Norfolk County Council

Policy and Resources Committee

Date: **Monday, 16 July 2018**

Time: **10 am**

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

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

Membership

Mr A Proctor (Chairman)

Mr B Borrett
Mrs P Carpenter
Ms E Corlett
Mrs M Dewsbury
Mr T Garrod
Mr K Kiddie
Mr S Morphew
Mr R Oliver
Mr G Plant
Mr D Roper
Mr E Seward
Mr M Wilby

For further details and general enquiries about this Agenda please contact the Committee Officer:
Tim Shaw on 01603 222948
or email committees@norfolk.gov.uk

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A g e n d a

1. **To receive apologies and details of any substitute members attending**

2. **Minutes** **(Page 7)**
To agree the minutes from the meeting held on 4 June 2018

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 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 note that all questions must be received by the Committee Team (committees@norfolk.gov.uk or 01603 223055) by **5pm on Wednesday 11 July 2018.** For guidance on submitting public question please view the Constitution at Appendix 10.

6. **Local Member Issues**

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

Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk or 01603 223230) by **5pm on Wednesday 11 July 2018.** For guidance on submitting public question please view the Constitution at Appendix 10.

Section A – Items for Discussion and Decision/Action

7 **Performance and Risk Monitoring**

(a) **Corporately Significant Vital Signs Performance Management Report** **(Page 19)**
Report by Strategy Director

(b) **Risk Management Report** **(Page 45)**
Report by Executive Director, Finance and Commercial Services

8 **Finance Monitoring Report Period 2: May 2018** **(Page 87)**
Report by Executive Director, Finance and Commercial Services

9 **Delivering Financial Savings 2018-19** **(Page 111)**
Report by Executive Director, Finance and Commercial Services

10 **Strategic and Financial Planning 2019-20 to 2021-22** **(Page 126)**
Report by Executive Director, Finance and Commercial Services

11 **Health, Safety and Well-being Annual Report** **(Page 143)**
Report by Strategy Director

12 **Liquid Logic/Social Care System Replacement Implementation** **(Page 188)**
Report by Executive Director of Adult Social Care

13 **Syrian Vulnerable Persons Resettlement Scheme-Progress Report** **(Page 195)**
Report by Executive Director of Adult Social Care

14 **Sourcing Strategy for Council Services** **(Page 199)**
Report by Executive Director, Finance and Commercial Services

15 **Limited Company Consents** **(Page 209)**
Report by Executive Director, Finance and Commercial Services

16 **Notifications of Exemptions Under Contract Standing Orders** **(Page 212)**
Report by Executive Director, Finance and Commercial Services

17 Low Carbon Financial Instrument 2: An Economic Development Funding Opportunity **(Page 214)**
Report by Executive Director, Community and Environmental Services

18 Effecting A Smooth and Timely Transition From A Committee To A Cabinet System Of Governance **(Page 223)**
Report by the Chairman of the Cabinet System of Governance Working Group

19 Officer Employment Procedure Rules

The Officer Employment Rules (Part 6.4 of the constitution) sets out the list of posts where Members are permitted to be formally involved in senior appointments. Currently the appointment of the Head of Communications is not included in this list – any member involvement is advisory. As this post is currently vacant, and given the political sensitivity of the council's communications function, the Managing Director is suggesting that this is more appropriately a Member appointment.

In order to make this change to the constitution this proposal would normally go via the Constitution Advisory Group (CAG). Members of CAG have been consulted and agreed that this proposal be formally considered by this Committee to make a recommendation to Council in July 2018.

Members are asked to endorse a recommendation to Council that the position of Head of Communications is included in the list set out in Part A of the Appendix to Part 6 of the Constitution (Senior Officers which will be appointed by a Member Panel).

Section B – Item for Report

20 Feedback from Members serving on Outside Bodies

To receive verbal reports (where appropriate) from Members serving on the following outside bodies:

1. LGA General Assembly
2. County Council Network
3. East of England Local Government Association.

21 Exclusion of the Public

The Committee is asked to consider excluding the public from the meeting under section 100A of the Local Government Act 1972 for consideration of the item listed below on the grounds that it involves the likely disclosure of exempt information as defined by Paragraphs 3 of Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemptions outweighs the public interest in disclosing the information.

The Committee will be presented with the conclusion of the public interest test carried out by the report author and is recommended to confirm the exclusion.

22 Norwich Airport Ltd **(Page233)**
Report by Executive Director, Finance and Commercial Services

Group Meetings

Conservative	9:00am	Conservative Group Room
Labour	9:00am	Labour Group Room
Liberal Democrats	9:00am	Liberal Democrats Group Room

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

Date Agenda Published: 6 July 2018

IN TRAN communication for all

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Norfolk County Council

Policy and Resources Committee

Minutes of the Meeting Held on 4 June 2018
10:00am Edwards Room, County Hall, Norwich

Present:

Mr A Proctor (Chairman)

Mr B Borrett	Mr S Morphew
Mrs P Carpenter	Mr R Oliver
Mrs M Dewsbury	Mr G Plant
Mr T Garrod	Mr D Roper
Mr K Kiddie	Mr E Seward
	Mr M Wilby

Substitute Member present:

Ms C Rumsby for Ms E Corlett

Also present:

Mr A Adams
Mr B Spratt
Mr B Stone
Mr J Mooney

(For ease of reference, items appear in these minutes in the order in which they appear on the agenda. This was not necessarily the order in which these items were considered at the meeting).

1. Apologies for Absence

1.1 Apologies for absence were received from Ms E Corlett.

2 **Minutes**

2.1 The minutes of the previous meeting held on 26 March 2018 were confirmed by the Committee and signed by the Chairman.

3 **Declarations of Interest**

3.1 Mrs P Carpenter declared an “other interest” in item 10 (Norse Business Plan) because of the links that the Norse Group had with providing a housing function for Great Yarmouth Borough Council of which she and her husband were Members.

3.2 Mrs M Dewsbury declared an “other interest” in item 10 (Norse Business Plan) because her son worked for the Norse Group.

4 **Items of Urgent Business**

4.1 There were no items of urgent business.

5 **Public Question Time**

5.1 There were two public questions concerning the review of transport provision at item 11 on the agenda. The questions, together with the answers, can be found at Appendix A to these minutes.

6A **Local Member Issues**

6A.1 There were no local member questions.

6B **Leader and Deputy Leader of the Council**

6B.1 Mr S Morphew and Mr D Roper, the Leaders of the Labour and Liberal Democrat Groups on the Council, congratulated Mr A Proctor and Mr G Plant on their election to the positions of Leader and Deputy Leader of the Council.

Section A – Items for Discussion and Decision/Action

7 **Finance Monitoring Report Outturn**

7.1 The annexed report (7) by the Executive Director of Finance and Commercial Services was received.

7.2 The Committee received a report by the Executive Director of Finance and Commercial Services that provided details of the outturn position for the 2017-18 Revenue and Capital Budgets, General Balances, and the Council’s Reserves at 31 March 2018, together with related financial information. The report also provided a brief commentary on budgets which were the direct responsibility of this Committee.

7.3 In drawing Members attention to the under and over spends by service department that were set out in paragraph 4.2 of the report the Executive Director of Finance and Commercial Services pointed out that the significant increase in Adult Social Care (ASC) reserves was mainly due to £4.5m being added to an Adults Business Risk Reserve to support budget pressures in 2018-19.

7.4 During the discussion, the Executive Director of Finance and Commercial Services said that funding for the capital programme came primarily from grants and contributions provided by central government and that some capital schemes had had to be re-profiled into the 2018-19 capital programme. He also said that the Northern Distributor Route (NDR), now named Broadland Northway, had added £452,000 p.a. to the County Council’s long-term borrowing requirements.

7.5 Members' drew attention to the pressures on the Children's Services High Needs block spend which had caused an overspend in the schools' revenue budget in 2017-18. The Executive Director of Finance and Commercial Services said that this overspend was being funded by a loan from Locally Maintained Schools balances that would be repaid in future years. Following consultation with schools, the Schools Forum had agreed on a plan to reduce the under-lying overspend and repay the loan. Details could be found in the 22 May 2018 Children's Services Committee Finance Outturn Report.

7.6 **RESOLVED**

That Policy and Resources Committee:

1. **Note the Revenue outturn of an underspend of £0.235m on a net budget of £358.812m;**
2. **Note the General Balances of £19.536m at 31 March 2018, including the 2017-18 underspend of £0.235m;**
3. **Note the reserves carried forward at 31 March 2018 as set out in Appendix 1 paragraph 5.5 of the report;**
4. **Note the financial information in respect of budgets which are the direct responsibility of this Committee, as set out in Revenue Annex 2 page 1 of the report;**
5. **Note a debt write off of £0.117m resulting from the July 2017 P&R decision to liquidate Norfolk Energy Futures Limited, as described in Revenue Annex 2 page 2 of the report;**
6. **Note the expenditure and funding of the 2017-18 and future capital programmes as set out in Appendix 2 of the report.**
7. **Approve additional borrowing of £1.978m (Adult Social Care) and £1.694m (other services) to fund in-year capital expenditure where the revenue contributions have been placed in revenue reserves to support the MTFS as set out in Appendix 2 paragraph 3.8 of the report;**
8. **Approve the proposal to wind up the dormant Norfolk Regeneration Company Limited as set out in Appendix 2 paragraph 5 of the report;**
9. **Note the possible purchase of farmland as described in Appendix 2 paragraph 6 of the report.**

8. **Delivering Financial Savings 2017/18-Final Outturn Position**

8.1 The annexed report (8) by the Executive Director of Finance and Commercial Services was received.

8.2 The Committee received a report by the Executive Director of Finance and Commercial Services that provided details of the outturn position in respect of the delivery of the 2017-18 savings agreed by the County Council at its meeting 20 February 2017.

8.3 In reply to questions, the Executive Director of Finance and Commercial Services said that (as a general benchmark) where the Council had achieved 90% or above of a budgetary performance target for a large area of new activity then this should be seen a good result.

8.4 A Member asked if the demand management interventions that were aimed at achieving long term savings in day care services should be put on hold until after the changes in transport provision (at item 11 on the agenda) were implemented. In reply, the Chairman of Adult Social Care Committee said that to meet the cost pressures in providing day care services it had been necessary to put in place an alternative approach to this issue as part of the new learning difficulties strategy. The Adult Social Care Committee was kept informed of developments aimed at reshaping the day care contract and continued to look to put in place a service model that enabled the long-term savings to be delivered.

8.5 The Executive Director of Finance and Commercial Services pointed out that Members were made aware of the on-going risk pressures that arose from rises in care costs, and additional business risks, particular to ASC savings projects, at the time when the Council's budget was set.

8.6 **RESOLVED**

That Policy and Resources Committee note:

1. **The total shortfall of £4.872m in 2017-18, which amounts to 10% of total savings. This represents a £0.389m improvement from the position reported for period 10, due to increased savings delivery in Adults;**
2. **Note the budgeted value of 2017-18 savings projects rated as RED of £7.553m, of which £2.894m have been delivered;**
3. **The budgeted value of 2017-18 savings projects rated as AMBER of £1.214m, of which £0.881m have been delivered;**
4. **The over delivery on GREEN and BLUE rated projects of £0.120m; and**
5. **The total removal of savings of £7.174m 2018-19 savings and £0.100m 2019-20 savings reflecting delay and removal of savings as approved in 2018-22 budget setting by County Council on 12 February 2018.**

9 **Annual Treasury Management Report 2017/18**

9.1 The annexed report (9) by the Executive Director of Finance and Commercial Services was received.

9.2 The Committee received a report by the Executive Director of Finance and Commercial Services that provided information on the Treasury Management activities of the County Council for the period 1 April 2017 to 31 March 2018.

9.3 In reply to questions, the Executive Director of Finance and Commercial Services said that the current borrowing environment gave the County Council the chance to lock into historically low interest rates. After the publication of the report the County Council had borrowed an additional £10m as a 50-year maturity loan at an interest rate of 2.61%. This was the current headline interest rate in local government for long term loans. It was likely that some further borrowing would take place in 2018-19 as the County Council continued to monitor long term rates for possible further prudential borrowing that took advantage of historically low interest rates.

9.4 The Executive Director of Finance and Commercial Services said that he was continuing to look to reduce the level of projected cash balances and to increase the use of capitalisation to fund expenditure traditionally funded from revenue sources.

9.5 **RESOLVED to RECOMMEND**

That Policy and Resources Committee endorse and recommend to County Council the Annual Treasury Management Report 2017-18.

10 **Norse Business Plan**

10.1 The annexed report (10) by the Executive Director of Finance and Commercial Services and the Norse Business Plan that was circulated with the supplementary agenda were received.

10.2 The Committee received a report by the Executive Director of Finance and Commercial Services that in order to aid good governance asked Members to complete their annual review of the Norse business plan.

10.3 The Norse Group Managing Director explained the diverse range of services across the functions of facilities management, waste management, property related services and care provision that were provided by the Norse Group.

10.4 Members drew attention to the fact that the Norse Group was the largest Local Authority Trading Company (LATC) in the UK.

10.5 **RESOLVED**

That Policy and Resources Committee:

1. **Note the Norse Group Business Plan for 2018/19 that was approved by the Norse Group Board on 16 May 2018.**
2. **Ask that in future years they be provided with an earlier opportunity in the Committee cycle to review the Norse Business Plan.**

11 **Review of Transport Provision to Access Services**

11.1 The annexed report (11) by the Executive Director of Children's Services that can be found with the supplementary agenda was received.

11.2 The Committee received a report by the Executive Director of Children's Services that set out four options identified by independent consultants to deliver a cultural and behavioural change in the way in which the County Council would meet the transportation needs of its service users in the future.

11.3 The Chairman said that Children’s Services Committee (and not Policy and Resources Committee) was the most appropriate committee to fully evaluate options 1, 2 and 3 in the independent consultants’ report for redesigning transport provision for children and young people who were eligible for travel to school, both in terms of mainstream schools, specialist provision and post 16.

11.4 Members agreed that for the County Council to get things right, and improve its management arrangements for meeting transport demand for children and young people, whilst at the same time improving the independence of passengers, the Council’s approach required a full evaluation of options 1, 2 and 3 by Children’s Services Committee.

11.5 Members said that it would be important for Children’s Services to develop an approach in wider than cost saving terms and for that approach to encourage families to actively participate in their child’s travel arrangements and support their child’s independence, where possible. It was suggested that there should be an extensive dialogue between planners, schools, passengers and carers and that the dialogue should include those responsible for providing transport testing their approach with schools and families.

11.6 Members spoke favourably about the potential that a redesigned transport provision offered for collaboration with the NHS non-emergency transport service, using the same vehicles to deliver across all client groups.

11.7 The Committee noted that Adult Social Care spend on transport was reducing and that to implement option 4 would support delivery of the transport savings already agreed in the ASC budget.

11.8 **RESOLVED**

That Policy and Resources Committee:

1. **Ask Children’s Services Committee to undertake a full evaluation of options 1, 2 and 3 in the independent consultants’ report.**

It was further RESOLVED (with 9 votes in favour, 2 votes against and 2 abstentions)

That Policy and Resources Committee:

2. **Give approval for officers to implement Option 4 in the report immediately, reporting to the relevant committee as appropriate.**

12 **Norse Consents**

12.1 The annexed report (12) by the Executive Director of Finance and Commercial Services was received.

12.2 The Committee received a report by the Executive Director of Finance and Commercial Services that sought approval for the appointment of Directors to companies in the Norse Group.

12.3 **RESOLVED to RECOMMEND**

That Policy and Resources Committee:

Recommend to Full Council the appointment of directors to companies in the Norse Group as detailed in Appendix A to the report.

13 **Norfolk County Council's Membership of the Local Government Association**

13.1 The annexed report (13) by the Executive Director of Finance and Commercial Services was received.

13.2 The Committee received a report by the Executive Director of Finance and Commercial Services that set out details of changes to the arrangements of the Local Government Association (LGA), to establish a new incorporated LGA. This was intended to keep membership costs down, and required the County Council to agree to sign up to the new arrangements.

13.3 It was noted that the proposals set out in the report did not change the Council's existing LGA liabilities or the benefits and services that were available to the Council through LGA membership.

13.4 **RESOLVED**

Authorise the Executive Director of Finance and Commercial Services to apply for Norfolk County Council to be admitted as a member authority of the LGA's private unlimited company.

14 **Internal and External Appointments**

14.1 The annexed report (14) by the Managing Director was received.

14.2 **RESOLVED:**

That Policy and Resources Committee:

1. **Make appointments to those external bodies, internal bodies and Champions position as set out in Appendix B to these minutes.**

Section B – Items for Report

15 **Feedback from Members serving on Outside Bodies**

15.1 **None received.**

The meeting concluded at 11.10 am

Chairman

Appendix A to the minutes

Public question from Kim Woodrow:
"Have you taken into account the children's feelings and how this will affect their schooling and daily life's, how they will not be safe at local "drop off" points given the children ample opportunity to run! Not being safe! For the child/children or families? "

Answer:

The proposals that are being discussed by councillors currently are part of a broad range of recommendations regarding travel for children and young people who are eligible for travel to school, both in terms of mainstream schools, specialist provision and post 16. These recommendations are based on an assessment of what works well in other local authority areas around the country, including those that have a mix of urban and rural travel routes similar to Norfolk. Also, these recommendations build on Norfolk's excellent track record with independence travel training and our current pilot of personalised travel options; both of which have been developed with representatives from schools and from parent/carer groups. However, of most importance is that we would not expect any child to be collected from a central pick-up point if it were not appropriate, either because of their own needs or if they are not accompanied by an adult (other than for those children who are part of the independence travel scheme also); each child and family's situation will be assessed individually and we know that it will not be an appropriate option for everyone.

Public question from Victoria Trattles:

I have two children with SEN and an EHCP. Both have anxiety and attend specialist provision, and receive school transport.

It would be disastrous if the change happened. Both require pick up and drop off every school day. It would be impossible to arrange a so called pick up point as they both travel different routes at different times with a PA

Answer:
The proposals that are being discussed by councillors currently are part of a broad range of recommendations regarding travel for children and young people who are eligible for travel to school, both in terms of mainstream schools, specialist provision and post 16. These recommendations are based on an assessment of what works well in other local authority areas around the country, including those that have a mix of urban and rural travel routes similar to Norfolk. Also, these

recommendations build on Norfolk's excellent track record with independence travel training and our current pilot of personalised travel options; both of which have been developed with representatives from schools and from parent/carer groups. However, of most importance is that we would not expect any child to be collected from a central pick-up point if it were not appropriate, either because of their own needs or if they are not accompanied by an adult (other than for those children who are part of the independence travel scheme also); each child and family's situation will be assessed individually and we know that it will not be an appropriate option for everyone.

Appendix B to the minutes

POLICY AND RESOURCES COMMITTEE APPOINTMENTS 2018/19

LOCAL GOVERNMENT ASSOCIATION APPOINTMENTS

1. LGA General Assembly (4)

Andrew Proctor (4 votes)
Graham Plant (1 vote)
Steve Morphew (1 vote)
Dan Roper (1 vote)

2. County Council Network (4)

Andrew Proctor
Graham Plant
Steve Morphew
Dan Roper

3. East of England Local Government Association (1) and 1 substitute

Andrew Proctor
Graham Plant (Sub)

POLICY AND RESOURCES COMMITTEES/ BOARDS/PANELS/GROUPS

1. Joint Consultative & Negotiating Committee (7)

This is a forum for discussion between staff trades unions and the County Council on employment related matters

Deputy Leader
1 Labour (Emma Corlett)
4 Conservative (Tony Adams, Tom FitzPatrick, Tony White, Roy Brame)
1 Lib Dem (David Harrison)

2. Member Support & Development Advisory Group (5)

This Group champions Member Development and Member Support.

3 Conservative – Colin Foulger, Greg Peck, Thomas Smith
1 Labour - David Collis
1 Lib Dem – Eric Seward

3. Norse

Shareholder Representative – Karen Vincent
Member Director – Andrew Jamieson (serves on the Norse Group Board, NPS Board and NCS Board).

4. Norse Shareholder Committee (6)

This Committee supports the development of NORSE Group, ensures that the legal and commercial interests of the County Council are considered and protected and advises this Committee accordingly.

Shareholder Representative (Chair)

1 Lib Dem - John Timewell
4 Conservative – Fabian Eagle, Harry Humphrey, Roy Brame, Bill Borrett
1 Labour – Steve Morphew

5. NorseCare Liaison Board (2)

Member Director and the Chairman of Adult Social Care Committee.

6. Strategic Equalities Group

No appointments – review in July 2018

7. Treasury Management Panel (5)

1 Labour – Steve Morphew
3 Conservative - Ian Mackie, Brian Iles, Andrew Proctor
1 Lib Dem - Brian Watkins

8. Constitution Advisory Group (5)

3 Cons – Ian Mackie, Andrew Proctor, Graham Plant
1 Lab – Steve Morphew
1 Lib Dem – Dan Roper

POLICY AND RESOURCES COMMITTEE OUTSIDE BODIES

1. Queen Elizabeth Hospital Trust – Governors' Council (1)

Sandra Squire

The Trust achieved Foundation Trust status in February 2011, at which time the 'shadow' Governors' Council gained it legal authority. The Governors' Council totals 33. There are 9 appointed governors, 6 staff governors (3 clinical and 3 non-clinical) and 19 publicly voted governors (9 from West Norfolk, 2 from North Norfolk, 4 from Cambridgeshire, 1 from Breckland, and 1 from South East Lincolnshire and the Rest of England. Council appointees as a Governor of an NHS Trust should not also be members of the Norfolk Health Overview and Scrutiny Committee because of the potential / perceived conflict of interest.

2. Norfolk and Suffolk NHS Foundation Trust – Partner Governor (1)

Tom Smith

Norfolk and Suffolk NHS Foundation Trust provides mental health services, alcohol treatment, learning disability and eating disorder services across Norfolk and Suffolk. It was formed from the merger of the two former county mental health trusts in the two counties. The Board of Governors represent the interests of the members and partner organisations in the local health economy in the governance the trust, and for sharing information about key decisions with the membership. There is a statutory requirement for Council representation. Council appointees as a Governor of an NHS Trust should not also be members of the Norfolk Health Overview and Scrutiny Committee because of the potential / perceived conflict of interest.

3 Norfolk and Norwich University Hospital Trust – Council of Governors (1)

Shelagh Gurney

The Trust provides the Norfolk and Norwich hospital, providing acute hospital care for almost 1m patients annually. Council appointees as a Governor of an NHS Trust should not also be members of the Norfolk Health Overview and Scrutiny Committee because of the potential / perceived conflict of interest.

4. Council of Governors of James Paget University Hospitals NHS Foundation Trust (1)

Hayden Thirtle

The Governors' Council holds the Board of Directors to account for the performance of the Trust. Council appointees as a Governor of an NHS Trust should not also be members of the Norfolk Health Overview and Scrutiny Committee because of the potential / perceived conflict of interest.

5. Repton Property Development Company Board (2)

The Property Development Company established by the County Council

Brian Iles
Keith Kiddie

6. ESPO Shareholder Representative (1)

John Fisher

Champion: Mental Health – Emma Corlett

Policy and Resources Committee

Item No 7a

Report title:	**Corporately significant vital signs performance management report**
Date of meeting:	**16th July 2018**
Responsible Chief Officer:	**Strategy Director, Fiona McDiarmid**

Strategic impact

Robust performance management is key to ensuring that the organisation works efficiently to develop and provide services that represent good value for money, deliver the Council's priorities, and improve outcomes for Norfolk people.

Executive summary

This paper presents the current performance information for corporately significant vital signs.

A new set of corporately significant vital signs were agreed by the committee in March 2018 and this is the first report on the revised set of signs.

Vital signs provide measurements of operational processes (internal) and strategic outcomes (external). Poor performance represents a risk to the organisation in terms of our ability to meet legal responsibilities, maintain financial health and meet the needs of our citizens.

The Corporately Significant Vital Signs are:

- Aligned to the 7 priorities
- Aligned to the principles underpinning the Strategy
- Meaningful
- Measurable

Each vital sign has a target which has been set based on the performance required for us to work within a balanced budget and meet statutory requirements. Where the measure relates to the delivery of services benchmarking data has also been used to assess our performance against that of our statistical neighbours.

The P&R Committee is responsible for the vital signs which have been deemed to be 'corporately significant' vital signs, these focus on the more complex areas of the organisation with an emphasis on areas where improvement is required and as a result just under half are currently reporting as red, this not unexpected at this stage of the year and given the complexity of the measures.

The dashboard in Appendix 1 contains the current performance, historical performance and trends of the full list of corporately significant vital signs. The data reported covers the period to May 2018 and represents the latest data available for each of the vital signs.

Performance information is presented in appendices to this report as follows:

- Appendix 1 presents the dashboard of Corporately Significant Vital Signs performance indicators.
- Appendix 2 presents the individual report cards for indicators that meet the exceptions criteria for detailed reporting to committee (off target; deteriorating performance; affecting the budget; or affecting corporate risks).

Recommendation

1. Review and comment on the performance data and recommended action.

1. Introduction

1.1. This paper presents latest performance information for those ‘vital signs’ performance indicators that have been defined as ‘corporately significant’. These were agreed by the committee in March 2018.

1.2. Vital signs provide measurements of operational processes (internal) and strategic outcomes (external). Poor performance represents a risk to the organisation in terms of our ability to meet legal responsibilities, maintain financial health and meet the needs of our citizens.

1.3. The Corporately Significant Vital Signs are also aligned with Norfolk Futures strategy and the four principles:

- Offering our help early to **prevent and reduce** demand for specialist services
- **Joining up** our work so that similar activities and services are easily accessible, **done well and done once**
- Being **business-like** and making best use of **digital technology** to ensure value for money
- Using evidence and data to **target our work** where it can make the most difference.

1.4. Each vital sign has a target, these have been set based on the performance required for us to work within a balanced budget, meet statutory requirements and deliver our services effectively. Where the measure relates to the delivery of services benchmarking data has been used to assess our performance against that of our statistical neighbours.

1.5. This covering paper highlights key issues for Members to note with more detail provided in the report cards.

2. Performance Commentary – corporately significant vital signs

2.1. Individual service committees consider detailed performance of services within their remit. This report analyses a subset of these vital signs to help assess progress against the council’s overall strategy.

2.2. The P&R Committee is responsible for the vital signs which have been deemed to be ‘corporately significant’ vital signs, these focus on the more complex areas of the organisation with an emphasis on areas where improvement is required.

2.3. In this reporting period over 50% of the corporately significant vital signs are meeting or exceeding their performance targets or are within a 5% tolerance of their target.

2.4. Just under half of the corporately significant vital signs are currently reporting as off target and are therefore ‘Red’ against their targets, this is not unexpected at this stage of the year and given the complexity of the performance measures which have been defined as ‘corporately significant’.

2.5. Eight of the new vital signs are ‘under development’ and the source of data, historical performance and targets are being developed, once this is completed the performance reporting for these signs will be added to the dashboard.

3. Corporately Significant Vital Signs and key actions being undertaken to address performance issues

3.1. The performance dashboard in appendix 1 provides the current performance, historical performance and trends of the full list of corporately significant vital signs. The data reported covers the period to May 2018 and represents the latest data available for each of the vital signs.

3.2. This summary report focuses on the performance areas which are performing below their target and provides an analysis of the performance, the factors driving our current performance levels and the actions being taken to enable us to meet the performance targets.

3.3. The report cards in appendix 2 give more detail on performance indicators where:

- Performance is off-target (Red RAG rating or variance of 5% or more); and/or
- Performance has deteriorated for three periods (months/quarters/years); and/or
- Performance is adversely affecting the council’s ability to achieve its budget; and/or
- Performance is adversely affecting one of the council’s corporate risks.

3.4. A summary of the performance areas which are currently Red rated or fall into the criteria outlined in 3.3 is outlined in the following section:

Monthly vital signs (see dashboard in appendix 1a)

3.5. **Savings Delivered by Committee (501)**

3.5.1. Each Committee has a savings target which is key to supporting the delivery of a balanced outturn position and ensuring the Council maintains a robust financial position. This vital sign indicates the forecast savings that will be achieved by the end of 2018-19.

3.5.2. As at the end of Period 2 (May 2018) savings of £24.7m are forecast to be delivered against budgeted savings of £29.9m (83% of planned savings). This equates to a forecast end of year shortfall of £5.2m is for 2018-19 (17% of planned savings).

3.5.3. This forecast is based on the information currently available at this early stage of the year. Historically we have a good track record of delivering a high percentage of our savings targets and based on previous trends and actions being taken to mitigate the forecast shortfall it is expected that the forecast will improve as we move further into the financial year.

3.5.4. The main area of forecast short-fall relates to delays in the achievement of Promoting Independence savings, which are ultimately expected to be delivered, although not in line with the original timescales.

3.5.5. **Actions:** full details of the mitigating actions to achieve a balanced budget in 2018/19 are set out in the separate report 'Delivering Financial Savings 2018/19' in item 9 of the P&R agenda.

3.6. Savings – support services compared to front line (504)

3.6.1. This measure demonstrates to what extent savings that achieve efficiencies in systems and processes, and better use of resources and technology have been prioritised over those which impact on front line delivery (ceasing or reducing a service) to users, partners, and members of the public.

3.6.2. As at period 2, the percentage savings from efficiencies in 2018-19 are forecast to be 67% which is slightly below the budgeted percentage (74%).

3.6.3. **Actions:** Delivery of the Norfolk Futures strategy and four principles will gain efficiencies by being business like, making better use of digital technology and joining up our work so that similar activities and services are easily accessible, done well and done once.

3.6.4. Details of the mitigating actions are set out in the separate report 'Delivering Financial Savings 2018/19' in item 9 of the P&R agenda.

3.7. More People aged 18-64 live in their own homes (203)

3.7.1. People that live in their own homes, including those who have some kind of community-based social care, tend to have better outcomes than people cared-for in residential and nursing settings. In addition, it is usually cheaper to support people at home - meaning that the council can afford to support more people in this way.

3.7.2. This measure shows the balance of people receiving care in community and residential settings, and indicates the effectiveness of measures to keep people in their own homes.

3.7.3. After consistent reductions year on year since 2012 our rate of admissions since January 2017 increased and fluctuated month-on-month. The last four months has seen an improvement in this performance and the rate of permanent admissions for younger adults which has been reducing slowly, reversing what had been an upward trend.

3.7.4. March data shows a positive decrease from the January rate of 21.9 per hundred thousand population to a rate of 19.19 which brings us back down the performance we were at in April 2017.

3.7.5. **Actions:**

- Work is underway to support teams in implementing a way of living independently with appropriate support. An example of this is Netherwood Green in the County Hall grounds, this is seen as stepping stone to more independent living, so tenancies will be short term in the anticipation that people will build skills and confidence and move on to other types of accommodation.

- A Strengths-Based Social Work 12 week Innovation period has just been completed for all Innovation Sites for Living Well: 3 Conversations. This will now be evaluated with a view to moving to implementation planning.

3.8. More people aged 65+ live in their own homes for as long as possible (204)

3.8.1. People that live in their own homes, including those with some kind of community-based social care, tend to have better outcomes than people cared-for in residential and nursing settings. In addition, it is usually cheaper to support people at home - meaning that the council can afford to support more people in this way.

3.8.2. This measure shows the balance of people receiving care in community- and residential settings, and indicates the effectiveness of measures to keep people in their own homes.

3.8.3. Rates of admissions are continuing to fall however the improvement is slowing and the current rate of admissions per 100k is 626 which is above the target of 594.

3.8.4. **Actions** being taken to address this target include:

- The Promoting Independence programme is delivering a number of critical actions to improve this measure

- A supported care model for North and South localities is now operational – offering 24 hour support for up to 7 days for people in crisis to avoid admissions to hospital/residential care

- Measures are underway to support the effective discharge of people from hospital as part of the Improved Better Care Fund programme.

- Commissioning activity around accommodation to focus on effective interventions such as reablement, sustainable domiciliary care provision, crisis management and accommodation options for those aged 65+ will assist people to continue live independently

3.9. Delays in transfers of care (225)

3.9.1. Staying unnecessarily long in acute hospital can have a detrimental effect on people's health and their experience of care. If they are not able to leave hospital to continue their recovery, older people particularly risk losing their mobility and ability to manage daily living tasks, increasing their level of care needs and impacting on their independence and quality of life.

3.9.2. The joint focus of health and social care is to avoid unnecessary admissions to hospital, and ensure a timely discharge when it is safe and in the best interests of the person needing care. The measure for this is the number of days delay in transfer of care attributable to social care per 100,000 population.

3.9.3. Performance peaked in October 2017 after which there has been improvement and the February 2018 figure is the lowest it has been since December 2016.

3.9.4. There were 2,242 total delayed days in February 2018, of which 890 were attributable to Social Care. This is a 17% decrease from January 2018, where there were 1,078 Social Care delays.

3.9.5. The main decrease in social care delays took place at the Norfolk and Norwich University Hospital (634 to 458 – January to February). The proportion of Social Care delays occurring in acute care was 60%.

3.9.6. New resources funded through the improved Better Care Fund came on line in January 2018 including trusted assessors, accommodation based reablement and enhanced home care.

3.9.7. **Actions:** In July we will be working with the Better Care Fund Support Team to focus on the central system to give an independent view of the current arrangements and recommendations about how we can use the collective social services and NHS teams to best effect for people.

3.10. **People Killed or Seriously Injured (KSI) on Norfolk's Road (301)**

3.10.1. Local authorities are required by statute to promote road safety, to undertake collision/casualty data analysis and devise programmes including engineering and road user education, training and publicity that will improve road safety.

3.10.2. In 2010 national targets were set to reduce the number or people killed and seriously injured by a third, in Norfolk this meant that the target was to reduce the figure from an average of 462 between 2005-2009 to 308 by the end of 2020.

3.10.3. The vital sign reports the actual figure of killed and seriously injured (KSI). The latest data for this sign relates to Feb 2018 and the data for March 2018 incomplete, this data is provided by the Constabulary who are in the process of implementing a nationally mandated system.

3.10.4. The general rise in the Norfolk KSI number since 2011 is greater than national figures and Norfolk KSIs have risen by 6.2% compared with 2.9% nationally (to September 2016) and it has become clear that a different approach needs to be taken to addressing this.

3.10.5. A Communities Committee Member task and finish group is working on the casualty reduction strategy, its third meeting took place in June which focused on road user behaviour, to inform the development of approaches which consider safe roads and safe road users.

3.10.6. **Actions** – the following actions are being undertaken to reduce the KSI numbers:

- The next Members task and finish group meeting in July will be led by an independent facilitator who will present good practice initiatives in national and international contexts, and how some of these principles can be applied locally. The group will produce recommendations later in the year which will form the basis of the new casualty reduction partnership strategy.
- Explore the 'safe system approach' being developed in Sweden and New Zealand and develop a general principles outline based on this approach for Autumn 2018.
- Continue to develop a shift in mode of transport through the active travel programme

3.11. **% Education Health Care Plans (EHCPs) completed within the required timescales (416)**

3.11.1. Completing EHCPs within required timescales establishes the best possible outcomes across education, health and social care. This vital sign measures the percentage of Education Health Care Plans (EHCP's) completed within the 20-week timescale required by the DfE.

3.11.2. The current completion rate is 13% which is an improvement on the 2016 performance of 5.8% but the % EHCPs completed within the 20-week timescale still lags significantly behind the national average of 61.3% (2016-17).

3.11.3. In addition to the need to improve the rate of completion the number of EHCP plans issued has also increased from 501 in 2016 to 726 in 2017 and the number of referrals per annum has increased to over 1,000 providing a further challenge to an already stretched process.

3.11.4. Over the same period the DfE requested that all statements of special educational need (SEN) transfer to EHCP by 31st March 2018, which required considerable time and resource. Norfolk has successfully converted 99% (over 4,500 cases) within the deadline however this has taken the focus away from further improvement of the 20-week completion rate.

3.11.5. **Actions** - the following actions are being taken:

- Work with the Strategy and Delivery Unit to identify opportunities to increase the rate of improvement and agree an approach to meet the target (July 2018).
- Continue to utilise additional temporary staffing capacity (ongoing).
- Continue with ongoing changes to process to ensure reduced duplication and increased efficiency (ongoing).

3.12. **Relevant & Former Care Leavers (aged 19-21) in Employment, Education and Training (417)**

3.12.1. As corporate parents, Norfolk county Council has high aspirations for young people formerly in our care. High levels of engagement in education, employment or training among our care leavers improves their outcomes both in terms of their self-esteem and life goals.

3.12.2. This vital sign measures the percentage of care leavers in employment or education (EET). The Target percentage of care leavers in EET is 70% and the current performance is slightly below this at 62.9%.

3.12.3. At the end of March 2017 data submitted to the Department for Education suggested that only 46% of Norfolk's 19-21-year-old care leavers were engaged in employment, education or training (compared with around 55% across England).

3.12.4. By summer 2017, a combination of improvements in case-recording and focussed work with young people and education providers resulted in Norfolk's performance in this area peaking at over 62.5% in September. While there has been a slight decrease since then, this is consistent with short-term courses finishing early in the academic year and natural turnover as young people review their choice of course over time.

3.12.5. **Actions** – Continue ongoing work with education providers, young people and partners to identify and resolve barriers to participation and increase uptake of courses.

Quarterly/Termly measures (see dashboard in appendix 1b)

3.13. **Number of Apprenticeship starts (349)**

3.13.1. Better qualified staff are a key first rung on the ladder to our twin goals of higher value jobs and a reduction in the gap between Norfolk's and England's average earnings (weekly gross pay).

3.13.2. During the 2016/17 year Norfolk had 6,580 new Apprenticeship starts against a target of 7,917. Nationally the number of new apprenticeship starts fell, but the drop in Norfolk was greater. This was predominantly due to the NHS (Norfolk's biggest Apprenticeships Employer) refraining from starting apprentices until the levy could be used to fund the training.

3.13.3. Apprenticeships starts in Norfolk for this year continue to be below target, this is again due to the impact of the reforms and the levy and remains a trend across the country. Norfolk has improved comparatively with national figures, now that levy paying organisations such as the NHS have scaled up utilising their levy. It should be noted though that the levy is being used to upskill the current workforce rather than for new entrants.

3.13.4. The breakdown of the current figures for the first half of 2017/18 by age; 16-18 1,230; 19-24 1,010; 25+ 1,000 covering a 6 month period. Feedback from colleges and training providers indicates that we are unlikely to reach our target.

3.13.5. **Actions:** NCC is working in partnership on a number of strategies to increase the number of starts particularly of young people including:

- Better managing the transition from education to employment through a pilot with the Norwich Opportunity Area
- Working with schools to support them to provide quality Information, Advice and Guidance on apprenticeships
- Piloting an ATA to support some of our most vulnerable young people
- Working with colleges and training providers to explore cohort building to ensure a wide-ranging offer

3.14. **Rate of Looked After Children per 10,000 of the overall 0-17 population (410)**

3.14.1. Norfolk has many more Looked after Children (LAC) than its statistical neighbours and whilst LAC numbers have risen nationally the rate of the Norfolk increase has exceeded the national picture.

3.14.2. Looked after children's numbers have increased consistently over the last 5 years from approximately 1,015 in March 2012 to 1,182 in May 2018.

3.14.3. LAC rate per 10k is a key indicator in assessing the success of that investment, the rate also provides an indication of the success of the wider children's system. Expressed as a ratio, Norfolk looks after 69.7 children per 10,000 head of child population against an average amongst our statistical neighbours of circa 52.5 (in March 2017).

3.14.4. The current LAC rate is 69.7 against a target of 63.2 for 2018/19 with an ultimate target of 55 by 2021/22. This target was set assuming a steady reduction from 2017/18 however since the target was set the rate has continued to increase rather than decline which means that an even steeper improvement curve would be needed to achieve 2018/19 and future targets.

3.14.5. **Actions** being taken to address this performance include:

- A targeted focus on reunification work, identifying children in care who could return home with the right support and applying dedicated social work capacity to support this outcome – July 2018.
- A review of our placement and care panels with enhanced governance and support for better care planning – new model approved and will be implemented in September 2018.
- The proposal to commission a new therapeutic support service for families with children at the end of care – to be operational from 2019/20.
- A major workforce development programme to support family finding work and to enable teams to build resilient networks of support around children, including the

use of Family Network Meetings and Family Group Conferences where appropriate - rollout in Autumn 2018.

- The redesign of our front door and Multi-Agency Safeguarding Hub (MASH) model to reduce the number of cases being inappropriately routed for social work support and freeing up capacity for direct intervention work – new model from October 2018.
- Proposals to further enhance the core social work model with a particular focus on reducing handoffs within the system, freeing up social work capacity and ensuring teams are supported by specialist edge of care service interventions where needed – new model operational by end of 2018.
- Enhancing Early Help, with a focus on building capacity in the partnership system – scoping underway.

Annual Measures (see dashboard in appendix 1b)

3.15. **Capital receipts (505)**

3.15.1. Where the Council owns property which it does not need, disposals can release capital receipts and reduce running costs. This is measured in £m capital receipts against a target which is set each year.

3.15.2. The target for 2018/19 is £8.113m and the current forecast is £1.841m.

3.15.3. The main reason for the difference in expected receipts for the current year is the uncertain timing of sale of development land at Acle. The timing of large disposals is unpredictable and previous years' forecasts vs. actual performance have had significant variances.

3.15.4. **Actions** - work with the Repton Property Development to secure the sale of the Acle development land – July 2018.

4. Recommendations

4.1. Committee Members are asked to: Review and comment on the performance data and recommended actions.

5. Financial Implications

5.1. Financial implications relating to each vital sign are provided in the individual report cards.

6. Issues, risks and innovation

6.1. Risks, issues and innovations arising from the corporately significant vital signs are identified in the individual report cards.

