



Norfolk County Council
at your service

Environment, Transport & Development Overview & Scrutiny Panel

Date: **Wednesday 14 November 2012**

Time: **10.30am**

Venue: **Edwards Room, County Hall, Norwich**

Persons attending the meeting are requested to turn off mobile phones.

Membership

Mr A Byrne (Chairman)
Mr A Adams
Dr A Boswell
Mr B Bremner
Mrs M Chapman-Allen
Michael Chenery of Horsbrugh
Mr P Duigan
Mr T East
Mr M Langwade
Mr I Mackie
Mr P Rice
Dr M Strong
Mrs H Thompson
Mr T Tomkinson
Mr J Ward
Mr A White
Mr R Wright (Vice-Chairman)

Non Voting Cabinet Members

Mr B Borrett	Environment and Waste
Mr N Dixon	Community Protection
Mr G Plant	Planning and Transportation
Mrs A Steward	Economic Development

Non Voting Deputy Cabinet Member

Mr J Mooney	Environment and Waste
Mr B Spratt	Planning and Transportation

**For further details and general enquiries about this Agenda
please contact the Committee Administrator:**

Julie Mortimer on 01603 223055
or email committees@norfolk.gov.uk

A g e n d a

1 To receive apologies and details of any substitute members attending

2 Minutes of the meeting held on 17 October 2012

To confirm the minutes of the Environment Transport and Development Overview & Scrutiny Panel meeting held on 17 October 2012.

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:

- your well being or financial position
- that of your family or close friends
- that of a club or society in which you have a management role
- that of another public body of which you are a member to a greater extent than others in your ward.

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

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

5 Public Question Time

15 minutes for questions from members of the public of which due notice has been given.

Please submit your question(s) to the person named on the front of this agenda by **5pm on Friday 9 November 2012**. For guidance on submitting public questions, please refer to the Council Constitution Appendix 10, Council Procedure Rules or [Norfolk County Council - Overview and](#)

Scrutiny Panel Public Question Time and How to attend Meetings

6 Local Member Issues/Member Questions

15 minutes for local members to raise issues of concern of which due notice has been given.

Please submit your question(s) to the person named on the front of this agenda by **5pm on Friday 9 November 2012**

7 Cabinet Member Feedback on previous Overview & Scrutiny Panel comments (Page **1**)

Scrutiny Items:

8 Forward Work Programme: Scrutiny (Page **3**)
To review and develop the programme for scrutiny.

9 ETD Procurement of Highways and Related Services (Page **9**)
Members are asked to comment on the Outline Business Case, and recommend that Cabinet approves the evaluation criteria and approach outlined.

Overview Items:

10 Service and Budget Planning 2013/15 for Environment, Transport and Development (Page **99**)
Members are asked to consider and comment on the information contained in the report.

11 ETD Integrated Performance and Finance Monitoring Report 2012/13 (Page **111**)
Members are asked to comment on the progress against ETD's service plans actions, risks and budget and consider whether any aspects should be identified for further scrutiny.

12 The County Council's Economic Growth Strategy Half Year Progress Report (Page **135**)
Members are requested to note progress on delivery of the strategy and identify whether there are any areas they wish to consider further.

13 Traffic Management Act: Norfolk Permit Scheme for Street Works (Page **149**)
Members are asked to consider the permit options and support the development of a Full Permit Scheme.

14 The Economic Benefit of Norse Group Ltd to Norfolk. (Page **157**)
An Executive Summary report by the Director of Norse.

Conservative
Liberal Democrats

Group Meetings
9.30am
9.30am

Colman Room
Room 504

Chris Walton
Head of Democratic Services
County Hall
Martineau Lane
Norwich NR1 2DH

Date Agenda Published: Tuesday 6 November 2012



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Environment, Transport and Development Overview and Scrutiny Panel

Minutes of the Meeting held on 17 October 2012

Present:

Mr A Byrne (Chairman)

Mr A Adams	Mr P Morse
Mr R Bearman	Mrs H Thompson
Mr B Bremner	Mr T Tomkinson
Mr M Brindle	Mr J Ward
Michael Chenery of Horsbrugh	Mr A White
Mr P Duigan	Mr R Wright (Vice-Chairman)
Mr I Mackie	

Cabinet Members present:

Mr N Dixon	Community Protection
Mr G Plant	Planning and Transportation
Mrs A Steward	Economic Development

Deputy Cabinet Member present:

Mr J Mooney	Environment and Waste
Mr B H A Spratt	Planning and Transportation

1 Apologies

Apologies were received from Mr T East (Mr M Brindle substituted); Dr A Boswell (Mr R Bearman substituted); Dr M Strong (Mr P Morse substituted); Mrs M Chapman-Allen; Mr M Langwade; Mr P Rice and Mr B Borrett, Cabinet Member for Environment and Waste.

2 Minutes of the meeting held on 7 September 2012

- 2.1 The minutes of the meeting held on 7 September 2012 were agreed as an accurate record and signed by the Chairman.

3 Declarations of Interest

- 3.1 There were no declarations of interest.

4 Items of Urgent Business

There were no items of urgent business.

5 Public Question Time

No public questions were received.

6 Local Member Issues/Member Questions

6.1 Question from Alexandra Kemp, Local Member for Lynn South and Clenchwarton.

Could the Chair answer whether, in his experience, February is the best month of choice to hold a public enquiry in a rural area, with a view to ensuring maximum public access in an area of extreme demographics, relatively poor road communications and public transport, and the habitual possibility of inclement weather.

Reply by the Chairman, Alec Byrne

The Planning Inspectorate, on behalf of the Secretary of State, is responsible for and makes the final decision for the call in timetable. The Inspectorate requested that the formal parties agree suitable timescales and the Inspectorate has stated that the proposed date is some 6 months after the Secretary of State called the application in and therefore a delay beyond this cannot be justified.

7 Cabinet Member Feedback on previous Overview and Scrutiny Panel comments.

- 7.1 The Panel received the annexed report (7) by the Cabinet Members for Planning and Transportation, Economic Development, Environment and Waste, and Community Protection, providing feedback on items discussed at Cabinet which had previously been discussed at an Environment, Transport & Development (ETD) Overview and Scrutiny Panel meeting.
- 7.2 The Cabinet Member for Economic Development said that the Panel would be receiving an update on the Broadband project shortly. The Cabinet Member also informed the Panel that the mobile phone working group had been established and that the Panel would be receiving further information on the progress of the project in the near future.
- 7.3 The Cabinet Member for Economic Development reported that, in support of the tourism agenda, a new group had been set up called Visit East Anglia. This group had been established by people working within the industry. Mr Pete Waters had been appointed as Brand Manager, supporting both Norfolk and Suffolk. Mr Waters was well known in the area as he had previously worked at the EDP.
- 7.4 The Panel noted that the Economic Development team were working very closely with the Local Enterprise Partnership (LEP) on energy issues.

- 7.5 The Cabinet Member for Planning and Transportation informed the Panel that Greater Anglia had been making excellent progress in working with Network Rail and had recently announced a significant reduction in weekend working on the Great Eastern Main Line during 2013. He said that only 7 weekends would involve bus replacement services compared to 34 in 2012 (a reduction of over 75%). He went on to say that the dates had already been set for weekend working so customers would know these well in advance and could plan their travel arrangements accordingly. There would be no work carried out during weekends between April and October which should make a huge difference for all customers, communities and businesses along the route, which would also bring tourism benefits.
- 7.6 The Cabinet Member for Planning and Transportation also wished to pass on to the Panel that the “Fair Fares” campaign had won the regional campaign award from the East Anglian Chartered Institute of Public Relations at a ceremony on 16 October. There were several highly skilled and heavily resourced private sector PR agencies in the running for the award and he was very pleased that the “Fair Fares” campaign had won.
- 7.7 The Fair Fares campaign had achieved the following:
- Government had listened and the Department for Transport had requested that the Department for Communities and Local Government include a specific question about how revising the method of calculating reimbursement levels for concessionary fares could make it fairer when undertaking their financial consultation in the summer.
 - Norfolk could be slightly better off by about £1.2m if the proposal went ahead as it had been proposed. Although this amount was still not covering the cost of fares, and the shortfall would continue to be highlighted, it was a welcome addition to funds in the effort to maintain and protect vital rural transport services.
 - Other rural counties had also benefited from the Norfolk County Council campaign which had enhanced Norfolk’s reputation. This had been achieved with cross-party support and endorsement from all the MPs in Norfolk.
- 7.8 The following points were noted in response to questions from the Panel:
- The possibility of publishing planned engineering works on the Norfolk County Council website would be investigated. This would assist travellers when making their travel arrangements.
 - The Deputy Cabinet Member for Planning and Transportation welcomed the reduction in weekend working on the Great Eastern main line, as he had received a number of letters of complaint from his constituents about delays and poor experiences of travelling by rail during weekends.
 - Members congratulated Norfolk County Council on the reduction to weekend working rail maintenance announcements, which would

benefit everyone travelling between Norwich and London. The Panel agreed that the award for the Fair Fares campaign was well deserved.

- The Cabinet Member for Travel and Transport confirmed that the campaign to attain a fairer settlement of reimbursement levels for concessionary fares would continue.

RESOLVED that the report be noted.

8 Forward Work Programme: Scrutiny

8.1 The annexed report (8) by the Director of Environment, Transport and Development was received by the Panel. The report set out the forward work programme for scrutiny and Members were asked to consider the Outline programme at Appendix A of the report and consider new topics for inclusion on the scrutiny programme, including considering the Councillor Call for Action as detailed at Section 2 and Appendix C of the report.

8.2 Cllr John Dobson, Local Member for Dersingham Division, attended the meeting to present his Councillor Call for Action (CCfA). A summary of the issues raised in the CCfA could be found at Appendix C of the report. The Chairman allowed Mr Dobson five minutes to make his presentation, during which the following points were noted:

- The topic for consideration was a complex issue which related to signs erected at Snettisham Beach by a limited number of chalet owners located between the common land and the edge of the beach.
- A photograph was circulated to the Panel which showed a sign forbidding people from walking along that section of land. The sign had been erected in the car park at Snettisham Beach by a member of the public who had no authority to do so.
- Mr Dobson stated that Norfolk County Council had failed to resolve these issues raised by the erection of the private sign, which had been the subject of much correspondence, because they were awaiting the outcome of the Modification Order process.
- Mr Dobson added that this issue needed settling as soon as possible as local businesses were losing revenue. He had understood that people driving onto the car park were not staying in the area once they had seen the signs.
- Lastly, Mr Dobson noted that these signs had been in place approximately 2 years.

8.3 The following points were noted in response to questions to Mr Dobson from Members of the Panel:

- Members felt that, as the signs had been put up without going through the

proper processes, it should be a simple process to remove them.

- The Common land was owned by a number of people, which brought certain rights of access for everyone.
- It was evident that Norfolk County Council had signed up to a three-partnership working Code of Practice in Norfolk and, under the conditions of this Code, the organisations involved should work together to get an effective relationship in place to resolve issues such as these.
- In final comment, Mr Dobson explained that he had brought this matter to the Panel as a CCfA as he felt the process was purpose built to help solve this issue and to attempt to stop the situation from getting worse. He was concerned for the real possibility of further acts of criminal damage and also the possibility of people getting injured.

8.4 Mr T Edmunds, Highways Network Manager, gave a presentation on the Norfolk County Council position, during which the following points were noted:

- Norfolk County Council's position had been clearly set out in the summary of the issues involved (appendix C of the report).
- Under normal circumstances the local Planning Authority would approve such signs under advertising regulations.
- The issue which needed to be considered related to public access rights to registered Common Land and Public Rights of Way matters. The issues raised were complex and the view of the County Council was that the most appropriate action would be to await the outcome of the Modification Order process, which may involve a Public Enquiry and then deal with the signs in full knowledge of the extent of the Public Rights of Way network at that time. Therefore, it was suggested that no further action be taken until after the outcome of the Public Enquiry was known.

8.5 The following points were noted in response to questions from the Panel:

- The Head of Democratic Services, in consultation with the Director of Environment, Transport and Development, had deemed the Environment, Transport and Development Overview and Scrutiny Panel the most appropriate Panel to deal with the CCfA from Cllr Dobson. The process for dealing with CCfA was contained within the Norfolk County Council Constitution.
- If there were no objections to the Modification Order Public Enquiry, it was possible that this issue could be resolved during 2012. If there were objections, the process could take as long as 2 years.
- Members commented that if there was a public right of access it needed to be enforced.

- The Highways Network Manager reiterated that the view of the County Council was to await the outcome of the Modification Order.

8.6 Arising from the discussion, a Panel Member noted that the Councillor Call for Action was a very useful tool. He wished to support the CCfA and therefore proposed that the final sentence in the outcome (as shown in Appendix C of the report) be agreed:

- Norfolk County Council should show leadership in seeking to achieve this by bringing all involved authorities round a table at a Scrutiny Panel meeting as allowed for under section 119 of the Act, which appears to be the ideal instrument for this purpose.

This was seconded by Mr White.

8.7 During the debate on the proposal, the following points were noted:

- Some Members said this should not be an issue for the Panel to consider at all, it should be dealt with in the same way as neighbourhood disputes.
- In response to a question over manorial rights over the common land, the Highways Network Manager agreed to clarify the position and reply in writing to all Panel Members following the meeting.
- Mr Bearman proposed an amendment to the above proposal, which was not seconded:
 - Norfolk County Council should show leadership in seeking to achieve this by bringing all involved authorities round a table at an **appropriate Scrutiny Panel** meeting as allowed for under section 119 of the Act, which appears to be the ideal instrument for this purpose.
- Some Members felt that officers should enforce the public rights of way and deal with the problem in that way.

8.7 The proposal, as presented by Mr Tomkinson was put to a vote and, with 9 votes in favour, 0 votes against and 4 abstentions, it was **AGREED** that

- Norfolk County Council should show leadership in seeking to achieve this by bringing all involved authorities round a table at a Scrutiny Panel meeting as allowed for under section 119 of the Act, which appears to be the ideal instrument for this purpose.

8.8 **RESOLVED** that .

- i. Norfolk County Council should show leadership in seeking to achieve an agreed, unified view of the signs issue between the key responsible authorities in order to give the police a firm line to prevent further escalation in acts of criminal damage or violence. This could be achieved by bringing all involved authorities round a table at a Scrutiny

Panel meeting as allowed for under Section 119 of the Act, which appeared to be the ideal instrument for this purpose.

9 Green Light for Better Buses

- 9.1 The Panel received the annexed report (9) by the Director of Environment, Transport and Development, setting out plans for increasing the use of buses, cutting congestion and increasing the competitiveness of the bus industry. The proposals only apply in England and would not affect long-distance coach travel.
- 9.2 During the presentation of the report, the Assistant Director of Travel and Transport drew Members' attention to the fact that some of the current funding would be used to set up a new local government fund (Better Bus Areas) which would encourage transport authorities and bus companies to improve services and boost passenger numbers.
- 9.3 If the plans went ahead as proposed, Bus Service Operators Grant (BSOG) for supported services would be devolved to Norfolk County Council from October 2013. This meant bus operator's costs would increase but a similar amount of money (estimated to be £350-£400k per year for the whole of Norfolk) would be given to the council to compensate for contract price increases. The change in policy was intended to be cost neutral.
- 9.4 The fund had been ring-fenced until 2014, after which it would be up to local authorities how they allocated the available funding.
- 9.6 The following points were noted in response to questions from the Panel:
- Operators who had installed smart ticketing equipment or used low-carbon emission buses would receive direct incentive payment of 8% and 2% above the BSOG base rate. There may also be opportunities to invest further in public transport smart ticketing equipment in the future.
 - A Norfolk County Council website which would give passengers information about all travel options within Norfolk was currently being developed.
 - Norfolk County Council was not technically able to purchase fuel on behalf of bus companies as the BSOG payments could only be paid to companies who operated the service. The Assistant Director for Travel and Transport agreed to investigate bulk fuel purchases further.
 - The Cabinet Member for Planning and Transportation drew the Panel's attention to the sentence at 2.1.1 of the report which stated that "the devolved funds from DfT should cover the additional tender costs" and highlighted this as a health warning. He also asked officers to monitor the policy change closely to ensure that Norfolk was not short-changed in the process. The Assistant Director for Travel and Transport said

that, until the Government had chosen the baseline year they would be using for their calculation, the position would remain unclear.

- Norfolk was part of the DfT Working Group and the Assistant Director Travel and Transport agreed to take all the issues forward to try to avoid a negative impact on rural areas.
- Following a suggestion that a reduction in fares may encourage more people to use buses, it was noted that although prices did have an influence on how many people used buses, evidence had shown that quality and reliability of service was the best incentive for getting more people to travel on public transport.
- Members wished to thank the Travel and Transport team for developing the Post-16 travel scheme which provided discounted fares for young people travelling on buses. They agreed this was a major good news story and was a credit to the authority.

9.5 **RESOLVED** to note the report.

10 The Joint Norfolk and Suffolk Gypsy and Traveller Strategy

- 10.1 The Panel received the annexed report (10) by the Director of Environment, Transport and Development setting out the details of the Norfolk and Suffolk Gypsy and Traveller Strategy.
- 10.2 Members were asked to consider the final version of the Gypsy and Traveller Strategy, which included a position statement and action plan and support its endorsement.
- 10.3 Members agreed that the joined up approach between Norfolk County Council and Suffolk County Council worked well.

RESOLVED to

- Support the endorsement of the final version of the Gypsy and Traveller Strategy, which included a position statement with action plan.

11 Independent Panel on Forestry – Report following Call for Views.

- 11.1 The Panel received the annexed report (11) by the Director of Environment, Transport and Development, summarising the findings from the Independent Panel on Forestry report and the implications for Norfolk County Council.
- 11.2 The Panel noted that the government had not yet responded to the findings contained within the Independent Panel on Forestry report.
- 11.3 The Panel welcomed the report and agreed it was important that facilities such as Burlingham Woods remained in public ownership as they brought benefits to general wellbeing as well as ecological and biological benefits.

11.4 Members endorsed and welcomed this report.

11.5 **RESOLVED** to note the report.

(The meeting closed at 11.40am)

Chairman



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Cabinet Member feedback on previous Overview and Scrutiny Panel comments

A joint note by the Cabinet Members for Planning and Transportation,
Economic Development, Environment and Waste, and Community
Protection

The purpose of this note is to provide feedback on items discussed at Cabinet which had previously been discussed at an ETD Overview and Scrutiny Panel meeting.

Environment and Waste issues

Report/issue	North Norfolk (Kelling to Lowestoft Ness) Shoreline Management Plan (SMP 6)
Date considered by O&S Panel:	12 September 2012
O&S Panel comments:	The Panel agreed to endorse the Kelling to Lowestoft Shoreline Management Plan to Cabinet, for approval by the Environment Agency, as outlined in the report.
Date considered by Cabinet:	8 October 2012
Cabinet feedback:	The Cabinet endorsed The Shoreline Management Plan for approval by the Environment Agency, as outlined in the report.

Planning and transportation issues

No items discussed at Cabinet.

Community Protection issues

No items discussed at Cabinet.

Economic Development issues

No items discussed at Cabinet.

Officer Contact

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

Name	Telephone Number	Email address
Sarah Rhoden	01603 222867	sarah.rhoden@norfolk.gov.uk



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Forward Work Programme: Scrutiny

Report by the Director of Environment, Transport and Development

Summary

This report asks Members to review and develop the programme for scrutiny.

Action required

Members are asked to:

- i) consider the attached Outline Programme (Appendix A) and agree the scrutiny topics listed and reporting dates.
- ii) consider new topics for inclusion on the scrutiny programme in line with the criteria at para 1.2.

1. The Programme

1.1. An Outline Programme for Scrutiny is included at Appendix A.

1.2 Members of the Overview and Scrutiny Panel can add new topics to the scrutiny programme in line with the criteria below: -

i) High profile – as identified by:

- Members (through constituents, surgeries, etc)
- Public (through surveys, Citizen's Panel, etc)
- Media
- External inspection (Audit Commission, Ombudsman, Internal Audit, Inspection Bodies)

(ii) Impact – this might be significant because of:

- The scale of the issue
- The budget that it has
- The impact that it has on members of the public (this could be either a small issue that affects a large number of people or a big issue that affects a small number of people)

(iii) Quality – for instance, is it:

- Significantly under performing
- An example of good practice
- Overspending

(iv) It is a Corporate Priority

- 1.3 Appendix B shows a list of the scrutiny projects relating to Environment, Transport and Development services completed in the last 12 months.
2. **Section 17 – Crime and Disorder Act**
- 2.1. The crime and disorder implications of the various scrutiny topics will be considered when the scrutiny takes place.
3. **Equality Impact Assessment**
- 3.1. This report is not directly relevant to equality, in that it is not making proposals that will have a direct impact on equality of access or outcomes for diverse groups.

Action Required

The Overview and Scrutiny Panel is asked to:

- (i) consider the attached Outline Programme (Appendix A) and agree the scrutiny topics listed and reporting dates.
- (ii) consider new topics for inclusion on the scrutiny programme in line with the criteria at para 1.2.

Officer Contact

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

Name	Telephone Number	Email address
Sarah Rhoden	01603 222867	sarah.rhoden@norfolk.gov.uk



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Outline Programme for Scrutiny

Standing Item for the Environment, Transport and Development O & S Panel: Update for 14 November 2012

This is only an outline programme and will be amended as issues arise or priorities change

Scrutiny is normally a two-stage process:

- Stage 1 of the process is the scoping stage. Draft terms of reference and intended outcomes will be developed as part of this stage.
- The Overview and Scrutiny (O&S) Panel or a Member Group will carry out the detailed scrutiny but other approaches can be considered, as appropriate (e.g. 'select committee' style by whole O&S Panel).
- On the basis that the detailed scrutiny is carried out by a Member Group, Stage 2 is reporting back to the O&S Panel by the Group.

This Panel welcomes the strategic ambitions for Norfolk. These are:

- A vibrant, strong and sustainable economy
- Aspirational people with high levels of achievement and skills
- An inspirational place with a clear sense of identity

These ambitions inform the NCC Objectives from which scrutiny topics for this Panel will develop, as well as using the outlined criteria at para 1.2 above.

Changes to Programme from that previously submitted to the Panel on 17 October 2012

Added

- None.

Deleted

- None.

Topic	Outline Objective	Cabinet Portfolio Area	Stage 1 (scoping report)	Stage 2 (report back to Panel by Working Group)	Requested by	Comment
Scrutiny Items – Active						
1. Mobile Phone coverage for rural and urban areas in Norfolk and digital radio	To review provision of effective mobile phone coverage for rural and urban areas in Norfolk and review arrangements for Digital radio.	Economic Development		Various	1 September 2009 (by a Scrutiny Task & Finish Group set up by the former ED&CS O&S Panel).	Being progressed by a Member Working Group, Chaired by Cllr Duigan. The Working Group met on 3 October 2012 and are planning to bring an update report to the Panel in January.
2. The Future Role of the Forestry Commission Estate in Norfolk	To identify the potential implications for Norfolk if land currently managed by the Forestry Commission was sold.	Environment and Waste	Initial report considered at March 2011 Panel meeting		ETD O&S Panel – March 2011 meeting	Response to call for views from Independent Panel on Forestry agreed July 2011. The Panel received a report on the Independent Panel's finding in October 2012. A further report on Wild Anglia will be brought to the Panel in 2013.
Scrutiny Items – Ongoing/identified for possible future scrutiny						
3. Broadband coverage for rural and urban areas in Norfolk	To review broadband coverage for rural and urban areas in Norfolk (following implementation of the Broadband for Norfolk project).	Economic Development	TBC	TBC	14 September 2011 O&S Panel	

Completed Scrutiny Items – last 12 months

List of scrutiny projects completed by the Panel in the last 12 months, date of final report presented to the Panel and method of scrutiny:-

Date completed	Topic	Panel/Method
11 January 2012	Highway and Community Rangers	Full Panel
14 March 2012	The economic recovery	Full Panel
14 March 2012	New funding streams for infrastructure	Full Panel
14 March 2012	Digital TV Switchover	Member Working Group

ETD Procurement of Highway and Related Services

Report by the Director of Environment, Transport and Development and the Head of Procurement

Summary

The appended Outline Business case (OBC) sets out, for consideration by Members, the proposed approach to the new highway and related services contracts which have to be in place by April 2014. It places particular emphasis on the structure of the new contractual arrangements and the proposed commercial deal. It also sets out the criteria which will be used to shortlist tenderers and then to make the final contract award decision.

Discussion with prospective bidders has indicated that dividing the procurement into three separate contracts is likely to generate the optimum degree of competition. In addition, it offers an opportunity to phase the procurement to allow the most effective use of available specialist skills in managing the process.

The officer team procuring the works contract – by far the largest of the three - will complete its work in mid-summer. To avoid a protracted award process, which would be difficult to manage and which would leave open a window for legal challenge, it is proposed that following consideration by the cross party member Board, the process should move as quickly as practicable to a formal decision by Cabinet. Therefore, officers recommend that, on this occasion, the award decision is not considered by ETD Overview and Scrutiny Panel before going to Cabinet.

The result of the procurement exercise will be determined by the shortlisting and award criteria. It is therefore essential that members are content with the criteria proposed, as they cannot be changed in mid-procurement.

The Professional Services and Traffic Signals contracts are relatively small in value and it would be appropriate to delegate the award decision to the Director of Environment, Transport and Development in consultation with the Head of Procurement and the Cabinet Member for Planning and Transportation.

A further outline business case, concentrating specifically on traffic signals, will be brought to Panel after Christmas.

Action Required

Overview and Scrutiny Panel is asked to:

- Comment on the Outline Business Case for the procurement of the Works and Professional Services providers
- Recommend that Cabinet approves the evaluation criteria set out in the Outline Business Case
- Recommend that Cabinet approves the approach outlined and endorses three separate contracts
- Note that the report recommending award of the Works contract will be reported direct to Cabinet without going via Scrutiny.
- Recommend that Cabinet approves the publication of the OJEU for the works contract in December 2012 and for the Professional Services contract in February 2013
- Recommend that Cabinet approves the procurement programme phasing set out in section C4.3 of the Outline Business Case
- Recommend that Cabinet delegates the award of the Professional Services and Traffic Signals contracts to the Director of Environment, Transport and Development in consultation with the Head of Procurement and the Cabinet Member for Planning and Transportation.

1. **Background**

- 1.1. The County Council has had contractual arrangements with private companies since April 2004 to assist with delivery of “Environmental Services”, which in practice have focused on the delivery of highway-related activities. These contracts end in 2014. One contract is with May Gurney for highway maintenance and construction works (including a sub-contract for traffic signals) and one with Mott MacDonald for professional advice, scheme design and project management. Both companies work in partnership with the county council and work collaboratively with the in-house teams to provide integrated service delivery.
- 1.2. The current contract arrangements include a mix of in-house and outsourced provision for both blue and white collar services. The department maintains a client capability to manage the performance of the contracting partners, whilst benefiting from private sector innovation, expertise and economies of scale. Senior managers from the partners are closely integrated with those of the department, meaning that they have a good understanding of the Council’s needs and are quick to reflect changes in emphasis and priorities, without the need for formal contractual revisions. This gives the Council a flexible and responsive service.
- 1.3. A range of options for reprocurring the highway related services, with their associated pros and cons, were presented to Overview and Scrutiny Panel in January 2012 and considered by Cabinet on 5 March 2012.
- 1.4. Option F2+ (“broadly as existing arrangements with enhanced performance management”) was approved by Cabinet as the preferred option.
- 1.5. This report asks Members to comment on, and recommend to Cabinet that it approves, the proposed approach to re-procuring these contracts, in particular the programmes, risk allocation, performance management and selection and evaluation criteria which will be used to choose the winning bidders. The selection and evaluation criteria cannot be modified once the formal procurement exercise starts.

2. **Outline Business Case (OBC)**

- 2.1. The OBC is the strategic document that sets out the approach to the procurement process. Members are requested to give particular attention to the Commercial Case (section C, page 13) and the Financial Case in (section D, page 60).
- 2.2. References to decisions and recommendations made by Members so far within this process have been referenced within the OBC and are explained by footnotes on the relevant pages
- 2.3. Commercial Case
The Commercial Case documents the scope and composition of the three contracts which are on offer – Works (described as contract A), Professional Services (contract B) and Traffic Signals (contract C). It also illustrates the key milestones for the procurement process for contracts A and B. A separate OBC is being produced for Contract C.
- 2.4. Officers have been refining the timescales for the three procurement exercises and have concluded that it would be sensible, whilst still delivering within the original overall timescales, to phase them to avoid over-stretching resources, particularly during the dialogue part for the most complex contract – that for works, which is

valued at some £400million. The Works contract will be delivered to the programme previously set out. It is suggested the professional services and the traffic signals contracts are reprogrammed to be completed slightly later, but still in good time for the start date of April 2014.

- 2.5. The proposed procurement timetable for Contracts A and B is set out in section C4.3 of the OBC. A separate OBC for the traffic signals contract is being prepared and will be brought to this Panel and to Cabinet early in 2013. The OJEU and Pre Qualification Questionnaire (PQQ) for professional services will be published in February 2013 (as opposed to December 2012 for the Works contract) and that competitive dialogue will proceed soon after that for the Works contract. Competitive dialogue is a very intensive process and critical to help with the selection of the most appropriate provider. For this reason, it is proposed that this part of the process does not run concurrently for the three contracts. The award dates for the Professional Services and Traffic Signal contracts will be late autumn 2013.
- 2.6. The works contract will be the largest and most complex to set up, therefore, it should have the longest mobilisation period. The technical work on the evaluation will be complete in late July and will then be considered by the cross party member Board. There are also statutory processes to complete including allowing time for legal challenge to the decision. It would be most appropriate for the cross party member Board to report directly to the earliest available Cabinet meeting which is likely to be in September. This would make it impracticable for the award decision to be considered by this Overview and Scrutiny Panel before going to Cabinet. The award recommendation and decision will be determined by application of the evaluation criteria selected before the procurement begins. It is important to emphasise that this meeting is the opportunity for Scrutiny to review the proposed evaluation criteria, which will form the basis of the contract award. This cannot be changed once bidders have been informed after publication of the OJEU notice. Members must be happy with the evaluation proposals as they will determine which bidder is awarded the contract.
- 2.7. Section C9 of the OBC sets out the proposed selection and award criteria that officers will use. The selection criteria (C9.1) will be used to shortlist suppliers based on their responses to the pre-qualification questionnaire (PQQ), which deals with track record, financial stability and technical capability. The criteria are weighted to reflect their importance. We will select organisations that we wish to enter into dialogue with, based upon the selection criteria.
- 2.8. The award criteria (C9.2) will be used to shortlist further (down to three bidders) and then applied to the solutions and prices they offer at final tender. These criteria reflect Members' priorities for the new arrangements, which have been documented in previous Cabinet reports. The weighting of the criteria between quality and price is a finely balanced judgement. Officers recommend using a 60:40 quality price split for the professional services contract, but to adjust that to a 55:45 split for the works contract to reflect its significantly higher cost and a greater scope to apply rigorous standards and specification for delivery.

2.9. Financial Case

The Financial Case details the value of the services that will be covered by this procurement programme based upon 2011/12 budget figures. It also sets out how

affordability will be assessed and how liabilities and balance sheet treatment will be dealt with as part of the evaluation process.

3. **Resource Implications**

3.1 **Finance :**

Limited use is being made of external technical advisers but the bulk of the work is being undertaken by internal resources. The procurement process is designed to deliver better value for money from the contracts.

3.2 **Staff :**

Delivery of the project is involving a cross-functional team including officers from Highways, Travel and Transport, Procurement, Legal, Human Resources and other parts of the authority.

It is not anticipated that any council staff will be transferred out as part of the process. Some ex-council staff will transfer from the existing to the new works provider, if the contract changes hands.

3.3 **Property :**

Sharing of highways depots with Suffolk County Council is being explored as we work with them in our respective procurement processes. We are assessing the property assets that could be made available for the providers as part of the new arrangements together with determining the cost implications of this.

3.4 **IT :**

Changes and compatibility to system requirements will be considered during the procurement process and competitive dialogue.

We are in the process of sourcing a virtual data room. This is a secure electronic system that will enable all prospective bidders to view key documents which they need for the due diligence process so that all interested parties will have access to the same information during the bidding process.

4. **Other Implications**

4.1 **Legal Implications :**

NP Law continue to be engaged throughout this procurement process to mitigate any legal risks. The main issues will be compliance with procurement law; compliance with employment and equalities law concerning staff transfer; and contractual robustness.

We have engaged the services of NEC contract specialists (Buro Happold) to help us to ensure that the contracts and their terms and conditions represent the best interests of Norfolk County Council.

4.2 **Equality Impact Assessment (EqIA) :**

It is anticipated that the evaluation process of any bidder will assess their approach to equality. Staffing issues would be considered as part of TUPE transfer if needed.

4.3 **Communications :**

The Council has been open and transparent throughout this process and has invited interaction with potential providers. A stakeholder analysis and communications plan has been developed as part of the programme and there are no urgent communications issues.

4.4 **Health and Safety Implications :**

Health and Safety criteria have been incorporated within the PQQ for the selection process and will be explicit within the evaluation criteria. There will be suitable health and safety stipulations in the contract conditions. Health and Safety specialists have been and will continue to be engaged in this process.

4.5 **Environmental Implications :**

As part of the detailed contract development, sustainability criteria is being considered and incorporated into the shortlisting and award criteria and the contract terms.

The performance management regime for the new arrangements will include sustainability measures which have been worked up in conjunction with the Sustainability Team.

4.6 **Any other implications:** Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.

5. **Section 17 – Crime and Disorder Act**

5.1 None

6. **Risk Implications/Assessment**

6.1 Risks and risk allocation relating to the proposed contract arrangements has been considered as part of the OBC (section C5.2 from page 21)

A risk register relating to risks associated with the delivery of the procurement programme has also been developed and is appended to the OBC. This is now reviewed at every meeting of the Cross Party Member Procurement Board.

Action Required

Overview and Scrutiny Panel are asked to

- (i) Comment on the Outline Business Case for the procurement of the Works and Professional Services providers
- (ii) Recommend that Cabinet approves the evaluation criteria set out in the Outline Business Case
- (iii) Recommend that Cabinet approves the approach outlined and endorses three separate contracts
- (iv) Note that the report recommending award of the Works contract will be reported direct to Cabinet without going via Scrutiny
- (v) Recommend that Cabinet approves the publication of the OJEU for the works contract in December 2012 and for the Professional Services contract in February

2013

- (vi) Recommend that Cabinet approves the procurement programme phasing set out in section C4.3 of the Outline Business Case.
- (vii) Recommend that Cabinet delegates the award of the Professional Services and Traffic Signals contracts to the Director of Environment, Transport and Development in consultation with the Head of Procurement and the Cabinet Member for Planning and Transportation

Background Papers

Cabinet (5 March 2012) - ETD Highways Re-procurement – identifying and analysing options for the procurement of services to take effect from 2014. Approval of preferred option.

ETD Overview and Scrutiny Panel (11 January 2012) - ETD Highways Re-procurement – identifying and analysing options for the procurement of services to take effect from 2014.

Cabinet (24 January 2011) - Environment, Transport and Development Strategic Review – future service delivery method

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Highways and related services procurement

NCCT40037
Outline Business Case

16 October 2012

SYNOPSIS

1. Norfolk County Council needs to replace its current contractual relationships – known as the Norfolk Strategic Partnership – for the provision of highways and related services. These arrangements include both professional services, including advisory and design services – and technical services, including highway construction, maintenance and repair, and traffic signals.
2. The main purpose of this Outline Business Case is to: revisit the case for change and the preferred way forward identified in the strategic review last year; establish the option which optimises value for money; outline the proposed deal and assess affordability; and demonstrate that the proposed approach is deliverable.

VERSION CONTROL

From version 0.1 onwards

Version	Date	Issued by	Purpose	Circulation	Main changes from previous version
0.4OSP	16/10/12	Steering Group	For review by ETD OSP	ETD OSP	Iterated following discussion with Member project board

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A STRATEGIC CASE

A1 THE STRATEGIC CONTEXT

1. The Environment, Transport and Development (ETD) department's existing contractual arrangements with May Gurney and Mott MacDonald began in July 2004. The period of the contracts with May Gurney and Mott MacDonald is 10 years, with provision for break points at five and eight years.
2. The eight year break point for the contracts occurred in 2012. A decision on whether or not to terminate the contracts at this break point needed to be made around two years beforehand, to allow sufficient time for any new procurement process to be completed, and new contractual arrangements set up before the existing contracts expire, if it were decided that any procurement was required. This was at a time when the Council, and the Department, were faced with significant challenges including budget, service, performance and demographic pressures.
3. The financial pressures facing the Council meant that there was a need to reduce costs significantly over the following three years. A corporate change programme was put in place to take forward a programme of work to help Norfolk County Council meet these challenges. This programme prompted the need for individual Departments to carry out appropriate service review and transformation to bring about change and modernisation.
4. ETD conducted a Strategic Review which brought together the work needed to review the Partnership arrangements in advance of the 8 year break point. One of the conclusions was to continue with the current contracts for the full term under re-negotiated conditions and that preparations be made for the procurement of new arrangements to commence April 2014.
5. The Strategic Review identified various procurement options for the new contract arrangements from April 2014. In March 2011, Cabinet was presented with an analysis of these options. It was agreed by Members to proceed with an option that would build on the current successful arrangements and to develop some of the improvements achieved in the renegotiation, for example, more refined performance indicators and more pressure to encourage innovation, initiatives and reduce costs.

A2 THE CASE FOR CHANGE

1. Change is, to an extent, unavoidable owing to final expiry of the existing arrangements. The issue is therefore what the new arrangements should achieve.

2. Considering the external challenges highlighted above, the Strategic Review identified critical success factors which were used to help evaluate the various options for future service provision from April 2014. These were agreed by Members and should be applied to the re-procurement. The critical success factors were as follows.

1	Reduced cost of managing the existing assets and delivering services. This should be measured in terms of unit costs and be in addition to any reduction in works.
2	Retain sufficient client side skills to protect our highway authority responsibilities and ensure we can challenge / monitor contractors effectively.
3	Maximise the usage, or realisation, of existing property and other assets. This will be considered in line with the Norfolk Forward Accommodation Strategy.
4	Retain capacity to deal with severe winters. Winter gritting and winter resilience is a key service to the department
5	Have access to resources that can be flexible to respond to the challenge of varying workloads. This will ensure that any upturn, or downturn, in financial support can be maximised with minimum effect.
6	Ensure we have capability to deliver essential infrastructure for the County, if funding opportunities arise.
7	Maximise opportunities for service innovation and efficiency savings.
8	Facilitates joint working with partner organisations and devolution of services where appropriate.
9	Enables good engagement with residents, businesses and parish councils.

B OPTIONS APPRAISAL

B1 INTRODUCTION

1. An options appraisal was undertaken as part of the Strategic Review. This concluded that the preferred option was to re-procure on a similar basis to the current contracts, with enhanced performance management. That analysis is not repeated here.
2. The Strategic Review also took the view that winter maintenance and the 'parish ranger' service should remain in-house.
3. The council is in long-term Private Finance Initiative (PFI) contracts for street-lighting and for the supply of salt.
4. The options at this stage are therefore rather more tactical. The issues considered are:
 - a. whether the works contract should be divided into smaller units;
 - b. the approach to the traffic signals contract.

B2 GULLY EMPTYING & TRAFFIC SIGNALS

1. The current works contract, delivered by May Gurney, covers a wide range of 'blue collar' services. Whilst May Gurney delivers some of these services itself, a significant proportion is delivered by sub-contractors. This includes surfacing, surface dressing, white-lining, gully emptying, traffic signals and grass cutting.
2. May Gurney's role in these sub-contracts is largely to manage the delivery of the programmed works and to procure and manage the sub-contractors. The fundamental issue is whether the benefits of the prime contractor undertaking the activity (including the avoidance of a larger client side, the coordination of activity, the prime contractor's buying power, and having a central point of responsibility) outweighs the cost (the prime contractor's fee, and extended lines of communication between the council and the contractor delivering the work).
3. In discussion with stakeholders, two areas were identified for serious review. These were gully emptying, and in particular, traffic signals.
4. We consulted with the industry at the concept viability day (discussed in more detail at section C2). The view from works contractors was that it is usual to include gully emptying in the works contract, but that traffic signals is often separated.
5. We reviewed internally whether any benefits would be derived from separating out gully emptying, in light of this feedback. The general view was that this would simply transfer cost back onto the client side, where more staff would be required, and that the prime contractor would have more market leverage than the county council.

6. Accordingly, gully emptying remains in scope for the works contract.
7. On the other hand, the view is that little value is added by the current prime contracting arrangements for traffic signals. A significant client side is needed in any case, owing to the linkages between signals, bus priority and real time passenger information and the role signals play in reducing congestion.
8. This client side is co-located with the signals sub-contractor's staff, but has to route all commercial issues through the prime contractor. This makes little sense.
9. There is a need for further investment in traffic signals in order to reduce whole-life costs. In particular, further investment in extra-low voltage (ELV) signals is expected to be worthwhile, as this reduces both electricity consumption and routine maintenance frequencies.
10. There is also a need to invest in replacement communications technology for part of the traffic signal network. The current, analogue data connections are being phased out by British Telecom (BT), and analogue network terminating equipment for traffic signals is no longer available. The network connections support bus priority and other features, and so, unless the obsolescent equipment is replaced, important functionality will be lost.
11. It is therefore proposed that:
 - a. the traffic signals contract be procured as a separate lot;
 - b. the required investment be included in the contractual requirement.
12. A supplementary business case for traffic signals, setting out the approach in more detail, is at Annex D.

C COMMERCIAL CASE

C1 EXISTING CONTRACTUAL ARRANGEMENTS

The existing contractual arrangements are set out below.

Contract	Contractor	Standard form	Impact of this procurement	Scope
Works Contract	May Gurney	New Engineering Contract 2: Engineering Construction Contract (NEC2 ECC)	To be superseded by new contractual arrangements. Traffic signals to be split out as a separate lot.	All construction and bridgeworks; routine maintenance work such as grass cutting, weed spraying, gully emptying, safety fence repairs, road lining and cats eyes; surface dressing and resurfacing; traffic signals.
Professional Services Contract	Mott MacDonald	New Engineering Contract 2: Professional Services Contract (NEC2 PSC)	To be superseded by new contract	Project management, scheme feasibility and design, stakeholder consultation, bridge inspection and assessment, traffic modelling, public transport and environmental advice and design and project management of schemes such as household waste recycling centres (but not the operation of such facilities)

Contract	Contractor	Standard form	Impact of this procurement	Scope
Street Lighting	Amey	Private Finance Initiative (PFI)	To remain until 2032	All design, procurement, installation, commissioning and maintenance of street lights and illuminated traffic signs, including introducing new technology and energy saving initiatives
Salt	Salt Union	Private Finance Initiative (PFI)	To remain until 2020	Provision, storage and loading of salt for winter maintenance

C2 CONCEPT VIABILITY DAY

1. A concept viability day, facilitated by Intellect, was undertaken on 14 July 2012 and has informed the procurement strategy. Intellect's report is at Annex A.

C3 REQUIRED SERVICES

1. Three contracts are required:
 - Contract A – works
 - Contract B – professional services
 - Contract C – traffic signals
2. The detailed scope of each is set out below.

Contract	Scope	Principal exclusions
A	All construction and bridgeworks; routine maintenance work such as grass cutting, weed spraying, gully emptying, safety fence repairs, road lining and cats eyes; surface dressing and resurfacing	Street lighting and traffic signals (to be delivered through Contract C), highway rangers (local in-house small maintenance works), winter maintenance services, emergency response ¹ .

¹ Winter maintenance and emergency response will be included in the scope of the Official Journal of the European Union (OJEU) notice (a) to permit their later transfer to the contractor if so desired; and (b) so that the contractor can provide labour and plant in emergencies.

Contract	Scope	Principal exclusions
B	To provide additional support to the in-house design teams for project management, scheme feasibility and design, stakeholder consultation, bridge inspection and assessment; traffic modelling; public transport and environmental advice and design and project management of schemes such as household waste recycling centres (but not the operation of such facilities)	Client function, asset and programme management, area and contract management, network management and safety, highways development control and urban traffic control room. Feasibility and design work (the majority) undertaken by the in-house teams.
C	To provide a traffic signal and intelligent transport equipment maintenance service as a main contractor. To supply and install new traffic control and intelligent transport systems equipment as a main contractor working in partnership with the works contractor	Construction works undertaken under Contract A. Contract A will be used for all significant construction works. <i>To be confirmed whether, where the traffic signals contractor is undertaking upgrade or installation works and there is no other significant civils works being undertaken at the site, the signals contractor will be responsible for the civils work.</i>

C4 PROCUREMENT STRATEGY

C4.1 PROCUREMENT APPROACH

C 4.1.1 USE OF EXISTING FRAMEWORKS OR CONTRACTS

1. No existing contracts or combinations of contracts were identified which would cover the entire scope of the services. The main collaborative opportunities identified were:
 - The Eastern Highways Alliance²
 - Use of collaborative contracts for vehicle purchase, plant hire, materials and signage, via Eastern Shires Purchasing Organisation (ESPO)
 - Collaboration with Suffolk County Council

² The use of other contract options provides the flexibility to benchmark as per the Cabinet report of 5 March 2012 when contract option "F2+" was endorsed.

