning disabilities and / or autism.
- New resources for **mental wellbeing** for the whole population are also available to support people with autism,
- Working the CCG and Norfolk Constabulary to produce a letter that people with a learning disability or autism can have to explain the specific social distancing guidance in place for them enables them to leave the house more than once a day, if part of a care plan
- Working with district councils, responding to the Government directive to home everybody living on the streets **by securing temporary accommodation for around 200 people including hotels, BnBs and community centres**
- **Safeguarding focus maintained**, through video conferencing to speak to providers and families; focus on scam awareness; extended weekend availability for safeguarding consultations; development of overview arrangements with Norfolk Safeguarding Adults Board.

- **Norfolk Assistance Scheme** developed to be able to provide white goods and money transfer via Paypal to deliver money to peoples phone when in emergency need. Other electronic process of money exchange created to avoid cash and people visiting offices
- We are currently forecasting that the overall response to coronavirus will cost adult social care services over £22m in the first quarter of this year. This is through additional costs faced by the care market, changing needs of individuals, new and expanded services, including supporting community services and changes to approaches affecting level of income and plans for the year. Both internal and external staffing remains a challenge with people redeployed to meet pressures. A national and local recruitment campaign is underway to attract more people into adult social care.
- Our Commissioning Team have been working determinedly to ensure we are supporting our provider market and their workforce to remain sustainable in providing care to vulnerable people in Norfolk.
- **Ensuring our providers are well supported, with easy access to current guidance and advice, we have maintained extensive and sustained support for the care market through our Quality Assurance team, their expertise and advice. This has included:**
 - Collating and updating a **comprehensive web page** [found here on the NCC website](#) to support our commissioned service providers
 - Establishing a **dedicated and single point of contact Provider Hub**, for providers to raise questions, issues and concerns
 - **Regular and proactive phone calls** with residential and domiciliary care providers to pick up and anticipate issues and challenges
 - In collaboration with Health, **writing weekly correspondence to residential, nursing and domiciliary providers** to keep them updated of the steps Norfolk are taking to support them
 - **Twice weekly meetings with system partners including the CQC** to address emerging issues and build a collaborative approach to assist PHE to assist care homes in their response to outbreaks
 - Conducting **virtual Quality Monitoring Reviews** of care services Action Plans to ensure they're continuing to meet their improvement points.
 - Advising care homes on making admissions from acute hospitals by thinking creatively about how to accommodate people in care homes who need to be isolated. This has seen some **difficult to place people be successfully discharged into care homes** because of our engagement with care home managers.
 - **We have been completely managing PPE allocation and distribution from central govt sources to providers and giving support around the ongoing challenge of securing and sustaining PPE:**
 - Whilst providers are expected to source their own supplies, the council has provided a backstop. Up to the week beginning April 27th, the Quality Assurance Team had ensured about **305,000 items had been provided out of emergency stocks.**
 - In a BBC survey, **8 out of 8 Norfolk care homes have been satisfied with NCCs response** to urgent PPE requirements
 - **We are working with the care market to make sure that providers have continuity of income:**
 - For those continuing to deliver care we have agreed a premium payment of 6% over the next 12 weeks to help sustain providers with the additional costs of continuing to operate at this time. This has resulted in payments of £3.5m to providers to date.

- In addition, we know that different providers will be facing different challenges and therefore we are asking care providers to contact us via the Provider Hub to discuss any additional financial issues that they are facing.
- **Continued collaboration to secure extra capacity in the market:**
 - In response to modelling information, commissioners have secured additional capacity in care homes and in the community - 90 block beds and an additional 550 hours a week enhanced home care
 - A new step-down facility is being created at Cawston Lodge, a former care home. This has required buildings and facilities management, the sourcing of equipment, recruitment and re-deployment of staff and appropriate social work leadership and oversight.
 - Additional beds for people with complex dementia and mental health issues have been open at Carlton Court near Lowestoft. This will help support flow of people out of acute hospitals.
- **In alignment with national announcements we have communicated the arrangements made by the local NHS for our staff and their household's to be tested for Coronavirus.**

Community services:

- The staff in Norfolk Library and Information, and Adult Learning Services have done an amazing job of proving virtual services to our residents, from online Bounce and Rhyme and story-times, to a whole range of learning opportunities – the innovation and dedication to get these offers up and running so quickly has been incredible and will help so many people who are isolating at home.
- Working closely together with Norfolk Museums Service, Norfolk Arts Service and Active Norfolk, this shared digital offer and re-thinking of how we deliver some of our existing work streams and activities means that more people can engage with virtual school games, online exercises, adult education courses, and digital museum learning programmes for our school age children
- Trading Standards have been working hard to ensure public safety with information on scams, and ensure the business community have the right advice (and sometimes enforcement) to allow them to comply with new rules.
- Customer Services have completely refocussed their efforts to ensure people are able to receive the help and support they need whilst isolating. In addition to still having to be physically based at County Hall and implement stringent social distancing, the team have responded to requests from the Norfolk Resilience Forum to be open 7 days a week.
- The corporate web team have not only been developing a vast suite of resources related to Covid-19, but also still diligently pushing ahead with the new myNet project which was launched on 15 April and ensures better communication with all our remote workers.
- The post and fulfilment team have redirected all the County's post and have worked hard on a digital solution ably assisted by the CS project managers.
- The shift in the type of work required of officers in Community and Environmental Services has in many cases been fundamental, in particular when working closely with district colleagues and other partner organisations
- Norfolk Fire and Rescue Service staff have provided logistics support directly for the NHS and in support of the SCG arrangements. They have also deployed staff to drive ambulances helping to extend the number of the ambulance shifts.
- Our transport team have helped the Clinical Commissioning Group to free up beds for Covid-19 patients, as well as working with local bus operators to ensure enough services

are provided so that key workers, key workers children and vulnerable children can get to work and schools.