7. Officer contact

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

Officer Name: Diana Dixon

Tel No: 01603 228825

Email address: diana.dixon@norfolk.gov.uk

IN TRAN
communication for all

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

Appendix 1a

Corporately Significant Vital Signs Dashboard – June 2018

Ref	Monthly	Bigger or Smaller is better	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Target	Past Performance	Trend	Narrative of Key Points
500	{Finance} Budget monitoring – forecast vs budget at a County level	On plan	£0.87m	£2.29m	£3.1m	£3.96m	£2.79m	£2.79m	£2.78m	£1.6m	£0.0m	£0.0m			£0.0m		→	Overspend related to looked after children, with an underspend in Adult Social Care
501	{Finance} Savings targets delivered - by committee	Bigger	£46.59m	£43.01m	£43.0m	£42.72m	£42.72m	£42.51m	£42.51m	£42.51m	£42.51m	£42.9m	£29.99	£24.75m	£29.99m		→	A shortfall of £5.248m is currently forecast against budgeted savings of £29.999m.
502	{Finance} Capital programme tracker	Bigger	112.0%	167.0%	160.4%	160.4%	168.3%	164.8%	161.9%	154.2%	151.3%	157.1%	59.10%		60.0%		→	Actual spend has been higher than the indicative projection based on previous years, due to good progress on the NDR and schools projects
503	{Finance} Ratio of corporate net expenditure compared to frontline net expenditure	Smaller	5.8%	5.7%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	6.7%	6.7%	5.8%	5.8%	5.81%		→	Ratio increased due to allocation of depreciation revaluation charges
504	{Finance} Savings - support services compared to front line	Bigger	81.1%	86.1%	86.6%	86.7%	86.7%	86.7%	86.7%	86.7%	86.7%	86.5%	74%	67%	74.0%		→	As at Period 2, the percentage savings from efficiencies in 2018-19 are forecast to be 69%, this is slightly below the budgeted percentage (74%).
202	{ASC} % of people who require no ongoing formal service after completing reablement	Bigger	92.2%	89.6%	88.5%	88.7%		61.9%	74.9%	68.1%	71.1%	74.4%	69.2%		69.0%		↘	Dip in January is expected seasonal norm.
203	{ASC} Decreasing the rate of admissions of people to residential and nursing care per 100,000 population (18-64 years)	Smaller	20.6	21.4	21.2	21.9	21.4	22.3	22.9	23.1	21.7	20.9	22.3		16.5		↗	Historic admissions to residential care for this age group were nearly three times the family group average, but improvements brought below the target level in Apr 16. Gradual rise seen since Jan 17.
204	{ASC} Decreasing the rate of admissions of people to residential and nursing care per 100,000 population (65+ years)	Smaller	637	633	632	636	631	631	638	635	630	629	626		594		↘	Historic admissions to residential care have been higher than Norfolk's family group average. Admission rates reduced significantly from 2014 to early 2016. Despite slowing improvement March 2016, trend is positive.
225	{ASC} Delayed Discharges of care	Smaller	5.61	5.53	5.17	5.09	5.35	5.45	5.49	5.44	5.37	5.38	3.7		3.4		↘	Whilst Winter is always pressured in Health Services, through working closely with other agencies this is falling
301	{PH} Number of people killed and seriously injured on Norfolk's roads	Smaller	421	425	419	415	399	405	410	410	428				348		↗	The general rise in the number of KSI's from early 2011 is greater than national figures
317	On Call (retained) Fire Station Availability	Bigger	79.9%	79.9%	79.6%	82.7%	83.2%	86.4%	82.9%	86.6%	86.1%	86.0%	86.8%	85.2%	90%		↗	Experiencing difficulties in finding people who are prepared to be firefighters and live within 5 minutes of the station, along with associated primary employment pressures
402	{ChS} Percentage of Children Starting a Child Protection Plan who have previously been subject to a Child Protection Plan (in the last 2 years)	Smaller	16.2%	8.4%	9.8%	8.6%	8.4%	8.3%	8.1%	8.1%	8.2%	8.2%	7.5%	7.5%	<15%		↘	Current performance is within our target range and on a par with top quartile national performance
414	{ChS} Percentage of all young people in EET	Bigger	90.2%	89.8%	88.6%	84.6%	88.1%	91.6%	91.5%	91.1%	91.0%	90.8%	90.4%		92%		↗	Participation at year 12 is in line with England, but at year 13 it is significantly lower
416	{ChS} Percentage of Education, Health & Care Plans completed within timescale	Bigger				7.0%	6.0%	7.0%	9.0%	11.0%	14.0%	14.0%	14.0%	13.0%	55%		↗	Although performance has improved from 2016, the percentage of EHCP's completed within 20 week timescale still lags significantly behind national average
417	{ChS} Percentage of Relevant and Former Relevant Care Leavers in EET	Bigger	61.0%	60.4%	60.3%	62.9%	62.8%	62.6%	61.2%	59.2%	58.2%	58.3%	58.4%		70%		↘	Recent decrease is consistent with short-term courses and natural turnover. Forward forecast is for improvement
615	{HR} Sickness absence - percentage lost time	Smaller	3.75%	3.66%	3.63%	3.69%	3.64%	3.57%	3.50%	3.51%	3.46%	3.34%	3.37%		3.50%		↘	Reducing levels of absence levels are unexpected in light of feedback about high short term absence levels
637	{HR} New employee retention rate - UNDER DEVELOPMENT	Smaller													Under Dev			This is a new indicator, so hence the first reporting period being April 2018
639	{HR} Vacancy rates - UNDER DEVELOPMENT	Smaller													Under Dev			In the process of cleansing the data on Org Plus, with the expectation that there will be a reduction in the number of vacant posts
226	{ASC} Number of people supported at home - UNDER DEVELOPMENT	Smaller													Under Dev			
375	{BBfN} % of Mobile Coverage	Bigger													90.0%			New indicator - report card due next period
325	{CIL} Customer satisfaction (with Council services) - UNDER DEVELOPMENT	Bigger													Under Dev			

Note: It should be noted that a number of the targets were re-set in April 2018 and the RAG rating on the dashboard for previous months was against these previous targets. The previous targets for the vital signs that have changed were as follows **501**: £47.77m; **502**: 100%; **503**: 6%; **504**: 82%; **204**: 603.

Appendix 1b Corporately Significant Vital Signs Dashboard – June 2018

Quarterly

Ref	Quarterly / Termly	Bigger or Smaller is better	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Target			
331	{BBfN} % of Norfolk homes with superfast Broadband coverage	Bigger	83.0%		84.0%			86.0%	88.0%	89.0%	89.0%	90.0%			90%		↗	Targeted levels of access to Superfast broadband have been achieved
349	{PE} Number of apprenticeship starts	Bigger	7,290				7,670	2,440	3,830	6,120	6,580	2,100	3,240		8,816		→	Apprenticeships starts in Norfolk continue to be below target, due to the impact of the reforms and the levy, but has improved comparatively with national figures.
403	{ChS} Percentage of Children Starting to be looked-after who have previously been looked-after	Smaller				17.6%	10.0%	9.0%	8.3%	7%	8%	5.30%	6.70%		<15%		↘	Over the past 2 years the trajectory has been improving and is consistently within target
410	{ChS} Rate of Looked-After Children per 10,000 of the overall 0-17 population	Smaller	63.6	63.1	62.5	62.6	62.8	65.5	65.8	65.7	66.2	66.5	69.7		<63.2		↗	While LAC numbers increased rapidly between December 2017 and February 2018, the numbers have since stabilised
411	{ChS} Increase the percentage of education establishments judged good or outstanding by Ofsted	Bigger		80.0%	84.0%	87.0%	87.0%	88.0%	88.0%	89.0%	89.0%	89.0%	89.0%		>86%		↗	The number remains unchanged at the National average of 89%
374	{BBfN} Reduction in the size of Property estate (Gross internal area and number of holdings/properties) - UNDER DEVELOPMENT	Bigger													Under Dev			
415	{ChS} Percentage of children subject to a Permanent Exclusion - UNDER DEVELOPMENT	Smaller			116	94		84	132	65		66	71		Under Dev		→	UNDER DVELOPMENT - TARGET TO BE CONFIRMED

Annual

#	Annual (financial / academic)	Bigger or Smaller is better	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Target			
505	{Finance} Capital receipts	Bigger								£8.33m	£1.87m	£3.11m	£1.31m	£1.84m	£8.11m		↘	Due to uncertain timing of sales of development land
334	{PE} Kilograms of residual household waste per household per week	Smaller										10.0	10.1		10.1		→	Costs and the amount of waste collected are forecast to rise due to increases in housing growth centres
633	{HR} Agency and contract staffing spend as a percentage of pay bill	Smaller						2.5%	3.0%	3.4%	4.2%	3.4%			5.0%		↗	The majority of agency spend relates to social workers in Children's Services
638	95% of employees have written goals - UNDER DEVELOPMENT														Under Dev			

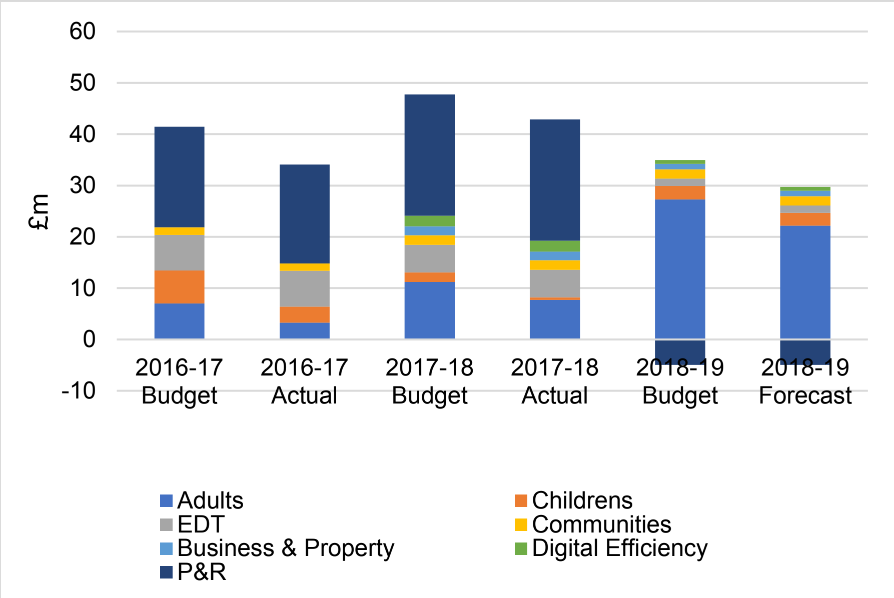
Appendix 2 – Report cards

Savings targets delivered – by Committee (501)

Why is this important?

Making savings is key to supporting delivery of a balanced outturn position and ensuring the Council maintains a robust financial position.

Performance



As at Period 2, the savings forecast for 2018-19 is £24.751m, this is 17% below budget.

What is the background to current performance?

- In the current year, 2018-19, as at Period 2 (May), a shortfall of £5.2m is currently forecast against budgeted savings of £29.9m.
- Savings of £24.7m are forecast to be delivered (83% of planned savings).
- The main area of non-delivery relates to delays in the achievement of Promoting Independence savings, which are ultimately expected to be delivered, although not in line with the original timescales.
- Historically the Council has a good record of achieving budgeted savings, delivering £223m of savings in the period 2011-12 to 2015-16, against budgeted savings of £244m (91%).
- In 2016-17, the shortfall in delivery was £7m, as £34m savings were achieved against plans of £41m (82%).
- In 2017-18 savings of £43m were delivered, a shortfall in savings of £4.8m, compared to budgeted savings of £47.8m (90%). The shortfall related to non-delivery of savings within Children's Services and Adults (in particular delays in delivering savings within the Promoting Independence work).

What will success look like?

- Savings of £29.9m are delivered by the end of 2018-19.
- Planned levels of savings are achieved by each committee, supporting the Council to deliver a balanced outturn position for 2018-19.

Action required

- Details of the shortfall in savings is reported to P&R Committee in the 'Delivering Financial Savings 2018/19' item and details of mitigating actions are set out in this separate report.

Responsible Officers	Lead: Harvey Bullen, Assistant Director – Finance Data: Titus Adam, Financial Projects and Planning Manager

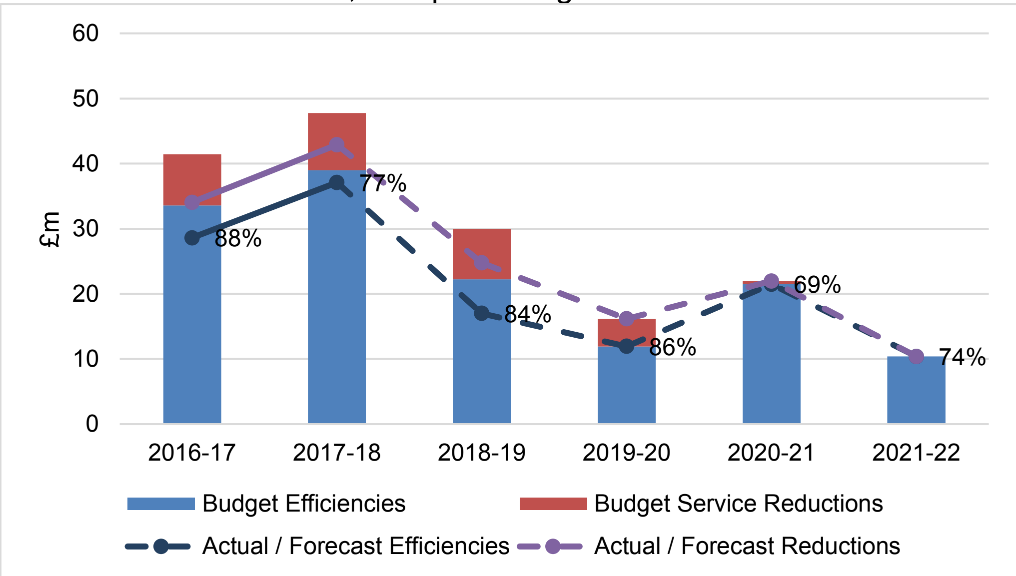
Savings – Support Services compared to Front Line (504)

Why is this important?

Demonstrates to what extent savings that achieve efficiencies in systems and processes, and better use of resources and technology have been prioritised over those which impact on front line delivery (ceasing or reducing a service) to users, partners, and members of the public.

Performance

Budgeted Efficiencies and Service Reductions compared to Actual / Forecast, with percentage of Efficiencies



As at Period 2, the percentage savings from efficiencies in 2018-19 are forecast to be 69%, this is slightly below the budgeted percentage (74%).

What is the background to current performance?

- Savings of £29.9m have been budgeted for 2018-19 of which £22.2m are planned to be efficiencies (74%).
- The overall forecast savings position for 2018-19 (at Period 2) is a shortfall in savings of £5.2m, a high proportion of this shortfall relates to efficiencies therefore the forecast percentage of support services compared to front line is below target at 69%.
- This forecast is early in the financial year and historically the Council has a good track record of delivering savings with a focus on delivering efficiencies while minimising service reductions:
  - In 2017-18 £37.106m came from efficiencies out of total savings delivered of £42.902m (86%).
  - In 2016-17 £28.623m came from efficiencies out of total savings delivered of £34.080m (84%).
- In the period 2011-12 to 2015-16 a higher proportion of savings than planned came from efficiencies with a contribution of 66% against budgeted savings 62%.

What will success look like?

- Savings delivered in line with budget plans, with a focus on efficiency savings with 74% of total savings delivered from efficiencies.
- Council budget balanced with the minimum possible impact on front line service delivery to the public.
- Improvements in support service effectiveness and efficiency achieved.

Action required

- Delivery of the Norfolk Futures strategy and four principles will gain efficiencies by being business like and making better use of digital technology and joining up our work so that similar activities and services are easily accessible, done well and done once.
- Details of the mitigating actions are set out in the separate P&R report 'Delivering Financial Savings 2018/19'.

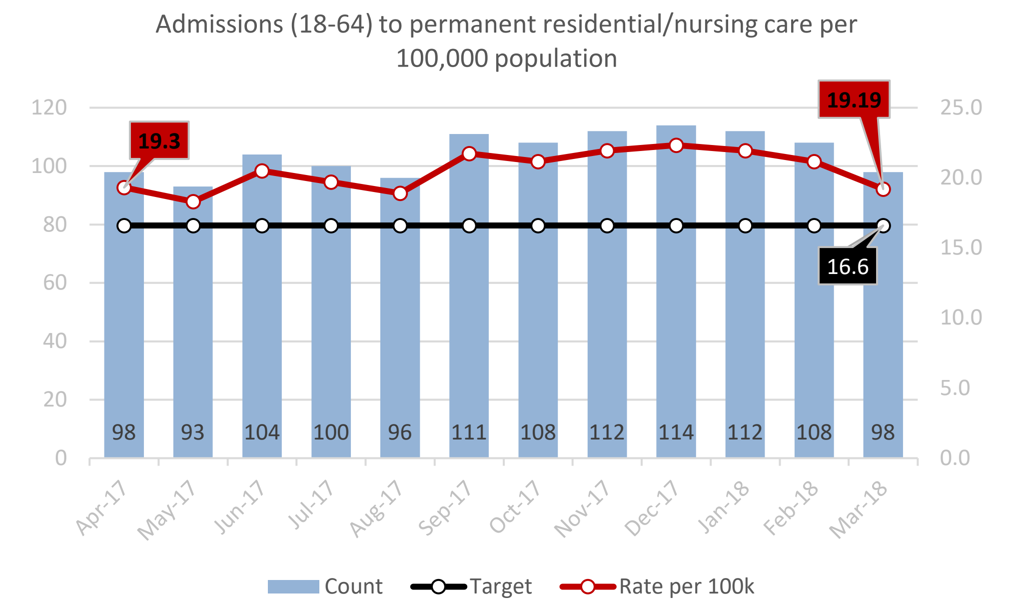
Responsible Officers	Lead: Harvey Bullen, Assistant Director – Finance Data: Titus Adam, Financial Projects and Planning Manager

More people aged 18-64 live in their own homes (203)

Why is this important?

People that live in their own homes, including those who have some kind of community-based social care, tend to have better outcomes than people cared-for in residential and nursing settings. In addition, it is usually cheaper to support people at home - meaning that the council can afford to support more people in this way. This measure shows the balance of people receiving care in community- and residential settings, and indicates the effectiveness of measures to keep people in their own homes.

Performance



March data shows a decrease from the January rate of 21.9 per 100K population to 19.19 per 100K population which brings us back in line with performance in April 2017.

What is the background to current performance?

- Historic admissions to residential care for people aged 18-64 were very high in Norfolk at nearly three times the family group average.
- As a result of improvements we had a steep reduction in the rate of admissions between 2012 and 2017 and we are now only slightly above the family group averages and in line with the rate of change of national and family group averages.
- After consistent reductions year on year our rate of admissions since January 2017 has fluctuated mon-on-month and increased overall however the latest rate indicates a positive reduction back to the rate that we were at in April 2017.
- The current target was based on the volume of admissions profiled through the Adult Social Care 'Cost & Demand Model' and was based on a model which assumed a faster improvement in rates than we experienced in 2017 which means that we now have more ground to make up to get back to the forecast trajectory.
- The targeted reductions represent a significant improvement from being the second-highest 'placer' in our family group to being below the average. The 'stretch' is realistic in the sense that other councils have achieved this, but it nevertheless requires a step-change improvement in performance

What will success look like?

- Admissions for levels at or below the family group benchmarking average (around 13 per 100,000 population)
- Subsequent reductions in overall placements
- Availability of quality alternatives to residential care for those that need intensive long term support
- A commissioner-led approach to accommodation created with housing partners

Action required

- Strengths-Based Social Work – 12 week Innovation period completed for all Innovation Sites for Living Well: 3 Conversations and moving into an evaluation and implementation planning phase.
- Development of "enablement centres" model for service users aged 18-64 to be helped to develop skills for independent living
- Reviewing how we strengthen and change our integrated assessment processes for discharging people from the acute and community hospitals will impact on this indicator

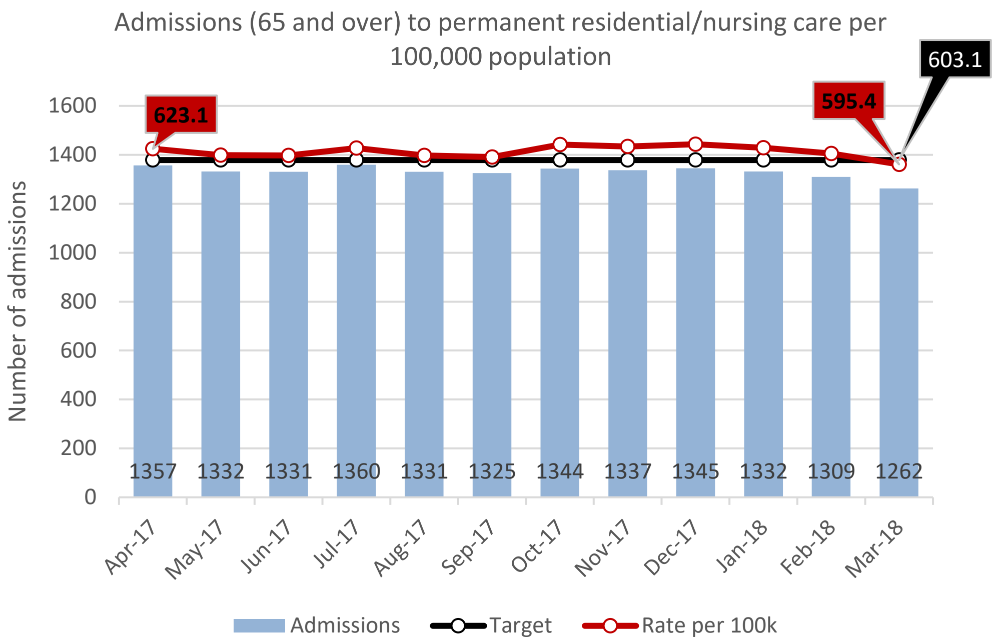
Responsible Officers	Lead: Lorna Bright, Assistant Director Social Work	Data: Intelligence and Analytics Service

More people aged 65+ live in their own homes for as long as possible (204)

Why is this important?

People that live in their own homes, including those with some kind of community-based social care, tend to have better outcomes than people cared-for in residential and nursing settings. In addition, it is usually cheaper to support people at home - meaning that the council can afford to support more people in this way. This measure shows the balance of people receiving care in community- and residential settings, and indicates the effectiveness of measures to keep people in their own homes.

Performance



What is the background to current performance?

- Historically admissions to residential care have been higher than Norfolk's family group average.
- Over the past 3 years the rate of admissions in Norfolk has reduced significantly from a rate of 724.0 admissions per 100k population in 2014/15 to 611.9 admissions per 100k population in 2016/17.
- Monthly reporting of performance shows there has been a slowing down of improvement since March 2016.
- Nevertheless, rates of admissions continue to fall.
- March's figures show a reduction in permanent admissions – the rate is below our target of 603.1 per 100k population

What will success look like?

- Admissions to be sustained below the family group benchmarking average and in line with targets
- Subsequent sustained reductions in overall placements
- Sustainable reductions in service usage elsewhere in the social care system

Action required

- The Promoting Independence programme includes critical actions to improve this measure
- Close scrutiny at locality team level and use of strengths based approach to assessment
- Commissioning activity around accommodation to focus on effective interventions such as reablement, sustainable domiciliary care provision, crisis management and accommodation options for those aged 65+ will assist people to continue live independently
- Supported care model for North and South localities now operational – offering 24 hour support for up to 7 days for people in crisis to avoid admissions to hospital/residential care.
- Measures to support the effective discharge of people from hospital as part of the Improved Better Care Fund programme.

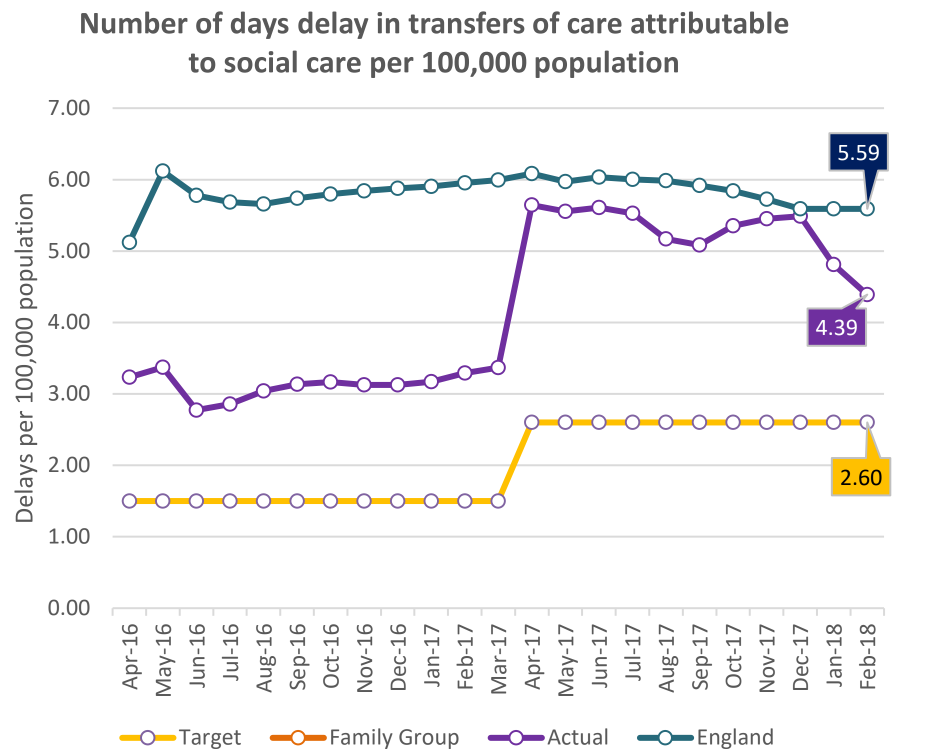
Responsible Officers	Lead: Lorrayne Barrett, Director of Integrated Care, and Lorna Bright, Assistant Director Social Work	Data: Intelligence and Analytics Service

Delayed transfers of care (225)

Why is this important?

Staying unnecessarily long in acute hospital can have a detrimental effect on people's health and their experience of care. Delayed transfers of care attributable to adult social services impact on the pressures in hospital capacity, and nationally are attributed to significant additional health services costs. Hospital discharges also place particular demands on social care, and pressures to quickly arrange care for people can increase the risk of inappropriate admissions to residential care, particularly when care in other settings is not available. Low levels of delayed transfers of care are critical to the overall performance of the health and social care system. This measure is a rolling average over the financial year, so smooths out individual month performance.

Performance



What explains current performance?

Winter is always pressured in the hospital services, but we put in place effective plans in preparation. Nationally and locally, hospitals saw unprecedented numbers of people attending.

As anticipated, it is after Christmas that pressures are often most acute and we experienced greater pressure later in January, coupled with the challenges of sickness. Delays performance improved consistently following the initial winter pressures.

- The number of social care delays in Feb 2018 was within the DoH Feb 2017 benchmark at all Norfolk trusts other than NNUHFT which exceeded this benchmark by 233. Despite this the total number of social care delays in Norfolk was within Feb 2017 benchmark for the first time since Aug 2017.
- We have worked closely with NCHC and NSFT to ensure that when there are delays they are accurately coded. This has led to a substantial reduction in the number of delays attributed to social care.
- NCC is not yet able to fully verify DTOC figures and is working with the NHS to adopt a best practice joint verification process.
- New resources funded through the improved Better Care Fund (iBCF) have come on line: trusted assessors, accommodation based reablement and enhanced home care all became available in late January.
- The Council put in place temporary measures have been put in place to support effective discharge over winter: additional social care assessment staffing, reprioritising workload, incentives to providers to take on cases swiftly and exceptional additional payments to secure care services.

What will success look like?

- Low, stable and below target, levels of delayed discharges from hospital care attributable to Adult Social Care, meaning people are able to access the care services they need in a timely manner once medically fit.

Action required

- Work with the iBCF Support Team to focus on the central system to give an independent view of the current arrangements and recommendations about how we can use the collective social services and NHS teams to best effect for people – commencing July 2018

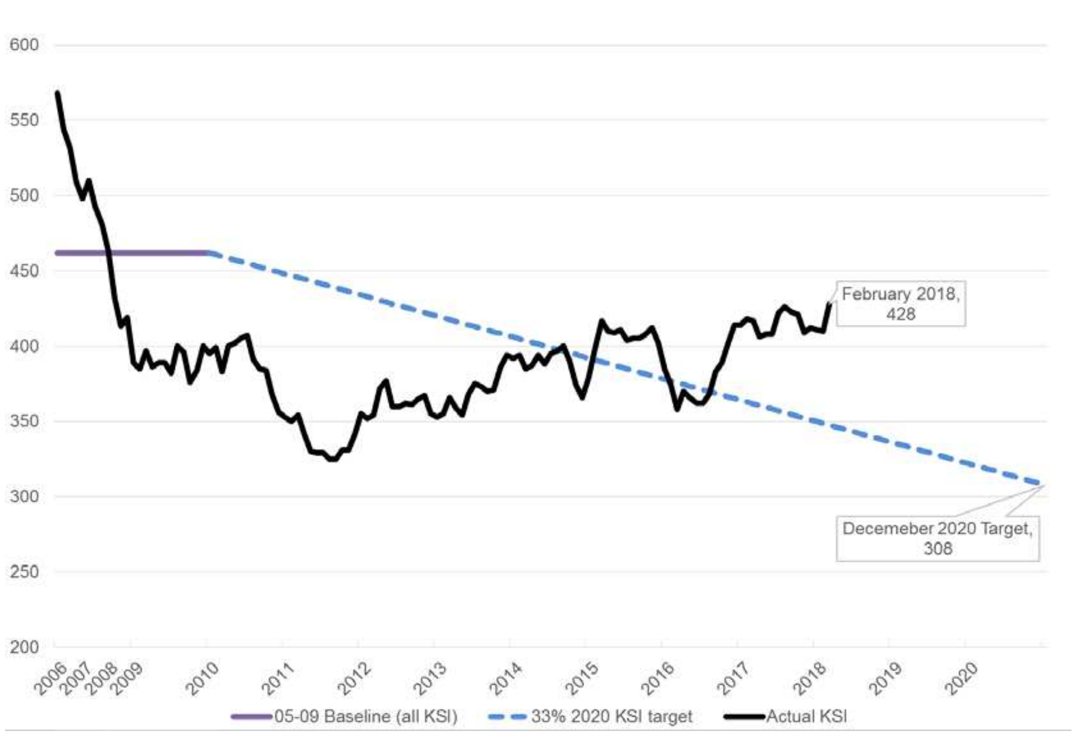
Data: Intelligence & Analytics

People Killed or Seriously Injured (KSI) on Norfolk's Roads (301)

Why is this important?

In 2016, 37 people were killed and 377 were seriously injured in road collisions in Norfolk, representing a significant emotional and financial burden to local people and services. A target was set in 2010 to reduce Killed and Seriously Injured by a third – from 462 average in 2005-2009, by the end of 2020 to 308.

Performance



This graph represents the 12-month rolling figure for the number of KSI.

What is the background to current performance?

- Local authorities are required by statute to promote road safety, to undertake collision/casualty data analysis and devise programmes including engineering and road user education, training and publicity that will improve road safety.
- The vital sign reports the actual figure of killed and seriously injured, not performance measures for services. It is also not expressed as a rate.
- Factors which positively impact numbers include in-car safety standards, greater compliance with speed limits, and economic decline which suppresses casualty numbers by limiting access to certain modes of transport.
- The general rise in the number of KSI from early 2011 is greater than national figures. Norfolk KSIs have risen 6.2% compared with 2.9% nationally (to September 2016)
- Norfolk has a lower KSI rate per 100,000 people, and per billion vehicle kilometres than its statistical neighbour authority Lincolnshire, but is outperformed in both measures by other neighbours Somerset and Suffolk.
- Future performance cannot be accurately predicted due to the number of factors which influence collisions on the road.
- Changes to police accident recording methodology will mean that national 2016 data will include certain metrics will not be directly comparable to previous years, due to data quality issues.
- Norfolk ranked 6th (out of 31 peers) for Road Safety Education within the Highways and Transport survey

What will success look like?

- A downward trend in recorded KSI casualties against increases in vehicle kilometres and population increases;
- A saving to the local economy and local services of around £1.8 million per fatal casualty prevented, and around £206,000 for every serious casualty prevented.

Action required

- Continue to work with Member Task and Finish group to inform new strategy development Continue with targeted local interventions and work with stakeholders
- Continue regular monitoring of sites which experience higher than expected collision numbers in order to identify remedial schemes
- Continue regular Safety appraisal of new highway improvement schemes

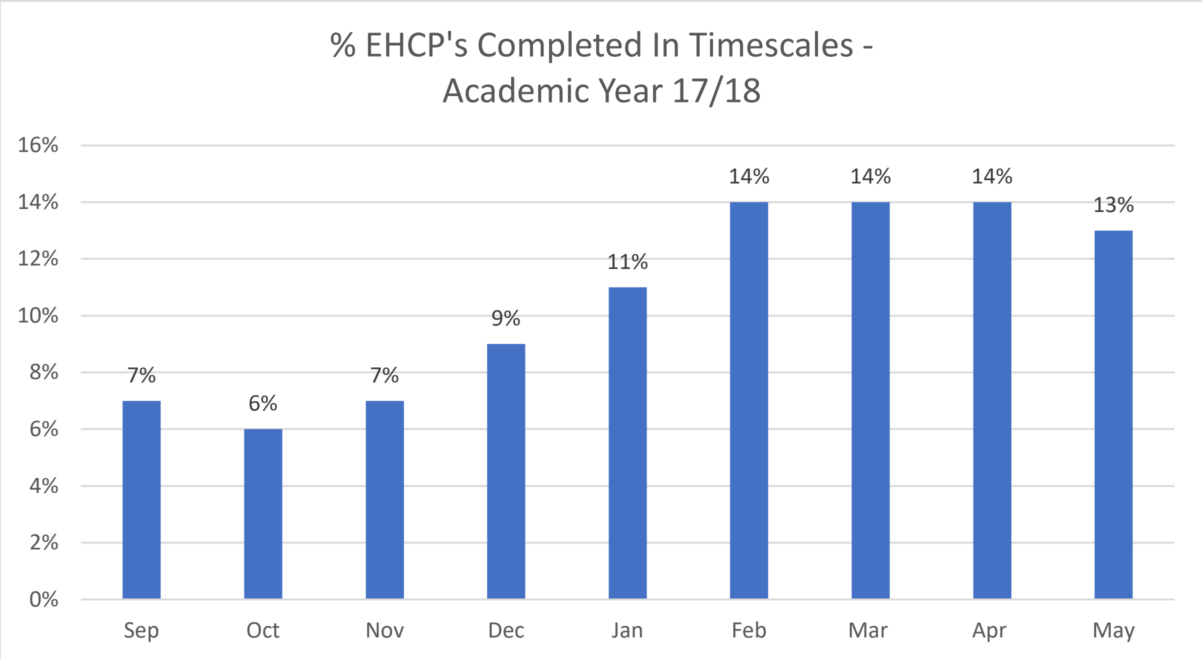
Responsible Officers	Lead: Diane Steiner – Deputy Director of Public Health Data: Nile Pennington – Analyst Road Casualty Reduction

% of Education Health Care Plans completed within the required timescale (416)

Why is this important?

Completion/conversion of the EHCP within required timescales in order to establish and secure best possible outcomes across education, health and social care. DfE requested all Statements of SEN to transfer to EHCP by 31st March 2018 for all LA's, Norfolk had 68 cases remaining of a total caseload of approximately 4500; i.e. LA's had 3.5 years to convert all cases and Norfolk started that time period with in excess of 4500 and converted 99%+ within timescale.

Performance



What is the background to current performance?

- Although improved from performance in 2016 (5.8%), the percentage of EHCPs completed within the 20-week timescale still lags significantly behind the national average.
- The number of EHCP plans issued has increased from 501 in 2016 to 726 in 2017 (calendar year)
- Referral rates have increased to over 1000 per year (previous years average referrals were 650)
- DfE targets for all LA's is 90% and the national average had been 55%. These are the interim (55%) and stretch (90%) targets for Norfolk, therefore.
- Last full quarter performance was 14% for Norfolk with 3 quarters remaining to increase performance to 55%.

What will success look like?

- The percentage of EHCP completion/conversion continues to increase month by month so that by December 2018 55% are completed within the required timescale, average performance for the calendar year. With a 90% target starting January 2019.

Action required

- Work with the Strategy and Delivery Unit to identify opportunities to increase the rate of improvement and agree an approach to meet the target
- Continue to utilise additional temporary staffing capacity
- Ongoing changes to process to ensure reduced duplication and increased efficiency

Responsible Officers

Lead: Michael Bateman, Head of Education High Needs SEND Service

Data: Jackie Goodson, Synergy Systems Officer, Education Achievement

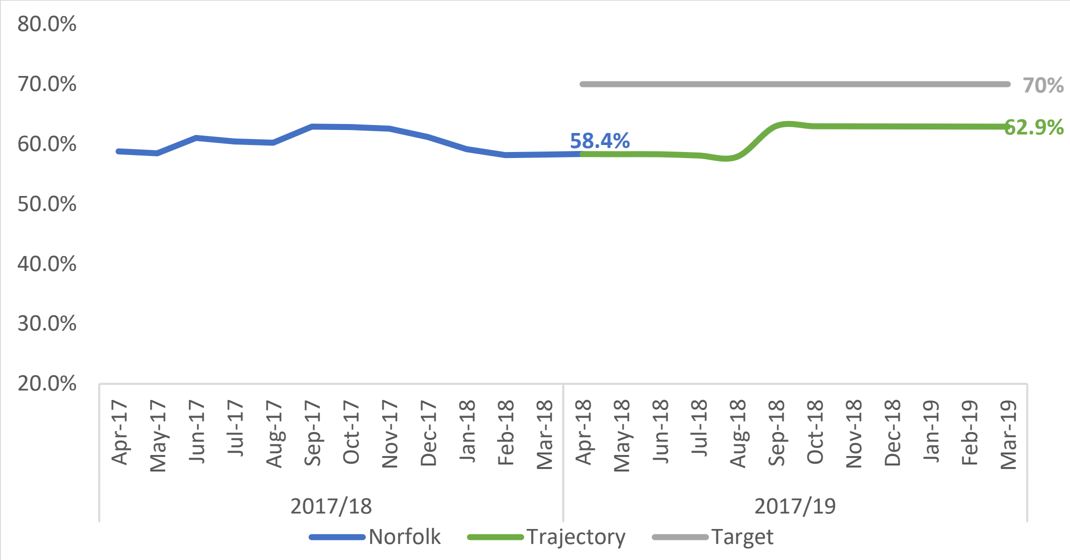
Relevant & Former Relevant Care Leavers (aged 19-21) in Employment, Education or Training (417)

Why is this important?

As corporate parents, Norfolk county Council has high aspirations for young people formerly in our care. High levels of engagement in education, employment or training among our care leavers improves their outcomes both in terms of their self-esteem and life goals.

Performance

Percentage of Relevant & Former Relevant Leavers aged 19-21 EET:



What is the background to current performance?

- At the end of March 2017, data submitted to the Department for Education suggest only 46% of Norfolk's 19-21 year-old care leavers were engaged in employment, education or training (compared with around 55% across England).
- By summer 2017, a combination of improvements in case-recording and focussed work with young people and education providers resulted in Norfolk's performance in this area peaking at over 62.5% in September. While there has been a slight decrease since then, this is consistent with short-term courses finishing early in the academic year and natural turnover as young people review their choice of course over time.
- 27 young people were engaged in post-A Level (equivalent to degree-level) education as at the end of April 2018, a reduction of 5 from the same period in 2017

What will success look like?

- The percentage of 19-21 year-old care leavers engaged in some form of employment, education or training will be well-above the national average, showing Norfolk.

Action required

- Continue ongoing work with education providers, young people and partners to identify and resolve barriers to participation and increase uptake of courses.