Background	Decision
<i>The Eastern Highways Alliance (EHA)</i>	
<p>The EHA is a collaboration involving Hertfordshire County Council, Essex County Council, Cambridgeshire County Council, Suffolk County Council, Norfolk County Council, Central Bedfordshire Council, Bedford Borough Council, Luton Borough Council and Southend-on-Sea Borough Council³.</p> <p>It has let a framework for the delivery of medium-sized highway schemes. The selected contractors are Ringway/Eurovia, Geoffrey Osborne, Jackson and Tarmac⁴. The Council is currently using the EHA framework to market test its existing contractual arrangements [brief further details needed].</p>	<p>The use of the EHA framework as the main contractual vehicle for delivery of medium-sized schemes was considered at Strategic Outline Case stage. However, it was considered that such an approach would make the proposed contract unattractive to bidders, leading to reduced competition and probably higher costs.</p> <p>Accordingly, the EHA Framework will be kept in reserve as a means to market test occasional schemes, and as a back-up option in case of major difficulties with the new contract or if the appointed contractor cannot deliver the necessary capacity for a major peak of work.</p>
<i>Eastern Shires Purchasing Organisation (ESPO)</i>	
<p>The retained highway ranger and routine maintenance service, and the winter maintenance service, will have a continued requirement for materials (including aggregates, concrete and concrete products and bituminous products), hand and power tools, signage, plant hire, vehicles and fuel.</p> <p>Traditionally, these have been provided through ESPO contracts. It is important to note though that, in most cases, these are not collaborative contracts, but contracts let by ESPO as Norfolk's agents.</p>	<p>These areas to be out of scope of Contract A and opportunities for joint procurement, through ESPO or otherwise, to be explored.</p>

³ Source: http://www.local.gov.uk/web/guest/productivity/-/journal_content/56/10171/3487227/ARTICLE-TEMPLATE

⁴ Source: <http://www.theconstructionindex.co.uk/news/view/four-named-for-75m-eastern-counties-highways-framework>

Background	Decision
<i>Suffolk County Council</i>	
<p>The authority held detailed discussions with Suffolk County Council about contracting jointly for highway services, but agreed ultimately⁵ that this would not be in its best interests. The main issues were:</p> <ul style="list-style-type: none"> • Suffolk's accelerated timetable • Differences as to scope – Suffolk wished to outsource much more of the client function, and also needed to include street lighting, which is provided under a separate PFI in Norfolk. • Differences in philosophy – Suffolk wanted to take a more outcome-based approach than Norfolk • Concerns expressed by the industry about the scale of a joint Norfolk-Suffolk procurement excluding all but the largest firms. <p>Nevertheless, the two councils are co-operating closely in order to reduce procurement costs, standardise specifications and contract terms as far as practicable, and facilitate cross-border working.</p>	<p>Suffolk has placed an Official Journal of the European Union (OJEU) notice, number 2012/S 22-035444, for its highways procurement. This stated:</p> <p><i>The Council may look to provide services to other organisations and will look to retain the flexibility to deliver those services via this contract. The Council may place orders under this contract on behalf of other local authorities or organisations within the geographic area of Essex (including Southend-on-Sea and Thurrock), Hertfordshire, Cambridgeshire (including Peterborough), Norfolk and Suffolk.</i></p> <p>This provision supports cross-border working, and it is intended that a similar provision should be contained in Norfolk's OJEU, covering Suffolk and other neighbouring counties.</p>

C4.2 EU PROCUREMENT PROCEDURE

1. The choice of procurement route is essentially between the Restricted and Competitive Dialogue procedures. Both have their merits.

Restricted procedure

2. The Restricted procedure is a two-stage procedure involving selection of a shortlist – typically of five candidates – to be invited to tender. It is less demanding of resources and less costly for bidders and the contracting authority. However, it is a 'fire and forget' process – the bidders tender against set contract terms and specification, and there is no opportunity to fine-tune responses. It is therefore critical that, where used, the market should be consulted before the procurement commences to make sure that the proposed terms are acceptable, and that the specification is extremely clear.

⁵ The Cabinet minutes of 11 June 2012 record: 'We have been sharing ideas and experiences in a joint process [with Suffolk County Council] which has been endorsed by members in both counties. This will not result in Suffolk and Norfolk sharing the same contract'.

3. An electronic auction can be used in conjunction with the Restricted procedure.

Competitive dialogue

4. Competitive dialogue is a sequential procurement process where the number of bidders is reduced in stages, typically to three bidders with whom a detailed dialogue is conducted. The process permits the client and the bidders to understand each other's requirements and to focus on areas where overall cost and risk can be reduced.
5. However, competitive dialogue can be an expensive and time-consuming process for all parties. For this reason, the Cabinet Office recommends that it should be used only where essential, and that a 'lean' approach should be deployed.
6. An electronic auction cannot be combined with a competitive dialogue.

Choice of procedure

7. It is proposed that Competitive Dialogue be used for both works and professional services. The final choice of route for traffic signals will be brought to Cabinet in the separate business case for that lot.

C4.3 PROCUREMENT TIMETABLE

1. The procurement will be undertaken using 'lean' techniques, based on the standard operating procedures developed by the Cabinet Office. The team has undertaken lean training run by Unipart, who helped develop the lean processes. Further discussions are taking place with Cabinet Office.
2. Experience in central government is that these techniques significantly reduce the length of the dialogue process. There is considerable emphasis on up-front preparation in order to make the dialogue as productive as possible. The timescale being followed for this project reflects this philosophy.
3. The most significant procurement exercise is, obviously, the works contract. In accordance with the lean principles, it is important that we do not attempt to split the team across multiple, simultaneous contracts.
4. Accordingly, the works competitive dialogue will take place first. In parallel, a separate procurement team will undertake the initial stages of the professional services and traffic signals contracts.
5. The dialogue stage for these contracts will not commence until after the provisional award of the works contract.

6. The outline timescales are set out below.

Key Milestones – Works (Contract A)	Date
Cabinet approved scope of contract	5 March 2012
Outline Business Case and approval of Official Journal ('OJEU') notice advertising the contract	Late autumn/winter 2012
Publish OJEU notice and undertake short listing	December 2012
Competitive dialogue with shortlisted contractors	Spring/Summer 2013
Award contract and commence mobilisation/transition	Autumn 2013
Start of new contract	April 2014

Key Milestones – Professional Services (Contract B)	Date
Cabinet approved scope of contract	5 March 2012
Outline Business Case and approval of Official Journal ('OJEU') notice advertising the contract	Late autumn/winter 2012
Publish OJEU notice and undertake short listing	January 2013
Competitive dialogue with shortlisted contractors	June 2013
Award contract and commence mobilisation/transition	October/November 2013
Start of new contract	April 2014

Key Milestones – Traffic Signals (Contract C)	Date
Cabinet approved scope of contract	5 March 2012
Outline Business Case and approval of Official Journal ('OJEU') notice advertising the contract	Late autumn/winter 2012
Publish OJEU notice and undertake short listing	April 2013
<i>Details to be confirmed in Traffic Signals Outline Business Case</i>	
Award contract and commence mobilisation/transition	December 2013
Start of new contract	April 2014

C5 COMMERCIAL TERMS

C5.1 STANDARD FORM CONTRACTS

1. All contracts will be based on the New Engineering Contract (NEC3) standard terms, with the use of 'Z' clauses being as limited as possible.
2. The standard form of contract includes a partnering clause (Option X12), which allows for enhanced payments to be made to providers should they exceed the performance expectations within the partnership arrangements. However, it is the intention within these contracts to set standards and specification at an appropriate level and pay providers for achieving them (with deductions for not achieving them). Aspirations around partnership will be set out in an additional 'Z' clause and use the performance management framework to drive these behaviours.
3. The detailed proposals for use of NEC3 are as follows.

Contract	NEC3 contract(s) to be used	Main option	Secondary options
A	Term services contract (TSC)	Modifiable such that the relevant option (A – Priced contract with price list, C – Target contract with price list or E – Cost reimbursable contract) may be selected at the time of ordering (orders using X.19 task orders)	W.2 – Dispute resolution, X.1 – Price adjustment for inflation, X.2 – Changes in law, X.4 – Parent company guarantee, X.19 – Task Order, Y(UK)2, – HGCRA (payment terms), Y(UK)3 – Contracts (Rights of Third Parties) Act 1999, suitable Z clauses including substitute for X.12 – Partnering.
B	Professional services contract (PSC)	Option G Modified drafting to support use of Option C under X.19 orders where appropriate	W.2 – Dispute resolution, X.1 – Price adjustment for inflation, X.2 – Changes in law, X.4 – Parent company guarantee, [X.9 – Transfer of rights, X.10 – Employers Agent, X.11 – Termination by the Employer?], X.18 – Limitation of Liability, Y(UK)2, – HGCRA (payment terms), Y(UK)3 – Contracts Act 1999, suitable Z clauses including substitute for X.12
C	Term services contract (TSC)	See supplementary business case for traffic signals contract	

C5.2 RISK TRANSFER

1. A critical part of any contractual negotiation is the allocation of risk. In general terms, risk should be allocated to the party best able to manage it. Allocating risks to the contractor which it is not well-placed to manage simply results in inflated prices.
2. Major risks are discussed below.

C 5.2.1 APPROACH TO TRANSFERRING STAFF WHO ARE MEMBERS OR, OR ELIGIBLE TO JOIN, THE LOCAL GOVERNMENT PENSION SCHEME

1. It is not expected that any staff will transfer from the Council to the new contractors.
2. But staff members who are former employees of the Council - and of Norwich City Council - have transferred to May Gurney during the current contract. Those staff members retain a right to be members of the Local Government Pension Scheme (LGPS), or of a scheme certified as 'broadly comparable' by the Government Actuary's Department.
3. The approximate number of staff concerned is as follows.

Ex-County Council staff	Former City Council staff
Some six management and supervisory Some 24 road workers	To be confirmed

4. The general principles relating to pensions provision are set out below.
5. Most contractors may gain admitted body status to the LGPS. This is achieved through executing an Admission Agreement (one per contract) between the Norfolk Pension Fund and the contractor. The Norfolk Pension Fund does not have a separate legal personality from the council, but for the purposes of this business case it is treated as a separate entity. The County Council enters in to the contract in two capacities, as the scheme employer letting the contract and as Administering Authority of the Pension Fund.
6. Adherence to the governing LGPS regulations through the Admission Agreement places potentially onerous risks on the contractor. Because most contractors would consider these commercially unacceptable, and would either decline to bid or charge a considerable premium on the contract price, the council has determined a broad principle that best value for the taxpayer is achieved by the Council indemnifying the contractor against certain of these risks via the contract. This indemnification is outside the contractors' relationship with the Pension Fund and is not reflected in the Admission Agreement.
7. It should be borne in mind that these are not in essence new or additional risks. The Council took on these risks originally, by operating a defined benefit pension scheme, and retained

them by indemnifying May Gurney against certain pension risks. However, as compared to direct provision of services by the Council, the shorter time frame of participation in the fund by the contractor does change the profile of cash flow risk and introduce the risk of a termination payment falling due

8. Risks may crystallise at several points. Firstly, every three years, the actuary revalues the scheme's assets and liabilities (the "triennial valuation") and recalculates the employer contribution rate. This may result in an increase or decrease in the rate, both for council staff and for transferred staff. Secondly, at the point of contract termination (planned or – as for example in the case of insolvency, or termination for breach - unplanned), there is an immediate requirement to make up any shortfall in the fund through a capital payment that is assessed by the Fund Actuary. Thirdly, if all the LGPS members leave the contractor's employment or cease to work on the contract, the admission agreement will terminate and a capital payment may be required.
9. Where staff members transfer to a sub-contractor at contract commencement, risk may crystallise if the sub-contractor's contract is terminated by the prime contractor. Similarly, if the prime contractor enters into a sub-contract during the course of the contract, and all staff who are members of the LGPS scheme transfer to the sub-contractor, the contractor's admission agreement will terminate and it may be necessary to make up the shortfall immediately.
10. The NCC standard allocation of risk for a tendered contract where staff members are contracted out, as per the new draft standard approach, is set out below – with row A being modified to reflect that this is a second generation transfer. It is proposed to adopt this approach in this contract.

		Contractor	ETD
A	Shortfall in fund at time of staff transfer	Carries no risk. The fund will be fully funded at the date of staff transfer	By virtue of the existing contractual arrangement with May Gurney, will need to make up any shortfall in the fund which occurs on termination of the existing contract with May Gurney.
B	Change in employer contribution rate, whether occasioned by investment performance or a change in the rate of ill-health retirement	Carries the risk under the admission agreement.	Indemnifies the contractor against the risk via the contract, but also under the contract takes the benefit of any reduction in contribution rate.
C	Pension strain costs arising from redundancy of a member aged 55 or over at the time of redundancy	Carries risk under both the admission agreement and the contract.	Bears no risk other than when redundancy occurs due to contractor failure and any additional payments due cannot be recovered from the administrator

		Contractor	ETD
D	Shortfall or surplus in the fund on contract cessation.	Carries the risk of a shortfall under the admission agreement, but is indemnified against this through the contract. Does not benefit from any surplus, either under the admission agreement or under the contract.	Indemnifies the contractor against any liability to make good a shortfall on contract termination. Does not benefit directly from any surplus, but the Council in general benefits via the assessment of its total liabilities at each valuation triennial valuation date.

11. The LGPS regulations provide for the awarding authority to consider, having taken actuarial advice whether a bond should be required from the admitted body to cover any risk which might arise from early termination of the contract, in particular as a result of insolvency. The authority must also keep the risks under review over time. These risks include:
 - a. early retirement costs if employees over 55 are made redundant on the early termination of the contract; and
 - b. any deficit in the fund arising from market related risks (asset underperformance and/or a fall in gilt yields).
12. As awarding authority Norfolk's general position is that a bond should not be required but that advice (in the form of calculation of the bond amount) should still be received and reviewed.
13. The view that a bond will not in general offer good value is based on the following premises:
 - a. It is not generally good value to insure for a risk which the authority is able to bear itself. Requiring a bond is a form of insurance, for which the authority will ultimately pay through the contract price.
 - b. The cost of the bond may well be disproportionate.
 - c. Under the risk allocation set out above, the authority is in any case taking the market-related risks (which are largely a cash flow issue).
 - d. Some categories of bidder may find themselves excluded from the bond market that considers they pose too greater risk.
14. Under the risk allocation set out in the table above, the market-related risks are in any case borne by the council, so the protection foregone by not requiring the bond is the risk associated with redundancy costs should the contractor become insolvent and make LGPS members redundant.
15. The figure for market-related risks will be available once the Pensions Information Memorandum is prepared and gives a fair indication of the likely maximum size of cash-flow exposure arising at contract termination.

C 5.2.2 OTHER RISKS

QUALITY RISKS – ROUTINE MAINTENANCE

1. This is not intended to be a purely outcome-based contract, for several reasons.
2. Firstly, few of Norfolk's roads are purpose-built. The contractor would be likely to charge a significant risk premium if required to take the risk on maintaining them to a particular condition.
3. Secondly, the Highways Maintenance Efficiency Programme has recognised⁶ that there are significant practical issues to resolve before outcome-based specifications can be applied to local government highways contracts.
4. Thirdly, in the current climate, the Highways budget cannot be guaranteed for the length of the contract. This is not compatible with a payment-by-outcomes regime.
5. Accordingly, the general approach taken will be the standard New Engineering Contract (NEC) requirement for the contractor to exercise, in essence, 'reasonable skill and care'. This will be supplemented by key performance indicators, tied to the service credit regime.
6. In some cases, such as gully emptying, a more outcome-based approach may be appropriate.

QUALITY RISK – MAINTENANCE AND IMPROVEMENT SCHEMES

1. The general approach taken will be the standard NEC requirement for the contractor to provide the Works in accordance with the Works Information

GROUND AND WEATHER RISK

1. The general approach of the NEC Contract is for the employer to take the risk of physical conditions which can be described as not reasonably foreseeable by an experienced contractor and the contract uses the 'compensation events' approach to compensate the contractor. The contract will need to set down the boundaries of the risks between the employer and contractor.
2. An objective measurable approach dealing with weather risk is used in the contract. If weather conditions are more adverse than experienced over a 10 year average period a compensation event will apply. Bearing in mind Norfolk's geography, appropriate measurements and data must be used and for this reason NCC is addressing the issue of locations of weather stations (previously RAF Coltishall & Marham). This issue may need to

⁶The Minutes of the HMEP Board of 18 May 2012, at <http://www.dft.gov.uk/hmep/docs/minutes/meeting-120518.pdf>, state:
"4.6 The standard specification had generated discussion at DAG. While an outcome specification may deliver the most benefits in the long term, there were issues to resolve before it could be widely adopted by local authorities. Many would be unfamiliar with such a contract, and their networks were very different from the Highways Agency's, which had mostly purpose built roads. Dana Skelley confirmed that the experience in developing the standard contracts in London were that clients would not be able to move to an outcome based contract at the moment."

be 'tidied away' in the dialogue. General approach of the NEC Contract is for the employer to take the risk of physical conditions which can be described as not reasonably foreseeable by an experienced contractor and the contract uses the 'compensation events' approach to compensate the contractor. The contract will need to set down the boundaries of the risks between the employer and contractor.

C5.3 RISK ALLOCATION MATRIX

Series	Risk Title	Risk Description	NCC	Shared	Bidder	Remarks
External						
R1.	Political	Change of administration, cross cutting policy decisions, local government review		•		This is a long-term contractual arrangement and does not permit of significant change of direction without the prospect of significant cost to the council. That said, the contract will contain clauses permitting the novation of the contract to another authority on local government review.
R2.	Economic	Inflation between bid receipt & Contract award			•	Indexation will not kick in until the first anniversary of the contract.
R3.		Inflation after Contract award		•		Indexation will place most of the risk on the authority.
R4.		Changes in Business rates (depots)	•			
R5.		Changes in Utility costs (depots) (e.g. gas/water/sewage/electricity)	• [Co. Hall]		• [Depot]	Bidder to include depot utility costs in bid. Sub-metering needs to be considered where depot use is split between NCC and bidder.
R6.		Changes in Taxation (excl VAT)	•			Option X.2 will be included and change in taxation will be a compensation event (under the rubric of change in law)
R7.		Changes in VAT		•		

Series	Risk Title	Risk Description	NCC	Shared	Bidder	Remarks
R8.	Technological	The risk that a specified technical solution (eg a road surface, engineering solution or selected material) may not perform as well as expected	•			Unless the designer is negligent (or contractor within ECI), the risk will be with the client. Designer will specify using “reasonable skill and care”, guided by our laboratory and contractor at ECI
R9.	Legal/regulatory	Obtaining Planning permission [work sites]			•	
R10.		Obtaining planning permission [schemes]	•			
R11.		Statutory consents [work sites]			•	
R12.		Statutory consents [schemes]	•			
R13.		Compliance with Health & Safety legislation		•		Council has Construction, Design and Management Regulations (2007) (CDM) responsibility as client; consultant as designer; contractor as principal contractor
R14.		Compliance with other legislation		•		
R15.	Environmental	Environmental liabilities/risks		•		
R16.		Finds at Authority Sites	•			
R17.		Ground conditions at Authority Sites		•		
R18.		Contamination at Authority Sites		•		To be considered at dialogue

Series	Risk Title	Risk Description	NCC	Shared	Bidder	Remarks
Operational						
R19.	Failure to accurately specify/capture a clear requirement	The risk that NCC's requirement may be unclear, resulting in rework at NCC's expense.		•		We need to place some onus on contractors to challenge unclear briefs and orders. Assuming that is the case then the risk will be shared.
R20.	Inadequate Contractor's Proposals/method statements	The risk that a contractor's method statements may not be adequate to delivery of the task, resulting in poor outcomes.		•		We will be reviewing method statements as part of tender evaluation, so will be accepting the final versions as part of the contract. Where target costing is used a delay or rework caused by the error of one party is a shared risk (unless that party was negligent)
R21.	Construction risk	Risk of construction delay or excess cost.		•		Normal NEC3 terms apply. ECC Terms need to be written into the TSC as appropriate. Target cost applies to most construction schemes.
R22.	Maintenance risk	The risk of unexpectedly high maintenance costs	•			See R8. There will be a maintenance period covering the first twelve months after construction, which will be the contractor's responsibility.
R23.	Replacement/renewal risk	The risk of higher replacement costs owing to unexpectedly high usage	•			
R24.	Wear & tear (over-utilisation of asset)	The risk of higher maintenance costs owing to unexpectedly high usage	•			
R25.	Delay in getting access to Site		•			
R26.	Latent defects (of new assets)				•	

Series	Risk Title	Risk Description	NCC	Shared	Bidder	Remarks
R27.	Condition of Authority Sites - Latent defects			•		
R28.	Not used					
R29.	Acceptance/demonstration			•		Contract drafting will need to reflect need for appropriate supervision by NCC.
R30.	Throughput/volume risk	The risk that the contractor will get less work than it expected			•	
R31.	Third Party Revenue (S.278)	The opportunity to generate profit through being paid to undertake schemes on behalf of bidders		•		
R32.	Design	The risk that a design is not fit for purpose, or entails excessive build cost.		•		<p>Excess build cost is a shared risk under the target cost regime. Client and contractor engage with the designer under ECI to agree the target cost.</p> <p>Outstanding issue. PSC wording will need to be modified to place liability on the designer for re-work entailed through poor design.</p> <p>A design which is definitively not fit for purpose would be covered by professional indemnity.</p>
R32a	Design	The risk that the designer will continue to design a scheme (and clock up fees) when it should have been evident that the construction cost was unaffordable.			•	Needs to be managed by regularly updating project cost forecast (early warning)

Series	Risk Title	Risk Description	NCC	Shared	Bidder	Remarks
R32b	Design	The risk that the designer's cost exceeds the fee estimate, without early warning.			•	Too many variables for fixed price to be practical in most cases. Regular updates of costs against fee estimate required (early warning). Target cost may be appropriate for some contracts.
R33.	Integration risk (employer/designer/works/signals/streetlights/ other)	Risk of rework, poor performance or excessive cost owing to poor coordination between the parties		•		Need a KPI to incentivise shared working. Streetlighting PFI is an extant contract but may be possible to agree protocols to minimised conflict.
R34.	Failure to deliver services to agreed standards	Failure to meet Key Performance Indicators	• [Reputation]		• [Reputation & service credits]	
R35.	Failure to build to design or on time			•		Target cost applies to significant schemes. Delay damages apply on a task-order by task-order basis. <i>Need to consider how this will be dealt with in the dialogue to enable pricing without excessive risk premium.</i>
R36.	Poor performance monitoring and management regime/mechanism	The performance regime not delivering high performance, because it measures the wrong things, does not have sufficient incentives associated with it or is ambiguous. Ambiguity in the performance regime leading to disputes or acrimony.	•	•		Will be a particular focus of the competitive dialogue.

Series	Risk Title	Risk Description	NCC	Shared	Bidder	Remarks
R37.	Construction costs	The risk that the cost of construction will be higher than expected		•		Target cost applies to most construction work. NCC however bears risk of inflation
R38.	Operating costs	The risk of higher-than-expected operating costs	•			This is only an issue for the traffic signals contract which is covered in a separate OBC
R39.	Benchmarked/Market Tested costs (at agreed points)	The risk that prices may be adjusted to reflect benchmarking or market testing, to the disbenefit of one or other party.		•		<i>Position to be confirmed</i>
R40.	Residual value	The risk that assets used in the delivery of the contract may depreciate more than expected			•	
R41.	Provision of free-issue equipment/assets	The provision of 'free issue' equipment	Not applicable			None planned
R42.	Disposal of surplus Existing Assets	The risk that it may be difficult to dispose of existing assets used for service delivery at their book value				A risk associated with the existing in-house service.
R43.	Condition of assets on expiry/termination	The risk that the highway asset may be in a worse state than expected on termination	•			
R44.	Authority damage to assets (e.g. misuse, vandalism, theft, accidental damage)	The risk that assets may be damaged and irrecoverable losses suffered as a result	•			
R45.	Existing Contracts (aligning/terminating)	The risk associated with having to extend existing contracts if the procurement process is delayed.	•			

Series	Risk Title	Risk Description	NCC	Shared	Bidder	Remarks
R46.	TUPE transfer of Authority Employees		Not applicable			
R47.	TUPE transfer of 3rd Party Employees	The risks associated with TUPE transfer of the existing contractor's employees to the new contractor.			•	
R48.	Employee risk (costs/redundancy/pension strain cost etc.)	The risks associated with employee wage inflation, making employees redundant, and the need to 'top up' the local government pension scheme if employees aged 55 or over are made redundant.		•		Mainly on bidder but NCC takes wage inflation risk (up to the level of general inflation in the industry) via indexation.
R49.	Local government pension scheme risk	Fund shortfall at contract start: the risk that the 'pot' which must be made available to the new contractor will be inadequate.	•			The risk is on May Gurney under the pension scheme rules but the council has indemnified them against this risk under the terms of the existing contract.
R50.	Local government pension scheme risk	Fund shortfall at contract end: the risk that, due to inadequate investment performance or increased projections of longevity, the fund will be inadequate at contract termination or expiry or upon bankruptcy of the contractor.	•			The risk (except in case of bankruptcy) is on the contractor, but indemnified under the contract. If the contractor becomes insolvent and employees over 55 are made redundant, they become eligible for immediate payment of their pensions and the council will be liable for pension strain costs.
R51.	Local government pension scheme risk	Change in employer contribution rate	•			

Series	Risk Title	Risk Description	NCC	Shared	Bidder	Remarks
R52.	Contractor and Sub-contractor resource availability	The risk that the contractor will have to pay more to bring in resources to handle demand or that specialist will not be available.			•	<i>To be confirmed</i>
R53.	Financing	Risk associated with the availability and cost of capital to fund works.	•			
R54.	Intellectual Property Rights (IPR)	Ownership of rights in design	•			<i>To be confirmed</i>
R55.	Visibility/granularity of baseline costs for pricing change	The risk that costs will not be sufficiently granular to allow them to be challenged and any disputes resolved.		•		Open book will be required for target cost projects
R56.	Measures in a Crisis	Widespread flooding, exceptionally severe winter etc requiring the diversion of contractor resources, at the Council's direction, to help resolve the crisis.		•		Contractor takes the risk that his idle staff (e.g. in snow or generalised flooding) may <u>not</u> be utilised and paid for by the council (except to the extent that weather risk is a compensation event). Council has the right to require that resources be diverted to help in emergencies but this will be a compensation event.

Series	Risk Title	Risk Description	NCC	Shared	Bidder	Remarks
R57.	Contractor Default	Risk that the contractor becomes insolvent or otherwise defaults on the contract.		•		<p>Council will require parent company guarantees where the contractor is a subsidiary, but this will not protect against insolvency of the ultimate parent.</p> <p>In extremis, the contractor may, short of insolvency, default on the contract if it feels that the implications of doing so are less than the implications of continuing. The council would launch proceedings but these might be protracted and difficult.</p>
R58.	Authority Default	Risk that the council defaults on the contract.		•		If the council defaulted, the contractor would pursue it through the courts or arbitration.
R59.	Authority Voluntary Termination	The effect of the council terminating the contract early for a reason other than contractor default.		•		Termination on local government reorganisation will be catered for in the contract. Otherwise, there will be no provision for termination at will, but from year 5, the contract is effectively terminable by the council on two years' notice. See section C5.5 for further discussion.
R60.	Compensation Event		•		•	Depends on who causes/initiates the event
R61.	Force Majeure	The risk that work is delayed or prevented through an event outside the control of either party – eg a lightning strike causing severe damage to the works		•		NEC3 takes a fairly narrow view of 'force majeure'. If an event occurs which meets this narrow definition (Clause 19.1), it will constitute a compensation event (Clause 60).

Series	Risk Title	Risk Description	NCC	Shared	Bidder	Remarks
R62.	Financial robustness of Consortia/Contractor	The risk that the contractor runs into cash flow difficulties or becomes insolvent.		•		<i>Approach to be confirmed</i>
R63.	Contractor warranties & undertakings	The risk (to the contractor) that the council calls on the warranties it has given			•	<i>Position on warranties to be confirmed</i>
R64.	Change of Contractor	The risk that the ownership of the contractor will change.	•			Council will not have power of veto over the contractor changing hands
R65.	Authority disclosed data	The risk that the contractor bases its pricing or any performance guarantee on data provided by the council which later proves to be inaccurate.			•	In general, the Council will not warrant the data that it provides to bidders.
R66.	Contractor's Indemnities				•	Under Clause 83 the Contractor indemnifies the Employer for all risks other than the Employer's risks detailed at Clause 80.

Series	Risk Title	Risk Description	NCC	Shared	Bidder	Remarks
R67.	Insurance	The risk that an event causing losses proves not to have been adequately insured.		•		<p>The works contractor is to be responsible for the provision of insurance cover whilst carrying out work (whilst in possession of the site). The authority is responsible at all other times.</p> <p>The works contractor will be required to have professional indemnity insurance covering advice given as part of early contractor involvement.</p> <p>The professional services consultant will be required to have professional indemnity insurance covering, for example, errors in design.</p> <p>A table of insurances is at table C6.</p>
R68.	General Uninsurability	The situation where a risk required to be insured against (i.e. a risk covered by a required insurance or statutory insurance) and which was previously insurable becomes uninsurable. In this context uninsurability includes both unavailability of insurance for a particular risk, or premiums being charged at a level which is not commercially viable.			•	<i>Position to be confirmed</i>

Series	Risk Title	Risk Description	NCC	Shared	Bidder	Remarks
R69.	User satisfaction	The risk that users (the general public) are dissatisfied with the services delivered by the contract.		•		
R70.	Relationships between NCC/Contractor	The risk that relationships between NCC and its contractors deteriorate		•		
R71.	NCC procurement and contract management skills	The risk that the procurement or subsequent contract management do not deliver value for money	•			
R72.	Effective Governance	The risk that lack of effective governance across all the parties leads to poor performance, reputational damage or excessive cost.		•		
R73.	Appropriate leadership and engagement at senior levels in all parties	The risk that there will be insufficient senior attention paid to the contract.		•		
R74.	Market (number of contractors and level of interest)	The risk that there will be insufficient market interest in the tender and that there will therefore be a lack of competitive pressure	•			
R75.	Contractor/bidder track record – are they credible (partnering behaviours)	The risk that the chosen contractor acts in an adversarial fashion once appointed.	•			
R76.	Value for money	The risk that the council will not achieve overall value for money.	•			

Series	Risk Title	Risk Description	NCC	Shared	Bidder	Remarks
Change						
R77.	Change of requirement and/or solution	Authority initiated Change not necessary to comply with Change in Law	•			Compensation event
R78.		Contractor initiated Change not necessary to comply with Change in Law			•	Compensation event
R79.		Jointly initiated Change not necessary to comply with Change in Law		•		By negotiation
R80.	Change in Law	A change in law (including but by no means limited to a change in taxation) may affect the contract price (upwards or downwards). Change necessary to comply with Qualifying/Discriminatory Change in Law	•		•	<p>NEC3 makes no distinction between general and discriminatory change in law. Any change in law is a compensation event, if the X.2 option is taken.</p> <p>We will adopt X.2 as otherwise we will be paying a risk premium, but will carve out any change in law already covered by indexation (to avoid paying twice).</p>

C5.4 PAYMENT MECHANISMS

1. Three NEC standard payment options (A, C and E) are available in both the Term Service Contract and the Professional Services Contract. These will be applied according to the value and complexity of the project (or task) that the provider is asked to complete by the client. These options enable the risk apportionment to be appropriately applied and recognised for various projects.

A - Priced contract with activity schedule

- a. This is a priced contract with the risk of carrying out the work at the agreed prices being largely borne by the Contractor/Consultant. The contractor prices a project from information supplied by the employer and undertakes to deliver the project for that price

C - Target contract with activity schedule

- b. This is a target cost contract in which the out-turn financial risks are shared between the Client and the Contractor/Consultant in agreed proportion. The contractor produces a price for a project using the tendered activity schedule. If the project is completed better than the target cost the saving is shared in accordance with the mechanism within the contract; the liability is also shared should the contract exceed the target cost.

E - Cost reimbursable contract

- c. This is a cost reimbursable type of contract, 'generally used when the basis and details of the works required are difficult to define sufficiently for a more detailed pricing arrangement to be used, with the financial risk being largely taken by the Client. The supplier is reimbursed for the cost of the project based upon the tendered hourly rates.

C5.5 INCENTIVES, TERM AND ONGOING VALUE FOR MONEY

1. These will be long-term contracts and it will be important to maintain value-for-money over the term.

- Operational KPIs will be incentivised by means of service credit regime (i.e. financial incentive)
- Contract length will be determined by reference to strategic KPIs (one of which is likely to be an agglomeration of the operational KPIs)

By achieving operational KPIs to the required targets, providers will avoid the application of service credits.

2. The principal incentives for the contractors are:

- a. The opportunity to gain contract length (or avoid a reduction) (see paragraph C 5.5.1 below).
- b. A service credit regime (which penalises poor performance financially).
- c. Gain share available from the target costing process (when the the financial out turn of projects is lower than the agreed estimate and the benefit is shared between the provider and the client).
- d. The application of delay damages on a task-order by task-order basis.

C 5.5.1 CONTRACT LENGTH

- 1. There will be two layers of key performance indicators (KPIs) – strategic and operational.
- 2. The initial length of the works and professional services contracts will be seven years. Based on achievement of the strategic KPIs, the contract may be extended up to ten years – though no guarantee will be offered.
- 3. In light of the length of the procurement process, a decision will be needed about whether to exercise the first year’s extension by the end of Year 5. Further decisions will then need to be taken yearly thereafter (so that, in effect, the contractor will be on two years’ notice).
- 4. The contractor will be required to accept contract extensions up to the ten-year point.
- 5. The contract will contain a provision for the contract to be extended by up to a further two years, but only by mutual consent. A decision on whether to exercise this option would need to be taken by the end of Year 8.
- 6. Any failure by the contractor to achieve strategic KPIs will result in an option for the Council to shorten the contract down to a minimum of five years.
- 7. Re-procurement timescales would require a decision by the end of Year 3. A formal early warning notice would need to be served no later than the 2½ year point.
- 8. An option to terminate the contract at will would undermine the incentive mechanism set out above and would be likely to impact on price and/or market appetite, so none will be included. However, an option to terminate in the event of local government review will be included.
- 9. As with any contract, the contracts can obviously be terminated by mutual consent.

Contract Performance Management Framework

1. It is proposed that these contracts will be managed through performance indicators at 3 levels:

Failure to Deliver

- a. These measures capture instances where works are either not completed on time or are reported as complete but found to require a return visit to site to correct defective works. Payments to the contractor will be reduced by an amount that reflects the cost to the Council of any such failures; this might be in terms of officer time dealing with complaints or the need to bring in additional resources.

Operational Performance

- b. These measures are used to assess the level of service delivery across a range of aspects. Where performance falls below target payments to the Contractor will be reduced through a cut in their fee (representing the level of profitability).

Strategic Objectives

- c. These measures are designed to assess the contractor's contribution to the Employer's high level objectives for the service. The strategic indicators will be used as a guide to the appropriateness of a contract extension or a shortening of the contract term.

⁷ this will help to enhance performance management arrangements as per the endorsed contract option F2+ from Cabinet report 05 March 2012

C6 MAJOR CONTRACTUAL CONDITIONS

1. Significant contractual conditions are summarised below.

T1.	Applicable law/jurisdiction	Law of England & Wales
T2.	Assets	Depot space will be made available free of charge to contractors where they so request in the dialogue. Where contractors take advantage of this approach, the opportunity cost to the council will be factored into the financial evaluation for contract award. Depot space occupied by the contractor beyond that required for delivery of the Council's contract will be charged at normal commercial rent.
T3.	Assignment /transfer	We should assume that local government restructuring may occur during the life of the contract. Council may transfer mutatis mutandis to any contracting authority. Contractor may assign only with Council's agreement.
T4.	Audits /benchmarking/best value	These issues are dealt with by clause <i>Z.7 Details to be confirmed</i>
T5.	Business continuity/disaster recovery	Contractors will be required to have robust business continuity and disaster recovery arrangements in place.
T6.	Change management	A change control procedure will be put in place, allowing changes within the scope of the contract.
T7.	Communications and reporting	Standard NEC3 processes for noticing will be deployed. It should be noted that these place rigorous requirements for the submission of communications in writing through a central point.
T8.	Confidential information/non disclosure	In light of the government's increasing requirement that councils be transparent about their commercial dealings, the contract itself (less any particularly sensitive commercial aspects), payments, and performance against KPIs will be public.

T9.	Contracts (Rights of Third Parties) Act 1998, use of contract by third parties	The Contracts (Rights of Third Parties) Act will be disapplied, except that transferred workers will be able to enforce their pension rights directly against the contractor. Suitable arrangements will be made for authorities delivering highways functions under agency arrangements to access the contract.
T10.	Cost transparency & build-up	Lack of full cost transparency has been an issue on the current contract, so our requirements for a transparent cost build-up for target-costed projects will be set out more fully in the new contract and subjected to dialogue.
T11.	Data protection/security	Standard data protection clauses will be included. Data protection is less central to this contract than to some council contracts, such as social care, but must still be covered off carefully.
T12.	Delivery/acceptance	Suitable drafting regarding contract supervision will need to be included. <i>Position concerning transfer of site 'ownership' for insurance purposes to be confirmed.</i>
T13.	Dispute resolution	Generally will follow NEC standard approach, i.e. adjudication then tribunal. The 'tribunal' will be arbitration rather than the courts. <i>Position re including a mediation stage before the tribunal to be confirmed.</i>

T14.	Exclusivity	<p><i>Degree of exclusivity offered in the professional services contract to be confirmed.</i></p> <p>In respect of the works construction contract, Clause Z.2 carves out from the exclusivity clause (a) works over £250,000; and (b) a small proportion of other work put out for benchmarking purposes. Some other work will also need to be carved out – notably higher-value but routine work such as surfacing. <i>Details to be confirmed.</i></p> <p>Clause Z.3 carves out from exclusivity work which the contractor cannot undertake because it is too urgent or specialist, and work which is funded by a third party who requires that it be competitively tendered.</p>
T15.	Indexation and price change	<p>The contract will be subject to indexation, based on the BCIS⁸ Price Adjustment Formulae Indices (Highway Maintenance) 2010 Series.</p> <p>For the professional services contract, the index used will be BCIS WC10/3 (professional services).</p> <p>For the highway works contract, the index will be built up using the resource cost indices from the HTMI which will be weighted as applicable to each of the Method of Measurement Highway Works series.</p> <p>Prices will be adjusted annually to take account of indexation.</p>
T16.	Information access and management	<p>Clause 92.2 covers rights to data on contract termination (including termination through contractor insolvency)</p>
T17.	Insurance	<p><i>To be finalised</i></p>

⁸ BCIS is the Building Cost Information Service of the Royal Institute of Chartered Surveyors

T18.	Intellectual property	<i>Intellectual property Rights position to be confirmed.</i> Clause 92 provides for the information to pass to the Employer on termination, including through insolvency.
T19.	Invoices/payment/late payment	The provisions of the Housing Grants, Construction and Regeneration Act 1996 will apply to most, if not all, work under the contracts. Obligations for prompt payment will follow down from the prime to the sub-contractors using standard government clauses. The use of project bank accounts to accelerate supply chain payment will be discussed with the bidders.
T20.	Indemnification/Limitation of liability	Limitation proposed for professional services
T21.	Liquidated damages	<i>Exact approach to be confirmed.</i>
T22.	Performance/guarantees/undertakings	Performance will largely be driven by KPIs and service credits. A parent company guarantee will be required by virtue of option X.4.
T23.	Responsibilities of the parties	The dialogue process will include a workstream about processes, interaction and governance which will work through these issues.
T24.	Scope and goals	The scope of the contracts will be set out in the service information. A common goal (or set of objectives) will be set out in the partnering arrangements.
T25.	Service levels and warranties	<i>Position regarding warranties to be confirmed</i>
T26.	Step-in	Clause 92 provides for step-in rights on insolvency.
T27.	Term and termination	See section C5.5

T28.	Transition and service commencement	The Service Information will include provisions for mobilisation and transition, including: works which span the commencement date; works designed by the outgoing designer and implemented by the new contractor; early contractor involvement before the service commencement date]
T29.	TUPE and pensions	Pension provisions are discussed in detail in the risk allocation section above.
T30.	Working with others – utilities etc.	Clause Z.8 provides for contract governance arrangements including a Partnership Board. General NEC requirements cover working with others, including utilities, the salt and street lighting PFIs, and utilities.

C7 SUSTAINABILITY REQUIREMENTS

1. The first two columns of the following table are drawn from *BS8902:2009, Annex 1, Table 1*, with the exception of the first row, and of the row relating to equality, which has been modified to reflect the protected characteristics in the Equality Act 2010.
2. Cross-references to the headings use in the Civil Engineering, Environmental, Quality, Assessment and Award (CEEQUAL) scheme⁹ in italics

	Field	Issue	Applicability	Treatment in the procurement process		
				Selection	Award	Contract terms/specification/contract management
S1.	General	Overall approach to environmental management and sustainability. <i>Project management/contract management</i>	Highly significant. An integrated overall approach is required.	Must have ISO14001 or equivalent		CEEQUAL for term maintenance contracts to apply. Council and contractors to agree and work to a contract environmental management plan.
S2.	Environmental	Recyclability and recycled content <i>Material use</i>	Highly significant. Use of recycled material has a significant impact on aggregate extraction, vehicle movements and embedded carbon.			Where appropriate, BES6001 or equivalent to apply to products.

⁹ CEEQUAL Version 4.1: Assessment Manual for Term Contracts: Part 1: Maintenance (for use in the UK & Ireland), Rev 1, December 2011

	Field	Issue	Applicability	Treatment in the procurement process		
				Selection	Award	Contract terms/specification/contract management
S3.		Renewability <i>Material use</i>	Of some significance. Highway maintenance and schemes are likely to involve use of timber, which should be from sustainable sources.			All timber to be either “legal and sustainable”, Forest Law Enforcement, Governance and Trade (FLEGT) licensed or recycled ¹⁰
S4.		Harvesting or extraction impacts <i>Material use</i>	Highly significant. Highway maintenance involves significant use of aggregates and oil-based products.			Where appropriate, BES6001 or equivalent to apply to products.

¹⁰ See <http://www.cpet.org.uk/files/TPAN%20April%2010.pdf>

	Field	Issue	Applicability	Treatment in the procurement process		
				Selection	Award	Contract terms/specification/contract management
S5.		Greenhouse gas emissions Energy usage <i>Energy and carbon</i>	Highly significant. Includes embodied carbon in products, including aggregates, coated products, cement product and steel; transport emissions; site energy use; energy use at depots and offices. The Local Enterprise Partnership (LEP) has published a <i>Green Economy Pathfinder Manifesto</i>		Assess contractors' proposals to measure & minimise impact as part of award	Contract terms to include best practice around driver training, site operation etc and to encourage innovative approach to carbon savings.
S6.		Transport impacts <i>Transport</i>	Significant. Large number of heavy vehicle movements. Significant workforce travel.	Track record, prosecutions	Assess contractors' proposals to measure & minimise impact as part of award	Track and manage

	Field	Issue	Applicability	Treatment in the procurement process		
				Selection	Award	Contract terms/specification/contract management
S7.		Water usage <i>Water resources & the water environment</i>	Water usage not very significant.	Consultant will need Sustainable Urban Drainage Systems (SUDS) skills	Contractor may need to maintain drainage to a greater extent than previously due to SUDS so will need to test capability. Consultants' approach to providing expertise on this contract	
S8.		Biodiversity <i>Ecology & biodiversity</i>		Track record, expertise, prosecutions	Consultants' approach to providing expertise on this contract	Contract terms to require appropriate environmental protection
S9.		Eco toxicity <i>Ecology & biodiversity</i>	Significant. Risk from contamination of drainage outfalls, disposal of tar-based products.	Track record, expertise, prosecutions		
S10.		Land remediation <i>Land use</i> <i>Landscape</i>	Of some significance re Brownfield sites, e.g. Great Yarmouth Enterprise Zone	Track record, expertise,	Consultants' approach to providing expertise on this contract	Largely dealt with scheme-by-scheme

	Field	Issue	Applicability	Treatment in the procurement process		
				Selection	Award	Contract terms/specification/contract management
S11.		Waste management <i>Waste management</i>	Highly significant. Re-use and recycling of materials. Legislative requirements-transport of waste, site waste management plans	Track record, expertise, prosecutions	Assess contractors' proposals to measure & minimise impact as part of award	Scheme planning/interaction between schemes.
S12.	Social	Workers' conditions Safe and healthy working conditions	Highly significant. Highways work is potentially hazardous.	Must have BS OHSAS 18001 (Occupational Health and Safety) or equivalent system. Track record, prosecutions. PAS91 (Construction related procurement – pre-qualification questionnaires).	Method statements for high risk activities to be approved as part of award process	BS OHSAS 18001 or equivalent KPI re: Reporting of Injuries , Diseases and Dangerous Occurrences Regulations (RIDDOR), Accident incident rate/accident frequency rate
S13.		Slave labour Child labour	Of some significance, insofar as delivery may involve textiles (e.g. overalls), stone and other goods imported from developing countries.			Contract term – reasonable endeavours. Encourage contractor to make use of suitable industry monitoring schemes.

	Field	Issue	Applicability	Treatment in the procurement process		
				Selection	Award	Contract terms/specification/ contract management
S14.		Fair wages	Some risk in bottom tiers of supply chain			Contract term – reasonable endeavours re sub-contractors
S15.		Working hours and holidays	Some risk in bottom tiers of supply chain			Contract term – reasonable endeavours re sub-contractors
S16.		Freedom to join trade unions (freedom of association)	Not a significant issue. The vast majority of the work will be undertaken in the UK, where the right to join, or not to join, a trade union is dealt with by statute.	Not applicable		

	Field	Issue	Applicability	Treatment in the procurement process		
				Selection	Award	Contract terms/specification/contract management
S17.		<p>Equality in respect of:</p> <ul style="list-style-type: none"> - Age - Disability - Gender reassignment - Marriage and civil partnership - Pregnancy and maternity - Race - Religion and belief - Sex - Sexual orientation 	<p>Significant. Reputational and legal impact. The council must have due regard to the need to:</p> <ul style="list-style-type: none"> - Eliminate unlawful discrimination, harassment and victimisation - Advance equality of opportunity between different groups - Foster good relations between different groups. <p>In practice, the main issues are:</p> <ul style="list-style-type: none"> - workforce equality; - design of schemes; - the interface between the contractor and the public. 	<p>Track record, prosecutions</p> <p>Capability (consultants' design skills)</p>	<p>Consultants' approach to providing expertise on this contract – innovation in 'design for equality', value for money of accessible designs</p>	<p>Management of workforce – public complaints etc.</p> <p>Innovation mechanisms.</p> <p>Design standards – textured pavements, kerb heights, etc.</p>

	Field	Issue	Applicability	Treatment in the procurement process		
				Selection	Award	Contract terms/specification/contract management
S18.		Complaints and prosecutions	Significant. Reputational issues	Track record and prosecutions		Contract management, complaints handling processes
S19.		Skills and training <i>Project management</i> <i>Contract management</i>	Highly significant. Members wish to promote apprenticeships and invest in the local community to drive economic development. Particular issues at present – want to make investment in skills in readiness for the upturn. Overall county council apprenticeship strategy.		Willingness to take apprentices and promote apprenticeships an evaluation criterion. Willingness to offer a stable supply chain which can itself offer apprenticeships. Willingness to promote the sector in schools and colleges	KPIs re sustained delivery of apprenticeships by contractor and first tier subcontractors– completion rates.
S20.		Community relations <i>Effects on neighbours</i> <i>Relations with the local community & other stakeholders</i>	Significant. Noise, disruption, dust, communication.	Track record, references	Proposals for building and maintaining good community relations	KPIs and contract management

	Field	Issue	Applicability	Treatment in the procurement process		
				Selection	Award	Contract terms/specification/contract management
S21.	Economic	Contribution to the built environment <i>Historic environment</i>	Significant. Designers and contractors will need to be sensitive to the historic environment. Reputational issues and tourist industry	Track record, references	Consultants' approach to providing expertise on this contract. Contractors' approach to works management	Scheme-by-scheme management
S22.		Ethical business practice		Track record, prosecutions		
S23.		Contribution to diversity and stability of the local economy	Highly significant. Members wish to invest in the local community to drive economic development. Particular issues at present – want to make investment in skills in readiness for the upturn.		Willingness to offer a stable supply chain. Willingness to develop local suppliers and participate in county council supply chain development initiatives. Willingness to work with local chamber of commerce, Federation of Small Businesses (FSB)	

	Field	Issue	Applicability	Treatment in the procurement process		
				Selection	Award	Contract terms/specification/contract management
S24.		Project Bank Account and defined payment terms	Supporting SMEs to maintain regular payments and steady cash flow	Track record, references		Will be specified in terms and conditions
S25.		Long-term financial viability	Reputational and service continuity implications – cf Connaught & Fountains	Financial stability	Can exclude abnormally low tenders	
S26.		Life Cycle Assessments	Significant.	Track record, case studies	Consultants' and contractor's approach to providing expertise on this contract.	Asset management planning by client side. Scheme-by-scheme whole-life-costing/ value engineering.
S27.	Other Issues	Climate change adaptation	Significant. a) Vulnerability to sea-level rise; b) Recently imposed duties – Sustainable Urban Drainage Systems (SUDS) c) Likelihood of further duties over life of contract.		Consultants' and contractor's approach to providing expertise on this contract.	Contractual duty to cooperate, share information/experience, etc.