- The Highways teams have continued all planned maintenance and repair work across our network of roads, keeping the County moving and enabling key workers to reach their destinations safely.

Food and medicine distribution:

- NCC and South Norfolk and Broadland District Councils have led the Community Resilience Delivery Group in charge of the distribution of food and essential medicines across the County.
- The Group have undertaken a significant data reconciliation exercise, ensuring that the right people are identified and supported. This has been a challenging task, achieved through strong partnership working across the whole local government system and key voluntary organisations.
- The Group has ensured that over 500 emergency food packages were deployed to district help hubs to help the shielding population. A central food distribution hub has also been established and there is a daily two-way communication with all District Councils to understand and meet demand.
- The Norfolk Community Foundation set up the Covid-19 Community Response Fund to support our local charities working hard on the ground to keep vulnerable people safe and well. With a contribution of £100k from NCC, the fund currently stands at over £700k, and the Community Resilience Delivery Group are working with the Norfolk Community Foundation to ensure the funds are allocated where most needed.

Personal Protective Equipment

- Despite a global shortage of personal protective equipment (PPE), Norfolk County Council has been able to provide its staff with PPE in accordance with Public Health England (PHE) guidance. This has been achieved through a combination of not undertaking non-essential visits and sourcing essential PPE.
- Guidance has continued to develop and shape over the period, requiring a pacy and dynamic response to guide employees appropriately, remove anxiety and give clarity.
- The council has been able to source hand sanitiser locally, including through working with the University of East Anglia (UEA) to produce sanitiser to the World Health Organisation specification, and more recently working with local distilleries.
- Recognising that masks would be a particular issue, the council joined an aggregated procurement with ESPO and placed an initial order on 20 March. The council has since sourced masks from a variety of providers and has been able at all times to provide them to staff.
- A donation of 5000 FFP2 masks from a local business has been allocated to the Fire and Rescue service.
- Recognising the broader system-wide requirements for masks, the council has ordered large quantities from a variety of sources. This includes importing 300,000 masks via a local agent, and working with Essex County Council to source a further million masks from China, both for Norfolk and Essex's own requirements.
- The council has resourced the Norfolk Resilience Forum's efforts to distribute equipment to all organisations suffering from an immediate shortage. In addition to distributing PPE sourced from central government, the NRF has also distributed equipment sourced by

the County Council – in particular hand sanitiser which the government has not been able to provide.

- Over the Easter bank holiday weekend alone, over 500,000 PPE items and 800 litres of hand sanitiser, were distributed by an NCC team on behalf of the Norfolk Resilience Forum to primary care and social care organisations with the most urgent needs.
- All this has been achieved through the extraordinary efforts of the sourcing and logistics teams who have been able to obtain necessary equipment in the face of quite exceptional circumstances.

Volunteering

- Nearly 3000 people across Norfolk have volunteered to help within their communities. The volunteer effort has been developed with Voluntary Norfolk, the Districts and leadership from the Libraries service and HR. .
- NCC HR are leading on the process for validating and running appropriate checks to ensure volunteers deployed in our name meet appropriate standards and can be deployed within the community through the districts, supporting vulnerable people.

Redeployment of our staff

- A large number of staff across NCC have been released and deployed from their normal job role to support the Norfolk Resilience Forum, quickly adapting to set up vital work streams using their expertise, knowledge and specialist skills. This includes analysis of data that helps us provide support for the most vulnerable people in Norfolk; the coordination, vetting and recruitment of volunteers; offering support to our District Council partners; making outbound calls to vulnerable people; planning essential food deliveries; packing and distributing PPE – in short, ensuring that we all act as one system.
- Members of Public Health and the Complaints team have been supporting a range of critical activities across NCC, making welfare calls to vulnerable residents, triaging need and making referrals as required, supporting the Brokerage service, to update and record information on our social care systems. They have also been involved in sourcing food supplies for the emergency food boxes for residents. These activities will continue throughout the whole period of “shielding” of our vulnerable people.
- Over 500 of our staff signed up for the skills bank, launched specifically to ensure that front line and critical services are supported as needed. A number of our staff have assisting with undertaking assessments, assisting brokerage, and recording information on finance systems (CONTROCC).

Supporting Norfolk’s businesses and workforce

- The Employment & Skills Team have worked with the District Councils and the New Anglia Local Enterprise Partnership (NALEP) to develop and launch a portal advertising job vacancies across the region: <https://newanglia.co.uk/employment-opportunities/>, while in terms of apprenticeships, they issued a survey, in conjunction with New Anglia and Suffolk County Council, to gauge the impact of Covid-19 on providers, employers and apprentices. The team are also increasing their social media presence and keeping our network up to date on the support available during the pandemic.
- To support the Norfolk economy, it is vital that partners continue to work together to support SMEs and key sectors. Through joined up working with the NALEP, Chamber of Commerce and the Federation of Small Businesses, we have been ensuring consistent

messaging across all of our websites, with the New Anglia Growth Hub acting as the primary source of information, advice and guidance for businesses. The County Council's website also continues to enable them to sign up to NALEP, Chamber and FSB support newsletters, as appropriate, from our [COVID-19 business support page](#).