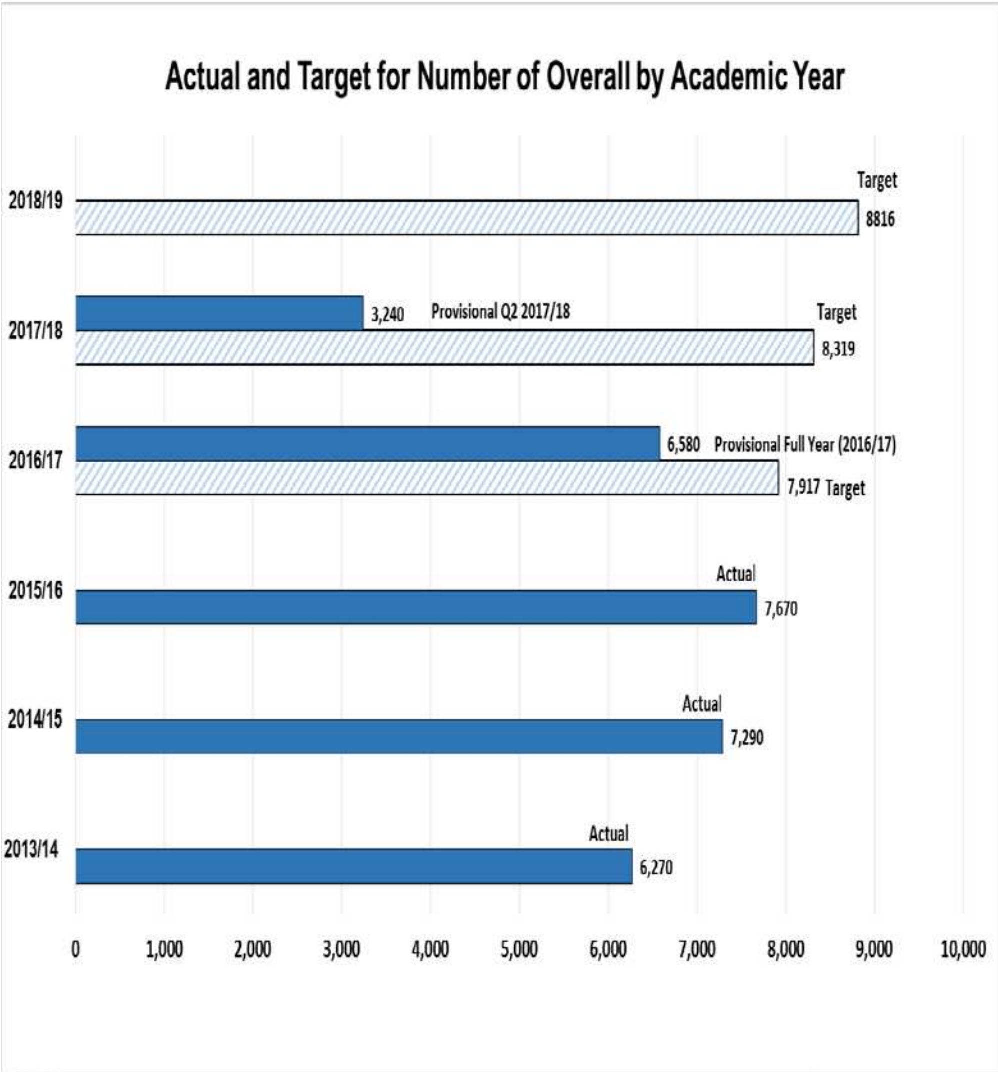
Responsible Officers	Lead: Phil Watson Data: Andy Goff

Quarterly vital sign: Number of Apprenticeship starts (349)

Why is this important?

Better qualified staff are a key first rung on the ladder to our twin goals of higher value jobs and a reduction in the gap between Norfolk's and England's average earnings (weekly gross pay). The New Anglia Local Enterprise Partnership Strategic Economic Plan (SEP) highlights the need to increase the number, level, range and quality of Apprenticeship delivery and generate 5000 additional Apprenticeships across Norfolk and Suffolk by 2019.

Performance



What is the story behind current performance?

Apprenticeship Starts	2013/14	2014/15	2015/16	2016/17	2017/18 (Aug-Jan)	2018/19
	Actual	Actual	Actual	Actual	Actual (half-year)	Target
All starts – all levels/ages	6,270	7,290	7,670	6,580	3,240	8,816

During the 2016/17 year, Norfolk had 6,580 new Apprenticeship starts, against a target of 7,917. Nationally the number of new starts fell, but the drop in Norfolk was greater. This was predominantly due to the NHS (Norfolk's biggest Apprenticeships Employer) refraining from starting apprentices until the levy could be used to fund the training.

Apprenticeships starts in Norfolk for this year continue to be below target, this is again due to the impact of the reforms and the levy and remains a trend across the country. Norfolk has improved comparatively with national figures, now that levy paying organisations such as the NHS have scaled up utilising their levy. It should be noted though that the levy is being used to upskill the current workforce rather than for new entrants.

Feedback from colleges and training providers indicates that we are unlikely to reach our target of 8,319.

The breakdown of the current figures for 2017/18 by age; 16-18 1,230; 19-24 1,010; 25+ 1,000 covering a 6 month period.

The ESFA have changed the frequency and mode of reporting data over the last 18 months, meaning that we no longer receive data in a regular timely fashion and that the data is less rich making it more difficult to plan strategies that will impact on starts.

Our Apprenticeship Advisers, now funded through NEACO, are out in schools, colleges and support organisations such as Jobcentre Plus to promote progression routes through Apprenticeships, covering Intermediate

	Apprenticeships (Level 2) up to Degree level. The apprenticeship team regularly engage with businesses of all sizes, offering information and support in taking on apprentices. They are also engaging with providers to expand the offer within the area.
What will success look like	**Action required**
Success will be measured by the overall achievement of annual target whilst maintaining quality, level and range.	NCC is working in partnership on a number of strategies to increase the number of starts particularly of young people including • Better managing the transition from education to employment through a pilot with the Norwich Opportunity Area • Working with schools to support them to provide quality Information, Advice and Guidance on apprenticeships • Piloting an ATA to support some of our most vulnerable young people • Exploring ways of upscaling the pilot making its sustainable • Working with colleges and training providers to explore cohort building to ensure a wide ranging offer
Responsible Officers — Lead: Jan Feeney	Data: Kieren Buxton – 19/06/2018

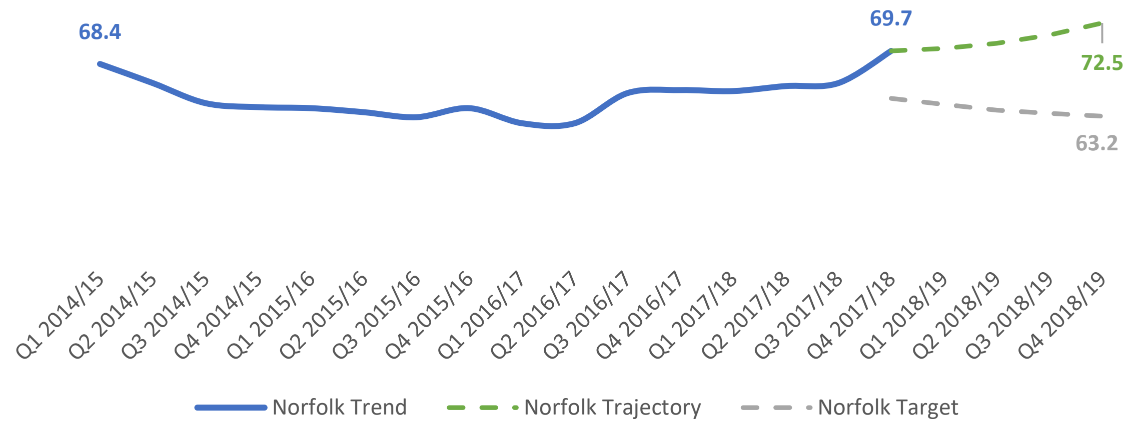
Quarterly vital sign: Rate of Looked-After Children per 10,000 of the overall 0-17 population (410)

Why is this important?

Norfolk has many more LAC than its statistical neighbours and we have implemented a strategy to reduce the levels of LAC. LAC rate per 10k is a key indicator in assessing the success of that investment. The LAC rate also provides an indication of the success of the wider children's system.

Performance

Rate of Looked-After Children per 10,000 of the overall 0-17 population



What will success look like?

- The aim is for the rate of Looked-After Children per 10,000 0 to 17-year-olds to be in line with rates in other similar local authorities within England.
- The target for the end of 2021/22 is to achieve a rate of less than 55 and the target for the end of 2018/19 is a rate of less than 63.2 per 10,000 0 to 17-year-olds.

What is the background to current performance?

- Looked after children's numbers have increased over the last 5 years from circa. 1,015 in March 2012 to 1,107 in March 17.
- Whilst LAC numbers have risen nationally, the rate of the Norfolk increase has exceeded the national picture.
- Expressed as a ratio, Norfolk looks after 69.7 children per 10,000 head of child population against an average amongst our statistical neighbours of circa 52.5 (in March 2017).

Action required

- A targeted focus on reunification work – identifying children in care who could return home with the right support and applying dedicated social work capacity to support this outcome - July 2018
- A review of our placement and care panels – with enhanced governance and support for better care planning – new model approved and will be implemented in September 2018.
- The proposal to commission a new therapeutic support service for families with children at the end of care – operational from 2019/20
- A major workforce development programme to support family finding work and to enable teams to build resilient networks of support around children – including the use of Family Network Meetings and Family Group Conferences where appropriate - rollout in Autumn 2018.
- The redesign of our front door and Multi-Agency Safeguarding Hub (MASH) model to reduce the number of cases being inappropriately routed for social work support and freeing up capacity for direct intervention work – new model from October 2018.
- Proposals to further enhance the core social work model – in particular reducing handoffs within the system, freeing up social work capacity and ensuring teams are supported by specialist edge of care service interventions where needed – new model operational by end of 2018
- Enhancing Early Help – with a focus on building capacity in the partnership system – scoping underway.

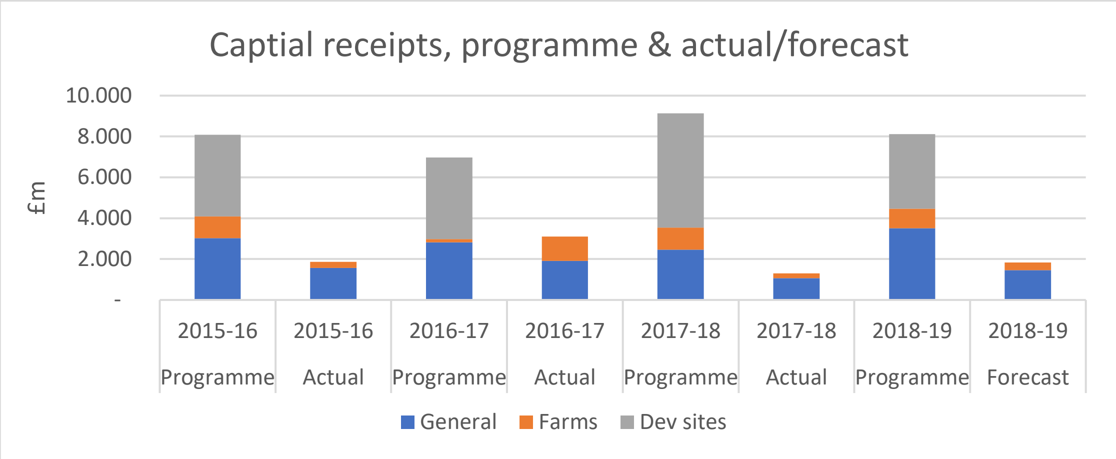
Responsible Officers	Lead: Phil Watson	Data: Andy Goff

Annual vital sign: Capital receipts (505)

Why is this important?

Where the Council owns property which it does not need, disposals can release capital receipts and reduce running costs.

Performance



Latest forecast capital receipts are 23% of capital programme projections. This is in line with 2015-16 23%, 2016-17 45%, 2017-18 14%).

What is the background to current performance?

- The value of receipts from the sales of land and property are as follows:

	Capital programme 2018-19 £m	Forecast 2018-19 £m
General Capital Receipts	3.517	1.451
County Farms Capital Receipts	0.946	0.390
Development sites	3.650	
Total Capital Receipts	**8.113**	**1.841**

- As can be seen from the graph history, the timing of large disposals is unpredictable.
- The main reasons for the difference in expected receipts for the current year is the uncertain timing of sale of development land at Acle.
- The forecast above is based on a new analysis of the high, medium or low likelihood of sale in year, and applying a percentage of 90%, 50% and 10% respectively. This analysis will be developed and improved based on experience.

What will success look like?

- Minimising the Council's need to borrow, and reducing maintenance and other revenue costs will be achieved through the generation of capital receipts as set out in the Capital Programme, as part of the Council's longer term disposals programme.

Action required

- The Corporate Property Team continues to identify properties which are surplus to requirements.
- Properties continue to be marketed with the aim of achieving sales forecasts as set out in the approved capital programme.

Responsible Officers

Lead: Harvey Bullen, Head of Budgeting and Financial Management
Data: Howard Jones, Corporate Accounting Manager

Policy and Resources Committee

Item No. 7b

Report title:	**Risk Management Report**
Date of meeting:	**16th July 2018**
Responsible Chief Officer:	**Executive Director, Finance and Commercial Services**

Strategic impact
The Policy and Resources Committee's role includes owning, and setting expectations for, the Council's corporate risk management. Strong risk management is key to ensuring that the organisation continues to achieve its' strategic objectives, and continues to manage the risks to the effective and efficient delivery of the Council's priorities, and services. There are risk management controls in place within the Council as per the Accounts and Audit Regulations 2015, and the Financial Regulations (part 4.3, of part 7.7) of the Council's Constitution.

Executive Summary

This report provides the Committee with the corporate risk register as it stands in July 2018, along with an update on the Risk Management Strategy, and other related matters, following the latest review conducted during June 2018.

Risk management is reported in its own right but the reporting is aligned with and complements the performance and financial reporting to the Committee.

The corporate risk register was last reported to the Audit Committee (for risk management assurance) in April 2018, to show the latest developments. Officers are working on suggestions from that Committee for other Committees. A reconciliation of corporate risks since the last Policy and Resources Committee (where Risk Management was reported) in March 2018 is shown at **Appendix A.** The latest developments are shown in **Appendix B** (the risk register report).

Recommendations: Committee Members are asked to consider:

a. The changes to the corporate risk register **(Appendices A and B)**, the progress with mitigating the risks; and
b. The scrutiny options for managing corporate risks, (**Appendix C)**;
c. The movement of corporate risks since the last meeting **(Appendix D)**;
d. The Finance and Commercial Services departmental risk summary **(Appendix E)**;
e. if any further action is required.

1. Proposal

1.1. The County Leadership Team has been consulted in the preparation of the corporate risk register. Recommendations can be found above in the Executive Summary.

1.2 Service Committees have oversight and provide recommendations to this Committee on the action to be taken with their corporate risks. To ensure efficiency in reporting it is proposed that a detailed risk management report be presented in two out of four quarters, instead of every quarter. For the two remaining quarters, a risk management report will be presented that covers any significant changes but summarises the corporate risks.

2. Evidence

2.1. Direction

2.1.1. The Council's Medium Term Strategy and Financial Plan, adopted in February 2018, provides council-wide priorities, and these have been developed into some clear outcomes and measures by officers and members. Considering 'being the organisation we need to be', the Council is leading on, and delivering, these changes, and is becoming more strategic with the right attitudes and skills, able to change at pace while shedding cost. The Council is continuing to strengthen governance and performance management, which include effective risk management arrangements. The overall direction should move towards a reduction in corporate risk scores, wherever possible.

2.1.2. Following on from the completion and publication of the revised Risk Management Policy and procedures, a Medium-Term Risk Management Strategy is being finalised by the Risk Management Officer. The revised Risk Management Policy is now being promoted.

2.2 Progress

2.2.1 Overall, corporate risk scores continue to be generally stable. Since the last report to the Policy and Resources Committee, further work has been carried out to ensure that wherever possible, risk mitigations are specific, measurable, achievable, realistic and timed, and to align the plans and progress reporting more closely with each other. This way, progress against mitigations set can be better identified, moving towards a reduction in risk scores, wherever possible. The goal is to better reflect the significant risks to Norfolk County Council, and the actions required to mitigate them, overseen by the County Leadership Team, and owned by the Policy and Resources Committee.

2.2.2. The corporate risk register is now joined up with the Council's 2018-19 Internal Audit Plan, with separate risk scrutiny to be applied by the Risk Management Officer to corporate risks where audits have not been identified for this financial year.

2.2.3. A reconciliation to the March 2018 report is presented at **Appendix A,** detailing the significant changes to corporate risks since that report.

2.2.4 The latest corporate risk register details 18 risks presented at **Appendix B**.

Corporate risks are where the occurrence of an event may have an impact on the County Council achieving its objectives or missing opportunities. Each risk has been allocated to the appropriate Executive Director along with a risk owner and reviewer who are able to influence the mitigation and regularly report on progress so that all reports contain the most current information relating to the risk. It is the nature of corporate risks that every Executive Director has a responsibility to contribute, support and progress the tasks to mitigate the risks, through the County Leadership Team and their Departmental Management Teams.

2.2.5

2.2.6. **Appendix B** contains a full description of each corporate risk with the tasks to mitigate it and the progress of that mitigation. There are three risk tolerance scores (original, current, and target), with each score expressed as a multiple of the impact and the likelihood of the event occurring.

2.2.6. There is one risk with a red rated current risk score:

- **RM023 - Failure to understand and act upon changes to demography, funding, and government policy, with particular regard to Adults Services.**

2.2.7. Risk owners have considered whether the risks will meet the target tolerance score by the target date, shown as a prospects score. Twelve risks are assessed as "Amber– some concerns" that targets may not be met, and four are assessed as "Green - on schedule" to meet their target by the target date, with two risks having met their target scores by the target date, but remaining on the register for current focus. There are no risks with a 'prospects' target red risk score (see note 2 for the criteria for prospects scores).

2.2.8. As part of the overall development of the performance and risk management framework for the Council, an approach to corporate and departmental risk management is being adopted. This approach involves the development of corporate and departmental level risks that are: outcome focussed; linked to strategic priorities; business critical, identifying areas where failure places the organisation in jeopardy; linked to financial and performance metrics.

2.2.9. A key element of this work is cultural change and absolute clarity of roles, responsibilities and process. Specifically, clarity of what these risks are, who is responsible for them, what they are doing to actively manage the risks and what measures are in place to hold people to account. These principles have been considered during consultations by the Risk Management Officer with Risk Reviewers, and captured in the revised Risk Management Policy and procedures.

2.2.10. To assist Members with considering whether the recommended actions identified in this report are appropriate, or whether another course of action is required, a new list of such possible actions, suggested prompts and challenges are presented for information and convenience in **Appendix C.**

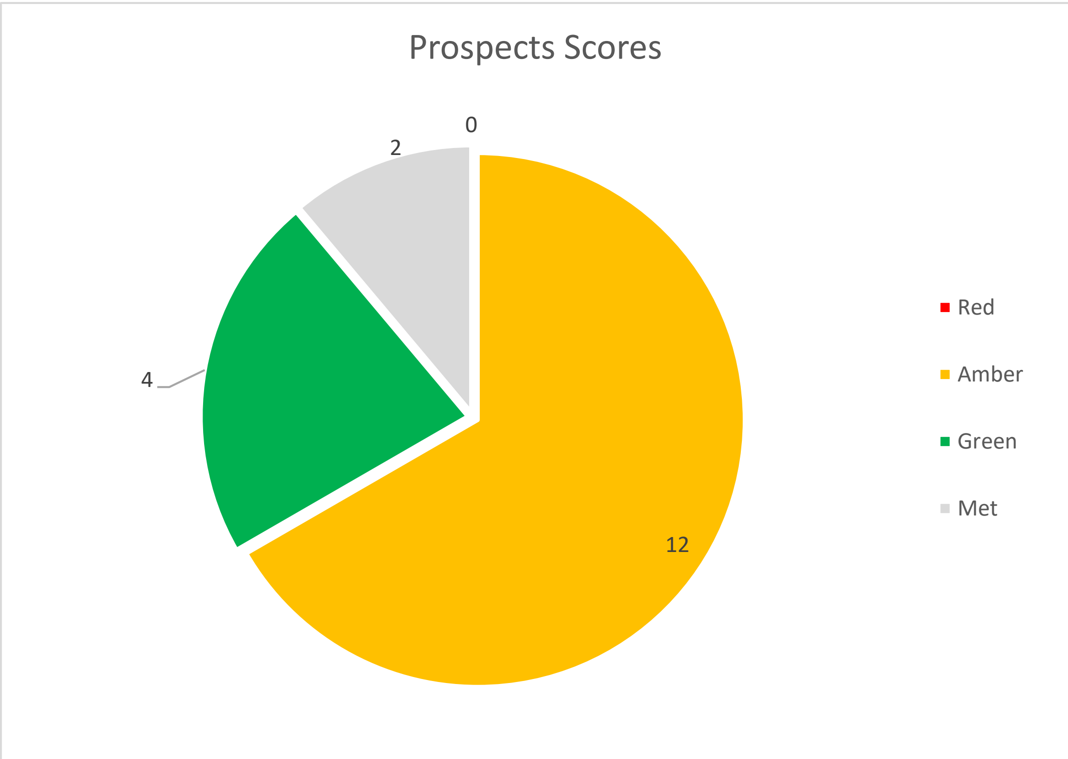
2.2.11. Explanations for the various scores and terminology can be found in the new Risk Management procedures available to staff on the Risk Management iNet page under the documents, forms and guidance section.

2.2.12. For ease of reference the risks have been plotted on a heat map, in **Appendix D**, to illustrate each risk's relative position measured by likelihood and impact for their current risk score.

2.2.13. A Finance and Commercial Services departmental risk register has been drawn up, summarising the departmental risks for this department. It also shows the corporate risks in this department for information. This can be seen at **Appendix E,** and will be developed going forward.

2.2.14. The criteria for Corporate and Departmental risks are listed in the Categorising Risks Procedure on the Risk Management iNet page.

2.2.15. Fig. 1. Reflects the percentages of risks in each prospects category.



2.3 <u>Development</u>

As part of continuing development, four themes will be developed as business as usual for Risk Management. These are as follows;

- Strategy into Action / Accountability
- Commerciality / Business like

- Data Analytics / Evidence Based
- Collaboration / Influencing

The following strands are identified for taking forward;

2.4. Strategy into Action / Accountability

- Formalising a strategy to deliver the Risk Management Policy.
- Developing a more Enterprise Risk Management (ERM) approach for NCC
- Being a ‘Centre of excellence’ for Risk Management

2.5. Commerciality – Business Like

- Developing a traded risk management service to other public sector bodies
- A Service Level Agreement approach for the function.

2.6. Data Analytics – Evidence based

- Develop risk management data measures and sources
- Quality Assure the risk register content

2.7. Influencing – Collaborative

- Training plan for NCC managers on risk management
- Establish a role for NCC in the Eastern Region ALARM group
- Collaborate with expert contractors to develop a world class risk management approach for Norfolk County Council

3. Risk Management Reporting to Committees

3.1. Risk management is reported separately to Financial and Performance Management at Committees, although there continue to be close links between financial, performance, and risk reporting.

3.2 The departmental reporting continues to be by exception, including full information for risks with a current risk score of 12 and above where the prospects of meeting the target score by the target date is reported as amber or red. As per a recommendation from the June 2017 Audit Committee, full Committee risk registers are reported at least once per year, detailing all of the Committee’s departmental level and corporate risks for consideration. A risk report is presented to each Committee on a quarterly basis, at the same time as the Finance and Performance Reports.

4. Financial Implications

4.1 Whilst the likelihood of not delivering the Broadland Northway to its revised budget has significantly reduced, there remain project risks of not delivering the Broadland Northway to budget. This risk will remain open until the final account for the construction works is closed, which project officers are focussing on.

5. Issues, risks and innovation

5.1 The Risk Management Officer has been promoting the Risk Management Policy around the Council, through the delivery of risk management training sessions to Human Resources and the France Channel England programme within the last month.

5.2 The Risk Management Officer attended the annual national Alarm (Association of Local Authority Risk Managers) conference in Manchester in June 2018, where risk topics affecting Local Authorities were discussed.

6. Background

6.1 The review of existing risks has been completed with responsible officers.

6.2 There are four different treatments for managing risks. These are as follows;

Treat: The most widely used treatment. This treatment allows the cause of the risk to continue, but in such a way that it is appropriately managed (normally reduced) to an agreed tolerance level through mitigating actions.

Tolerate: This is where the risk should be accepted, where the risk cannot be cost effectively reduced further. This risk treatment normally applies to low level risks.

Transfer: This risk treatment transfers the risk to a third party (usually through insurance).

Terminate: Eliminating the risk by removing the cause of the risk, and doing things differently.

Each corporate risk will be treated using one of these four risk treatments.

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, i.e. equality impact assessment, please get in touch with:

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Appendix A – Risk Reconciliation Report

Significant* changes to the corporate risk register since the last Audit Committee Risk Management report was presented in April 2018.

Change to risk score

There is one risk score change to report:

RM014b - The savings to be made on Adult Social Services transport are not achieved.

The current risk score has decreased from 12 to 4, with the likelihood being lowered from 4 to 2, and the impact being lowered from 3 to 2.

This is due to the department achieving an underspend on Transport for 2017-18 of £0.888m - in effect the early delivery of the 2018-19 savings and some of the 2019-20 savings.

Changes to risk titles:

RM014a - The increasing demand for SEND assessments coupled with the amount spent on home to school transport at significant variance to predicted best estimates

This risk now includes reference to SEND transport as well as other home to school transport.

RM016 - Failure to adequately prepare for and respond to a major disruption to Norfolk County Council services.

The risk title above rescopes the current risk from the old title "Failure to adequately embed Business Continuity into the organisation", as the Council has made significant progress in embedding business continuity throughout the organisation. This can be evidenced in part by 100% of the Business Impact Analyses around the Council being returned and audited, and full departmental coverage at the Resilience Management Board meetings. Consequently, these elements of the risk have now been removed.

RM017 - Failure to deliver the Broadland Northway within agreed budget (£205m)

The risk title has changed to remove the construction element of the risk, following the opening of the last section of the road on 16th April 2018. The new risk title also incorporates the new name of Broadland Northway.

* A significant change can be defined as any of the following;

- A new risk
- A closed risk
- A change to the risk score(s)
- A change to the risk title, description or mitigations (where significantly altered).

Risk Number	RM001	**Date of update**	05 June 2018
Risk Name	Infrastructure is not delivered at the required rate to support existing needs and the planned growth of Norfolk		
Risk Owner	Tom McCabe	**Date entered on risk register**	01 July 2015

Risk Description

1) Not securing sufficient funding to deliver all the required infrastructure for existing needs and planned growth leading to: • congestion, delay and unreliable journey times on the transport network • a lack of the essential facilities that create sustainable communities e.g. good public transport, walking and cycling routes, open space and green infrastructure. 2) Not meeting the funding profiles (e.g. Local Growth Fund) and losing the funding.

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	5	**15**	3	3	**9**	3	2	**6**	Mar-19	**Amber**

Tasks to mitigate the risk

1.1) County and District Council staff to compile evidence for Local Growth Fund 3 (LGF3) schemes by LEP deadline (End of 2017) to maximise the chance of success. Funding announced and the Local Enterprise Partnership will make a decision anticipated to be spring 2018.

1.2) Engage with Highways England over recommendations for RIS2 programme over summer 2017.

1.3) Review Planning Obligations Standards annually to ensure we are seeking the maximum possible contributions from developers. Officer review December 2017. Member adoption March/April 2018.

1.4) Submit business cases for Pooled Business Rates (PBR) funding by end of July 2017 and end of October 2017.

2.1) Manage and oversee development and delivery of individual Local Growth Fund allocation schemes. Undertake consultation and feasibility work to determine priorities.

2.2) Periodically review timescales for S106 funding to ensure it is spent before the end date and take action as required. Periodic reviews up until the end of March 2018 for transport contributions and an annual review process from April to July 2017 for library and education contributions.

Overall risk treatment: Treat

Progress update

Progress update
1.1) 27 LEP pro formas have been completed for the highest priority LGF schemes. 1.2) Acle Straight and East Winch to Tilney dualling identified as key priorities for RIS2 by NCC and the A47 Alliance and these have been recommended to HE. 1.3) Review programmed. 1.4) Pooled Business Rates bid were successful for 24 projects including the following key transport projects King’s Lynn Transport Norwich Western Link Great Yarmouth Transportation Strategy Dereham Market Town Study Long Stratton Bypass 2.1) Scheme development work underway for 7 Attleborough transport schemes, 6 Great Yarmouth Sustainable Transport schemes and two Great Yarmouth congestion scheme. Fullers Hill Roundabout scheme is completed and the Railway Station/TheConge scheme is under construction. 2.2) Longwater S106 was reviewed and it was confirmed that these contributions are all still valid to contribute to the Dereham Road scheme.

Risk Number	RM002				**Date of update**				19 June 2018			
Risk Name	The potential risk of failure to manage significant reductions in local and national income streams											
Risk Owner	Simon George				**Date entered on risk register**				01 July 2015			
Risk Description												
This may arise from global or local economic circumstances (i.e. Brexit), government policy on public sector budgets and funding. As a result there is a risk that the Medium Term Financial Strategy savings required for 2018/19- 2021/22 are not delivered because of uncertainty as to the scale of savings resulting in significant budget overspends, unsustainable drawing on reserves, and severe emergency savings measures needing to be taken. The financial implications are set out in the Council's Budget Book, available on the Council's website.												
Original			**Current**			**Tolerance Target**						
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date		
4	5	**20**	3	4	**12**	3	4	**12**	Mar-19	**Amber**		

Tasks to mitigate the risk

Medium Term Financial Strategy and robust budget setting within available resources.
No surprises through effective budget management for both revenue and capital.
Budget owners accountable for managing within set resources.
Determine and prioritise commissioning outcomes against available resources and delivery of value for money.
Regular and robust monitoring and tracking of in-year budget savings by CLT and members.
Regular finance monitoring reports to Committees.
Close monitoring of central government grant terms and conditions to ensure that these are met to receive grants.
Plans to be adjusted accordingly once the most up to date data has been received.

Overall risk treatment:Treat

Progress update

Government's 2018-19 local government finance settlement reflected in the 2018/19 budget and Medium Term Financial Strategy.

The Government announced the final 2018/19 Local Government Financial Settlement on 6 February 2018. County Council approved the 2018/19 budget and Medium Term Financial Strategy on 12 February 2018 which incorporated the final settlement.

The council's external auditors gave an unqualified audit opinion on the 2016-17 Statement of Accounts and were satisfied that the County Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

The recent commitment to additional funding for the NHS (https://www.gov.uk/government/news/prime-minister-sets-out-5-year-nhs-funding-plan)

Progress update

inevitably means less funding will be available for other government priorities. However, the plan sets out a commitment that the Government will ensure that adult social care doesn’t impose additional pressure on the NHS. The Prime Minister has also signaled the intention to produce proposals to put social care on a more sustainable footing, and to set out budgets for social care and public health as part of the forthcoming spending review. As such the implications for the Council of the Government’s various funding commitments across the public sector will not become fully clear until later in 2019.

Executive Directors are updating the the latest information on the Council's budget planning for 2019-20 to 2021-22 which is expected to be reported to the Policy and Resources Committee on 16 July 2018.

Risk Number	RM003	**Date of update**	19 June 2018
Risk Name	Potential reputational and financial risk to NCC caused by failure to comply with statutory and/(or) national/local codes of practice relating to information compliance and information security.		
Risk Owner	Simon George	**Date entered on risk register**	30 September 2011

Risk Description

There is a risk of failing to comply with statutory and/(or) national/local codes of practices in relation to Information Compliance. This could lead to significant reputational and financial risk for NCC. This risk is separate to RM007, which looks at the risk of not having the correct or accurate data to make key decisions.

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	5	**15**	3	4	**12**	2	4	**8**	Dec-18	**Green**

Tasks to mitigate the risk

1) Implementation of SIRO (Senior Information Risk Owner) , CIO (Chief Information Officer), Corporate Information Management Team encompassing Information Management, Information Governance, Records Management, policies confirming responsibilities.
2) Ensure that information and data held in systems (electronic and paper) is accurate, up to date, comprehensive, secure against security breaches, and fit for purpose to enable managers to make confident and informed decisions.
3) Ensure that all staff and managers are provided with training, skills, systems and tools to enable them to meet the statutory standards for information management.
4) SIRO to receive assurance of compliance with statutory and/or national/local codes of practice in relation to information compliance from Information Asset Owners when reporting the Annual Governance Statement.
5) NCC is NHS Information Governance Toolkit compliant to Level 2
6) Embedding and enhacing Cyber Security techniques and Protocols through recommendations from the recent Cyber Security Audit - i.e data loss, ransomware and system outages etc.
GDPR work plan has been to CLT and the ICG now owns the plan.
GDPR work has been implement and business representative meting are still being delivered reporting back to the ICG.
The current impact score is at 4 to take into account the increase in corporate tools to manage and ensure compliance - Information Asset Register, Policies and Procedures, Training and Awareness Strategy and Business buy-in.
The new General Data Protection Regulations are to be implemented by May 2018. A GDPR paper and work plan agreed by the ICG will go to CLT for sign off, with further work progressing. The work plan will include a corporate plan that will add further mitigation in reducing this risk.
The target date has been changed to take into account the remianing elements of hte GDPR programme and the repsone from NHS Digital
Overall risk treatment: Treat

Progress update

Progress update

The IM Maturity Readiness plan has objectives and outcomes around the key information management tasks identified within the risk. The plan is initially focussed on the first three information principles as the foundation layers, Information is a valued asset, information is managed and information is fit for purpose.
Data cleansing has started in relation to Children's and Adult's social care information pre-procurement.
The council now has a corporate Information Asset Register in line with industry best practice, which all services have added their key information assets and these have idenitified Information Asset Owners (IAOs) associated with them. The SIRO will recieve quarterly exception reports from the IAO's and the IAO's will on a regular basis update these assets and any risks associated with them. The governance of the monitoring of the register and the assets themselves has been agreed with the SIRO and identified to the Caldicott Guardians.
Six new Corporate Information Management policies signed off by Business Leads, the Caldicott Guardians and the SIRO, have been implemented within the council along with 30+
Corporate procedures signed off by business leads. In tandem, a communications strategy has been implemented along with a robust Training and Awareness strategy including action and implementation plans.
Cyber security action plan has been developed and is currently being actioned.
The Maturity Readiness Plan is being monitored by the Business Intelligence/Information Management Programme Board on a monthly basis with highlight reports. The scrutiny will also be provided by regular updates to CLT.
The Annual Governance Statement is being produced with assurance of compliance to be incorporated.
GDPR programme of work is underway reporting to the ICG and escalation to IMT steering Group/CLT.
Norfolk County Council submitted the 2018/19 NHS IG Toolkit submission and is currently awaiting response from NHS Digital.
GDPR programme of work has been implemented with key risk areas prioritised for the delivery by the 25th May 2018. Programme of work is now continuing for the lower risk areas.
Audit sucessfully undertaken by Internal Audit in regards to the use and implemention of Caldicott Guardians across Childrens and Adults.

Risk Number	RM004	**Date of update**	13 June 2018
Risk Name	The potential risk of failure to deliver effective and robust contract management for commissioned services.		
Risk Owner	Simon George	**Date entered on risk register**	01 July 2015

Risk Description

Ineffective contract management leads to wasted expenditure, poor quality, unanticipated supplier default or contractual or legal disputes The council spends some £600m on contracted goods and services each year.

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	4	**12**	3	4	**12**	2	3	**6**	Dec-18	**Amber**

Tasks to mitigate the risk

1) Ensure that staff who have contract management as part of their job have the relevant skills and support to manage contracts effectively

2) Pipeline of expiring contracts and procurement summary to go to Committees and departments.

3) Appoint a Senior Commissioning Officer for Norse services and implement cross-department contract management structures

4) Review contracts to ensure compliance with the GDPR from May 2018

5) Rolling programme of internal audits of contract management of significant contracts

Overall risk treatment: Treat

Progress update

1) Contractor management training being organised for Q2/3 of 2018/19; central system of checking credit alerts implemented; contract management skills matrix being developed

2) The procurement pipeline goes to all Committees and is being tailored to each Committee to show their procurement. It is also being taken up by some departmental management teams.

3) A Senior Commissioning Officer has been appointed for Norse services and cross-department

4) Contracts are currently being reviewed, to ensure compliance with the GDPR as of May 2018.

5) Rolling audit programme has commenced.

Risk Number	RM006	**Date of update**	04 July 2018
Risk Name	The potential risk of failure to effectively plan how the Council will deliver services over the next 3 years commencing 2018/19 - 2021.		
Risk Owner	Wendy Thomson	**Date entered on risk register**	01 July 2015

Risk Description

The failure in strategic planning meaning the Council lacks clear direction for resource use and either over-spends, requiring the need for reactive savings during the life of the plan, or spends limited resources unwisely, to the detriment of local communities.

Original			**Current**			**Tolerance Target**				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	5	**15**	2	5	**10**	2	5	**10**	Oct-18	**Met**

Tasks to mitigate the risk

1) Clear robust planning framework in place which sets the overall vision and priority outcomes. A council-wide strategy which seeks to shift focus to early help and prevention, and to managing demand
2) Strategic service and financial planning process which translates the vision and priorities into achievable, measurable objectives, with clear targets.
3) A robust annual process to provide evidence for Members to make decisions about spending priorities.
4) Regular and robust in-year financial monitoring to track delivery of savings and manage in-year pressures
5.) Sound engagement and consultation with stakeholders and the public.
6) A performance management and risk system which ensures resources are used to best effect, and that the Council delivers against its objectives and targets.

Overall risk treatment: Treat

Progress update

1) The Council agreed the Strategic and Financial Planning 2018-19 to 2021-22 and Revenue Budget for 2018-19 at its meeting on 12 February 2018. In making their decisions, Councillors had the benefit of a cycle of robust committee discussions about priorities and pressures on services.
2) Norfolk County Council's strategic planning framework sets out a vision and a strategy to govern the work of the Council over the next 3 years. The vision builds on the administration's manifesto and the strategy (wich replaces the previous Council Plan) sets out the 4 strategic principles that we will use to start to transform Norfolk County Council's services. The Norfolk Futures transformation programme provides the vehicle for change, and contributes and is aligned to the Medium Term Financial Strategy.
3) Each service committee has a 3 year service plan which outlines the business plans which will deliver the vision and strategy, as well as the key performance indicators by which progress and success will be measured. The Committee plans have been built up from the 53 "plans on a page" developed across all services, and which detail the desired outcomes, priorities and measures for each service. Over the summer 2018, the plans on a page will be refreshed to ensure they are in line with the 4 strategic principles, and aligned to emerging budget proposals. Over the next 3 months, the Strategy & Delivery Unit will be working with

Progress update

Finance to develop a fully integrated strategic planning cycle.

4) Regular performance reporting to committees is focusing attention on poorly performing areas and highlighting areas of good performance. Dashboards are used, providing a summary of key performance indicators (KPIs) which focus on key areas agreed by Members and Chief Officers, together with the red, amber, green rating (RAG) ratings and direction of travel (DoT). The corporately significant "vital signs" have been agreed and will be reviewed quarterly at the Policy & Resources Committee.

5) Plans for a public consultation for savings in 2019-20 are being developed for the Autumn 2018, and "project by project" engagement with strategic stakeholders and partners is already underway. The feedback from all consultations will be shared with and discussed in detail by councillors in line with agreed timetable.

6) The Heads of Strategy & Delivery, Intelligence & Analytics and Human Resources have been appointed, strengthening the corporate centre and creating a more joined up approach to strategy setting, using evidence and intelligence. The focus of the teams will be to determine the strategic questions the council needs to respond to, scan the political landscape that the council operates in for opportunities and threats, respond to emerging policies and support the developmement of service specific strategies to address current and emerging pressures.

Appendix B

Risk Number	RM007				**Date of update**			19 June 2018		
Risk Name	Potential risk of organisational failure due to data quality issues.									
Risk Owner	Simon George				**Date entered on risk register**			01 July 2015		
Risk Description										
Failure to manage the data quality will prevent us from ensuring that data relating to key Council priorities is robust and valid. This places the Council at risk of making decisions using data that is not always as robust as it should be. This may lead to poor or ineffective commissioning, flawed decision making and increased vulnerability of clients, service users and staff. This risk is separate to RM003, which looks at the risk of failure to adhere to national and/or local statute or codes of practice relating to information compliance or information security.										
Original			**Current**			**Tolerance Target**				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	5	**15**	3	5	**15**	2	4	**8**	Dec-18	**Amber**

Tasks to mitigate the risk

1) Implementation of the Information Management Strategy,
Information Governance Framework, Data Protection, Information Sharing, Freedom of Information, Records Management, Managing Information Risk, and Information Security.
2) Information Compliance Group (ICG) has the remit to ensure the overarching Information Governance Framework is embedded within business services and NCC and elements of the IM Maturity Readiness Plan.
3) Ensuring that all staff and managers are provided with training, skills, systems and tools to enable them to meet the statutory/NCC standards for information management.
4) Ensuring the Mandated E-Learning Data Protection 3 year refresher data - Information sent to CLT and CLG on a monthly basis for review and action
5) The implementation of a corporate Records Management solution
6) The implementation of a corporate Identity and Access Management solution

Overall risk treatment: Treat

Progress update

Progress update
The IM Maturity Readiness plan has objectives and outcomes around the key information management tasks identified within the risk. The plan is initially focussed on the first three information principles as the foundation layers, Information is a valued asset, information is managed and information is fit for purpose. April 2017 compliance rate for 3 year refresher is 97.6% - 2.6% higher than the target for the vital sign of 95%. A pilot training programme has been completed concerning increasing data accuracy skills. The pilot was for 32 staff accross all services. The Council now has a corporate Information Asset Register in line with industry best practice, which all services have added their key information assets and these have idenitified Information Asset Owners (IAOs) associated with them. The SIRO will receive quarterly exception reports from the IAO's and the IAO's will regularly update their assets and any risks associated with them. The governance of the monitoring of the register and the assets themselves has been agreed with the SIRO and identified to the Caldicott Guardians. The Maturity Readiness Plan is being monitored by the BI/IM Programme Board on a monthly basis with highlight reports. The scrutiny will also be provided by regular updates to CLT. A data quality audit has been carried out, particularly focussing on information asset owners, with the final report published in January 2018. A Data Quality Working Group has been established for the Liquid Logic project and has been meeting on a reqular basis to ensure the quality of the information migrated to the new system is in a robust fit for purpose state as per the IM Strategy.