C8 ADVERTISEMENT

1. The procurement will be advertised, as required by law, in the supplement to the Official Journal of the European Union (OJEU). In light of the positive reaction to the Prior Information Notice, advertisement elsewhere (e.g. in the trade press) is not considered necessary.
2. A draft of the notices is at Annex B.

C9 EVALUATION CRITERIA

C9.1 INTRODUCTION

1. The evaluation criteria used in the procurement will largely determine the outcome. The criteria, once formally communicated to the bidders after publication of the OJEU contract notice, cannot be changed.
2. The selection criteria will be used to arrive at a shortlist of six bidders. The award criteria will then be applied once to reduce the number of bidders to three, and again to arrive at the final award decision.
3. The high level criteria are set out below. The weightings used for the award criteria may be varied somewhat between the two 'award' rounds (i.e. the round used to get down to three bidders, and the final award round).
4. Price may not be used as a criterion for the selection stage. We do not intend to use it as part of the reduction from six bidders to three.

[Note: The tables below to be updated after programme board discussion and before ETD O&S meeting, but could not be updated in time for the pre-agenda meeting.]

C9.2 SELECTION

Selection criteria	Individual weighting within total marks
Experience of highways maintenance	19%
Efficiencies, Savings and Continual Improvement	14%
Integrated Service Management Systems	8%
Transition and service continuity at the start and completion of a contract, including TUPE transfers	8%
Business continuity during the course of the contract	4%
Supply Chain Management	14%
Performance management	14%

Sustainability including environment matters, apprenticeships and economic development	11%
Change management	8%
Total	100%

C9.3 AWARD

Award Criteria	Individual weighting within total marks	Minimum acceptable score on this criterion
Service Delivery	20%	
Performance Management, Innovation and Continuous Improvement	14%	
Systems, Processes and leadership	14%	
Sustainability including Environmental Management, Apprenticeships and economic development	7%	
Mobilisation/Transition	PASS/FAIL	
Total for Quality	55%	55%
Price and Value for Money	55%	
Total	100%	

C10 CONTRACT MANAGEMENT ARRANGEMENTS

1. Overall management of the partnership will be governed by a Partnership Management Board, chaired by the cabinet member for Planning and Transportation, with a membership comprising other relevant elected members, senior officers and senior managers from all the partner providers. The work of the Board will be underpinned by a Partnership Management Group chaired by the Head of the Highway Service, the Environment, Transport & Development Executive Management Team and the service management teams. The partners will also be expected to be involved in monthly meetings to manage delivery of the capital programme and the revenue programmes and budget.

2. Day to day management of the contract will be led by a contract manager, supported by commercial and contractual expertise from within the county council; project managers for each individual scheme, from both the county council and the professional services provider and site supervision and auditing by the county council which will be supplemented by the works service provider.
3. Key performance indicators, linked to contract duration and payments will be a key feature of contract management. There will be an expectation that all partners will proactively contribute to a programme of efficiency improvement and initiatives. This will be managed by a cross partnership group who will determine which initiatives should be taken forward, will monitor the savings and will confirm the appropriate level of award in line with the conditions of contract.

D FINANCIAL CASE

D1 FINANCIAL EXPENDITURE

1. The current spend for professional services for 2011/12, including advisory and design services – and technical services totals £2.644m on both capital and revenue schemes. The current spend on highway construction, maintenance and repair totals £39m. This spend does not take into account significant expenditure that can be attributed to major projects or specialist works.
2. The key areas of spend for Highways construction, maintenance and repair, as per 2011/12 are as follows:

Capital

Project Type	£'000
Surface Dressing	10,714
Carriageway Resurfacing	9,778
Other Schemes, Future Fees and Carry over costs	1,623
Structural Maintenance	1,325
Local Road Schemes	1,194
Bridge Strengthening/Bridge Maintenance	950
Traffic Management ,Road Improvements & Safety Schemes	662
Bus Priority	564
Pedestrian and Cycling Improvements	498
Drainage	290
Walking Schemes	245
Safer & Healthier Journeys to School	162
Other Safety Schemes	107
Haunching	83
Other areas	67
Road CrOssings	66
Grand Total	28,328

Revenue

Works heading	£'000
Patching Carriageway	2,184
Intelligent Transport Systems Asset Network Management	1,131

Works heading	£'000
Bridges	1,085
Rechargeable schemes	966
Gully emptying	938
Grass Cutting	871
Patching Footway	786
Road Markings	608
Initiatives	379
Drainage Cleaning- Rodding/Jetting	298
Goods & Services	222
Vehicle Reactive Signs Implementation	213
Surveys – Pavements	208
Weed Control	177
City fees	159
Repairs - Footways, Kerbs	133
Utility Trench and Cover Repairs	86
Repairs - Pot Holes	84
Vehicle Reactive Signs Risk analysis-design	83
Verges, Hedges, trees	81
Safety Barriers	78
Drainage repairs	61
Vehicle Reactive Signs Inspections	23
Road Studs	7
Sanding roads - bleeding tar	5
Grand Total	10,867

3. The above should be treated as indicative spend. The overall spend will depend on available funding, which will include funding from the County Council and any external funding.

D2 OVERALL AFFORDABILITY AND BALANCE SHEET TREATMENT

1. If the contractor chooses to enter in to an admission agreement with the Local Government Pension Scheme, then through its contractual terms the County Council is underwriting the risk of variation in the employer contribution rate and any termination payment to the pension scheme that may arise at the end of the contract/admission agreement. Although

this indemnification is outside the contractors' direct relationship with the Pension Fund, it may allow the contractor to treat the pension obligations in respect of its Local Government Pension Scheme (LGPS) participation as defined contribution in substance and therefore mitigate the balance sheet disclosure of pension liabilities. Contractors will need to satisfy themselves that this accounting approach is appropriate and acceptable to their external auditors. The agreed employer contribution rate and additional pension costs that may arise in certain redundancy situations remain the responsibility of the contractor

2. Overall affordability will be based on the funding available to the County Council such as government funding and external funding.
3. A financial model will be developed to evaluate the affordability of the contract which will be based around a representative programme covering both capital and revenue schemes.

The contract will need to be reviewed against IFRIC 12 – Service Concession Arrangements, IFRIC 4 – Determining whether an arrangement contains a lease and IAS 17 – Leases, to determine the balance sheet treatment of the contract, although no significant issues are expected to arise.

E MANAGEMENT CASE

E1 PROJECT MANAGEMENT ARRANGEMENTS

E1.1 CABINET APPROVAL AND SCRUTINY

1. The project is subject to the approval, at key moments, of Cabinet and this Outline Business Case will be submitted with the Cabinet paper seeking approval to place the OJEU notices.
2. The sequence of Cabinet approvals up until placement of the OJEU notices is as follows:

Date of Cabinet meeting	Approval given/sought
Cabinet (5 March 2012) - ETD Highways Re-procurement	Cabinet agreed that the project team continues to pursue Contract Option F2+ (as existing with enhanced performance management) as recommended by the Procurement Board and endorsed by Overview and Scrutiny Panel and Norwich Highways Agency Committee (NHAC).
Cabinet (11 June 2012) - Procurement of ETD Highways and Related Services from 2014	Cabinet approved the key milestones within the procurement programme. Cabinet agreed that decisions other than approval of the Official Journal of the European Union (OJEU) notice(s) and contract award are delegated to the Director of Environment, Transport and Development in consultation with the Cross-Party Member Board and the Head of Procurement.
Cabinet December 2012	Approve placement of the OJEU notice and appropriate delegations

3. The project is subject to scrutiny by the Environment, Transport and Development scrutiny panel.
4. Approval to award the Works contract will be sought from Cabinet, the target date being August or September 2013. It is not proposed to bring this decision to Scrutiny, as there will be a need to sign the contract in a timely manner in order to kick off mobilisation, and as the process leading to award (including the award criteria) will already have been subjected to extensive scrutiny.
5. It is proposed that award of the Professional Services and Traffic Signals contracts be delegated to the Director of Environment, Transport and Development in consultation with the member project board and the Head of Procurement.

E1.2 PROJECT BOARD

1. The project is overseen by a Project Board chaired by the Cabinet Member for Planning & Transportation and including the Cabinet members for Finance and Efficiency, the assistant cabinet member for planning and transportation, nominees from the Liberal Democrat and Green Parties, the Director of Environment, Transport and Development and the Heads of Highways and Procurement.

E1.3 OFFICER STEERING GROUP

1. The Senior Responsible Officer for the project is the Head of Highways. He is supported by the Head of Procurement and by an officer steering group which meets weekly and which includes legal, finance, HR and procurement support.
2. Day to day oversight of the project is with a Project Director, supported by a Project Manager.
3. Full details of resourcing for the procurement phase are below. Specialist technical advisers have been bought in from Buro Happold to advise on particular aspects of contract drafting. The main staff members involved are listed below.

Post holder	Job title	Role
John Joyce	Assistant Director Highways	Project Owner
David Allfrey	Highways and Major Projects Manager	Project Director
Nick Haverson	Major Projects Support Manager	Project Manager
Nick Woodruff	Engineer	Project Assistant
Al Collier	Head of Procurement	Procurement Lead
Joan Murray	Head of Sourcing	Procurement and Project control
Ché Metcalf	Procurement Specialist	Procurement Support
Fiona McDiarmid	Assistant Director Economic Development & Strategy	Critical Friend
Andrew Skiggs	Environment, Transport and Development Finance Business Partner	Finance Lead
George Core	Solicitor	Legal Lead
Liz Jackson	Programme Manager – Highways, Suffolk County Council	Critical Friend and external advice
Andrew MacKie	Project Director, Buro Happold	Specialist Contract Advice
Marcus Tunaley	Senior Consultant, Buro Happold	Dialogue and Evaluation Specialist
Andy Chard	Senior Consultant, Buro Happold	Specialist Contract and Commercial advice

Post holder	Job title	Role
Debbie Reilly	Business Support Assistant	Administration Support

E2 BENEFITS REALISATION AND RISK MANAGEMENT

1. The Project Board will remain in operation until the new arrangements have bedded down and will oversee benefits realisation and risk management.
2. The board has agreed¹¹ that financial savings from the new arrangements, both initially and over time, will be reinvested in the highways service.
3. A risk register, setting out principal risks and countermeasures, is attached at Annex C.

E3 POST PROJECT EVALUATION ARRANGEMENTS

1. A Gateway 4 review will be undertaken around February 2014 to verify readiness for launch of the new service and progress will be reported to the project board and to the scrutiny committee. A decision will be taken nearer the time as to whether this should be peer-led or internal.
2. Performance of the new arrangements will be reported periodically to Scrutiny and, via the usual performance monitoring arrangements, to Cabinet.

¹¹ The minutes of the Environment, Transport and Development - Highways Procurement Board meeting of 25 July 2012 item 3.2.12 stated that 'Members are minded to reinvest savings into the highways service'.

F ANNEXES

Annex A: Concept viability report	<i>Attached</i>
Annex B: Draft OJEU notices	<i>To be attached when OBC goes to Cabinet</i>
Annex C: Risk register	<i>To be updated following Gateway review</i>

Intellect Concept Viability Report

Norfolk County Council

Environment, Transport and Development Services

July 2012

CONTENTS

- 3. Introduction**
- 3. Background to the Environment, Transport and Development Services proposals**
- 4. Questions**
- 16. Conclusion and Next Steps**

Introduction

This paper provides Norfolk County Council with a summary of the views of industry representatives on its Environment, Transport and Development Services proposals. It focuses on the most pertinent issues and has been produced following a workshop, as well as the distribution of a number of key questions that were posed to providers. The workshop took place on 14th June 2012 and included representatives from Norfolk County Council, consultancy firms, contractor organisations and specialist companies.

Background to Environment, Transport and Development Services Project

Norfolk County Council is seeking providers to assist with the delivery of its Environment, Transport and Development Services. The authority proposes to enter into arrangements with service providers for design, management, construction, maintenance and improvement of various civil engineering works and other related services; also consultancy services to include planning, testing, economic analysis, training, strategic waste management and environmental advice. The successful providers will assist in ensuring that efficient, effective and continuously improving services are delivered with a focus on demonstrating improvement in value for money and local and public satisfaction with the services.

The service requirement will be county wide but to include the option to work across neighbouring county boundaries. The County Council currently manages the highway network which includes but not limited to:

- 9,800km of county road network (with 3,200km priority network gritted per run)
- 4,100km of footways
- 137,000 gullies
- 50,000 streetlights
- 2,000 bridges and other structures and 2,700 smaller culverts
- 375 signal controlled junctions and crossings
- 453 Vehicle Actuated Speed (VAS) signs
- 3832 km of Public Rights of Way

The requirement includes delivery of off-highway works such as design, construction and maintenance of car parks, amenity sites and household waste recycling centres. Further information can be found in the [PIN](#)

The workshop was designed to provide an opportunity for potential providers to find out more about the requirement. Its aim was also to give Norfolk County Council the opportunity to explore options for the proposed arrangements to help it to finalise its procurement plans.

Questions

Industry representatives discussed the following questions at the workshop and then submitted written responses which were collated and anonymised to form a consolidated industry response.

KPI's, Payment Mechanisms, Contract Lengths Incentives

1. What are the most effective drivers of improved performance?

Overall respondents were of the view that performance should be measured through two sets of indicators:

- strategic indicators that relate to the overall contract performance, direction and partnership and which should be used to determine the duration of the contract to the maximum permitted – examples might include customer satisfaction and the carbon footprint of the service
- operational indicators that ensure the smooth day-to-day running of the contract and compliance, which have financial gain or pain attached to them – examples might include the number of defects or time-overrun incidents

Consultants and contractors should be able to deliver to time and budget and should be penalised for failing to do so. Indicators measuring performance should be meaningful and SMART (i.e. Specific, Measurable, Achievable, Relevant and Time-bound). The number of indicators must be carefully considered and limited to no more than approximately 10 or 12 in each category. Information for the indicators should be obtained from day-to-day operations without the need for additional work. Higher-level outcomes should result in reputational benefit to all parties.

2. What are considered good financial incentives/penalties?

The following were considered appropriate financial incentives and penalties. Ultimately, providers were of the view that “carrots are more effective than sticks”.

- Contract duration related to performance, which allows clarity around ROI but depends on the appetite for asset transfer.
 - Options include a shorter-term contract with the possibility of extensions or a longer-term contract that can be shortened for poor performance.
 - Whatever the approach, providers should be given notification of any issues in good time.
 - The preference was for starting with a long-term contract: better behaviour throughout the life of the contract will be generated if all parties see that continual success will enable longevity.
 - Some providers asked whether NCC might even consider an open-ended contract, with appropriate mechanisms for breaks due to poor performance.
- Target costing
- Profit linked to performance
- Risk i.e. NCC's ability to influence price through the appropriate ownership of risk and being clear what it will or will not hold
- Outcome-linked payments
- Potential to link to the Highways Term Maintenance Association (HTMA), particularly in terms of the use of HTMA indexation
- An opportunity to dovetail the Professional Services contract into the Works contract and at a convenient break point in the future.
- Rewards for innovation, with careful consideration given to a fair and equitable mechanism for sharing savings across all three parties. This approach has, to some extent been used by the Highways Agency (HA) and could be encapsulated in a KPI.

3. What is the relative role of increases/decreases in contract duration?

The majority of providers emphasised that contract duration affects investment and capital costs, in terms of the stability of staffing and resources for example.

Some suggested that contract extensions were a good way of incentivising providers (reviewed either at break points or at the end of the contract). However, many felt the preferred option was to have a contract length of around ten years with deductions in time resulting from poor performance (rather than a contract period of five or seven years, with extensions granted as the contract progresses up to the maximum period). The reasoning in support of this view was that it allows providers greater planning certainty and control, starting with a period for investment against which performance must be managed to retain the position. North Yorkshire County Council was cited as an example of an authority that had taken this approach. Either way KPIs linked to financial incentives and penalties help to keep tension in the system.

However, some respondents suggested contract duration was not a significant incentive since there is a danger that performance improves only as assessment deadlines approach.

Additional comments from respondents are summarised below.

- An opportunity to extend the length of the contract might be important towards end of contract, since it may limit an anticipated loss of staff.
- NCC should give careful consideration to the fallback needed in the event it wished to terminate a contract quickly.
- Transport for London (TfL) has a penalty mechanism in place which is reviewed on an annual basis; although providers appeared ambivalent about this approach.
- NCC should be clear as clear as possible about its preference in terms of higher cost and certainty, compared with additional costs.

4. What is your view on the effectiveness of capping or reducing annual indexation rates over the duration of the contract?

Capping or reducing annual indexation rates can be seen by some clients as a way of ensuring continuous improvement, for example by giving providers 80 percent of the annual indexation and expecting them to make up the remaining 20% from increased efficiency and improved operations. However, respondents noted that as there is a limit to how much an organisation can really improve within a set timeframe and suggested that the reality is that initial pricing may reflect the need for increased initial recovery to subsidise later discounting.

However, there was a general consensus amongst providers that HTMA indexation would be most appropriate for the industry, with respondents noting that Transport for London, Shropshire Council and Suffolk County Council have all used this in recent tenders. Contractors raised the question of whether it was possible to link performance to indexation.

5. What would be the impact of annual reviews to vary the percentage of pain/gain share based on previous performance?

Reviews would be welcomed as an incentive to focus on efficiency. Whatever formula is used there must be a real incentive for the service provider to strive for continual improvement in service. Contracts are all too frequently designed so that the client takes all the gain and the provider all the pain. The pain and gain should be shared equally since this helps to engender a true spirit of cooperation and collaboration between parties. Retrospective incentivisation was not viewed well by workshop participants who emphasised the importance of forward looking incentivisation.

There were questions around how incentivisation and payments would work through joint design teams. Ultimately, NCC requires an incentives process that is intelligent and flexible, rather than fixed for the duration of the contract. But while flexibility may be required some

respondents were of the view that the relative percentages of incentives between parties should be fixed, because varying the weighting as the contract develops could act as a disincentive since it may involve providers working harder for less benefit.

If a pain and gain share approach is used then it was suggested that an annual review should feed an innovation fund so that the budget remains within the highways contract.

6. Which areas of risk allocation within the contract are likely to significantly or unnecessarily increase costs for the client?

Effective partnership depends on mutual trust that risk will sit where it can best be mitigated. Respondents were of the view that NCC should accept some risk particularly around political priorities, democratic control and legislative change. Other areas of risk allocation within the contract that were viewed as potentially likely to significantly or unnecessarily increase costs for the clients and which need to be clear at the outset included:

- TUPE
- pensions liability, particularly legacy local government pensions
- transfer of assets
- accuracy of data for lump sum items
- provision of office space – it was suggested that NCC make clear what office space is available to ensure bidders can price accordingly

How does the industry feel about rewards for generating initiatives and cost savings?

7. How do we incentivise innovation to minimise overall costs?

Some respondents asked whether it might be possible to agree an innovation KPI to encourage providers to generate cost saving initiatives, although to be effective this would need to be outcome focussed. Overall it was suggested that cost savings should be shared between the three parties, the balance of which should be determined by the impact each party has had. However, the difficulty lies in determining this on a fair and equitable basis.

The Highways Agency (HA) incentivises providers to submit business cases for ideas that will generate improvements and cost savings. Savings are then shared equally between the HA and the provider in the first year, with HA receiving 100% of the savings in the following years.

Care should be taken to ensure the original OJEU notice does not limit providers in the ability to deliver additional services in the future (which are outside the current scope) and which might generate savings, such as Facilities Management, gritting etc.

8. Where would the risk lie for initial investment and trialling?

Respondents typically favoured triumvirate working, with the risk for the initial investment sitting with all parties so that there is a common will to make the initiative work whereby all parties would benefit. A pot of money or innovation fund could be paid into by all parties and used by the project team to kick start initiatives. If NCC wishes to take a significant share of any savings it should also hold the risk.

In terms of governance arrangements for the distribution of shares, this should be agreed at a board level and supported by the project management, monitoring and control processes. Trialling should run in parallel with existing processes to maintain service levels and reduce implementation risk.

9. What is the best way to distribute benefits for implementing improved processes/methods?

Many felt that this question referred back to the questions on Continuous Improvement, Flexibility, Savings and Innovation above. It is important to understand how benefits have come about. The way in which organisations review what they do will generate better means of delivery or improvements in process as part of day-to-day business and in these situations the benefit should sit with the respective organisation. Benefits derived from a business case and a proposed better way of working between the organisations for the greater good of the Norfolk partnership should be distributed accordingly.

Generally speaking providers favour cash payments, contract extension opportunities, and a percentage share of savings together with agreed reinvestment in highways services (including public perception schemes).

Lotting Strategy

Norfolk will have a minimum of two lots for the provision of its services:

- **White collar (or professional services provider)**
- **Blue collar (construction services provider).**

In addition to these Lots, we are considering separating the supply and maintenance of traffic signals and possibly gully emptying.

1. What are the benefits and/or risks of this separation?

Responses were somewhat mixed, although many respondents were comfortable with either combining or separating these elements.

Combining both elements within the main works contract, would see the responsibility for managing, programming and coordinating the operations will fall to the main lot provider. The benefits were seen to be a LEAN approach with enhanced programme management, performance monitoring and communications. A main contractor should be able to manage the performance of local providers and standardise Health & Safety performance, data capture and administration on behalf of NCC which would allow Norfolk to ensure that money spent resides within the county.

Benefits of separation

- Separation of Traffic Signals Supply and Maintenance, for example, is a tried and tested method of delivery and procurement in other contracts, with specialist work staying with specialists.

Risks associated with separation

- The need for additional contract management by NCC
- Potential for margin-on-margin
- Need for alignment between contracts to allow innovation across the service
- Control of performance indicators
- Additional representation required at management board level
- Emergency response risks created by another link in the chain of command, and where operational aspects are usually streamlined within the main contract.
- The level of resource and back-up that the suppliers can provide, since they may be smaller organisations with less reach-back than bigger organisations
- Possible TUPE from the current contractor to the NCC for the staff who currently carry out this function.

It was noted that standalone bids could potentially be combined during the dialogue phase.

2. Considering all Lots, where can the main contractor/supplier add most value through supply chain management?

The main contractor should work with NCC and the professional services provider to get an agreed long term programme in place, preferably with a two or three year look ahead, so that all parties understand the available spend and what work is due when. This allows resources to be levelled and to provide the supply chain with a near steady stream of work that then allows them to work at their most efficient. Ultimately, this reduces the cost of administration and coordination by council officers.

3. What NEC options would you consider to be most advantageous for the services supplied within these scenarios?

Overall, respondents favoured the NEC3 Term Services Contract, with appropriate bespokeing to suit NCC's requirements.

4. What experience is there of these arrangements, and what issues exist in managing the interfaces between providers?

Works of a very specialist nature, for example traffic signals, may benefit from the use of a specialist supplier; although the primary disadvantage is the need to for NCC to manage another contract.

Gully emptying, for example, can benefit from residing within a larger contract as resources can be shared during work fluctuations and plant purchase leverage can be achieved and indeed this is usually part of a combined service. Similarly waste and recycling was seen as a standard, rather than niche, service. Participants suggested GPS asset management should be specified as a requirement of the main contract.

The best commercial mechanisms should be applied to the different elements of the service for example reactive and emergency services might best dealt with through a cost reimbursable mechanism, while other elements might benefit through lump sums. This depends on the maturity of the contract, the asset information and view of risk.

The majority of respondents have experience of these arrangements across different contracts, with the size and nature of the supply chain varying according to the service. Flexibility is critical and it is important to invest time to engage with the supply chain to ensure they perform to the required standard. If the supply chain is fully engaged and considered as a full partner in the service interface issues are minimised. The use of noticing, permitting and full programming and planning tools for the whole network provide solutions to interfacing issues.

Continuous Improvement, Flexibility, Savings and Innovation

1. How would you encourage Continuous Improvement and generation of savings?

a) How do you best incentivise continuous improvement?

Continuous improvement arises from the culture of the partnership as a whole and requires the shared commitment of all parties. Continuous improvement can only be achieved in an environment which is structured to enable it - contractually, financially and through the specification - which must be flexible enough to enable innovation to flourish. There are standards, such as BS11000, that provide a systematic approach for establishing business relationships focussed on partnership success.

Ultimately, the sharing of savings provides an incentive to do more for less and to continuously improve efficiency. Hertfordshire County Council has recently tendered contracts that provide incentives to broaden contract scope through successful delivery and

share savings generated. However, this model is yet to be used and so has not generated evidence of success to date.

A commitment to reinvest savings in even better highways and transport services for Norfolk would further incentivise economy and efficiency improvements by providing further work for the partnership and better roads. Improvements to the services delivered to Norfolk communities will be the real measure of partnership success, and reputational benefits should not be underestimated. The culture of the organisation should be to continuously improve highways services and so establish a flagship partnership that will benefit Norfolk communities and will also be seen as best practice across the industry. This will help partner organisations build their wider business and so benefit commercially from partnership success.

NCC must consider how it wishes the benefit of any continuous improvement to be taken into account in the contract. If indexation is capped or discounted it can be taken there, and this will have been allowed for within the tender price that is submitted. Otherwise, continuous improvement can be incentivised on a financial or a contractual basis i.e. with the provider delivering the conditions of the contract which may require, for example, two examples or items of continuous improvement in a year. However, this approach can be debilitating in the longer-term since there is likely to be a limited amount of continuous improvements that can be generated over the duration of a long-term contract. An alternative approach is purely financial; based on individual business cases that are established at the time the improvement is identified, with the provider taking the saving in the first year and after that the saving is in place for the contract through amended rates or reduced prices. An innovation fund could be set up to fund innovations annually; this can be funded in a variety of ways. Reporting procedures and data capture associated with monitoring improvements should be clear and understood by all parties to ensure transparency.

b) How would you develop and maintain an innovative culture across the whole service (i.e. all the services within the contract lots)?

With separate contract lots, developing and maintaining an innovative culture across the whole service is a key issue that will require leadership from NCC. Suggestions from respondents are summarised below.

- Creating a partnership board consisting of senior managers from all the services within the contract lots, which is tasked with discussing matters relating to any area of the contract that would benefit from greater collaboration between all parties. The use of an independent facilitator would optimise the board's effectiveness.
- Considering pan-Norfolk initiatives that would lead to continuous improvement or best practice and the general sharing of best practice.
- Defining what is meant by innovation, which is not the same as invention but the act or process of introducing something new. Acknowledge that innovations can be incremental in scale but can aggregate to deliver significant change, or can be transformational, leading to significant change through one well-managed breakthrough.
- Empowering teams and individuals to find better ways of working and to test new approaches within a risk controlled environment. Both managers and client officers should encourage innovations whilst controlling risk without constraining ideas or pilot initiatives.
- Using robust project management processes to manage bigger innovations that might be costly to implement but which have the potential to transform service delivery. Review the business case on a continual basis to ensure the investment (in terms of both finance and time) delivers best value. Incentivise the provider to 'invest to save' through the sharing of savings accrued from innovations of this kind.

c) What has worked well for you?

Overall respondents were of the view that tripartite approaches to innovation had worked best with all three parties being able to benefit equitably from savings generated by innovation.

One particular example was the 3 Counties Alliance Partnership (3CAP) which involves Derbyshire, Leicestershire and Nottinghamshire County Councils and allowed innovation at a team level with individual client authorities, and through the 3CAP governance arrangements introduced partnership wide initiatives that resulted in significant savings.

2. Change can be expected, particularly budget fluctuation. We would like to build some flexibility into the contractual relationship.

a) How do we build in flexibility without incurring extra cost?

Flexibility is needed between both the client and provider, and between consultant and contractor partners. Rigid boundaries in scope should be avoided and more flexible and permeable interfaces should be encouraged, particularly since budgets, legislation, skills and performance will change over time.

NCC should endeavour to be as clear as possible in its requirements from the outset and throughout dialogue e.g. if there is a view that the payment mechanism may need to change this should be stated in the documentation. A provider noted that a similar client has stated that they desire to move to target cost by the end of year two and has set out how this will be done and the process by which it will be evaluated. This is an important area for dialogue to elicit ideas from bidders and to ensure there is clarity around the flexibility that is required. It is also an area that can be tested in terms of the “cultural fit” between organisations prior to final selection where teams are given different scenarios to establish how they react and perform.

Income not affected by budget fluctuation should be stated as early as possible so that the contract can be effectively budgeted and resourced, and this will make fluctuations easier to deal with. The contract needs to have enough flexibility within it for commercial arrangements to be flexed to meet demand. Long term programming and annual business plans must be accurately produced with a percentage likelihood of schemes coming to fruition placed against them.

One respondent noted that whilst the presumption that the Bridge Inspection Service should remain in house is understood, the capability of consultants to undertake roped access inspections and the information to be gleaned from maintenance teams encouraged to report defects should be encouraged.

b) What is your understanding or experience of flexibility?

Industry players typically felt the key to resource utilisation optimisation is better and longer-term programming, with the removal of the constraints of annual budget cycles. Local Transport Plan (LTP) allocations, asset management systems, medium term financial planning and Comprehensive Spending Reviews (CSRs) all mean that it is becoming easier to predict budget trends and to formulate longer-term programmes. Ultimately, flexibility should allow parties to move to a different position or place whilst in contract without the need for protracted legal and commercial negotiations, and this might be around payment mechanisms or measurement of performance indicators, the ability to introduce new ways of working etc.

Flexibility to respond to both volume and type of work was a feature of the 3CAP contract which, given current constraints on public sector spending, has not followed the profile forecast in the tender documents. Delivery Managers worked closely with their 3CAP clients to improve the forecasting of emerging needs and deal with changing requirements.

c) What would you advocate to demonstrate this?

A partnership approach at three levels is needed to plan for change.

- Strategically – a management board, and associated governance processes, should develop a three year foresight of budgets, programmes and emerging issues and plan for change collaboratively.
- Tactically - a business relationship plan empowers managers to work together collaboratively to respond to in year change and to switch resources to match changing need.
- Operationally – teams should be provided with the intelligence needed to provide a responsive service, understanding priorities that change at an operational level.

Sustainability

What would be the advantages/disadvantages of, and how could we incentivise, the following?

Respondents suggested that the majority, or potentially all, of these items could be measured under the KPI process.

1. Supporting local SMEs and supply chain

Overall respondents were of the view that SMEs and supply chains would be used to support the delivery of the contract through peaks and troughs. Contractors or consultants are unlikely to 'bus in' a workforce; instead, local providers and staff will be essential to partnership success. The longer the term of contract the easier it becomes to invest in the local economy. A long-term view of the programme and planned spend also helps give organisations surety of workload and enables them to pass this message on to the supply chain.

Performance indicators can be set to encourage spend within the local economy, including national suppliers who have local presence. Transferring these indicators on to supply chain partners can help ensure local supply chains are supported. However, this raises the question of how the flow of money between companies can be measured.

2. Use of recycled materials or products manufactured in an environmentally friendly/sustainable way

The use of recycled materials is a must and to incentivise and facilitate this use the council could make arrears available for waste transfer and processing of materials through their existing depots and property portfolio or through the waste management contract.

There is also the facility to incentivise the use of recycled materials or products manufactured in an environmentally friendly/sustainable way through the design and specification phases. While a financial incentive might not be appropriate a "contract barometer" for the partnership, showing how much actual additional work has been facilitated or budget saved by the use of recycled materials, could be beneficial. The specification must be receptive to the use of alternative materials of equal quality, trials of their use are essential; this is assisted by a laboratory which can accommodate these tests and trials. To get the most benefit from recycled materials a county wide recycling strategy must be introduced where all providers are encouraged to use local facilities for waste. This provides economies of scale which makes the operation much more viable.

In terms of carbon footprint, whole life cost should be considered as well as embedded CO₂.

3. Better use of Waste Management Planning

Respondents asserted this should be integral to the contract; and NCC should encourage application of the CEEQUAL term maintenance standard.

4. Requiring apprenticeships

Highways Agency (HA) providers are required to provide one apprentice per £25m of turnover. Transport for London's recent London Highways Alliance Contract (LoHAC) tenders included a formula for addressing apprentices and training which was relatively broad in its approach and might provide some insights (while acknowledging the demographics of London are different to Norfolk).

Ultimately, a flexible approach to apprenticeships is key to success, as the standard 16-18 year old approach might not suit either the local demographic or the service need. Binding targets could be sought within tender submissions, but these should not be at the expense of a balanced workforce. If a target percentage of apprentices is required, these placements should be shared between consultant, contractor and the supply chain to provide a more rounded experience.

Partnerships with local colleges are an important factor for ensuring the correct training is available and provided.

Opportunities to Review Standards

We will need to regularly review the standard of service that we provide during the period of these arrangements as budgets fluctuate.

1. How do we incentivise challenge and review of our practices and standards to help us save money during the contract?

Providers tended to be of the view that regular review of standards and practices is welcomed. However, standards should support delivery rather than become ends in themselves which tends to stifle innovation, efficiency or effectiveness. Governance arrangements should focus on consensus to achieve shared objectives and standards should be aligned with what the partnership is striving to achieve.

Challenging practice and standards depends upon the possession of sound asset data, in terms of the amount of assets themselves and how they perform. Armed with this information it may be possible to review the work carried out, what is actually required and then move to a risk-based approach to operations. For example, gully emptying could be done in the first year empty with data recorded in terms of performance and condition, and paid for either by Statement of Requirements (SOR) or lump sum if numbers are known.

A similar approach can be taken in the second year, allowing a picture to be built of which gullies need to be done annually and which can be left. During this time you a picture can also be built of flood hot spots etc. The next stage might be to build up a reduced lump sum or a target cost for delivery of the year-three cycle and so on, thereby allowing NCC to save money on the service.

2. What are your observations on the scope to reduce current technical and operational standards (e.g. Traffic Management to Chapter 8)?

While there may be considerable scope to review technical and operational standards, particularly in the use of recycled material, education is important to ensure new learning and knowledge is implemented and that new materials are used.

Standards focussing on providing road workers with a safer environment within which to work can be reviewed but this tends to be more about local practice than changes in standards.

Implementing Chapter 8 of the Road Safety Plan can help to allow practicing engineers to exercise judgement within a risk controlled environment.

3. What criteria would we need to consider so the client can realise the greatest saving from adapting these standards?

NCC should be clear about the outcome that it requires from the contract to ensure there is flexibility within the initial contract arrangements or a mechanism to facilitate change to the contract if required. A number of respondents asserted that a business case should be developed in each case, which should clearly identify the service quality benefits as well as the cost and risks associated with adapting standards. The approval process should be simple, robust and agreed.

4. How do we avoid the impact of compensatory enhancements being paid to the provider?

Clearly it is important for there to be clarity from the outset as to the outcome required from the contract. There should be mechanisms to facilitate any changes to the contract where this is required in order to avoid different interpretations by different parties. The planning of budgets is important to ensure that resources can be adjusted in response to fluctuating budgets to allow for forward planning combined with an indication of certainty, since this will assist providers.

Generally speaking, it is important to ensure there is accurate information and data on existing assets and clear specification as to what needs to be done. The dialogue process can be used to gain a full understanding of the issues on all sides.

An additional suggestion was for graduate/technician development to be considered in the professional services contract.

Systems and Interfaces Management – Working Together

Consider what arrangements could be put in place to influence cultural shifts to ensure that main providers and the County Council complement and support each other - including separate PFI providers (i.e. Amey for street lighting).

1. What would be your preferred arrangements for consistent interfaces and common systems?

Generally speaking, a partnership board is a good way of developing and maintaining the required cultural shift across the whole service. Such a board typically consists of senior managers from all of the providers within the contract lots, which meet to discuss matters relating to any area of the contract which would benefit from greater collaboration between all parties to support the cultural shift. The effectiveness of the board may be optimised through the use of an independent facilitator.

On the whole, contractors suggested that their preference was for NCC to stipulate a preferred system, since many have experience of working with different systems and developing interfaces as required. They were of the view that this should be set out at the start of the tender process. However, some suggested that the subject would benefit from a separate workstream being established and for it to be dialogued through the tender process as in doing so it should help shape a solution agreeable for all parties. However, introducing a new system at the same time as mobilising a new contract could introduce risk. Either way NCC will need

to facilitate the cooperation of their existing provider to allow other providers access to the information and data required to establish an interface.

Other suggestions around arranging consistent interfaces and common systems included:

- adopting relevant standards that provide a systematic partnership approach
- considering how this relates to the Street Lighting Private Finance Initiative (PFI) programme, in order to coordinate and share road space and time and materials costs
- providing clarity around the implementation of a permit system in Norfolk

2. In your experience have client or provider systems formed the most sound basis (particularly considering ICT systems)?

Client and provider organisations develop systems for their respective needs; and while there is an element of commonality across systems, the drivers tend to be different with them both forming a sound basis in a way that meets their individual needs. Ultimately the interfaces between ICT systems no longer pose the levels of constraint they have in the past. Data mining, for example, may allow existing client systems to be retained and partners to extract the data needed for complementary applications. Geographical Information Systems (GIS) provide an effective tool in sharing data in a simple, powerful and transparent way. Collaboration tools can also be used via the internet and are widely used on multi-party contracts (e.g. Cross-Rail and HS2), allowing parties to manage documents and share files securely and effectively.

A non-integrated approach might swing in favour of the client providing key systems, such as a preferred Asset Management System.

3. How have common systems or interfaces been introduced to help enable access to common data and financial information?

There are two key types of software that need to be considered. These are:

- transactional e.g. for works ordering and monitoring KPIs – the emphasis should be on automation, ensuring systems interact with minimal manual input
- collaborative e.g. to allow different parties to access project data and information and to provide disciplines with a forum in which they can discuss particular issues and topics

A web-based Software as a Service (SaaS) approach would allow the secure sharing of information, and allow different users to have different permissions.

One point that was emphasised at the workshop was that the programming function ends when final payment is made.

4. What are the preferred platforms and what are the advantages/ disadvantages with these systems and their interfaces?

Respondents noted the implications of companies' corporate IT policies and protocols, which might make it difficult for contractors to use the works order module on EXOR for example. There was no consensus as to preferred platforms, and some contractors have developed their own systems.

5. How can the contract structure help interfaces and working together?

Establish an enabling culture; then identify the processes to support that culture; and finally, specify the appropriate systems and software.

Define the overarching governance structure and the bodies that will support it (e.g. Strategic Board, Innovation, and Performance) and include relevant information in tender docs etc.

At the start of the mobilisation process all parties should map out how the contract will function as an overall end-to-end process, showing how the organisations will interact, what the required inputs and outputs are etc. This picture will make it easier to identify the required interfaces and any further development needs. Standard business processes should be applied wherever possible since there will be systems to support these, and most systems are now able to interface effectively.

Respondents suggested NCC should assess the value chain and determine what works best, adopt a LEAN process perspective, and always remember that the success or otherwise of systems and processes ultimately depends on what people feed into them (i.e. “rubbish in, rubbish out”). Providers would benefit from understanding whether NCC plans to continue EXOR.

Conclusion and Next Steps

Intellect fully supports the consultative process that Norfolk County Council has undertaken and would welcome the opportunity to work with the council on the issues raised at the workshop and in the report where further industry input would help achieve a better procurement and better project outcomes.

If you require any clarification on the issues raised in this paper, please contact Melissa Frewin
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Service and Budget Planning 2013/15 for Environment, Transport and Development

Report by the Director of Environment, Transport and Development

Summary

In September a contextual scene setting report marking the formal start of the Council's service and financial planning cycle was taken to Cabinet. This set out the final year of our three year savings programme and considered the financial outlook and initial preparedness for 2014 and beyond.

This report sets out the financial and planning context for the authority and gives specific service information for Environment, Transport and Development (ETD) for the next financial year.

This report sets out the demographic, socio-economic and environmental context for the Council, and highlights specific known impacts of new national policy initiatives which are likely to impact on the way the Service does its business and plans its future priorities.

In the absence of detailed information from the Government beyond the current spending review period ending in 2014-15, our prospects beyond that year are less certain but are expected to require further reductions in spending as the Government seeks to balance the public finances.

Action Required

Members are asked to consider and comment on the following;

- The revised service and financial planning context and assumptions
- The revised spending pressures and savings for ETD

1 Background

- 1.1 Following the Council's largest ever consultation, the Big Conversation, undertaken in autumn 2010, the Council agreed in February 2011, a three year programme of work to reshape the role of the County Council and to deliver savings needed to meet the Government's planned spending reductions. In 2011 – 12, ETD delivered £9.569M of saving and in the current financial year, 2012 – 13, we are planning to deliver savings of £7.844M.
- 1.2 This programme of work was embedded into the existing Norfolk Forward programme of work, which covers all organisational, service transformation and efficiency projects. As part of last year's planning cycle the forward plans were reviewed and changes were reflected in the budget plans approved in February 2012 by the County Council.
- 1.3 This paper marks the formal start of the Council's service planning cycle, for the time horizon 2013-15, which will consider in detail the plan for 2013 -14 (the final year of our three year financial savings programme developed from the Big Conversation) and any known service priorities for the two years beyond. It reports the planning context

for future years to enable the service to prepare and support early development of longer term work plans and reflects on the progress made so far in the agreed three year programme of work. It also reports changes affecting the context for this year's medium term planning.

1.4 This paper brings together for Panel Members the following:

- Revised financial and planning assumptions agreed by Cabinet in September to inform the Council's budget proposals
- A review of the progress made to date by ETD within the planned three year programme. The revised budget position for ETD based on updated financial forecasts and budget proposals for emerging cost pressures, new savings and revisions to future savings currently within the three year plan
- A detailed list of the updated costs and pressures facing ETD
- A detailed list of updated proposals for savings
- Information about new capital bids and funding
- Known priorities for the department within the next service planning round 2013-15

2 Financial and planning context

2.1 The context for the County Council's three-year planning was set out by Cabinet in its report in September 2012, when it also confirmed its commitment to the Council's core role and strategic objectives. The themes are largely unchanged from previous years, since they reflect on-going long-term challenges and issues, however there are some national policy changes, set out below, which are likely to impact on the work of the County Council:

- Healthy lives, healthy people – The Public Health update which was released in July 2011 outlines the leadership role that local authorities will have to play in public health. The paper describes the services that local authorities will commission and how they will inform and advise commissioning across the public health system. Delivery of this important service will continue to present a challenge for some time, especially as the authority and health colleagues develop ways of working alongside maintaining a consistent level of service.
- Open Public Services White Paper –The paper sets out the vision for public services in the future. It aims to open public services up to more competition and a variety of providers, including the private sector, in order to give more choice and control to service users. At a time when budgets are reducing and the strain on services is increasing, this represents a significant challenge to the way in which services are delivered and communicated to ensure that customers are fully informed to be able to choose service delivery that is right for them.
- Welfare Reform Act – The Act which was passed in March 2012 makes provision for the abolition of the discretionary Social Fund, currently administered by Jobcentre Plus. As a result, Community Care Grants and Crisis Loans for general living expenses will be abolished from April 2013 and replaced by new local assistance administered by local authorities. This will be a new challenge for the authority and represents a significant shift in the welfare system. Work is currently underway to determine a system that will be both fair and sustainable, ensuring that vulnerable people are not endangered through loss of benefits at a time when it is most needed in their lives. This system will need to be carefully balanced against the need to reduce budgets and get people back in to work where possible. In addition, administration of the system will need to be carefully designed, planned and costed as we can expect several thousand more customer contacts.

- 'Caring for our Future' White Paper - The paper on social care was published, along with other key documents, on the 11 July 2012. It covers various elements of social care including a commitment to introducing a Universal Deferred Payment scheme whereby the cost of care is reclaimed from a person's estate once they have died, ensuring that they don't have to lose their home during their lifetime. Although the paper has not been released for long, the challenge around Norfolk's ageing population and the popularity of the county as a place to retire are well known, therefore any change to the way in which the Council needs to support them will have a significant impact upon the authority.
- The introduction of a new local government funding system from 2013-14, which will replace the existing Formula grant. The proposal is for a system based on local retention of business rates, which would see increases in funding linked directly to local growth in business rates.
- A confirmation of the move away from centralised performance and financial monitoring, and towards the self-publication of data to facilitate local public scrutiny of how we deliver services.
- The Government is keen to embrace payment on results, whether services are provided by the public or private sector. This may affect the way we currently plan and monitor budgets and services

2.2 The financial context for our future planning remains the medium term financial strategy for the Council. This was developed during 2010 to address the anticipated downturn in the prospects for public sector spending and was confirmed in setting the 2012-13 budget. The key elements of the high level strategy focus the Council on:

- Developing the Council's finances alongside the Council's changing role in order to ensure it is sustainable within continuing reducing resources
- Providing funding to manage transformation of services, including managing a reduction in staffing;
- Managing our capital borrowing to ensure that future financing costs are affordable and sustainable; and
- Managing our finances tightly and efficiently so that we spend the money we have wisely and well.

2.3 **Financial Prospects**

2.4 As reported to Cabinet in September 2012, our financial forecasts remain focussed around the national financial framework for 2011-15 set out in the Spending Review 2010 (SR10). In addition, a number of the Government's policies to review Local Government funding will be implemented from 2013-14, which will impact on our financial plans. No indicative funding settlement has been announced in advance for 2013-14 and we are not expecting any further announcements until November or December this year, when a two year finance settlement for 2013-14 and 2014-15 is due to be announced.