Keeping the County moving

- Disposal of around 4,000 tonnes of rubbish a week continues to run smoothly, meaning that the collections from households are unaffected.
- The Norfolk Record Office continues to provide a service for those urgently requiring copies of birth, death and marriage certificates
- The closed landfill team continues to ensure the safety and environmental aftercare of landfill sites we are responsible for across Norfolk, making sure that gas and leachate control systems remain effective and that we keep using landfill gas to generate electricity where we can.
- Norfolk Fire and Rescue Service have maintained response capability and their availability of “on call” appliances.
- Fire inspections and Community safety activities have been restricted, but continue to be delivered to “High Risk” groups.
- Planning Officers have continued to process planning applications in line with the Secretary of State’s expectation that planning decisions will not be delayed as a result of the lockdown.
- Museums continue to deliver key projects including *Norwich Castle: Gateway to Medieval England* and *Kick the Dust Norfolk* with project teams working remotely and developing new opportunities for people to engage through digital content
- The Environment team are providing key advice to the public and are developing promotional campaigns to help promote the visitor economy, post closedown. The work on the Council's Environmental Policy continues positively

Cabinet

Item No: 9

Decision making report title:	COVID-19 financial implications for Norfolk County Council
Date of meeting:	11 May 2020
Responsible Cabinet Member:	Cllr Andrew Jamieson (Cabinet Member for Finance)
Responsible Director:	Simon George, Executive Director of Finance and Commercial Services
Is this a key decision?	Yes

Introduction from Cabinet Member

The Budget set in February 2020 for 2020-21 was fundamentally robust, based on sound finances and prudent planning, although it included the requirement for challenging savings to be delivered across the organisation. However, the coronavirus COVID-19 pandemic represents a major challenge for the County Council which will inevitably have a significant impact on the Council's Budget in both 2020-21 and future years. This includes delays in the delivery of planned savings activities. Nonetheless, the Budget provides a sound foundation upon which the County can deliver its financial response to COVID-19.

This report provides details of the Council's forecast use of COVID-19 funding from Government. The Council is proactively responding to the challenge of the COVID-19 pandemic to maintain the delivery of vital services across all areas of its operations, support the NHS and health system through enhanced hospital discharge processes to free up capacity, protect vulnerable people, support businesses, and ensure the safety of all staff delivering this vital work.

Executive Summary

This report provides Cabinet with an overview of the current assessment of the emerging financial impact of COVID-19 for the County Council, which will have a profound impact on the organisation's ability to achieve planned budget savings and income for 2020-21.

Recommendations

- 1. To consider the current package of financial support being provided to the Council by the Government to enable its response to COVID-19;**
- 2. To approve the forecast use of the COVID-19 grant to meet expenditure pressures, income reductions, and lost delivery of savings, noting that:**
 - a. this does not represent a definitive budget allocation and there will need to be a degree of flexibility to respond to cost pressures, risks and opportunities as they arise; and**

- b. the forecast cost and income pressures exceed the available funding and to the extent that they are not met through additional allocations by Government, will need to be funded from other County Council resources.

3. To agree that a review of the financial planning position for 2021-25, including formal allocation of targets, be presented to Cabinet in June as part of the 2021-22 Budget planning process, to enable a more complete picture of the impact of COVID-19 on the Medium Term Financial Strategy to be incorporated.

1. Background and Purpose

- 1.1. This report sets out details of the Government's announcements made as part of the 2020 Spring Budget and subsequently in response to the COVID-19 pandemic. In addition it:
- summarises some of the significant uncertainties facing local government finances as a result of COVID-19;
 - outlines the Council's currently forecast cost and income pressures emerging from the response to COVID-19;
 - provides an overview of the Norfolk position (incorporating District Councils) and the aggregate position for County Councils based on analysis by the Society of County Treasurers.
- 1.2. The content of the report is based on circumstances that are changing frequently and therefore some areas may become superseded by new information on an ongoing basis. The report should be read in conjunction with the separate paper *NCC response to Covid-19*, elsewhere on the agenda.

2. Spring Budget 2020

- 2.1. At the Spring Budget on 11 March, the Chancellor of the Exchequer identified coronavirus as the key short-term challenge facing the economy, with the impact expected to include temporary supply-side economic disruption – through reduced productive capacity, and a demand side impact due to reduced consumer spending. The Government's response at the Budget included a package of measures¹ designed to provide security and support for those who fall ill, support for businesses to ensure there is no permanent impact on productive capacity, and coordinated action with the Bank of England. This three point plan was based on:
1. Support for the public sector: Providing additional resources for the NHS with an initial £5 billion fund for pressures in the NHS, and to support local authorities to manage pressures on social care.
 2. Support for individuals: Changes to Statutory Sick Pay (SSP) and access to benefits, including for those required to self-isolate. This included a new £500m hardship fund provided to local authorities to allocate to support

¹ <https://www.gov.uk/government/publications/support-for-those-affected-by-covid-19>

economically vulnerable people, which the Government expects to mainly be distributed as council tax relief.