Risk Number	RM010				**Date of update**				20 June 2018	
Risk Name	The risk of the loss of key ICT systems including: - internet connection; - telephony; - communications with cloud-provided services; or - the Windows and Solaris hosting platforms.									
Risk Owner	Simon George				**Date entered on risk register**				02 September 2015	
Risk Description										
Loss of core / key ICT systems, communications or utilities for a significant period - as a result of loss of power, physical failure, fire or flood, supplier failure or cyber attack - would result in a failure to deliver IT based services leading to disruption to critical service delivery, a loss of reputation, and additional costs. Overall risk treatment: reduce.										
Original			**Current**			**Tolerance Target**				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	4	**12**	3	4	**12**	1	3	**3**	Sep-18	**Amber**

Tasks to mitigate the risk

'1) Full power down completed periodically.
2) Voice and Data reprocurement.
3) Commision Independant Data centre and power audit
4) Reprocure storage with suitable resilience and Disaster Recovery (DR)
5) Reprocure Microsoft Server Infrastructure with suitable resilience and DR
6) Replace ageing Local Area Network (LAN) equipment
7) Identify a suitable DR site to replace Carrow House
8) Ensure access to services if county hall lost by reconfiguring Core Infrastructure Services (DHCP, DNS, Active directory)
9) Implement Cloud-based business systems with resilient links for key areas
10) Replace voice services (contact center / desk phones) with resilient cloud based service including Relocate resilient Network Routing Server to allow call routing to continue for other sites if County Hall failed
Reconfigure sites to point to an active Survivable Media Gateway (one of the 4 ISDN sites) so if Avaya fails a reduced fall back service is available
11) Review and Implement suitable arrangments to protect against possible cyber / ransonware attacks including
• Carry out recommendations from Cyber Security Audit
• Carry out recommendations from Phishing Simulation exercise, and repeat
• Retire Windows 2003
• Implement new client service security for Windows 10 build
• Independent IT Health Check for PSN accreditation (Oct 2017)
Overall risk treatment: Treat

Progress update

Progress update

'Progress completed to date
1) Full power down completed and procedures updated from lessons learned.
2) Voice and Data reprocurement complete and implemented significantly increasing resilience for the Wide Area Network and internet.
3) Commissioned Independant Data centre and power audit, complete August 2017, recommended separate diverse power supply and new data centre's, costing additional power and plan (subject to approval) new data centre's as part of basement / lower ground refurbishment.
4) New DR site work permissions approved, building work complete.
5) New Microsoft Server Infrastructure procured implementation complete ready for migration when ready to test full DR capability.
8)All core infrastructure services (DNS, AD, ADFS, NPS, AlwaysOn VPN) are now clustered across to the Secondary site ;
- All production Wintel servers (380) are now replicated to the Secondary site;
- Email system is now able to operate independent of County Hall campus. This includes user's access to mailbox as well as ability to send/receive internal and external emails.
9) Cloud-based highways management system has been implemented; Liquid Logic replacement is remotely hosted and due live by April 2018 with resilient network connections ordered; review of Oracle hosting has commenced.
11) To mitigate against a cyber attack Network segregation has been improved over the Wide Area Network (WAN), ensuring all partners that use the NCC network are fully segregated. Denial of Service (DDOS) and Intrusion Prevention system (IPS) implemented on our internet gateways and robust patching and host based protection implemented on all NCC devices that attach to the network (This is a pre-requisite of PSN accreditation, and is an on-going task). A simulated phishing attack has been run (we are one of few Councils to have undert
aken such an exercise) and results are being analysed. New client service security for Windows 10 has been successfully implemented and is being enforced as the new build rolls out.
Actions to be completed
6) Replacement New Local Area Network (LAN) to be procured to reduce risk of network failure.
7) The server, network and storage DR equipment will be moved into the identified site providing full failover facilities in the event of loss of County Hall. Still on Target to be complete by late Summer 2018.
8)All core infrastructure services (DNS, AD, ADFS, NPS, AlwaysOn VPN) to be moved Q3 2018 to the new DR site;
- Work started on the new Solaris EBS platform which by design is replicated to the Secondary site (go live Q4 2018);
- Network layer resilience main concepts agreed, design work initiated. This will be enhanced by the LAN refresh (Q4 2018);
- Works have started to reorganise/improve the site's Comms Room which will become ready as Secondary site Q3 2018;
10) Replacement of contact centre system to a cloud based service taking longer than expected. Skype for business project being reset and replanned to improve resilience and reduce dependencies on onsite infrastructure.
11) Work to complete recommendations from Cyber Security Audit is ongoing 5 out of 25 actions now complete with a target of December 2018, the work to retire Windows 2003 servers 26 remain 16 due to be complete by Jun 2018 leaving 10 including Oracle UCM, SMIS, call pilot which are all dependant on other projects but will be patched with security patches provided by the NHS, the recommendations from the Independent IT Health Check for PSN accreditation are 69% complete. We are working through the recommendation/actions from the phishing exercise and have completed 1 of the 12 we will complete all actions by October 2018.

Risk Number		RM011				**Date of update**				03 July 2018		
Risk Name		The potential risk of failure to implement and adhere to an effective and robust performance management framework.										
Risk Owner		Wendy Thomson				**Date entered on risk register**				02 September 2015		
Risk Description												
The failure of leadership to adhere to robust corporate performance practice / guidance, resulting in organisational / service performance issues not being identified and addressed. This could have a detrimental impact on future improvement plans and overall performance and reputation of the Council.												
Original			**Current**			**Tolerance Target**						
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date		
3	4	**12**	3	4	**12**	1	3	**3**	Mar-19	**Amber**		

Tasks to mitigate the risk

Reshaped and launched performance development framework
Mandatory training for 950 existing managers
Mandatory training for all new managers
Survey feedback to test employee and manager engagement and competence with new framework
Corporate vital signs for goals, learning plans
Other corporate vital signs of staying with organisation more than 2 years, absence targets,
Employee survey to test alignment with goals and performance improvement
Regular monthly communication
Half year reviews will focus on launch of values and leadership attributes the “how”
Embedded into our management development framework offer.

Managing the following five corporate vital signs relating to performance;

Sickness absence - percentage lost time.
New employee retention rate
Vacancy rates
Agency and contract staffing spend as a percentage of pay bill
Working to a target of 95% of employees having written goals to works towards.

Overall risk treatment: Treat

Progress update

We have a plan in progress for the current year to deliver the HR based mitigations for this risk.
We are developing the vital signs relating to performance.
There is close working between the Head of HR and the Head of Intelligence and Analytics to capture how the organisation is performing.

Risk Number	RM013	**Date of update**	22 June 2018
Risk Name	The potential risk of failure of the governance protocols for entities controlled by the Council, either their internal governance or the Council's governance as owner. The failure of entities controlled by the Council to follow relevant guidance or share the Council's ambitions.		
Risk Owner	Wendy Thomson	**Date entered on risk register**	02 September 2015

Risk Description

The failure of governance leading to controlled entities: Non Compliance with relevant laws (Companies Act or other) Incuring Significant Losses or losing asset value Taking reputational damage from service failures Being mis-aligned with the goals of the Council The financial implications are described in the Council's Annual Statement of Accounts 2016-17.

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
1	4	**4**	1	4	**4**	1	4	**4**	Apr-19	**Met**

Tasks to mitigate the risk

1) All controlled entities and subsidiary companies have a system of governance which is the responsibility of their Board of Directors.
The Council needs to ensure that it has given clear direction of it's policy, ambitions and expectations of the controlled entities.
The NORSE Group objectives are for Business Growth and Diversification of business to spread risks. Risks need to be recorded on the Group's risk register.
2) The NORSE board includes a Council Member and is currently chaired by the Executive Director of Communities and Environmental Services of the Council. There is a shareholder committee comprised of six Members. The shareholder committee should meet quarterly and monitor the performance of NORSE. A member of the shareholder board, the shareholder representative, should also attend the NORSE board.
3) The Council holds control of the Group of Companies by way of its shareholding, restrictions in the NORSE articles of association and the voting rights of the Directors. The mission, vision and value statements of the individual NORSE companies should be reviewed regularly and included in the annual business plan approved by the Board. NORSE should have its own Memorandum and Articles of Association outlining its powers and procedures, as well as an overarching agreement with the Council which outlines the controls that the Council exercises over NORSE and the actions which require prior approval of the Council.
4) To ensure that governance procedures are being discharged appropriately to Independence Matters.
5) Approve the Outline Business Case for Repton Property Developments Ltd.
6) Provide regular updates to the company Board and to the Business and Property Committee.
Risk Treatment: Tolerate

Progress update

Progress update
1) There are regular Board meetings, share holder meetings and reporting as required. For NORSE, risks are recorded on the NORSE group risk register. For Norfolk Energy Futures, Policy and Resources Committee agreed to liquidate Norfolk Energy Futures on 3rd July 2017, with the outcomes of this process to be reported to Policy and Resources Committee through financial monitoring. Work to liquidate the company is currently progressing. 2) The Norse Group follows the guidance issued by the Institute of Directors for Unlisted Companies where appropriate for a wholly owned local authority company. The shareholder committee meets quarterly and monitors the performance of Norse. A member of the shareholder board, the shareholder representative, also attends the Norse board. 3) The Council has reviewed its framework of controls to ensure it is meeting its Teckal requirements in terms of governance and control, and a series of actions has been agreed by the Policy and Resources Committee. The Executive Director of Finance and Commercial Services is responsible for reviewing the ongoing viability of wholly owned entities and regularly reporting the performance of their activities, with a view to ensuring that the County Council’s interests are being protected. All County Council subsiduary limited company Directors have been approved by full council. The new Chairman of Norse has initiated change with one Director looking after NCS and NPS, with a view to maximising returns back to NCC. Updated report on Norse governance went to P&R in November 2016. 4) The Executive Director of Finance and Commercial Services directs external governance. An external company is undertaking a review of Norse Group's financial performance, discharging the Executive Director for Finance and Commercial Services' responsibility as per the Constitution. 5) The Outline Business Case for Repton Property Developments Ltd has been approved. 6) Regular updates are being provided.

Appendix B

Risk Number	RM014a				**Date of update**				06/06//2018	
Risk Name	The increasing demand for SEND assessments coupled with the amount spent on home to school transport at significant variance to predicted best estimates									
Risk Owner	Chris Snudden				**Date entered on risk register**				04 November 2015	
Risk Description										
There is an increasing demand on services as our numbers of SEND are rising, this coupled with ensuring there is appropriate sufficient placement choice is having an impact on cost. Rising transport costs, the nature of the demand-led service (particularly for students with special needs) and the inability to reduce the need for transport or the distance travelled will result in a continued overspend on the home to school transport budgets and an inability to reduce costs.										
Original			**Current**			**Tolerance Target**				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	3	**9**	5	3	**15**	2	2	**4**	Mar-19	**Amber**

Tasks to mitigate the risk

Continue to enforce education transport policy, and work with commissioners re school placements.
Continually review the transport networks, to look for integration and efficiency opportunities.
Work with Norse to reduce transport costs and ensure the fleet is used efficiently and effectively.
Look for further, more innovative, ways to plan, procure and integrate transport.

Overall risk treatment: Treat

Progress update

The year-end figure for FY2017/18 confirmed ongoing underspends for mainstream and post 16 transport and ongoing overspend for SEN transport; we anticipate a similar pattern of spend against budget for the FY2018/19 with potential pressure of approx. £900k. Currently, the strategy to address this overspend pressure remains the same, i.e : Norfolk County Council have now progressed to the next stage of the Hackney Community Transport independent travel training initiative; following on from the formal contract sign-up the provider has now recruited a local manager and implementation is now underway with key NCC services and partners (Headteachers of Special Schools and parent/carer organisation) to increase independence travel training on a payment by results basis. The plan over the next 5 years, is for a cohort of 100 pupils per year to be targeted for this intensive work via Hackney Community Transport (HCT). Ongoing efficiencies will continue to be secured though the cycle of route reviews and re-procurement. New special school places are now coming on stream (3 schools being completed in the current academic year) and we continue to target placements that will reduce travel time and travel costs in addition to meeting pupil needs. The outcome of the consultants, Red Quadrant, review of SEN transport will be reported to CLT in May 2018 and action plans will be adjusted based on those agreed recommendations.
Red Quadrant consultants were commissioned to review all elements of SEN transport and their findings and recommendations were reported to P&R Committee on 4 June 2018. P&R Committee have determined that these recommendations, that highlight potential savings in excess of £1.5million, should now be debated in full via CS Committee.

Appendix B

Risk Number	RM014b					**Date of update**			20 June 2018	
Risk Name	The savings to be made on Adult Social Services transport are not achieved.									
Risk Owner	James Bullion					**Date entered on risk register**			04 November 2015	
Risk Description										
The risk that the budgeted savings of £1.7m to be delivered by 31 March 2020 will not be achieved.										
Original			**Current**			**Tolerance Target**				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	3	**9**	2	2	**4**	2	2	**4**	Mar-20	**Green**

Tasks to mitigate the risk

1) Whilst we have managed to achieve £0.487m of the budgeted savings, as we were unable to achieve the savings in full, the savings have been reprofiled to future years (2017/18 and 2019/20).
2) A corporate review of transport is also taking place.
3) Transport Guidance has been updated in line with the revised transport policy
4) Refurbishment of a site in Thetford to provide day services and respite care to prevent people from having to travel long distances.
5)Under the Younger Adults of the Promoting Independence Workstream, we're developing a joint approach to disability and transition from Children's to Adults.
6) Exploring the use of an application to help with monitoring of the cost of transport. This application is currently being used by Children with Special Educational Needs.

Overall risk treatment: Treat

Progress update

1)Adult Social Care Committee agreed on 4 September 2017 to amend the transport savings to £0.700m in 2018-19 (from £3m) and £1m in 2019-20 (from £0.800m) and that the difference of £2.1m in savings will be made through the purchase of care budget as a result of changes to patterns of care. The department achieved an underspend on Transport for 2017-18 of £0.888m - in effect the early delivery of the 2018-19 savings and some of the 2019-20 savings.
2) Travel Independence Training Across the Nation (Titan) training is being rolled out. Have recruited to ASS specific posts to enable more people to use public transport.
3) The revised Transport Guidance and Policy was agreed by ASC Committee on 6 March 2017 and shared with staff. This is being implemented for new service users now and for existing people at the point of review. This now links with the work on assessments and reviews as part of the Promoting Independence Programme. It appears that this is being embedded in working practices, given the forecast underspend on transport.
4) The department has been advised that there is potentially scope for the development of the Elm Road site on a bigger scale. In light of this, the review of Learning Difficulties day services and the potential new opportunities this could lead to, the department is reviewing the Elm Road project.
5) This is currently being developed.We have carried out the fieldwork to understand the current transition process from Children’s services to Adult services. We have taken a joint approach and carried out 50 interviews with senior stakeholders from children’s services, adult services and health, as well as meeting with transition workers, team managers and other key staff from children with disability teams, looked after care teams, leaving Care teams, Adult LD, Adult mental health and adult Physical disability team.

Risk Number	RM016	**Date of update**	14 June 2018
Risk Name	Failure to adequately prepare for and respond to a major disruption to Norfolk County Council services.		
Risk Owner	Tom McCabe	**Date entered on risk register**	10 December 2015

Risk Description

To ensure disruption is minimised and ensure that we are able to maintain services and respond appropriately to a either a Major or Moderate disruption both within and out of core office hours (N.B. this risk will be scored differently for different departments due to different levels of preparedness).

Original			Current			Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
2	5	**10**	2	5	**10**	2	3	**6**	Oct-18	**Green**

Tasks to mitigate the risk	Progress update
1) All corporately agreed critical activities must have comprehensive Business Continuity plans which are exercised. Plans to be agreed by Senior Managers.	1) 85% of critical services have plans which are up-to-date. We are now working to ensure that plans are exercised, there was a 7% improvement on the numbers of plans which have been exercised from 1st May to 1st June 2018. The target for the end of September is to achieve 50%. The Resilience Team audits all plans as they are received and provides feedback to service managers where changes are required. The annual audit completed on 10% of plans has been completed and feedback given to relevant managers.
2) To develop the Professional Development Centre (PDC) Norwich, which was agreed as a key corporate Work Area Recovery (WAR) site by CLT. First stage is a planned exercise to take place with the Customer Service Centre, second step is to complete an exercise with the Resilience representatives at the PDC. Also, an exercise with the Resilience Management Board and CLT.	2) Work Area Recovery test - stage 1 to test the CSC has been completed and was a success. This exercise tested "loss of access to County Hall" not "loss of infrastructure at County Hall". Resilience Management Board and CLT have given support to a corporate exercise at the Professional Development Centre. This has been booked for the 26th July 2018. IMT have agreed that a full failover test should be completed at the Disaster Recovery site which would mean the PDC would be operational in the event of a failure of ICT at CH. This is currently planned to take place in September 2018.

Tasks to mitigate the risk	Progress update
3) Embedding Business Continuity - Ensure there is a programme of work to embed BC into the organisation. This includes awareness raising initiatives and training for support staff and resilience representatives. Training also includes the BC e-learning package which needs to be reviewed, relaunched, and the uptake monitored. Departments must ensure staff attend training and complete exercises/tests.	3) The Business Continuity for managers course is now over subscribed despite more dates being added to the training programme. The annual survey is in the process of being completed, already with more than 800 responses - 200 more than last year. Training and exercising is being completed across the organisation but a full programme of training and exercising needs to be developed. All plans must be exercised once per year. The target for the end of September is to achieve 50%. A tactical / silver course is being developed for NCC staff. A Resilience debrief on the March 2018 severe weather took place on 10th April 2018. Key learnings from this from the gold and silver group feedback (representing the organisation across the board) was presented to the Resilience Board on 19th April 2018 by the Head of Resilience.
4) Implement the Business Continuity Framework	4) Every quarter the Resilience Management Board receive an update of where NCC are in implementing the BC Framework, there are no red items. This has been developed further by communicating the positon of the departments using the assurance framework and those sections marked as red/amber (where applicable) should be linked to departmental risk registers. This will be due to be completed again once the BC survey results have been reviewed. Each department will receive a report showing where the departmental strengths and weaknesses are in relation to Resilience.
5) Gain assurance that ICT could be recovered in line with timescales detailed within the BIAs. Overall Risk Treatment: Treat	5) Full ICT data from the Business Impact Analysis has been provided to IMT and we are awaiting their comments and feedback. The aspiration is that what the Business has documented within the BIAs should be used to help shape IMT infrastructure projects and the currect DR project. There are several new technologies being introduced such as the new telephony system, whilst they offer numerous benefits, Resilience have requested a briefing on any additional risks the new technologies may bring. For example for outlying buildings without generators, a loss of power my cause a complete loss of communications. This briefing has not been completed yet, and has been raised. The target date for this risk has been amended to 31/10/18 to take into account resource requirements within ICT and the timescales for the infrastructure projects in IMT which will improve resilience of ICT and mean ICT continuity in the event of failure of ICT at CH. ICT have drafted a report showing levels of resilience and where there are gaps and the Resilience Team have reviewed this. IMT have now provided timescales for when ICT will be more resilient, and specifically a date for when additional exercises can take place at the PDC.

Risk Number	RM017	**Date of update**	29 June 2018
Risk Name	Failure to deliver the Broadland Northway within agreed budget (£205m)		
Risk Owner	Tom McCabe	**Date entered on risk register**	26 November 2015

Risk Description

There is a risk that the Broadland Northway will not be delivered within the revised budget. Cause: environmental and/or contractor factors affecting delivery within budget. Event: The Broadland Northway is completed at a cost greater than the agreed revised budget. Effect: Failure to deliver the Broadland Northway within the revised budget would result in the further shortfall having to be met from other budgets. This will impact on other NCC programmes.

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	3	**9**	3	3	**9**	3	3	**9**	Sep-18	**Amber**

Tasks to mitigate the risk

The total project budget agreed by Full Council (November 2015) was £179.5m. Since then, in November 2016, a risk of £6.8m increased budget was highlighted. In June 2017, the risk of an increased budget was highlighted. A further update to P&R Committee on 27 November 2017 received approval to revise the budget to £205m (this was also confirmed at Full Council on 11 December 2017). This new assessment reflects the corporate assessment criteria . Mitigation measures have been updated to reflect the revised position.

1) Project Board and associated governance to continue to monitor cost and programme at monthly reporting meeting with a focus on delivery below revised budget.

2) NCC project team maintain appropriate commercial resource to provide ongoing scrutiny throughout the remaining works by Balfour Beatty. This includes completing an independent audit of Balfour Beatty's project costs, taking account of the revised contract provisions.

3) Programme has been developed that shows works to be completed in phases to specified dates with penalties applied for late delivery.

4) Project controls and client team to ensure systems in place to deliver the remainder of the project. Client team to ensure any contractual issues are robustly handled as works are completed and final account process closed.

5) All opportunities to be explored to reduce risk, costs and programme duration with appropriate management meetings (at appropriate levels) to be held on a weekly basis.

6) Provide further assurance of budget management governance through appropriate audits and further specialist advice.

7) Seek further contract/legal advice on key contract cost risks as necessary (linked to item 4 above).

Overall risk treatment: Treat, with a particular focus on reducing project costs

Progress update

Progress update

1) The project Board is in place and meets monthly, receiving reports on progress, cost and risk. Process includes updates and feedback from the NDR Member Group who are providing additional project scrutiny. Any budget issues will be reported to Committee as soon as possible.
2) The project commercial team has been reinforced and will continue to be maintained at appropriate levels to provide sufficient scrutiny throughout the remaining works and until closure of the final account. The team, supported by external specialists will continue to examine Balfour Beatty's project costs. Further resource or specialist advice to be discussed at Board meetings.
3) Contractor has agreed a programme to complete all the remaining works in three phased sections. Board and NDR Member Group to be provided with details and updates as works progress. The first phase (A1067 to A140) was completed and opened on agreed date of 11 November 2017. The second phase was completed and opened on 21 December 2017. The final phase is now completed, but was behind the target date of 23 March. The road was opened on 16 April, but there remain further works to complete (drainage; landscaping; planting; cycleways). Remaining minor works will be completed by NCC Works team and are allowed for within the overall budget.
4) Project administration controls and client commercial team are maintaining systems and staffing levels to monitor ongoing costs and contract information.
The specialist review of allowable costs will provide input to this. Contract administration will continue to be managed through CEMAR software package. Project cost forecasting also to be updated in line with programme (see 3 above). Compensation events from October onwards being assessed as actual cost + fee.
5) Regular weekly joint construction team meetings held to ensure delivery maintains momentum on site. Further meetings being held between respective commercial teams to deal with closing out necessary contract changes and programme management. Senior management meetings also continue to discuss the commercial position with a focus now on closing the final account for the construction works. Details to be reported to Board and Broadland Northway Member Group.
6) A governance (delegated purchasing of land) audit and a contract administration audit have been carried out. Both are completed and the reports have been presented to the Board and Member Group. Further cost analysis by specialist consultants also commenced at the end of August 2017 and this is ongoing as part of the contract final account process (see 2 above). Findings from the final cost audits will be reported to the Board and Member Group.
7) Specialist contract advice has assisted the negotiations relating to contract changes. These changes have been checked with legal team and details were included in the 27 November P&R Committee report. Necessary approvals and signing of contract Deed of Variation completed. Any contract issues will be discussed at Board and Member Group meetings and any further updates taken to Committee.

Risk Number	RM019	**Date of update**	20 June 2018
Risk Name	Failure to deliver a new fit for purpose social care system on time and to budget.		
Risk Owner	James Bullion	**Date entered on risk register**	24 February 2016

Risk Description

A new Social Care system is critical to the delivery and efficiency of Adults and Children's Social Services. This is a complex project and the risk is the ability to deliver on time along with the restriction on making any system changes to the existing system (Carefirst)

Original			**Current**			**Tolerance Target**				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	5	**20**	3	5	**15**	1	4	**4**	Oct-18	**Green**

Tasks to mitigate the risk

1) Ensure effective governance is in place
2) Set up a project team to manage the project.
3) Determine go live dates for Adults Services, Children's Services, and Finance.
4) Deliver implementation of the new system
5) Complete User Acceptance and Data Migration Testing
6) Deliver change and training

Overall risk treatment: Treat

Progress update

1a) Clear governance is in place. The Project Sponsors are Janice Dane (Adults), Debby McKechnie (Children's) and John Baldwin (Finance). This is overseen by CLT: a Programme Board was set up including the Directors of Adults, Children's and Finance and Commercial Services .
1b) There are weekly Joint Leadership Advisory Group (JLAG) Lead meetings with the Project Sponsors and the Project Team; and regular updates to Adults Committee and to CLT.
2) A core Project Team has been up and running since January 2016 (with strong practitioner involvement). A network of champions has been established in Adult Social Services and Children's Services.
3) Adults and Finance successfully went live on 22 November 2017. Children's and Finance were planned to go live in March 2018 however at the first Programme Board Go/No go decision point on the 16 January 2018 for the Children's and Finance systems
it was forecast that the implementation would not be ready by the w/c 19 March 2018. Therefore it was agreed to move the go live by a few weeks and to use an alternative go live date w/c 30 April 2018. Part of the contingency budget is funding the extension.
4) Delivery of implementation is proceeding in line with the plan. Adults and Finance Go Live - Considering the scale of the change that has happened, requiring some significant changes to behaviours in staff and managers, this process has been relatively smooth. Payment and billing runs have been made from the system and approximately 70 providers are using the Provider Portal. A support helpdesk is up and running in a central location.
5) Children's and Finance - At the Go/No Go point on 12 April the SCSR Programme Board agreed to continue the go live process in line with the agreed plans.
6) Training of staff is in progress for Children's.

Appendix B

Risk Number	RM021	**Date of update**	12 June 2018
Risk Name	Failure of Estate Management		
Risk Owner	Simon George	**Date entered on risk register**	21 June 2016

Risk Description

There is a risk that the Council does not have a clear policy around estate management, is not acting in line with the expectations of a landlord, and does not have sound tenancy agreements in place.

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	3	**12**	3	2	**6**	2	2	**4**	Oct-18	**Amber**

Tasks to mitigate the risk

1) County Farms Performance Review Meeting to be established and attended by officers.
2) Recommendations from the County Farms audit report to be implemented with progress to be noted at the County Farms Performance Review Meetings.
3) Reconstitute the County Farms Review Meeting.
4) Procure a new property data base for the management of the estate.

Overall risk treatment: Treat

Progress update

1) There is a regular report to B&P committee.

2) The lettings process for four farms has been completed with the new, transparent system in place. No issues have been experienced to date.

3) Tenants will soon be balloted on their preferred method of 'tenant representation'.

4) The major outstanding action is the replacement of the IT system, which is being considered within the context of the whole teams requirements.

<table>
<tr><td>Risk Number</td><td colspan="5">RM022</td><td colspan="4">Date of update</td><td colspan="2">21 June 2018</td></tr>
<tr><td>Risk Name</td><td colspan="11">Potential changes in laws, regulations, government policy or funding arising from the UK leaving the European Union, which may impact on Council objectives, financial resilience and affected staff ('Brexit').</td></tr>
<tr><td>Risk Owner</td><td colspan="5">Wendy Thomson</td><td colspan="4">Date entered on risk register</td><td colspan="2">26 July 2016</td></tr>
<tr><td colspan="12">Risk Description</td></tr>
<tr><td colspan="12">There are important implications to the Council in four main areas: 1) The Council's EU funded programmes supporting the local economy. 2) The legal base – there are many EU laws that affect the day job of local councils. 3) Council services dependent on a migrant workforce – for example nationally, 7% of existing adult social care staff come from other EU nations 4) Place-based impact – there will be real and varied impacts and opportunities in our local economy. There is a risk that initially, implications for Norfolk County Council of the UK leaving the EU are not known or understood, causing uncertainty in Council business, planning, and service delivery. Uncertainty on both performance delivery and designation of the Council as Managing Authority following the EU referendum result could lead to an inability to draw down the funding required to manage the programme and have a significant reputation impact on the Council leading to an inability to submit payment claims to the EU. Cause: The EU Referendum held in June 2016, with the UK as a whole voting to leave the EU.</td></tr>
<tr><td colspan="3">Original</td><td colspan="3">Current</td><td colspan="5">Tolerance Target</td></tr>
<tr><td>Likelihood</td><td>Impact</td><td>Risk score</td><td>Likelihood</td><td>Impact</td><td>Risk score</td><td>Likelihood</td><td>Impact</td><td>Risk score</td><td>Target Date</td><td>Prospects of meeting Target Risk Score by Target Date</td></tr>
<tr><td>4</td><td>3</td><td>12</td><td>3</td><td>3</td><td>9</td><td>2</td><td>3</td><td>6</td><td>Oct-18</td><td>Amber</td></tr>
<tr><td colspan="12">Tasks to mitigate the risk</td></tr>
<tr><td colspan="12">1) Norfolk County Council should continue to monitor Brexit developments and developing responses to the four areas in which the council will be affected (EU funding, legal issues, workforce issues, place-based impact).
2) We are members of the LGA Brexit Sounding Board and local authority officer network to keep abreast of local government thinking and influencing of post Brexit policy. We have jointly commissioned work with the LEP and Suffolk County Council to understand the business impact of Brexit within the New Anglia area.
3) We have agreed the principals and framework for regional investment post Brexit to ensure the level of current funding is protected, including asking for funds to be devolved locally, so that the economic benefit of the funding is secured.
4) Human Resources to support managers and staff who may be affected by this issue.
5) Regular meetings aretaking place with the Department for Communities and Local Government (DCLG) and the Department for Business, Energy and Industrial Strategy (BEIS) regarding a managed exit from EU funded programmes to ensure NCC’s liabilities are met.

Overall risk treament: Tolerate</td></tr>
<tr><td colspan="12">Progress update</td></tr>
</table>

Progress update
1) CLT agreed Vince Muspratt should continue to be the officer responsible and highlight any changes that would impact the council. CLT agreed 3 strands of work in line with the LGA approach: a. Future of EU Funding; b. Place-based impact; c. Laws affecting councils. We held a business-focused information event on 5 June and are developing our direct links to businesses to support them and enable them to support each other on Brexit issues. The NCC web pages will be updated to reflect this. 2) Government has now stated that existing funding programmes will contine until their original end date of 31 December 2020 (rather than 19 March 2019 as had been anticipated). DCLG has confirmed this applies to their programmes but DeFRA continue to work to the March 2019 end date. Payment mechanisms to manage this remain to be explored. 3) The Green Paper regarding the Shared Prosperity Fund has not yet been published and in the light of the announcement above, is not now expected for some time: we are working with New Anglia and other relevant partners on a joint response and will report the propos- als and our response to P&R report when it has been published. NCC is represented on the LGA national Brexit Sounding Board by Vince Muspratt, the Sounding Board will resume after publication of the Green Paper and in the interim we are in regular contact with the LGA and with other relevant bodies to monitor progress. 4) The Internal Project Board is aware of NCC liabilities; nplaw have drafted a Deed of Guarantee seeking written assurance from DCLG that they will meet our liabilities in order to close the Programme. DCLG have raised the issue with Ministers, as is our MA status after we leave the EU. This will now fall under the detailed work around payment mechanisms following the confirmation of extended programme completion. 5) We have raised the issue of Trading Standards (their ability to act as a National Body certified by the EU, charging for highway services) with the LGA to play into their negotiations with DExEU 6) Analysis is being undertaken of migrant workforce in Norfolk to feed into LGA request for evidence. Data also being gathered on Norfolk businesses export markets.

Risk Number	RM023	**Date of update**	20 June 2018
Risk Name	Failure to understand and act upon changes to demography, funding, and government policy, with particular regard to Adults Services.		
Risk Owner	James Bullion	**Date entered on risk register**	18 August 2017

Risk Description

There is a risk of failure to fully understand and act upon changes to demography, funding, and government policy. Cause: Changes to demography, funding, and government policy. Event: The Council fails to plan and adapt to change effectively for the future. Effect: Outcomes for Norfolk citizens may worsen.

Original			**Current**			**Tolerance Target**				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
5	5	**25**	4	5	**20**	2	4	**8**	Mar-20	**Amber**

Tasks to mitigate the risk

1) Implementation of Promoting Independence Strategy. This strategy is shaped by the Care Act with its call to action across public services to prevent, reduce and delay the demand for social care. The strategy aims to ensure that demand is understood and managed, and there is a sustainable model for the future.
2) As part of the strategy, a shift of spend towards targeted prevention, reablement services, enablement, and strengthened interim care.
3) Implementation of Better Care Fund plans which promote integration with the NHS and protect, sustain and improve the social care system.
4) A new set of NCC corporate priorities which aims to address longer-term demand management in children's and adult services.

Overall risk treatment: Treat

Progress update

1) Demand and demography modelling continues to be refined through the cost and demand model. Four main themes for transformation: Services for people with learning disability; maximising digital technology; embedding strengths-based social work through Living Well; 3 conversations; health and social care integration
2) Sector based plans for providers which model expected need and demand associated with demographic and social change
3a) Strengthened investment in prevention, through additional reablement, social prescribing, local inititatives for reducing social isolation and loneliness
3b) Workforce – continued recruitment campaign to increase front line social workers and occupational therapy staff
3c) Better Care Fund targeted towards supporting people to stay independent, promoting and enabling closer integration and collaboration across health and social care

Appendix B

Risk Number	RM024	**Date of update**	29 June 2018
Risk Name	Failure to construct and deliver the Great Yarmouth 3rd River Crossing (3RC) within agreed budget (£121m), and to agreed timescales (construction completed early 2023)		
Risk Owner	Tom McCabe	**Date entered on risk register**	05 December 2017

Risk Description

There is a risk that the 3RC project will not be delivered within budget and to the agreed timescales. Cause: delays during statutory processes, or procurement put timescales at risk and/or contractor prices increase project costs. Event: The 3RC is completed at a later date and/or greater cost than the agreed budget, placing additional pressure on the NCC contribution. Effect: Failure to construct and deliver the 3RC within budget would result in the shortfall having to be met from other sources. This would impact on other NCC programmes.

Original			**Current**			**Tolerance Target**				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	4	**12**	3	4	**12**	2	3	**6**	Jan-23	**Amber**

Tasks to mitigate the risk

The project was agreed by Full Council (December 2016) as a key priority infrastructure project to be delivered as soon as possible. Since then, March 2017, an outline business case has been submitted to DfT setting out project costs of £120m and a start of work in October 2020. 80% of this project cost has been confirmed by DfT, but this will be a fixed contribution with NCC taking any risk of increased costs.
Mitigation measures are:
1) Project Board and associated governance to be further developed to ensure clear focus on monitoring cost and programme at monthly meetings.
2) NCC project team to include specialist cost and commercial resource (bought in to the project) to provide scrutiny throughout the scheme development and procurement processes. This will include independent audits and contract/legal advice on key contract risks as necessary.
3) Programme to be developed that shows sufficient details to enable overall timescales to be regularly monitored, challenged and corrected as necessary by the board.
4) Project controls and client team to be developed to ensure systems in place to deliver the project and to develop details to be prepared for any contractual issues to be robustly handled and monitored.
5) All opportunities to be explored through board meetings to reduce risk and programme duration.

Overall risk treatment: Treat, with a particular focus on maintaining or reducing project costs and timescales

Progress update

Progress update
The outline business case was submitted on 30 March 2017, and DfT confirmed approval of this following the autumn statement in November 2017. There is a risk that the scheme development could see changes to the scheme, and therefore to the agreed business case, and any changes will need to be addressed/agreed with DfT. Progress against actions are: 1) Project board in place. Gateway review highlighted a need to assess and amend board attendance and this has been implemented. 2) Specialist cost and commercial consultants have been appointed and will continue to review project costs. The first element of work for the cost consultant was to review current forecasts. They will continue to assess on a monthly basis, reporting to the board. No issues highlighted and budget is considered sufficient - this work has been used to update the business case submitted to DfT. DfT has confirmed acceptance of the updated business case. 3) An overall project programme has been developed and will be owned and managed by the dedicated project manager. Any issues will be highlighted to the board as the project is delivered. Programme updated to fully align procurement and DCO processes. 4) Learning from the NDR and experience of the commercial specialist support has been utilised to develop contract details ahead of the formal commencement of the procurement process, which was 27 February 2018. Further work has been ongoing and will feed into the engagement processes (competitive dialogue) with the bidders. 5) The project board will receive regular (monthly) updates on project risks, costs and timescales.

Appendix C

Risk management discussions and actions

Reflecting good risk management practice, there are some helpful prompts that can help scrutinise risk, and guide future actions. These are set out below.

Suggested prompts for risk management improvement discussion

In reviewing the risks that have met the exception reporting criteria and so included in this report, there are a number of risk management improvement questions that can be worked through to aid the discussion, as below:

1. Why are we not meeting our target risk score?
2. What is the impact of not meeting our target risk score?
3. What progress with risk mitigation is predicted?
4. How can progress with risk mitigation be improved?
5. When will progress be back on track?
6. What can we learn for the future?

In doing so, committee members are asked to consider the actions that have been identified by the risk owner and reviewer.

Risk Management improvement – suggested actions

A standard list of suggested actions have been developed. This provides members with options for next steps where reported risk management scores or progress require follow-up and additional work.

All actions, whether from this list or not, will be followed up and reported back to the committee.

Suggested follow-up actions

	Action	Description
1	Approve actions	Approve recommended actions identified in the exception reporting and set a date for reporting back to the committee
2	Identify alternative/additional actions	Identify alternative/additional actions to those recommended in the exception reporting and set a date for reporting back to the committee
3	Refer to Departmental Management Team	DMT to work through the risk management issues identified at the committee meeting and develop an action plan for improvement and report back to committee
4	Refer to committee task and finish group	Member-led task and finish group to work through the risk management issues identified at the committee meeting and develop an action plan for improvement and report back to committee
5	Refer to County Leadership Team	Identify key actions for risk management improvement and refer to CLT for action
6	Refer to Policy and Resources Committee	Identify key actions for risk management improvement that have whole Council 'Corporate risk' implications and refer them to the Policy and Resources committee for action.

Corporate Strategic Risks - Heat Map

LIKELIHOOD					
Almost Certain 5			14a		
Likely 4			22		23
Possible 3		21	17	2, 1, 10, 11, 3, 4, 24	7, 6, 19
Unlikely 2		14b			16
Rare 1				13	
	Insignificant 1	Minor 2	Moderate 3	Major 4	Extreme 5

IMPACT

Key = Becoming more of a risk / = Risk is stable / = Becoming less of a risk

No.	Risk description	No.	Risk Description
1	Infrastructure is not delivered at the required rate to support existing needs and the planned growth of Norfolk.	11	The potential risk of failure to implement and adhere to an effective and robust performance management framework.
2	The potential risk of failure to manage significant reductions in local and national income streams.	13	The potential risk of failure of the governance protocols for entities controlled by the Council, either their internal governance or the Council's governance as owner. The failure of entities controlled by the Council to follow relevant guidance or share the Council's ambitions.
3	Potential reputational and financial risk to NCC caused by failure to comply with statutory and/(or) national/local codes of practice relating to information compliance and information security.	14a	The increasing demand for SEND assessments coupled with the amount spent on home to school transport at significant variance to predicted best estimates.
		14b	The savings to be made on Adult Social Services transport are not achieved.
4	The potential risk of failure to deliver effective and robust contract management for commissioned services.	16	Failure to adequately prepare for and respond to a major disruption to Norfolk County Council services.
		17	Failure to deliver the Broadland Northway within agreed budget (£205m)
6	The potential risk of failure to effectively plan how the Council will deliver services over the next 3 years commencing 2018/19 – 2020/21.	19	Failure to deliver a new fit for purpose social care system on time and to budget.
7	Potential risk of organisational failure due to data quality issues.	21	Failure of Estate Management.
		22	Potential changes in laws, regulations, government policy or funding arising from the UK leaving the European Union which may impact on Council objectives, financial resilience and affected staff ('Brexit').
10	The risk of the loss of key ICT systems including: - internet connection; - telephony; - communications with cloud-provided services; or - the Windows and Solaris hosting platforms.	23	Failure to understand and act upon changes to demography, funding, and government policy, with particular regard to Adults Services.
		24	Failure to construct and deliver the Great Yarmouth 3rd River Crossing (3RC) within agreed budget (£121m), and to agreed timescales (construction completed early 2023).