2.5 Currently our main source of funding comes from locally raised Council Tax and Government Formula Grant. From 2013-14, we will no longer receive formula grant. In its place the Government is introducing a new local retention of business rates scheme. The aim of the scheme is to provide local financial incentives to increase business rate income, by enabling councils to keep an element of the business rates collected. However, there will be constraints on how much additional business rates can be retained and critically, the scheme is still designed to operate within the departmental expenditure limits set within the SR10 to ensure that overall local government spending is in line with the deficit reduction plan. Therefore, despite funding changes, the spending review totals set in SR10 remain our best indication of future funding.

- 2.6 Based on these national forecasts and after making allowance for top sliced funding, such as New Homes Bonus grant, we are forecasting reductions in retained business rates funding of 1.7% in 2013-14 and 8% in 2014-15. As reported to Cabinet in September 2012, the current projected shortfall for 2013-14 is some £36.9m and our preliminary forecast is for a future shortfall in 2014-15 of £51m. A two year settlement is expected in December 2012, providing more certainty of the future funding position for 2014-15. Once the two year settlement is received a review of future plans will be undertaken, which will be subject to future reports to Cabinet and Scrutiny Panels.
- 2.7 The Local Government Association (LGA) has recently undertaken a review of all future sources of council revenue, including increasing council tax and service spending demand. Their conclusion is that nationally, local government will be faced with a funding gap of £16.5 billion a year by 2019/20, or a 29% shortfall between revenue and spending pressures. The key message from the wide range of information available from the LGA and other commentators is that spending reductions are here to stay for the foreseeable future.
- 2.8 A review of our financial assumptions and cost pressures has been undertaken and revisions to the original financial forecast were set out in the paper to Cabinet in September. The key financial assumptions are:
- A 1% pay award in 2013-14 and 2014-15; 2% general inflation and 4% for social care transport costs. Revision of inflation forecasts based on the 2012-13 budget.
 - Some revised forecasts of demographic and legislative costs, however forecasts are likely to be modified over the coming months as more information becomes available, including quantifying the impact of recent Government announcements such as the transfer of funding for central services to schools.
 - Inclusion of known changes to core grants
 - Some provision for uncertainty due to significant funding changes in 2013-14, including the business rates retention scheme, localisation of council tax support and council tax reforms.
 - Continued planning for a council tax freeze in 2013-14
- 2.9 Overall, the savings required in 2012-13 of nearly £45m are on track to be delivered.
- 2.10 Since 2011-12, Government support for capital funding has been via capital grant the majority of which is not ringfenced. So far, indicative future year capital grant announcements have only been received for Transport (£25.853m in 2013-14). Capital grant announcements are also expected in December and January.
- 2.11 **Service specific context**
- 2.12 The following covers the main priorities for ETD that will form the basis of service planning and budget proposals for 2013 -15. In general terms these have remained consistent, but continued uncertainty around future funding means that the department recognises the need to remain flexible and responsive to new challenges. This will include exploring additional routes of funding that may enable additional or enhanced service delivery that would otherwise not be possible.
- 2.13 Work carried out to inform the Strategic Review of ETD services and budget proposals as part of the Big Conversation will continue to drive service delivery through transformation and efficiency projects identified within Norfolk Forward. The Strategic Review savings for 2013/14 have now been translated into specific proposals listed in Annex A. Significant further savings are anticipated in 2014/15 as a result of the highways and associated services procurement.
- 2.14 The overarching context for service delivery in ETD will continue to deliver on cross cutting issues such as economic development, the environment and improving

access. Responsibility for such a wide agenda means that services also have the ability to influence the council's wider role within the community.

- 2.15 The national economic situation continues to influence services across the organisation, affecting the level of service we can offer and the impact upon our customers. Nationally information shows that the country is in recession (at quarter one) with figures suggesting that around 23,000 jobs have been lost in Norfolk as a result of the economic situation between 2006 and 2010. However, future prospects for growth are good with an estimated additional 62,900 jobs being forecast over the 20 year period between 2001 and 2021 for Norfolk against an East of England Plan target of 55,000 over the period.
- 2.16 In April 2012 the Economic Growth Strategy for Norfolk was agreed, identifying five key themes; to provide support for growth and removing infrastructure constraints, to help businesses to start up and grow, to improve perceptions of Norfolk's business offer and secure inward investment, to address Norfolk's skills and employability challenges and to provide fair access to the public sector. ETD will continue to support the delivery of the strategy. More information on progress made to date is contained elsewhere on this agenda.
- 2.17 Enabling services to become more commercial in their approach where possible is a strong driver across the authority. Important links between the public and private sector already exist within ETD, including through New Anglia. In order to ensure that we maintain efficient service delivery we will continue to explore the best way to deliver them, connecting with local businesses to not only improve what we do but also to provide benefits to the communities we work with. Through expertise in community and business resilience ETD will continue to help local business and the authority as a whole to prepare.
- 2.18 The partnership with May Gurney and Mott MacDonald has already provided an innovative approach to public and private sector working, challenge and additional flexibility to service delivery within ETD. As part of the last contract review renegotiations identified the potential to save around £1.5m a year (or around 5%) from the cost of our highways services, savings to date have exceeded that expectation. The end of the contracts in 2014 provides an opportunity to drive further innovation and efficiency from services.
- 2.19 ETD will continue to explore ways to balance the increasing demand and the most efficient approach to highway maintenance. Additional capital funding given in response to extreme winter weather has been helpful in bridging the gap, along with the agreement by Cabinet to release funds to help with deterioration of Fen roads. Identifying ways in which we can make the service more efficient will continue to be a priority and one of the areas of service improvement included within the highway reprocurement exercise.
- 2.20 Providing options for travel not only through infrastructure but also making the most effective choices to enable a variety of modes will contribute not only to improving the economy but also play an important part of the health and wellbeing agenda. A priority for ETD will be to continue to explore ways in which we can improve transport choices for individuals and business. This will include progressing improvements made possible through £2.6m of additional Government funding for a series of major public transport improvements that will make bus travel faster for passengers, visitors and commuters in Norwich and deliver a boost to the city's economy. We will continue to lobby for improvements to rail travel and progress and explore infrastructure improvements to the highway.
- 2.21 In March 2012, the Government published Green Light for Better Buses in which it set out a series of reforms to improve local bus subsidy arrangements and regulations in England. A consultation launched on 12 September sets out potential changes to the Bus Service Operators Grant, the consultation closes on 12 November and the details

of the scheme will be published early in the new year, it is expected to be cost neutral impact on the budgets.

- 2.22 The safety of road users and casualty reduction remains a high priority. The County Council has made significant progress in halving the number of people killed or seriously injured on Norfolk's roads over the last ten years. However there is no room for complacency and more needs to be done. Working through the countywide casualty reduction partnership will facilitate a comprehensive approach. Future programmes will focus on changing road user behaviour, improving road user skills and more local community involvement.
- 2.23 We will continue to prioritise the diversion of waste from landfill. Main areas of activity will continue to be the provision of new and enhanced recycling centres, and encouragement for collection authorities to provide kitchen waste recycling in particular. During this period the contract for Household Waste Recycling Centres, currently operated by May Gurney, will also come up for re-procurement. Work is underway to determine what future service delivery should look like.
- 2.24 The natural environment continues to be a real asset to Norfolk, attracting tourists and providing a good quality of life for the people who live here. We will continue to contribute to maintaining the environment through working closely with local communities and project groups including Wild Anglia.
- 2.25 ETD will continue to contribute towards NCC's overall reduction in carbon emissions. The department is also leading the way in investment in renewable energy through the ESDCo, an arms length energy services company set up in 2011 to generate an income stream for the County Council and Hethel Innovation Ltd, set up in 2012 following a successful bid for European funding. Both companies will focus upon the Low Carbon economy.
- 2.26 In 2010 Norfolk County Council became the Lead Local Flood Authority (LLFA) under the Flood and Water Management Act (FWMA). In order to deliver duties under this act we have been working to develop and deliver duties for Sustainable Drainage system (SuDS) approval, adoption and maintenance. Although significant work has already been progressed continued uncertainty around the official start of this new duty has already had significant impact in embedding how the duty will be delivered, not only for Norfolk but across the country.
- 2.27 Following on from the creation of a civil parking area for the whole of Norfolk, decriminalising the function and passing enforcement responsibility to the County Council, we will be further developing the scheme with district partners who are discharging the function under delegated agreements. This will see the implementation of principles that will improve access to parking and a sustainable scheme of operation without ongoing financial support from the council.
- 2.28 As Norfolk has one of the largest farmed animal populations in the UK, a priority for Trading Standards will continue to be working with the farming community to help protect against disease and ensure animal welfare.
- 2.29 The Traffic Management Act 2004 introduced 'permits' for works and other activities on the street as a tool for local highway authorities to reduce the congestion and disruption caused by those activities. The principal benefits for the Council are stricter control of street works and the scope to recover some costs. A Permit Scheme for Norfolk is being developed with the intention that it will go live on 1 October 2013. Such a scheme is likely to lower Highways service costs by approximately £400,000 in 2013/14, and £800,000 pa thereafter. The actual level of income received is dependant upon the level of fees set, this is subject to regulation, and the amount of street work activity being undertaken by Statutory Undertakers (water, gas companies etc).

3 Financial and service planning for 2013-15

- 3.1 In evaluating the progress made so far in delivering current year savings and putting in place actions to deliver planned future savings, Cabinet agreed that the Chief Officers planning for 2013-14 should continue to implement the final year of the three year programme of work approved by the County Council in February 2011.
- 3.2 Cabinet also asked Chief Officers to continue to seek opportunities for new efficiencies and improved ways of working to deliver the Council's new core role. Where Chief Officers identify additional cost pressures and/or changes to savings for 2013-14 these will need to be reported to Cabinet and to Scrutiny Panels in November together with the implications for the overall funding position.
- 3.3 Where the 2013-14 Budget is concerned, the Council is required to consult on savings proposals in the agreed three year financial strategy that have not previously been consulted on in detail during 2011-12, or 2012-13 (if a two year matter) and which, through their implementation, would represent significant service change for service users.
- 3.4 Currently the only additional change to budget savings proposals identified within ETD is the introduction of a Traffic Management Act Permit Scheme for Norfolk, section 2.27 above. The Council will carry out consultations on the introduction of a Permit Scheme during 2012/13 and 13/14. While the Department of Transport is supportive of local authorities introducing permit schemes any scheme proposed currently requires the Secretary of State's approval.

4 Review of progress within the current three year programme and proposed changes

- 4.1 The progress made by ETD towards delivery of savings for 2012-13 has been reported to Panel within the integrated budget and monitoring reports, and we are currently forecasting full delivery of the savings and a £124.008M budget.
- 4.2 Cabinet are proposing to remove the requirement to make £0.123M of savings within PROW previously identified as part of the Big Conversation as additional savings have been found from the strategic review.
- 4.3 Looking ahead the service has reviewed forecasts of future year cost pressures as part of the overall council wide review. Planning assumptions show cost pressures of £9.074M. Further detail is now provided on the make up of the Strategic review savings in 2013/14. Significant further savings are anticipated in 2014/15 as a result of the highways and associated services procurement.
- 4.4 Revised cost pressures and savings are detailed in Appendix A.

5 Resource Implications

- 5.1 **Finance:** Known financial implications for ETD are covered within sections 3 and 4 of this report.
- 5.2 **Staff:** Staffing implications are being reviewed as part of workforce planning activity carried out as part of service and budget planning. Changes to service delivery will have the potential to impact upon staff. This will be managed throughout the process.
- 5.3 **Property:** Property implications are being reviewed as a part of service and budget planning and as part of the overarching Workstyle programme. Changes to property will be managed throughout the process.

- 5.4 **IT:** IT implications are being reviewed as part of the overall ICT strategy for NCC. Changes needed to support service delivery will be reviewed and considered as part of the ongoing process.

6 Other Implications (where appropriate)

- 6.1 **Legal Implications:** Legal implications are considered throughout the service and budget planning process.
- 6.2 **Human Rights:** None Identified.
- 6.3 **Equality Impact Assessment (EqIA)**
- 6.4 This report provides information on the service and budget planning context for services delivered by Environment, Transport and Development Overview & Scrutiny Panel. Many of these activities have a potential impact on residents or staff from one or more protected groups. Where changes to service delivery have been identified, an equality assessment will be undertaken as part of the project planning process to identify any issues relevant to service planning or commissioning. This enables the Council to pay due regard to the need to eliminate unlawful discrimination, promote equality of opportunity and foster good relations.
- 6.5 Details of equality assessments are available from the project lead for the relevant area of work, or alternatively, please contact the Planning, Performance & Partnerships team.
- 6.6 **Communications:** No issues have been identified.
- 6.7 **Environmental Implications:** Environmental implications will be considered as part of the service and budget planning process.
- 6.8 **Any Other implications**
Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.

7 Section 17 – Crime and Disorder Act

- 7.1 Work carried out by the Trading Standards service is covered by the Crime and Disorder Act. Implications will be considered as part of the service and budget planning process.

8 Action Required

Members are asked to consider and comment on the following;

- The revised service and financial planning context and assumptions
- The revised spending pressures and savings for ETD

Background Papers

List here those papers referred to in compiling this report.

None

Officer Contact

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

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

		2013-14
	Environment Transport and Development	£m
	ADDITIONAL COSTS	
	Basic Inflation – Pay (1% for 13-14)	0.244
	Basic Inflation – Prices (General 2%, School and Social care passenger transport 4%)	1.703
	Waste disposal – increase in Landfill tax	1.602
	Increase in contract costs above the inflation allowance for HWRC's	0.648
	Additional statutory increase in recycling rates including Kitchen waste	0.225
	Sub Total Additional Costs	4.422
	BUDGET SAVINGS	
Ref	Big Conversation proposals	
E04	More efficient Environment service	-0.060
E05	Improved waste procurement	-0.565
E06	Civil Parking enforcement	-0.200
E09	Management savings in Public Protection Services	-0.100
E11	<i>PROW – Cabinet are proposing to remove this, see 4.2 of the main report</i>	-0.123
E12	Community ownership of nature reserves and ending some grant funding	-0.010
E13	Re-shape planning services	-0.300
E17	More efficient management of Gypsy and Traveller permanent sites	-0.135
E20	Reduce contributions to Economic Development projects	-0.200
H07	<i>Strategic Review – see below</i>	
H10	Changes to Street lighting – part night lighting	-0.031
H11	Reshaped public transport network with a shift towards demand responsive transport	-0.201
NH5	Additional Savings in Winter maintenance through integration with the City	-0.200
NH6	Additional savings within transport studies budget	-0.246
	<i>Excluding PROW Subtotal</i>	-2.371

	<u>Other savings proposals within Medium Term Financial Plan</u>	
	Removal of one off Highways Maintenance funding	-1.795
	Removal of 2012-13 1% pay award	-0.341
	<u>Subtotal</u>	<u>-2.136</u>
	Strategic review: New savings proposals	
	Release of Fleet Repair and renewal reserve arising from new leasing option for fleet vehicles	-1.725
	Release of part of ICT reserve following review	-0.200
	Reduction in office accommodation costs	-0.150
	Reduction in ICT Spend	-0.150
	Cost and Budget review	-0.880
	Additional Grant income related to Landscape Conservation	-0.188
	Additional income from Highways fees	-0.185
	Full cost recovery on income	-0.040
	Traffic Permitting Scheme – Part year	-0.400
	Proceeds of Crime/ Crime prevention	-0.050
	Vacancy management	-0.250
	Additional income Planning services	-0.100
	Savings on maintenance at Closed landfill sites	-0.250
	<u>Subtotal</u>	<u>-4.568</u>
	Total Savings	-9.075
	NET Change	-4.653

Environment, Transport and Development Department Integrated Performance and Finance Monitoring Report 2012/13

Report by Director of Environment, Transport and Development

Summary

The information included within this report is the most up to date available at the time of writing. Any significant changes to the performance information between publishing this paper and presenting to Panel will be updated verbally. An update of progress made against the 2012/15 service plan actions, is included on an exception basis. The report is structured around the ETD dashboard (Appendix A to this report). Symbols have been included within the body of this report in order to direct Members to the associated quadrant of the dashboard. Also included is a definition 'guide' to the indicators (Appendix E to this report).

- **Revenue Budget:** The revenue budget for 2012/13 is £124.008m, we are forecasting a balanced budget.
- **Capital Budget:** The Highways capital programme has been reviewed and amended to reflect the LTP allocation and external funding that is known to be agreed at this stage of the year. The current forecast is £0.038M under spent. The Economic Development and Environment capital programmes are currently forecasting full spend.
- **Service plan actions:** Activity is now being monitored from 2012/15 service plans which were agreed by Panel on the 14 March 2012. One action has been added to the Travel and Transport service plan in the last month in relation to the Better Bus Fund. The latest updates to the ETD service plans show that from the 96 actions, 0 were showing as Red 'off target', 7 were showing as Blue 'slightly off target' and 89 actions were Green 'on target'.
- **Dashboard:** The dashboard for ETD which forms the basis of this report is attached as Appendix A. The dashboard includes all measures of departmental significance as agreed by the management team and Panel members. Further detail as to why is included within the main body of this report. Appendix E to this report contains definitions for all measures contained within the dashboard.
- **Risks:** Risks that have a corporate significance within the dashboard have remained unchanged. An update to the Norwich Northern Distributor Route (NNDR) and Waste PFI programmes can be found in section 2 of the report.

Action Required:

Members are asked to:

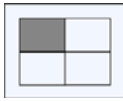
- Comment on the progress against ETD's service plan actions, risks and budget and consider whether any aspects should be identified for further scrutiny.

1 Background

- 1.1 This report updates the latest ETD performance dashboard for Overview and Scrutiny Panel and is based mainly upon July / August data. The dashboard acts as an overview

of departmental performance, identifying progress against four themes, Delivering Norfolk Forward, Managing our Resources, Outcomes for Norfolk People and Service Performance.

- 1.2 The purpose of this report is to alert Members to areas of concern and highlight areas of improvement within the ETD dashboard including an update on the latest financial position against the budget.

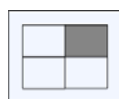


2 Delivering Norfolk Forward

- 2.1 The overall rating for the ETD Transformation and Efficiency programme is rated as Green showing that the department is largely on track to achieve improvements and savings. Looking at the individual elements of the programme four out of the fifteen projects relevant to this panel are showing an Amber status: the Waste PFI; and the Norwich Northern Distributor Route (NNDR), Implementation of SuDS and Waste Procurement and Joint Working.
- 2.2 During the second quarter of 2012/13 the following progress has been made against the programme in general:
- Handover and start of commissioned Flexibus service by West Norfolk Community Transport (WNCT) delivered from Watton commenced July 2012.
 - Cabinet agreed preferred option approach for the Sustainable Urban Drainage Systems (SUDS) requirement.
 - Implementation of school transport policy for new post 16 students successfully delivered;
 - Tax exemption achieved for Norfolk Community Transport Association (NCTA);
- 2.3 Delivery against the Norwich Northern Distributor Route (NNDR) programme remains a key priority for the coming year. Effort has focussed on communicating progress and helping to ensure that those affected by the scheme have adequate opportunity to comment. Activity to date has included member briefings, meetings with parish council members and a series of pre-planning application public exhibitions. This engagement will enable the planning application to be submitted early in 2013, subject to the timing of the public inquiry for Postwick Hub. Recommendations to take the project forward were taken through Cabinet in April.
- 2.4 The public inquiry process into the Postwick Hub side roads and slip roads orders has begun. The County Council is working with the Highways Agency which is promoting the orders because they affect their trunk road network. The orders have been re-advertised and engagement with the Planning Inspectorate commenced in April and a pre-inquiry meeting was held in July 2012. The Inquiry was planned to commence on 25 September 2012 but has been postponed to allow more time to finalise the updating of essential modelling data. It is expected that the Inquiry will be rescheduled for early in 2013.
- 2.5 Although the Waste PFI programme remains Amber until the outcome of the Secretary of State's inquiry is known. Panel will be updated of progress. The timetable, agreed by all main parties and the Planning Inspectorate, includes a Pre-Inquiry Meeting on 28 November 2012 with the Inquiry planned to commence on 26 February 2013.
- 2.6 In 2010 Norfolk County Council became the Lead Local Flood Authority (LLFA) under the Flood and Water Management Act (FWMA). In order to deliver duties under this act we will need to 'Develop and deliver duties for Sustainable Drainage system (SuDS) approval, adoption and maintenance', which is currently showing as amber. This

assessment reflects delays to the implementation of the timetable of SuDS. In July Panel and September Cabinet, members agreed upon the commissioning option that should be used. It was also agreed that a further report would be brought once the Government has responded to the consultation and the detailed service design had been worked up. Unfortunately the amber rating reflects the fact that progress is still being affected due to the lack of information on official timescales for local authorities having the scheme up and running. Information taken from the Defra website (please note no official notification has been given) in September does now state that implementation has been delayed, however it is still lacking an idea of when implementation will happen. We are currently working on April 2013 as the earliest possible date when we believe the system should be in place. This presents a challenging timescale and along with the significant uncertainty that still exists on when we will receive final guidance from Defra and its detail, this project continues to represent a real challenge.

- 2.7 Three projects have been put in place in order to improve general business practice within the department, all currently rated as Green. Process Improvement, Improving Customer Service and activities that help to deliver the NCC wide improvement project Workstyle are all covered by the workstreams.
- 2.8 In September activities under these workstreams included a review of processes and arrangements associated with the speed awareness training courses that ETD run in partnership with Norfolk Constabulary. One of the areas explored was whether any improvements could be made to encourage individuals to book and pay for courses using online facilities in line with NCC's move towards making more services available to our customers through self service. Although the use of self service options is already good at 60% the project explored improving online information and also looked at gathering more customer feedback in order to direct resources in the most effective way, asking customers how we could improve our online booking system to encourage more use.
- 2.9 Customers are now asked to supply their email address as part of the process with the option for hard copies of the paper work only being supplied if the customer specifically asks for it. Through adopting this policy we have reduced the amount of confirmation letters by around 10 to 20%, making it more cost efficient and quicker for our customers as well. However, due to the current diversity of our customers the average take up rate of 60-70% for online booking is a good result and we will continue to explore and offer as many options as possible to support the training.



3 Managing our Resources

- 3.1 The sickness absence target for ETD is 5.5 days per FTE, slightly less than the overall NCC target of 6.6 days per FTE. This challenging target was set in order to improve upon the end of year (11/12) figure for ETD of 5.79 days. The cumulative position between April and Sept for the department was 2.72 days per FTE which means that if this trend continues the end of year position for sickness absence is currently predicted at 6.05 days per FTE, slightly above the departmental target.
- 3.2 The amber rating reflects the fact that it remains early in the year and although predictions show that we may not reach our more challenging target it is encouraging that sickness levels are remaining fairly consistent with previous years, particularly in the context of significant and ongoing organisational change.

Reducing our energy consumption

- 3.3 Our target for reducing the Council's operational carbon footprint is 25% by 2014/2015, based on the 2008/2009 baseline (94,632 tonnes). This means that we want to reduce the amount of carbon Norfolk County Council produces by 23,658 tonnes.
- 3.4 Under the Carbon Reduction Commitment (CRC) scheme, 2011/12 represents the second year of the scheme which requires the council to report the amount of carbon it produces under certain criteria, more commonly known as its carbon footprint. From 2011/12 onwards the Council has to pay a tax liability of £12/tonne for this footprint. This has to be paid to the Department for Energy and Climate Change (DECC), the responsible government department overseeing the scheme.
- 3.5 In total the tax liability for the council in 2011/2012 was £650,184 of which, £476,473 directly relates to the carbon footprint generated by schools. This is good news as it means that our carbon footprint has fallen by 16,096 tonnes since 2008/2009, representing a 17% reduction. This means that the amount of money being spent on energy has also reduced from £12,759,774 to £12,225,532, a saving of £534,242.
- 3.6 Information on the dashboard relating to ETD offices show a 15.2% decrease in carbon emissions between 2010/11 and 2011/12 (1,294 tonnes in 10/11 compared to 1,098 tonnes in 11/12). Although this means that we are some way yet from the target for 2014/15 of 591 tonnes it is a positive step forward in reducing emissions. We also know that figures are set to improve further since the sale of EPIC in April 2012.
- 3.7 The expansion of facilities at Hethel has contributed towards an increase in the overall energy the site uses. The success of the facility means that we are currently running at full capacity and work is underway looking at how best to meter the site in order to spread costs appropriately, including the installation of a new system as part of the expansion of the site.
- 3.8 Street lighting energy is about 90% of the total energy used by Environment, Transport and Development. The impact of street lights continues to increase, partly from the PFI replacement programme (which is replacing life expired lighting stock and bringing them up to modern standards) and partly from new developments. In August our PFI contractor, Amey, has installed over 20,000 columns, converted over 6,000 columns and certified over 28,000 columns, which represents 100% of the programme. A number of initiatives to reduce street lighting energy use are currently under way, these include:
- **Part night lighting** , currently installed on over 10,000 lights. In total approx 22,000 lights will be converted with programme due for completion in 2013
 - **Use of LED lights**, in parts of King's Lynn.
 - **Dimming of lights** on major traffic routes by one lighting level between 8pm and 5am
 - **Trimming** - i.e. using a different 'trigger' point to turn lights on/off (but still within British Standards)
 - **Trial of 'intelligent'** ballast units on 100 streetlights in Loddon, which are more efficient and allow monitoring and control of individual lights.

3.9 Overall it is calculated that these initiatives have, to date, saved a total of 1.7m Kwh (equivalent to 863 tonnes of carbon, from 2008-13)

3.10 Although this is all positive news we recognise that there is a significant challenge in continuing to achieve savings which will get harder to realise as time goes on. Also we had a relatively mild winter so heating wasn't required as much but energy costs also continue to be a factor in our ability to meet savings. Unit costs rose by 8.85% for gas and around 6.5% for electricity in 2011/2012. This means that if we had not realised any reduction in carbon during this period, it is estimated that overall energy cost in real terms would have been around £1.5m higher.

Risk update

3.11 Two of the risks deemed as having corporate significance within the dashboard have remained static. Both the NNDR and Failure to divert biodegradable waste are covered in section 2 of this report.

Revenue budget

3.12 The current position for ETD revenue budget is a balanced budget and therefore the current position score is Green. More detail is contained in Appendix B to this report

Division of service	Approved budget £m	Forecast Outturn £m	Forecast +Over/- Underspend £m	Forecast +Over/- Underspend as % of budget	Variance in forecast since last report £m
Environment, Transport & Development	124.008	124.008	0.000	0.00%	-0.182
Total	124.008	124.008	0.000	0.000%	-0.182

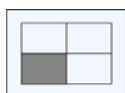
Forecast additional costs from Waste Services, primarily due to higher than forecast tonnages to Landfill. Based on estimated tonnages at this stage.	£0.467m
Forecast cost pressure due to contractual RPI increase to management fee for HWRC.	£0.195m
Forecast overspend on SLA with NPS for Gypsy and Traveller Site management costs	£0.093m
Additional Income Forecast for planning application fees	£-0.045m
Travel and Transport Services	
Forecast underspend due to management of vacancies	£-0.267m
Forecast Underspend due to management of vacancies, forecast reduced ICT and accommodation costs	£-0.443m
Net Overspend	£0.000m

Capital programme

- 3.13 The current Highways programme is shown in Appendix C. The current programme reflects the LTP allocation, which is entirely grant funded, and any known external funding sources, such as developer contributions, as other external funding is confirmed this will be reflected in the capital programme.
- 3.14 The highways programme is currently forecast to be £0.038M overspent, the programme is actively managed throughout the year to ensure full delivery within the allocated budget. Schemes are planned at the start of the year but may be delayed for a variety of reasons e.g. planning consent or public consultation. When it is identified that a scheme may be delayed then other scheme will be planned and progressed to ensure delivery of the programme and the original schemes will be planned to be included at a later date. Over / (under)spends and slippage will be carried forward to 2012/13, details of the programme are in Appendix C.
- 3.15 The Environment and Waste programme is £6.326M and is currently forecast to be delivered on budget, details are in Appendix C.
- 3.16 The Economic Development programme is £12.846M and is currently forecast to be delivered on budget, details are in Appendix C.

Other financial information Reserves and Partnerships

- 3.17 The balance of reserves as at 31 August is £25.026M, including £9.162M in respect of the Street Lighting PFI and £8.741M relating to Highways maintenance.
- 3.18 The reserve balances are held for specific purposes and the use of the reserves is reviewed throughout the year. We are currently forecasting to utilise £11.469M of the amounts held in reserves during 2012 / 13.



4 Service Performance

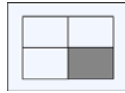
- 4.1 The measures within this quadrant include a 'cross section' of information that gives an overall view of performance for ETD. They are made up of service specific measures that were agreed by the management team to reflect the key priorities within the department. Within this section of the report we have also included some associated areas of activity from services which contribute towards overall departmental performance and which feature within 2012/15 ETD service plans.
- 4.2 ETD 2012/15 service plans were agreed by Panel on the 14 March 2012. The latest updates to the ETD service plans show that from the 95 actions, 0 were showing as Red 'off target', 7 were showing as Blue 'slightly off target' and 89 actions were Green 'on target'. This indicates that generally service delivery is progressing well.
- 4.3 A new action has been added to the Travel and Transport service plan to reflect work to be done to deliver the Better Bus Area project. This follows on from a successful bid of £2.6m to improve bus services under the Better Bus Area funding from Government. As part of the project on 19 September a four-week consultation on plans to create an up-hill (southbound) bus lane on Grapes Hill started. The £920,000 project aims to cut bus journey times and improve reliability and will also mean easier access for taxis and bicycles in to the city. By making travelling by bus quicker and easier we hope to be able to attract more people to using the bus and reduce the amount of vehicles, especially in busy areas, making it less congested particularly at peak times and reduce pollution.
- 4.4 The seven actions showing as 'blue' cover a number of issues most of which reflect ongoing issues already covered within this report.

- 4.5 The action to 'Promote and integrate Biodiversity into the economic infrastructure of Norfolk' is now showing as 'on target'. In July the authority gained funding from Defra to create Wild Anglia, the Local Nature Partnership between Norfolk and Suffolk. Currently a transition board is being formed, chaired by the Regional Director of the National Trust. On 22 September a workshop for environmental action groups was held to generate interest and explain what Wild Anglia is about. A manifesto will be published in early 2013 to explain the aims of the partnership.
- 4.6 On 20 September 2012 we opened a new and improved household waste recycling centre at Caister to help residents to recycle their waste. The opening marks the completion of a £1 million-plus investment part of a wider programme to provide better, modern recycling facilities for Norfolk residents and encourage the diversion of more waste from landfill. The new recycling centre is more spacious, with plenty of parking and a one way road system to help the traffic flow smoothly and make it a nicer experience as well as being easier for people to use. The site has also been designed to eliminate the need to close the site for bin changeovers, which we know is disruptive and difficult for our customers.
- 4.7 Information available from the Office of National Statistics shows that overall in August 2012 Great Yarmouth had the largest percentage of people claiming JSA at 5.4%, with 1.7% having claimed for more than 12 months. This is quite high compared to the national picture 3.9% of people claiming, with 1.1% claiming for 12 months or more. The only other district council area with people claiming JSA above the national average was Norwich, where 4.3% of the working population are claiming JSA with 1.4% claiming for 12 months or more. In contrast the lowest percentage of claimants was in Broadland with 1.8%, with 0.4% claiming for 12 months or more.
- 4.8 In order for people to gain employment, skills are very important. Overall skills levels have improved in Norfolk over the past year and the proportion of people with no qualifications has fallen which means that finding a job should be easier. However, the proportion of people with post-graduate qualifications has fallen in Norfolk over the same period. Through the apprenticeships scheme and working directly with employers the Economic Growth Strategy and the Employment and Skills Board are seeking to improve skills and employability in the County.
- 4.9 In September the Tour of Britain visited the county again, bringing with it many celebrities from the cycling world including Bradley Wiggins. The most up to date figures suggest at least 175,000 people watched the stage across Norfolk, with around 25,000 people attending the finish of the stage at the Norfolk Showground. This is an increase from 2010 when an estimated 130,000 people lined up to see the event. In 2010, the first year that the Tour visited Norfolk, an independent report estimated that the Tour brought an additional £5.4m boost to the local economy making it an important part of the county's economic success. Along with a variety of events held for the Olympics work is under way to look at the legacy left by this important year for sport.
- 4.10 On 10 September the Community Construction Fund for Norfolk was launched. The fund, which is worth £3.5million, aims to help a wide range of construction schemes that will help communities off the ground. The fund will help with things like village hall extensions, sports facilities, play areas and other community facilities such as improved access for disabled people in an attempt to provide economic stimulus and growth. Community projects can gain a grant between £100 and £100,000.
- 4.11 The aim is to help to turn community projects which require construction work into reality and make a real difference to local life. The fund intends to enhance community facilities or create new ones and simultaneously further support economic activity within the construction sector of the Norfolk economy by using local workers and contractors wherever possible.

Apprenticeships / Graduate Placements

- 4.12 On 20 September 2012 'Apprenticeships Norfolk' was officially launched at the Forum in Norwich. The scheme will deliver an investment package agreed by Cabinet in January to create up to 400 apprenticeship jobs for 16-24 year olds over the next two years. The event brought together young people as well as businesses to show them the advantages of the apprentice scheme which will be supported by a county wide marketing communications campaign throughout the autumn.

5 Outcomes for Norfolk People



- 5.1 Trading Standards often work in partnership with other agencies in order to help protect the consumer from dangerous goods. As a result of work carried out by the Trading Standards team a Food Standards Agency campaign was launched in September following research and testing in to detox drinks and supplements being sold in the county. Results showed that on average the levels of lead in the products were over 10 times the legal limit and in the worst case 16 times over. They were also found to contain on average levels of arsenic 16 times above the legal limit, and in the worst case nearly 60 times over.
- 5.2 The service is also working alongside Fire and Rescue and Norfolk Constabulary to help make sure everyone enjoys Halloween and Guy Fawkes celebrations safely. As part of a targeted campaign, officers will carry out inspections and test purchasing operations in those areas where information suggested irresponsible use or underage sales of fireworks. Guidance materials are being sent out to all licensed/registered fireworks premises, providing advice on underage sales & firework safety, along with a request not to sell eggs and flour around Halloween. A letter with information posters is also being sent out to all schools across the County, highlighting the issues and seeking their support in relation to minimising anti-social behaviour.
- 5.3 The number of people killed or seriously injured (KSI) in road traffic accidents remains under target. As previously reported, over the long term the number of people killed or seriously injured on Norfolk's roads has reduced significantly. Recent figures have shown a short term increase between January and May 2012. In particular, the number of Child KSI's has shown an increase. Although the rolling 12 month total for Child KSI's did rise steadily from 19 in June 2011 to 37 in April 2012 more recent figures have levelled to 33 in May and June of this year followed by a slight decrease to 32 in July.
- 5.4 In response to this an innovative new Norfolk road safety campaign, using targeted local advertising to urge road users to keep their mind on the road, was launched at County Hall on 25 September 2012.
- 5.5 The campaign which has been developed by the Norfolk Casualty Reduction Partnership uses localised advertising to target drivers, cyclists, pedestrians and joggers and features everyday scenarios that have the potential to be dangerous. The campaign uses visuals of roads near to where the advert has been placed, with localised messaging, in order for the advert to have maximum impact on the local area. With Department for Transport statistics showing that 95% of accidents on roads are caused by human error the campaign has been devised to encourage road users to avoid distractions and adopt a positive behavioural change to keep focussed when using Norfolk's roads. The initial locally targeted advertising campaign will be followed by a recruitment drive in November, where we will look to sign up as many road safety volunteer trainers as possible who are willing to deliver road safety messages to others in their community.

5.6 Update to ETD's Equality Action Plan

5.7 In July 2012 Members agreed to monitor progress against the ETD equality action plan, which was developed to address issues that were identified through the ETD equality assessment report, this is the first update to Panel on progress.

5.8 The plan contains 18 headline actions across each service area within ETD. Overall the plan has been RAG rated as Green because all of the activities in the plan are currently on schedule. Progress against the plan to date includes:

- Completion of first bus 'mystery shopping' exercise including feeding back to bus companies
- Two site visits have been undertaken to provide input on improving access for disabled people

5.9 Future reporting against the action plan will include key areas of progress and any issues that have been highlighted. For more information on the action plan please contact Amanda Gray, Head of ETD Business Support.

6 Resource implications

6.1 Finance: All financial implications have been outlined in the report.

6.2 Staff: None

6.3 Property: None

6.4 IT: None

Other Implications

6.5 Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.

7 Equality Impact Assessment (EqIA)

7.1 This report provides summary performance information on a wide range of activities monitored by Environment, Transport and Development Overview & Scrutiny Panel. Many of these activities have a potential impact on residents or staff from one or more protected groups. Where this is the case, an equality assessment has been undertaken as part of the project planning process to identify any issues relevant to service planning or commissioning. This enables the Council to pay due regard to the need to eliminate unlawful discrimination, promote equality of opportunity and foster good relations.

7.2 Details of equality assessments are available from the project lead for the relevant area of work, or alternatively, please contact the Planning, Performance & Partnerships team.

8 Section 17 – Crime and Disorder Act

8.1 None

9 Risk implications / assessment

9.1 Progress against the mitigation of risk is detailed where relevant within the report.

10 Conclusion

- 10.1 The majority of measures within the dashboard are showing that overall performance for the Environment, Transport and Development service is on track. In respect to measures currently showing as red or with a negative direction of travel actions are in place in order to manage performance. The department appears to be managing progress against many of its identified priorities with mitigating actions identified to help improve performance or to influence collective activity in key areas.

11 Action required

- 11.1 Members are asked to:

- Comment on the progress against ETD's service plan actions, risks and budget and consider whether any aspects should be identified for further scrutiny.

Officer Contact

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

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

ETD performance dashboard

Delivering Norfolk Forward				Managing our resources			
	DoT	Alert			Value	DoT	Alert
Overall assessment of ETD Transformation and Efficiency Programme	➡	Green		Managing the budget			
Programmes				Projected spend against revenue budget [August]	0.00%	n/a	Green
ETD Process improvements	➡	Green		Projected spend against capital budget	-0.05%	n/a	Green
ETD Work Style related improvements	➡	Green		ETD efficiency savings [August]	£2.574m	➡	Green
Highways Service Delivery	➡	Green		[A] Premises related costs per FTE per month [ETD] [11/12]	£4,326	✖	-
Implementation of Flood & Water Mgt. Act requirements in relation to SUDS	➡	Amber		HWY Strategic partnership (Financial savings – projection of year-end)	£2.050m	✖	Green
Improving ETD Customer Service	➡	Green		Sustainability			
Joint Working with Suffolk CC and through Eastern Highways Alliance	➡	Green		[A] ETD Energy (fossil fuels) consumption (CO2 emissions buildings) [2011/12]	-15.2%	✔	Amber
Management of Gypsy & Traveller Permanent Sites	➡	Green		Organisational productivity			
Norwich Northern Distributor Road (NNDR)	➡	Amber		Sickness absence [cumulative April - Sept]	2.72	✔	Amber
Reduce subsidy for Park and Ride	➡	Green		Reportable Incidents (per 1000 FTE) [Aug]	0	✔	-
Shared Transport	➡	Green		Non Reportable Incidents (per 1000 FTE) [Aug]	21.07	✔	-
Targeted Rights of Way	➡	Green		Staff resourcing (composite indicator) [Aug]	-	-	Amber
Thetford Household Waste Recycling Centre	➡	Green		Corporate level risks (progress against mitigation)			
Waste Private Finance Initiative	➡	Amber		RM14028 Failure to comply with Landfill Allowance for 2012/13		➡	Green
Waste Procurement & Joint Working	➡	Amber		RM0199 Failure to divert waste from landfill		➡	Amber
				RM0201 Failure to implement NNDR & the Postwick hub junction improvement		➡	Amber
				RM13917 Loss of core infrastructure or resources for a significant period		➡	Green
Service performance				Outcomes for Norfolk people			
	Value	DoT	Alert	People's view on Council services	Value	DoT	Alert
PP Corporate risk reduction through implementation of business continuity programme		➡	Green	Satisfaction with services (through annual tracker survey) [2010]	27%	✖	Green
PP Percentage of County Council's own development determined within agreed timescales	100%	➡	Green	Complaints [August]	-	➡	Green
TTS % of transport made by demand responsive/community transport as a proportion of all subsidised bus services (COG)	6.3%	✔	Green	Accessing the council including advice and signposting services			
TTS Number of journeys shared between health and social care	9,492	✔	Green	Quality and effectiveness of customer access channels [August]	-	➡	Green
HWY Highway Maintenance Indicator (COG)	4.6%	✖	Green	Services to improve outcomes			
HWY Strategic Partnership (Quality of Works)	86.27%	✖	Green	PP % of businesses brought to broad compliance with trading standards	94.12%	✔	Green
HWY County Council's own highway works promoter performance – Section 74 'fine' comparison with other works promoters [July]	1.01	✖	Green	PP % of disputes resolved through advice and intervention	100%	➡	Green
EDS Difference in JSA claimants compared to East of England (COG)	0.13%	✔	Green	[Q] EDS Net additional homes provided [Jun]	470	✖	Red
EDS Job vacancies notified to JobcentrePlus (COG)	5,198	✔	Green	[A] EDS Proportion of pop. aged 16-64 qualified to Level 3 or higher [2011]	47.8%	✔	Surveillance measures
E&W Biodegradable waste landfilled against allowance (COG)	95.96%	➡	Green	[A] EDS Median earnings of employees in the area [2011]	465.20	✔	
E&W Residual waste landfilled	204,000t	➡	Amber	[A] EDS Proportion of new businesses to business stock [2010]	7.8	✖	Amber
E&W Recycling Centre rates [Mar]	72.05%	✖	Green	TTS % of tracked bus services 'on time' at intermediate timing points	81.83%	✖	Amber
E&W No. people accessing & downloading online national trails info	15,098	✔	Green	[Q] TTS % of planning apps refused in line with NCC advice [June]	74.29%	✔	Amber
<ul style="list-style-type: none">Unless prefixed by either a [Q] or [A] (representing Quarterly or Annually respectively) each measure is monitored monthly.Unless suffixed by a [Month] or [Year] (describing to when the data actually relates) each measures' data represents the performance in or up to the month immediately prior to reporting.				[Q] EDS Accessibility [June]	80.4%	➡	Green
				HWY Number of people killed or seriously injured on roads (COG) [July]	359	✖	Green
				Progress in delivery of service plans			
				Environment, Transport & Development (Overall) (COG)		➡	Green
				Economic Development and Strategy		➡	Green
				Environment & Waste		➡	Green
				Highways		➡	Green
				Public Protection		➡	Green
				Travel and Transport Services		➡	Green

Green	Performance is on target, no action required.
Amber	Performance is slightly off-track.
Red	Performance is worse than the target, action required.

DoT – Direction of travel i.e. better or worse than the previous period.	
✖ ✖	Performance has got worse.
✔ ✔	Performance has improved.
➡	Performance has stayed the same.

Exceptions and commentary on performance and data

Measure	Detail	
Delivering Norfolk Forward		
Name	Progress against Milestones / Deliverables	Key Areas of Work for Next Period
Implementation of Flood & Water Mgt. Act requirements in relation to SUDS	<ul style="list-style-type: none">Cabinet agreed preferred option/approachSome nominations received for Strategic political forum.Project Board agreed phasing, principles, givens and assumptions which will be used to inform political forum discussions.	<ul style="list-style-type: none">Resourcing and staffing model principles agreed by Design Authority on 9 October.Develop detailed plan for phase 1 including resources.Set up first meeting of political forumProvide key SuDS information on intranet and internet
Norwich Northern Distributor Road	<ul style="list-style-type: none">Postwick Hub Side Roads Order Public Inquiry postponed; now anticipated it will start early in 2013.	<ul style="list-style-type: none">Continuing the Public Inquiry process preparation for Postwick Hub Side Roads Order with Highways Agency. Legal checking ongoing to ensure minimal scope for future legal challenge post Inquiry. Expert Witness and document development will be key areas of focus over coming months in preparation for the PI. Work to ensure correct resource allocation is ongoing.Significant work ongoing in relation to communications. Work to collate all comments received from the exhibitions and develop a plan to assess options in response to issues raised is ongoing. Also planning follow up meetings with Members and Parishes.GNDP team taking forward the mechanism to resolve the legal challenge findings. The final process to remedy the position is anticipated to take most of 2012 to complete with revised submission to update the details for the Examination in Public for the remitted text elements planned for submission early in 2013.
Waste Private Finance Initiative	<ul style="list-style-type: none">The Secretary of State called in the planning process for the Willows Waste facility.	
Waste Procurement & Joint Working	<ul style="list-style-type: none">The County Council as the Waste Disposal Authority for Norfolk has given formal notification to Norfolk’s Waste Collection Authorities (WCAs) that it will implement changes coming from the Controlled Waste Regulations with effect from April 2012.	<ul style="list-style-type: none">Work with WCA’s on recharging of disposal costs.
Managing our resources		
ETD Energy (fossil fuels) consumption (CO2 emissions buildings)	Information relating to ETD offices shows a 15.2% decrease in carbon emissions between 2010/11 and 2011/12 (1,294 tonnes in 10/11 compared to 1,098 tonnes in 11/12). This has resulted in the measure moving from red to amber reflecting the fact that although this represents a significant improvement we are some way yet from the target for 2014/15 of 591 tonnes. However we do know that further improvements are set to be made with the disposal of EPIC.	
Service Performance		
PP Corporate risk reduction through implementation of business continuity programme	Action for the Resilience section. This will be developed further to require those undertaking the mitigating actions to feed their progress to PP formally through Prism – this action will then be scored by better and more regular information.	
Outcomes for Norfolk people		
EDS Accessibility	The Q4 2011/12 figure has been carried forward to Q1 2012/13 as the groups concerned believe there have not been any changes to services worthy of recalculating this indicator. We expect a recalculation to occur in late October 2012 – carried out jointly by TTS and EDS. The alert colour has changed from amber to green as a result of this year’s target being lower than last (75% compared to 83%).	