3. Support for businesses: Support for small and medium sized businesses with the costs of SSP associated with coronavirus. Other measures included a range of temporary extensions to Business Rates reliefs, a short term grants scheme to provide £3,000 to small businesses (to be administered by councils), and relaxation of tax payment terms.

2.2. The total impact of these measures was estimated as £30bn, made up of £7bn of support for the self-employed, businesses and vulnerable people, £5bn for emergency response funds and £18bn to support the wider economy. Since the Budget announcements, the support offer has been substantially expanded, with full details available online². The specific financial support currently available to local authorities is detailed in the following section.

2.3. Although it has since been substantially overshadowed by the ongoing response to COVID-19, the Budget included various announcements with implications for local authority funding. However, with COVID-19 dominating Government business, it has now been confirmed that a number of key reforms to local government funding including the **Fair Funding Review** (FFR) and increased local **retention of Business Rates** will be postponed until at least 2021-22. It also appears highly likely that the timetable for the **Comprehensive Spending Review** (CSR) will be delayed and expectations are for a one-year announcement for 2021-22 with the longer-term CSR pushed back. In announcing the action plan for adult social care in response to COVID-19³, the Government has confirmed that it remains committed to “*a long-term action plan for social care*” and acknowledges that “*putting social care on a sustainable footing, where everyone is treated with dignity and respect, is one of the biggest challenges that we face as a society. There are complex questions to address, which is why we have invited cross-party talks. These will take place at the earliest opportunity in light of the current circumstances. The government will then bring forward a plan for social care for the longer term.*”

3. Support to local authorities for COVID-19 response

3.1. On 19 March, the Government provided⁴ £1.6bn nationally to support the local government response to the coronavirus COVID-19 pandemic. Norfolk County Council's share of this original grant was £26.932m.

3.2. On 18 April, the Government announced⁵ a further £1.6bn of support to local authorities, intended to fund:

“getting rough sleepers off the street, supporting new shielding programmes for clinically extremely vulnerable people and assistance for our heroic public health workforce and fire and rescue services.

² <https://www.gov.uk/guidance/coronavirus-covid-19-guidance-for-local-government>

³ <https://www.gov.uk/government/publications/coronavirus-covid-19-adult-social-care-action-plan/covid-19-our-action-plan-for-adult-social-care>

⁴ <https://www.gov.uk/government/news/2-9-billion-funding-to-strengthen-care-for-the-vulnerable>

⁵ <https://www.gov.uk/government/news/government-pledges-extra-16-billion-for-councils>

The funding will also mean councils can provide vital services including adult social care and children's services."

Government confirmed the detailed allocations of this funding to local authorities on 28 April having previously announced that the grant would not be ringfenced, and with payments to be made in early May. The County Council allocation is £16.742m⁶, with the funding being distributed on a per capita basis, and a 65:35 split between county and district authorities. This means the County will receive slightly less of the second tranche of funding than previously estimated.

3.3. The currently identified calls against this funding exceed the grant available. As set out in this report, it is forecast that the council will incur cost and income pressures of £62.709m against the total grant funding to date of £43.674m, a shortfall in the funding of £19.035m as set out in Table 1 below. There is however a high degree of uncertainty about these forecasts and they will continue to be refined as the situation develops, timescales become clearer, and further national and local responses are delivered.

3.4. In summary, the core financial support package to local authorities includes:

- £1.6bn of grant funding to enable local authorities to respond to coronavirus (COVID-19) pressures across all services, of which Norfolk County Council received £26.9m⁷ (new funding).
- Business Rates Relief Section 31 grants in respect of 2020-21 brought forward and paid in full 27 March 2020 to support cash flow (£9.939m for Norfolk – cash flow only, not additional funding).
- The Government has also brought forward the payment of adults and children's social care grants, totalling £850m nationally, and will delay £2.6bn in Business Rates payments (from District Councils to Government)⁸ (cash flow only, not additional funding).
- A further £1.6bn nationally of un-ringfenced grant to deliver the COVID-19 response, of which Norfolk County Council received £16.7m⁹ (new funding).

The Government has also confirmed allocations of Public Health Grant for 2020-21¹⁰.

⁶ <https://www.gov.uk/government/news/government-confirms-allocations-of-1-6-billion-funding-boost-for-councils>

⁷ <https://www.gov.uk/government/publications/covid-19-emergency-funding-for-local-government>

⁸ <https://www.gov.uk/government/news/councils-given-greater-financial-relief-against-cash-flow-pressure>

⁹ <https://www.gov.uk/government/news/government-pledges-extra-16-billion-for-councils>

¹⁰ <https://www.gov.uk/government/publications/public-health-grants-to-local-authorities-2020-to-2021>