Appendix E - Norfolk County Council, Finance and Commercial Services Risk Summary, July 2018

Risk Register Summary Name	Finance and Commercial Services	Red	Worsening
Prepared by	Thomas Osborne	Amber	Static
Date updated	June 2018	Green	Improving
Next update due	August 2018	Met	

Area	Corp. / Dept.	Risk Number	Risk Name	Risk Description	Current Likelihood	Current Impact	Current Risk Score	Target Likelihood	Target Impact	Target Risk Score	Prospects of meeting Target Risk Score by Target Date	Direction of travel from previous review	Risk Owner
Finance	C	RM002	The potential risk of failure to manage significant reductions in local and national income streams	This may arise from global or local economic circumstances (i.e. Brexit), government policy on public sector budgets and funding. As a result there is a risk that the Medium Term Financial Plan savings required for 2016/17- 2019/20 are not delivered because of uncertainty as to the scale of savings resulting in significant budget overspends, unsustainable drawing on reserves, and severe emergency savings measures needing to be taken. The financial implications are set out in the Council's Budget Book, available on the Council's website.	3	4	12	3	4	12	Amber	Static	Simon George
Finance	C	RM003	Potential reputational and financial risk to NCC caused by failure to comply with statutory and/(or) national/local codes of practice relating to information compliance and information security.	There is a risk of failing to comply with statutory and/(or) national/local codes of practices in relation to Information Compliance. This could lead to significant reputational and financial risk for NCC.	3	4	12	2	4	8	Amber	Static	Simon George
Finance	C	RM004	The potential risk of failure to deliver effective and robust contract management for commissioned services.	Ineffective contract management leads to wasted expenditure, poor quality, unanticipated supplier default or contractual or legal disputes The council spends some £600m on contracted goods and services each year.	3	4	12	2	3	6	Amber	Static	Simon George
Finance	C	RM007	Potential risk of organisational failure due to data quality issues.	Failure to manage the data quality will prevent us from ensuring that data relating to key Council priorities is robust and valid. This places the Council at risk of making decisions using data that is not always as robust as it should be. This may lead to poor or ineffective commissioning, flawed decision making and increased vulnerability of clients, service users and staff.	3	5	15	2	4	8	Green	Improving	Simon George
Finance	C	RM010	The risk of the loss of key ICT systems including: - internet connection; - telephony; - communications with cloud-provided services; or - the Windows and Solaris hosting platforms.	Loss of core / key ICT systems, communications or utilities for a significant period - as a result of loss of power, physical failure, fire or flood, supplier failure or cyber attack - would result in a failure to deliver IT based services leading to disruption to critical service delivery, a loss of reputation, and additional costs. Overall risk treatment: reduce.	3	4	12	1	3	3	Amber	Static	Simon George
Finance	C	RM013	The potential risk of failure of the governance protocols for entities controlled by the Council, either their internal governance or the Council's governance as owner. The failure of entities controlled by the Council to follow relevant guidance or share the Council's ambitions.	The failure of governance leading to controlled entities: Non Compliance with relevant laws (Companies Act or other) Incuring Significant Losses or losing asset value Taking reputational damage from service failures Being mis-aligned with the goals of the Council	1	4	4	1	4	4	Met	Static	Wendy Thomson
Corporate Property Team	C	RM021	Failure of Estate Management	There is a risk that the Council does not have a clear policy around estate management, is not acting in line with the expectations of a landlord, and does not have sound tenancy agreements in place.	3	2	6	2	2	4	Amber	Static	Simon George
Finance	D	RM14246	Withdrawal of Grant Funding from Central Government and the European Union.	There is a risk that grant funding from central government could be withdrawn if conditions are not met by Norfolk County Council within the timescales set. Given the outcome of the EU Referendum, there is also uncertainty around European funding going forward, which should also be considered. Cause: Conditions set out by central government / the European Union are changed / tightened. Event: Conditions set out by central government are not met within the timescale set. Grants are withdrawn. Effect: There is less money provided from central government and the European Union to spend on service provision.	3	3	9	1	4	4	Amber	Static	Simon George
Finance	D	RM14255	Fulfilling Section 151 Responsibilities	There is a risk that Section 151 responsibilities are not fulfilled. These include; 1) Financial systems ie. Oracle are not functioning correctly. 2) The skills and resilience to support Section 151 responsibilities not being in place. Cause: Statutory financial obligations are not met. Event: Failure to deliver stautory responsibilities such as setting a legal budget; producing the statement of accounts; complying with government reporting requirements; providing appropriate financial advice to Councillors. Effect: Financial losses arise and/or the Council has a poor reputational standing. In extreme circumstances, the Government can intervene and direct how the Council's finances are managed.	1	5	5	1	5	5	Green	Static	Simon George
Corporate Property Team	D	RM14200	Failure to meet NCC carbon reduction target	There is a risk of a failure to address energy efficiency as part of operational practice, leading to increased energy and tax costs, against a background of a flexible buildings portfolio. The risks reside around the principal impacts associated with the use of buildings, transport and street lighting in support of service delivery. Reporting responsibility resides with the new Corporate Property Team who oversee the delivery of statutory reporting; impact is organisation-wide.	2	4	8	2	3	6	Green	Improving	Jeannine de Sousa
Finance	D	RM14268	Ability and capacity of ICT to support change whilst delivering business as usual	There is a risk that Finance will not be able to adequately support a change programme and ICT requirements whilst delivering business as usual.	4	3	12	3	2	6	Green	Static	Simon George
Finance	D	RM14269	Payment performance not improving in line with expectations from NCC service departments and external businesses.	There is a risk that Finance will not deliver to payment performance expectations of NCC service departments and external businesses.	2	3	6	2	3	6	Green	Static	Simon George

NB: Pensions risks are reported separately to the Pensions Committee and Pensions Oversight Board

Policy and Resources Committee

Item No 8

Report title:	**Finance monitoring report P2: May 2018**
Date of meeting:	**16 July 2018**
Responsible Chief Officer:	**Executive Director of Finance and Commercial Services**
Strategic impact The Annexes to this report summarise the Period 2 (May 2018) forecast financial outturn position for 2018-19, to assist members to maintain an overview of the overall financial position of the Council.	

Executive summary

This report gives a summary of the forecast position for the 2018-19 Revenue and Capital Budgets, General Balances, and related financial information.

Members are asked to:

- **note the period 2 forecast general fund revenue overspend of £5.356m, noting also that Chief Officers will take measures throughout the year to reduce or eliminate potential over-spends;**
- **note the forecast General Balances at 31 March 2018 of £19.536m, before taking into account any over/under spends;**
- **note the revised expenditure and funding of the current and future 2018-22 capital programme as set out in Appendix 3;**
- **note the addition of £1.686m to the capital programme relating to the purchase of farm land at Halvergate as set out in Appendix 3 paragraph 4;**
- **Approve the addition of £0.150m to the capital programme to automate manual HR processes, as set out in Appendix 3 paragraph 5.**

1. Introduction

1.1 On 12 February 2018, the County Council agreed a net revenue budget of £388.799m. At the end of each month, officers prepare financial forecasts for each service including forecast expenditure and the planned impact on earmarked reserves.

2. Evidence

2.1 Three appendices are attached to this report:

Appendix 1 summarises the forecast revenue outturn position, including:
- Forecast over and under spends
- Changes to the approved budget
- Payments and debt performance

Appendix 2 summarises forecasts relating to services covered by this committee

Appendix 3 summarises the forecast capital outturn position, and includes
- Changes to the capital programme
- Future years capital programmes
- Capital programme funding
- Income from property sales

3. Financial Implications

3.1 As stated above, the forecast revenue outturn for 2018-19 is an overspend of **£5.356m** (2017-18 outturn underspend £0.235m).

3.2 The forecast assumes savings as reported separately to this Committee, and forecast reserves use set out in the attached Appendix 1.

3.2 The Council's capital programme contains schemes approved by County Council on 12 February 2018, other capital funding secured and schemes re-profiled since budget setting.

4. Issues, risks and innovation

Risk implications - monitoring

4.1 The Council's Corporate Risk Register provides a full description of corporate risks, including corporate level financial risks, mitigating actions and the progress made in managing the level of risk.

4.2 Risk management reports which include the corporate risk register are presented regularly to this Committee. A majority of risks, if not managed, could have significant financial consequences. The risks addressed include finance specific risks, for example of failing to generate income or to realise savings.

4.3 Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. Chief Officers will take measures throughout the year to reduce or eliminate potential over-spends.

5. Background

5.1 Having set a revenue and capital budget at the start of the financial year, the Council needs to ensure service delivery within allocated and available resources, which in turn underpins the financial stability of the Council. Consequently there is a requirement to regularly monitor progress so that corrective action can be taken when required.

5.2 The monthly forecasts in this report are based on detailed cost centre level data supplied by responsible budget officers after the end of each financial period. Moderation by chief officers is completed approximately 18-20 days after each month end.

Officer Contact

If you have any questions about the 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 or 18001 0344 800 8020 (textphone) and we will do our best to help.

Norfolk County Council

Appendix 1: 2018-19 Revenue Finance Monitoring Report Month 2

Report by the Executive Director of Finance and Commercial Services

1 Introduction

This report gives details of:

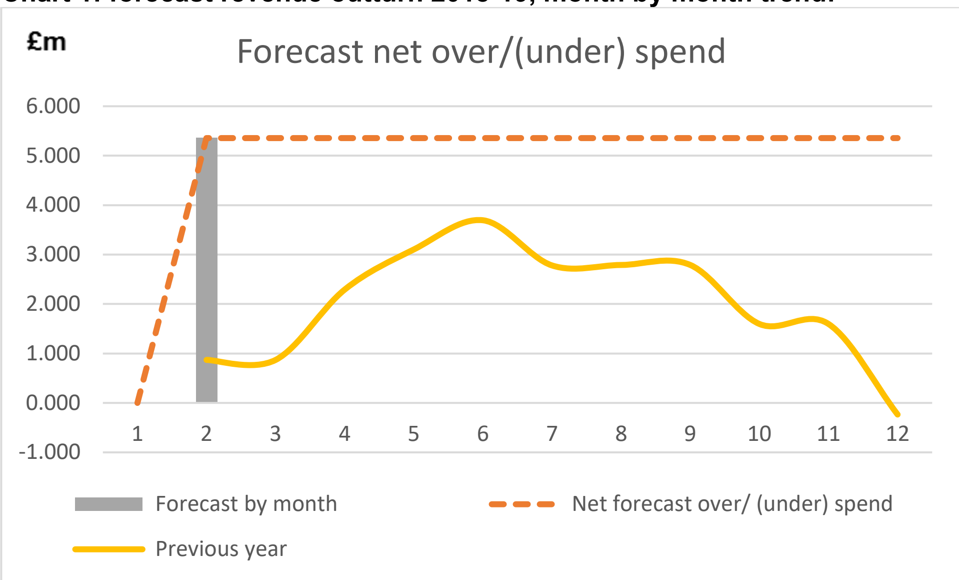
- the latest monitoring position for the 2018-19 Revenue Budget
- forecast General Balances and Reserves at 31 March 2019 and
- other key information relating to the overall financial position of the Council.

2 Summary of financial monitoring position

At the end of May 2018 (month 2):

An overspend of **£5.356m** is forecast on a net budget of £388.799m.

Chart 1: forecast revenue outturn 2018-19, month by month trend:



2.1 The main reason for the forecast overspend is cost pressures associated with looked after children and children with a high level of need, and Purchase of Care costs within Adult Social Services.

2.2 Although there is a net forecast overspend, officers are examining ways of improving the position to minimise any impact on the general fund at the year end.

Agreed budget, changes and variations

2.3 The 2018-19 budget was agreed by Council on 12 February 2018 and is summarised by service in the Council's Budget Book 2018-22 (page 20) as follows:

Table 1: 2018-19 original and revised net budget by service

Service	Approved net base budget	Revised budget P2
	£m	£m
Adult Social Services	252.466	252.466
Children's Services	185.948	185.948
Community and Environmental Services	155.267	155.248
Managing Director's Department	8.449	8.484
Finance and Commercial Services	24.383	24.368
Finance General	-237.714	-237.714
Total	**388.799**	**388.799**

2.4 During periods 1 and 2 there have only minor reallocations of staff costs between departments. Overall, the Council's net budget for 2018-19 remains unchanged.

2.5 **Savings targets**: The key savings targets required for the delivery of a balanced 2018-19 budget are addressed in a separate report to this Policy and Resources Committee.

Revenue outturn – forecast over/underspends

2.6 Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. They have been charged with reviewing all of their cost centres to ensure that, where an overspend is identified, action is taken to ensure that a balanced budget is achieved for the year.

2.7 Details of all projected under and over spends for each service, together with details of areas where mitigating action is being taken, are shown as Revenue Annex 1 to this report, and are summarised in the following table:

Table 2: 2018-19 projected forecast (under)/over spends by service

Service	Revised Budget	Projected net (under)/ over spend	%	RAG
	£m	£m		
Adult Social Services	252.466	1.991	0.8%	A
Children's Services	185.948	3.375	1.8%	R
Community and Environmental Services	155.248	0	0.0%	G
Managing Director's Department	8.484	0	0.0%	G
Finance and Commercial Services	24.368	0	0.0%	G
Finance General	-237.714	-0.010	0.0%	G
Totals	**388.799**	**5.356**	1.4%	A

Notes:

1) the RAG ratings are subjective and take into account both the relative (%) and absolute (£m) impact of forecast overspends.

2.8 The forecast overspend at the end of P2 relates to Children's Services budgets, due mainly to forecasts in relation to costs associated with looked after children and children with a high level of need, and Purchase of Care costs within Adult Social Services. Further details can be found in the finance monitoring reports to 10 July 2018 Children's Services Committee, and 2 July 2018 Adult Social Care Committee.

General balances and reserves

General balances

2.10 On 12 February 2018 Council agreed the recommendation from the Executive Director of Finance and Commercial Services for a minimum level of General Balances of £19.301m through 2018-19. The balance at 1 April 2018 was £19.536m. The forecast for 31 March 2019 is unchanged at £19.536m, assuming a balance budget is achieved.

Reserves 2018-19 – opening balances

2.11 The use of reserves anticipated at the time of budget setting was based on reserves balances anticipated in January 2018. Actual balances at the end of March 2018 were higher than planned, mainly as a result of grants being carried forward, and reserves use being deferred.

Table 3a: Increase in reserves and provisions b'fwd over budget book assumptions

Reserves and provisions by service	Budget book forecast balances 1 April 2018	Actual balances 1 April 2018	Increase in opening balances after budget setting
	£m	£m	£m
Adult Social Services	17.316	31.063	13.747
Children's Services (inc schools, excl LMS)	5.133	7.955	2.822
Community and Environmental Services	31.943	36.504	4.561
Managing Director's Department	2.021	2.517	0.496
Finance & Commercial Services	2.266	3.353	1.087
Finance General	14.592	19.144	4.552
Total reserves and provisions (excl LMS)	**73.271**	**100.536**	**27.265**
LMS balances	0	5.877	5.877
Total reserves and provisions	**73.271**	**106.413**	**33.142**

Reserves 2018-19 – forecast closing balances

2.12 The 2018-19 budget was approved on the basis of a forecast reduction in earmarked reserves (including schools) from £72.7m to £63.8m during 2018-19, a net use of £8.9m.

2.13 The following table sets out the latest forecast balances for each service.

Table 3b: Forecast reserves and provisions at 31 March 2019

Reserves and provisions by service	Budget book forecast March 2019	Latest P2 forecast March 2019
		£m
Adult Social Services	10.906	26.489
Children's Services (excl LMS)	4.241	6.647
Community and Environmental Services	29.566	36.394
Managing Director's Department	1.993	1.367
Finance & Commercial Services	1.841	1.442
Finance General	15.288	16.532
Reserves and provisions	**63.835**	**88.871**

Forecast reserves at 31 March 2019 are £24m in excess of budget book assumptions.

2.14 **Provisions included in the figures above**

The table above include provisions of £30.3m at the start of the year. These comprise £11.0m insurance provision, £12.3m landfill provision, £6.5m provision for bad debts, and a small number of payroll related provisions.

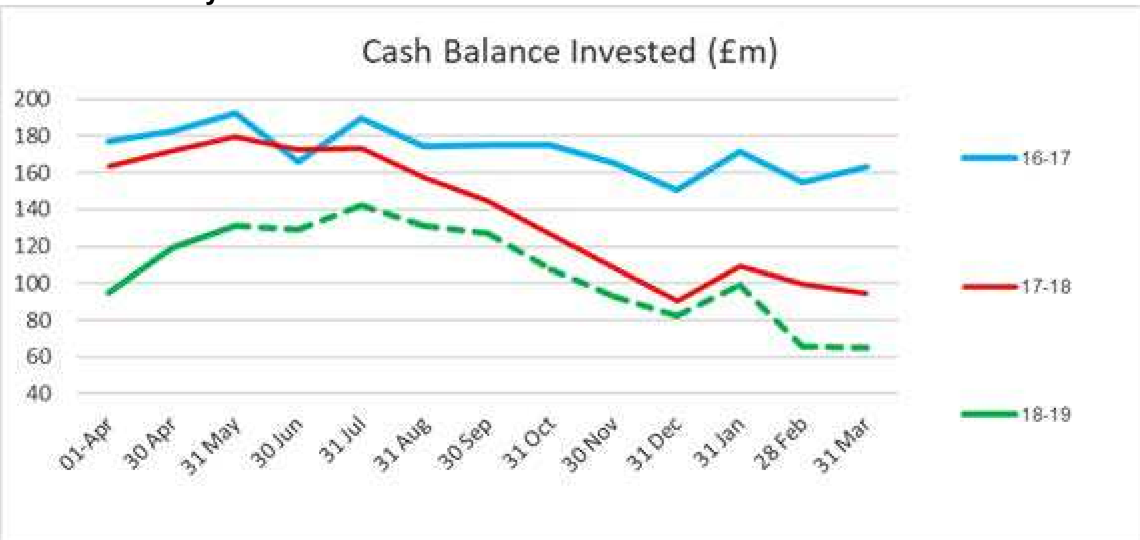
The £12.3m landfill provision is required for accounting purposes and is included in the CES figures above. This provision is not cash backed and cannot be used to support revenue or capital expenditure.

3 Treasury management summary

3.1 The corporate treasury management function ensures the efficient management of all the authority's cash balances.

3.2 The graph below shows the level of cash balances over the last three years, and includes a forecast dashed green line to March 2019 based on projected cash receipts and expenditure (assuming no further borrowing).

Chart 2: Treasury Cash Balances



3.3 The balance shown above at the end of March 2017 (red line) was inflated by the addition of £40m PWLB (Public Works Loan Board) debt into cash balances which was spent in 2017-18 as the NDR neared completion. The balances towards the end of 2017-18 (red line) include an additional £20m of new PWLB borrowing. Borrowing of £30m has been undertaken in the first 2 months of 2018-19 (see below), which has increased the current balance. The projections reflect the annual pattern of known income streams.

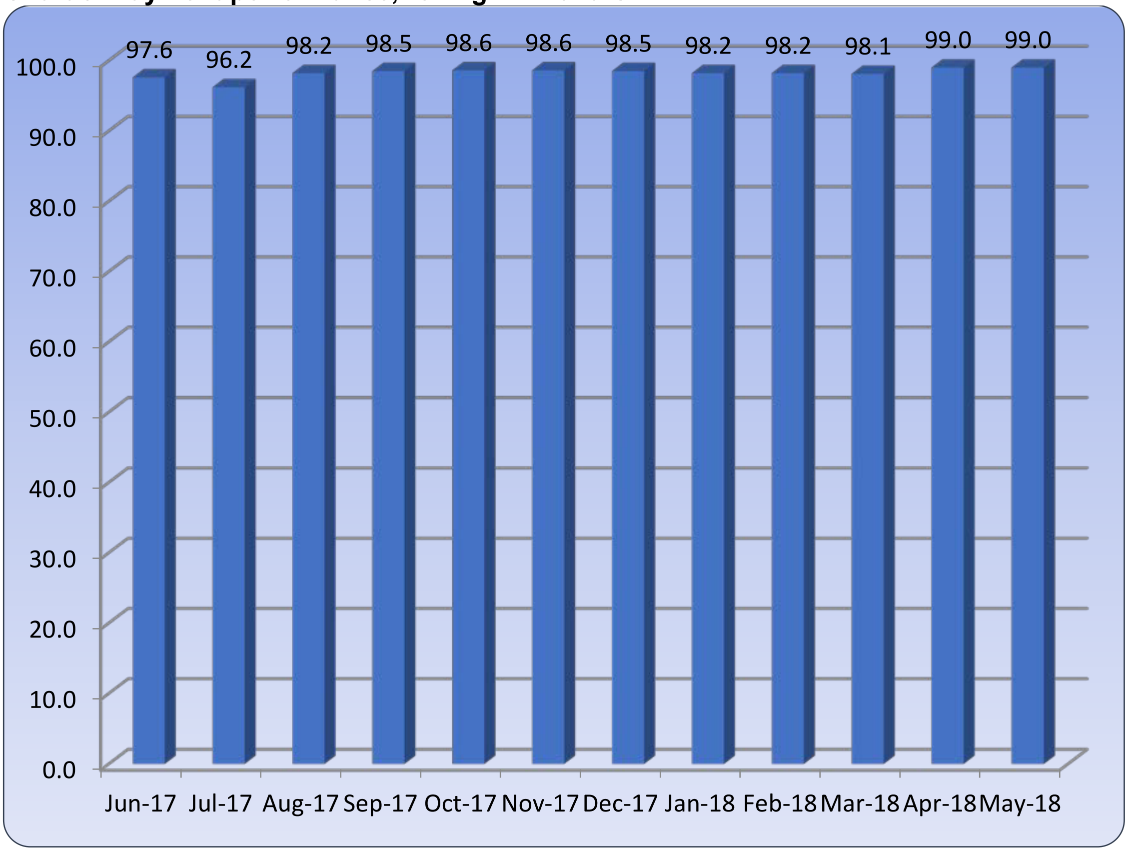
3.4 Given the reducing levels of projected cash balances and the current historically low interest rates, the Executive Director of Finance and Commercial Services is actively considered borrowing options as they arise. As a result, £30m has been borrowed from the PWLB in April and May 2018, with £20m maturing December 2066 at a rate of 2.34%, and £10m maturing 2064 at a rate of 2.26%.

3.5 The loans will be applied to the funding of previous capital expenditure, effectively replacing cash balances which have been used on a temporary basis to avoid the cost of 'carrying' debt in the short term. The Council continues to use cash balances for this purpose, and will continue to balance the long term advantages of locking into favourable interest rates against the costs of additional debt. As a result, it is likely that some further borrowing may take place in 2018-19.

4 Payment performance

4.1 This chart shows the percentage of invoices that were paid by the authority within 30 days of such invoices being received. Some 420,000 invoices are paid annually. 99% were paid on time in both April and May 2018. The percentage has not dropped below 96% in the last 12 months.

Chart 3: Payment performance, rolling 12 months



*Note: The figures include an allowance for disputes/exclusions.

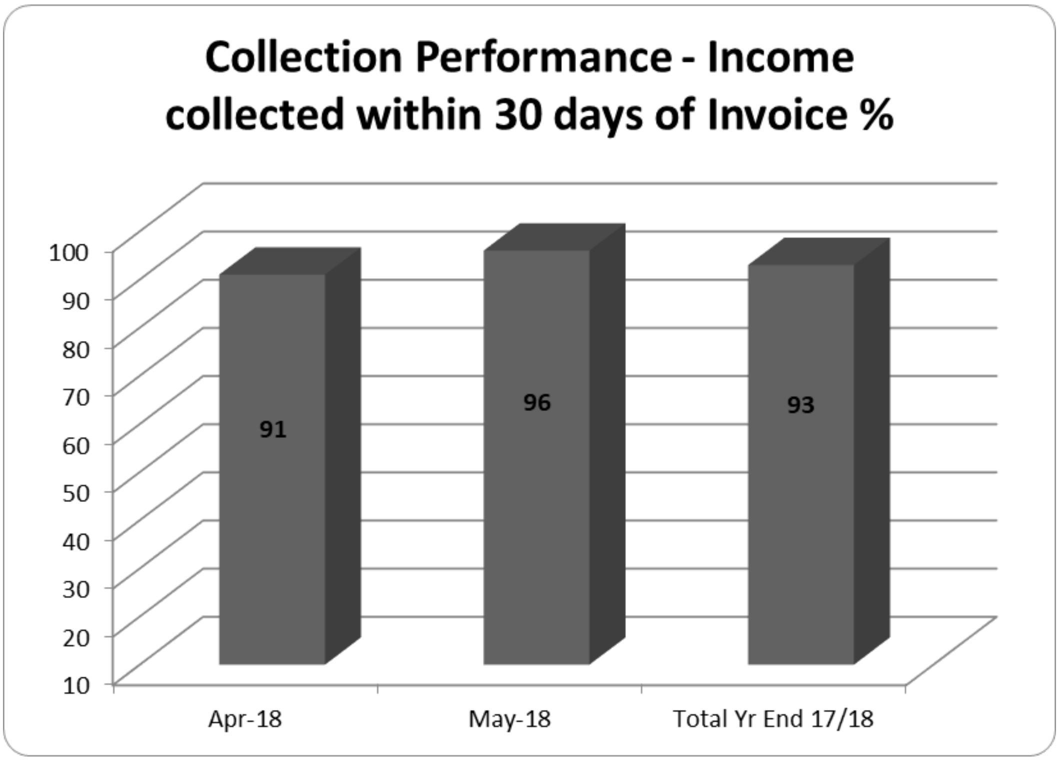
5 Debt recovery

5.1 **Introduction**: Each year the County Council raises over 150,000 invoices for statutory and non-statutory services totalling over £960m. The value of outstanding debt is continuously monitored and recovery procedures are in place to ensure that action is taken to recover all money due to Norfolk County Council. In 2017-18 93% of all invoiced income was collected within 30 days of issuing an invoice, and 97% was collected within 180 days.

5.2 **Debt collection performance measures**

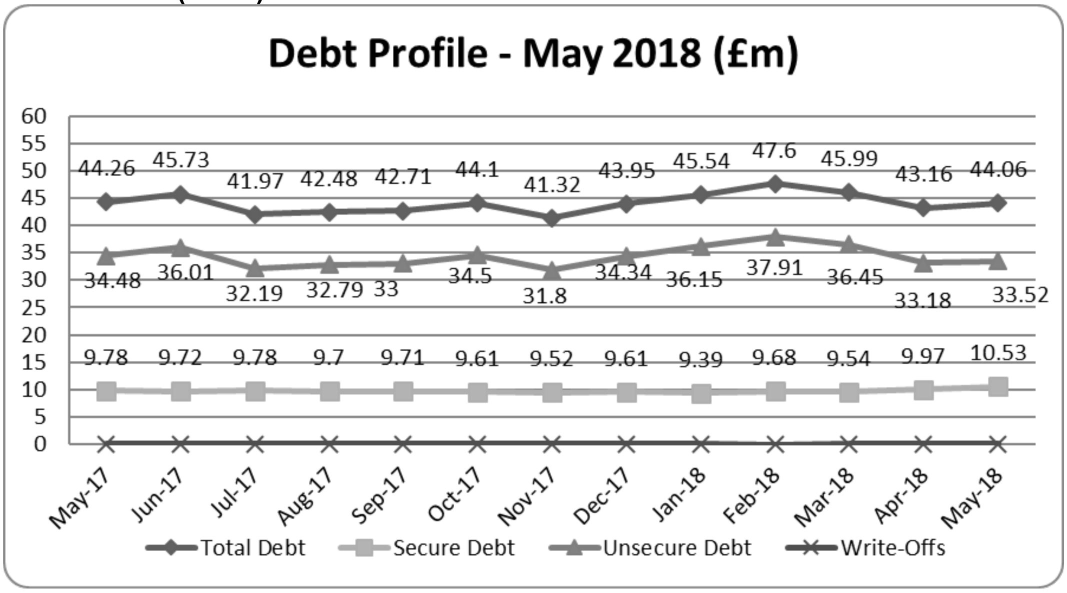
The proportion of invoiced income collected within 30 days for invoices raised in the previous month – measured by value – was 91% in April and 96% in May 2018.

Latest Collection Performance



5.3 The value of outstanding debt is continuously monitored and recovery procedures are in place to ensure that action is taken to recover all money due to Norfolk County Council. The level of debt is shown in the following graph:

Debt Profile (Total)



The overall level of unsecure debt has decreased since 31 March 2018, the total consistent with previous year's figures. The largest area of unsecure debt relates to charges for social care. Of the £23m unsecure social care debt at the end of May, £9.3m is debt with the CCG's, the majority of which is for shared care, Better Care Pooled Fund, continuing care and free nursing care.

Secured debts amount to £10.5m at the end of May 2018. Within this total £3.6m relates to estate finalisation where the client has died and the estate is in the hands of the executors.

5.4 **Debt write-offs:** In accordance with Financial Regulation and Financial Procedures, the Policy & Resources Committee is required to approve the write-off of debts over £10,000. The Executive Director of Finance and Commercial Services approves the write off of all debts up to £10,000.

5.5 Before writing off any debt all appropriate credit control procedures are followed. Where economically practical the County Council's legal position is protected by court proceedings being issued and judgment being entered. For a variety of reasons, such as being unable to locate the debtor, it is sometimes not appropriate to commence legal action.

5.6 Service departments are responsible for funding their debt write offs. Once the debt is written off the amount of the write off is reflected a) in the service department's budget through the reversal of the income or b) where a service has set up a bad debt provision, use of that provision.

5.7 For the period 1 April 2018 to 31 May 2018, 61 debts less than £10,000 were approved to be written off following approval from the Executive Director of Finance. These debts totalled £60,072.64. Since the 2017-18 outturn report, no debts over £10,000 have been written off.

Revenue Annex 1

Forecast revenue outturn

Projected revenue outturn by service

Table A1a: projected revenue over and (under) spends by service

Service	Revised Budget	Net total over / (under) spend	%	Forecast net spend
	£m	£m		
Adult Social Services	252.466	1.991	0.8%	254.457
Children's Services	185.948	3.375	1.8%	189.323
Community and Environmental Services	155.248	0	0.0%	155.248
Managing Director's Department	8.484	0	0.0%	8.484
Finance and Commercial Services	24.368	0	0.0%	24.368
Finance General	-237.714	-0.010	0.0%	-237.724
Forecast outturn this period	**388.799**	**5.356**	1.4%	**394.155**
Totals previous report	n/a			

Reconciliation between current and previously reported underspend

Table A1b: monthly reconciliation of over / (under) spends

	£m
Forecast overspend brought forward	**0**
Movements April/May 2018	
Adult Social Services	1.991
Children's Services	3.375
Community and Environmental Services	
Managing Director's Department	0
Finance and Commercial Services	0
Finance General	-0.010
Forecast over/(under) spend P2	**5.356**

Corporate resources spend as a proportion of "front line" net expenditure

Table A1c: Corporate resources spend as a proportion of front line spend

Service	Budget	Forecast
	£m	£m
Total "front line" services	593.662	599.028
Total corporate resources	32.852	32.852
Corporate resources as %age	5.5%	5.5%
Corporate resources as ratio	1/18	1/18

Revenue Annex 1 continued

The net underspend is a result of a range of underlying forecast over and underspends which are listed below.

Revenue budget outturn by service – detail

	Projected over spend	Projected under spend	Changes this period
	£m	£m	£m
Adult Social Services			
Business Development		(0.186)	(0.186)
Commissioned Services		(0.043)	(0.043)
Early Help & Prevention	0.003		0.003
Services to Users (net)	2.838		2.838
Management, Finance & HR		(0.621)	(0.621)
Forecast over / (under) spend	**2.841**	**-0.850**	**1.991**
	1.991		

Children's Services	Projected over spend	Projected under spend	Changes this period
Spending increases and reductions	£m	£m	£m
Leaving care client costs	0.644		0.644
Staying put grant losses	0.273		0.273
Legal costs	0.600		0.600
Child with disabilities with extreme nursing needs	0.312		0.312
Staffing costs	0.768		0.768
Troubled Families Grant Loss	0.328		0.328
Home to School Transport	0.450		0.450
Other budgets	0.000		0.000
Dedicated schools grant			
Post-16 further education high needs top-up funding	0.553		0.553
Non-maintained special school placements	1.847		1.847
Alternative education contracts	0.520		0.520
Maintained special school places	0.222		0.222
Other budgets	-		-
Management action to address DSG pressures are set out in the Revenue Budget Monitoring Month 2 report to 10 July 2018 Children's Services Committee. It is expected that the directorate can deliver on budget in 2018-19.	-3.142		-3.142
Forecast over / (under) spend	**3.375**		**3.375**
	3.375		

Community and Environmental Services	Projected over spend	Projected under spend	Changes this period
	£m	£m	£m
Communities Committee - no forecast over/underspend		-	-
EDT Committee - no forecast over/underspend			
Forecast over / (under) spend		**-**	
		-	

Resources, Finance and Finance General	Projected over spend	Projected under spend	Changes this period
	£m	£m	£m
Managing Director's Department			
Intelligence & Analytics		-0.114	-0.114
Communications	0.108		0.108
Strategic Delivery Unit			-
Human Resources	0.215		0.215
Democratic Services		-0.209	-0.209
Nplaw			-
MD's Office			-0.000
Shared Services Contribution			-
Print & Phone Recharges			-
Forecast over / (under) spend	**0.223**	**0.223**	**0**
		0	
Finance and Commercial Services			
Finance (excl Fin Gen)			-
Property			-
Procurement			-
IMT			-
Print & Phone Recharges			-
Forecast over / (under) spend		**-**	
Finance General (see Revenue Annex 2 for further details)			
Section 31 Business rates cap compensation		-0.433	-0.433
Satellite offices cost of lease surrender	0.536		0.536
Member's allowances		-0.042	-0.042
Audit fees		-0.055	-0.055
Land drainage levy		-0.016	-0.016
Forecast over / (under) spend	**0.536**	**-0.546**	**-0.010**
		-0.010	

Norfolk County Council

Revenue Annex 2: Policy and Resources budget summary

1 Introduction

The Policy and Resources Committee is responsible for the oversight of the budgets listed in the table below, which also summarises the latest forecast outturn position.

2018 / 19	**Current Budget**	**Forecast**	**Over / (Under) spend**
	£m	**£m**	**£m**
Managing Director's Department			
Intelligence & Analytics	0.819	0.705	-0.114
Communications	0.786	0.894	0.108
Strategy & Delivery Unit	1.096	1.096	0.000
Human Resources	3.313	3.528	0.215
Democratic Services	3.113	2.904	-0.209
Nplaw	-0.656	-0.656	0.000
MD's Office	0.336	0.336	-0.000
Shared Services Contribution	-0.356	-0.356	0.000
Print Service Recharges	0.032	0.032	0.000
	8.483	**8.483**	**0.000**
Finance and Commercial Services (note 1)			
Finance	6.133	6.133	-
Procurement	1.143	1.143	-
	7.276	**7.276**	**-**
Finance General			
Section 31 Business rates cap compensation			-0.433
Satellite offices cost of lease surrender			0.536
Member's allowances			-0.042
Audit fees			-0.055
Land drainage levy			-0.016
			-0.010
Total P&R Committee			-0.010

Note 1: this table excludes Corporate Property budgets (Business and Property Committee) and IMT budgets (Digital Innovation and Efficiency committee)
Note 2: this table may contain rounding differences.

The Finance General forecast underspend is explained below.

2 Finance General over and underspends

Explanations for the Finance General forecasts are as follows:

Section 31 Business rates cap compensation (forecast underspend £0.433m)
This forecast underspend relates to additional business rates income which will be confirmed when NNDR3 returns are completed.

Satellite offices costs of lease surrender (forecast overspend £0.536m)
A property strategy with the aim of reducing the number of Council offices and therefore running costs will result in staff being moved into County Hall.

Member's allowances (forecast underspend £0.042m)
Early estimate of underspend in member's allowances budget based on expenditure to date.

Audit fees (forecast underspend £0.055m)
Confirmation of reduction in external audit fees following Public Sector Audit Appointments Ltd (PSAA) appointment of Ernst Young as Norfolk County Council's external auditor.

Land drainage levy (forecast underspend £0.016m)
Environment Agency precept greater than expected.

Norfolk County Council

Appendix 2: 2018-19 Capital Finance Monitoring Report

Report by the Executive Director of Finance and Commercial Services

1 Capital Programme 2018-19

1.1 On 20 February 2018, the County Council agreed a 2018-19 capital programme of £238.098m with a further £190.812m allocated to future years', giving a total of £428.910m.

1.2 Additional re-profiling from 2017-18 resulted in an overall capital programme at 1 April 2018 of £308.974m plus £164m of new grant funded highways schemes. Further in-year adjustments have resulted in the latest capital programme shown below:

Table 1: Capital Programme budget

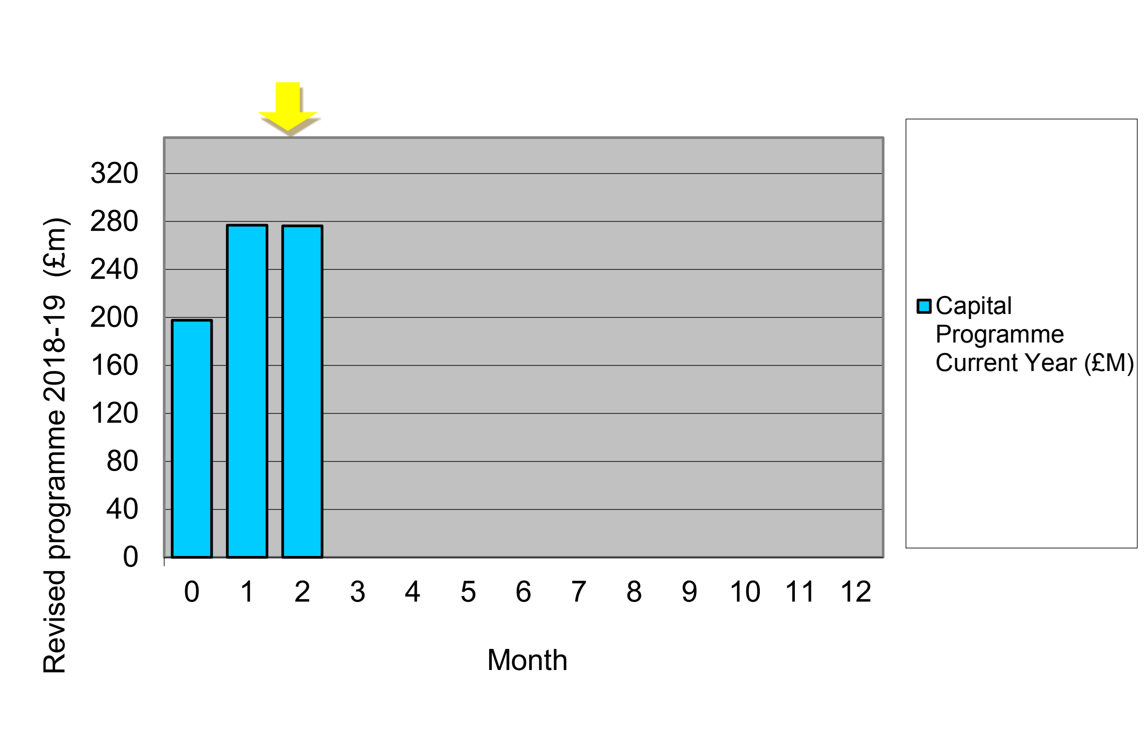
	2018-19 budget	Future years
	£m	£m
New schemes approved February 2018, funded from borrowing	114.976	122.411
Previously approved schemes brought forward	123.122	68.401
Totals in 2018-22 Budget Book (total £428.910m)	**238.098**	**190.812**
Deduct new externally funded highways schemes (see 1.2 above)	-79.118	-85.329
Schemes re-profiled after budget setting	31.884	4.086
Other Adjustments, including additional grants	8.360	
Capital Programme Outturn Position (total £308.794m)	**199.224**	**109.569**
Statutory accounting adjustment	-1.496	
Revised opening capital programme	**197.728**	**109.569**
Re-profiling since start of year	-	-
Other movements	-0.490	-
Capital programme budgets latest (total £306.806m)	**197.238**	**109.569**
Highways grant funded schemes, to be added to programme as grant funding is confirmed £164.447m	79.118	85.329
Total capital programme (£471.254m)	**276.356**	**194.898**

Note: this table and the tables below contain rounding differences

Changes to the Capital Programme

1.3 The following chart shows changes to the 2018-19 capital programme through the year.

Chart 1: Current year capital programme through 2018-19



1.4 Month "0" shows the 2017-18 outturn future capital programme excluding new grant funded highways schemes, which are added in month 1. The arrow shows the latest position.

1.5 The current year's capital budget for each service is set out in the table below:

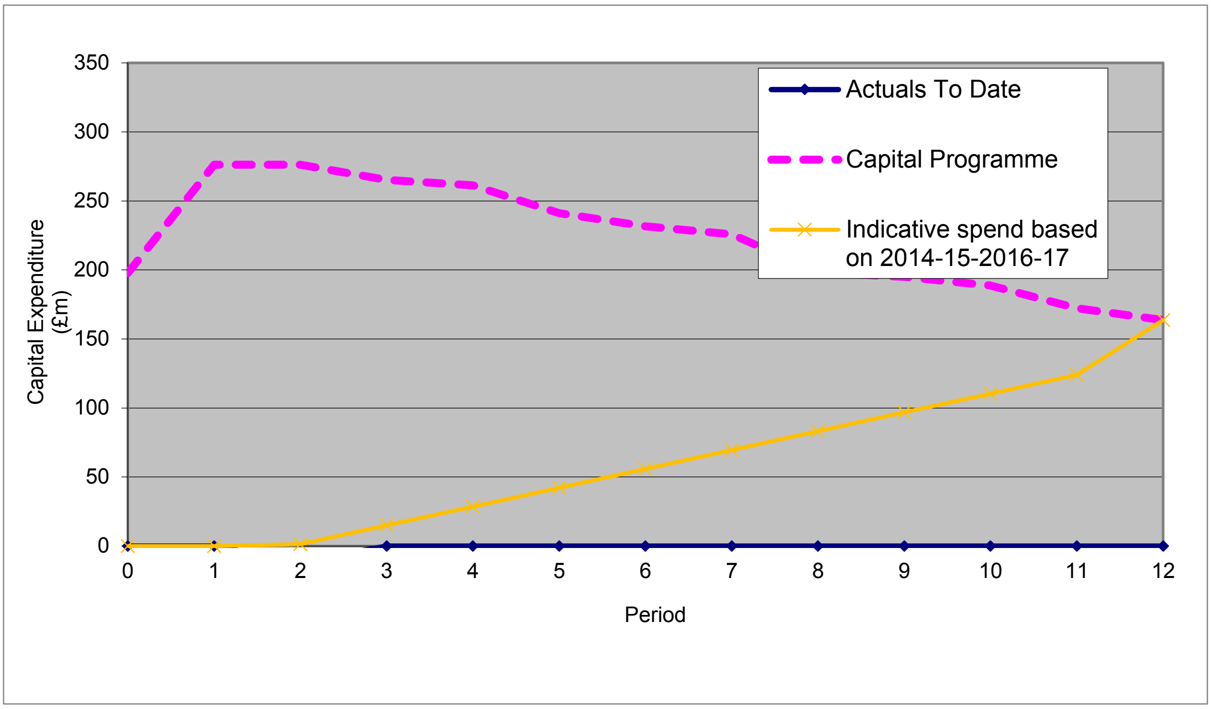
Table 2: Service capital budgets and movements 2018-19

Service	Revised opening programme	Reprofiling since last report	Other Changes since last report	New grant funded highways schemes	2018-19 Current Capital Budget
	£m	£m	£m	£m	£m
Children's Services	87.764	-	-		87.764
Adult Social Care	13.196	-	-		13.196
Community & Environmental Services	41.057	-	-0.490	79.118	119.685
Managing Director's Department	-	-	-		0
Finance & Comm Servs	55.710	-	-		55.71
Total	**197.727**	**0**	**-0.490**	**79.118**	**276.355**
			-0.490		

Note 1: this table may contain rounding differences
Note 2: To avoid double counting in future reports, approved grant funded highways schemes are shown separately. These schemes will be confirmed as and when funding is secured
.