Environment, Transport and Development Budget Monitoring Return

Summary for Period:

	Current Budget £m	Expenditure Year to Date £m	Full Year Outturn £m	Potential Overspend / (Underspend)
Highways	54.358	18.678	54.358	0.000
Public Protection	3.869	1.392	3.824	(0.045)
Economic Development and Strategy	6.229	0.967	6.229	0.000
Travel and Transport Services	16.918	10.557	16.651	(0.267)
Environment and Waste	37.835	43.827	38.590	0.755
Business Development and Support	4.799	1.535	4.355	(0.444)
Total ETD	124.008	76.957	124.007	(0.000)

Summary

Scheme Name	Spend project to date (Prior years)	Original	Revised	2012/13		2012/13	Spend to date -	Over/			Total Spend
		2012/13 Programme	Programme 2012/13	Forecast	2012/13 Variance	Carry Forward	current year	(Under) Spend	2013/14 Out-turn	2014/15 Out-turn	for project
Bridge Strengthening		1,400,000	1,605,201	1,409,966	(195,235)	(195,235)	187,211		1,400,000		2,809,966
Bus Infrastructure Schemes			437,166	452,905	15,739	15,739	6,831				452,905
Bus Priority Schemes			985,000	980,482	(4,518)	(4,518)	183,457				980,482
Cycling		2,631,000	1,321,272	622,132	(699,140)	(699,140)	38,940		775,000		1,397,132
Local Road Schemes			10,266,950	10,591,376	324,426	324,426	2,688,369				10,591,376
Local Safety		1,018,000	324,000	331,476	7,476	7,476	12,614		1,310,000		1,641,476
Other Schemes			140,000	137,000	(3,000)	(3,000)	428,109				137,000
Park & Ride			55,000	62,504	7,504	7,504	31,957				62,504
Public Transport Schemes		1,696,000	1,326,900	1,342,509	15,609	15,609	13,203		897,000		2,239,509
Road Crossings			304,342	286,961	(17,381)	(17,381)	62,121				286,961
Safer & Healthier Journeys to School			105,000	13,021	(91,979)	(91,979)	(2,087)				13,021
Structural Maintenance		23,314,072	29,157,892	29,010,229	(147,663)	(147,663)	11,781,963		22,453,000		51,463,229
Traffic Management & Calming			1,225,430	1,288,635	63,205	63,205	(75,669)				1,288,635
Walking Schemes			1,139,490	1,226,129	86,639	86,639	81,230				1,226,129
Major Schemes		13,341,000							9,175,000	9,442,000	18,617,000
Great Yarmouth Third River Crossing				600,000	600,000	600,000	167,011				600,000
Northern Distributor Road			1,481,000	1,481,000			394,518		1,982,000	1,218,000	4,681,000
Norwich - A47 Postwick Hub			1,670,000	1,670,000			285,629				1,670,000
Development of Civil Parking Provision		250,000									
LPSA reward grant		565,000							565,000		565,000
Future year's funding										26,783,000	26,783,000
TOTAL	0	44,355,072	51,544,643	51,506,325	(38,318)	(38,318)	16,285,407		38,697,000	37,443,000	127,646,325

Summary

Scheme Name	Spend Project to date (prior years)	2012/13 Programme	2012/13 Out turn	2012/13 Variance	Spend to date - current year	2012/13 Carry Forward	Over/ (Under) Spend	2013/14 Out-turn	2014/15 Out-turn	Total Spend to date for project
Great Yarmouth Rail Sidings		660	660							660
NE & SW Econets		1,198	1,198							1,198
Lakenham Common & Yare Valley Connections										
NORA		1,692,554	1,692,554							1,692,554
College of West Anglia		1,395,450	1,395,450		1,161,160					1,395,450
Hethel Engineering Centre -Phase 3		6,500,000	6,500,000							6,500,000
Beach Coach Station		2,076,000	2,076,000							2,076,000
Thetford Riverside Regeneration		1,180,000	1,180,000							1,180,000
TOTAL		12,845,862	12,845,862		1,161,160					12,845,862

Summary

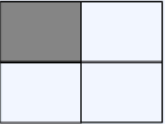
Scheme Name	Spend Project to date (prior years)	2012/13 Programme	2012/13 Out-turn	2012/13 Variance	Spend to date - current year	2012/13 Carry Forward	Over/ (Under) Spend	2013/14 Out-turn	2014/15 Out-turn	Total Spend to date for project
Closed Landfill Sites-Capping & Restoration		563,894	563,894		1,217					563,894
Drainage Improvements		2,734,191	2,734,191		597,594			300,000		3,034,191
New Thetford Recycling Centre		1,069,664	1,069,664		1,010,123					1,069,664
Hardley Flood Bridge Improvements		20,000	20,000							20,000
Norfolk Trails Improvements		3,861	3,861							3,861
CERF - Ketteringham		3,063	3,063		2,981					3,063
Investment Fund for Norfolk ESCO		1,900,000	1,900,000					2,800,000	3,600,000	8,300,000
TOTAL		6,325,842	6,325,842		1,611,915			3,100,000	3,600,000	13,025,842

Environment, Transport and Development - Reserves Monitoring Schedule 2012 / 13								
				Future Planned				
	Reserve	Opening Balance	Current Balance @ 31.08.12	Additions	Withdrawals	Forecast Final Balance	Notes	Previous Forecast Balance
		£m	£m	£m	£m	£m		
Travel and Transport services								
	Park & Ride refurbishment	0.015	0.015		-0.015	0.000	Expected to be fully utilised this year	0.000
	De Registration of Bus services	0.103	0.103		-0.103	0.000	Govt changes to Bus fuel subsidies in 2012 - required to give short term sustainability to Bus Operators capacity	0.000
	Demand Responsive Transport	0.478	0.478	0.286	-0.200	0.564	For DRT project work- planned spend profile in operation (withdrawal based on 2011/12 in absence of firm information). Addition of £286k is based on the unspent part of the 2012/13 Community Transport grant	0.564
	Developer Services	0.150	0.150		-0.100	0.050	£100k required for projects in 2012/13	0.050
	Travel Network Reserve	0.150	0.150		-0.134	0.016	Release to fund Park & Ride sites during 2012/13	0.016
	Commuted Sums Public Transport	0.024	0.024		-0.012	0.012	Has an annual drawdown	0.012
	Commuted Sums Travel Plans	0.183	0.183			0.183	No drawdowns identified for 2012/13 at present	0.183
		1.103	1.103	0.286	-0.564	0.825		0.825
Highways								
	Commuted Sums Highways Maintenance	3.399	3.399		-1.092	2.307	£1m surface dressing (P.E), £12k Broome Ellingham (HMF). £80k re HMF general expenditure	2.307
	Parking Receipts	0.488	0.488		-0.050	0.438	£50k CPE Lining (HMF)	0.438
	Highways Maintenance	5.004	4.854	0.500	-4.124	1.230	£500k from corporate for LED Trial 2. Withdrawal includes £1.581m one off funding for general Highways expenditure, £0.975m specific HMF, £0.288m for Networks, £1.168m Capital, £0.62m general Hway maint, £0.028m for Cromer Bus Station and £0.065m for Parish Partnerships.Network drawdown reduced from £0.310m re £22k data analysis post to be funded from in year	1.230
	Street Lighting PFI	8.551	9.162	2.301	-3.907	7.556	Sinking fund (HMF), includes 1 x £500k for Gt Yarm/Nch/Thetford.	8.323
	Depot R & R	0.385	0.331		-0.086	0.245	Estimated requirement in year (Maintenance Overheads)	0.245
	Highways R & R Vehicles	1.766	1.725		-0.002	1.723	£30k Lab vehicle, and £10k additional small plant (AF)	1.724
	Road Safety Reserve	0.495	0.495		-0.237	0.258	£70k VAS/SAM & Sign/Road marking (HMF) + £167k Road Safety campaign (Networks)	0.258
	Reprocurement - Strategic Partnership	0.333	0.483		-0.200	0.283	£600k required, £200k in 11/12 and £200k in 12/13.	0.283
		20.421	20.937	2.801	-9.698	14.040		14.808
Environment and Waste								
	Sustainability Invest to save	0.074	0.074			0.074	To cover the costs of the ESCo Business Plan	0.074
	Sustainability Strategic Ambitions funding	0.011	0.011			0.011	To cover the costs of low carbon schemes	0.011
	Environment & Waste Vehicle Replacement R & R	0.142	0.142			0.142	For planned replacement purchase of vehicles.	0.142
	Historic Building reserve	0.240	0.271		-0.078	0.193	For improvement of properties to be able to transfer from NCC as part of the Big Conversation, and other projects	0.193

	Waste Partnership Fund	0.647	0.647	0.629	-0.720	0.556	£629k to be contributed this year from Revenue to meet future demands. £720k release to fund 2012/13 expenditure, and the potential claim from May Gurney for £500k would be met from the Waste Management Fund if it crystallises	1.276
	Community Recycling Fund	0.100	0.100		-0.020	0.080	Planned draw down in 2012/13, based on current estimates	0.080
	TOTAL: Environment and Waste	1.214	1.245	0.629	-0.818	1.056		1.776
	Economic Development and Strategy							
	3rd River Crossing	0.029	0.029			0.029	.	0.029
	Thetford	0.030	0.030		-0.030	0.000	To be used for Thetford MasterPlan exercise	0.000
	Eco Town funding	0.007	0.007			0.007		0.007
	Apprenticeship Scheme	0.000	0.000	2.500		2.500	Future funding for Apprenticeship Scheme as project will run over two financial years, the unspent balance will be transferred from Revenue	2.500
	Ec Dev - FJF	0.401	0.401			0.401	To be used for Infrastructure Growth project	0.401
	TOTAL: Economic Development and Strategy	0.467	0.467	2.500	-0.030	2.937		2.937
	Public Protection							
	Trading Standards	0.188	0.188		-0.015	0.173	Funding for Metrology database	0.173
	TOTAL: Public Protection	0.188	0.188	0.000	-0.015	0.173		0.173
	Service Development and Support							
	Accommodation R & R (general office)	0.080	0.080		-0.015	0.065	Office repairs/alterations as required. Some costs will be incurred for moving out of properties but no firm plans	0.065
	Planned IT projects	0.957	0.956		-0.329	0.627	for Smart Ticketing on Park and Ride, and £150k for Development Control e-planning	0.627
	Total Service Development and Support	1.037	1.036	0.000	-0.344	0.692		0.692
	Sub Total	24.430	24.976	6.216	-11.469	19.723		21.211
	Car Lease Scheme (for NCC)	0.000	0.000			0.000	Transferred to the Resources codes	0.000
	Total in ETD Accounts	24.430	24.976	6.216	-11.469	19.723		21.211
	Bad Debt Provision	0.050	0.050	0.000	0.000	0.050	Figure reduced due to reduced estimate for land charges provision against claims, an Out of Court settlement is probable with potentially low value (around £20k).	0.050
	Grants							
	ETD grants and contributions	0.000	0.000		0.000	0.000		0.000
	ETD grants and contributions	0.000	0.000		0.000	0.000	This fund is ring fenced for public transport spending as a condition of its payme	0.000
							As such, it will be used during 2012/13 to fund small projects	
							e.g. targeted promotion, survey work on customer segmentation.	
		0.000	0.000	0.000	0.000	0.000		0.000
	TOTAL	24.480	25.026	6.216	-11.469	19.773		21.261

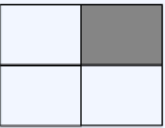
Definitions of Measures within the ETD Dashboard

Significant changes to any of the following will be highlighted within the covering report.

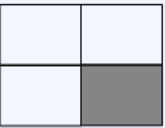
<div>  Delivering Norfolk Forward </div>		
P'folio	Measure	Definition
All of the projects within Norfolk Forward will assist in delivering budget savings identified through the Big Conversation. Some projects were identified as part of ETD's Strategic Review which sought to establish more efficient ways of working and includes elements of service changes reflected in the Big Conversation.		
Cllr Plant - P&T	Highways Service Delivery	A review of current Highway service delivery standards
Cllr Borrett - E&W	Waste Procurement & Joint Working	Looking at the way in which we procure services to dispose of waste and exploration of greater joined up working with waste collection authorities.
Cllr Borrett - E&W	Targeted Rights of Way	Redesigning the Rights of Way service, focusing on our statutory duty, and developing the Norfolk Trails network
Cllr Borrett - E&W	Management of Gypsy & Traveller Permanent Sites	More effective management of Gypsy & Traveller sites bringing in line with new legislation that removes Local Authority responsibilities to do with provision of sites.
Cllr Plant - P&T	Shared Transport	Re-shaped public transport network with a shift towards demand responsive transport services
Cllr Plant - P&T	Reduce subsidy for Park and Ride	Reducing the subsidy for Park and Ride sites, moving towards self funding for the sites
Cllr Plant - P&T	Joint Working with Suffolk County Council and through Eastern Highways Alliance	Exploring potential joint working with Suffolk County Council with regard to Highways
Cllr Borrett - E&W	Waste Private Finance Initiative	Development of a Waste PFI in order to find alternative means to dispose of waste
Cllr Borrett - E&W	Thetford Household Waste Recycling Centre	Replacement for an existing Household Waste Recycling Centre in Thetford.
Cllr Plant - P&T	Norwich Northern Distributor Road	Delivery of the Norwich Northern Distributor Route
All	ETD Process Improvements	Improvements related to general processes in order to increase efficiency
All	ETD Work Style related improvements	Improvements related to the over-arching workstyle programme and how ETD can contribute towards it.
Cllr Borrett - E&W	Implementation of Flood & Water Mgt. Act requirements in relation to Sustainable Urban Drainage Systems (SUDS)	Implementation of a system to meet new duties under the Flood and Water Management act.
All	Improving ETD Customer Service	Looking at how we can improve customer service in ETD

Service Performance		
P'folio	Measure	Definition
Cllr Dixon Community Protection	PP Corporate risk reduction through implementation of business continuity programme	Measure will be developed further to allow all those undertaking mitigating actions to feed in to it. The measure will capture progress against all mitigation action through the business continuity programme to reduce the amount of risk the authority is subject to.
Cllr Plant P&T	[A] PP Percentage of County Council's own development determined within agreed timescales	Measurement of whether determinations made for NCC's own planning applications are within the agreed timescale over the year.
Cllr Plant P&T	TTS % of transport made by demand responsive/community transport as a proportion of all subsidised bus services (COG)	Measure links to the 'Shared Transport' Norfolk Forward project. The measure seeks to define progress against moving towards the use of alternative transport provision such as demand responsive as an alternative method of service delivery. Relates to performance in month
Cllr Plant P&T	TTS Number of journeys shared between health and social care	Where possible transport required by health services and social care are combined to reduce the number of journeys. The number of occasions that this occurs is plotted monthly.
Cllr Plant P&T	H'Ways Highway Maintenance Indicator (COG)	This is the weighted variance against target for nine measures (8 at the time of writing as one is still to be reported out of EXOR): <ul style="list-style-type: none"> • A road condition • B and C road condition • Category 1 and 2 footway condition • Bridge condition index • Category 1 defect number • Category 1 defect response time • Rectification of street light faults • Public satisfaction • Inspections carried out on time
Cllr Plant P&T	H'Ways Strategic Partnership (Quality of Works)	This is a measure of the number of quality audits of highway works where identified actions are attributable to our partnership contractor.
Cllr Plant P&T	H'Ways County Council's own highway works promoter performance - Section 74 'fine' comparison with other works promoters in Norfolk	Comparison of the percentage of works on the highway completed on time by NCC and utilities. Monthly performance

P'folio	Measure	Definition
Cllr Steward Ec Dev	EDS Difference in JSA claimants compared to East of England (COG)	Compares the number of Job Seeker Allowance claimants in Norfolk to the total in the East of England.
Cllr Steward Ec Dev	EDS Job vacancies notified to Jobcentre Plus (COG)	Monitors the number of job vacancies in Norfolk. For Jobcentre Plus vacancies our target relates to the 5 year average because this is as long as the time series allows. So we are comparing this year's in-month result with the average of the past 5 year's results from the same month.
Cllr Borrett E&W	E&W Biodegradable waste landfilled against allowance (COG)	Monitors the amount of biodegradable waste that is landfilled in the month against the government set landfill allowance.
Cllr Borrett E&W	E&W Residual waste landfilled	Tonnage of waste that was sent to landfill in each month.
Cllr Borrett E&W	E&W Recycling Centre rates	Percentage of material recycled at the household waste recycling centres each month.
Cllr Borrett E&W	E&W No. of people accessing & downloading online national trails info	Monthly count of people accessing online information relating to Norfolk national trails.

 Managing resources		
P'folio	Measure	Definition
Managing the budget		
All	Projected budget spend against revenue budget	Projected amount of budget spend against ETD revenue budget as a variance each month
All	Projected spend against profiled capital budget	Projected amount of budget spend against ETD capital budget as a variance each month
All	ETD efficiency savings	<p>Monthly efficiency savings generated. This includes a summary of budget savings achieved against Big Conversation proposals and two specific efficiency areas:</p> <ul style="list-style-type: none"> • Use of residual LPSA reward grant funding to support public transport • Reallocation of Officer to LEP duties • This measure will capture any savings being recorded with the exception of procurement efficiency, income generation activity and asset / accommodation rationalisation.
All	Premises related costs per FTE	Annual measure of FTE actuals against actual spend for all costs coded to premises subjectives. Work is underway to develop departmental level information.

P'folio	Measure	Definition
Cllr Plant P&T	H'Ways Strategic partnership (Financial savings – projection of year-end)	Financial savings for the renegotiated NSP contract. The monthly figure is a projection of the year-end result.
Sustainability		
All	ETD Energy (fossil fuels) consumption (<i>CO2 emissions</i>)	Norfolk County Council Carbon Dioxide Emissions. This measure currently relates to property only.
Organisational productivity		
All	Sickness absence	Sickness absence per employee FTE measured against an internal target.
All	Reportable Incidents	Number of reportable Health and Safety incidents per 1,000 employees per month.
All	Non-reportable Incidents	Number of non-reportable Health and Safety incidents per 1,000 employees per month.
All	Staff resourcing (composite indicator)	<p>This is a composite indicator made up of the following elements supplied centrally, the RAG is determined by the HR Business Partner as a reflection of progress against the relevant measures below:</p> <ul style="list-style-type: none"> • Recruitment activity/costs, • Redeployment activity, • Redundancy, • liP Accreditation, • HR Direct resolution rate, • Use of temporary & agency staff, • Management of Change, • Culture Change Shifts
All	Corporate level risks	Risks from the Corporate Risk Register that are relevant to ETD.

 Outcomes for Norfolk People		
P'folio	Measure	Definition
People's view on Council services		
All	Satisfaction with services (through annual tracker survey)	Satisfaction levels from NCC Annual Tracker Survey
All	Complaints	Figure is a composite measure calculated centrally by the Customer Service and Communications Dept. team. Currently this includes Proportion of complaints resolved before formal process and % Ombudsman complaints

P'folio	Measure	Definition
		upheld.
Accessing the council including advice and signposting services		
All	Quality and effectiveness of customer access channels	This is a composite measure supplied monthly by the central Customer Service and Communications Dept. The measure contains the ETD element of three main areas of customer contact – online, customer service centre and face to face.
Services to improve outcomes		
Cllr Dixon Community Protection	PP Percentage of businesses brought to broad compliance with trading standards, focusing on those that are high-risk	Measurement of businesses that Trading Standards work with to bring into broad compliance with relevant law.
Cllr Dixon Community Protection	PP Percentage of disputes resolved through advice and intervention	Measurement of Trading Standards dispute resolution service.
Cllr Steward Ec Dev and Cllr Plant P&T	[A] EDS Net additional homes provided	Measures house completions. The formal result will be updated annually, but not until Dec/Jan. A quarterly update will be provided based on the managed delivery target or trajectory for the district LDFs
Cllr Steward Ec Dev	[A] EDS Proportion of pop. aged 16-64 qualified to Level 3 or higher	Related to former National Indicator 164. People are counted as being qualified to level 3 or above if they have achieved either at least 2 A-levels grades A-E, 4 A/S levels graded A-E, or any equivalent (or higher) qualification in the Qualifications and Credit Framework.
Cllr Steward Ec Dev	[A] EDS Median earnings of employees in the area	Formerly National Indicator 166. Measurement of earnings allows local authorities to monitor a rough proxy for productivity.
Cllr Steward Ec Dev	[A] EDS Proportion of new businesses to business stock	Annual measure to determine creation of new businesses.
Cllr Plant P&T	TTS % of tracked bus services 'on time' at intermediate timing points	Former National Indicator 178. Monitors monthly bus punctuality by tracking vehicles against their schedule.
Cllr Plant P&T	[Q] TTS % of planning apps determined in line with NCC advice	Monitors planning determinations made by the district councils and whether the recommendation of NCC, as Highway Authority, was followed.
Cllr Plant P&T Cllr Steward Ec Dev	[Q] EDS Accessibility	This is based upon former National Indicator 175. This indicator monitors access to core services and facilities via public transport.

P'folio	Measure	Definition
Cllr Plant P&T	H'ways Number of people killed or seriously injured on roads (COG)	This is a rolling twelve month total of those killed or seriously injured in traffic collisions.
All	All Progress in delivery of service plans	These provide a summation of progress against all the actions within each service area and an overall result for the ETD department.

Key:

Unless prefixed by either a **[Q]** or **[A]** (representing Quarterly or Annually respectively) each measure is monitored monthly.

H'ways = Highways **TTS** = Travel and Transport Services **EDS** = Economic Development and Strategy **PP** = Public Protection
E&W = Environment and Waste

The County Council's Economic Growth Strategy Half year progress report

Report by the Director of Environment, Transport and Development

Summary

The Council's Economic Growth Strategy was approved by Cabinet in April 2012 and this report provides an update on delivery. Brief highlights for each of the strategy's themes are shown below, with more detail in the report and in the Appendix. A member presentation on activity to support the Norfolk economy will also take place at the end of this Panel meeting.

Provide support for growth and removing infrastructure constraints.

- **Broadband.** BT has been appointed project partner and work is due to start early 2013.
- **Roads.** Dualling of the A11 is progressing well, with main works starting in 2013. A funding package is in place for the remainder of the Northern Distributor Road, with £86.5m of Government funds secured, and work due to start in 2015. The Postwick Hub has been given planning permission and work should start next year, subject to the outcome of the public enquiry. A business case for investment in the A47 is being launched this month and ministerial approval of five schemes linked to the A47 is due in the New Year.
- **Rail.** An East Anglian rail prospectus, highlighting improvements needed and their economic impact, was launched at stations along the Norwich-London line and a draft Norfolk-specific prospectus is being consulted on, with sign off planned for the new year
- **Infrastructure plan.** A detailed plan of Norfolk's infrastructure requirements has been produced and can be found [here](#), with a copy also in the Members' Room.

Help businesses to start up and grow.

- **Enterprise Norfolk**, our new business start up programme, worth up to £750k over two years, has been launched, with districts tailoring delivery to local needs and aligning their funding to ours. The target is to deliver 300 business starts by 31 October 2014.
- **Hethel Innovation.** £3.1m of EU funds secured to deliver the £7.8m HI project: Advanced Manufacturing Centre, grow on space for businesses, 18 hi-tech start-ups and 220 jobs.

Improve perceptions of Norfolk's business offer and secure inward investment and growth in key sectors.

- We are hosting a number of overseas delegations to explore business opportunities and are exploring with key partners the next phase of our World Class Norfolk campaign.
- We are also investigating supply chain development opportunities for key local businesses

Address Norfolk's skills and employability challenges.

- The £3.5m programme to deliver 400 apprenticeships launched in September and NORSE have delivered 52 of their 80 apprenticeships scheme. NCC has also provided 6 graduate work placements to date. In terms of rural business, the LEADER programme has supported 9 micro-enterprises, created 5 new ones and created / safeguarded 34 jobs to date, while Landskills has provided 37,223 training days to 8,917 people.

Provide fair access to the public sector.

- 17 new County Farm leases have been let and revised corporate procurement processes have been implemented, giving small firms more access to NCC contracts.

Action Required

Members are requested to note progress on delivery of the strategy and identify whether there are any areas they wish to consider further.

1. Background

- 1.1. 'Delivering Economic Growth in Norfolk – the Strategic Role for Norfolk County Council' (NCC) was approved by Cabinet on 2 April 2012. This report provides a progress update on the first half year of delivery.
- 1.2. The strategy has five themes, with associated action plans:
 - Provide support for growth and removing infrastructure constraints.
 - Help businesses to start up and grow.
 - Improve perceptions of Norfolk's business offer and secure inward investment and growth in key sectors.
 - Address Norfolk's skills and employability challenges.
 - Provide fair access to the public sector.

A further cross-cutting theme is to secure funding to help deliver on these priorities.

Key highlights under each of these themes are shown below and more details of delivery against specific targets can be found in the Appendix. A member presentation on activity being undertaken by the County Council and partners to support the Norfolk economy will also take place at the end of this Panel meeting.

2. Progress to date

2.1. To provide support for growth and removing infrastructure constraints

- 2.1.1 **Broadband.** On 17 September, Cabinet approved the appointment of BT as project partner. Their bid met our ambitions of providing broadband access (a minimum of 2 megabits per second) to every property in the county and superfast (24Mbps+) to most. We anticipate that 83 per cent of Norfolk properties will be able to receive superfast broadband by June 2015, double the number that would be able to receive it by that date without this deal.

BT will install an 'open' infrastructure, so that all Internet Service Providers can offer services and customers have a choice of who to buy broadband from. We anticipate the contract being signed shortly, with installation work beginning in the spring and the first services becoming available next year.

A11 dualling. Some advance works have already begun and the Highways Agency has issued the "Notice to Proceed to Construction". Ecological works took place summer 2012, with archaeological works to be undertaken before construction starts. The main works are to start early 2013. As their expected duration is 20 months, the planned completion date is 2014.

- 2.1.2 **A47 campaign.** Based on a study carried out by Mott MacDonald, an A47 business case has been produced. As well as highlighting the strategic role of the route, the prospectus summarises the return on investment that may arise through focussed road improvements and sets out our 'ask' to government. We are looking to launch it this month, before meeting with the new Roads Minister.

The Council raised awareness of the A47 in Europe with MEPs when revised TEN-T (Trans-European Transport Network) regulations were discussed at the EU Transport Committee in September. Vicky Ford MEP tabled an amendment to allow funding to be directed to 'comprehensive' routes, like the A47, not just 'core' routes.

The £1.3m Honingham Expressway was recently announced as one of the 'pinch point' schemes to receive Government funding. Work is due to start in 2013 and finish in 2014. Our other submissions, totalling around £40m in project value, are in competition for the remaining funding and we continue to work with the Highways Agency to secure a positive outcome. We are expecting a further Ministerial announcement early in the New Year.

- 2.1.3 Transport for Norwich (TfN).** Our objective is to put in place a funding package for elements of the TfN strategy, including the remainder of the Northern Distributor Road (NDR) project, and ensure they are delivered to plan. Government funding of £86.5m has been secured for the NDR. The Postwick Hub element of the scheme has been given planning permission, with work due to start next year, subject to the outcome of the public enquiry. The main NDR scheme is to start in 2015. Work on a range of TfN implementation measures has also begun.

Better Bus Area. In March 2012 NCC was successful in securing a bid of £2.855m from the Department for Transport, for bus improvements in Norwich. The package contains a total of 38 projects from the TfN Strategy, which are to be delivered by March 2014. The projects being implemented as part of the Better Bus Area aim to improve passenger experience, reduce journey time and promote the bus as an affordable sustainable transport method.

- 2.1.4 Rail improvements.** The County Council was involved in the production of 'Once in a Generation' a rail prospectus for East Anglia, launched on 3 July. The prospectus makes the case for improvements to the railways across East Anglia, in terms of reliability, journey times, better quality carriage stock and better infrastructure.

A Norfolk-specific prospectus was launched to almost 50 stakeholders, including MPs, Network Rail and the Chamber of Commerce in October. It was favourably received, and is now subject to consultation, with a planned sign off by Cabinet early in the new year. Other rail developments can be found in the Appendix.

- 2.1.5 Norfolk Infrastructure Plan.** A plan has been produced which pulls together information on key infrastructure needed to deliver economic growth in Norfolk. Where available, it identifies funding sources. It is a working document that will be regularly updated as information becomes available. The Plan will help us to co-ordinate implementation, prioritise activity and respond to any funding opportunities. The plan can be found [here](#), and a paper copy is available in the Members' Room.

2.2. To help businesses to start up and grow

- 2.2.1 Business starts.** Building on our previous business start up programme, 'Outset Norfolk', which exceeded its targets, we launched 'Enterprise Norfolk', our new two year programme, this autumn. In an innovative approach, the Council has contracted with all seven districts to deliver the scheme in the way that best suits their local area and district councils are aligning their own funding with the Council's £200,000 in each of 2012/13 and 2013/14. In the current year, the Council's £200,000 will lever in a further £150,000 for the scheme from districts and in 2013/14 it could be as much as £200,000, giving a total investment value of £750,000. The target for the new two-year programme is 300 business starts by 31 October 2014.

- 2.2.2 Hethel Innovation Ltd (HIL).** Born out of Hethel Engineering Centre (HEC), the Council's engineering enterprise hub, HIL has been created as a separate company and will deliver a three year programme supporting companies in the advanced

manufacturing and engineering sector to become more innovative, with a focus on the Low Carbon economy. The £7.8m project will deliver a 40,000 ft² Advanced Manufacturing Centre (AMC) at Hethel, providing grow on space for companies that have outgrown their start-up space at HEC, as well as incubating 18 hi-tech start-ups and creating 260 jobs. In terms of progress: the HIL company has now been established; the Centre should be complete by December 2014; three innovation engineers have been recruited and work has started on scoping sectors.

- 2.2.3 Support business start up and growth in the rural economy, in the areas of tourism, farm diversification, animal welfare and micro-enterprise.** The Leader rural support programme seeks to create 12 and support 37 existing micro-enterprises and to create or safeguard 290 rural jobs by March 2013. To date, 9 micro-enterprises have been supported and 5 created, as well as 34 jobs created or safeguarded.

2.3. To improve perceptions of Norfolk's business offer and secure inward investment and growth in key sectors

- 2.3.1** The Gt Yarmouth and Lowestoft Enterprise Zone's first tenant has moved in and an offshore energy services company has announced an investment in Gt Yarmouth.

Sector-specific international links to foster joint business and inward investment are also increasing. In September, NCC co-hosted a delegation from one of the companies that visited Norfolk from Jiangsu (China) in June. They specialise in marine engineering and wind turbine installation and have generated significant local interest. A Gt Yarmouth company is in discussions about a possible joint venture with a company in China.

We are also investigating supply chain development opportunities for key local businesses.

- 2.3.2** We are exploring with key partners the next phase of our World Class Norfolk campaign, including work to better link Cambridge and Norwich's science parks.

2.4. To address Norfolk's skills and employability challenges

- 2.4.1 Norfolk Skills Strategy / Norfolk Skills Priorities Statement.** Work has been undertaken to ensure that key elements of the Norfolk Skills Strategy and Skills Priority Statement inform our delivery, in particular around apprenticeships. NCC funding for apprenticeships has been targeted at Norfolk's priority sectors, as well as care leavers who may wish to pursue additional opportunities. £200,000 of Coastal Communities Fund has been secured, to drive forward apprenticeships and graduate placements in the energy sector, in partnership with Essex and Suffolk. A process is also being developed to match apprenticeship vacancies to key sectors.

- 2.4.2 Deliver up to 500 apprenticeships (80 within the NORSE Group) and pre-apprenticeship training by March 2014.** 'Apprenticeships Norfolk' was launched in September and will deliver an investment agreed by Cabinet in January to create up to 500 apprenticeship jobs for 16-24 year olds by March 2014. The event brought together young people as well as businesses to show them the advantages of the scheme, which will be supported by a countywide marketing communications campaign throughout the autumn. The first apprenticeship placements have now been filled and NORSE have recruited 52 apprentices and are increasingly working with NCC on making opportunities available for care leavers.

- 2.4.3 **Graduate work placements.** The objective is to host 30-50 work placements, for unemployed graduates, at the Council by March 2014. To date, six placements have taken place, 12 are being arranged and there are candidates waiting for a further two placements.

2.5. To provide fair access to the public sector

- 2.5.1 **County Farms.** These are farms owned by the County Council. We aim to increase opportunities for new entrants to rural businesses, by letting 7 fully equipped farms and 11 bare parcels of land. After an interview process, 4 of the fully equipped farms were let to new tenants and 3 to existing tenants, to allow them to develop their businesses. Ten new tenants were let parcels of bare land and 3 existing tenants got additional parcels of land. All new tenancies started on 11/10/12 and will run for 10 years (fully equipped) and five years (bare land).
- 2.5.2 **Improved procurement processes.** In order to increase opportunities for small and medium businesses to gain contracts with the County Council, we have implemented a range of measures: tweeting about local opportunities to entrepreneurial businesses; including requirements for supply chain management (such as prompt payment and transparency about sub-contract opportunities) when we re-tender our largest contracts; publishing advanced warning about major upcoming procurements and holding a suppliers' day during the planning process.

Community Construction Fund. The Community Construction Fund for Norfolk was launched in September. Worth £3.5m, it aims to assist a range of construction schemes that will benefit communities, such as village hall extensions, sports facilities, play areas and improved access for disabled people. Community projects can gain a grant between £100 and £100,000. The Fund intends to enhance or create new community facilities, whilst supporting economic activity within Norfolk's construction sector, by using local workers and contractors wherever possible.

2.6. To secure funding to deliver on agreed priorities

The Appendix gives details of the Council's funding and external funding secured from partners and other bodies to help deliver on the economic growth strategy's objectives. In summary, Council funding amounts to **£26.47m** (including loan capital) and partner/external funding comes to more than twice that - **£60.2m**.

3. Resource Implications

- 3.1. **Finance:** See the Appendix for details of Council and partner funding to deliver on priorities. No new finance is sought in this report to support delivery of the strategy.
- 3.2. **Staff:** In line with the paper agreed by Cabinet in April, extra resource is being recruited to support inward investment activity for two years. A fixed term contract Skills Policy Officer (funded by the Department of Business Innovation and Skills) has also been recruited, to address the skills needs of the Enterprise Zone.
- 3.3. **Property:** All property issues relating to the construction of the Advanced Manufacturing Centre at Hethel are dealt with by the HIL Board, which includes the Cabinet Member for Economic Development.
- 3.4. **IT:** None.

4. Other Implications

- 4.1. **Legal Implications:** None.
- 4.2. **Human Rights:** None.
- 4.3. **Equality Impact Assessment (EqIA):** Each of the action plans that sit below the strategy is subject to an EqIA. Programmes commissioned by the Council ensure that individuals in protected groups are not disadvantaged and that information about the programmes is communicated to their respective umbrella groups.
- 4.4. **Communications:** The Communications Service designs/develops the marketing and messages about elements of the strategy's delivery, such as the A47 campaign, rail prospectus launch, apprenticeships programme and Enterprise Norfolk.
- 4.5. **Health and Safety Implications:** None.
- 4.6. **Environmental Implications:** None.
- 4.7. **Any other implications:** Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.
5. **Section 17 – Crime and Disorder Act**
- 5.1. None.
6. **Risk Implications/Assessment**
- 6.1. The AMC has its own risk register, as does Apprenticeships Norfolk. Actions under each of the Strategy's key themes were approved by Cabinet on 2 April.
7. **Alternative Options**
- 7.1. These were covered when the strategy was agreed on 2 April.
8. **Reason for Decision**
- 8.1. This was covered when the strategy was agreed on 2 April.

Action Required

- (i) Members are requested to note progress on delivery of the strategy and identify whether there are any areas they wish to consider further.

Background Papers

'Delivering Economic Growth in Norfolk – the Strategic Role for Norfolk County Council', Cabinet, 2 April 2012; Norfolk Infrastructure Plan, published [here](#).

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 and ask for Josie Cookson or textphone 0344 800 8011 and we will do our best to help.

Appendix: Half year progress against action plan targets

Theme 1: Provide support for growth and removing infrastructure constraints

a. Put funding in place for the remainder of the NDR (Northern Distributor Road) project and ensure that it, other elements of Transport for Norwich (TfN) Strategy, and the A11 are delivered to plan

TfN. Norwich City Council and NCC identified capital funding from internal budgets for the Chapelfield project in recognition of its importance to TfN.

Business rates. NCC and Broadland District Council submitted an Expression of Interest in pooling Business Rates to support investment in the NDR.

A11. Site clearance took place in October 2012 and main works are scheduled to start January - March 2013. We are working with South Norfolk on their Site Specifics – Wymondham Bridge being investigated.

b. Deliver a campaign with colleagues to highlight the strategic importance of the A47 and secure improvements

Based on a study carried out by Mott MacDonald, an A47 business case has been produced. As well as highlighting the strategic role of the route, the prospectus summarises the return on investment that may arise through focussed road improvements and sets out our 'ask' to government. We are launching it this month, before meeting the new Roads Minister.

The Council raised awareness of the A47 in Europe with MEPs when revised TEN-T (Trans-European Transport Network) regulations were discussed at the EU Transport Committee on 6 September. Vicky Ford MEP tabled an amendment to allow funding to be directed to 'comprehensive' routes - like the A47 - rather than only 'core' routes.

The £1.3m Honingham Expressway was recently announced as one of the 'pinch point' schemes to receive Government funding. Work is due to start in 2013 and finish in 2014. Our other submissions, totalling around £40m in project value, are in competition for the remaining funding and we continue to work with the Highways Agency to secure a positive outcome. We are expecting a further Ministerial announcement early in the New Year.

Work is also taking place during 2012/13 to identify improvement schemes for the A47 Thickthorn and Longwater junctions, to accommodate the growth projected by the Greater Norwich Development Partnership's Joint Core Strategy.

The Council also continues to work with the Borough Council of King's Lynn and West Norfolk on planning for growth in and around King's Lynn. This work will help identify which A47 junctions or links may need to be improved, and what these improvements may constitute.

We are currently refreshing membership of the wider A47 Alliance and steering group, and an A47 webpage is under development.

c. Promote and secure improvements for key rail routes: Norwich-London; Norwich-Cambridge; King's Lynn-Cambridge

As mentioned in the main report, an East Anglian rail prospectus was launched at stations along the Norwich-London line in July, outlining the business case for investment in our rail infrastructure. A Norfolk-specific prospectus was successfully launched at a stakeholder event on 4/10, with consultation taking place in the autumn and sign off by Cabinet early in the New Year.

Reports produced on passenger demand and the economic benefits of the Norwich-Cambridge and King's Lynn-London lines and a stakeholder workshop has been held on a technical study for the Great Eastern Main Line.

Network Rail (NR) has included a proposed scheme in their 2014-19 spending programme to release more capacity into London Liverpool Street and they are now consulting on it.

Government has stated that they would like to see the scheme at Ely included in the 2014-19 spending programme. This would allow for half hourly King's Lynn to London services, half hourly

Norwich to Cambridge services, as well as more freight services from major east coast ports and improved passenger services from Suffolk.

We continue work to secure improvements to rail, including through refranchising programmes, development of NR's spending programme and by working with the rail industry.

1st meeting held of the Norfolk Rail Group.

d. Infrastructure Plan produced and provided to Members with the half year update on the EGS to Nov 2012 Overview & Scrutiny Panel

A link to the Plan has been provided in this report and will accompany the report on the Economic Growth Strategy that goes to Cabinet in December.

e. Broadband: At least 2Mbps for all premises by 2015; at least 24Mbps (Government 90% superfast target); customer choice of at least 2 broadband suppliers

On 17/9, Cabinet approved the appointment of BT as project partner. Their bid met our ambitions of providing a minimum of 2 megabits per second) to every property in the county and superfast (24Mbps+) to most. We anticipate 83 per cent of Norfolk properties will be able to receive superfast broadband by June 2015, double the number that would be able to receive it by that date without this deal.

BT will install an 'open' infrastructure – any Internet Service Provider can offer services on it and customers have a choice of who to buy broadband from.

We anticipate the contract being signed shortly, with installation work beginning in the spring and the first services becoming available next year.

f. NRP: ensure that the £26m of Government funding is committed and next phases of the development are implemented

AECOM are working on a joint Transport Assessment (TA) on behalf of Norwich Research Park (NRP) North South. They produced a technical note on joint highway issues at the end of March.

An early draft of the TA was shared with NCC and South Norfolk Council in May. The NRP agreed to share further TA chapters on infrastructure phasing and delivery needs, even if only in draft, so the negotiations can commence on transport infrastructure delivery and funding, including the use of Section 106 monies (developer contributions to required infrastructure).

Planning Applications for NRP North and NRP South and the temporary car park for the Norfolk & Norwich University Hospital have been submitted.

Theme 2: Help businesses to start up and grow

a. Commission a new business start up programme and generate up to 400 new businesses by end 2013/14

To address the decline in businesses start up rates in the county, 'Outset Norfolk' was a two-year scheme, commissioned by the Economic Development and Strategy service and partly funded by the County Council. It finished on 31 March 2012 and has exceeded its targets, with 85 new jobs/businesses created (target 83), 91 individuals assisted (target 80) and 958 people engaged (target 800). All of the first 18 starts from 12 months ago are thriving one year on, and many clients are continuing with their business mentors.

Formal agreement on the new two-year scheme reached with 6 districts (Great Yarmouth will come on board next year, when their current scheme finishes). A package of support, worth up to £750k over two years, including district contributions (NCC is investing £400k over two years), is being launched this month and has a target of 300 business starts by 31 October 2014. The project will be known as Enterprise Norfolk.

b. Great Yarmouth and Lowestoft Enterprise Zone (EZ), Norfolk/Suffolk targets: 1400 direct/1000 indirect jobs; 60,000m² of development space and 80 new businesses attracted/started by 2015.

The 'East of England Energy Zone' (EoEEZ) branding has been launched and in Great Yarmouth the South Denes Local Development Order was approved by the Secretary of State.

The CORE partnership was established - Centres of Offshore Renewable Engineering. It comprises 6 such centres, including Gt Yarmouth/Lowestoft, further enhancing the English offer for inward investment. The Partnership is developing well and gaining the interest of UK Trade & Investment (UKTI) and Government departments: Business, Innovation & Skills (BIS) and Energy & Climate Change (DECC). Our area was represented at the Renewable UK Global Conference in London in June, with a keynote CORE presentation.

Enquiries for the EZ beginning to come through – from UKTI for inward investment opportunities and through exhibition attendance.

The business rate retention system will come into force from April 2013, and local authorities are putting necessary processes in place. The EZ Project officers group are working on the processes for final approval from the New Anglia Local Enterprise Partnership (NALEP) Challenge Fund. Detailed discussions virtually concluded on a formula for redistribution. PricewaterhouseCoopers have begun work on behalf of NALEP, assessing the likely business rate revenues from the EZ.

- c. Hethel Innovation Ltd (HIL): 40,000 ft² Advanced Manufacturing Centre built at Hethel; incubate 18 hi-tech start-ups, creating 240 and safeguarding 60 high skilled jobs; help 300 businesses with innovation-led business support and establish 20 'Pilot Innovation Programs'. In so doing, secure £3.1m of EU funds.**

Planning permission achieved and all funding in place, including a major ERDF (EU funding) award of £3.1m. ERDF agreement in place, and due to delay in receiving, target completion date moved to Dec 2014.

HIL company set up and ERDF program is on target; www.innovationnorfolk.com web site launched and 'tweets' for HEC, HIL and IN (Innovation Norfolk) growing.

Sector development plans have been assembled for low carbon energy sector, advanced food manufacturing and automotive engineering.

Hethel Engineering Centre (HEC) hosted and provided business speakers for a UKTI Automotive Briefing 4/9 and a group of Finnish businesses visited HEC in October.

- d. Support business start up and growth in the rural economy through externally funded programmes such as Leader in the areas of tourism, farm diversification, animal welfare and micro-enterprise**

Output targets identified for Leader rural support programme: Create 12 micro-enterprises; support 37 micro-enterprises; 290 jobs created or safeguarded by March 2013.

Progress to date: 9 micro-enterprises supported; 5 micro-enterprises created; 34 jobs created or safeguarded.

Our bid for a Rural Growth Network Pilot, mentioned in the Economic Growth Strategy in April was unsuccessful. However, agreement has been reached with NALEP to establish a scaled back Network, using £1.1m of Norfolk and Suffolk's Growing Places Funding allocation. This would see 7 enterprise hubs established in market towns in each of Norfolk and Suffolk, including business mentors.

Theme 3: Improve perceptions of Norfolk's business offer and secure inward investment and growth in key sectors

- a. Work with UK Trade & Investment (UKTI) to respond to inward investment offers and champion Norfolk's offshore wind capabilities here and overseas**

The EoEEZ is being promoted widely - the Norfolk & Suffolk Energy Alliance has agreed a 2 year marketing campaign involving **£136k** of funding from 4 local authorities.

Seajacks moved into their new offices in September on the South Denes Enterprise Zone site and Safehouse Habitats, an offshore energy services company, announced a new investment in Gt Yarmouth.

Co-hosted a delegation from Hantong Ship Heavy Company Ltd, Jiangsu, China on 13/9. They are one of the companies that visited with the Chinese / Jiangsu delegation in June this year and are part of group of companies specialising in ship building, marine engineering and wind turbine installation. Significant interest in Gt Yarmouth and Lowestoft. We also co-hosted a South Korean delegation visit in July and are preparing for four new delegations in next quarter.

Six substantial inward investment enquiries responded to: an engineering company; a food processing company; a port-related business; an aviation company; a biotech company; a wind blade manufacturer, plus approx 12 enquiries in the local pipeline for Gt Yarmouth

Populated the 'Surfacing the National Offer' project, run by UKTI. Norfolk's assets ranked in top 20% of all of our key sectors.

All Norfolk's property agents were integrated with the property search facility on www.worldclassnorfolk.com. Taking forward the World Class Norfolk campaign, work is under way with Cambridge to better link the Cambridge Science Park and Norwich Research Park.

b. Working with businesses based in the county, research their supply chains and identify ways to grow their Norfolk-based suppliers

Led by Hethel Innovation, research is starting into the supply chains of key local companies.

Theme 4: Address Norfolk's skills and employability challenges

a. Working with partners, deliver the key priorities in the action plans that supports the Norfolk Skills Strategy and Norfolk Skills Priorities Statement

Work undertaken to ensure key elements of the Norfolk Skills Strategy and Skills Priority Statement inform our delivery, in particular around apprenticeships. NCC funding for apprenticeships has been targeted at Norfolk's priority sectors, as well as care leavers who may wish to pursue additional opportunities.

A monitoring process is being developed for Apprenticeships Norfolk, which will match vacancies to specific priority sectors. We are continuing to refine and develop our knowledge of these key sectors from the various resources available.

A bid to the Coastal Communities Fund was successful. Developed in partnership with Essex and Suffolk, it should drive forward apprenticeships and graduate placements in the energy sector. Delivery will begin next quarter. A bid to the Growth and Innovation Fund moved through to the second round, although the outcome is not yet known.

b. Working with schools, develop more effective business engagement

Outreach to schools and improving the use and understanding of available labour market information is part of the apprenticeships programme. Schools are key stakeholders who need to be aware of sectoral employment opportunities and inform students of all post 16 opportunities.

Support has been provided to the Children's Services Head Teacher's conference, to begin to develop a strong awareness in schools of what careers in Norfolk's key sectors can look like. This work is in its early stages and providing accessible labour market info to schools and young people will be a priority moving forward.