4. Reporting of pressures to Government

- 4.1. On 15 April, the Council submitted a return to the Ministry of Housing, Communities and Local Government (MHCLG) to provide details of COVID-19 local authority financial management information. **It is important to note that this return, and the analysis of responses set out in this section, reflect the position prior to the announcement of additional funding for local government on 18 April.** The data collection exercise aimed to provide Government with up-to-date information on how existing funding is being used and any changes in income and expenditure. There is an intention to repeat this exercise in future, in particular to understand emerging pressures. There will therefore be an opportunity to refine and update the Council's submission. The initial return reflected cost and income pressures against the original grant allocation for the first three months of the response to show total pressures of £35.022m and a shortfall in funding of £8.090m.
- 4.2. There were a number of concerns and caveats around the MHCLG data gathering. In particular, there is a high likelihood of inconsistency in the responses by different authorities due to the short timescale for the return (7 April to 15 April) and the limited accompanying guidance. It is likely that future iterations will seek to achieve more consistent, comparable responses. Commentary on the data collection exercise by the Society of County Treasurers was that *"it was structured in a way that did not enable MHCLG to have full visibility of the projected impact of COVID-19 on the finances of local authorities. It is therefore likely that further work may need to be conducted to better aggregate the true cost pressures of the COVID-19 pandemic on local authorities and particularly SCT members."*
- 4.3. **Society of County Treasurer's summary**

The Society of County Treasurers (SCT) has produced an initial analysis of SCT members' responses to MHCLG. The SCT review shows:

- The net effect of COVID-19 related additional spend and income reduction for 2020-21 remains highly uncertain, and there is a low level of confidence around all forecasts.
- However, initial analysis also demonstrates that cost and income pressures are forecast to far exceed the emergency funding allocated thus far.
- The majority of funds are expected to be allocated to Adult Social Care (unweighted average of 69% allocated to ASC budgets (not pooled with CCGs)).
- Current projections forecast an average respondent cost of £29m in 2020-21, and a total SCT cost of £1.19bn.
- Current projections forecast an average respondent income loss of £21m in 2020-21, and a total SCT cost of £873m.
- To meet this shortfall using the existing funding distribution, Government would need to increase the emergency funding from £1.60bn by £3.26bn to a total of £4.86bn.
- 27% of respondents anticipate cash flow difficulties after April but before the end of June.

- There is inconsistency in the assumptions about how long measures will be in place and impacts experienced. Should these continue longer than three months it is very likely that expected costs will rise further.
- The MHCLG analysis fails to capture the effect of the loss of savings in 2021-22 and beyond, which will result in a need for additional funding.

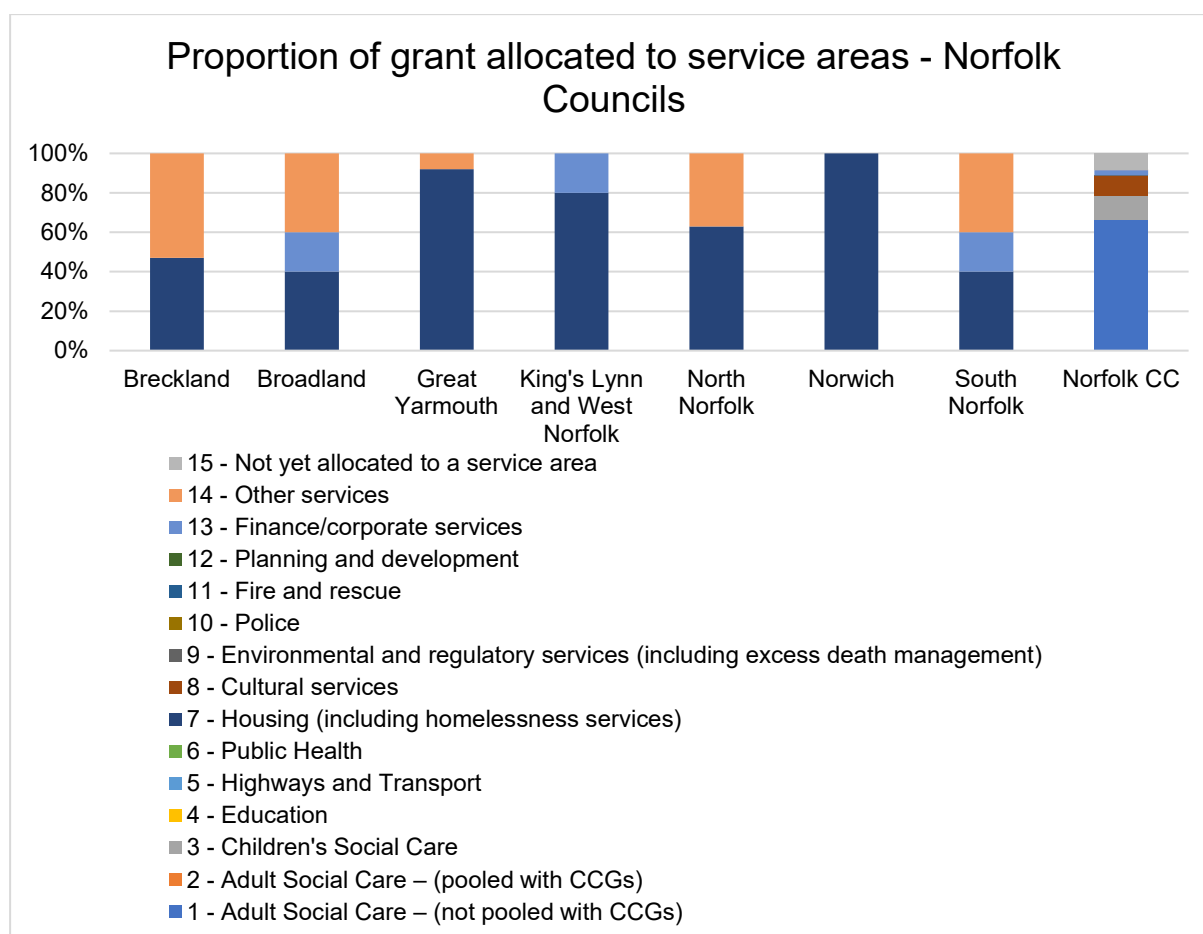
4.4. Norfolk position

As a separate exercise, Norfolk District Council responses have been consolidated with the County Council position in order to produce a whole Norfolk overview of the financial implications reported to MHCLG. This is consistent with the overall SCT findings and further demonstrates:

- There is inevitably some inconsistency in how responses have been completed.
- Forecast use of grant reflects that the majority of District spend is forecast to be on housing and homelessness costs, while the majority of County spending will be on Adult Social Care.
- The County Council figures inevitably skew the Districts responses in terms of the proportion of funding expected to be allocated to each area of spend¹¹, however the graphic below illustrates where grant spend is expected for each authority.
- All responses indicate that the grant funding provided is inadequate for the forecast pressures, the major issue for Districts relates to assumptions about levels of lost income.
- Overall the funding shortfall for Norfolk is forecast as just over £60m, however it should be noted that for Districts this reflects the full year forecasts whereas for County it reflects only Q1 Apr-Jun and for all authorities does not include any impact of lost council tax or NNDR.
- Responses indicate that some Districts are anticipating cash flow issues, mainly due to the impact of continuing to pay precepts as planned. The County Council assumption is that payments will be made.

¹¹ To put this in context, the total Norfolk allocation from the original £1.6bn of funding nationally was £27.434m. Of this, £26.932 (98%) is the County Council allocation, with £0.502m (2%) allocated to the seven District Councils. It is anticipated that the second £1.6bn of funding will be allocated on a different basis.

Chart 1: Planned allocation of COVID-19 grant (tranche 1) to service areas



5. Forecast use of COVID-19 funding

- 5.1. Table 1 below sets out a detailed summary of the anticipated use of the £43.674m funding provided to Norfolk County Council by Government, which has now been reassessed based on an assumption that the impact of the lockdown will persist for an extended period. The original grant allocation is understood to relate to the three-month period April-June, however it remains unclear what period the second allocation is intended to cover. The duration of lockdown measures and the wider impacts on budgets remain a matter of substantial uncertainty. In the event that response measures are in place for longer than expected, additional costs and pressures are very likely to be incurred. As a result, it is difficult to estimate whether the funding provided by Government will be adequate, but it appears insufficient to meet the initial identified cost pressures and non-delivery of savings. It will therefore be critical to reassess costs and impact as the pandemic progresses, and to seek to continue the dialogue with Government about the overall level of pressures being faced.
- 5.2. Some of the identified costs for the Council reflect risks against existing budgets – for example arising from the non-delivery of savings or the loss of budgeted income due to service closures. These have been broadly estimated on the basis of a six-month period of disruption, but are subject to other factors as well. In a small number of cases, likely areas where costs will arise have been identified, but actual estimates are not yet available, or will depend on unpredictable actual activity levels and so remain to be

confirmed. As a result, all estimates will need to continue to be refined as further information emerges.

- 5.3. A particular area of risk relates to Business Rates and Council Tax income for 2020-21, which will need to be taken into account when the Medium Term Financial Strategy (MTFS) is updated and as part of 2021-22 Budget setting. No pressures in relation to this have been included within the forecast grant use, as any impact is assumed to arise in the 2021-22 financial year.
- 5.4. The Council will also be incurring costs that are ultimately expected to be recoverable from the NHS, particularly in relation to supporting discharge from hospital in order to release capacity. These are not included in the cost and income pressures estimate set out in this report.

Table 1: Forecast use of COVID-19 grant by directorate

	2020-21 Forecast £m
<u>Funding</u>	
Covid-19 Additional Funding (MHCLG Grant tranche 1) for April-June	-26.932
Covid-19 Additional Funding (MHCLG Grant tranche 2)	-16.742
Total funding	-43.674
<u>Identified / forecast costs</u>	
Adult Social Care	
Enhancements to packages of care where not related to hospital discharge (mainly LD and MH and includes care need escalation)	0.950
Additional Block capacity purchased from market	1.000
Provider support payments to cover liquidity/sustainability issues and any additional costs where not specifically related to a person's changing care needs	10.000
Other care market pressures	6.000
Paying for additional day time support to Supported Living/Residential providers whilst the day centres are closed	0.300
Loss of income: Adults: Suspension of financial assessments	5.000
Equipment and Support for our teams (e.g. PPE for in-house teams)	0.100
Support to Communities and the voluntary sector	0.100
Support for people experiencing domestic abuse	0.200
Loss of savings: Adults: Savings delivery risk	12.950
Training costs for redeployed staff	0.020
Temporary postponed implementation of the second phase of the charging policy implementation for 4 months	1.000
Equipment - spike in usage and increase in costs	0.200
Weekend or Overtime staff costs	0.100
Vulnerable People Resettlement	0.100
Adult Social Care Total	38.020