1.6 The trends within the current year's capital programme can be shown as follows.

Chart 1: capital programme indicative trends and progress



1.7 The chart shows actual expenditure (blue line) had not exceeded year end accruals at the end of period 2, so is still showing nil. Spend will increase from P2. The pink and yellow lines show the projected budget movements and spend respectively. The current year's budget is expected to decrease as projects are re-profiled into future years when timing becomes more certain.

1.8 The revised programme for future years (2019-20 to 2021-22) is as follows:

Table 3: Capital programme 2019-22

Service	Outturn future capital programme	Reprofiling since last report	Other Changes since last report	New grant funded highways schemes	2018+ Future Capital Budget
	£m	£m	£m		£m
Children's Services	45.424	-	-		**45.424**
Adult Social Care	7.284	-	-		**7.284**
Community & Environmental Services	37.213	-	-	85.329	**122.542**
Managing Director's Department		-	-		**0**
Finance & Comm Servs	19.648	-	-		**19.648**
Total	**109.569**	**0**	**0**	**85.329**	**194.898**
			0		

Note: 1) this table may contain rounding differences

Financing the capital programme

1.9 Funding for the capital programme comes primarily from grants and contributions provided by central government. These are augmented by capital receipts, developer contributions, prudential borrowing, and contributions from revenue budgets and reserves.

1.10 The table below identifies the funding of the capital programme:

Table 4: Financing of the capital programme

Funding stream	**2018-19 Programme**	**Future Years Forecast**
	£m	**£m**
Prudential Borrowing	108.936	55.285
Use of Capital Receipts		
Revenue & Reserves	0.003	
Grants and Contributions:		
DfE	57.814	45.365
DfT	1.937	1.700
DoH	6.721	
DCLG	0.359	
DCMS	0.699	3.580
Developer Contributions	18.443	0.000
Other Local Authorities		3.580
National Lottery	0.195	
Other	2.130	0.059
Sub-total £308.806m	**197.237**	**109.569**
Highways grant funded schemes	79.118	85.329
Total capital programme £471.253m	**276.355**	**194.898**

Note: this table may contain rounding differences

1.11 Significant funding from capital receipts is anticipated over the life of the programme, which as and when realised will be used either to re-pay debt as it falls due, or to reduce the call on future prudential borrowing. For the purposes of the table above, it is assumed that all capital receipts will be applied directly to the re-payment of debt. Only capital receipts in excess of this will then be used to reduce the Council's future borrowing requirement.

1.12 The most significant sources of funding continue to be the major government capital grants for transport and schools, and the authority's prudential borrowing.

1.13 Developer contributions are funding held in relation to planning applications. Section 106 (Town and Country Planning Act 1990) contributions are held in relation to specific projects: primarily schools, with smaller amounts for libraries and highways. The majority of highways developer contributions are a result of section 278 agreements (Highways Act 1980).

2 Capital Receipts

2.1 The Council's property portfolio has latent value and the estate needs to be challenged rigorously to ensure assets are only held where necessary so that capital release or liability reduction is maximised. This in turn will reduce revenue costs of the operational property portfolio.

2.2 The capital programme, approved in February 2018, demonstrated how asset sales can be a) used to reduce the borrowing requirement of the Council's capital programme in that year, (b) held to offset against future capital borrowing requirements or (c) used to repay existing borrowing. It included a table of potential property sales

Table 6a: Capital programme property disposal schedule estimates £m

Property sales potential	2018-19	2019-20	2020-21
	£m	£m	£m
General	3.517	0.017	0.740
Farms	0.946	1.885	1.460
Major development sites	3.650	3.600	
	8.113	**5.502**	**2.200**

2.3 The current revised schedule for disposals is now broken down by chance of sale within the year, as follows:

Table 6b: Disposals by chance of sale within year £m

Chance of sale	Forecast receipt
High	0.974
Medium	1.661
Low	1.342
Major development sites	5.400
	9.377

Additions to the capital programme

3 Acquisition of farm land

3.1 As reported at the last meeting, on 15 May 2018 the Business and Property Committee discussed a report entitled "Acquisition of Farm Land". As a result, a farm at Halvergate has been purchased and this will be reflected with an addition of £1.686m to the capital programme.

4 Automation of manual HR processes

4.1 A proposal has been made through the Digital Norfolk programme team and the Norfolk Futures Steering Group to invest £0.150m capital funding to improve the processing of new employee transactions within Pay & HR service, in line with other Digital Norfolk plans and Oracle developments. This investment is expected to deliver administrative savings and have a very short payback period.

Capital Annex 1 - changes to capital programme since last P&R Committee

Changes to capital programme since last P&R report							
			18-19	18-19	19-20+	19-20+	
Service	**Project**	**Funding Type**	**Change (£m)**	**REPROFILE**	**Change (£m)**	**REPROFILE**	**Reason**
Museums	Norwich Museums project	Borrowing & Capital Receipts	-0.010				Funding no longer available
Fire	ICT Equipment	Borrowing & Capital Receipts	-0.480				Newly approved funding removed as fully spent in 2017-18
Total CES			**-0.490**	**0.000**	**0.000**	**0.000**	
Total Finance			**0.000**	**0.000**	**0.000**	**0.000**	
Total			**-0.490**	**0.000**	**0.000**	**0.000**	

Policy and Resources Committee

Item No 9

Report title:	**Delivering Financial Savings 2018-19**
Date of meeting:	**16 July 2018**
Responsible Chief Officer:	**Simon George – Executive Director of Finance and Commercial Services**

Strategic impact

This report provides details of the forecast year-end position in respect of the delivery of the 2018-19 savings agreed by the County Council at its budget meeting 12 February 2018. The realisation of planned savings is central to the achievement of a balanced outturn position for the year and also impacts on planning for the 2019-20 Budget.

Executive summary

County Council agreed savings of £29.999m for the year as part of the 2018-19 budget setting process. This report provides Members with details of the forecast outturn position in delivering these savings.

The report particularly comments on the exceptions to successful delivery which have been rated RED or AMBER.

Members are recommended to consider:

a) **the total projected shortfall of £5.248m in 2018-19, which amounts to 17% of total savings;**
b) **the budgeted value of 2018-19 savings projects rated as RED of £0.642m, of which £0.050m are forecast to be delivered;**
c) **the budgeted value of 2018-19 savings projects rated as AMBER of £14.645m, of which £9.989m are forecast to be delivered;**
d) **the budgeted value of GREEN and BLUE rated projects of £14.712m.**

1. Savings overview

1.1. The County Council, as part of setting its budget for 2018-19, agreed net savings of £29.999m. A summary of the total savings, including the savings identified for subsequent years of the Medium Term Financial Strategy agreed as part of the 2018-19 budget process, is provided in this report. Full details of savings can be found in the 2018-19 Budget Book.[1]

[1] https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/budget-book-2018-22.pdf?la=en

2. RAG ratings

2.1. The definition of RAG rating levels used during the year is set out in the table below.

Table 1: RAG ratings

Level	Descriptor
Red	**Significant concern** that the saving may not be delivered, or there may be a large variance in the saving (50% and above).
Amber	**Some concern** that the saving may not be delivered or there may be a variance in the saving (up to 50%).
Green	**Confident** that the saving will be delivered (100% forecast).
Blue	Saving already **delivered** and reversal of previous year savings.

2.2. The information in this report is informed by monitoring reports to Service Committees. The decision to rate a project as RED is based on the criteria shown above, which ensures that a common standard across all Service Committees is maintained in the monitoring for Policy and Resources.

2.3. As at Period 2 monitoring, the RAG status and forecast savings delivery is anticipated as shown in the table.

Table 2: 2018-19 savings by RAG status

RAG Status	Budgeted value of savings 2018-19	Percentage of total savings value	Previous forecast savings 2018-19 (Period 0)	Savings Outturn Forecast 2018-19 (Period 2)	Change in savings position	Savings shortfall 2017-18
	(a)	(b)	(c)	(d)	(c)-(d)	(a)-(d)
	£m	%	£m	£m	£m	£m
Red	-0.642	2%	0.000	-0.050	0.050	-0.592
Amber	-14.645	49%	0.000	-9.989	9.989	-4.656
Green / Blue	-14.712	49%	-29.999	-14.712	-15.287	0.000
Total	**-29.999**	**100%**	**-29.999**	**-24.751**	**-5.248**	**-5.248**

2.4. Two savings projects have been rated as RED, representing a budgeted total savings value of £0.642m. £0.050m of these savings are forecast to be delivered as set out in Table 2. This represents a shortfall of £0.592m (2.0% of total budgeted savings), which relates to RED rated projects.

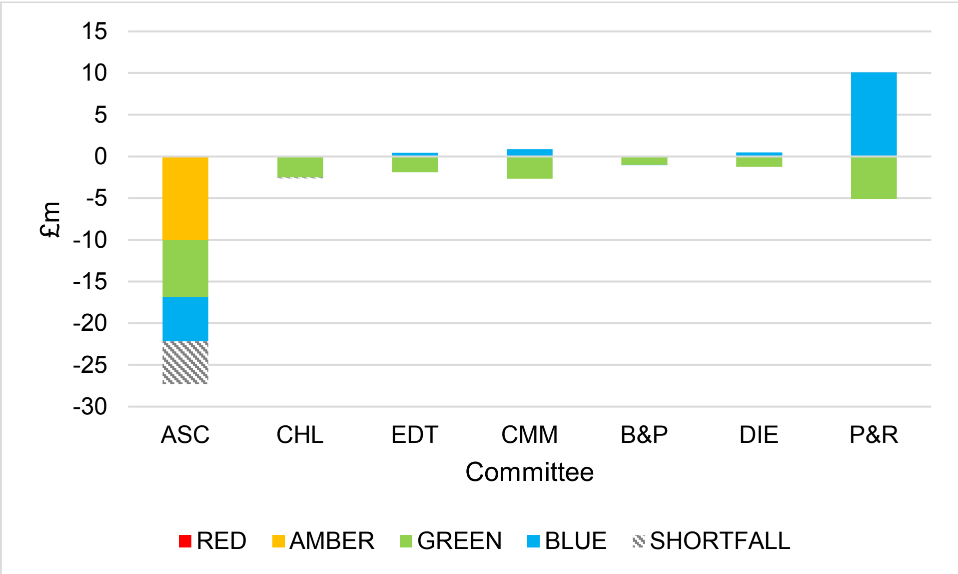
2.5. Four savings projects have been rated as AMBER, representing a budgeted total savings value of £14.645m. £9.989m of these savings are forecast to be delivered. This represents a shortfall of £4.656m (15.5% of total budgeted savings), which relates to AMBER rated projects.

2.6. This results in a **total shortfall of £5.248m** forecast at year end.

Table 3: Committee analysis of 2018-19 savings forecast and RAG status

RAG status	Adults	Children's Services	EDT	Communities	Business and Property	Digital Innovation and Efficiency	Policy and Resources	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Red	-0.050	0.000	0.000	0.000	0.000	0.000	0.000	**-0.050**
Amber	-9.989	0.000	0.000	0.000	0.000	0.000	0.000	**-9.989**
Green / Blue	-12.145	-2.499	-1.440	-1.803	-1.051	-0.726	4.952	**-14.712**
Total	**-22.184**	**-2.499**	**-1.440**	**-1.803**	**-1.051**	**-0.726**	**4.952**	**-24.751**
Savings (shortfall) / over delivery	-5.106	-0.142	0.000	0.000	0.000	0.000	0.000	**-5.248**
Total	**-27.290**	**-2.641**	**-1.440**	**-1.803**	**-1.051**	**-0.726**	**4.952**	**-29.999**

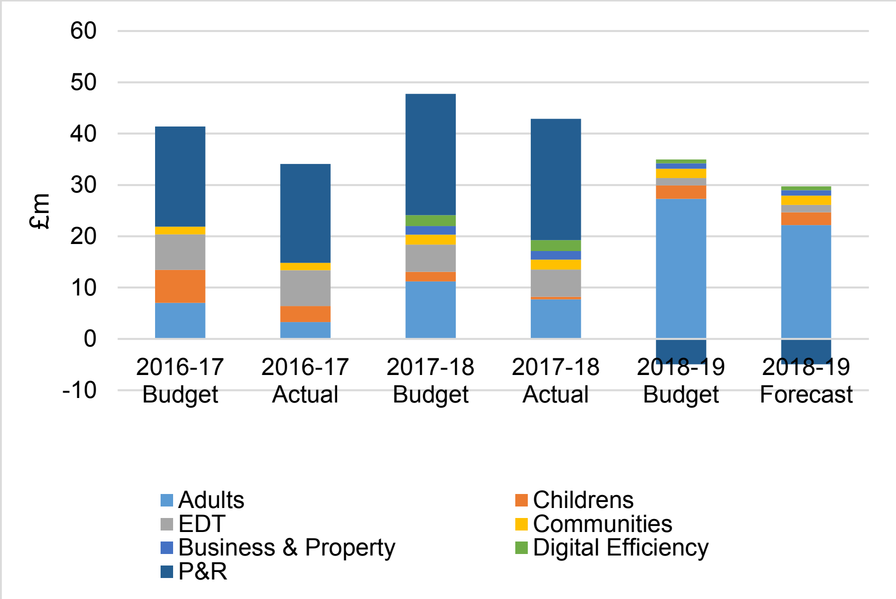
Figure 1: Committee analysis of 2018-19 savings forecast and RAG status



3. Delivery of savings

3.1. The graph below shows the delivery of savings against budget by Committee, with comparative data for 2016-17 and 2017-18.

Figure 2: Savings targets and actual / forecast delivery by Committee



3.2. The 2018-19 budget monitoring report elsewhere on this agenda sets out details of the forecast overall outturn position for the year. Actions may be required during the year within Service budgets to find offsetting savings to mitigate any non-delivery of savings in this report. The non-delivery of savings in previous years, and a detailed review of the deliverability of planned savings, was taken into account during the preparation of the 2018-19 Budget, with the result that a number of savings were removed or delayed at budget-setting as shown in the 2018-19 Budget report to County Council. There remains a need for both Service Committees and Executive Directors to maintain the focus on the effective delivery of both the previous years' agreed savings and future planned savings in order to minimise risks to the Council's overall financial position and support the delivery of the 2018-19 Budget.

3.3. Wider actions that are being taken within each Committee to deliver savings will be reported to Policy and Resources Committee through the year.

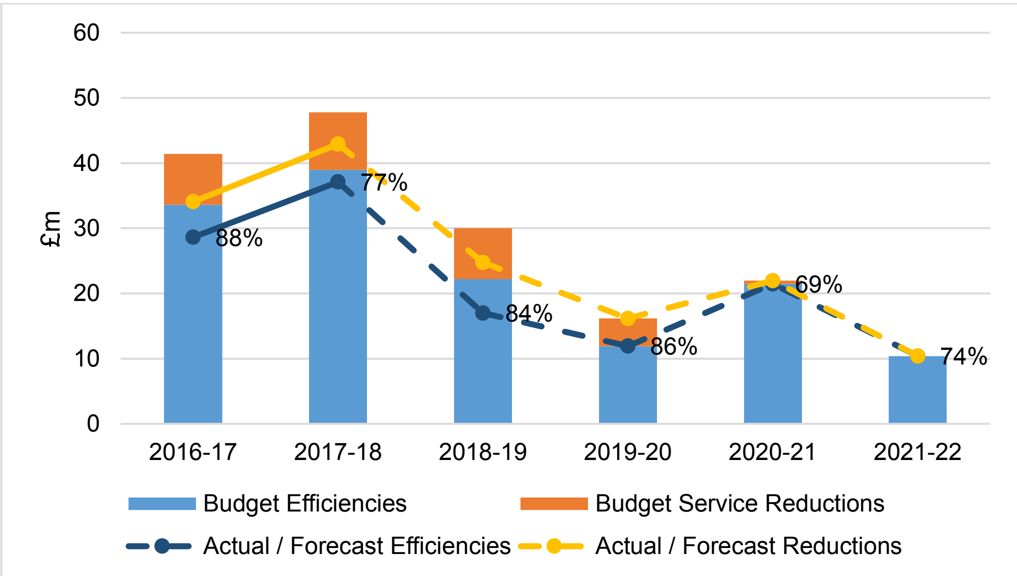
3.4. Planned savings for 2018-19 have been analysed to provide the split between back office savings and those with an impact on front line services as shown in the table below.

Table 4: Forecast delivery of savings by type

	2018-19	2019-20	2020-21	2021-22	2018-22 Total
	£m	£m	£m	£m	£m
Efficiency savings and increasing income	-6.495	-3.222	-11.473	-10.400	**-31.590**
Efficiency savings – providing statutory services differently	-10.490	-8.700	-10.000	0.000	**-29.190**
Reducing service standards and ceasing services	-7.766	-4.235	-0.500	0.000	**-12.501**
Forecast savings delivery	**-24.751**	**-16.157**	**-21.973**	**-10.400**	**-73.281**
(Shortfall) / over delivery	-5.248	0.000	0.000	0.000	**-5.248**
Total planned savings	**-29.999**	**-16.157**	**-21.973**	**-10.400**	**-78.529**

3.5. The graph shows the share of savings delivered from support services compared to the front line, with comparative information since 2015-16. In 2018-19, 74% of savings are budgeted to be achieved through efficiencies.

Figure 3: Savings – support services compared to front line



4. Commentary on savings rated RED

4.1. Two savings have been rated as RED in respect of 2018-19, representing a savings shortfall of £0.592m within RED rated projects. Commentary on the RED rated savings is provided below.

Adults

- Saving ASC008 Promoting Independence - Housing with Care – shortfall **£0.450m**: The department is currently developing a robust business case and revenue model as part of the work of its newly formed Older People Housing Board. Through work between internal officers, consultants and external partners, such as the district and borough councils, we will look to develop a number of new units within Norfolk. This will provide older people in Norfolk a more independent alternative to residential care. The variance in savings delivery is again the direct result of the time it takes develop and build these new units.

Children's

- Saving CHL042 Reduction in legal expenses – shortfall **£0.142m**: Forecast overspend on the budget due to high level of tribunal cases and other proceedings. It is expected the pressure can be reduced by increased focus on managing this spending area. This will include ensuring legal resource is not used for elements of case preparation that can be carried out more efficiently by other teams.

5. Commentary on savings rated AMBER

5.1. Four savings have been rated as AMBER in respect of 2018-19, representing a savings shortfall of £4.656m within AMBER rated projects. Commentary on the AMBER rated savings is provided below.

Adults

- Saving ASC006/ASC011/ASC015 Promoting Independence for Younger Adults – shortfall **£2.718m**: The department has a structured programme of work to focus on our service offer for people with a Learning Disability, which is held to account by an LD Steering Group and LD Partnership Board. This will underpin the work required to implement the new LD Strategy. The variance in savings delivery is the direct result of the time it takes to support and promote a person's independence when they previously been receiving care services. Many of the people who access our services, may well have been in receipt of these services for a significant period. With people who are currently not receiving adult services, but may well indeed be being supported by Children's or Education services, we are working with our colleagues in Children's services to develop a new Preparing for Adulthood service.

- Saving ASC006/ASC011/ASC015 Promoting Independence for Older Adults – shortfall **£0.566m**: The department will shortly begin to reformulate its social work offer, starting with its Community Care teams, by implementing a roll-out of the Living Well: 3 Conversations model of social work. The initial Community Innovation sites have seen promising results in terms of outcomes for people and delaying the need for formal care. The variance in savings delivery is the direct result of the time it takes to fully imbed this model and begin to realise the fully benefits of the new ways of working.

- Saving ASC013 Radical review of daycare services – shortfall **£1.235m**: As part of the LD strategy, the department will have a revised Day Services offer for people with a Learning Disability. The focus will be on community participation, targeted support (with a skills and employment focus) and locality hubs for those with complex needs. To begin this transformation 5 providers will begin pilots lasting for the next 12 months to reshape the offer. The variance in savings delivery is the direct result of the time it takes to evolve these services and support and enable existing people accessing the services.

- Saving ASC034 Prevent carer breakdown by better targeted respite – shortfall **£0.137m**: Whilst we continue to review and enhance our support towards Carers, including the development of a Carers charter, we have presently been unable to recruit to a new key operational carers post that will be the lead in the development of our social care practice. The arrangements for driving forward this area of change are being considered as a result of the recruitment slippage, including a review of the grading for this post by HR Reward. The commissioned support provided by Carers Matters for unpaid carers are working in a preventative model with carers that promotes independence and ensures early support and advice for carers. Workshops with unpaid carers have been held in three sessions across the county as part of the work underway to shape the respite offer for unpaid carers going forward.

6. Commentary on overachieved savings

6.1. No savings are currently forecast to overachieve.

7. 2019-20 to 2021-22 savings

7.1. Budget setting in 2018-19 saw the approval of £16.157m savings for 2019-20, £21.973m for 2020-21 and £10.400m savings for 2021-22. At this point in the year, savings for future years are expected to be achievable. The deliverability of currently planned savings for 2019-20 onwards will be reviewed as part of the 2019-20 budget process and will also be informed by the progress of savings plans during 2018-19.

8. Summary

8.1. The forecast outturn savings position for planned savings shows shortfalls of £5.106m in Adult Social Care and £0.142m in Children's Services. Service Committees continuing to maintain a strong focus on the delivery of savings will be critical to supporting the achievement of the Council's budget plans for future years.

Background Papers

Budget Book 2018-19 https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/budget-book-2018-22.pdf?la=en

Norfolk County Council Revenue and Capital Budget 2018-22 (Item 4, County Council 12 February 2018)
http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/592/Committee/2/SelectedTab/Documents/Default.aspx

Officer Contact

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

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IN TRAN communication for all

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Planned savings 2018-22 and 2018-19 forecast

Ref	Description	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m	2018-19 Forecast £m
COM040/ ASC003	Transport savings including reducing provision and reducing any subsidy paid by the Council	-0.700	-1.000			-0.700
ASC006 /ASC011 /ASC015	Promoting Independence for Younger Adults - Customer Pathway	-5.630	-5.307	-5.000		-3.378
ASC006 /ASC011 /ASC015	Promoting Independence for Older Adults - Customer Pathway	-1.632	-3.393	-5.000		-1.434
ASC006 /ASC011 /ASC015	Promoting Independence for Younger Adults - Customer Pathway - savings required from reversal of one-off funding in 2017-18	-1.164				-0.698
ASC006 /ASC011 /ASC015	Promoting Independence for Older Adults - Customer Pathway - savings required from reversal of one-off funding in 2017-18	-3.033				-2.665
ASC007	Promoting Independence - Reablement	-0.500				-0.500
ASC008	Promoting Independence - Housing with Care	-0.500	-0.500			-0.050
ASC009	Promoting Independence - Integrated Community Equipment Service	-0.250				-0.250
ASC013	Radical review of daycare services	-2.500				-1.265
ASC016-019	Building resilient lives: reshaping our work with people of all ages requiring housing related support to keep them independent	-3.400				-3.400
ASC020	Remodel contracts for support to mental health recovery	-0.275				-0.275
ASC029	Align charging policy to more closely reflect actual disability related expenditure incurred by service users	-0.230				-0.230
ASC032	Review charging policy to align to actual disability related expenses	-0.400				-0.400

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Ref	Description	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m	2018-19 Forecast £m
ASC033	Accommodation based reablement	-0.550				-0.550
ASC034	Prevent carer breakdown by better targeted respite	-0.686				-0.549
ASC035	Investment and development of Assistive Technology approaches		-0.300	-0.500	-0.700	0.000
ASC036	Maximising potential through digital solutions	-0.049	-0.951	-2.000	-3.000	-0.049
ASC037	Strengthened contract management function	-0.300	-0.300	-0.200	-0.200	-0.300
ASC038	Procurement of current capacity through NorseCare at market value		-0.600	-1.000		0.000
ASC039	Capitalisation of equipment spend	-2.300				-2.300
ASC040	Reduction in funding for invest to save	-0.191				-0.191
ASC041	One-off underspends in 2017-18 to be used to part fund 2018-19 growth pressures on a one-off basis	-3.000	3.000			-3.000
Adults Total		**-27.290**	**-9.351**	**-13.700**	**-3.900**	**-22.184**
CHL013	Update our budget for retirement costs for teachers	-0.100				-0.100
CHL026	Keep all children's centres open and focus their work on supporting the families that need them most	-0.309				-0.309
CHL041	Remodel the children's centre service offer	-2.000	-3.000			-2.000
CHL042	Reduction in legal expenses	-0.142	-0.142			0.000
CHL043	Reduce the reliance on agency social workers through the improved permanent recruitment and retention		-0.200			0.000
CHL044	Reduced Looked After Children's costs through implementation of the Demand Management and Prevention Strategy transformation programme		-1.000	-2.000	-2.000	0.000
CHL045	Increased income received for Early Years training	-0.090				-0.090

Ref	Description	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m	2018-19 Forecast £m
Children's Total		**-2.641**	**-4.342**	**-2.000**	**-2.000**	**-2.499**
EDT027	Environment service - Redesign the environment service so that it operates at 75% of current budget and increases use of volunteers and interns	-0.200				-0.200
EDT028	Intelligent transport systems	-0.085				-0.085
EDT032	Waste Strategy - focussed on waste reduction and minimisation				-1.850	0.000
EDT040	Waste – efficiency savings through robust management of costs through open-book accounting	0.030				0.030
EDT045	One off saving - Further capitalisation of highways maintenance activities in 2016-17	1.500				1.500
EDT049	Succession of milder winters justifies a reduction in the winter maintenance budget	-0.400				-0.400
EDT050	Improved management of on-street car parking		-0.150	-0.350		0.000
EDT051	Re-profiling the public transport budget	-0.250				-0.250
EDT054	Reducing spend on non-safety critical highway maintenance	-0.200				-0.200
EDT055	Change the construction and demolition waste concession at all recycling centres	-0.280				-0.280
EDT056	Reduce waste reduction activity	-0.150				-0.150
EDT057	Further roll-out of street lighting LEDs	-0.160	-0.160			-0.160
EDT059	Changing back office processes and efficiency	-0.085				-0.085
EDT060	Capitalisation of activities to release a revenue saving	-1.065				-1.065
CMM049	Vacancy management and streamlined management arrangements – museums and historic environment	-0.095				-0.095
Environment, Development and Transport Total		**-1.440**	**-0.310**	**-0.350**	**-1.850**	**-1.440**

Ref	Description	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m	2018-19 Forecast £m
CMM022	Libraries and Information Service - re-model of service and income generation	-0.387	-0.235			-0.387
CMM023	Fire and Rescue Service - sharing headquarters and control room at Police HQ and capitalisation of activities to release a revenue saving	-0.490				-0.490
CMM036	Registration Service income generation - develop business opportunities within the service to generate additional income.	-0.080				-0.080
CMM039	One-off saving through re-setting budgets for leased equipment	0.090				0.090
CMM040	Capitalisation of library books 16-17	1.000				1.000
CMM042	Providing a joined up Library and Children's Centre Services			-0.500		0.000
CMM043	Income generation – Norfolk Museums Service	-0.070		-0.400		-0.070
CMM044	Income generation – Norfolk Records Office	-0.030				-0.030
CMM045	Income generation – Norfolk Community Learning Services			-0.125		0.000
CMM046	Income generation – Library and Information Service		-0.020	-0.111		0.000
CMM047	Registrars Service – external income	-0.120	-0.100	-0.150		-0.120
CMM048	Changing back office processes and efficiency	-0.043				-0.043
CMM049	Vacancy management and streamlined management arrangements – museums and historic environment	-0.025				-0.025
CMM050	Vacancy management – customer services	-0.120	-0.030			-0.120
CMM051	Norfolk Community Learning Services – remodelling the staff structure, including staffing reduction	-0.150	-0.050			-0.150
CMM052	Capitalisation of activities to release a revenue saving	-0.030				-0.030

Ref	Description	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m	2018-19 Forecast £m
CMM053	Reduction in Healthwatch grant	-0.189				-0.189
EDT058	Vacancy management and streamlined management arrangements	-0.159				-0.159
CMM054	Using Public Health Grant funding to support the delivery of Public Health activity throughout the Authority	-1.000		-1.500	-1.500	-1.000
Communities Total		**-1.803**	**-0.435**	**-2.786**	**-1.500**	**-1.803**
EDT020	Economic development match funding - Cease providing match funding to Hethel Innovation for European funding bids and seek alternative match funding opportunities.	-0.051				-0.051
P&R027 /P&R058 /P&R060	Property savings 2017-20 Budget	-0.400	-1.000	-0.650	-0.650	-0.400
B&P001	Property – return from property development company – Repton Property Developments Ltd		-0.500	-1.000	-0.500	0.000
B&P002	Property – further centralisation of existing property budgets	-0.400	-0.400	-0.400		-0.400
B&P003	Property – seeking opportunities to reduce fees paid to NPS	-0.100	-0.100			-0.100
B&P004	Property – reducing facilities management costs	-0.075	-0.075			-0.075
B&P005	Economic Development - Closer/joint working with New Anglia Local Enterprise Partnership	-0.025				-0.025
Business and Property Total		**-1.051**	**-2.075**	**-2.050**	**-1.150**	**-1.051**
EDT048	Use of Better Broadband Reserves	0.500				0.500
P&R050/ P&R062/ P&R063/ P&R064	2017-20 budget round savings relating to IMT (Finance and Commercial Services)	-1.226				-1.226
P&R082	Release ICT lease budget no longer required		-0.059			0.000

Ref	Description	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m	2018-19 Forecast £m
DIE001	IMT – various savings within IMT including: · Exit from the HPE contract · Restructuring and headcount reduction (management and technical support costs) · Income generation, particularly services for schools		-0.941	-0.700		0.000
Digital Innovation and Efficiency Total		**-0.726**	**-1.000**	**-0.700**	**0.000**	**-0.726**
P&R050 /P&R062 /P&R063 /P&R064	2017-20 budget round savings relating to Procurement (FCS)	-0.063				-0.063
P&R051	Raising revenue by an increased ESPO dividend	-0.100				-0.100
P&R052	Cutting costs through efficiencies: work across Teams to deliver reductions in cost and headcount over two years	-0.500				-0.500
P&R066	Second Homes income	-0.722				-0.722
P&R076	Insurance Fund contribution	1.350				1.350
P&R077	Implementation of Minimum Revenue Provision policy	0.136	0.290			0.136
P&R078	Remove use of capital receipts in 17-18 to fund MRP	4.000				4.000
P&R081	Remove one-off use of reserves to be identified in June 2017	5.813				5.813
P&R083	Nplaw services - external income	-0.100	-0.100	-0.150		-0.100
P&R084	Internal Audit - income generation	-0.010				-0.010
P&R085	Finance service - income generation	-0.050				-0.050
P&R086	Coroners relocation to County Hall		-0.042	-0.050		0.000
P&R087	Reduce the budget for the Equality and Diversity Team which is spent on supporting community events	-0.025				-0.025
P&R088	Coroners mortuary facilities	-0.025	-0.025			-0.025
P&R090	Finance Exchequer Services savings	-0.300	-0.060			-0.300

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Ref	Description	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m	2018-19 Forecast £m
P&R091	Procurement - capitalisation	-0.050				-0.050
P&R092	Finance service - vacancy review	-0.100				-0.100
P&R093	Use of general capital receipts in 18-19 to fund MRP	-2.000	2.000			-2.000
P&R094	Use of airport deferred capital receipts in 18-19 to fund MRP	-0.840	0.840			-0.840
P&R095	Second homes council tax		-0.722			0.000
P&R096	Increased ESPO dividend	-0.200				-0.200
P&R098	Increased NORSE dividend	-0.250	-0.750			-0.250
P&R099	Managing Director's Department savings to be identified including use of one-off reserves in 2018-19	-0.574	-0.075	-0.187		-0.574
P&R100	Second Homes NIF	-0.438				-0.438
Policy and Resources Total		**4.952**	**1.356**	**-0.387**	**0.000**	**4.952**
Norfolk County Council Total		**-29.999**	**-16.157**	**-21.973**	**-10.400**	**-24.751**

Policy and Resources Committee

Item No 10

Report title:	**Strategic and Financial Planning 2019-20 to 2021-22**
Date of meeting:	**16 July 2018**
Responsible Chief Officer:	**Executive Director of Finance and Commercial Services – Simon George** **Strategy Director – Fiona McDiarmid**

Strategic impact

This report provides Policy and Resources Committee with an overview of the Council's current budget planning position, including the forecast budget gap for 2019-20 to 2021-22, and proposes a strategic and financial planning framework for Service Committees. It provides details of the organisational response to financial pressures and in particular the Council's Strategy, Norfolk Futures, which is the key mechanism to drive the Council's ambitions for Norfolk. The report also provides an update on the Council's budget setting process, and guidance to Service Committees on the actions required to enable the Council to set a balanced budget for 2019-20.

Executive summary

This report provides the Policy and Resources Committee with the latest information about the Council's budget planning for 2019-20 to 2021-22. The report details the link between the Council Strategy, Norfolk Futures, and the development of transformation and savings plans, and provides an overview of the forecast budget gap, including details of key risks and assumptions.

Policy and Resources Committee's guidance to Service Committees on the actions required to support preparation of a balanced budget for 2019-20 is proposed in the report for the Committee's approval and includes plans for initial saving proposals to be considered by Service Committees in October 2018.

Finally, the report sets out a summary timetable for budget setting activity for the preparation of the 2019-20 Budget.

Policy and Resources Committee is recommended to:

1) **Note how the principles of the Council's Strategy, Norfolk Futures, will inform and shape 2019-22 budget planning activity;**

2) **Approve the updated budget assumptions and note the key areas of risk in relation to 2019-22 budget planning as set out in section 4;**

3) **Consider the forecast budget gap of £94.696m, which reflects the changes (as set out in table 5) from the 2018-22 Medium Term Financial Strategy (table 1);**

4) **Approve the budget planning principles (paragraph 4.2) and guidance for 2019-20 and commission Service Committees to begin developing their savings proposals accordingly;**

5) **Approve the proposed savings targets 2019-20 to 2020-21 (section 5), noting the existing savings for 2019-20 and beyond which were agreed as part of the 2018-19 budget round (table 3); and**

6) **Note the budget planning timetable set out in section 6.**

1. Introduction

1.1. The County Council agreed the 2018-19 Budget and Medium Term Financial Strategy (MTFS) to 2022 at its meeting 12 February 2018. At that point, the MTFS identified a budget gap of £94.696m for the period 2019-20 to 2021-22, and the Council's budget strategy included the aspiration to bring forward savings required for 2021-22 into the first two years 2019-20 and 2020-21.

1.2. The Council has a robust and well-established framework for strategic and financial planning which updates the MTFS position through the year to provide Members with the latest available financial forecasts to inform wider budget setting work across the organisation. For 2019-20 the budget planning process is closely aligned with the Council's Strategy, Norfolk Futures. This report sets out how the strategy links with budget planning, updates the Policy and Resources Committee with the latest information on the Council's financial position, and marks the beginning of the Council's budget planning for 2019-20 to 2021-22.

1.3. As discussed more fully later in the report, there is at this point very considerable uncertainty about the financial resources which will be available to the Council after the current four-year funding deal ends in 2019-20. From 2020-21 three significant changes could have an impact on the Council's funding levels. These are: the Comprehensive Spending Review, the Fair Funding Review, and the implementation of 75% Business Rates localisation. As a result, the forecast budget gap will need to be kept under review, particularly as the Government may provide some further indication of funding post 2019-20 at the Autumn Budget 2018.

1.4. Details of the key assumptions which lie behind the current forecast budget gap, and some of the remaining key risks, are set out in sections 3 and 4 of the report.

2. County Council Strategy and Norfolk Futures

2.1. Caring for our County, the vision for Norfolk, approved by Members in February 2018, outlines the Council's commitment to playing a leading role in:

- Building communities we can be proud of;
- Installing infrastructure first;
- Building new homes to help young people get on the housing ladder;

- Developing the skills of our people through training and apprenticeships;
- Nurturing our growing digital economy; and
- Making the most of our heritage, culture and environment.

2.2. The Council's Strategy for 2018-2021 – Norfolk Futures – will provide the mechanism to enable these ambitions for the County across all of its activities.

2.3. Norfolk Futures will deliver these transformational commitments in a context where demand for our services is driven both by demographic and social trends, and where increasingly complex and more expensive forms of provision are becoming prevalent.

2.4. Norfolk Futures is guided by four core principles that will frame the transformation we will lead across all our work:

- Offering our help early to **prevent and reduce** demand for specialist services;
- **Joining up** work so that similar activities and services are easily accessible, **done once and done well**;
- Being **business-like** and making best use of **digital technology** to ensure value for money; and
- Using evidence and data to **target our work** where it can make the most difference.

2.5. Under the banner of Norfolk Futures we will deliver sustainable and affordable services for the people who need them most. The whole Council needs to change to keep up with increasing demands and ever better ways of working.

2.6. These principles frame the transformation that we must lead across all our services and activities. This is all underpinned by evidence and political support, to change how the Council works and how we work with the people of Norfolk.

2.7. By 2021 the strategy and underpinning Service Plans will have moved the Council towards a more sustainable future with affordable, effective services. This means that we will have radically changed the ways we do some things. We will know our citizens and manage their needs effectively using the best evidence to enable the most appropriate outcomes. We will be working jointly across the Council on our biggest challenges by default, and changing the way we work to reflect new technology and ways of working. This will enable us to work smarter, better and plan long term to be the Council the County needs.

2.8. These principles frame the transformation across all our services and activities and we currently have 7 priorities to help us to deliver the strategy:

- Safe Children and Resilient Families;
- Promoting independence for Vulnerable Adults;
- Smarter Information and Advice;
- Towards a Housing Strategy;
- Digital Norfolk;
- Local Service Strategy; and
- Commercialisation.

Safe children and resilient families

Sponsor: Sara Tough, Executive Director, Children's Services
Political Lead: Chair of Children's Services Committee

We want to keep families together when life gets tough, and reduce the need for children to be in care. To achieve this we will focus on early intervention to keep children safely at home. When we have to help and offer care we will use foster care and adoption where appropriate, which we know deliver better outcomes for our children. We will reduce our use of residential care and invest in specialist support alternatives.

Care leavers will be better supported through high quality post 16 provision.

The children's programme is focused on creating a high quality and financially sustainable delivery model that makes the department fit to meet its future challenges. This will require different ways of working within the LA children service as well as the system as a whole. This will include a shift in cultural mind-set and workforce reforms.

The 5 key focus areas will be:

1. **Quality information advice and guidance** with access to the right people at the right time and effective working of the Multi Agency Safeguarding hub, including ensuring clarity of purpose and consistent application of thresholds by all partners
2. Strengthen our partnership arrangements to deliver a local and communities based **early help** offer, alongside targeted evidence based interventions.
3. **Supporting more children to stay at home,** new work with Barnardo's "New Directions" started in 2017, and funding for a social impact bond to assist "edge of care" children remain at home will be announced in 2018
4. **Placement choice** needs to be enhanced to ensure greater in-house carers are used, and there is a better offer for semi-independence for care leavers
5. To continue the **implementation of signs of safety** as a working model underpinned by the development of relationship based and restorative practices.

Promoting independence for vulnerable adults

Sponsor: James Bullion, Executive Director, Adult Social Services
Political Lead: Chair of Adult Social Care Committee

We want to give people the skills and confidence to live independently and safely, in their own homes, for as long as possible. To do this we will focus on those most likely to need our formal services at some point to help them to stay independent for longer.

The Promoting Independence priority will focus on reducing dependence on long term formal care by providing earlier, better interventions that prevent, reduce and delay the need for formal care. This will result in a more financially sustainable service and better outcomes for our service users. The changes include improvements to 'front door' arrangements, early help and intervention to connect people to support networks in the community, reablement and social work practice which focuses on people's strengths.

The 4 key focus areas will be:

1. **Living well: 3 conversations** – a new strengths based approach to social work which focuses on what people can do, rather than what they can't do.
2. **Transforming learning disability services** – a new 'offer' for people with learning disabilities which is based on enablement and promotes independence. Current support draws heavily on traditional formal adult care services, and the intention is to modernise our offer to be more ambitious for service users, enhance independence and improve overall wellbeing.
3. **Integrated short-term support** – critical to helping people to stay independent for longer, or to recover after a stay in hospital are services which aim to recover as much confidence and independence as possible and avoid long-term decisions in a crisis.
4. **Technology enabled services** – refreshing and scaling up the use of assistive technology, making it quicker and easier for people to make the most of new developments – self-funders and adult service users. Exploiting the potential of digital opportunities to complement more traditional face to face care.