The Council's programme of student conventions, highlighting the careers available in the county is well underway, with events taking place for Norfolk's key sectors. Click [here](#) for further information.

c. Deliver up to 500 apprenticeships (80 within the NORSE Group) and pre-apprenticeship training by March 2014

The tender process was completed and in July a single contract for the delivery of 400 apprenticeships placements across Norfolk was awarded to a consortium bid led by the College of West Anglia, supported by City College Norwich and Broadland Council Training Services.

The Apprenticeships Norfolk Fund was launched at The Forum in Norwich on 20/09/12, with an accompanying Open Day. A range of marketing techniques made the day very successful, with high levels of interest from stakeholder groups. The first apprenticeship placements have now

been filled. Work is under way on a high impact marketing campaign for this programme to raise knowledge and awareness amongst the stakeholder group.

NORSE have recruited 52 apprentices, receiving very high levels of applications to their vacancies. They are increasingly working with NCC on making opportunities available for care leavers and vulnerable young people who are at risk of being excluded from the application process.

d. Host 30-50 graduate work placements at the Council by March 2014

Articles now being added to NCC publications including HR Matters and Norfolk Manager, to raise awareness. Good response from managers approached already.

Placements completed – 6 Environment Transport & Development (ETD), candidates currently placed – 3 (2 x ETD, 1 x Resources)

Placements being arranged – 12 (7 x Resources, 2 x ETD, 2 x Community Services and 1 x Schools); Candidates waiting – 2

e. Support skills development in the rural economy through externally funded programmes such as Leader and Landskills East in areas such as tourism, farm diversification, and micro-enterprise.

Targets achieved by the Landskills programme at its close: 8917 unique trainees and 37,223 training days delivered.

Theme 5: Provide fair access to the public sector

a. Start tweeting local opportunities to entrepreneurial businesses, who can then re-tweet contracts of interest to others

178 tweets issued and 438 followers now achieved.

b. Abolish two tier contracts for tenders under £100k, unless there are exceptional circumstances

This has been implemented and is not causing any difficulties.

c. Encourage all Norfolk authorities to use Contracts Finder and, if they use a shortlisting process, to adopt the Government's standard pre-qualification questionnaire

NCC, Norwich City Council, King's Lynn, North Norfolk and Waveney now using Contracts Finder. Work ongoing with other local authorities.

f. Publish short guides on our website to the main things we buy and giving advice on how to sell to us successfully

Due for delivery January 2013.

d. Include requirements for supply chain management, inc. prompt payment and transparency about sub-contract opportunities, when we re-tender our largest contracts

Procurement of the successor to the current Mott MacDonald/May Gurney contract will include such requirements.

e. For all significant contracts, we will publish a 'prior information notice' (advanced warning about an upcoming procurement) and, where possible, hold a suppliers' day during the planning process, so that potential suppliers can help shape the procurement, input innovative ideas and ensure NCC gets good value

This is now happening routinely and is well received by suppliers. Next step is to issue 'pipelines' which give a longer view of our planned procurements.

f. In line with the Government's transparency agenda, we will publish a register of grants/contracts and, for significant ones, the tender documents and contract awarded

First iteration published in October.

g. Increase the number of opportunities for new entrants into rural businesses (not necessarily just pure farming): from the existing portfolio, let 7 fully equipped farms and 11 bare parcels of land

Interviews were held at the end of July. 4 of the fully equipped farms let to new entrants and 3 let to existing tenants to allow them to develop their businesses. 10 new tenants were let parcels of bare land and 3 existing tenants got additional parcels of land. All new tenancies will start on 11 October 2012 and will run for 10 years (fully equipped) and 5 years (bare land).

h. New: Launch a £3.5m Community Construction Fund (CCF) to facilitate community projects and provide employment opportunities for local construction professionals

On 10 September the Community Construction Fund for Norfolk was launched, aiming to assist construction schemes that will benefit communities. Projects can gain a grant of £100-£100k. The Fund seeks to enhance or create new community facilities, whilst supporting Norfolk's construction sector, by using local workers/contractors wherever possible. For more information, contact **Norfolk Community Foundation Grants Team** on 01603 623958 or via grants@norfolkfoundation.com.

Theme 6: Secure funds to deliver the Economic Growth Strategy's objectives

a. Overview of funds secured to date for delivery of the strategy

Council funding. As mentioned in the strategy paper signed off by Cabinet in April, the County Council is making a number of investments:

- **£15m** towards delivery of faster broadband in rural parts of Norfolk (see below)
- A loan of **£3.77m** for the construction of the Advanced Manufacturing Centre (AMC) at Hethel, supplementing the EU funds mentioned below.
- **£3.5m** for Apprenticeships Norfolk
- **£200,000** to support Enterprise Norfolk and **£100,000** to boost inward investment capacity, in each of 2012/13 and 2013/14 (from the Economic Development and Strategy (EDS) budget)
- These are supplemented by the **£3.5m CCF** (see 5h above) and an investment by EDS of **£100k** over two and half years in the capacity building of the tourism sector (see below).

External funding

- **NDR. £86.5m** has been secured from Government for delivery of the route.
- **A11 dualling.** The estimated cost of improvements is £113m - £149m. Using the mid point of £131m for reference and the fact that 11% of the scheme is in Norfolk, we could say that approximately **£14m** of the project is in Norfolk.
- **Broadband. £15m** secured from the Government's BDUK Fund, to enable delivery of faster broadband speeds in rural Norfolk. This is matched by **£15m** from NCC and **£9m** from BT.
- **Hethel Innovation Ltd.** HIL was successful in securing **£3.1m** of EU funds to deliver HIL's business targets, including the construction of the 40,000ft² AMC.
- **Leader/Landskills:** EDS bid for and manages two Rural Development Programme for England schemes: LEADER (**£10.3m**) and Landskills East (**£4.2m**). These focus on skills development in rural economy areas, eg tourism, farm diversification, micro-enterprise.
- **Better Bus Area.** In March, NCC was successful in securing a bid of **£2.855m** for the Better Bus Area package of measures to improve passenger experience, reduce journey time and promote the bus as an affordable sustainable transport method.
- **Honingham Expressway.** We put together a package of projects totalling around £40m in a bid to Government's 'pinch point' funding. Honingham Expressway is the first to be announced and has secured **£1.3m** of funding.

- **Apprenticeships.** As part of a joint bid with Suffolk, Norfolk secured **£200,000** from the Coastal Communities Fund to establish 66 offshore engineering apprenticeships in the county. The Norfolk and Suffolk Food & Rural Economy Board, is also bidding for funding for agri-engineering apprenticeships, to meet a predicted need for 10,000 of these jobs.
- **Tourism.** Contributing £100,000 each, NCC and NALEP commissioned a **£200,000** contract, lasting two and a half years, to provide a strong strategic voice for the sector and build capacity in the local Destination Management Organisations, so that the Visit Norfolk partnership becomes more private-sector led and funded, in line with Government policy.
- **EoEEZ.** **£136k** contributed by partners to the promotion of the Zone.

Infrastructure funding – work in progress

Community Infrastructure Levy (CIL). The Greater Norwich Development Partnership published Schedules for Broadland, Norwich and South Norfolk in August. After a two-day examination in October, CIL is expected to be adopted by end 2012 or early 2013.

Tax Incentive Funding (TIF – business rate retention). Following discussions with districts on the pros and cons of pooling, an expression of Interest was submitted to Government for NCC and Broadland District Council. The other districts did not choose to sign-up at this time.

City Deals funding. In October, the Government approached Norwich City Council, to explore the possibility of Norwich being included in the second wave of City Deals (the offer is innovation in finance/funding; expanded investment in skills and joint initiatives in key growth sectors). A proposal is being prepared on a Greater Norwich basis, with input from relevant local authorities.

Norfolk Infrastructure Fund (NIF). A range of projects are being supported by the Council's capital fund for infrastructure projects and are progressing well. These include:

- £5m to support broadband development in rural parts of Norfolk (see 6a above)
- £2.08m to support the development for housing of part of the Beach Coach Station Car Park in Great Yarmouth, where the market would not intervene.
- £1.5m to enable the development of a new technology block at the College of West Anglia
- A £1.18m contribution to the £6m development to regenerate the Thetford Riverside site
- A £1m investment in a housing joint venture with King's Lynn and West Norfolk Borough Council on the Nar Ouse Regeneration Area site in King's Lynn

Major Scheme Funding. Response made to a Government consultation on how NCC believes this should work – that the Local Transport Body should share the geography of New Anglia. A paper went to the NALEP Transport Forum in October.

Better Bus Area (BBA). In March NCC was successful in securing a bid of £2.855m for the BBA package of measures to improve passenger experience, reduce journey time and promote the bus as an affordable sustainable transport method.

Development of EU Funding Programme 2014 – 20

Outline investment plans for 2014-20 have been presented to the Council's Chief Officer Group (COG). Two working groups are being set up to progress, and a longer COG session is being arranged, in order to prepare a paper seeking member approval.

Norfolk Infrastructure Plan

THIS IS A WORKING DOCUMENT THAT CONTINUES TO BE DEVELOPED

Version 1

October 2012

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1. Introduction

This plan pulls together information on key infrastructure needed to deliver economic growth in Norfolk. It is a working document that will be regularly updated as information becomes available. The Plan will help us to co-ordinate implementation, prioritise activity and respond to any funding opportunities.

Some projects are further forward than others so they have robust investment figures and implementation timelines, others are in the early stages of design and are less well known. In some cases the funding sources are clear, where Section 106 (S106) or Community Infrastructure Levy (CIL) collected from developers will provide a significant contribution. Additional details on costs and sources of funding, such as contributions from utility companies such as Anglian Water will be added as projects are firmed up.

Figures 2 and 3 indicate that Norfolk's key growth locations are clustered at points along the main transport arteries. Therefore, these growth corridors provide the spatial context for the organisation of much of this plan (below) with projects being grouped by these key corridors:

Fig. 1 - growth corridors by which infrastructure is grouped



Key Infrastructure Initiatives

Working with partners, the County Council is seeking to progress a number of key infrastructure initiatives in 2012/13 and beyond. In summary, the initiatives are:

- **A11.** To ensure that dualling of the final stretch of the A11 is completed by end 2014.
- **Transport for Norwich.** To put in place a funding package for the 'Transport for Norwich' strategy.
- **A47.** To promote the status of the A47 and secure funding for key junctions, a new river crossing in Great Yarmouth and other targeted improvements.
- **Rail Improvements.** To continue the high profile campaign to improve the Norwich-London route ('Norwich in 90'), working with Network Rail and the franchise holder, Greater Anglia. Also to push for improvements on Norwich-Cambridge and Cambridge-King's Lynn services.
- **Broadband.** By 31 March 2015, the 'Better Broadband for Norfolk' project seeks to achieve:
 - A minimum speed of 2 megabits per second (Mbps) for all premises
 - 'Superfast' Broadband (24Mbps+) for as many premises as possible

Funding

The funding required to pay for the strategic infrastructure projects to support delivery of growth is a key element of the individual Local Infrastructure Plans. Opportunities for funding include:

- Section 106 (S106);
- Community Infrastructure Levy (CIL);
- Growing Places Fund;
- City Deals; and
- Business rates pooling (current proposal between Norfolk County Council and Broadland District Council)

Price Waterhouse Coopers are working nationally with ADEPT in seeking new ways of funding infrastructure investments. The Greater Norwich Development Partnership has been trialling the toolkit developed by PwC designed to test each investment against a set of risk criteria. This toolkit enables Members to start thinking about difficult funding decisions and consider new and innovative ways of meeting funding shortfalls.

What does the growth in Norfolk look like?

Fig. 2 - Spatial distribution of strategic housing

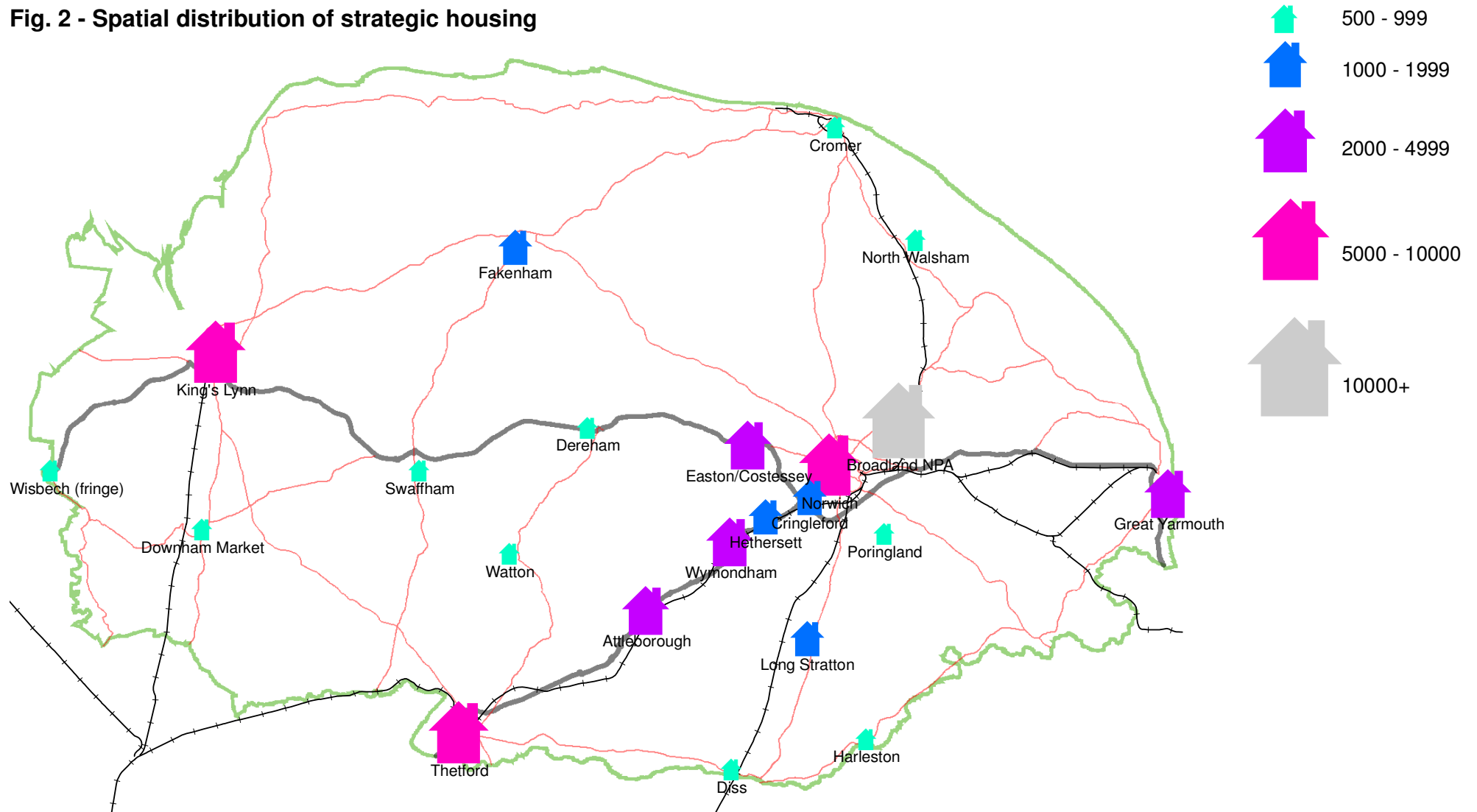
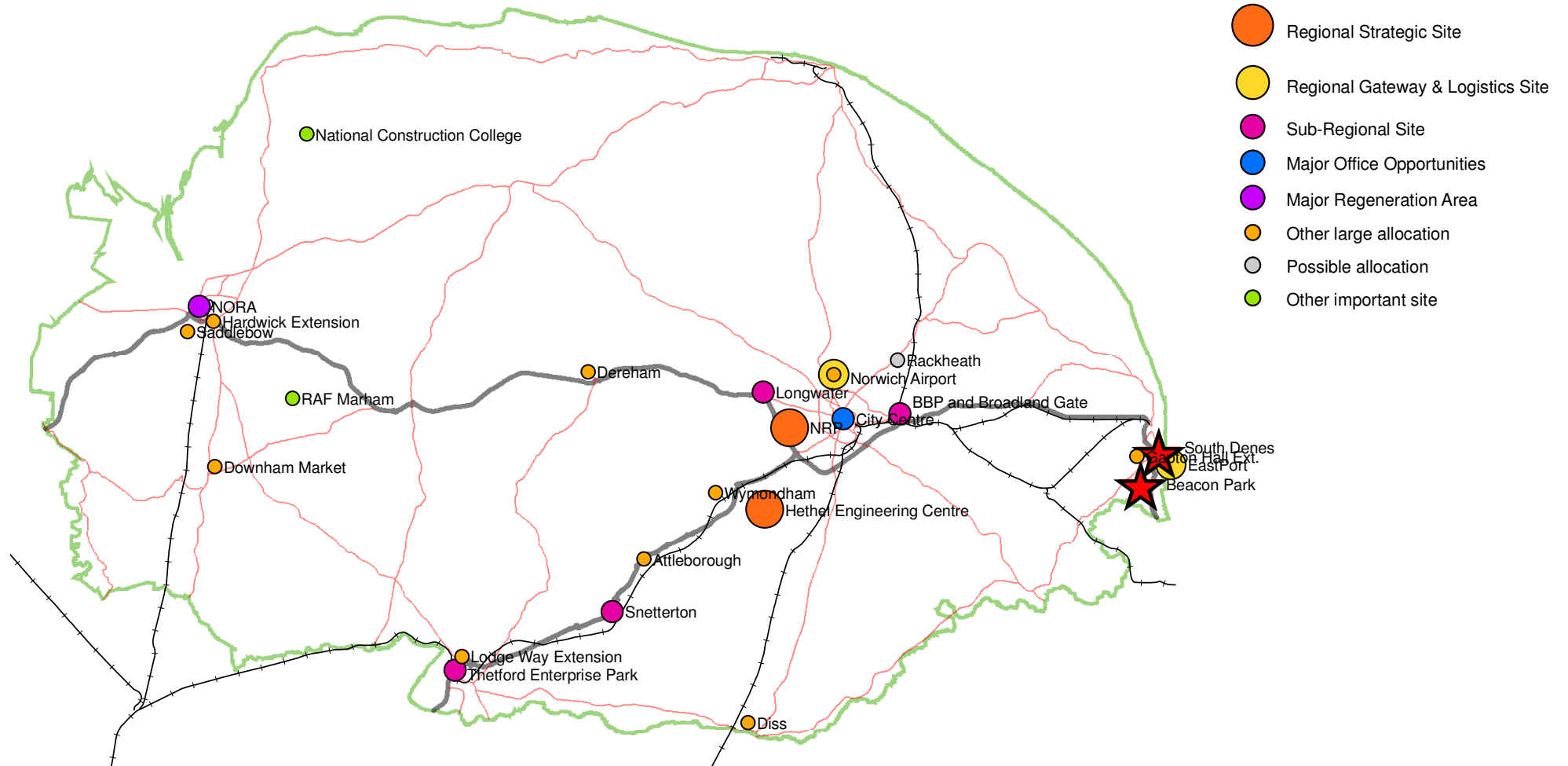


Fig. 3 – Spatial distribution of strategic employment¹



¹ The categorisation of these sites is based on the evidence previously developed for EEDA in the report [Strategic Employment Sites in the East of England 2009](#) as well as the recently designated Enterprise Zones and other locations agreed by local planning officers to be of importance across the County.

Summary of the key infrastructure projects

Settlement	Infrastructure	Cost	Page
Rural Norfolk	Broadband	£60m	9
Attleborough	Town centre transport improvements	£2.5m	35
	A11 link road	£11.05m	35
	Wastewater treatment	£7.5m	36
	Snetterton energy supply	£5-6m	38
Downham Market	Sewerage upgrades	Tbd	44
Great Yarmouth	Third River Crossing	£112m	12
	A12 junction improvements	£350K	13
	Vauxhall roundabout improvements	£20-30m	12
	Gapton Hall roundabout improvements	£20-30m	12
	Harfreys roundabout improvements	Tbd	12
	Great Yarmouth local junctions	Tbd	13
	A12/A143 link road	Tbd	13
	Strategic flood defence	Tbd	13
	Wherry Line rail improvements and train station improvements	N/A	15
	Acle Straight dualling	£84m	15
King's Lynn	Middleton/East Winch bypass	£75m	25
	A47/A10 link road	Tbd	43
	Hardwick Junction	£20-30m	25
	Other A47 junctions	£20-30m	28
	Town centre gyratory improvements	Tbd	28
	Hospital roundabout improvements	Tbd	28
	New bus station	tbd	28
	Increased surface water storage	£3-4m	27
	Sewerage improvements	£1.5m	26
	Reinforcement of medium pressure gas system	Tbd	28
	Reinforcement of electricity network	Tbd	28
	Strategic flood risk	Tbd	28
	Fenline rail improvements	N/A	43

Settlement	Infrastructure	Cost	Page
Norwich Policy Area	Blofield to Burlingham dualling	£38m	15
	Postwick Hub	£19m	17
	Norwich Distributor Road	£122.5m	17
	North East sub-station improvements	£16.1m	19
	North East trunk sewer	Tbd	19
	Bittern Line rail improvements	N/A	48
	Harford – sustainable transport corridor	£2m	20
	Thickthorn – junction, P+R & bus priority	Circa £30m	20
	B1108/NRP traffic signals	£1m	21
	South West Norwich sewerage upgrade	Tbd	21
	Easton/Longwater junction improvements	Circa £20m	22
	Public transport (including BRT, bus priority and other bus improvements) and walking and cycling	£54.8m	17
	Easton to North Tuddenham dualling	£75m	23
	Honingham “expressway”	£1.3m	23
	Wymondham water supply connection	£22.4m	32
	Wymondham electricity upgrades	£760K	33
	Norwich to Cambridge Rail	N/A	31
	Long Stratton bypass	£20m	46
	Long Stratton water supply	Tbd	46
	Long Stratton sewer upgrades	Tbd	46
Thetford	Hapton electricity upgrades	£760K	47
	Norwich to London Rail	N/A	45
	A11 junction improvements	£12.5m	39
	Bus station relocation	£3.4m	39
Wisbech fringe	Sewerage upgrades	Tbd	40
	Electricity sub station	£8m	40
	Wisbech electricity reinforcement	Tbd	29
	Wisbech bypass improvement	Tbd	29
	Wisbech sewerage upgrades	Tbd	29
	Wisbech drainage	£6.5m	29

2. Broadband

Improving broadband in Norfolk is considered key to the sustainable economic development of the County. It will bring benefits to the whole of Norfolk, not just the urban areas and the strategic areas of growth. It will allow people to access services remotely as well as run businesses and work from home, reducing overheads and the need to travel.

In December 2010, the Government launched its National Broadband Strategy: “Britain’s Superfast Broadband Future”:

<http://www.culture.gov.uk/publications/7829.aspx>

The strategy sets out the Government’s vision for Broadband in the UK, which is to ensure the UK has the best superfast broadband network in Europe by 2015. The Government announced the availability of £530m during the life of this parliament, with a further £300m in the first two years of the next parliament.

In March 2011, tier 1 Local Authorities and Local Enterprise Partnerships were invited to submit proposals for funds to improve broadband in their area. It was announced in May 2011 that Norfolk County Council’s (NCC’s) bid had been successful and it was awarded £15.44 million of Government funding – NCC is contributing a further £15 million. This money will be added to a significant sum from the private sector partner appointed to deliver Norfolk’s better broadband infrastructure.

NCC was one of the first Local Bodies to have its Local Broadband Plan accepted. NCC actively supported Broadband Delivery UK’s (BDUK’s) EU competitive procurement exercise to award a National Framework contract to facilitate delivery of the broadband infrastructure required. Fujitsu and BT Wholesale were appointed to the National Framework at the end of June 2012. Local Bodies will call off contracts under the National Framework to meet their local broadband needs – NCC has recently awarded the Call-Off Contract to BT.

The objectives for the project are:

- Provide superfast broadband (24 Megabits per second (Mb/s) plus) for a large part of Norfolk unlikely to benefit from commercial intervention. This will create higher ‘speed uplift’ leading to the largest economic and other benefits. The project will not address areas of Norfolk where market forces are likely to provide superfast broadband by 2015 and will seek to collaborate with neighbouring counties to find effective solutions in ‘border’ locations.
- Achieve 2Mb/s as a minimum, right across Norfolk, so that everyone who wants access to broadband can have it.
- Create a long term solution that provides definable ‘future proofing’. As applications for faster broadband increase it must offer the potential to keep pace with these demands.
- Be affordable to customers and continue to offer value for money over time.
- Establish a robust method to measure and report on project benefits and promote those benefits as widely as possible to ensure maximum benefit realisation from any investments made. The project is expected to deliver an additional 1,337 jobs and £401 million Gross Value Added in Norfolk over 10 years.

- Deliver an 'open' infrastructure used by multiple service providers to offer services (thus driving competition and on-going service development). NCC has not been prescriptive about the solution's technology, preferring an outcome-based approach.

Norfolk's Call-Off Contract specified efficiency allowing the greatest number of customers as well as the following:

- Ensuring that Norfolk's Enterprise Zones are fully enabled to receive superfast broadband;
- Norfolk areas that have a concentration of business subscribers as a proportion of total subscribers that exceeds 10%, the average proportion is around 8%. The greatest emphasis should apply to higher density locations, but in any case, this priority must only be addressed where it will not adversely impact on the ability of the bidder to deliver an optimum scheme.

Better Broadband for Norfolk project high level timescales

- NCC awards Norfolk Call-Off Contract to BT: September 2012
- Complete detailed design: Spring 2013
- Enterprise Zone implementation complete: Summer 2013
- Implementation complete: March 2015
- Complete Post Implementation Review: September 2015

Mobile Phones

Government have also committed £150 million of capital expenditure to improve mobile coverage and quality. This commitment is part of a bigger investment project in which £780 million will be invested in the UK's digital infrastructure. The 'Mobile Infrastructure Project' is designed to target areas with no mobile phone coverage and is expected to deliver coverage to an additional 60,000 UK homes and businesses. As part of this project coverage will be improved along major roads, with an initial 10 priority roads identified, one of which being the A143 corridor between Great Yarmouth and Haverhill.

It is also thought that there will be some benefit for mobile phone coverage as a result of the broadband project mentioned above.

3. A47 corridor

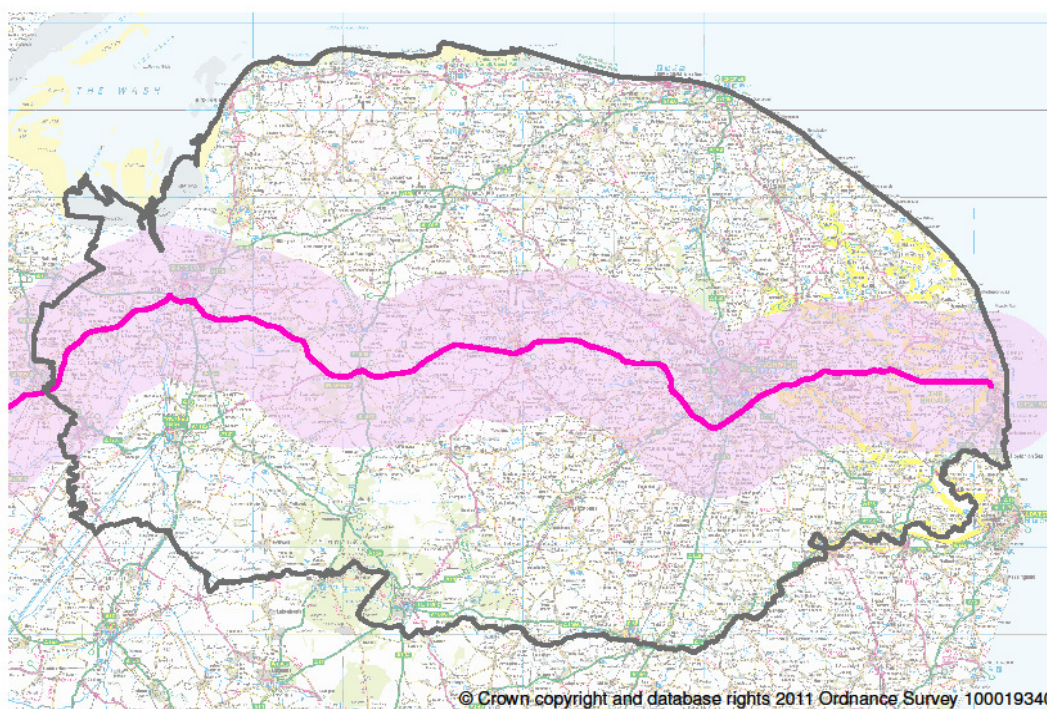
Great Yarmouth to Norwich, King's Lynn, the Midlands and the North of England

The A47 is the main east west link in the County. It links Europe via Great Yarmouth in the east with Norwich, King's Lynn and beyond to Peterborough in the west and on to the Midlands and the north of England via the A17 and A1. It is part of the Trans-European Network and designated by the British Government as a trunk road. The A47 corridor also contains the settlements of Dereham and Swaffham, two of Norfolk's larger market towns and is a key strategic link through and beyond the county boundary.

Mott MacDonald's Economic Report looked at the potential for economic growth associated with improvements to the A47². The report highlights the enormous opportunities to improve economic output if improvements are made to the A47.

The long term objective of the County Council is for the dualling of the A47 along its full length. However, this work focuses on particular improvements identified by the County Council that are believed to be the most attainable in the next 20 years.

Fig. 5 - A47 corridor



Findings show that an additional **9,615 jobs** might be created as a result of these identified improvements, an increase of **£390 million per annum** in GVA (by 2032) and an additional **£802 million** of private investment (including 3,200 dwellings) over the 20 year period to 2032.

² Please see the Mott MacDonald Report: A47 Economic Wider Benefits for further information. Mott MacDonald's report is based on economic modelling techniques which attribute a proportion of the growth potential of the land released.

[Click here to find out more about work on the A47](#)

Great Yarmouth to Norwich International Airport

The route between Great Yarmouth and the Norwich International Airport is of strategic significance because it links the regionally significant economy of Norwich with the opportunities of the Enterprise Zone at Great Yarmouth. The Outer Harbour operated by Eastport UK Ltd. offers a deep water port, considered to be vital to the development of the offshore energy sector while Norwich offers an International Airport, with both national and international links via Schipol, Amsterdam.

4. Great Yarmouth

Great Yarmouth is Norfolk's second largest settlement with a population of 75,000. The town has long been a seaside tourist town and is ideally located to service the offshore oil and gas fields in the North Sea. It has also taken on a more recent role in the offshore wind sector, being designated as a Centre of Renewable Engineering.

Case Study - Enterprise Zones

The Enterprise Zones at Great Yarmouth and Lowestoft aim to create 2,000 jobs and attract 80 business by 2015 and 10,000 jobs and 200 businesses over the next 25 years. Work by Mott MacDonald suggests that the **Third River Crossing**, estimated to cost **£112 million**, and significant improvements to the **Vauxhall roundabout** costing **£20-30 million** are required to facilitate these jobs as well as those in the tourism sector. It is also believed that a significant improvement to Gapton Hall roundabout is required, although no feasibility work has been carried out, it is estimated that this could also cost **£20-30 million**.

Overall, Mott MacDonald estimates that almost **3,900 jobs** would not be created in Great Yarmouth without these transport interventions; 2,200 directly relating to the Enterprise Zone; 1,100 relating to the Enterprise Zone supply chain and 550 in the tourism sector. In terms of investment, estimates suggest that the improvements made to the A47 at Great Yarmouth would help to facilitate **£247 million** of private **investment** (including 200 homes) between 2012 and 2032 and an additional **£146 million per annum** in GVA by 2032.

Third River Crossing and the Gapton Hall and Vauxhall roundabouts

The Third River Crossing in Great Yarmouth is considered vital in maximising the opportunity that the Enterprise Zone and the offshore energy sector presents. It would help to alleviate congestion from port related activities while freeing up the town centre from congestion for more tourism related traffic. Research by Mott MacDonald suggests that without it around half of the anticipated jobs growth at South Denes may not arise.

Both the Gapton Hall and Vauxhall roundabout improvements are also required in order to help alleviate congestion in Great Yarmouth and to aid access to the A47 to Norwich and beyond. Improvements to these junctions would help the Enterprise Zone to develop its full potential and as such create jobs, investment in the area and increased gross value added.

Harfreys roundabout

In addition to improvements at both Vauxhall and Gapton Hall it is thought that Harfreys roundabout may also need improvements although it is currently unclear as to the scale of the improvement needed.

Strategic flood defence

Improved flood defences in central Great Yarmouth are required to realise the development ambition in the Great Yarmouth Waterfront Area Action Plan. The Strategic Flood Risk Assessment highlights the issue.

[For more information on the Strategic Flood Risk Assessment for Great Yarmouth please click here](#)

Other smaller scale projects in the town include:

- Improvements to Fullers Hill roundabout to alleviate congestion: cost tbd;
- Improvements to ASDA signalised junction to include right turn to alleviate congestion as Vauxhall roundabout: current bid for Pinchpoint funding;
- A12/A143 link road to serve growth in the south of the Borough: cost tbd;
- A12 junctions to help facilitate the Beacon Park Enterprise Zone: cost £350,000 (current bid for Pinchpoint funding);
- Possible improvements on the A12 to Lowestoft to help facilitate the Enterprise Zones and other growth related traffic between the two towns; and
- Great Yarmouth train station improvements: cost tbd.

Infrastructure	Third River Crossing	Vauxhall roundabout improvement	Gapton Hall roundabout improvement	Harfreys roundabout improvement
Location	Great Yarmouth	Great Yarmouth	Great Yarmouth	Great Yarmouth
Delivers	Mott MacDonald estimates that almost 3,900 jobs would not be created in Great Yarmouth without the third river crossing or improvements at Vauxhall roundabout; 2,200 directly relating to the Enterprise Zone; 1,100 relating to the Enterprise Zone supply chain and 550 in the tourism sector. In terms of investment, estimates suggest that the improvements made to the A47 at Great Yarmouth would help to facilitate £247 million of private investment (including 200 homes) between 2012 and 2032 and an additional £146 million per annum in GVA by 2032.			
Lead Authority	Norfolk County Council	Norfolk County Council & Highways Agency	Norfolk County Council & Highways Agency	Norfolk County Council & Highways Agency
Key date for delivery	tbd	tbd	tbd	tbd
Total Cost	£112 million	£20-30 million	Estimated £20-30 million	tbd
Unfunded Cost	£112 million	£20-30 million	£20-30 million	tbd
CIL contribution?	No – GY not developing CIL on viability grounds	No – GY not developing CIL on viability grounds	No – GY not developing CIL on viability grounds	No – GY not developing CIL on viability grounds
Funding Opportunities	tbd	tbd	tbd	tbd
Spin off benefits?	Reduced town centre congestion	Reduced congestion of the Acle Straight	Maximise opportunity of Third River Crossing and Vauxhall roundabout	Maximise opportunity of Third River Crossing and Vauxhall roundabout
Link to other information				
Status	Preferred scheme and alignment adopted by Council.	Feasibility work is required to devise a scheme.	Feasibility work is required to devise a scheme.	Feasibility work is required to devise a scheme.

5. Great Yarmouth to Norwich

Improved journey reliability will help to improve links between Norwich and Great Yarmouth and more specifically the Outer Harbour and Norwich International Airport. This will be achieved by improvements to the A47, the implementation of the Postwick Hub and delivery of the Norwich Northern Distributor Road (see below).

A47 Dualling – Acle Straight and Blofield to North Burlingham

The long term objective of the County Council and other partners is for complete dualling of the A47 along its full length from the A1 to Great Yarmouth. However, it is recognised that this may need to be achieved through a phased approach to improvements. Both the Acle Straight and the Blofield to North Burlingham stretches have previously been identified as potential areas for dualling. In dualling these sections, safer by design elements could be incorporated in order to reduce traffic accidents and associated road closures.

The most recent estimate for dualling the Acle Straight was £84 million updated to present costs from a study in 2001. A recent estimate for the stretch between Blofield and Burlingham is £38 million.

A scheme to identify whether the habitats in the dykes along the Acle Straight can be recreated has been put forward as part of the Pinchpoint Programme. It is a necessary precursor to any scheme on the Acle Straight to overcome safety or congestion problems.

Rail - Wherry Line improvements

Capacity improvements and better rolling stock are required on the line between Norwich and Great Yarmouth.

Existing operations:

- *Part of Greater Anglia Franchise*
- *Operated by Greater Anglia (Parent company Abellio)*
- *Franchise expires 2014*
- *Hourly services to Great Yarmouth*
- *Hourly service to Lowestoft*

Key priorities:

- *New or fully refurbished rolling stock*
- *Good connections at Norwich*
- *Service frequency - a year round minimum service level requirement of not less than hourly*
- *Improvements to railway stations*

6. Norwich area

The Norwich urban area has a population in excess of 210,000 people, while the population of the wider Norwich Policy Area is some 280,000 people. In addition, the Greater Norwich area provides around 53% of the county's jobs.

The Greater Norwich Development Partnership is planning for growth of 37,000 dwellings and 27,000 jobs over the period between 2008 and 2026 in the districts of Broadland, Norwich and South Norfolk. Much of this growth is located along or close to the A47 with 3,000 dwellings planned in the Norwich City Council area, 2,200 at Wymondham, 1,000 at Hethersett, 1,200 at Cringleford, 1,000 at Easton/Costessey and a further 1,800 in the South Norfolk Norwich Policy Area. Major improvements along the Southern bypass at **Postwick, Harford, Thickthorn**, the **B1108** (Norwich Research Park) and **Longwater**, are considered to be vital to the development potential in the Greater Norwich area. Most recent estimates of capital expenditure put the total cost of these major improvements along the Southern Bypass at **£84 million**.

Mott MacDonald estimates that **5,000 jobs** along the Southern Bypass (a third of planned jobs growth) would not be realised in the period if the above mentioned transport improvements are not made. Because of the nature of many of these jobs planned in the area, many of which will be located at the Norwich Research Park this would mean **£225 million** less **gross value added per annum** and **£240 million** lost private sector **investment**.

In addition, Mott MacDonald suggests that **2,600 dwellings** (a third of planned housing in the close vicinity of the A47) in the area would not be built if the various junction improvements are not improved. This, assuming an average private sector investment of £100,000 per dwelling would mean an additional **£260 million** of private sector **investment**.

City centre

The city centre provides the highest concentration of employment in the County and this is planned to expand significantly with at least 100,000m² of new office space and around 20,000m² of new retail space. The sustainable development of the centre, and enhancement of its role serving the wider built-up area and the sub region, is reliant on significant enhancement of public transport, including the implementation of a Bus Rapid Transit system, as well as other public transport improvements, walking and cycling.

Public transport improvements

Several public transport improvement schemes have been identified as priority projects by the Greater Norwich Development Partnership. These include an incremental set of bus improvements leading to Bus Rapid Transit Routes along six arterial routes into the City, bus priority lanes and overall city centre bus improvements. These BRT routes are being planned along the following corridors:

- Newmarket Road/B1172
- Dereham Road
- Fakenham Road
- Cromer Road (with a possible relocation and expansion of Norwich Airport Park and Ride)
- Salhouse Road and Gurney Road
- Yarmouth Road (with expanded facilities at Postwick Park and Ride)

City Centre bus improvements totalling £15.6 million are also required over the period 2011-2026.

In addition to public transport, pedestrian and cycling improvements are required to serve the Greater Norwich area.

For more information please see the Norwich Area Transportation Strategy (NATS) and the [GNDP Local Investment Plan and Programme](#)

Postwick Hub

Postwick junction provides access between east Norwich and the A47. Current capacity problems with the junction prevent the development of existing housing and employment commitments including 600 dwellings and land for around 5,000 jobs. The Joint Core Strategy recognises that current plans to improve the junction can release land for at least a further 1,000 dwellings. The Postwick Hub proposals to improve the junction have planning permission and agreed funding. Implementation is subject to confirmation of side road and slip road orders and is expected in 2013. The Postwick Hub scheme also provides for the connection between the A47 and the NDR.

Associated with Postwick Hub, a separate planning permission provides for a 500 space expansion of the existing Park and Ride site, virtually doubling capacity. Opening is dependent on the junction improvement and is programmed for 2015.

Northern Distributor Road

Norwich Northern Distributor Road (NDR) runs from the A47 at Postwick via the A140 at Norwich Airport to the A1067 Fakenham Road. The NDR including Postwick Hub has been allocated £86.5m by the Government for construction of the eastern section from the A47 to the A140. This is a major vote of confidence in the project by the Government, and recognises its strategic importance and value for money. The County Council is committed to delivering the whole of the road including the western section from the A140 to the A1067 Fakenham Road.

The NDR will bring much needed traffic relief for communities to the north and east of Norwich and the city centre, and deliver rapid and sustained economic benefits for Norwich and a large part of north Norfolk. For existing business, the benefits of easy and reliable access to the national trunk road network and the Airport are considerable. The road also unlocks the potential for new businesses and jobs.

The NDR is key to the Norwich Area Transportation Strategy, allowing the development of a modern, sustainable transport system for Norwich, including Bus Rapid Transit and facilities for cyclists and pedestrians. Government support for the road is conditional upon progress being made on these elements of the Strategy.

While the NDR's primary purpose is to reduce traffic on unsuitable roads and allow progress on the Norwich Area Transportation Strategy, the new road will help the area to the north and east of Norwich cope with unavoidable growth pressures. It will ensure that new areas of housing can be served by sustainable transport while avoiding congestion and "rat-running" for residents. The NDR is a key requirement for the delivery of the Joint Core Strategy for Greater Norwich.

Infrastructure	Postwick Junction improvement	Norwich Northern Distributor Road (NDR)
Location	Broadland	Broadland
Delivers	Land for 5,000 jobs and 1,600 homes	A further 55 ha of employment land and a possible 10,000+ homes
Lead Authority	Norfolk County Council	Norfolk County Council
Key date for delivery	By 2016	By 2016
Total Cost	£19 million	£122.5 million
Unfunded Cost	£0 million	£53.33 million (dual carriageway)
CIL contribution?	N/A	Yes
Funding Opportunities	N/A	DfT partially funded
Spin off benefits?	Implementation of the Norwich Area Transportation Strategy including expansion of Postwick Park and Ride	Implementation of the Norwich Area Transportation Strategy, enhanced access to north Norfolk and relieved congestion in Norwich City Centre
Link to other information	GNDP Local Investment Plan and Programme http://www.gndp.org.uk/our-work/cil/cil-background-documents/	GNDP Local Investment Plan and Programme http://www.gndp.org.uk/our-work/cil/cil-background-documents/
Status	Scheme has planning permission with an Inquiry into the Side Roads Orders scheduled for 2013	Major scheme funding agreed by DfT. Hope to submit planning application late 2012

North East electricity sub stations

Several electricity substations will be required over the plan period to help facilitate growth in North East Norwich.

Infrastructure	Hurricane Way sub station	Airport North sub station	Sprowston and Rackheath sub station
Location	Norwich	Broadland	Broadland
Delivers	Airport business park extension	A possible 10,000 dwellings and Broadland Business Park	A possible 10,000 dwellings
Lead Authority	UK Power Networks	UK Power Networks	UK Power Networks
Key date for delivery	2011-2016	2016-2021	By 2026
Total Cost	£5.5 million	£6.3 million	£4.3 million
Unfunded Cost	£1.65 million	£6.3 million	£4.3 million
CIL contribution?	Yes	Yes	Yes
Funding Opportunities	Private sector	Private sector	Private sector
Link to other information	GNDP Local Investment Plan and Programme http://www.gndp.org.uk/our-work/cil/cil-background-documents/		
Status	Baseline requirement		

North East trunk sewer

There is no significant capacity constraint from the existing works at Whitlingham or Belaugh, but there is in the existing sewerage network. An existing trunk main connecting from Sprowston to Whitlingham may have a limited amount of capacity. After capacity within this main is used, a new strategic interceptor is required to give a connection of adequate capacity to the Waste Water Treatment Works at Whitlingham.

Infrastructure	North East trunk sewer
Location	Broadland
Delivers	A possible 10,000 dwellings
Lead Authority	Anglian Water
Key date for delivery	2011-2026
Total Cost	Tbd
Unfunded Cost	Tbd
CIL contribution?	Yes
Funding Opportunities	Private sector
Link to other information	GNDP Local Investment Plan and Programme http://www.gndp.org.uk/our-work/cil/cil-background-documents/
Status	Baseline requirement

Harford junction

A sustainable transport corridor is required at Harford to service growth at Long Stratton. This improvement will be of bus priority standard rather than BRT standard.

Infrastructure	Harford sustainable transport corridor
Location	South Norfolk
Delivers	1,800 dwellings
Lead Authority	Norfolk County Council
Key date for delivery	2018/19
Total Cost	£2 million
Unfunded Cost	£2 million
CIL contribution?	Yes
Funding Opportunities	Developer contribution
Link to other information	GNDP Local Investment Plan and Programme http://www.gndp.org.uk/our-work/cil/cil-background-documents/
Status	

Thickthorn Junction

Thickthorn junction where the A11 meets the A47 to the southwest of Norwich is one of the busiest junctions in the county. In order to accommodate growth in and around Norwich significant capacity improvements are required. In addition to improvements to the junction, improvements to the park and ride and bus priority are also required.

Infrastructure	Thickthorn junction improvement
Location	South Norfolk
Delivers	4,400 dwellings plus other growth on A11, NRP
Lead Authority	Norfolk County Council
Key date for delivery	2011-2018
Total Cost	Circa £30 million
Unfunded Cost	Circa £30 million
CIL contribution?	Yes
Funding Opportunities	Developer contribution
Link to other information	GNDP Local Investment Plan and Programme http://www.gndp.org.uk/our-work/cil/cil-background-documents/
Status	Feasibility study is underway to determine a costed improvement scheme

Case Study - Norwich Research Park

Norwich Research Park is located at Colney, just south of Norwich within the A47 Southern bypass and accessed via two of its junctions (Thickthorn and B1108). It is a regionally significant employment site employing 11,000 people that provides world-leading research expertise in the fields of health, life and environmental sciences, through a combination of the Norfolk and Norwich University Hospital (NNUH), the University of East Anglia (UEA) and four independent research institutions.

There is a need for improved road links to serve the proposed growth which will be considered in the context of the adopted NRP Development Framework Supplementary Planning Document and any future masterplans for the area. Future access improvements will require the improvement of the B1108 in both directions from NRP. Minor works at the B1108 junction have been put forward as part of the bid for Highways Agency pinchpoint programme.