**2020-21
Forecast
£m**

Children's Services

Loss of income - Children's Services - Initial estimate primarily relating to trading with schools	2.000
Loss of income - Transport	0.200
Safeguarding campaign - <i>Project Stay Safe</i>	0.010
Loss of savings: Children's: Savings delivery risk	3.000
Maintaining Early Year's Provision	0.500
Post 18s remaining in placements	TBC
Additional contracted provider costs	0.500
Additional respite care costs	TBC
Additional hardship funding for tier 2	TBC
Enhanced Zoom licenses	0.015
Additional frontline agency costs	0.100
Other support for the market	0.500
Children's Services Total	6.825

Community and Environmental Services

Food boxes for older people (NCC provision)	2.000
Loss of income: CES including Museums / Libraries	7.363
Retained Firefighters - deployment as drivers for temporary mortuary facility and in other roles	TBC
Staff time chargeable to projects	TBC
Loss of savings: CES	0.600
Community and Environmental Services Total	9.963

Strategy and Governance

Norfolk Community Foundation - grant donation	0.100
Joint comms systems for the Norfolk Resilience Forum	0.035
Government Conferencing (BT)	TBC
NPLAW support and advice	TBC
Increased Coroner's costs	0.100
Loss of income: Other	0.250
Loss of savings: Strategy and Governance	0.100
Strategy and Governance Total	0.585

Finance and Commercial Services and Finance General

Emergency Planning Director / Strategic Command Group	0.030
Mortuary facility vans provided by NORSE	0.004
Corporate procurement of PPE	3.000
Food distribution hub - Site costs	0.050
Re-assignment of FES staff (HR and Finance System replacement) to COVID-19 response	0.375
Homeworking equipment	1.000

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	2020-21 Forecast £m
Extension of SWIFTS Pool Cars / Enterprise	0.007
Extension of Norfolk Assistance Scheme (NAS)	0.500
Software solution from Agilisys and Microsoft to handle the contacts to vulnerable adults in receipt of Letters and all related activities	0.060
Loss of income: Other	0.750
Loss of savings: Finance and Commercial Services / Finance General	0.790
Additional costs associated with the NCC schools contracts, between NCC and Norse Eastern Ltd	0.750
Finance and Commercial Services and Finance General Total	7.315
Norfolk County Council Total	62.709
Total forecast over/(under)spend against grant funding	19.035

6. Impacts on the Medium Term Financial Strategy

- 6.1. The County Council's 2020-21 Budget and accompanying Medium Term Financial Strategy (MTFS) were agreed in February 2020, prior to the significant escalation in the severity of the COVID-19 pandemic. The impact of this outbreak in Norfolk is having far-reaching consequences, and has already required a rapid and radical adjustment in both organisational priorities and ways of working. Inevitably, the MTFS agreed in February could not foresee the adjustments which would be needed to respond to COVID-19 and as a result, some changes in underlying budget assumptions will need to be taken into account as part of 2021-22 Budget planning activity.
- 6.2. Although there are profound short-term impacts being experienced from the response to COVID-19, it remains to be seen precisely what the medium- and longer-term impact will be, and as such the full implications for the Council's Budget in 2020-21 and beyond remain to be confirmed. However, the pandemic will unquestionably change the long-term shape of some of our services, in relation to joint working, public expectations and demand. In addition, it is highly likely that key income sources including council tax (through both the Collection Fund and tax base growth) and business rates will be under pressure in 2021-22, requiring a revision to planning assumptions.
- 6.3. Nationally, the Government has provided significant additional funding to Local Authorities to support them in responding to coronavirus, in the expectation that Councils will play a key role in maintaining critical social care and other frontline services, assisting education and early years providers to provide care and education for key workers' and vulnerable children, supporting businesses and individuals suffering hardship, and maximising the available capacity in the health service by enabling increased levels of discharge from hospital. However, it is unclear to what extent this commitment to fund the COVID-19 response will extend to ongoing pressures for 2021-22 onwards and as such the Budget for next year will be developed in a climate of extreme uncertainty.

- 6.4. Services, such as adult social care, are seeing a profound impact from the pandemic, affecting service delivery, demand and ways of working across all parts of the service. Not only are the majority of the planned savings programme for both this year and next, currently on hold, it is also unclear how services and demand will need to operate beyond the immediate emergency period, particularly for vulnerable groups who may be affected for longer. Legislation, policies and practices have all seen changes in the previous few weeks. This will have longer impact and indeed opportunities for the health and social care system and our joint work and role with district council partners, for example in joint work to support homelessness in Norfolk. In particular, the key role of our care providers has come to the fore and our plans for the future will need to consider how this can be harnessed and supported as we move forward in our planning.
- 6.5. Looking beyond the immediate impacts of coronavirus, the overall level of uncertainty means that the financial environment for local government remains extremely challenging for the foreseeable future. Local authorities continue to face a growing gap between funding and service pressures, driven in part by demographic changes, unfunded burdens such as the National Living Wage, and the needs of vulnerable social care users becoming increasingly complex. Children's services, in both social care and education (particularly the High Needs Block), are also under very significant stress. Other services such as transport, planning, environment, and trading standards have been subject to significant restrictions which have also seen increasing pressure placed on discretionary and preventative services.
- 6.6. The Council is still evaluating how the likely 2021-22 gap will be funded, but it is clear that there is a need for a new, different relationship with Government to rectify some of the long term problems surrounding local government funding. Without an increased level of Government assistance, there are likely to be significant savings to be found to deliver a balanced Budget in 2021-22. However, in view of the very substantial level of uncertainty about the medium term impacts of COVID-19, and the rapidly changing landscape of Government announcements, it is proposed that an updated MTFS and budget setting process for 2021-22 is brought to the next Cabinet meeting, when there may be some further clarity to inform forecasts.