Smarter information and advice

Sponsor: James Bullion, Executive Director, Adult Social Services
Political Lead: Chair of Communities Committee

We want to make it easier for people to find trusted, reliable information to make decisions that improve their independence and well-being. We will direct and connect people to services in their local community, enabling them to take control of their lives and their futures, reducing reliance on health and local authority services.

The 4 key focus areas will be:

1. The provision of **better online information and advice** will enable NCC to reach a wider audience at a lower cost, shifting demand from costly professional resource to a digital offer.
2. A **single, branded information and advice strategy** and offer, making it easier for people to seek help at an early stage and prevent or delay the need for high end services
3. **Changing the behaviours and skills of professionals, staff and citizens** to access information, advice and community based assets will reduce cost and increase independence for target groups
4. **Providing a targeted information and advice offer** and interventions to high risk/high cost groups will prevent demand and improve wellbeing.

Towards a Housing Strategy

Sponsor: Simon George, Executive Director of Finance and Commercial Services
Political Lead: Chair of Business and Property Committee

We will use the Housing Strategy to drive change in three areas of common good to the County; social housing, income generation and increasing the number of homes available to our residents.

The 3 key focus areas will be:

1. **Social policy** – by specifying an optimal mix of specialist accommodation provision for older people and working age adults with particular needs, we will develop a business case for NCC and other private/public sector investors to develop new accommodation which will expand current provision and reduce service costs for NCC and many of its service users.
2. **Commercialisation** – by undertaking direct housing development on council-owned land, a council-owned development company will provide a new income stream (via the developer's profit) to NCC.
3. **'Enabling'** – by utilising NCC resources (i.e. financial, human, partnership building, strategic planning, influence, leadership) we can positively influence the quantity and quality of new homes being built in Norfolk.

Digital Norfolk

Sponsor: Fiona McDiarmid, Strategy Director
Political Lead: Chair of Digital Innovation & Efficiency Committee

We want to drive the creation of a sustainable technology infrastructure for better broadband and mobile services so that Norfolk will have more local government services available online and used safely and effectively by people to live, work, learn and play. We will use technological solutions, to provide smarter ways of working and reduce costs within the Council and in frontline services.

The 3 key focus areas will be:

1. **Enhancing service delivery to our citizens** – through improved broadband and mobile coverage, our residents will be able to access appropriate services online at a time and place that suits them, and fits with the demands of modern life. Accelerating the use of assistive technologies to give people the skills and confidence to live independently and safely in their own home for as long as possible.
2. **Enable employees** – The Digital Employee: Staff will have access to the right technology and data and have the skills to use them. Taking a systematic approach to transactions and redesigning internal systems to be digital by design. This will improve productivity and take out cost across the organisation.
3. **More effective use of data** – Business insight: Data should be exploited effectively for operational and strategic purposes. Data driven decision making will enhance our ability to target services more effectively across the county.

Local Service Strategy

Sponsor: Tom McCabe, Executive Director of Community and Environmental Services
Political Leads: Deputy Leader of the Council and Chairman of Environment, Development and Transport Committee

We want to proactively target our services in the places where they are most needed in our market towns, Norwich, Great Yarmouth and King's Lynn. This will allow us to deliver sustainable, effective and evidence-based services which meet the needs of the local population, within the resources available. We will bring forward principles to design a more integrated local service offer.

The 4 key focus areas will be:

1. **Service continuum** – redesigning services along a continuum from prevention through to specialist help and protection, to develop targeted offers in key localities.
2. **Targeting services** – developing and utilising local intelligence to inform decision making, mapping existing and targeting future services.
3. **Buildings review** – understanding our current footprint and opportunities for consolidating and repurposing.
4. **Multi-function hubs** – develop a multi-service offer to realise opportunities offered by more integrated services and the One Public Estate programme.

Commercialisation

Sponsor: Simon George, Executive Director of Finance and Commercial Services
Political Lead: Leader of the Council

The Council is committed to operating more commercially. We want to make sure that it does so in a way which meets the desired financial outcome, including making money or fully covering overheads. This means identifying and meeting clear targets for trading entities' profit, return on assets, and return on investment, as well as making sure internal activities such as contract and establishment management are run effectively to eliminate financial waste.

The 3 key focus areas will be:

1. Improving the return on **existing assets** and the return on investments;
2. Making the Council's **trading functions more profitable** and charging fully (including overheads) where the charging framework is set out in statute;
3. Implementing a **more business-like approach** to managing our services.

2.9. The rationale for the 7 corporate priorities is to ensure that we have intense focus and tangible delivery in specific areas that can only be delivered through whole council cross department working.

3. Medium Term Financial Strategy

3.1. The Medium Term Financial Strategy (MTFS) was agreed in February 2018 including **£78.529m** of savings and with a remaining gap of **£94.696m**. The MTFS provides the starting point for the Council's 2019-20 Budget planning activity. The forecast gap position as at the MTFS was made up as shown in the following table:

Table 1: MTFS forecast gap 2019-20 to 2021-22

	2019-20 £m	2020-21 £m	2021-22 £m
Cost / income pressures	46.016	80.341	36.586
Savings identified	-16.157	-21.973	-10.400
Change in council tax / taxbase / collection fund	-7.770	-9.914	-2.033
Gap	**22.089**	**48.454**	**24.153**
Reprofile 2021-22	12.076	12.076	-24.153
Revised Gap	**34.165**	**60.530**	**0.000**

3.2. Excluding the brought forward element, and based on the identified pressures in the MTFS, £22.089m was required to balance the budget in 2019-20.

3.3. At the time of setting the MTFS, it was assumed that council tax would increase 2.99% in 2019-20 and 1.99% in 2020-21, with no increase planned for 2021-22.

3.4. Full details of cost pressures assumed in the Council's MTFS are set out in the 2018-19 Budget Book.[1] A summary of the pressures included in the estimate of the MTFS gap is shown in the table below.

[1] https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/budget-book-2018-22.pdf?la=en

Table 2: Summary of MTFS cost / income pressure assumptions

	2019-20	2020-21	2021-22
	£m	£m	£m
Economic and inflationary pressures (pay and price inflation)	14.420	13.595	13.595
Legislative requirements (including market pressures and end of Section 75 agreement)	13.646	1.690	2.061
Demand and demographic pressures	4.918	9.880	6.544
NCC policy decisions (including use of iBCF funding and MRP)	-1.246	4.476	14.336
Funding decreases (including loss of RSG)	26.827	50.700	0.050
Funding increases (mainly iBCF)	-12.549	0.000	0.000
Total cost/income pressures	**46.016**	**80.341**	**36.586**

3.5. Existing savings in the Council's MTFS are shown by Committee in the table below. These are the savings agreed as part of the 2018-19 (and earlier) budget process, and will need to be delivered in addition to any new savings proposed to close the remaining budget gap.

Table 3: Planned net recurring savings 2018-19 to 2021-22

Committee	2018-19 Saving £m	2019-20 Saving £m	2020-21 Saving £m	2021-22 Saving £m	Total Saving £m
Adult Social Care	-27.290	-9.351	-13.700	-3.900	-54.241
Children's Services	-2.641	-4.342	-2.000	-2.000	-10.983
Environment, Development and Transport	-1.440	-0.310	-0.350	-1.850	-3.950
Communities	-1.803	-0.435	-2.786	-1.500	-6.524
Business and Property	-1.051	-2.075	-2.050	-1.150	-6.326
Digital Innovation and Efficiency	-0.726	-1.000	-0.700	0.000	-2.426
Policy and Resources[2]	4.952	1.356	-0.387	0.000	5.921
Grand Total	**-29.999**	**-16.157**	**-21.973**	**-10.400**	**-78.529**

3.6. The MTFS position represents the starting point for 2019-20 budget planning.

[2] The net savings position for Policy and Resources Committee reflects the reversal of a number of significant one-off savings from 2017-18, such as the use of the Insurance Fund and the use of Capital Receipts totalling £11.299m. The gross savings to be delivered by Policy and Resources Committee budgets in 2018-19 are £6.347m.

Key issues impacting on the Medium Term Financial Strategy

3.7. Since the setting of the 2018-19 Budget, the Government has announced the Spring Statement 2018[3]. This had no major implications for the Council's 2019-20 planning except that the Chancellor announced that:

- he anticipates having additional "*capacity to enable further increases in public spending and investment in the years ahead while continuing to drive value for money*" if improvements continue to be seen in the public finances. This would be announced at the Autumn Budget 2018.
- he intends to set out the overall path for public spending for 2020 and beyond at the Autumn Budget 2018, with a detailed Spending Review to allocate departmental funding to be conducted in 2019. This will inform the 2020-21 budget gap.
- the rate of Consumer Price Inflation (CPI) is forecast to fall during 2018.

3.8. A full summary of the Spring Statement announcement was reported to Policy and Resources Committee in March 2018.

3.9. In spite of the announcements made at the Spring Statement, the Council continues to face significant uncertainty for 2020-21. The Government has recently made announcements[4] about commitments to provide additional funding for the NHS, which inevitably mean that less funding will be available for other government priorities. However, these announcements set out a commitment that the Government will ensure that adult social care doesn't impose additional pressure on the NHS. The Prime Minister has also signalled the intention to produce proposals to put social care on a more sustainable footing, and to set out budgets for social care and public health as part of the forthcoming spending review. In spite of this, the Government has announced a delay to the social care green paper until the autumn[5] as a result of the intention to integrate plans for social care with the new 10 year NHS plan. This means that the timetable for the green paper to effectively feed into the comprehensive spending review will be extremely challenging, and in any event the implications for the Council of the Government's various funding commitments across the public sector will not become fully clear until later in 2019.

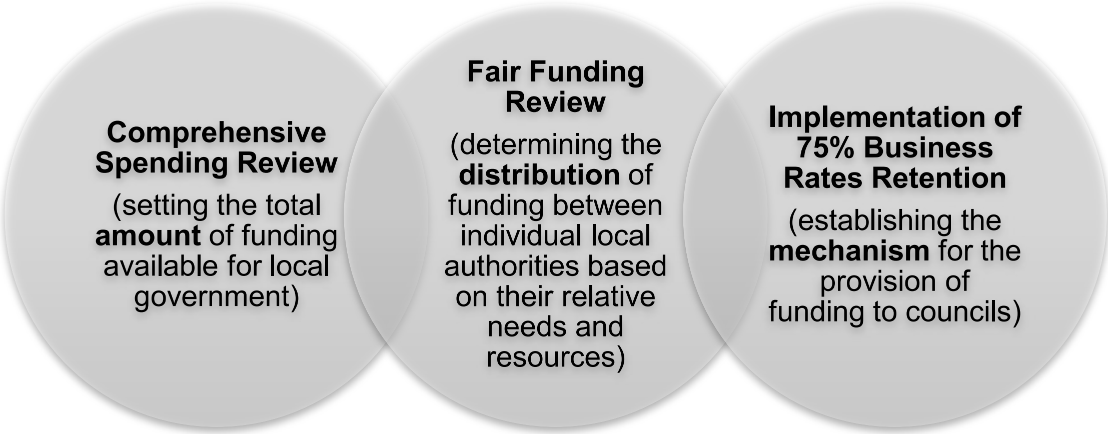
3.10. In particular, the Council has not yet received any Government funding figures for 2020-21. As set out in the assumptions section of the report, the 2020-21 budget gap is therefore based on previous indications that Revenue Support Grant will completely cease in 2020-21. Government may give an indication of 2020-21 funding at the 2018 Autumn Budget and further indicative figures will then be provided in the subsequent 2019 Spending Review. The 2020-21 budget gap will then be refined, however detailed figures for 2020-21 and beyond are not expected to be available until late 2019.

3.11. On a prudent basis, the MTFS forecasts that funding reductions will continue. The Council has relatively firm indicative funding reduction figures for 2019-20 confirmed by Government as part of the certainty offer, for which 2019-20 is the final year. The

[3] https://www.gov.uk/government/topical-events/spring-statement-2018
[4] https://www.gov.uk/government/news/prime-minister-sets-out-5-year-nhs-funding-plan
[5] https://www.publicfinance.co.uk/news/2018/06/social-care-leaders-disappointed-green-paper-delay

assumption that Revenue Support Grant (RSG) will fully cease in 2020-21 represents a pressure of £39m. As set out previously, there is uncertainty around the impact and timing of this. In addition, there is substantial uncertainty about funding in general from 2020-21 in relation to three very significant issues:

- the Fair Funding Review.
- Government plans for 75% Business Rates Retention.
- The Spending Review which will be undertaken during 2019-20.



3.12. All three of these are due to be implemented or take effect from 2020-21 and could materially impact on the level of savings to be found from that point onwards. Government announcements about funding levels beyond 2019-20 are anticipated in late 2019.

4. Budget planning 2019-20

Budget planning changes since the preparation of the MTFS

4.1. Since the agreement of the MTFS in February 2018, the reprofiling of savings from 2021-22 into the first two years of the MTFS has been removed from the Council's budget forecasting for the Committee to consider.

Budget planning principles 2019-20

4.2. Taking account of the change outlined above, the following key principles are proposed for 2019-20 Budget planning:

- Budget planning will cover the three year period 2019-20 to 2021-22;
- Budget proposals will target "shifting left" as a priority in terms of service provision (i.e. preventing and reducing demand for more intensive and higher cost services);
- Savings targets will be profiled as they arise over the three years of the Medium Term Financial Strategy (not brought forward);
- The 2019-20 Budget will seek opportunities to increase the level of the General Fund balance to ensure the medium term financial position is robust and the Council is better protected against future changes in funding; and

- The four Norfolk Futures principles will underpin the development of budget proposals:
    - Offering our help early to **prevent and reduce** demand for specialist services;
    - **Joining up** work so that similar activities and services are easily accessible, **done once and done well**;
    - Being **business-like** and making best use of **digital technology** to ensure value for money; and
    - Using evidence and data to **target our work** where it can make the most difference.

Budget assumptions 2019-20

4.3. The Council's current forecast budget gap is therefore based on a number of key assumptions, including:

- That Revenue Support Grant will entirely disappear in 2020-21. This equates to a pressure of around £39m, but significant uncertainty is attached to this and the level of savings required in year two could be materially lower should this loss of funding not take place.
- Further substantial cost pressures including:
    - inflation, including the 2% pay increase for staff;
    - demographic changes and increased demand for our services; and
    - legislative changes where national policies have added to our costs.
- Planned savings of £49m to be delivered over the period 2019-20 to 2021-22.
- That the 2018-19 budget can be successfully delivered (no overall overspend occurring and no savings emerging as undeliverable). The Council's forecast 2018-19 outturn position is discussed in the monitoring report elsewhere on the agenda.
- Ongoing annual pressures will exist in waste budgets from 2019-20.
- Pressures in Minimum Revenue Provision (MRP) budgets will be felt from 2020-21.
- Budget planning is based on the following council tax increase assumptions (and also assumes there is no scope to increase the ASC precept in 2019-20 based on the current terms set out by Government):

Table 4: Council Tax assumptions (as per 2018-22 MTFS)

	2019-20	**2020-21**	**2021-22**
Assumed increase in general council tax	2.99%	1.99%	0.00%
Assumed increase in Adult Social Care precept	0.00%	0.00%	0.00%
Total assumed council tax increase	**2.99%**	**1.99%**	**0.00%**

4.4. The planned 2.99% increase in council tax is based on the current understanding of updated assumptions and flexibility offered by the Government in the 2018-19 local government finance settlement. Any reduction in this increase will require additional savings to be found. The assumed council tax increases are subject to Full Council's decisions on the levels of council tax, which will be made before the start of each financial year.

4.5. Assumptions around increases in the council tax base are prudent (0.5% annual growth), and as set out in the above table, no increase in council tax has been planned for 2021-22.

Latest forecast budget gap 2019-20 to 2021-22

4.6. The latest budget planning position, taking into account the changes set out in this paper, is shown in the table below. The latest budget assumptions would mean an unchanged overall gap of £94.696m, with **£22.089m required to close the gap in 2019-20**.

Table 5: Latest forecast budget gap 2019-20 to 2021-22

	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m
Original gap at MTFS 2018-19 to 2021-22	34.165	60.530	0.000	**94.696**
Reprofile savings requirement to 2021-22	-12.077	-12.077	24.153	**0.000**
Forecast gap as at 16 July 2018 P&R report	**22.089**	**48.454**	**24.153**	**94.696**

Key budget risks 2019-20

4.7. Uncertainties remain about a number of items which **have not currently been reflected** in the budget planning assumptions, but which could potentially result in an increase in the overall gap. As a result, additional pressures, which have not currently been provided for, may arise in 2019-20 relating to:

- Ongoing pressures arising within the Children's Services budget in 2018-19 may need to be recognised in 2019-20 relating mainly to the number and cost of Looked After Children and also in respect of any delay or non-delivery of planned savings. The pressures in the current year's budget are described more fully in the Financial Monitoring report elsewhere on this agenda;
- Increasing the level of the General Fund reserve; and
- Adjustments to salary scales required in 2019-20 in response to the two-year pay award.

4.8. The risks and assumptions relating to the 2019-20 Budget will continue to be monitored and updated as budget planning activity proceeds.

5. Savings allocation

5.1. The following table sets out indicative savings required to close the identified gap by Committee. The share of savings has been calculated based on current planned 2019-20 net budgets excluding schools, Public Health (in 2019-20 only), capital recharging, and government grants on the basis that these areas are not controllable and therefore should be outside the scope of savings. These savings are required **in addition to existing current savings** plans.

Table 6: Indicative savings by Committee

	2019-20 £m	2020-21 £m	2021-22 £m	Total £m	Proposed share of new savings %
Adult Social Care	-9.626	-19.527	-9.745	**-38.898**	41%
Children's Services	-5.726	-12.064	-6.037	**-23.827**	25%
Environment, Development and Transport	-2.820	-5.988	-2.962	**-11.770**	12%
Communities	-1.647	-6.262	-3.115	**-11.025**	12%
Digital Innovation and Efficiency	-0.369	-0.736	-0.373	**-1.477**	2%
Business and Property	-0.154	-0.180	-0.045	**-0.379**	0%
Policy and Resources	-1.747	-3.697	-1.875	**-7.319**	8%
Total	**-22.089**	**-48.454**	**-24.153**	**-94.696**	

5.2. Once these indicative allocations have been approved by Policy and Resources Committee, they will be reported to Service Committees alongside the 2019-20 Budget setting principles in the September Committee round. Service Committees will then be commissioned to develop savings proposals aligned with the seven Norfolk Futures priorities (as set out in paragraph 2.8) to report back to Policy and Resources in October. A full budget setting timetable is set out in section 6 of this report.

6. Timetable

6.1. The Council's overarching budget setting-timetable for 2019-20 was agreed by County Council in February as part of the 2018-19 Budget. The timetable is updated as further information becomes available (for example about the timing of Government announcements). The latest version of the timetable is set out in the table below.

Table 7: Budget setting timetable 2019-20 to 2021-22

Activity/Milestone	Time frame
County Council agree recommendations for 2018-22 including that further plans to meet the shortfall for 2019-20 to 2021-22 are brought back to Members during 2018-19	12 February 2018
Spring Statement 2018 announced	13 March 2018

Consider implications of service and financial guidance and context, and review / develop service planning options for 2019-22	February – June 2018
Member review of the latest financial position on the financial planning for 2019-22	July 2018
Development of savings proposals 2019-22	June – September 2018
Member review of service and budget planning position including savings proposals	Committees in October 2018
Consultation on new planning proposals and council tax 2019-22	Late October to December 2018 / January 2019
Chancellor's Autumn Budget 2018	TBC November / December 2018
Provisional Local Government Finance Settlement	December 2018
Service reporting to Members of service and financial planning and consultation feedback	January 2019
Committees agree revenue budget and capital programme recommendations to Policy and Resources Committee	Mid-January 2019
Confirmation of District Council tax base and Business Rate forecasts	31 January 2019
Final Local Government Finance Settlement	TBC February 2019
Policy and Resources Committee agree revenue budget and capital programme recommendations to County Council	28 January 2019
County Council agree Medium Term Financial Strategy 2019-20 to 2021-22, revenue budget, capital programme and level of council tax for 2019-20	11 February 2019

7. Financial implications

7.1. Potentially significant financial implications are discussed throughout this report. Any implications of the Autumn Budget and the three changes expected to be implemented in 2020-21 will be reflected as far as possible in the Council's 2019-20 budget planning, and these impacts will need to be refined as further information is made available by Government.

7.2. Specific financial risks in this area are also identified in the Corporate Risk Register, including the risk of failing to manage significant reductions in local and national income streams (RM002) and the risk of failure to effectively plan how the Council will deliver services (RM006).

7.3. Risks relating to budget setting are also detailed in the Council's budget papers. There is a risk in relation to the Comprehensive Spending Review and the Fair Funding Review that a failure by the Government to provide adequate resources to fund local authorities could lead to a requirement for further service reductions, particularly where the Fair Funding Review results in a redistribution between authority types or geographical areas.

8. Issues, risks and innovation

8.1. Significant risks, assumptions, or implications have been set out throughout the report. No specific legal implications have been identified in respect of this report.

8.2. Equality issues were considered in the Equality Impact Assessment of 2018-19 budget proposals. Decisions about significant savings proposals with an impact on levels of service delivery will require public consultation. As in previous years, new 2019-22 saving proposals, and the Council's Budget as a whole, will be subject to equality and rural impact assessments later in the budget-setting process.

9. Summary

9.1. This report represents the start of the Council's detailed planning for the 2019-20 Budget, which is being undertaken in the context of significant uncertainty about the levels of funding for future years. The Autumn Budget, Comprehensive Spending Review, Fair Funding Review, and 75% Business Rates Localisation will all have potentially significant implications for the County Council. As budget planning continues and further information becomes available, these will be reflected in the Council's budget planning for 2019-20 and in the development of the next iteration of the Medium Term Financial Strategy.

9.2. The proposed budget planning approach set out in this report will have an impact across the whole of the County Council. Accordingly, Service Committees will receive reports setting out the implications for their individual budget planning in the September committee round.

Background Papers

Norfolk County Council Vision and Strategy
https://www.norfolk.gov.uk/what-we-do-and-how-we-work/policy-performance-and-partnerships/policies-and-strategies/corporate/council-vision-and-strategy

Norfolk County Council Revenue and Capital Budget 2018-22 (Item 4, County Council 12 February 2018)
http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/592/Committee/2/SelectedTab/Documents/Default.aspx

Chancellor's Spring Statement and Needs and Resources Consultation (Item 11, Policy and Resources Committee 26 March 2018)
http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/641/Committee/21/SelectedTab/Documents/Default.aspx

Norfolk County Council Budget Book 2018-22
https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/budget-book-2018-22.pdf?la=en

Officer Contact

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Policy and Resources Committee

Item No 11

Report title:	**Health, Safety and Well-being Annual Report 2017-18**
Date of meeting:	**16 July 2018**
Responsible Chief Officer:	**Fiona McDiarmid, Strategy Director**

Strategic impact

As an employer Norfolk County Council (NCC) is required to have in place a management system to ensure the health and safety of our employees and others affected by our business undertaking; including anyone we provide services to (either directly or through a 3rd party) such as school pupils, commissioned services, client, contractors and members.

Health and safety legislation is criminal law which means there are criminal sanctions in place when the law is not adhered to. In addition, civil law requirements mean we also owe a ‘duty of care’ to those affected by our business. The law allows us consider risk versus cost when making judgements on what measures are ‘reasonably practicable’.

The Health, Safety and Well-Being (HSW) Service provides the authority with expert support and advice on the law and its limits, managing and maintaining a framework for a sensible approach to health and safety. This enables everyone in the authority to carry out their legal responsibilities, making proportionate decisions that support us to meet our key organisational and service priorities without exposing the authority, our employees or others to unnecessary risks.

As part of the NCC health and safety management system the Health, Safety and Well-Being Manager (HSWM) is required to report to the County Leadership Team and the Policy and Resources Committee annually on the health, safety and well-being performance of NCC and progress on key priorities.

This report provides data and analysis on the Health, Safety and Well-being (HSW) performance of Norfolk County Council (NCC) as an employer and the activity undertaken by the HSW Service to support the management of risks for 2017/18. The purpose of this report is to ensure that senior officers and members have an overview of the health, safety and well-being activities and issues from the last year, an indication of the plan for next year and the information necessary to satisfy themselves of the effectiveness of the NCC health and safety management system.

This report does not cover or include the work of the Health and Well-Being Board or the Public Health responsibilities of NCC.

Recommendations and decisions:

Members are asked to:

- **Consider and comment on the organisation’s HSW performance**
- **Consider and comment on the progress made against the 2017-20 plan to date**

1. Executive Summary

Last year saw the introduction of a 3-year plan with targets and measures against 3 key outcomes in order to ensure NCC is a high performing employer for health, safety and well-being management. A summary of the measures and performance against them is provided at 3.0 with the full details provided at 5.0. The three key outcomes are:

- Develop a sustainable positive health, safety and well-being culture in NCC
- Improve the standard of HSW management in NCC so that employees are at work, well and productive.
- HSW have a successful strategic approach to trading and cost recovery.

This year is the first year of reporting progress against these and all 3 areas are currently reported as amber. At end of year 1 this is not unexpected and a number of measures are favourable. Our vital signs performance indicator is to achieve green across the outcomes by the end of year 3.

Turning to the performance data, this provides a mixed picture overall. Non-reportable incidents have decreased in number and reportable incidents to employees remain considerably below the national benchmark but have slightly increased on last year (from 1.25 to 1.53 per 1000 f.t.e.). Incidents relating to non-employees have also increased in number. It has been identified that improvement is needed in the timeliness of incident reviews by managers. This is important to ensure the cause of incidents is appropriately identified, preventative controls are implemented and causal trends are understood as well as ensuring incidents that require formal reporting are identified.

The causes of incidents have remained broadly similar this year with violence remaining the top cause. A review of these incidents commenced this year focusing on educational establishments, where the majority of incidents occur. The aim is to understand the information behind the data and identify further support that may be needed. More information on this project and progress to date is provided at 4.5.

Mental well-being accounts for 21% of all absence across our workforce, whilst causally the majority does not relate to work, this remains a priority for NCC. We remain committed to supporting employees' health and NCC continues to be a good provider of well-being services, performing well against national reports of good practice.

The use of well-being support continues to be reasonable with Norfolk Support Line usage at 6% and the number of staff accessing individual well-being support rising significantly over the last year.

Referrals to the musculoskeletal rehabilitation scheme (MIRS) is also good at 78 per 1000 f.t.e. 90% of employees are at work at the time of referral, meaning NCC is making good use of this scheme with an estimated cost avoidance of £621,265 this year through the prevention of absence.

All management teams have received reports regarding their performance and action plans to secure improvements will be implemented over the next year with the support of HSW.

2. Financial Implications

There are no specific financial implications to bring to the attention of members, although reference should be made to section 3; issues, risks and innovation.

3. Issues, risks and innovation

Section 17 – Crime and Disorder Act
Some violent incidents reported to NCC are also classified as crime and disorder incidents and as such anonymised statistical information is provided to Norfolk Police in relation to these incidents.

Risk Implications/Assessment
If the Authority does not have a robust and proactive health and safety management system there are legal, reputational and financial risk implications, for example, there is a risk that the authority will be exposed to enforcement action and ultimately prosecution. There is also a risk of an increase in successful civil claims made against the authority. It should be noted that as the legal employer in NCC schools this risk also applies to schools, unless their status means we are not the employer e.g. academies.

Officer Contact

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

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Annual report 2017/18

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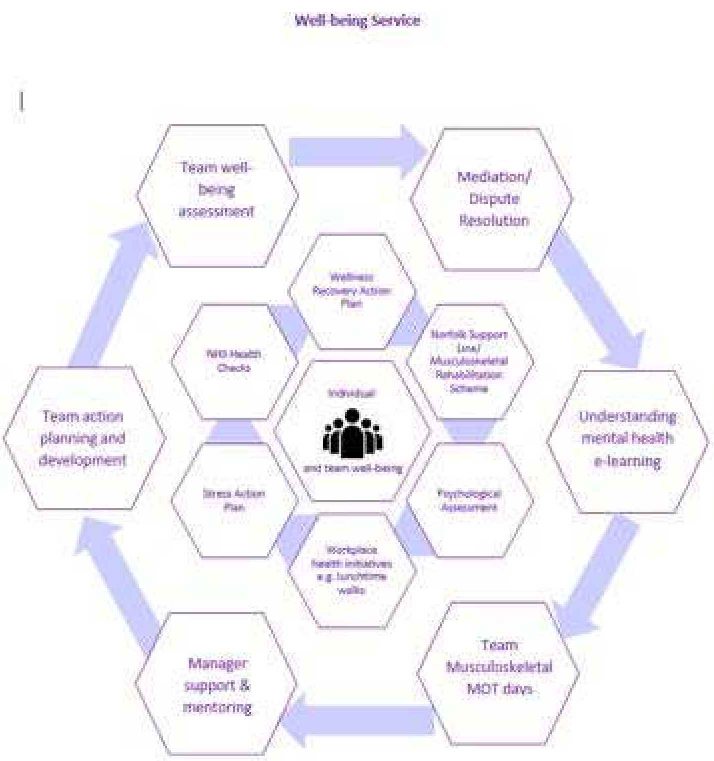
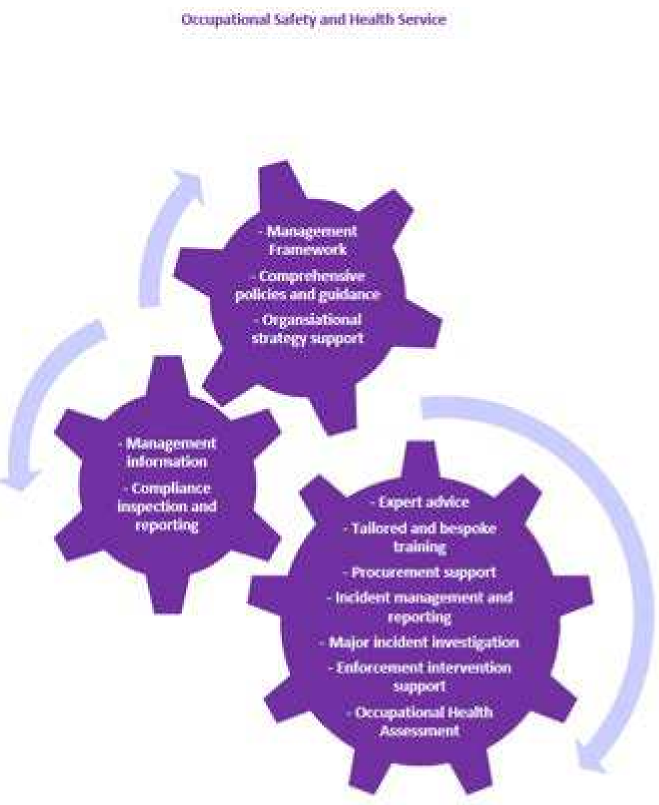
1.0 Overview of the Health, Safety and Well-being Service (HSW)

The HSW service provides the strategic framework for NCC to deliver its statutory HSW responsibilities. We provide professional advice and support to services, teams and individuals across NCC to ensure effective and proportionate management of risks and organisational resilience.





The services provided by the team to deliver this are represented in the diagrams below:

The core occupational safety and health services are provided to service departments and schools where NCC maintain employer liabilities. The team has also developed a traded service offer providing cost effective service options through delivery of similar products as outlined above for other local authorities, public sector organisations and non-local authority schools (the well-being service is also provided on a traded basis to local authority schools). This approach has successfully enabled the service to NCC to remain resilient whilst reducing the overall cost to the authority. In. 2017/18 48% of the service costs were covered by income generation

2.0 NCC performance summary (for detailed data see 8.0)

2.1 Occupational safety and health performance

0 fatal injuries to employees

✓ Remains the same as previous 5 years

3 specified injuries to employees

≈ Increase from 2 in 2016/17

15 over 7-day injuries to employees

≈ Increase of 1 on 2016/17

0 incidents of occupational diseases to employees

✓ Remains the same as 2016/17

1 reportable dangerous occurrence

✓ Reduction from 2 in 2016/17

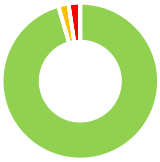
6 reportable incidents of non-employees taken to hospital

✘ Increase from 3 in 2016/17

1.53 reportable accidents per 1000 f.t.e. employees

≈ Increase from 1.25 in 2016/17. Remains below national benchmark 2.93

Non reportable incidents per 1000 fte



- 0-3 days 84.42
- 3-7 days 1.87
- over 7 days 2.13

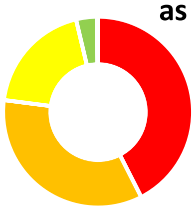
✓ 0-3 days and over 7 days have reduced from 95.22 and 3.75, 3-7 days has increased slightly from 1.56.

Top 5 incident types by 1000 fte

- Violent incident 30.44
- Work-related illness 12.92
- ARI: not yet reviewed 10.63
- Slip, trip or fall 7.23
- Manual handling 6.89

≈ All of the top 5 incidents have reduced in number compared to last year. However the high level of accident resulting in injury incidents not yet reviewed may be masking trends in the accident categories as these cannot be split by the type of accident.

Top 5 work-related sickness absense as % of total sickness

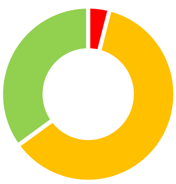


- Musculoskeletal - 0.72
- Mental Well-being - 0.58
- Skin Conditions - 0.32
- Short-Term/Viral Infection - 0.6
- Neurological - 0.003

Work related absence is 1.69% of total absence

≈ Work related absence as declared by staff has increased from 1% in 2016/17 but remains very low, mental well-being has increased from 0.26.

NCC premises risk profile



- A - 4%
- B - 61%
- C - 35%

≈ highest risk is down from 6%, medium risk is down from 64% and low risk is up from 30% but not yet hit target

Non-completion of mandatory e-learning courses end 2017/18

28.38% non-compliance for the introduction to health and safety course, 25.94% for fire prevention.

*Figures do not include NFRS or schools

✘ Non-compliance at the end of the year was higher than at the start of the year for both courses. (26.86% for intro, 25.47% for fire)

Whilst the overall performance for NCC is generally positive there are some areas where performance has dipped since last year and where improvements are required. Completion of mandatory training and taking preventative action to reduce the number and severity of incidents occurring are two such areas.

2.2 Well-being performance

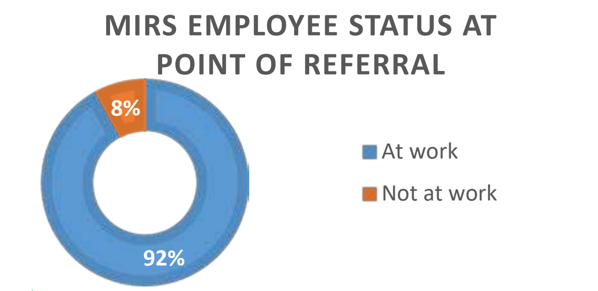
NSL 6% usage

≈ same usage level as last year, but lower that national average of 7% for the provider. However, 67% increase in staff using website. 8% of eligible staff used the social worker helpline

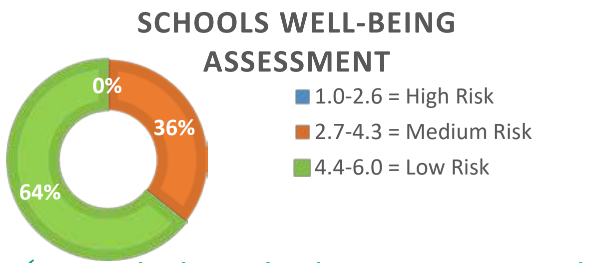
78 MIRS referrals per 1000 f.t.e

≈ Slight increase on 2016/17, but slightly below the national expected referral rate of 80. Musculoskeletal absence accounts for 13.6% of total

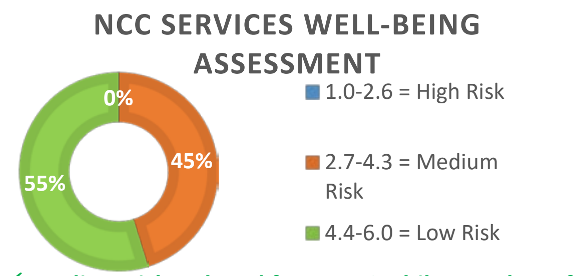
≈ 2 work related issues in the top 5. Work related issues remain less than 25% of reasons for call



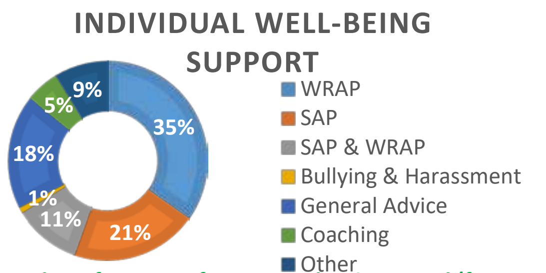
✓ A further increase on the previous 2 years and still the highest level for organisations using this service



✓ Fewer schools completed assessments compared to 2016/17, but balance of risk improved (from 48% medium risk)



✓ Medium risk reduced from 63% whilst number of teams surveyed remained similar



✓ The number of requests for support has increased (from 56 to 92). Support for work related issues has decreased (from 41% to 31%). Mental health absence accounts for 21% of total

6 mediations undertaken

≈ There have been fewer requests for mediation this year (from 12 in 16/17), however some cases have involved multiple parties.

240 employees chose to have health checks

✓ Higher risk factors: 61% overweight, 12% smokers, 25.5% male, 3% hazardous alcohol usage.

✓ More referrals: 23 to Slimming World, 6 to physical activity programme, 7 to diabetes prevention programme, 5 to Smoke Free Norfolk, 3 to alcohol services

✗ 3 employees were diagnosed with diabetes

✓ Uptake of health checks remains steady. Some higher risk factors have reduced from 16/17 including weight. Referrals for support have increased.

The overall performance for NCC can be described as positive, the majority of measures show an improvement. There are however some areas to focus on including ensuring that staff make full use of the services available particularly those supporting mental health.

3.0 2017-2020 plan progress

In 2017, 3 key outcomes were identified as priorities in order to ensure NCC is a high performing employer for health, safety and well-being management. These formed the basis of a three-year plan. This section provides a summary update on performance against the measures and targets (full data is provided in 5.0).

Key outcome 1: Develop a sustainable positive health, safety and well-being culture (awareness/buy-in) in NCC

Overall Status: Amber

This outcome has a number of reactive and proactive targets and measures

- 4 measures are green, 9 measures are amber. There are no red measures.
- Only 1 of the directorates has a senior risk profile in place although all other directorates are currently working towards this.
- Number of issues raised at SMT level by HSW team is low however the team are not always involved in issues in a timely manner and a number of issues are raised with HSW by unions to assist with resolution.
- Team well-being scores are good across NCC and use of individual well-being services proactively is also good

Key outcome 2: Improve the standard of HSW management (results) in NCC so that employees are at work, well and productive

Overall Status: Amber

This outcome has a number of reactive and proactive targets and measures

- 4 measures are red, 9 are amber and 5 are green.
- Overall risk scoring for health and safety is close to target but not yet achieved. However, compliance in some areas remains below target (utilisation of training and lone working management)
- Incidents remain significantly below national indicators but reportable incidents have risen this year
- Well-being services are being utilised in a timely way but this has not prevented mental health absence from rising

Key outcome 3: HSW have a successful strategic approach to trading and cost recovery

Overall status: Amber

- 3 measures are amber, 3 are green. There are no red measures.
- External income has increased this year. In total income covers 48% of the service budget costs.
- The average value of service per customer has increased in most areas; however, market share remains static and some services are not as attractive to academies as they are to NCC schools.

4.0 A spotlight on national and local priorities

The Health and Safety Executive's (HSE) current strategy priorities are work related stress, occupational lung diseases and musculoskeletal health. Mental well-being and musculoskeletal issues are also the biggest causes of sickness absence for NCC and are therefore also a local priority. Violence is the single largest cause of incidents recorded and is therefore a local priority; as is the management of commissioned and contracted services as this accounts for a significant and increasing proportion of the council's budget. This section provides a more detailed look at the work of the HSW Service in these areas.

4.1 Mental health and well-being

The current challenges for the public sector of reduced resources and increased demand can bring with it significant pressure on staff mental well-being. Mental well-being absence accounts for 21%[1] of all sickness absence at NCC. Whilst only 2.76% of this is attributed by employees as being in some way related to work, the impact on NCC as an organisation is significant as mental health and well-being issues whatever the cause are likely to impact on productivity.

The well-being service provided to NCC has been established for a number of years. Whilst originally developed to concentrate on work related stressors through the team based well-being assessment programme, the service now provides a much broader programme of individual and team based well-being assessment and support in order to assist in reducing the overall impact of mental well-being absence (see diagram in section 1). This service compares well nationally and specifically against support recommended through reports such as Thriving at Work and the recent CIPD survey report on well-being at work. The team take an integrated approach to the programme provided, working closely with Public Health to support the delivery of key public health priorities such as promoting healthy living as general health and fitness levels have been proven to have direct links to mental well-being.