In his Budget Speech of March 2011, the Chancellor of the Exchequer announced £26 million for the Norwich Research Park to fund infrastructure and premises. This was part of a £100 million investment in new science facilities designed to help Britain become a home of innovation. Planning applications have now been received and the County Council will continue to work with the developers as work progresses.

Infrastructure upgrades on the sewerage network will also be required to accommodate the proposals for the NRP North and NRP South development sites.

Easton/Costessey, Hethersett and Cringleford sewerage upgrade

Existing sewerage infrastructure serving Easton/Costessey is at full capacity and new infrastructure will be required. The Greater Norwich Development Partnership Stage 2b Water Cycle Study identified the need for growth to be served by upgrades to the existing Yare Valley Trunk Sewer discharging to the Trowse Pumping Station and then on to the Whitlingham Waste Water Treatment Works which has sufficient spare capacity.

Infrastructure	Sewerage upgrades
Location	South Norfolk
Delivers	3,200 dwellings
Lead Authority	Anglian Water
Key date for delivery	2016-2026
Total Cost	Tbd
Unfunded Cost	Tbd
CIL contribution?	Developer funded
Funding Opportunities	Private sector
Spin off benefits?	
Link to other information	GNDP Local Investment Plan and Programme http://www.gndp.org.uk/our-work/cil/cil-background-documents/
Status	Baseline requirement

7. Longwater to North Tuddenham

The stretch of the A47 between Longwater and North Tuddenham is the main approach into Norwich for those travelling from the west of the County.

Easton/Costessey

Costessey is situated west of Norwich and includes three main residential areas: Old Costessey, New Costessey and Queens Hills. Longwater Employment Area is located south of Queens Hills either side of the A47 at its junction with the A1074. Old and New Costessey have a range of local services and facilities, while all areas have access to the Longwater Employment Area and its adjacent Norfolk Retail park which provides a range of large scale food and non-food retailing.

Easton has a limited range of local services but is located close to the Norfolk Retail Park and other services in New Costessey on the opposite side of the adjacent A47 Norwich southern bypass. The village has good links via the A47 and Park and Ride site, and is home to the Royal Norfolk Showground and Easton College.

Easton/Costessey has an allocation for 1,000 new dwellings.

Longwater Junction

Longwater junction is located on the far western edge of the A47 Southern Bypass, acting as the key junction into Norwich from the west of the County. It provides a significant constraint to growth and is in need of improvement. A short term improvement scheme has been programmed for construction this financial year. In addition a medium term scheme is also required but not yet programmed, the earliest date for which will be the latter part of 2013/14 and a longer term scheme to be delivered post 2016. In addition to this major scheme pedestrian and cycle links to Longwater are required.

Dependent on the location of growth at Easton/Costessey some improvements may be required at Easton roundabout rather than or in addition to Longwater but this will not be determined until the adoption of the South Norfolk Site Specifics Allocations document.

Infrastructure	Longwater junction improvement
Location	South Norfolk
Delivers	1,000 dwellings plus growth from the west of the County
Lead Authority	Norfolk County Council
Key date for delivery	First stage by 2016 to be completed by 2026
Total Cost	Phase 1 circa £30,000, phase 2 circa £1½ - 1 million; phase 3 circa £20 million (costings dependent on feasibility work)
Unfunded Cost	tbd
CIL contribution?	Yes
Funding Opportunities	Developer contribution
Spin off benefits?	
Link to other information	GNDP Local Investment Plan and Programme http://www.gndp.org.uk/our-work/cil/cil-background-documents/
Status	Feasibility study to devise a costed improvement scheme is proposed but not yet commenced.

A47 Dualling – Easton to North Tuddenham

The A47 between Easton and North Tuddenham has previously been identified as a stretch of road which would benefit from dualling helping to ease congestion at peak times between Norwich and Dereham. Indeed, in doing so safer by design elements could be incorporated in order to reduce traffic accidents and associated road closures.

Current estimates suggest that dualling this section (7.9 miles) would cost around £75 million.

Honingham Roundabout

An “expressway” has been proposed at Honingham roundabout. This would help to alleviate congestion travelling eastward on the A47. This scheme has recently been approved as part of the Highways Agency’s Pinchpoint Programme and will cost in the region of £1.3 million.

8. North Tuddenham to West Norfolk

Between North Tuddenham and East Winch there are currently no identified infrastructure improvements required. However, this stretch of the A47 is home to two of Norfolk's largest market towns: Dereham and Swaffham. Neither location is taking strategically significant growth in the Breckland plan period but if future plans aim for more substantial growth there is likely to be a need for significant infrastructure improvements.

RAF Marham is accessed from/close to this section of the A47 and is an important piece of national infrastructure that it is important to retain and support. Marham also makes a significant contribution to the local economy. There is a particular need to ensure land access to the base is adequate for expansion plans which are being developed. Links via the A1122 to the A47 and access into the base from the south require further assessment and priority planning for implementation.

Case Study - Marham

RAF Marham is a key employment site which has a positive effect on the economies of West Norfolk and Breckland and of the county of Norfolk more widely. It is the largest operational front-line base maintained by the RAF, and is home to a large proportion of the RAF's offensive capability. In addition, there are a wide range of RAF 'lodger' units based there, as well as significant operations by industrial partners including BAE Systems and Rolls-Royce. As such it represents a centre of excellence for the RAF and partners and has a critical mass on which to build for the future. As a single employment site it supports almost 5,000 direct jobs, as well as many others in the local supply chain, and the RAF Marham community amounts to some 8,000 people with dependants.

9. King's Lynn and West Norfolk

King's Lynn, in the west of the County, has a population of around 44,000 and is the third largest settlement in Norfolk after Norwich and Great Yarmouth. The Borough Council of King's Lynn and West Norfolk is planning for 7,500 dwellings and 3,000 jobs in and around King's Lynn in the period between 2001 and 2026. Much of this growth will be encouraged on brownfield sites in the town in order to contribute to the overall regeneration emphasis in King's Lynn. The Nar Ouse Regeneration Area will deliver regeneration of around 53 hectares of mixed use development. However some growth is expected in the south east quadrant of the town with this area anticipated as being the area for future growth beyond the plan period. Several pieces of key infrastructure are required in order to facilitate this growth, both now and in the future. These are described in more detail below.

Mott MacDonald has suggested that without improvements to the A47 in the King's Lynn area some **750 jobs** and **400 dwellings** would not be delivered over the plan period. They also suggest that private investment worth **£15 million** (plus an additional **£40 million** as a result of lost housing development) would not occur in the area without improvements and that almost **£19 million** of gross value added per annum would not be achieved.

Middleton/East Winch bypass

There has been a long standing aspiration to provide a Middleton/East Winch bypass as part of further dualling of the A47. This will improve overall journey times on the A47 and provide residential amenity in Middleton and East Winch where the A47 severs the community.

Current estimates for a Middleton/East Winch bypass suggest that this scheme would cost in the order of £75 million.

Hardwick Junction

Hardwick is the junction between the A47, the A10 and the A149 and is an important route into town providing access to King's Lynn's main retail and employment areas. It is also an important hub for tourists travelling to the north Norfolk coast causing congestion particularly in the summer months. Previous improvements to the junction included the addition of a flyover allowing through traffic on the A47 to bypass the junction altogether. To cater for planned growth in the immediate vicinity, which amounts to a total of 1,600 new houses to 2026 at South East King's Lynn and some 37 ha of employment land at the Hardwick Estate Extension, further improvements to the junction are required in order to increase capacity and allow for a new public transport corridor into town.

Infrastructure	Hardwick junction improvement
Location	King's Lynn and West Norfolk
Delivers	400 dwellings, 750 jobs, £15 million private investment, £19 million per annum GVA
Lead Authority	Highways Agency/Norfolk County Council
Key date for delivery	
Total Cost	£20-30million
Unfunded Cost	£20-30million
CIL contribution?	Possibly – King's Lynn and West Norfolk planning to introduce CIL
Funding Opportunities	Some improvements being implemented as part of superstore development
Spin off benefits?	Opens up land in south east quadrant for development post 2026.
Link to other information	
Status	Minor improvements have already been made as mitigation for the impact of two new superstores in the town. A developer of new homes in the south east quadrant is carrying out assessment work to identify impacts on the junction. Depending upon the outcome of this work, further feasibility work may be carried out by Norfolk County Council.

Sewerage improvements in King's Lynn

To help facilitate growth in King's Lynn, upgraded waste water flow capacity is required as well as major sewerage improvements.

Infrastructure	Upgraded waste water flow capacity in King's Lynn	Major sewerage improvements at King's Lynn
Location	King's Lynn and West Norfolk	King's Lynn and West Norfolk
Delivers		
Lead Authority	Anglian Water	Anglian Water
Key date for delivery		
Total Cost	Circa £500,000	£1-1.2 million
Unfunded Cost	Circa £500,000	£1-1.2 million
CIL contribution?	Possibly – King's Lynn and West Norfolk planning to introduce CIL	Possibly – King's Lynn and West Norfolk planning to introduce CIL
Funding Opportunities	Private sector	Private sector
Spin off benefits?		
Link to other information		
Status	Baseline requirement	Baseline requirement

Increased surface water storage in East Lynn

Increased surface water storage is required in East King's Lynn (east of the A149 between the Pierpoint and Middleton Stop Drains) to enable the development of some 37 ha of employment land at Hardwick.

Infrastructure	Surface water storage in East King's Lynn
Location	King's Lynn and West Norfolk
Delivers	37 ha employment land in strategic site
Lead Authority	King's Lynn IDB
Key date for delivery	2012-13
Total Cost	£1-1.25 million
Unfunded Cost	£1-1.25 million
CIL contribution?	
Funding Opportunities	IDB
Spin off benefits?	Opens up land in Hardwick for employment development
Link to other information	
Status	Funded for construction in 2012/13 by IDB subject to planning permission

Increased surface water capacity North Lynn

In addition, increased surface water capacity is required in North Lynn (through the North Lynn link scheme linking the Black Drain with the Bawsey Drain and providing a second pump at North Lynn Pumping Station) to enable the development of the strategic housing allocation at South Wootton and other housing land in North Lynn.

Infrastructure	Surface water storage in North Lynn
Location	King's Lynn and West Norfolk
Delivers	Up to 800 dwellings at South Wootton and some 700 dwellings in North Lynn
Lead Authority	King's Lynn IDB
Key date for delivery	
Total Cost	£2-2.5 million
Unfunded Cost	£2-2.5 million
CIL contribution?	Possibly – King's Lynn and West Norfolk planning to introduce CIL
Funding Opportunities	IDB/private sector
Spin off benefits?	Enables housing development in South Wootton/North Lynn
Link to other information	
Status	

Electricity network reinforcement

Reinforcement to the electricity network in King's Lynn is also required although the scale of need is yet to be determined

Infrastructure	King's Lynn electricity network reinforcement
Location	King's Lynn and West Norfolk
Delivers	
Lead Authority	UK Power Networks
Key date for delivery	
Total Cost	Tbd
Unfunded Cost	Tbd
CIL contribution?	Possibly – King's Lynn and West Norfolk planning to introduce CIL
Funding Opportunities	Private sector
Spin off benefits?	
Link to other information	
Status	Baseline requirement

Strategic flood defence

Improved flood defences in King's Lynn are required to realise the development ambition in the town. The Strategic Flood Risk Assessment (SFRA) and the Environment Agency hazard maps highlight the issue.

[For more information on the SFRA for King's Lynn please click here](#)

Other smaller projects in the town include:

- Possible improvements to Saddlebow (A47) and Pullover (A47/A17) junctions
- King's Lynn traffic gyratory improvements to improve air quality: cost tbd
- Reinforcement of medium pressure gas system in King's Lynn: cost tbd
- Improvements to the Hospital roundabout on the A149
- New bus station: to be funded at least in part by developer contributions
- Improvements to the Feline (see section 4 below for details)

A17

The A17 links King's Lynn to the A1 at Newark and the North and is a key link out of the west of the County. Much of the A17 is single carriageway and journey times can often be slow and unreliable.

Wisbech

Wisbech is located close to the Norfolk/Cambridgeshire border and land in Norfolk has been identified by the Borough Council of King's Lynn and West Norfolk as a location for growth. Current plans allocate 550 dwellings on the eastern edge of the town. It is important to also consider the growth Fenland District Council are planning for in the Wisbech area. The Fenland District Council draft Core Strategy makes a strategic allocation of 1,000 homes adjacent to the King's Lynn and West Norfolk boundary.

Wisbech drainage improvements

Depending on the location of developments around Wisbech there may be a requirement for a major improvement scheme such as a flood storage area to ensure that the developments can be efficiently drained and that flood risk in the area will not be increased. The construction of a flood storage pond alone is estimated by the King's Lynn IDB to cost some £500,000.

In the next few years the Board is also proposing to replace its Islington Pumping Station whose catchment includes the eastern side of Wisbech, with a current indicative cost of nearly £6m. While there are a number of funding avenues such as existing reserves, drainage rates payable in the next few years and loans or grant aid at least part of the cost will need to be met by the developments that benefit from it.

Wisbech sewerage upgrades

Local sewerage network upgrades will be required for major development sites in Wisbech

Reinforcement of electricity network at Wisbech

It is believed that there is very little capacity for growth in Wisbech in terms of electricity supply. As a result significant investment will be required to overcome this although the scale of this investment is not yet known.

Wisbech bypass congestion

There are significant congestion issues on the A47 Wisbech bypass especially at the pinchpoint junctions of the B198, A1101 and Broadend Road. These junctions have been put forward for consideration under the Highway Agency's Pinch Point Programme. However the detail of any improvements is currently unknown. These will be worked up after transport modelling work is completed.

Beyond to Peterborough

Outside of Norfolk the A47 links with Wisbech and Peterborough where it joins the A1. Improvements are sought on single carriageway sections of the A47 between Wisbech and Peterborough. The short stretch west of Peterborough to the A1 Wansford junction is a particular congestion pinch point.

10. A11 Corridor

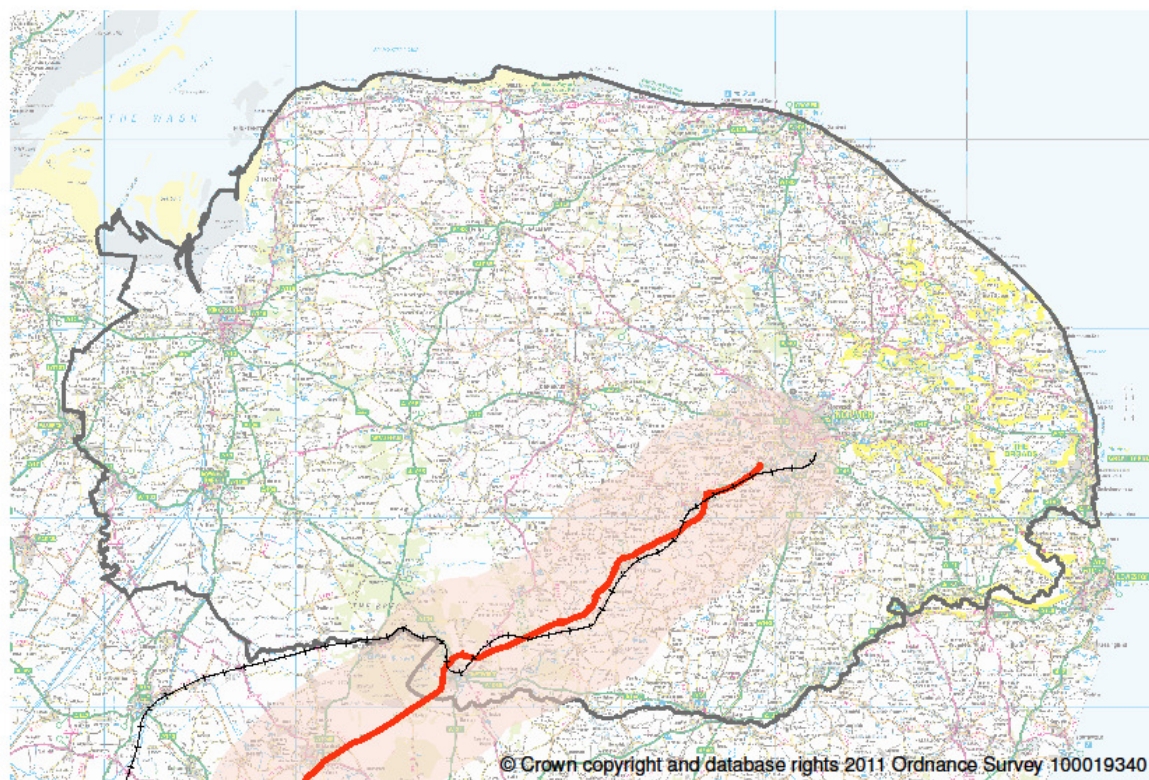
Norwich to Cambridge, London and the Midlands

The A11 is the main strategic link out of the County to Cambridge and London. The A11 corridor also links Norwich and the market towns of Wymondham, Attleborough and Thetford and is home to almost half of all Norfolk's planned new housing over the coming decades. There is significant growth planned at Cringleford (1,200), Hethersett (1,000), Wymondham (2,200), Attleborough (4,000) and Thetford (5,000).

Norfolk County Council and other stakeholders have campaigned for many years to lobby Government to fund the dualling of the last remaining single carriageway stretch of the A11 between Barton Mills and Thetford. The primary reason for this is the large benefits it confers to business and the local economy, in addition to the journey time reliability benefits for all motorists.

This campaigning was successful and the works have commenced with main construction starting in early 2013 and completion by the end of 2014.

Fig 6 – A11 corridor



Case Study - Hethel Engineering Centre

Hethel Engineering Centre is a business dedicated to supporting the growth and success of high performance engineering and manufacturing companies and individuals throughout the region that aims to:

- Develop and maintain strong relationships with UK Government and government departments to represent the needs and interests of high performance engineering and manufacturing companies in the region.
- To be a leading source of knowledge for signposting companies and individuals towards the most appropriate and current academic and business support available.
- To develop effective processes to share best practice.
- Maintain and provide a quality thinking environment and provide inspiration to companies engaged in high performance and manufacturing.
- Represent the collective merits of this region as a prime location for the efficient operation of knowledge/high performance based business.
- Be entrepreneurial in meeting customer's needs quickly.
- Promote the success stories of the region in the field of high performance engineering and manufacturing on a regional, national and international stage.

One of the key themes in the Economic Growth Strategy is to “help businesses start up and grow”. An advanced Manufacturing Centre (40,000ft²) will be built by March 2013 at Hethel Engineering Centre, providing grow on space for existing tenants. Once built, a new company, Hethel Innovation Limited will support the start of innovative hi-tech companies.

Improvements to the A11 and the Norwich to Cambridge rail route will help Hethel to achieve its aims. In addition sustainable transport links from Wymondham and Hethersett will make the Centre more accessible.

Rail - Norwich to Cambridge

The current service between Norwich and Cambridge has proved to be very successful, boosted recently by the introduction of longer trains and increased passenger demand. Overall, the service would benefit from faster journey times, a regular ½ hourly service, and in the long-term electrification and an extension to Stansted Airport.

Ely north junction

A recent announcement by Government confirmed that dualling at Ely North Junction would be included as part of a £9 billion investment in Britain's railways. The dualling scheme would help to alleviate the bottleneck at Ely, boosting economic growth in East Anglia. It is thought that the £25 million improvement could start as early as 2014.

Past Ely the line connects to Peterborough, the midlands and beyond. It also connects to Cambridge and London to the south.

Electrification of line

Although this is not programmed or costed electrification of the line between Norwich and Cambridge is a long-term ambition.

Existing operations:

- *Part of Greater Anglia Franchise*
- *Operated by Greater Anglia (Parent company Abellio)*
- *Franchise expires 2014*
- *Hourly services*

Key priorities:

- *Regular clock-face ½ hourly services (could be achieved in conjunction with Norwich to Liverpool)*
- *Extension of service to Stansted*
- *Faster journey times*
- *Improvements to stations*

Other Issues:

Need to maintain the potential of the currently disused rail spur at Snetterton

The [Norfolk Rail Prospectus](#) highlights Norfolk's ambitions for rail improvements.

11. Wymondham, Hethersett and Cringleford

Wymondham is a market town with good links to both Norwich and Cambridge by rail and road. Its existing bus link to Norwich already benefits from significant bus priority and performs well as part of a public transport corridor. Wymondham has planned growth of at least 2,200 dwellings in the period between 2008 and 2026 and as such is the largest growth location in South Norfolk.

Hethersett is a commuter village located several miles south west of Norwich. It is within easy access of Norwich and Wymondham as well as NRP and UEA. Because of its location it benefits by being on the public transport corridor between Wymondham and Norwich. Hethersett has an allocation of 1,000 dwellings for the period 2008-2026.

Cringleford is a large village located to the south of Norwich, either side of the A11, separated from Norwich City by the River Yare. It is located close to the UEA, NRP and the NNUH and has good public transport, cycling and walking links to both these facilities and Norwich city centre. Cringleford has already seen significant development at Roundhouse Park but has been allocated a further 1,200 new dwellings in the JCS.

Whilst the settlements are distinct both spatially and in character, Wymondham, Hethersett and Cringleford have functional relationships in terms of infrastructure. The growth provisions are highly dependent on the provision of water supply, sewerage, road junction improvements, sustainable transport improvements and electricity supply reinforcements. Localised sewerage network upgrades will be required for the development site in Wymondham. Some impact assessment have already been made and solutions and costs provided to the respective developers.

[Please see above for details on the required sewerage upgrade at Hethersett, Cringleford and Easton/Costessey](#)

Wymondham water supply connections

Water resource is available in principal for the 4,400 dwellings planned for in Wymondham, Hethersett and Cringleford. However, network improvements will be required before connection can take place.

Infrastructure	Wymondham water supply
Location	South Norfolk
Delivers	4,400 dwellings (Wymondham, Hethersett and Cringleford)
Lead Authority	Anglian Water
Key date for delivery	
Total Cost	£22.4 million
Unfunded Cost	
CIL contribution?	Yes
Funding Opportunities	Private sector
Link to other information	GNDP Local Investment Plan and Programme http://www.gndp.org.uk/our-work/cil/cil-background-documents/
Status	Baseline requirement

Wymondham electricity

Replacement transformers and switchgear are also required at Wymondham

Infrastructure	Wymondham – electricity transformers
Location	South Norfolk
Delivers	
Lead Authority	UK Power Networks
Key date for delivery	2023/24
Total Cost	£760,000
Unfunded Cost	£760,000
CIL contribution?	Yes
Funding Opportunities	Private sector
Spin off benefits?	
Link to other information	GNDP Local Investment Plan and Programme http://www.gndp.org.uk/our-work/cil/cil-background-documents/
Status	Baseline requirement

Transport

Development at Wymondham, Hethersett and Cringleford also requires the provision of an incremental set of bus improvements leading to a Bus Rapid Transit route via the B1172 to NRP and Norwich city centre, plus improvements to the A47 southern bypass Thickthorn junction to include bus priority and Park and Ride provisions. These are critical to provide high standard sustainable transport links in accordance with the Norwich Area Transportation Strategy (NATS), while ensuring that the capacity of the A47 Norwich southern bypass Thickthorn junction does not become a constraint on proposed growth imposed by the Highways Agency.

[Please see above for more on Thickthorn junction](#)

12. Attleborough

Attleborough is located around 20 miles south west of Norwich with rail links to both Norwich and Cambridge. The town has a population of approximately 12,000 and is planning for significant growth of 4,000 dwellings in the period to 2026. This growth means that Attleborough will be the second largest growth location in Breckland after Thetford and will increase from its current size significantly. Such substantial development will clearly require a number of key infrastructure interventions to enable it to occur.

Key improvements to accommodate the strategic growth in the town are a new link road to the south east, improvements to the town centre gyratory system and capacity improvements on the A11 junctions. The new link road will help to distribute new and existing traffic around the town in particular HGV's

Attleborough town centre transport improvements

A feasibility study is being carried out to consider potential measures to improve traffic conditions in the town centre including the gyratory system. This is supported by a further study looking at Smarter Choices measures to reduce the reliance on the car and encourage modal shift.

Infrastructure	Town centre improvements
Location	Breckland
Delivers	4,000 homes and >2,000 jobs
Lead Authority	
Key date for delivery	2015-2019
Total Cost	£2.5 million
Unfunded Cost	
CIL contribution?	Breckland developing CIL
Funding Opportunities	
Spin off benefits?	
Link to other information	Attleborough and Snetterton Heath Area Action Plan (2010) and the Growth Infrastructure Study (2007) available at: http://www.breckland.gov.uk/content/planning-policy-local-development-framework-publications
Status	Studies are under way to develop these measures

Attleborough link road

A key transport priority for Attleborough given its planned strategic growth is a link road between the B1077 near Bunns Bank to the A11 which will distribute new and existing traffic around the town. Several options were consulted upon within the Attleborough and Snetterton Heath Area Action Plan in 2010 which looked at both east and west options, however, further work has determined that a preferred route from the B1077 Buckenham Road to the London Road in the vicinity of the Breckland Lodge roundabout.

A feasibility study has been commissioned to determine a detailed scheme for this link road.

Infrastructure	Attleborough link road
Location	Breckland
Delivers	4,000 homes and >2,000 jobs
Lead Authority	
Key date for delivery	2015/16
Total Cost	£11.05 million
Unfunded Cost	
CIL contribution?	Breckland developing CIL
Funding Opportunities	
Spin off benefits?	
Link to other information	Attleborough and Snetterton Heath Area Action Plan 2010 http://www.breckland.gov.uk/content/planning-policy-local-development-framework-publications
Status	

Attleborough wastewater treatment

Upgrades to Attleborough WwTW are required to accommodate the full proposed growth. Using the proposed growth profile these upgrades will not be required before 2021. Whilst the existing site could be developed and expanded further, the critical issue is the environmental capacity of the Attleborough Stream to accommodate additional volumes of treated water.

Localised sewerage network upgrades will be required for proposed development site in Attleborough. Some impact assessment have already been made and solutions and costs provided to the respective developers. Others are currently being carried out.

Infrastructure	Wastewater treatment capacity and outflow – Attleborough
Location	Breckland
Delivers	4,000 homes and >2,000 jobs
Lead Authority	Anglian Water, Environment Agency, Developers/Landowners
Key date for delivery	2016/17
Total Cost	£7.5 million
Unfunded Cost	£0
CIL contribution?	N/A
Funding Opportunities	
Spin off benefits?	
Link to other information	Attleborough and Snetterton Heath Area Action Plan Issues and Options (2011) and The Water Cycle Study (2009) & (2010) all available at: http://www.breckland.gov.uk/content/planning-policy-local-development-framework-publications
Status	Baseline requirement

Case Study - Snetterton Employment Area

Snetterton Heath is identified as a strategic employment site in the Breckland Core Strategy and its wider strategic role was previously identified by the Norfolk Employment Growth Study (2006). It is approximately 5 miles south of Attleborough on the A11 and has been developed from the former technical area of the World War Two airfield. The employment area currently covers approximately 63 hectares (155 acres) and accommodates a range of manufacturing, engineering and storage and distribution businesses. In addition to the identified employment area, a large part of the former airfield is used for the world famous Snetterton racing circuit which accommodates a number of prestigious car and motorcycle events.

Recent planning permissions signal an intent to enhance the outlook and offer at Snetterton Heath in a way which compliments the REV (Rural Enterprise Valley) programme, which promotes motor sport related economic growth and associated advanced engineering in Breckland and elsewhere on the A11 in Norfolk. The REV programme identifies Snetterton Heath employment site as an instrumental cog in the economic strategy for District.

Snetterton Heath is currently served by nearby Eccles Road train station but could benefit from increased sustainable transport options to/from Attleborough currently being explored through the Attleborough and Snetterton Heath Area Action Plan (ASHAAP). Also, rail sidings currently accessing the site could be used more widely to transport freight to/from the employment site.

The ASHAAP needs to plan for the creation of between 500 and 1,500 new jobs at Snetterton Heath by 2021 and will do so by the allocation of 20 hectares of employment land to facilitate the development of a motorsport related cluster and deliver additional road and rail warehousing and distribution uses.

Snetterton Heath would only be brought forward in the medium to long term (post 2016) once existing employment land allocations have been taken up and electricity capacity constraints (described below) have been overcome.

Snetterton Energy Supply

Electricity upgrades will be needed to enhance the energy supply network to support the increase supply at Snetterton Heath Employment Area

This project is to provide a solution to deliver electrical energy supply capacity (>15MVA) at Snetterton Heath Employment Area. There is currently a lack of spare electricity capacity to enable the development of new industrial uses without significant upgrading of the network. A number of possible solutions have been identified based on different ownership/ funding models. The first option is a strategic solution delivered by UK Power Networks is estimated to cost between £5-6million for overhead power cable reinforcement.

Infrastructure	Snetterton Energy Supply
Location	Breckland
Delivers	4,000 homes and 2,000 jobs in Snetterton Heath Employment area
Lead Authority	UK Power Networks, Breckland District Council, Developers/Landowners
Key date for delivery	2011-2013
Total Cost	£5-6 million
Unfunded Cost	£0
CIL contribution?	-
Funding Opportunities	Private sector
Spin off benefits?	
Link to other information	Attleborough and Snetterton Heath Area Action Plan http://www.breckland.gov.uk/content/planning-policy-local-development-framework-publications
Status	Baseline requirement

13. Thetford

Thetford is located about 80 miles north east of London and is Norfolk's fourth largest settlement with a population of just over 24,000. Thetford is approximately equidistant from the major urban centres of Norwich (32 miles) and Cambridge (35 miles) and has planned growth of 5,000 dwellings (2001-2026) and 5,000 jobs (2001-2021). Around half of Breckland's housing provision will be located in the town therefore it is vital that infrastructure is delivered in a timely manner to keep pace with the required rate of development over the period.

A11 junction improvements at Thetford

Evidence has shown that even without the proposed growth at Thetford, the junctions surrounding the A11 are forecast to operate over their theoretical capacity by 2026, with the Mundford Road (A134) junction experiencing the worst congestion. The issues are exacerbated by the proposed growth of Thetford. As a result, the five junctions on the A11 bypass around Thetford will be upgraded during the Plan period. A Masterplan for the urban extension will be developed and improvements will be made to an appropriate standard agreed with the Highways Agency.

Infrastructure	A11 Junction improvements - Thetford
Location	Breckland
Delivers	5,000 homes and 5,000 jobs in Thetford
Lead Authority	Highways Agency, Norfolk County Council, Landowners, Breckland District Council
Key date for delivery	2012-2016
Total Cost	£12.5 million
Unfunded Cost	£0
CIL contribution?	-
Funding Opportunities	Private sector
Spin off benefits?	Improved journey times
Link to other information	Thetford Area Action Plan adopted (2012) & the Thetford Transport Study (2010) available at: http://www.breckland.gov.uk/content/planning-policy-local-development-framework-publications
Status	

Thetford bus station relocation

The existing Thetford bus station is no longer fit for purpose and with significant growth and change expected in Thetford, Norfolk County Council has planning permission for a new bus interchange on the brownfield site at Minstergate. The existing site is constrained by adjacent buildings (one of which is listed), flood zones (along the river frontage) and by the presence of a Scheduled Monument. A new and enhanced bus interchange would enhance modal shift, as well as provide regeneration opportunities to the town centre and an enhanced river frontage.

Infrastructure	New bus station - Thetford
Location	Breckland
Delivers	Town centre regeneration
Lead Authority	Norfolk County Council, Moving Thetford Forward, Breckland District Council
Key date for delivery	2011-2013
Total Cost	£3.4 million
Unfunded Cost	£0
CIL contribution?	-
Funding Opportunities	Moving Thetford Forward Norfolk County Council
Spin off benefits?	
Link to other information	Thetford Area Action Plan adopted (2012) available at http://www.breckland.gov.uk/content/planning-policy-local-development-framework-publications
Status	

Electricity sub station

Reinforcement of the power supply by providing a new electricity sub-station in the area of the urban extension is needed in order to ensure delivery of the 5,000 dwellings and 5,000 jobs planned for in Thetford. At present only a limited capacity of new housing and employment growth can come forward in Thetford due to a lack of spare capacity. Alternative 'local power sources' could be provided ahead of the strategic network delivery but these will not provide a long-term solution.

Infrastructure	New substation in urban extension
Location	Breckland
Delivers	5,000 homes and 5,000 jobs in Thetford
Lead Authority	UK Power Networks, Breckland District Council, Developers/Landowners
Key date for delivery	2013 Commencement
Total Cost	£8 million
Unfunded Cost	
CIL contribution?	Breckland developing CIL
Funding Opportunities	UK Power Networks
Spin off benefits?	
Link to other information	Thetford Area Action Plan adopted (2012) & A11 Energy Study (2010) available at: http://www.breckland.gov.uk/content/planning-policy-local-development-framework-publications
Status	Baseline requirement

Waste water Treatment

There is sufficient capacity to accommodate the proposed growth at the WwTW. Localised sewerage network upgrades will be required for proposed development sites.

Beyond to Cambridge

The A11 continues south towards Cambridge with the final stretch of single carriageway expected to be dualled by the end of 2014.

[See above for rail connections to Cambridge](#)

East West Rail Link

The complete East West Rail scheme comprises a strategic rail route that will link Ipswich, Norwich and Cambridge, with Letchworth, Bedford, Milton Keynes, Bicester and Oxford, allowing connections to Swindon, the Thames Valley, South West England and South Wales, together with a spur to Aylesbury.

The route will connect the ports of Felixstowe and Harwich with the Great Eastern, East Coast, Midland, West Coast and Great Western main lines without the need to travel on congested tracks around North London. It also provides an extra route for north-south intermodal traffic from the port of Southampton.

The route links the strategic growth areas in Norfolk to Milton Keynes, Aylesbury and Bedford, as well as Oxford, and provides a connection across the important Oxford 2 Cambridge “high tech arc”.

East West Rail is supported by Norfolk County Council

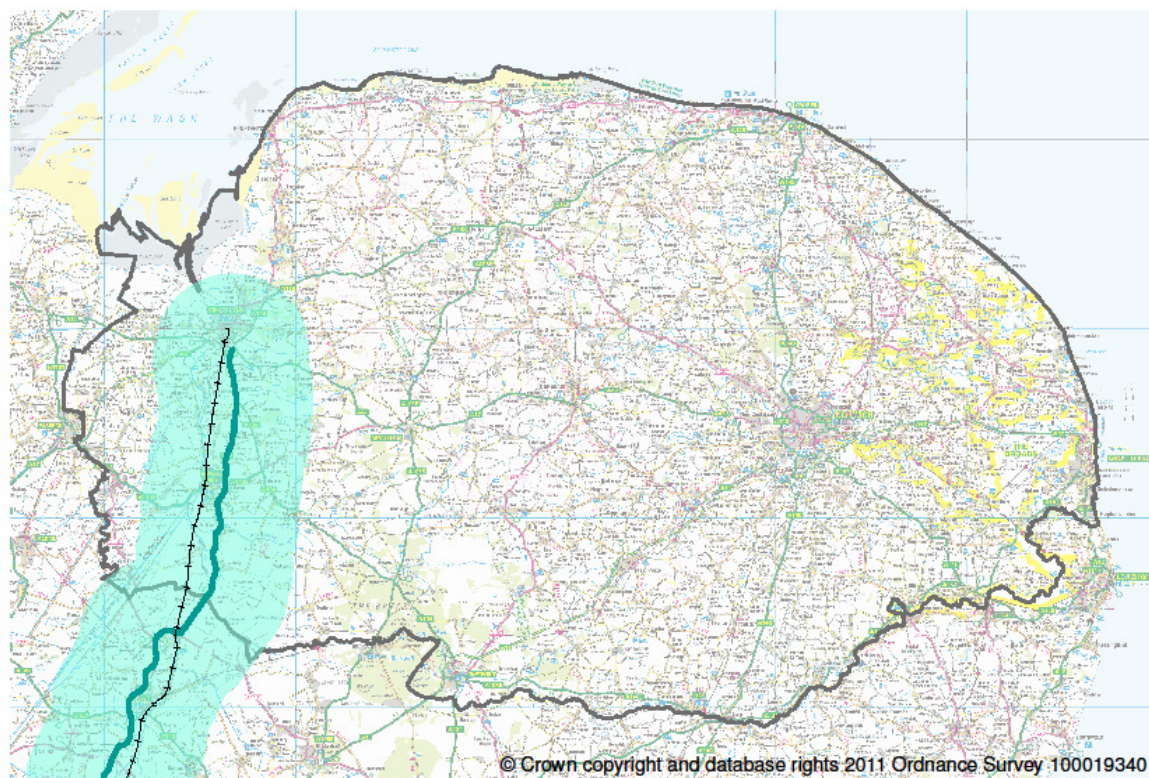
[For more information please see http://www.eastwestrail.org.uk/route/](http://www.eastwestrail.org.uk/route/)

14. A10 Corridor

King's Lynn to Cambridge and London

The A10 corridor links King's Lynn with Downham Market and beyond to Ely, Cambridge and London. King's Lynn, has a population of around 44,000 and is the third largest settlement in Norfolk after Norwich and Great Yarmouth while Downham Market has a population of around 9,000 and is one of the County's larger market towns. The Borough Council of King's Lynn and West Norfolk is planning for 7,500 dwellings and 3,000 jobs in and around King's Lynn and at least 2,710 new dwellings in Downham Market in the period between 2001 and 2026.

Fig. 7 – A10 Corridor



[For information on King's Lynn please see the A47 section above](#)

King's Lynn South East Expansion Area

In the current plan period (2001-2026) the Borough Council of King's Lynn and West Norfolk is planning 1,600 new dwellings in the south-east quadrant of the town, in the area between the A47 and the A10. Over the longer term this area has been identified as a possible location for further growth (up to 6,000 dwellings) and as such will require potentially significant infrastructure improvements.

A47/A10 link road/West Winch bypass

To facilitate this growth a link is required between the A47 and A10 to enable distribution of trips from this development and to alleviate congestion on the A10 through West Winch and at the Hardwick junction. In order to protect the existing A10 from increased traffic, a new route through or around the new development in this quadrant is proposed. This would effectively provide a West Winch bypass.

Infrastructure	A47/A10 link road/West Winch bypass
Location	King's Lynn and West Norfolk
Delivers	1,600 houses (longer term up to 6,000)
Lead Authority	Norfolk County Council
Key date for delivery	
Total Cost	Tbd
Unfunded Cost	Tbd
CIL contribution?	Possibly – King's Lynn and West Norfolk planning to introduce CIL
Funding Opportunities	
Spin off benefits?	Opens up land in south east quadrant for development post 2026 and could alleviate congestion at Hardwick junction
Link to other information	
Status	

Rail – Fenline services**Existing operations:**

- Hourly services to London from King's Lynn (1/2 hourly at peak times)
- Operated by First Capital Connect
- Thameslink Franchise (subject to outcome of franchise consultation process)

NB: Some peak-time services operated by Abellio as part of Greater Anglia franchise. These run to London Liverpool Street. All other services serve London Kings Cross.

Key priorities:

- Half-hourly frequency, Kings Cross-Cambridge-King's Lynn, throughout the day
- 125 mph Intercity Express programme (IEP) trains operating Kings Cross-Cambridge-King's Lynn services.
- Infrastructure improvements to allow running of IEP (platform extensions and station works, track/signalling works to achieve higher lines speeds, power supply upgrades, gauge clearance, and modifications to overhead line equipment)
- Delivery of a new station at Chesterton, north of Cambridge
- Ely upgrade ([considered separately above](#))

Other Issues

Need to maintain the freight potential of the currently disused freight spurs in King's Lynn

Downham Market

Downham Market is King's Lynn and West Norfolk's second town and is planning for at least 2,710 new dwellings in the period between 2001 and 2026.

Downham Market sewerage upgrades

In order to support this growth it is thought that sewerage upgrades will be required.

Infrastructure	Sewerage upgrades
Location	King's Lynn and West Norfolk
Delivers	
Lead Authority	Anglian Water
Key date for delivery	
Total Cost	Tbd
Unfunded Cost	Tbd
CIL contribution?	Possibly – King's Lynn and West Norfolk planning to introduce CIL
Funding Opportunities	
Spin off benefits?	
Link to other information	
Status	Baseline requirement

15. Norwich to Diss and London Corridor

In May 2010 Atkins produced a report entitled 'The Economic Case for Investment on the Great Eastern Main Line' on behalf of EEDA. Stakeholders from across the region developed a shared vision for the Great Eastern Main Line (GEML) which included:

- Faster journey times;
- More carriage capacity;
- Greater investment in track infrastructure;
- Better travels experiences and the provision of Wi-Fi services;
- Improves station environment; and
- Longer term franchise stability.

The study concluded that this vision would generate significant conventional and wider economic benefits delivering **£3.4 billion** in conventional transport economic benefits and **£280 million** in wider economic benefits in the 60 year period from 2016. These benefits were achieved through travel time savings, capacity enhancements, revenue gains to the train operator and business agglomeration.

The study also identified the important role that the GEML plays in linking the economies of Greater Norwich and London and the need for improved connectivity between the two to help maintain the momentum of growth in the area over recent years and as a driver of the future competitiveness of the business services, financial and ICT sectors in the area.

More recently a study has been commissioned to develop and analyse a range of options for the delivery of the GEML Vision leading to the identification of a preferred option and a mechanism by which it can be delivered.

The interim report (Atkins, June 2012) suggests that doing nothing is not an option as it will hinder economic growth and exacerbate existing issues regarding reliability and crowding. The study concludes with three key objectives:

- Meet peak demand for travel to and from London;
- Reducing journey times along the GEML; and
- Introduce rolling stock that provides passengers with an improved journey experience.

To achieve these objectives Atkins has identified an emerging 'core package' of interventions for consideration by the GEML client group to take forward for further development:

- Raise line speeds between London Liverpool Street and Norwich to maximum of 110mph, with associated infrastructure improvements;
- Replace inter-city rolling stock on Anglia Inter-City services;
- Increase GEML Outer Services into London Liverpool Street by up to 28 trains per hour, by undertaking track re-modelling at Bow Junction and elsewhere;
- Three tracking near Chelmsford Parkway (Boreham); and
- Additional/replacement commuter rolling stock.

16. Long Stratton

Long Stratton is located approximately 10 miles south of Norwich on the A140 – Ipswich Road. There is planned growth in Long Stratton of at least 1,800 dwellings in the period 2008-2026 but this growth is highly dependent on the provision of water supply, sewerage, improved electricity supply and a new bypass.

Long Stratton Bypass

The main road through Long Stratton is frequently constrained by turning movements at the Swan Lane junction in particular, which can cause significant through traffic congestion. The need for a bypass has long been a priority and is therefore considered to be a prerequisite to provide for the needs of the proposed growth.

Infrastructure	Long Stratton Bypass
Location	South Norfolk
Delivers	1,800 dwellings
Lead Authority	Norfolk County Council
Key date for delivery	2016-2019
Total Cost	£20 million
Unfunded Cost	£20 million to be funded by development
CIL contribution?	Yes
Funding Opportunities	Developer contributions
Spin off benefits?	Improved air quality
Link to other information	GNDP Local Investment Plan and Programme http://www.gndp.org.uk/our-work/cil/cil-background-documents/
Status	

Long Stratton water supply

A sufficient supply of water is available to support the levels of growth planned in Long Stratton but is dependent on the improvement of local water supply network that will be needed before connections take place.

Long Stratton sewerage upgrade

The local waste water treatment works has spare capacity for approximately 1,400 of the proposed 1,800 new homes, but the balance will require “innovative solutions” for its waste water treatment to be investigated on a site specific basis. Localised sewerage network upgrades will be required for proposed development sites.

Hapton upgrade

Growth in Long Stratton is also dependent on the replacement of electricity transformers and switchgear at the Hapton Primary sub-station.

Infrastructure	Replacement transformers at Hapton sub station
Location	South Norfolk
Delivers	1,800 dwellings
Lead Authority	UK Power Networks
Key date for delivery	2021/22
Total Cost	£760,000
Unfunded Cost	£760,000
CIL contribution?	Yes
Funding Opportunities	Private sector
Link to other information	GNDP Local Investment Plan and Programme http://www.gndp.org.uk/our-work/cil/cil-background-documents/
Status	Baseline requirement

Outside Norfolk

The Waveney Valley including the settlements of Diss, Harleston, Eye, Beccles and Bungay is an area where cross boundary issues need to be carefully considered. The A143 corridor, linking Great Yarmouth and Bury St Edmunds is one of the ten corridors put forward to the Mobile Infrastructure Project.

[For more information on this project see the section above](#)

17. Rural infrastructure

The strategic infrastructure needs of much of rural Norfolk is captured elsewhere as countywide needs or within the growth corridors. North Norfolk's Core Strategy was not supported by infrastructure evidence and the District Council has recently appointed Roger Tym and Partners to conduct an Infrastructure Study. Their report is expected in September/October 2012 and this should help feed into further iterations of the Infrastructure Plan.

The Bittern Line provides a vital link between several of North Norfolk's growth towns and Norwich.

Rail - Bittern Line

Existing operations:

- *Part of Greater Anglia Franchise*
- *Operated by Greater Anglia (Parent company Abellio)*
- *Franchise expires 2014*
- *Hourly services*
- *Also known as the Bittern Line*

Key priorities:

- *New or fully refurbished rolling stock*
- *Longer trains to cope with peak period flows*
- *Longer-term: increased frequency. Possibly could be achieved through tram-train style service to N Walsham*
- *Improvements to railway stations*

RAF Coltishall

Investment in the former RAF Coltishall site represents a major economic asset with a variety of possible uses, and with significant potential to benefit the local and wider economy of Norfolk.

18. Next steps

This Plan will be updated annually to take account of developments in understanding and of the projects presented here. As Plans are reviewed and longer term growth considered, projects and priorities may change and these will be incorporated in future iterations.

This document will be used to help lobby investment from Government.

Appendix 1 – Background

The County Council adopted its Economic Growth Strategy entitled ‘Delivering Economic Growth in Norfolk’ in April 2012. The strategy was developed in response to the Leaders budget speech of 2011 and is designed to secure economic growth for the County as well as support and complement the work of the New Anglia LEP and the Greater Cambridge Greater Peterborough LEP³ while ensuring Norfolk’s priorities are given the targeted focus they deserve in light of the ongoing reductions in local authority spending.

The strategy has five key aims:

- Provide support for growth and remove infrastructure constraints;
- Help businesses start up and grow;
- Improve perceptions of Norfolk’s business offer and secure inward investment and growth in key sectors;
- Address Norfolk’s skills and employability challenges; and
- Fair access to the public sector.

This document has been developed with partner’s to fulfil the first objective of the strategy and outlines the key infrastructure constraints which unless resolved will constrain economic growth in Norfolk.