7. Impact of the Proposal

- 7.1. This paper sets out detail of the expected deployment of additional funding, which will need to be kept under review as the response to COVID-19 continues to evolve, in particular in respect of the impact of COVID-19 on underlying local authority costs and income sources, and further funding announcements and responsibilities from Government. In addition it helps to set the context for the Council's budget planning process for 2021-22, which will be reported to Cabinet in further detail in June.

8. Evidence and Reasons for Decision

- 8.1. The County Council faces an unprecedented financial and public health crisis which will have significant implications both during 2020-21 and for future budget setting. It will be essential to continue to engage with Government, MPs and other stakeholders to campaign for adequate and sustainable funding for Norfolk to continue to deliver vital services to residents, businesses and visitors. It is also important that Government issues guidance on financial planning assumptions, including indicative funding allocations for 2021-22, as soon as possible. Otherwise there is a significant risk that the Council will be obliged to reduce service levels.

9. Alternative Options

- 9.1. This report sets out the forecast use of the initial tranche of COVID-19 funding, but this should be seen as indicative only because the Council will need to respond with some flexibility to emerging cost pressures and the rapidly developing situation. No specific alternative options have been identified.

10. Financial Implications

- 10.1. Financial implications are discussed throughout the report. The response to COVID-19 is likely to result in significant cost and income pressures in 2020-21, as well as impacting on the scope to achieve planned 2020-21 savings, and the capacity to develop new proposals for the 2021-22 Budget. The forecast use of the COVID-19 grant set out in this report identifies a shortfall in funding, although there remains a high degree of uncertainty around a number of these estimates. In the event that these costs were to fully materialise, and no additional funding were provided, the Council would need to seek to mitigate the impact over the remainder of the financial year 2020-21. The Council will continue to work, including through representative organisations such as the LGA and CCN, to secure full funding for the additional pressures being experienced.
- 10.2. Work to deliver additional Government funding could also have an impact on the overall budget gap to be addressed. As such the Government's response and decisions about Council funding in 2021-22 will be hugely significant. Government has an opportunity as part of the COVID-19 response to deliver a permanent step change in the recognition of the importance of social care, and to fund local authorities to provide a key contribution as part of the national recovery.
- 10.3. Government's initiatives to reform local authority funding (including the Fair Funding Review), as well as pressures linked to COVID-19 have the potential to materially impact on the Council's budget planning assumptions for 2020-21 and beyond. It is

proposed that an updated Medium Term Financial Strategy outlining these, and the resulting proposals for the 2021-22 Budget setting process, be presented to the June Cabinet meeting.

11. Resource Implications

11.1. Staff:

There are no direct implications arising from this report although cost forecasts reflect the fact that staff resources have been proactively redeployed as part of the response to COVID-19.

11.2. Property:

There are no direct property implications arising from this report although cost forecasts reflect changed plans around the use of property and additional property costs.

11.3. IT:

There are no direct IT implications arising from this report although cost forecasts reflect additional IT costs expected to be incurred in delivering the response to COVID-19.

12. Other Implications

12.1. Legal Implications

None identified.

12.2. Human Rights implications

No specific human rights implications have been identified.

12.3. Equality Impact Assessment (EqIA)

No specific EqIA has been undertaken in respect of this report. However, COVID-19 has impacted on every individual and family across Norfolk, particularly on people with protected characteristics.

New evidence is emerging daily about the nature and extent of this impact.

In view of this, the Cabinet is maintaining a dynamic equality impact assessment, which is available [here](#).

This impact assessment is being used by the Cabinet to inform decision-making during the COVID-19 pandemic. It is being continually updated to inform business continuity planning.

Mitigating actions are being developed wherever necessary and these are summarised in the assessment.

13. Risk Implications/Assessment

- 13.1. The figures set out in Table 1 reflect initial estimates; these will be further refined as more information is available. The ultimate impact and financial cost of the response to the COVID-19 outbreak will be highly dependent on a wide range of factors including

the length of time that the pandemic continues, the severity of the impact (both nationally and in Norfolk), and the wider actions taken in response.

13.2. The emerging coronavirus / Covid-19 situation may impact on the County Council's budget setting process in a number of ways, most significantly:

- The Council's available resources and capacity to plan robust future year savings while responding to a rapidly changing operating environment;
- The ability to adhere to the proposed process and timetable;
- The need to provide for any immediate cost pressures emerging for the Council; and
- The medium to long term financial implications including the impact on the wider economy and business rates base and income.

13.3. All risks associated with Covid-19 are documented in the Norfolk County Council Corporate Risk Register.

14. Select Committee comments

14.1. None.

15. Recommendations

15.1. Cabinet considers the recommendations as set out in the Executive Summary.

16. Background Papers

16.1. Norfolk County Council Revenue and Capital Budget 2020-21 to 2023-24, County Council 17/02/2020, agenda item 5 ([here](#))

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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.