In December 2011 the Norfolk Strategic Services Coordinating Group agreed to act as the strategic steer for the document and a subset of its members formed a steering group tasked with developing it. This steering group, including several District Councils, Anglian Water, UK Power Networks, the Environment Agency and Norfolk Fire and Rescue, has met a number of times since the beginning of 2012 to pull together a list of strategic infrastructure projects which will help to unlock and enable growth in Norfolk. This list has been built from evidence from the Local Plans but includes several larger more ‘strategic’ scale projects which are outside the scope of the Local Plans (i.e. rail improvements) to ensure that all infrastructure required to facilitate growth is included. This document is an amalgamation of evidence from other current and emerging plans and, where appropriate, these sources have already been subject to widespread consultation, sustainability appraisal and strategic environmental assessment.

This document is designed to be a management tool with the aim of ensuring delivery of key interventions over the plan periods of the Local Planning Authorities. It is a living document and will be updated annually, taking account of developments in understanding and of the projects presented here. As Plans are reviewed and longer term growth considered, projects and priorities may change and these will be incorporated in future iterations. It is not a prioritisation of schemes but an iterative matrix with the aim of being updated when new information becomes available. It will ensure high level co-ordination between schemes and that funding streams are taken advantage of as and when they become available.

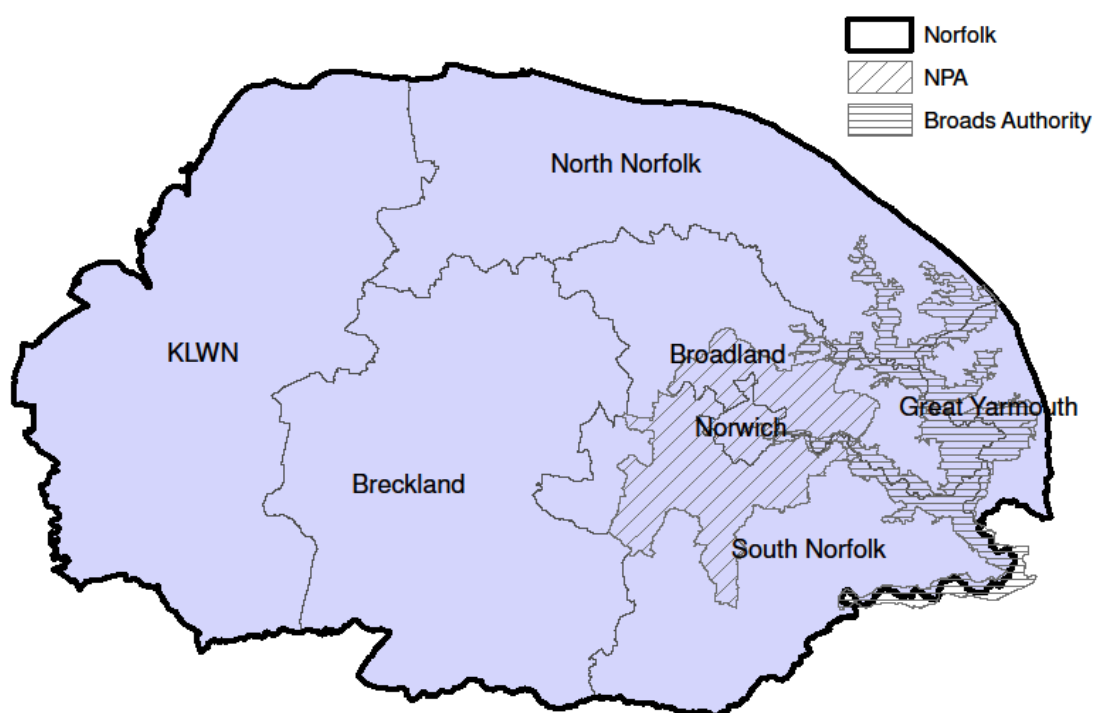
There are known gaps in our understanding which further iterations will populate. For example, while our understanding of transport requirements is quite broad, our understanding of utility issues is less so. There are also known spatial gaps where the requirements are being developed.

³ The Borough of King’s Lynn and West Norfolk sits in both LEP areas

Appendix 2 – Growth in Norfolk

Norfolk has a large amount of planned growth over the coming 15 years. Indeed, the planned scale of growth in the County is higher than that experienced over the past few decades. Although the Local Planning Authorities are planning for different time periods the average pro-rata annual target to be achieved across the County is for around 4,200 dwellings and 2,500 jobs.

Fig. 1 – Local Planning Authority Boundaries



The planned growth across Norfolk is summarised below:

- The Greater Norwich Development Partnership (GNDP) is the body through which Broadland District Council, Norwich City Council, South Norfolk Council, Norfolk County Council, and the Broads Authority are working together to manage the delivery of growth. In the period between 2008 and 2026 the area is planning for 37,000 dwellings and 27,000 jobs with the Norwich Policy Area being the focus of these jobs and 33,000 dwellings.
- Breckland District Council is planning for 19,100 dwellings in the period between 2001 and 2026 and 6,000 jobs (2001-21).
- Great Yarmouth Borough Council's emerging strategy is planning for 4,500 dwellings over the period between 2013 and 2028 and 3,750 jobs.
- The Borough Council of King's Lynn and West Norfolk is planning for 16,500 dwellings in the period between 2001 and 2026 and 5,000 jobs (2001-21).
- North Norfolk District Council is planning for 8,000 dwellings and 4,000 jobs in the period between 2001 and 2021.

- Between 2001 and 2011 35,189 dwellings have already been completed in Norfolk.
- Estimates suggest that the number of jobs peaked in 2006 and there has been a significant decline since, but there are still over 28,000 jobs more jobs in 2011 than there were in 2001.
- The national and international economic climate, particularly its effect on access to finance has meant that delivery on growth has been somewhat stalled over the past few years. Indeed, the comprehensive spending review and cuts in funding will inevitably have an impact on infrastructure delivery in the future.

Summary of emerging local plans

Local Authority	Plan	Current Status	Next Stage/key Dates
Norfolk County Council	Norfolk Waste Site Specific Allocations	The Pre-Submission Representations period took place from 4 May to 29 June 2012	Submission expected August/September 2012.
	Norfolk Minerals Site Specific Allocations	The Pre-Submission Representations period took place from 4 May to 29 June 2012	Submission expected November 2012.
Breckland	Attleborough and Snetterton Heath Area Action Plan	Issues and Options consultation November – January 2010/2011	Preferred Options anticipated early 2013.
Broadland	Site Allocations DPD	Issues and options undertaken	Preferred options likely to be consulted on November 2012 (excludes NPA sites).
	Development Management DPD	Issues and Option undertaken	Preferred Option Autumn 2013
	Growth Triangle AAP	Issues and Option undertaken	Preferred Option Autumn 2013
	Supplementary Planning Documents – Landscape Character Assessment	September-December 2011 Public Consultation on the Landscape Character Assessment	Production 2010/12
Great Yarmouth	Core Strategy	Proposed Regulation 27 Consultation October 2011.	Submission consultation late summer 2012.
	Site Specific Allocations	In preparation for a second (Regulation 25) consultation.	Production during 2012/13
	Development Control Policies DPD	In preparation for a second (Regulation 25) consultation.	Production during 2012/13
	Great Yarmouth Waterfront Area Action Plan	Proposed Regulation 27 Consultation March 2012.	Next consultation autumn 2012.
	Statement of Community Involvement	Adopted January 2006	Under Review

Local Authority	Plan	Current Status	Next Stage/key Dates
Kings Lynn & West Norfolk	Site Specific Allocations and Policies	Issues and options consultation 23 rd September to 18 th November 2011.	Preferred Options consultation expected Winter 2012.
North Norfolk	All plans adopted		
City	Draft Site Allocations Plan	Issues and Option undertaken	Consultation on preferred 6th August- 26th October , Submission anticipated March 2013 and adoption late 2013.
	Draft Development Management Policies	Issues and Option undertaken	Consultation on preferred options 6th August- 29th October , Submission anticipated Spring 2013.
South Norfolk	Site Specific Allocations DPD (rural area and NPA excluding Wymondham and Long Stratton)	Second Stage Reg 25 29 August to 18 November 2011	Preferred Options consultation 3 September 2012
	Wymondham Local Plan	Issues and Options	Reg 18 consultation – October 2012
	Long Stratton Local Plan	Issues and Options	Reg 18 consultation – November 2012
	Cringleford Neighbourhood Plan	Issues and Options	Being prepared by Parish Council

Appendix 3 – What is not included?

This document concentrates on the strategic hard infrastructure needed to enable economic growth (transport, utilities and broadband) that cannot be delivered solely by the individual developments it will serve. While the importance of such infrastructure is recognised as being vital to the sustainable economic growth of the County the following elements are not included here:

- Improvements to further and higher education establishments;
- Skills and employability;
- Strategic green infrastructure; and
- Local infrastructure such as schools, community facilities and healthcare.

Further and Higher education establishments

Norfolk's further and higher education establishments are subject to different funding mechanisms to that of the other infrastructure projects presented in detail hereafter. While it is recognised that infrastructure improvements for skills are required across the County, it is not possible to take a strategic view on these needs at the County level as each establishment has its own mechanisms for targeting funding.

Skills and employability

Skills and employability issues are to be dealt with by various soft measures through the Economic Growth Strategy. The strategy will deliver apprenticeships and graduate work placements for young people and support people from welfare to work or further learning by working with partners through Norfolk's Employment and Skills Board.

Strategic green infrastructure

Norfolk is renowned for its environmental quality and while it is recognised how important strategic green infrastructure is, it is not included in this document as it will require a fundamentally different approach to that of the transport, utility or communication infrastructure projects presented here.

Officers from across the County are working together to determine how best to tackle strategic green infrastructure projects and issues across Norfolk.

Local infrastructure

The document does not include local infrastructure projects such as schools, community facilities and healthcare. These projects are outlined in the individual LPA's infrastructure plans and are being dealt with at this local level. Information on these local level projects can be found in the following documents:

Breckland Integrated Development Document

Great Yarmouth is currently in the process of developing an Infrastructure Plan

Greater Norwich Local Investment Plan and Programme

King's Lynn and West Norfolk Infrastructure Study

North Norfolk has appointed Roger Tym and Partners to conduct their Infrastructure Study. Their report is expected in September/October 2012.

Appendix 4 – What else needs to be considered?

Nationally important infrastructure

The County is home to some nationally important infrastructure and nationally important opportunities including:

- The opportunity of offshore energy production (see below);
- Bacton Gas Terminal - the on-shore terminal for southern North Sea gas fields and the import/export of gas to the European mainland;
- Norwich Research Park, home to Norfolk and Norwich University Hospital (NNUH), the University of East Anglia (UEA) and four independent research institutions;
- The National Construction College at Bircham Newton; and
- RAF Marham.

Offshore Energy Production

The North Sea and the Thames Estuary are principal locations for what will be large off shore wind farms, that when completed will house thousands of wind turbines.

Plans to develop offshore wind farms around the UK were developed in the early part of the last decade with small scale projects such as Scroby Sands off Great Yarmouth as part of the Round 1 programme. The Round 2 programme is substantially larger than Round 1. Some, such as the Sheringham Shoal field, off the north Norfolk coast, are already under construction and generating power and will host 400-500 turbines when completed. These turbines are larger than those used in Round 1 – typically 2-3MW and are just visible from the shore. Other sites include Docking Shoal, Race Bank, Greater Gabbard, Thanet and the London Array.

The aspiration amongst local partners is to increase the proportion of local business involved in the offshore energy sector substantially and that can only occur if elements of manufacturing, assembly and construction take place locally. Investment will increase substantially when Round 3 windfarms are developed and the increased critical mass may enable this aspiration to be realised. *East Anglia Offshore Wind (EAOW)* has plans to develop a minimum of another 1,100 turbines off the Norfolk coast with installation commencing in 2015 and completed by 2020. Great Yarmouth is seeking to sustain its 45 year old role as a centre for the energy sector, along with Lowestoft. However, competition is fierce with coastal locations from Aberdeen to Kent all vying for investment and seeking Government support. Should an “energy major” choose Great Yarmouth the direct and indirect economic benefits will be substantial.

Having successfully secured Enterprise Zone status for Great Yarmouth and Lowestoft, the New Anglia Local Enterprise Partnership (LEP) has assigned the day to day management of the zone to the Norfolk and Suffolk Energy Alliance – a public/private partnership that is seeking to maximise energy sector investment in Norfolk and Suffolk from across the world.

The Alliance was set up last year to provide a platform for collaboration across the counties of Norfolk and Suffolk in order to increase investment by new and existing businesses within or related to the energy sector, with a particular emphasis on renewables.

Environmental considerations

Assets of national and international importance that may have implications or needs for infrastructure include environmental sites such as the Area of Outstanding Natural Beauty along the north Norfolk coast and the Norfolk Broads.

Important gateways

As well as nationally important infrastructure there are regionally important gateways located in the County which this document seeks to help through access improvements such as the Third River Crossing in Great Yarmouth and the Northern Distributor Road around Norwich:

- Norwich International Airport; and
- The Outer Harbour at Great Yarmouth, and other ports at King's Lynn and Wells-Next-The-Sea.

Important mineral resources

In Norfolk there are three main mineral resources which are extensively worked, sand and gravel, carstone, and silica sand. These mineral resources all provide a valuable contribution to infrastructure provision both in Norfolk, and nationally for silica sand, and are safeguarded in the adopted Norfolk Minerals and Waste Core Strategy.

Sand and gravel resources are widely distributed over Norfolk but vary considerably in quality. It is primarily used for construction purposes, such as concrete production. Sand and gravel is a relatively low value mineral so it can only be transported economically a limited distance from the point of extraction, which accounts in part for the wide distribution of extraction sites. The proportionally greater use of gravel in concrete makes deposits with higher stone content more viable, and results in a concentration of sites in these areas.

Carstone is found only in a narrow north south band in the west of the county. In the northern part of the resource, areas are of sufficient quality to be used as building stone, however the majority of the resource is only of sufficient quality to be used as sub-base/engineering fill; this provides a valuable resource for construction projects.

Sand and gravel, and carstone requirements are calculated nationally and then through regional and finally county apportionments. The annual apportionment for Norfolk is 2.57mt of sand and gravel, and 0.2mt of carstone; these are the figures which Norfolk County Council has planned for in the Norfolk Minerals and Waste Core Strategy.

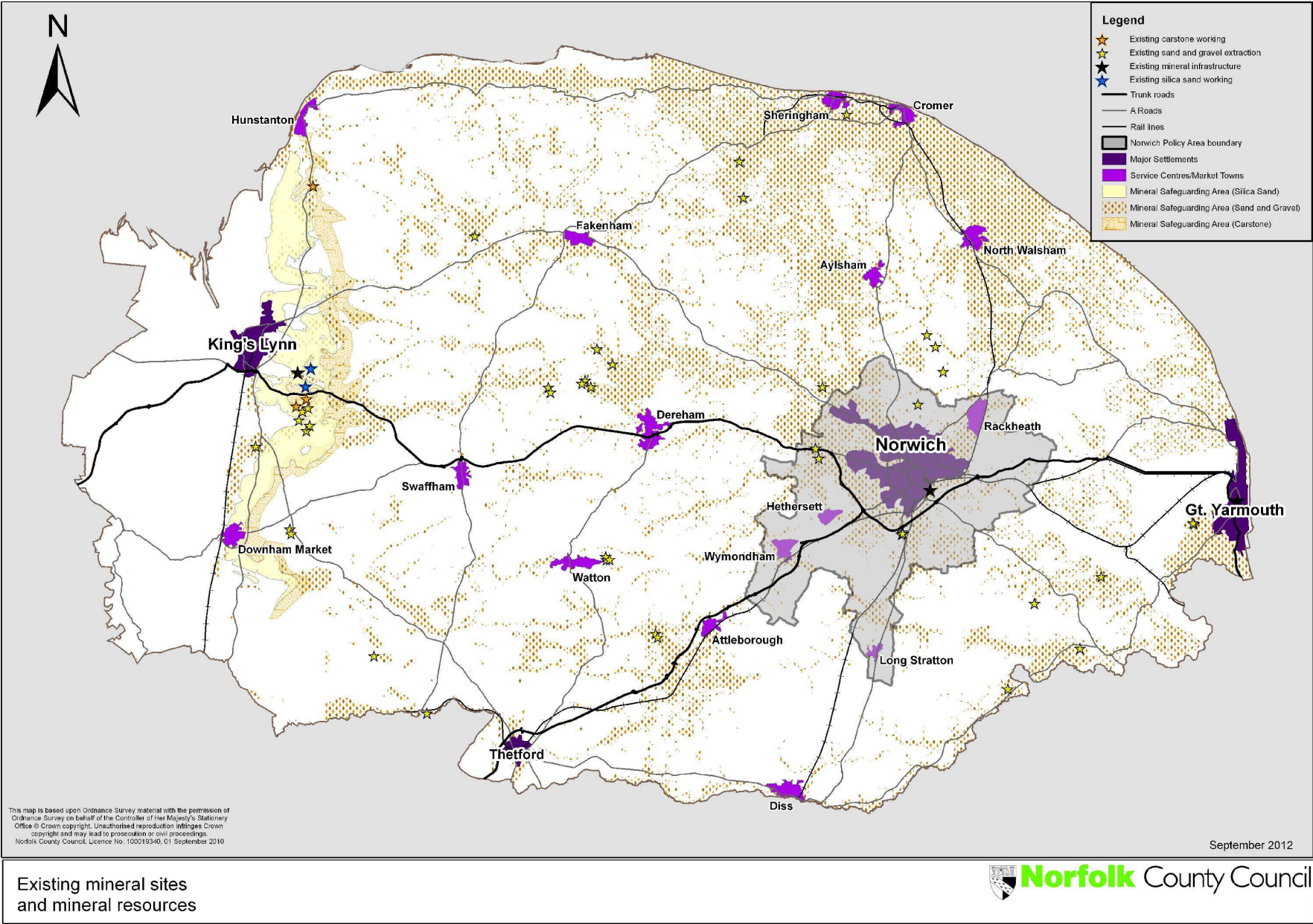
Silica sand is an important industrial mineral, used in a variety of products, which is scarce nationally. The resource in Norfolk occurs in a narrow band adjacent to the carstone in the west of the county. The resource is of high quality and is used primarily in glass production, both flat glass and container glass. Norfolk is one of only two English counties which produce silica sand suitable for these types of glass. Norfolk supplies over half the sand used for glass manufacture in England. Historically, a significant part of the demand came from the foundry industry; currently it is glass production, although foundry sand is still required in smaller quantities. While recycled glass is used widely in the production of container glass, the levels of impurities in recycled glass mean that a proportion of high quality (low impurity) silica sand must be added to the feed stock. Prior to the use of recycled

glass lower quality silica sand could be used for container glass, especially coloured glass. Recycled glass cannot currently be used for flat glass due to the level of impurities.

Railheads are key parts of Norfolk's mineral infrastructure and are safeguarded by national and local policy. There are two railheads, one at the silica sand processing plant at Leziate and one at Trowse, near Norwich.

The Leziate railhead is used for the export of silica sand only. The majority of the 750,000 tonnes per annum produced is transported to glassworks in Yorkshire, Humberside and Lancashire by rail.

The railhead at Trowse is used for the import of crushed rock as roadstone, Norfolk has no deposits of hardrock suitable for asphalt production, and the majority of material required is transported by rail from quarries in Leicestershire. An asphalt plant is co-located on the site at Trowse, and supplies the majority of asphalt required in and around Norwich. The continued use of these railheads is vital to infrastructure delivery, as the only suitable alternative for either site would be to transport the material by road resulting in tens of thousands of additional HGV trips, increased costs, and potential supply issues.



Appendix 5 – Future Gazing

Norfolk's Resilience to Climate Change

Building the UK's resilience to climate change is recognised by Government as an economic, social and environmental challenge. DEFRA have produced a [UK Climate Change Risk Assessment](#), the first assessment of its kind for the UK and the first in a 5 year cycle. The reports provide an evidence base which helps us to better understand climate change risks, and will inform development of a [National Adaptation Programme](#), expected to be published in 2013 and will be built around 5 core themes:

- Agriculture and forestry;
- Built environment and infrastructure;
- Business and services;
- Health and wellbeing; and
- Natural environment.

Local Government has been involved in discussions through [Sustainability East](#) and will continue to engage as the programme develops.

Climate change for Norfolk

Warmer, drier summers are expected to bring a temperature increase of up to +4 °C and a decrease in rainfall of up to 30% by the 2080's. The frequency and severity of heat waves and droughts is also expected to increase.

Winters will become warmer and wetter, average temperature rises of +4 °C and a precipitation (snow and rain) increase of up to 30% by the 2080's. The occurrence of ground, surface and fluvial flooding incidents as well as increases in storminess and extreme winds are also expected.

Coastal change is expected to bring a sea level rise of circa 40cm by the 2080's. The rate of coastal erosion and occurrence of storm surge events are also expected to increase.

Norfolk impacts

Norfolk is at risk from a number of identified risks highlighted in the CCRA. These include crop failure caused by new pests or diseases, coastal/surface water flooding events, droughts and increased summer temperatures are all real threats to the Norfolk economy and Norfolk communities. It is important to plan now for the threats posed by climate change and consider ways, not just to adapt to a changing climate but to mitigate its impacts.

Necessary steps must be taken to reduce the County's vulnerability, particularly in light of our proximity to Europe and our already dry climate but equally to capitalise upon the opportunities posed by inevitable climate change. The concept of adaptation is complex, there are two approaches:

1. **Proactive adaptation:** future-proofing new infrastructure assets and services
2. **Retroactive adaptation:** retrospective adaptation of existing assets and services

The Environment Agency and DEFRA are working with emergency services to map the potential local impacts of climate change, based on Met Office Climate Impact Projections.

Recent funding from NCC and DEFRA for flood rescue teams across Norfolk, and the purchase of new four wheel drive fire engines with wading capability, show that risks from severe weather events are beginning to drive procurement decisions for emergency responders.

Natural Hazards

In response to the recommendations in the Pitt Review of the summer 2007 floods, the Natural Hazards Team was set up in the Civil Contingencies Secretariat in May 2009 to establish and develop a cross-sector Critical Infrastructure Resilience Programme (CIRP). The aim of the Programme is to improve the resilience of critical infrastructure and essential services to severe disruption from natural hazards.

The [Natural Hazards Partnership](#) provides information, research and analysis on natural hazards for the development of more effective policies, communications and services for civil contingencies, governments and the responder community across the UK.

Traffic Management Act **Norfolk Permit Scheme for Street Works**

Report by the Director of Environment, Transport and Development

Summary

The Traffic Management Act 2004 (TMA) introduced 'permits' for works and other activities on the street as a tool for local highway authorities to reduce the congestion and disruption caused by those activities. The provision for permits is one of a number of duties and powers in the TMA, all aimed at improving the management of the road network. The principal benefits for the Council are stricter control of street works and the scope to recover some costs. It is likely that Permits will improve the controls on the timing and duration of works, and the quality of the traffic management and the road repairs/reinstatements.

The update report presented to Panel on 16 March 2011 set out the position the Council had reached in its discussions with local authorities taking part in the Anglian Sub-Regional Permit Scheme' (AS-RPS) and the 8 authorities across the East, including Suffolk, Cambridgeshire and Essex, who like Norfolk choose not to enter into the AS-RPS.

Officers have further developed our own feasibility work and tested a range of different permit and fee structure models. It is recommended that a Full Permit Scheme is developed on the basis of full cost recovery for the Council. Such a scheme would reduce the cost of delivering the Council's Highways' Network service.

A small dedicated Project Team will be formed, funded from the reserves held by the Highways service. The costs associated with developing and implementing a Permit Scheme that controls statutory undertakers works can be recovered, over a 3 year period post scheme implementation, through a levy on the Permit fees charged.

Action Required:

- (i) Consider the permit options, as set out in Appendix 1, and support the development of a Full Permit Scheme (Option 4) for use as the basis for developing a Permit Scheme for Norfolk.
- (ii) Note that a Project Team will be set up to develop and implement a Permit Scheme using funding drawn down from Highways reserves on the basis that such funding will be recovered through the scale of Permit fees charged during the initial operation of any scheme introduced.

1. Background

- 1.1. The Traffic Management Act 2004 (TMA) introduced duties on Highway Authorities to ensure the expeditious movement of traffic on it's road network and those networks of surrounding authorities and to coordinate works on the highway. The Act included the concept of permits for works and other activities on the street as a tool for local highway authorities to reduce the congestion and disruption caused by those activities. The provision for permits is one of a number of duties and powers in the TMA, all aimed at improving the management of the road network.

- 1.2. A permit scheme allows the Streetworks authority (the County Council) to grant a permit to undertake roadworks. This differs from the current noticing system where we receive notices from utilities, and others, that they intend to carry out work on the highway, and whilst we can impose conditions they do not require permission for works to take place. A permit to work scheme gives a higher level of control of on-street activities.
- 1.3. The update report presented to Panel on 16 March 2011 set out the position the Council had reached in its discussions with local authorities taking part in the Anglian Sub-Regional Permit Scheme' (AS-RPS) and the 8 authorities across the East, including Suffolk, Cambridgeshire and Essex, who like Norfolk choose not to enter into the AS-RPS.

2. **Progress so far**

- 2.1. **Anglian Sub-Regional Permit Scheme:** Since Panel last considered the matter the Secretary of State on 3 October 2012 approved the AS-RPS. At the time of writing this report the geographic scope of the AS-RPS has not expanded beyond the original group of authorities. Namely Hertfordshire County Council, Luton Borough Council, Southend-on-Sea Borough Council and Bedford Borough Council. At the time of writing this report these authorities intended to bring the AS-RPS into force in their local authority areas on 5 November 2012. The panel will be advised verbally if this was not the case.
- 2.2. **Options for Norfolk:** Officers have further developed our own feasibility work and tested a range of different permit and fee structure models, Options 1 to 4 as set out in previous report to Panel plus variations on the different base options to better understand the potential benefits and impacts. A summary of the Options together with an indication of the Cost and Non monetary benefits is provided in Appendix 1.
- 2.3. A full and detailed Cost / Benefit Analysis has not been undertaken at this stage. This will be completed as part of the detailed assessment work required to justify the detail of any scheme promoted.
- 2.4. Currently proposals to introduce a Permit Scheme require the Secretary of State's approval. The Department of Transport has consulted local authorities, statutory undertakers (public utility companies) and other interested parties on proposals to withdraw the need for the Secretary of State's approval to be sought. At the time of writing this report the Secretary of State's approval is still required, and there have been no further indications from Government that the approval regime is likely to change going forward. Officers are working on the basis that the Secretary of State's approval will be required and will prepare all supporting evidence and documentation, including the detailed Cost / Benefit Analysis, on that basis.
- 2.5. A scheme which requires that a permit be applied for on all roads in Norfolk (with the exception of Trunk Roads which are administered by the Highways Agency on behalf of the Secretary of State) is the favoured approach. The initial feasibility work undertaken, raised concerns that the costs involved for a scheme that levied a permit fee across all roads out-weighed the network management benefits realised. However, this option gives maximum scope to coordinate works on the highway, minimizing disruption. Given the financial pressures the Council faces going forward there is a case for advancing a scheme that ensures the Council recovers all of its reasonable costs, i.e. a 100% Permit Scheme (Option 4 as set out in Appendix 1),

and that such a scheme offers the most sustainable model going forward.

3. **Next Steps**

- 3.1. Panel's views on the Options available will be used to inform the development of a detailed Permit Scheme for Norfolk. A small dedicated Project Team will be formed, funded from the reserves held by the Highways service. Ultimately the costs associated with developing and implementing a Permit Scheme can be recovered, over a 3 year period post scheme implementation, through a levy on the Permit fees charged.
- 3.2. It is proposed that a Permit Scheme be introduced in Norfolk from 1 October 2013. This will give rise to cost savings in 2013/14 and means that the new working arrangements will be operational in advance of the commencement of the Council's new 'Highways and Related Services' contract, which will be the successor to the current contracts with Mott McDonald and May Gurney.

4. **Resource Implications**

- 4.1. **Finance** : The Highways service has sought to minimise the cost of service delivery and reduce the amount of 'red tape' for those wishing to work in, or hold events on, the highway. As a result, and including the work to remodel delivery and funding of the Norfolk Safety Camera Partnership, the service budget for Highways Network, which includes this area of street works / network management, has reduced from circa £4.1m in 2010/11 to circa £2.2m in 2012/13. The delivery of a 100% Permit Scheme is likely to further reduce the Council's costs by in the order of £800k further reducing the service budget to circa £1.2m per annum, which means that this part of the Highways service would have reduced in base budget by approximately 71% over a 4 year period whilst maintaining service delivery.
- 4.2. **Staff** : The various permit scheme options have a variety of staffing implications. Officers approached the feasibility work on the basis that any scheme taken forward should not require extra staff above existing establishment. In the case of a 100% Permit Scheme additional staff will be required to administer the scheme and the controls imposed on Statutory Undertakers, but those costs will be fully recovered from the fees charged.
- 4.3. **Property** : None at this stage, although a permit scheme would provide the opportunity to deliver the inspection regime using staff that worked remote from an office. Given the varying pace that different Councils are now considering Permit Schemes it is unlikely that there will be an opportunity to share 'back office' systems and administration with Suffolk County Council or any other authority across the East to further rationalise the office/depots used.
- 4.4. **IT** : The Council already has a suite of software capable of supporting a permit scheme in Norfolk. There would be some further development required, to make use of all of its functionality and to ensure the needs of both the Street Authority and the Council as its own promoter of highway works are catered for. Suffolk County Council uses a different suite of street works software to that used in Norfolk. This is incorporated in the Corporate IT Plan.

5. **Other Implications :**

- 5.1. **Equality Impact Assessment (EqIA)** : A detailed EqIA has not been undertaken at this stage. The regime of controls that exist that enables the Council to oversee and control those that work in the highway already takes into account the needs of all road users. The introduction of a Permit Scheme does allow greater controls to be imposed and has the potential to make it easier to hold to account those that do not adhere to the controls imposed. For instance it should, in theory at least, be easier for those affected by inappropriate signing and guarding of road works, for example where barriers or signs have been placed that unnecessarily restrict a pavement preventing wheelchair access or making it difficult for those with impaired vision to report such matters to the Council and for the Council to act to remedy any failings. A full EqIA will be undertaken when developing the scheme for implementation.
- 5.2. **Environmental Implications** : The introduction of a Permit Scheme would help reduce the congestion and disruption caused by those undertaking activities in Norfolk's roads, which would give rise to direct and in-direct environmental benefits. For example traffic would hopefully flow more smoothly reducing emissions and fuel usage, and the move to encourage greater use of first time permanent reinstatements would reduce the amount of materials used in repairing / reinstating roads and all the associated resource implications of multiple visits to a single site. The detailed Cost / Benefit Analysis that would be carried out when the scheme is worked up in detail would explore the environmental implications in greater depth.
- 5.3. **Any other implications** : Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.
6. **Section 17 – Crime and Disorder Act**
- 6.1. The introduction of permits to work may slightly improve the on street practices of those undertaking roadworks. Poorly maintained sites are often subject to petty vandalism. It is hoped better control and works being carried out for a shorter duration will reduce this.

Action Required

Overview and Scrutiny Panel is asked to:

- (i) Consider the permit options, as set out in Appendix 1, and support the development of a Full Permit Scheme (Option 4) for use as the basis for developing a Permit Scheme for Norfolk.
- (ii) Note that a Project Team will be set up to develop and implement a Permit Scheme using funding drawn down from Highways reserves on the basis that such funding will be recovered through the scale of Permit fees charged during the initial operation of any scheme introduced.

Background Papers

None

Officer Contact

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

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Benefits	Draw backs
Option 1 : Do Nothing Existing 'Notice' System (Minimum statutory controls)	
<p>One system in operation – limits confusion about back office processes for the Council and other works promoters.</p> <p>Minimum burden placed on County Council's own works administration/delivery.</p> <p>Greatest flexibility for statutory undertakers minimising their costs (maximising their profits). The flexibility is due to the large window within which works promoters can plan to carry out their works (most also over order so as to keep labour busy then cancel the notices they don't need).</p>	<p>Limited coordination powers for works within the highway.</p> <p>Full service costs, approximately £300k per annum, borne by the County Council.</p> <p>Limited information, which is subject to change without NCC consent, is available to other road users (bus companies etc). Works often disrupt bus services and bus companies and the County Council incur costs, to run extra/replacement services as a result.</p>
Option 2 : Permits and Notices Chargeable Permit on 0, 1, 2 Category Roads and Traffic Sensitive Streets*. Notice only for 3, 4 Category Roads and non Traffic Sensitive Streets*.	
<p>Greater control on the strategic road network, includes all Route Hierarchy routes (all Principle Roads and routes designated by the Council as either a Main Distributor, Local Access or HGV Access route) and all bus routes (33% of the Norfolk's road network).</p> <p>Likely to reduce the number of street works on the strategic road network, which will reduce disruption and burden to business and other road users.</p> <p>Partial cost recovery. All costs associated with dealing with Permits issued to statutory undertakers are recovered through fee (approximately £630K** pa). Notice regime still non-chargeable.</p> <p>Permitted works would demand more detailed advance information enabling better assessment of the impact of the proposed works.</p>	<p>Two systems in operation.</p> <p>Works on the majority of the road network, including nearly all urban roads still only coordinated by agreement with limited statutory powers available to the Council to improve coordination / communications etc.</p> <p>Only partial cost recovery.</p> <p>Controls imposed on nearly 40% percentage of the Council's own works (this may increase Council's own works administration costs. It is difficult to quantify this as experience elsewhere nationally is mixed).</p>

Benefits	Draw backs
Option 3 : Permits (Chargeable and Deemed) Chargeable Permit on 0, 1, 2 and Traffic Sensitive (sliding scale of charges)* Non-chargeable 'Deemed' Permit on 3, 4 and non Traffic Sensitive*	
<p>One system in operation.</p> <p>Full Permit Powers (controls to force coordination, time/duration of works etc) available to the Council. Likely to reduce the number of street works on Norfolk's road network, which will reduce disruption and burden to business and other road users.</p> <p>Partial cost recovery, approximately £630K pa** income in relation to statutory undertakers Permits on strategic routes (33% of the network).</p>	<p>Some costs still borne by the Council in relation to dealing with, if required, proposals on non hierarchy roads.</p> <p>Only partial cost recovery.</p> <p>Controls imposed on all of the Council's own works (this may increase Council's own works administration costs. It is difficult to quantify this as experience elsewhere nationally is mixed).</p> <p>Increased administration as a result of the introduction of a regime of tighter restrictions imposed.</p>
Option 4 : Full Permit Scheme Chargeable permits on all roads – sliding scale of charges depending upon location and nature of the works.	
<p>One system in operation.</p> <p>Full Permit Powers (controls to force coordination, time/duration of works etc) available to the Council. Likely to reduce the number of street works on Norfolk's road network, which will reduce disruption and burden to business and other road users.</p> <p>Full cost recovery, approximately £1.3m** pa income in relation to statutory undertakers permits.</p>	<p>Maximum control to coordinate works and ensure robust communications to other road users.</p> <p>Controls imposed on all of the Council's own works (this may increase Council's own works administration costs. It is difficult to quantify this as experience elsewhere nationally is mixed).</p> <p>Increased administration as a result of the introduction of a regime of tighter restrictions imposed.</p>

Notes:

*Road Categories are as set out in New Roads and Street Works Act 1991 – Specification for the Reinstatement of Openings in Highways.

** Income level dependant on fee level charged. Statutory undertakers can ultimately pass on unavoidable costs like Permits fees to their customers (this is not subject to local agreements but negotiated nationally with their governmental Regulator). The Council can only recover, through the imposition of fees, the costs associated with dealing with statutory undertakers works all other costs, for example in dealing with the Council's own works, must be borne by the Council.

**Report to the Environment, Transport, and Development
Overview and Scrutiny Panel
14 November 2012**

Item No

**The Economic Benefits of the
Norse Group Ltd to Norfolk**

Executive Summary

**Joint Report by the Chair of the Norse Shareholder Committee
and the Managing Director of the Norse Group Ltd**

Summary

This report gives a brief overview of the attached document which explains how the Norse Group Ltd impacts on the wider economy of Norfolk, in addition to its direct financial contribution to Norfolk County Council

1.0 Background

- 1.1 Following the Corporate Resources Overview and Scrutiny Committee Meeting of 8 November 2011, at which the Norse Group came under successful scrutiny, the Norse Shareholder Committee asked the Norse Group to highlight the extended benefits to the county of Norfolk resulting from the Group's operations and its ownership by Norfolk County Council.
- 1.2 Consequently, the Norse Group commissioned a company called SQW, which provides research, analysis and advice on sustainable economic and social development, to produce an independent report quantifying the economic impact of the Norse Group on the Norfolk economy.
- 1.3 SQW was selected for this task due to its track record in this field and the work it had done for Norfolk County Council on projects such as the dualling of the A11.

2.0 SQW's Findings

- 2.1 The attached report is the Executive Summary of the research carried out by SQW, the output of which is covered in depth in the main report, and highlights the economic contribution of the Norse Group in terms of:

- Employment and training
- Economic impact
- Environment
- Corporate responsibility

- 2.2 The outcome of the findings was that of the 9,000 people employed by the Norse Group, 5,700 were based in Norfolk and this resulted in the majority of the associated £82M paid in wages and salaries annually being spent in the Norfolk economy. This significant local spend translated into supporting a further 536 jobs within the region.
- 2.3 The Group also spends £24M with suppliers in Norfolk, which supports another 537 jobs.
- 2.4 Added together, the Norse Group supports a total of 6,800 jobs in Norfolk, or 1 in 50 jobs in the County.
- 2.5 Should Members be interested in reading the full SQW report, it can be made available on request.

3.0 **Equality Impact Assessment (EqIA)**

- 3.1 This paper does not require a decision or recommendation on a strategy or policy and therefore an equality impact assessment is not considered necessary.

4.0 **Section 17 – Crime and Disorder Act**

- 4.1 The significant economic impact of the Norse Group in the County helps to mitigate circumstances which may lead to local crime and disorder as a result of unemployment and social discontent.

5.0 **Other Implications**

- 5.1 Apart from those listed above, there are no other implications that Members need to take into account.

6.0 **Action Required**

- 6.1 The Corporate Resources Overview and Scrutiny Panel is asked to note the positive impact of the Norse Group Ltd over and above the direct financial return it makes to Norfolk County Council.

Contact Officers

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Background Papers

The Economic Impacts of the Norse Group – Executive Summary of the report
by SQW – August 2012



If you need this report in large print, audio, Braille,
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The economic impacts of the Norse Group

Final report to the Norse Group

August 2012

SQW

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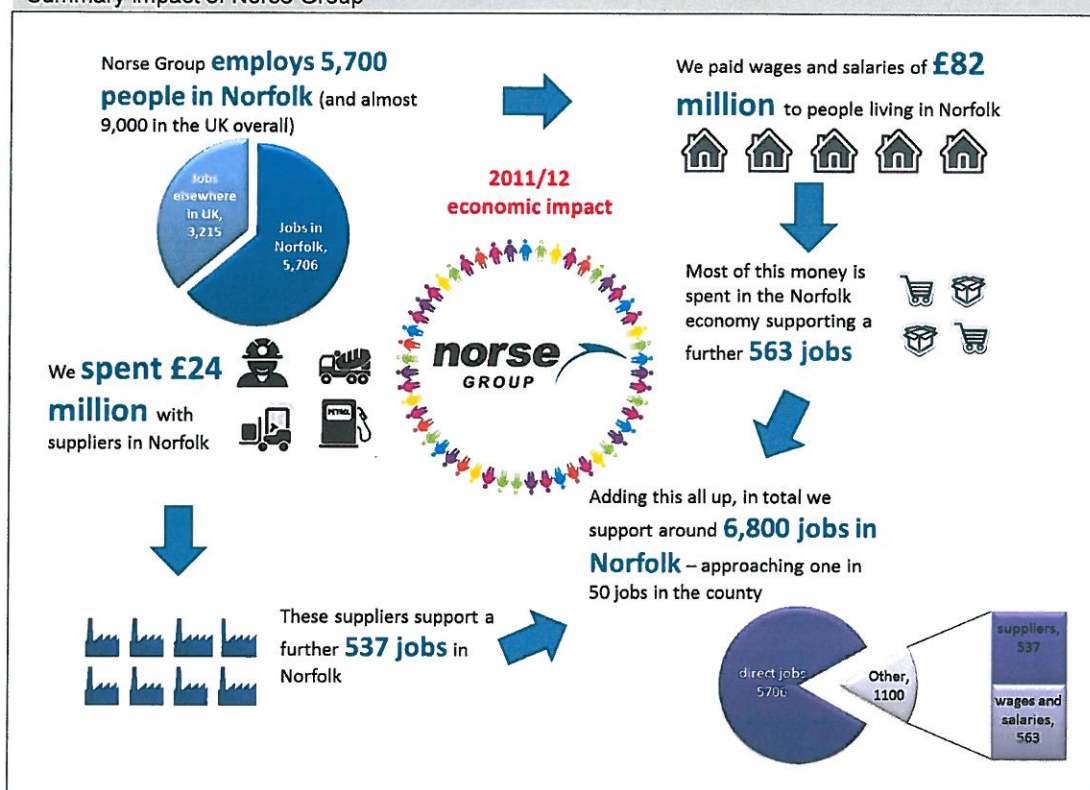
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Approved by:	Bruce Macdonald	Date:	August 2012
	Director		

Executive Summary

Summary impact of Norse Group



Source: SQW

Introduction

1. In April 2012, SQW was commissioned by Norse Group to complete an economic impact assessment of the Group's operations. Against the backdrop of the growth of Norse Group, we were asked to focus specifically on the impacts of the Group's activities on Norfolk – the county in which the Group was formed and in which it continues to be based, wholly owned by Norfolk County Council.
2. Operating through three main divisions, the Norse Group supplies a wide range of front line services, mainly to public sector clients in the UK; it competes with the likes of Capita and Serco in a highly competitive field. The Norse Group was formed in Norfolk and continues to be headquartered in Norwich. However, increasingly, all three divisions within Norse Group are winning work from clients across the UK. Often these contracts are structured around a novel joint venture model that has been pioneered by Norse Group and can provide the basis for cost effective delivery solutions in an era of acute public sector spending restraint.

Economic impacts

3. In terms of the economic impact of Norse Group, the assessment found that:
- in 2011/12, the Group directly employed over 8,900¹ people in the UK including more than 5,700 in Norfolk. Its turnover in 2011/12 was around £224 million
 - across the Norse Group around £76 million was spent on supplies of which more than a third was procured from Norfolk businesses. The supply chain in Norfolk supported a further 537 jobs and around £15 million in Gross Value Added (GVA)²
 - in 2011/12, the Group paid wages and salaries of £136 million in total. Of this, 60% (or £82.1 million) was paid to Norfolk residents. The recycling of those wages in the local economy supports a further 563 jobs in the county
 - taking the direct jobs, the supply chain and the recycling of wages and salaries together, the Norse Group supports just over 6,800 jobs in Norfolk and produces about £118 million of GVA
 - with the exception of the area around Sandringham, the Norse Group employs staff that live in every postcode sector across Norfolk: it does therefore have a county-wide reach
 - in terms of the scale of its economic impacts, the number of jobs supported by Norse Group in Norfolk is similar to the scale of direct employment in the food manufacturing sector and more than twice as big as employment in broadcasting and publishing. It is therefore of real significance.

Operations beyond Norfolk

4. The scale of Norse's operations and its growing portfolio of national activities have created jobs and income for Norfolk beyond those associated with its activities in the county. We estimate that:
- in 2011/12 the Norse Group delivered over £100 million of services to areas outside Norfolk, mostly through NPS
 - an estimated 56 of the jobs supported in Norfolk have been created as a result of activities in the rest of the UK.
5. Its national operations increase the size of the Group, enabling improvements in efficiency (economies of scale) and strengthening its buying power. The benefits are ultimately reflected in the discount to NCC.

¹ Employment figures are a snapshot at 31st March 2012 and financial data is for the year to 29th February 2012.

² Gross Value Added is defined by the Office for National Statistics "the difference between output and *intermediate consumption* for any given sector/industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production."

Employment and training

6. Through its operations, the Norse Group also generates a range of wider socio-economic impacts. These are very difficult to aggregate but they are important, given the socio-economic character of Norfolk. Specifically, the Norse Group plays an important role in relation to employability – including amongst hard-to-reach groups.
- the Norse Group recruits large numbers of staff with few or no formal qualifications, some of whom have limited alternative employment opportunities and little or no previous experience of formal work. The Group has encouraged operational staff to engage in basic IT training – through which numeracy and literacy issues were also addressed. To encourage uptake, this invitation was extended to wider peer groups (friends and family of Norse staff) and by 2007, some **3,000 people** had taken part in the scheme. The demand led to the launch of the Training Academy.
 - the Training Academy was established in-house– with six full time trainers – to develop bespoke training provision. According to its website, in 2009/10 the Academy ran and organised **courses for nearly 2,500 staff**.
 - in delivering these programmes, Norse Group has worked with a very wide range of educational providers, most of which are based partially or wholly in Norfolk – examples include College of West Anglia, Easton College and City College (Norwich). Overall, staff have enrolled in around **1,700 NVQ programmes**
 - in 2011, Norse provided **234 work placements** for Year 9 students in Norfolk. It also ran its own bespoke apprenticeship programme which offered 12 months' in-house training to **49 young people**, prior to the offer of permanent employment
 - Norse Group has been actively involved in Business in the Community programmes, working closely with organisations like Meridian East and the Shaw Trust (charities focused on employability) to find meaningful work opportunities. In this context, Norse Group provides around **60 work placements** each year. The programme won a National Award for Excellence in 2010 – beating competition from bigger national companies such as Marks and Spencer and E.ON.

The environment

7. Most of the subsidiaries within the Group have gained ISO14001 accreditation over the last two years³ – which means that a framework is now in place both to monitor emissions and to encourage a continual improvement in environmental performance. Data provided by Norse suggest that this overall initiative is having some effect: over 2011/12, **carbon emissions fell from 51.19 to 49.46 tonnes (a reduction of 3.3%) per £1 million turnover**.

³ ISO 14001 specifies the requirements of an environmental management system (EMS) for small to large organisations.

Corporate responsibility

8. The Norse Group is also proactive in terms of its wider approaches to Corporate Social Responsibility (CSR), much of which is focused on communities in Norfolk. It has been an active member of Business in the Community since 2003/04 and it is a member of the BITC PerCent Club (comprising companies which give more than 1% of pre-tax profits to good causes). In 2011/12, the Group donated £650,000 to charitable causes.

The dividend/discount from Norse Group

9. In addition, the Group generates a flexible income stream for Norfolk County Council which has increased year-on-year and is currently worth around £2 million per annum. It also provides an important (if unseen) “enabling” role in relation to the process of public service delivery county-wide.