4.1.1 Introducing a healthy county council plan

In 2017/18 the well-being team developed the Healthy County Council Plan: a 3-year strategy to improve the well-being of staff focusing on 4 specific areas – mental health, physical activity, diet and smoking. The plan is supported by Public Health and was endorsed by CLT in March 2018. The key priorities for 2018/19 are:

- Mental Health - to arrange Mental Health First Aid (MHFA) training for 300 managers and supervisors and to make provision to sustain MHFA training in the future
- Physical activity – to survey all premises used by NCC to understand the barriers to physical activity to enable us to establish a consistent approach to providers of physical activity in the workplace

[1] This figure includes all NCC employees. Excluding schools and NFRS the figure is 30% (P&R vital sign measure)

- Diet – to discuss with NORSE measures to improve the offer to staff at sites they provide on-site catering and survey of all premises to understand barriers to healthy eating in the workplace
- Smoking – Increasing awareness of support to enable employees to stop smoking, and establish what onsite facilities can be provided to facilitate quitting

We are also developing and implementing a communication plan aiming to increase managers' and employees' awareness of their respective roles and the benefits of good employee well-being, particularly in relation to these 4 areas.

4.1.2 Norfolk Support Line (NSL)

The counselling and advice line has been supporting NCC and Norfolk Schools for over 21 years. Whilst the breadth of the service and its identity has remained constant, the cost of the service has reduced through regular re-procurement. Usage has varied between 4 and 11% of eligible staff per year, with 2017/18 usage at 6%. This is currently a little below the average for all organisations using the same provider as NCC for such a scheme (7%).

NSL also provide support in times of significant incidents that may affect staff such as the sudden bereavement of a colleague. The service is able to provide a rapid response to such incidents, attending our sites for individual and group face to face support. Although this aspect of the service was not used this year, managers were made aware of its availability.

In October 2017, the Social Worker Helpline was introduced. This was an option made available to the 667 social workers within Children's Services and Adult Social Services. During the first 5 months 23 calls were received, giving an annualised usage rate of 8%, higher than the average NSL usage of 6%. Whilst this is encouraging, there needs to be ongoing promotion of the helpline to ensure social workers continue to access it when required.

4.1.3 Mental Health First Aid training (MHFA)

In collaboration with Public Health, the Well-Being Team co-ordinated 3 MHFA training courses for NCC employees in 2016/17. The course was been offered to those likely to have contact with employees with mental health issues (E.g. HR staff) and managers of staff with mental health issues. Surveys, issued 1, 3, 9 and 12 months after training, have established that the training increased confidence in managing mental health issues, and the confidence was maintained. As a consequence, with the support of Public Health further training has been arranged for up to 300 managers and supervisors during 2018/19.

4.1.4 NHS Health Checks

NHS health checks have been offered to NCC employees across Norfolk for over 5 years. During 2017/18, 240 employees received health checks, a similar number to the previous year, and on the whole they were healthy. Only 5% were found to be at a medium to high risk of developing cardiovascular disease, similar to 2016/17, compared to 32% across all of Norfolk. Advice was given as follows:

- Increasing physical activity to 49% of employees

- Weight management to 48% of employees
- Alcohol usage to 41% of employees
- Smoking to 8% of employees

This is broadly similar to the previous year, with the exception of advice around alcohol which saw a 9% increase. Many employees were referred to services commissioned by Public Health, including 23 who were referred to Slimming World and have reported the service has helped them lose weight successfully. Compared to all health checks carried out in Norfolk NCC employees were more likely to be referred to the commissioned services for support to make changes to their lifestyle.

All employees receiving a health check are sent a survey to complete 4 weeks after their appointment, to which 55% responded. The responses suggest that although only 24% had test results that concerned them and only 15% had to see their GP, 61% made one or more lifestyle changes as result of attending including:

- Increasing physical activity: 61%
- Healthier eating: 37%
- Losing weight: 19%
- Reducing alcohol: 20%

Even more encouraging was that all the employees said they would recommend an NHS health check to others. This was a key part of the initiative – that NCC employees promote NCC Services to Norfolk residents. Providing the service in the workplace also encourages attendance with 70% of the employees stating they would not have attended if it had not been available in this convenient way.

4.1.5 Team Well-being assessments

Team assessments provide a method of identifying risks to stress in the workplace and instigating action to address the risks.

During 2017/18 42 teams within NCC undertook well-being assessments, a further increase on the number of teams assessment on the previous 2 years. During 2017/18 the well-being team focused on teams identified through discussions with senior managers that it was thought would most benefit from participation. However, from a well-being point of view there was a significant improvement on 2016/17, with 55% of teams assessing themselves at low risk, as opposed to 38% during 2016/17.

As part of the programme all participants get the opportunity to identify areas that could be improved to increase their well-being. Whilst the key area was improving team morale, as has been the case for the past 2 years, there were also a number of significant changes. There was a decrease in concern around management support, and career and training opportunities, but an increase in seeking improvements around work-life balance (flexibility and support regarding non-work commitments, increasing coping skills, influencing decisions about the working day). The implication is work is good, but improving work-life balance is increasingly important to our employees.

The well-being service is provided to LA schools as a traded service, with schools entering into a 2-year contract. The number of LA schools completing assessments reduced significantly this year, from 26 to 14, The reduction in assessments was primarily due to 2017/18 being the second year of the initial intake of 63 schools, the majority having completed their assessment in the first year of the contract. Of those schools who did complete it, the percentage at low risk increased from 52% to 64%.

Within schools there is a marked difference in the areas staff feel require improvement compared to NCC teams. The key areas school staff want to improve is communication and people's sense of feeling valued, a consistent theme since the assessments were first offered to schools in 2015.

4.1.6 Individual well-being support

Support for individual employees is a key part of the service provided by the well-being team. The support uses specific methods to empower the employee and manager to instigate change, primarily using 2 well-establish tools – Stress Action Plan (SAP) and Wellness Recovery Action Plan (WRAP). The support is also offered where an employee believes they are being bullied or harassed, and if they have been suspended. During 2017/18 there was a significant increase in the number of employees seeking support from 56 in 2016/17 to 92. The increase was in all departments, except for Children's Services, but most significantly in CES (from 11 – 26). This is positive as it indicates the promotion over the last year to raise the profile of the support available is working.

The type of support requested also reflects the impact of personal issues on the workplace. There was an increase from 29 to 42 for employees completing a WRAP, a tool used where a health issue is affecting work. Completing a SAP, which is used where work is affecting psychological health, only increased slightly (from 23 to 29), and support due to bullying & harassment and suspension reduced from 10 to 1, suggesting personal issues are a greater concern for staff than work.

The shortest potential time from initial contact to close is 4 weeks, although it is influenced by the speed of response from the employee and manager. The average time during 2017/18 was 7.3 weeks, an improvement on 9.5 weeks in 2016/17 and testament to the well-being officers work in this area.

Employees who are provided support are asked for feedback on the impact of the support. During 2017/18, 61% of employees surveyed provided feedback. As a result of the support:

- 68% had improved their productivity
- 58% had greater job satisfaction
- 84% had improved their working relationships.
- 67.5% had greater self-confidence
- 68% had either avoided going absent from work or returned to work sooner than expected

95% of the respondents stated they would recommend similar support to their colleagues.

4.1.7 Mediation

The mediation service has been in operation since 2013. It aims to provide a means of resolving workplace relationship issues that are affecting productivity and/or well-being. During 2017/18 there were 6 mediations undertaken. In addition, 4 mediators undertook accreditation assessment, demonstrating the quality of the in-house mediation service.

All referring managers were sent a follow-up survey with 67% responding. All respondents felt the mediation had improved working relationships, reduced perceptions of bullying and harassment, and reduced time managing staff issues. 2 managers stated that, without the mediation, a formal grievance would have taken place.

4.1.8 Norfolk Fire and Rescue Service (NFRS) mental health support activity (*provided by Health and Safety Manager Mark Wilson-North)*

Support for improving mental health and well-being has been a priority for NFRS over the last year. Positive action includes:

- The recruitment of a full time Physical Fitness Advisor, who will be looking at a full range of tools to improve general health and well-being including exercise and nutrition
- Signing up to the MIRS service provided to NCC so that NFRS can also take advantage of the benefits of this scheme
- Signing up to Norfolk Support Line to replace the counselling service previously accessed through a different provider. The NSL service provides additional services compared to the previous contract and equity for NFRS staff with the services provided to other NCC staff
- Launched the Trauma Risk Management (TRiM) programme and trained 14 volunteer practitioners. TRiM is a risk assessment and support approach for anyone involved in traumatic incidents. There have been 8 referrals to the programme since its launch in September.
- Re-established and refreshed the Well-being Working Group to support well-being initiatives throughout the service
- Delivered mental health awareness training to 108 managers
- Undertook a mental health and wellbeing self-assessment and have agreed an action plan to be implemented throughout 2018/19

The next year will see further developments and imbedding of mental health and well-being as well as undertaking a staff well-being survey.

4.2 Occupational lung diseases

The key occupational lung disorders of importance to NCC relate to exposure to asbestos, silica dust and *legionella.*

4.2.1 Asbestos

Asbestos is a naturally occurring fibrous mineral silicate. It was widely used between 1950 and 1980 though some asbestos types continued to be used after this time. Exposure to asbestos is known to cause a number of incurable conditions including lung disease. The use of all Asbestos Containing Material (ACM) types was finally banned in 1999.

In 2015 County Leadership Team and Members committed to a survey and removal programme to improve the quality of asbestos registers in all NCC premises and to ensure that only asbestos known to be in good condition requiring monitoring and management remained in place. To date, 506 sites have been surveyed with a total of 663 boiler rooms accessed as part of this resulting in a total of 954 surveys being completed. The programme was originally due to be completed in Autumn 2017 but due to difficulties in access for some sites this has been extended to Summer 2018 with 16 sites left to be visited at the time of writing. As a result of the programme 57 sites have been subject to remedial works, involving some removal works, cleaning of surfaces and also encapsulation of surfaces.

In anticipation of new ACM being identified through the programme, a criteria was agreed between the HSW Manager and the HSE regarding when it would be appropriate to formally report any newly identified ACM. As a result, only 3 reports have been required to date.

Once completed this work will significantly reduce the risk of accidental exposure to asbestos in NCC premises.

Separate to this programme 25 sites have had sampling and surveying work carried out following identification of materials of concern, 13 of these resulted in remedial work being carried out.

Asbestos was also used extensively for its heat resisting properties and durability in household and industrial objects such as ironing boards, oven gloves and bunsen burner mats. In 2017 the HSW team identified that despite providing clear guidance relating to the management of objects containing asbestos we were discovering a number of items, particularly in schools. Any asbestos containing objects will now be at least 17 years old as the use of asbestos was banned completely in 1999 and therefore there is a high likelihood that these objects need to be appropriately disposed or, if used for display purposes, suitably managed to ensure no-one is exposed. As a result, a small project was undertaken to thoroughly audit high and complex needs schools to identify such objects and provide advice on what was required. These schools were prioritised as they were more likely to have the types of objects that contain ACM due to science, design and technology and other secondary curriculum activities.

To date, 33 schools have been visited out of 37 (this includes academies who we provide a traded service to). The approach taken when finding potentially asbestos containing objects was as follows:

- Suspected objects found were presumed to contain asbestos unless it could be proved otherwise (e.g. purchased after 1999, product information available)
- Items which could not be confirmed or were confirmed were taken out of use and secured
- Further testing was carried out or where it was not cost effective to test, schools were advised to organise for their disposal

Objects that fit into the potentially asbestos containing criteria were found in use across departments and areas of the schools. Examples of items found where action was taken include:

- Ironing boards (30+ years old)
- Gauntlets (25 years old approx.)
- Hairdryers (pre- 1999)
- Heating element (pre- 1999)
- World War II Gas Masks and Helmet
- Heat mats for soldering
- Mini kilns used for enamelling
- Heat sealer unit – (Bakelite strip)
- Rock collections
- Heat seals in kilns, ovens, and fire proof safes.

An overview of the findings will be shared with all schools to raise awareness across the sector.

4.2.2 Legionnaire’s disease

Legionnaire’s disease is a potentially fatal form of pneumonia caused by the *legionella* bacteria. The disease is effectively treated with specific antibiotics but as the symptoms are similar to flu and can develop rapidly meaning appropriate treatment is often delayed.

Legionella bacteria occur naturally in locations such as rivers, lakes, and reservoirs, but in the right conditions it can also be present in building water systems, e.g. water tanks and supply pipework, and released at the point of use, e.g. taps, shower heads etc. There are particular risk factors relating to the design and use of water systems that encourage growth of the bacteria.

As the assessment of risk regarding *legionella* requires a level of specialist knowledge regarding water systems the undertaking of risk assessments for NCC sites is managed through a specialist contractor. Following previous contractor performance issues, the work was retendered by NPS who manage this work on NCCs behalf. Two contracts were awarded, the first to undertake a new set of *legionella* risk assessments and the second was to undertake six monthly monitoring visits to report progress with the required remedial works and how *legionella* is being managed by site staff as well as the condition of water systems such as cold water storage tanks.

Risk assessments have been carried out in all NCC properties and annual monitoring takes place to ensure the validity of the risk assessment and where appropriate revise the risk rating e.g. where remedial works have taken place.

The HSW team undertook an audit of the risk assessments completed during 2017/18 to seek reassurance on the risk rating being given, the consistency of approach and that the controls specified were reasonable and proportionate. The audit highlighted a small number of minor issues which will be raised with NPS who manage the programme but on the whole the audit provided reassurance that we can have confidence in the quality of the assessments and that premises managers will not be presented with unnecessary costs in implementing any remedial actions required.

The second phase of the project will be undertaken in 2018/19, this will focus on following up with sites to ensure any actions identified in the assessments are being implemented.

4.3 Musculoskeletal health

4.3.1 Musculoskeletal Injury Rehabilitation Scheme (MIRS)

MIRS is a well-established programme that aims to reduce ill health absence due to musculoskeletal issues as well as quicken the recovery time of employees suffering from musculoskeletal problems. Musculoskeletal absence accounts for 13.61% of all absence in NCC, although only 5.27% of these are work related. The scheme provides fast track physiotherapy service that helps staff to manage their injury so as to reduce the impact on absence. People who use the service consistently report that it helped them return to work earlier than they may otherwise have done or that it prevented absence. In fact, during 2017/18, 92% of employees are still at work at the time of referral, a further improvement on the previous year, and the highest figure for any organisation using musculoskeletal treatment services from our current provider. Early referral (before absence) also reduces the number of treatment sessions an individual needs (5% lower than other organisations) and the number of treatments required (13% lower than other organisations). The service also provides indirect savings by reducing referral to occupational health. Musculoskeletal conditions only account for 27% of referrals to occupational health across NCC, rather than the expected level of 33%. It is estimated that for the 744 employees referred to the scheme this year 7,309 days absence has been prevented, equating to a possible cost avoidance of around £621,265.

The greatest user of the service are schools and academies, who access MIRS as part of HSWs traded services, accounting for almost 50% of referrals. This reflects the usage level of 2016/17, although academies usage has increased as a proportion, reflecting the conversion of local authority schools.

Access to the scheme is also provided through 'MOT days', events where the physiotherapists visit NCC sites and employees can request an assessment regarding any concerns they have about their musculoskeletal health. The accessibility of this service means that employees with low level issues or 'niggles' are more likely to access assessment and support before the injury leads to absence. Although fewer MOT sessions took place (15 compared to 17 last year), more employees were assessed (186 compared to 164 last year). 95 of the employees were given advice and exercises in order that to self-manage their health problem before it became chronic, debilitating or required treatment.

The scheme also provides for specialist workstation, workplace and vehicle assessments. This year 198 such assessments were undertaken for NCC, a 12% increase on last year. This was partially, although not wholly, due to schools and academies purchasing more of these assessments. Whilst assessing the workstation, workplace or vehicle is the primary objective, in every case the assessing physiotherapist provides the employee with advice and education to enable them to take responsibility for their health.

Not all injuries can be treated to the point of an employee returning to their normal duties. Functional capacity evaluations (FCEs) provide the manager with objective advice on managing these employees. During 2017/18 there was a significant reduction in the number of assessments undertaken (from 13 to 5). During 2018/19 the HSW team will raise awareness of these assessments within directorates, as well as HR where managers often seek advice from, when an employee has a sustained an injury affecting work.

The provider of the service launched a website and App during 2017/18 – My IPRSHealth. The website and App is accessible to all staff through a universal password, and provides information on self-help for musculoskeletal injury, musculoskeletal health in the office and keeping healthy. During 2018/19 the site will be promoted to referral managers and staff, and the App will be made available on work mobiles.

4.3.2 Training

38 employees completed the on-line manual handling training this year and bespoke tutor led training was provided to Trading Standards staff to support prevention of musculoskeletal issues.

A member of the HSW team represented one of our professional bodies (Chartered Institute of Environmental Health) in the Health and Safety Executive's review of the national guidance on manual handling training this year. This enabled NCC to contribute and influence the outcome of the review as well as learn the direction of change in advance of any announcements being made. The guidance now reflects NCC's approach to manual handling where, rather than providing general non-specific face-to face training, we provide focussed workshops promoting an ergonomic approach to handling activities.

4.4 Commissioning and contract management

The contracting of third parties is an established method of service delivery for NCC and has become the norm for many service areas. Transferring service delivery to third party providers (including our wholly owned companies) is often a more efficient way to deliver services. However, NCC has contract management responsibilities to ensure statutory compliance, service delivery and reputation. Where we commission or contract others to provide services our health and safety responsibilities are not transferable. We must manage and monitor the services we commission so that we are 'so far as is reasonably practicable' satisfied that they comply with the law.

The Grenfell Tower tragedy led to stark criticisms of the contract management of the accommodation being provided on behalf of the London Borough of Kensington and Chelsea. Here, there have been instances where NCC's reputation has been affected by negative press regarding contracted services or where services have had to relocate vulnerable clients due to a care facility closing or failing a statutory inspection; and some instances where NCC has been investigated by the Health and Safety Executive following incidents occurring at contracted service sites, although none of these have led to formal action to date.

Following Grenfell 750 high risk activity providers in Adult Social Services and Children's Services were surveyed assessing their health and safety management practice. The results of the surveys were presented to CLT in March 2018 and departments agreed to:

- Investigate any specific concerns from the surveys directly with providers
- Review and where necessary improve their approach to contract monitoring in regard to health and safety compliance
- The HSW team working with services to develop an 'eyes and ears' approach for all staff who regularly visit providers to enable issues of significant concern to be identified, and investigated

4.5 Violence

Violent incidents account for 31.5% of all recorded incidents for NCC and as such are a priority for prevention and reduction. Of the 358 incidents reported in 2017/18 83% occurred in schools. Of these 55.3% were in complex needs schools and 44.4% in primary schools. A project to review the incidents being reported commenced in 2017 concentrating on complex needs schools and primary schools. The project aims to identify causal trends, appropriateness of school investigations and remedial actions including emotional support for staff as well as further preventative controls that can be implemented.

Primary school visits have not yet started but the early indications from the complex needs schools are that the majority of incidents occur where pupils have complex behaviour needs. Contributing factors include space or environment restrictions and staffs' overriding desire to help the child and prevent them injuring themselves. The project and analysis will continue throughout 2018/19.

4.6 Norfolk Fire and Rescue Service (NFRS) (*Provided by Group Manager Simon Mason*)

The management of health, safety and well-being support for NFRS is delivered separately from the broader NCC organisation. The HSW Manager provides professional support and input to the NFRS team; however, they develop and manage an independent action plan.

2017/18 has seen an improvement in the main health and safety performance indicators for NFRS.

Operational competency is a clear priority for the service and this year it was further improved by the new live fire training structure at Scottow, which allows firefighters to train in different scenarios using real fires and smoke. We have improved the quality of operational guidance available to our crews through the National Operational Guidance programme and in the year ahead we will adopt PORIS (provision of risk information system) which will provide improved information on sites that may pose a risk to our firefighters.

All NCC performance data includes NFRS data but a snapshot is also provided below:

- The number of personal injury events is lower than the figures from last year at 60 (90).
- This is the third year where a continued trend of reduced frequency of manual handling related injury events. This is linked to an active programme of refresher training; ensuring non-operational staff also receive appropriate training, effective supervision and individual awareness
- Concerning however was the increase in the number of physical or verbal violent incidents reported.

Service wide improvement strategies promoted this year include: -

- A new reporting mechanism for premises' risk assessments to ensure a higher number of returns
- Continued development of staff well-being has seen the reintroduction of a full time physical training advisor into the service. This has resulted in an increased emphasis on staff fitness with the following actions being completed:
    - Fitness testing equipment being provided to all stations to allow self-help training for staff against the Chester Step Test criteria
    - Regular visits to stations to promote fitness and provide organised fitness sessions
    - A YouTube channel dedicated to fitness and nutrition with weekly workouts
- Following last year's involvement with the national emergency response trial we prioritised the support to the mental well-being of staff following attendance at these as a co responder for cardiac arrest incidents. This work resulted in a complete redesign of the provision of post incident debriefing and we have embedded the

Trauma Risk Management (TRiM) system into the service. In undertaking this we have worked in partnership with Norfolk and Suffolk Police force HR and NCCs HSW team

See also 4.1.8 for further information on mental health and well-being work

5.0 HSW priorities and plan 2017-2020

The below priorities have been developed in order to deliver the health, safety and well-being strategic framework and to support improvements in the organisations health, safety and well-being performance. These span across 3 years to enable longer term activities to have the desired impact. Section 3 provides a summary overview of this year's position against the measures. The below tables provide full detail on the areas measured and the activity undertaken to support the outcomes.

Key Outcome 1: Develop a sustainable positive health, safety and well-being culture (awareness/buy-in) in NCC		
What good would look like	**Measures and targets**	**Current Status**
• The HSW implications of plans and activities are discussed at the 'top table' (CLT, CLG, SMTs, Member meetings) in a timely way • The top table review and manage HSW performance	• Count of top table items where HSW had to raise concerns retrospectively. *Target <5* (low is good) • Count of times HSW escalated issues to SMTs not including the above. (low is good) *Target <5*	**2 Green** **1 Green**
• NCC Services have an up to date risk profile	• % of services with an up to date risk profile (high is good). *Target 100% by end of 2018/19* • Risk range on service risk profiles reduces over time (low is good)	**1 Amber** **N/A Currently**
• The HSW team are invited to proactively advise on and influence organisational developments and plans	• Count of projects/cases where HSW had to request involvement post initiation. (low is good) *Target <5*	**5 Amber**

• NCC have a collaborative relationship with unions to improve HSW management	• Count of Union issues requiring HSW intervention (low is good) *Target <16 by end 2018/19* • Count of joint union/HSW activity (high is good) *Target 5 by end 2019/20*	**18 Amber** **2 Amber**
• NCC employees are involved in improving services HSW performance	• Count of well-being facilitators across NCC services (high is good). *Target 250 by end 2019/20*	**193 Amber**
• Managers and employees are proactively contacting HSW to engage in our services	• Count of contact for 121 support prior to absence (high is good) *Target by end 2018/19 60%*	**57% Amber**
• Employee health, safety and well-being is supported through positive management behaviour and actions	• Departmental well-being scores are improving (low is good) *Target 0% high risk score, 55% medium risk score, 45% low risk score by end 2018/19* • Count of managers that have received mental health first aid training *Target 300 by end 2018/19* • % of confidence in management score on monitoring visits that are 3 or lower (high is good) *Target 99% by 2018/19* • Count reportable and non-reportable employee incidents per 1000 f.t.e (low is good) *Reportable target 1, Non-reportable target 95 by end 2018/19* • Count of incidents not reported/retrospectively discovered by HSW. (low is good) *Target <5* • HSW Norfolk Audit Service audit reports as acceptable or better	**High 0%, Medium 45%, Low 55% Green** **Not yet applicable (new target)** **96%↓ Amber** **Reportable: 1.53↑** **Non-reportable: 85.61↓Overall Amber** **5 Amber** **Green**
OVERALL STATUS		**Amber**

SUMMARY OF HSW ACTIVITY IN 2017/18 TO SUPPORT THE OUTCOME AND DETAIL RELATING TO STATUS ANALYSIS:
• Management information provided to SMTs has been reviewed. Annual and half yearly performance data will now be provided and presented to SMTs in line with the information provided in the annual and mid-year report but at a directorate level. Reports for 2016/17 and 2017/18 have been delivered • All SMTs have been offered support to develop their risk profile, CES profile is in place and regularly reviewed at their SMT meetings, action to develop the profiles is in place for all other directorates • Audit of HSW function and management systems concluded that corporate health and safety systems are in place to ensure that NCC has adequate provisions to reinforce, maintain and develop its ability to reduce risks to the fullest extent and to ensure the continued effectiveness of its health and safety management arrangements. The audit rating 'was acceptable' (possible ratings are 'acceptable' or 'key issues to be addressed'). • A review on the level of well-being facilitator engagement in the programme took place. As a result, the total number of trained facilitators has reduced because of staff turnover and resignation, this means that our data on facilitators is now more acurate. Through a review in the delivery method of the well-being newsletter we have established that 26% of facilitators view it, with up to 53% of those clicking on one or more of the links to the full articles in the newsletter. During 2018/19 we will aim to increase the utilisation of the information provided to widen the impact. • A review of schools' attendance at premises management training identified some gaps in this essential training. A programme of targeted contact to schools to encourage participation commenced this year starting with those that have not fully completed or refreshed asbestos management training. The programme has seen a significant number of people taking up the appropriate training. It is too early to know the full impact or provide data in this area. The programme will continue throughout 2018/19 for other essential courses and the data will be closely monitored to ensure the desired impact. • Quarterly meeting with the Unison health and safety representative are now taking place in order to maintain an ongoing dialogue and positive relationship. This has resulted in 2 positive joint pieces of work this year including the development of a means of incident reporting for Children's Services residential care team that reduced duplication with external inspection bodies requirements and the NCC system. As a result of these meetings 3 joint interventions are also planned for 2018/19. Stewards were invited to shadow officers on monitoring visits but there has been no uptake on the offer to date. However, some of the school teaching union representatives have attended the training provided by NCC as well as completing the e-learning we make available so that they can experience the offer to their members. • The team worked with the highways team to proactively review grip cleaning management in order to identify improvements to the process to reduce the number of utility strikes.

- The team worked with a high school, teaching unions and the sponsoring academy prior to conversion to deal with some incidents and issues of significance relating to the maintenance of the school and resulting safety concerns.
- Issues that had to be raised by HSW or where involvement was retrospective include:
  - Became involved in an office move in a partner premises after complaints regarding the environment from staff.
  - Supported ASS to ensure procedures were in place to enable a new facility to open following concerns being raised by NFRS
  - Procurement of equipment by CES did not proactively involve HSW although no issues were found with the selected provider
  - A significant risk issue was identified in a school concerning the misuse of a gas furnace that was not serviced or safe to use. An adviser intervened in time to prevent any significant issues.
  - Involved retrospectively in a case of serious threat to a social worker. The incident was not recorded on the incident reporting system.
  - Became involved in 2 significant office moves after finding out about the moves indirectly
  - Involved retrospectively in the development of supported independent living facilities

Outstanding Activity:

- Deliver HSW leadership refresher training to CLG
- Reinvigorate the well-being facilitator programme to strengthen well-being work at a team level across NCC
- Develop a means of risk scoring well-being management in teams that do not participate in the well-being programme

SUMMARY OF HSW ACTIVITY PROPOSED IN 2018/19 TO SUPPORT THE OUTCOME

- Continue the project to target training at areas of high risk through gap analysis and direct contact
- Deliver the joint interventions agreed with Unison
- Undertake a proactive project to improve the use of OSHENs the incident reporting system and reduce the number of incidents not reviewed and signed off
- Deliver HSW leadership refresher training to CLG concentrating on accountability and risk profiling
- Reinvigorate the well-being facilitator programme to strengthen well-being work at a team level across NCC
- Develop a means of risk scoring well-being management in teams that do not participate in the well-being programme
- Deliver the year 1 actions identified in the Healthy County Council Plan including co-ordinate Mental Health First Aid (MHFA) Champion Training to 300 managers and supervisors and train well-being officers to deliver MHFA training in the future

ISSUES, DEPENDENCIES AND ACTIONS:

- Incident figures and absence figures include NFRS which are managed separately to other NCC services
- Incident figures and absence figures include NCC schools which have more devolved management
- **NEW** Improved methods of recording data in the HSW team may have an impact on the numbers reported across a number of measures
- The confidence in management score may be impacted by turnover of managers and headteachers
- **NEW** Following reclarification by the HSE of incidents they require reporting under RIDDOR there is a risk that reporting will increase next year

Key Outcome 2: Improve the standard of HSW management (results) in NCC so that employees are at work, well and productive		
What good would look like	**Measures and targets**	**Current Status**
•Risk profile of NCC has gone down	• Premise/team risk score profile decreases *Target 5% A, 58% B, 37% C by end 2018/19*	**4% A↓, 61% B↓, 35% C↑ Overall Amber**
•Managers and Employees are managing HSW issues proactively together	• % of confidence in management score on monitoring visits that are 3 or lower (high is good) *Target 99% by end 2018/19* • Departmental well-being scores are improving (low is good) *Target 0% high risk score, 55% medium risk score, 45% low risk score by end 2018/19*	**96%↓ Amber** **High 0%, Medium 45%, Low 55% Green**
•HSW interventions improve standards 1st time	•Number of inspection revisits needed decreases (low is good) *Target <10% by end 2019/20* •Reportable incident rates remains below national average (2.93 for 2016/17) •Count reportable and non-reportable incidents per 1000 f.t.e (low is good) *Reportable target 1, Non-reportable target 95 by 2018/19*	**14% Amber** **Reportable: 1.53↑ Green** **Reportable: 1.53↑ Non-reportable: 85.61↓Overall Amber**
•Lone working equipment is available to the staff that need it and it is used	•Count of lone working compliance issues identified during monitoring visits (low is good)	**54% Red**
•Health support e.g. Occ Health and MIRS are used proactively	•Musculoskeletal and mental health absence per 1000 f.t.e reducing (low is good) *MSD target 1200, MH target 1500, by 2019/20* •Use of MIRS and NSL increasing (high is good) *MIRS target 80 per 1000 fte; NSL target 7% by end 2019/20* •% of work related NSL calls reducing (low is good) *Target 25% by end 2019/20*	**MSD 1054.87↓ MH 1632.35↑ Overall Amber** **MIRS 78↑ NSL usage 6% ≈ Overall Amber** **23.46%↓Green**

	•% of staff referred to OH and MIRS whilst still at work (high is good) *MIRS target 90% by end 2018/19 OH target tbc* •Ratio of OH appointments to number of individuals referred (low is good) *Target 1.35 by 2018/19* •90% of mediation agreements remain in place after 6 months •Count of formal grievances concerning working relationship issues (low is good) *Target <4 by 2018/19*	**MIRS 92% ↑ Green** **OH 51%** **1.38 Amber** **67% Amber** **6 Red**
•Managers and employees are competent in their role	•Mandatory e-learning non- completion rate is reducing (low is good) *Target < 15% by end 2019/20* •Count of training compliance issues identified during monitoring visits (low is good)	**28.38% for introduction 25.94% for fire. Red** **New measure data not currently available**
•HSW activity focuses on the right things (complex, high risk activities)	•Count of low level queries (guidance readily available) received by HSW (low is good) *Target 50* •Count of enforcement agency formal interventions *Target 0*	**56 Red** **0 Green**
•We utilise partnerships to improve HSW to the full	•Count of public health campaigns in the workplace (high is good) *Target 5 by end of 2018/19*	**3 Amber**
OVERALL STATUS		**Amber**
SUMMARY OF HSW ACTIVITY TO SUPPORT THE OUTCOME AND DETAIL RELATING TO STATUS ANALYSIS:		
• High hazard teams have been identified and monitoring activity has commenced. Planning Enforcement has been visited and a report provided. Trading Standards, Youth Offending Team, Highways, Children's Social Work Team and ASS Early Help and Prevention reviews have commenced and will be completed in 2018/19. Further teams to be completed in 2018/19 include: Gypsy, Roma and Traveller Services, Children's Services Early Help and Prevention, ASS Social Work, ASS Integrated Care • Focused high school visits regarding asbestos objects has commenced (see 4.2.1 for detailed update)		

- A desktop review of accommodation related commissioned and contracted services has been completed (see 4.4 for detailed update)
- A key Public Health priority the team delivered was NHS Health Checks, particularly in areas that Public Health identified as having poor access through GPs and pharmacies. The data in 4.1.4 indicates the checks that are carried out in the workplace do reach individuals at risk of CVD and diabetes, rather than those seeking affirmation of their good health, and that the individuals make behaviour changes that lead to long-term health benefits.
- Schools' PeopleNet has been replaced by HR Infospace. The process to transfer information across is almost complete. People Net was also refreshed to provide information in a more user-friendly way. Feedback to date is very positive.
- The programme of work to review and refresh our management system documentation to support managers and headteachers continued this year with **61** documents updated.
- **418** employees attended tutor led training this year and **5926** e-learning courses were completed
- In a number of areas, targeted training workshops have been provided instead of generalist off-the shelf training. This is because in those areas, it is important to address the precise nature of the work done to reduce risk. One example of this is a workshop for trading standards weights and measures staff who are handling heavy calibration weights in the lab and in the field. Another is focussed personal safety training for social work staff who visit clients in their own homes to discuss difficult situations
- Provided support to **22** procurement activities to ensure adequate health and safety standards by providers of services.
- Provided high quality expert advice and support including responding to over **700** emails to the team inboxes.
- There were **21,937** hits on the HSW pages of PeopleNet from **5,306** unique visitors and the HSW pages featured in the top 3 pages visited on HR Infospace every month in 2017/18.
- Continued to provide support to the Norwich castle refurbishment project to ensure appropriate health and safety management of this high-profile refurbishment project, this includes the delivery of CDM training with the project team, input in the procurement of high risks services and support to ensure safe working practice involve in construction investigation work.
- **1075** employees were referred to occupational health of which **597** related to management referrals.
- **93** monitoring visits were undertaken by the team
- A project to review violent incidents commenced in 2017/18 (see 4.4 for details)
- A means of identifying new managers in NCC services has been identified and will now be used to contact managers directly to signpost services, resources and responsibilities
- There has been one HSE investigation and two from NFRS regarding issues in NCC premises but these have not resulted in formal intervention.

• The number of grievances has increased slightly this year and is above target. Five of these relate to bullying and harassment issues which in 2017/18 were combined into general grievances whereas in the previous year these were kept separately which may account for the apparent increase, as may the increased publicity around bullying in the workplace and the reintroduction of the bullying and harassment policy. • A well-being calendar of promotional events for the year was published through our well-being newsletter that is distributed to all well-being facilitators
SUMMARY OF HSW ACTIVITY PROPOSED IN 2018/19 TO SUPPORT THE OUTCOME
• Continuation of the high-risk team visits • Continue and complete legionella review • Continue work with departments to secure improvement in contracted and commissioned services monitoring • Continue and complete violent incident review • Implement a system of contacting new managers to signpost services, resources and responsibilities • Continue to provide targeted training and to review training attendance compliance, prompting schools and managers where issues are identified in order to improve attendance and competency • Implement the actions identified in the Healthy County Council Plan to support managers to engage with staff on health and well-being issues • Promotion and monitoring of the Social Worker Helpline to ensure these staff are aware and get every opportunity to access the support. •
ISSUES, DEPENDENCIES AND ACTIONS:
• Incident figures and absence figures include NFRS which are managed separately to other NCC services • Incident figures and absence figures include NCC schools which have more devolved management • Referrals for mediations and impact on grievance cases depends on good partnership working with other areas of the HR service • The confidence in management score may be impacted by turnover of managers and headteachers • **NEW** Improved methods of recording data in the HSW team may have an impact on the numbers reported across a number of measures • **NEW** Following reclarification by the HSE of incidents they require reporting under RIDDOR there is a risk that reporting will increase next year

<table>
<tr><th colspan="2">Key Outcome 3: HSW have a successful strategic approach to trading and cost recovery</th><th>Current Status</th></tr>
<tr><th>What good would look like</th><th>Measures and targets</th><th></th></tr>
<tr><td rowspan="6">• HSW are academies preferred providers
• We are clear of our true costs and our income potential
• Pricing model truly reflects cost recovery
• Income targets for all traded services are achieved
• The traded offer increases the number of schools purchasing and the average value of the purchases
• Partnerships with NCC services are fully utilised to support the trading model e.g. EdSol, Legal, Finance
• The HSW team have the skills and aptitudes to be successful
• The resilience of the HSW service to NCC is supported by the traded model</td><td>• % of our market share supports income potential</td><td>Amber</td></tr>
<tr><td>• % decrease in HSW allocated budget Target 19% decrease from 2016/17 budget by 2019/20</td><td>Green</td></tr>
<tr><td>• Average value of service per school increases</td><td>Amber</td></tr>
<tr><td>• Team L&D plan developed and delivered by 2018/19</td><td>Green</td></tr>
<tr><td>• NCC culture and management delivery targets are achieved</td><td>Amber</td></tr>
<tr><td>• New business is appropriately resourced</td><td>Green</td></tr>
<tr><td>OVERALL STATUS</td><td></td><td>Amber</td></tr>
<tr><td colspan="3">SUMMARY OF HSW ACTIVITY IN 2017/18 TO SUPPORT THE OUTCOME AND DETAIL RELATING TO STATUS ANALYSIS:</td></tr>
<tr><td colspan="3">• Team job descriptions have been reviewed and revised to cover all traded service requirements and set expectations.
• A new Business Development Officer role has been created to support our marketing, negotiating and selling processes.
• Team learning and development plan produced and training in marketing skills/identifying marketing improvement requirements has been delivered
• Progress has been made on a marketing approach to maximise sales including activity to proactively promote specific products this year. This has resulted in improved sales in these areas. This will continue to be part of the marketing strategy moving forward
• A ready reckoner is now being used to understand income position and purchasing trends to support the marketing approach
• The team won a contract in 2017 to deliver services to South Norfolk Council. Additional contracts have been appropriately resourced with fixed term contract staff
• The team received an external income of £278,000 for 17/18. In total income (including departmental recharges) covers 48% of the service budget costs.</td></tr>
</table>

- Market share appears static (73% of academies buy a health and safety service, 26% buy NSL, 30% buy MIRS and 18% well-being). The average value of service per school has increased in all but 1 product. NSL is a good performer for schools (58% purchase) but not for academies (26% purchase) This reduces the overall performance in the market and presents a risk if there are high numbers of conversions.
- Continued to provide traded HSW support to Eastern Inshore Fisheries, Independence Matters and Great Yarmouth Borough Council.
- Over the course of the year we have worked closely with Educator Solutions to enhance the way we work with Academies, the way we market ourselves and also to develop the services we offer. This has resulted in a number of improvements, notably to the literature we are able to send out, exhibiting at an Educational conference and the introduction of customer relationship manager software which manages our inspection program (schools and non-schools) and records our interactions so we can better target potential customers, understand where problems are being experienced in the organisation and identify where improvements could be made.

SUMMARY OF HSW ACTIVITY PROPOSED IN 2018/19 TO SUPPORT THE OUTCOME

- Develop a mechanism for regular customer feedback to ensure satisfaction is maintained, service products meet customer need and to provide testimonials
- Further work to solidify the relationship with Educator Solutions, concentrating on providing their staff with the tools they need to be able to promote and sell our services for us, so that we focus our resources on non-purchasing Academies, rather than all of them.
- Review the market for employee assistance schemes to enable better marketing of NSL to maintain sales
- Further promote specific products proactively to increase sales
- Identify key areas to target to maximise income
- Review the products available to ensure they meet customer and potential customer needs
- Investigate the use of social media to promote services e.g. training
- Continue to review our efficiencies and cost reduction including the use of technology to improve mobile working and report production efficiency.

ISSUES, DEPENDENCIES AND ACTIONS:
Threats: • Academy chains become too large to buy in (they employ in-house resource) • Academy chains that already have in house resource increase their market share • Change in government policy reduces the number of academies • Results are partially dependent on the success of Educator Solutions

6.0 Glossary and definitions (grouped by related areas)

Reportable incidents (RIDDORs)

Employers are required to report certain serious workplace accidents, occupational diseases and dangerous occurrences to the Health and Safety Executive. These are defined in law and it is an offence not to report them within the specified time period. These include:

Fatalities

Accidents that result in the death of an employee or non-employee that arise from a work-related accident

Specified injuries to employees

Examples of specified injuries that are reportable include: injuries requiring hospital admission for more than 24 hours, fractures, amputations, serious burns, loss of sight, significant head injuries

Over 7-day injuries to employees

Work related accidents that result in an employee being unable to undertake their normal duties for more than 7 consecutive days (including weekends)

Occupational Diseases to employees

Examples of occupational diseases that are reportable where diagnosed by a medical practitioner are: carpal tunnel syndrome, occupational dermatitis, severe cramp of the hand or forearm, occupational cancer, tendonitis of the hand or forearm

Dangerous Occurrences

These are serious incidents that may not have caused any injury but had the potential to do so. Examples include: the accidental release of a substance that could cause harm to health such as asbestos, fire caused by electrical short circuit that results in the stoppage of the plant involved for more than 24 hours, equipment coming into contact with overhead power lines

Injuries to non-workers

Where a non-employee e.g. a member of the public, a pupil or a service user has an accident on our premises and are taken to hospital from the scene for treatment

Rate per 1000 fte

= total number of the item being measured/number of full time equivalent employees x 1000

This is a useful figure for comparison against national figures or previous years as it takes into account size of organisation

Work Related Absence

Absence declared by the employee as relating to work. This may be caused or exacerbated by work.

National Comparator

Rate of reportable accidents to employees per 1000 employees. This figure is released every October so only 2015/16 are currently available

ARI: Not yet reviewed

Incidents that are reported on our online system need to be assigned an injury category. As anyone can report an incident the assigned manager then needs to confirm the injury type. Until they do this the category is assigned as ARI: Not yet reviewed

Risk Profile

In order to help prioritise the work of the HSW team and to provide an objective measurement of compliance all teams/premises are risk rated following a monitoring inspection. The risk rating score considers the types of activities, equipment and people on site; the systems that are in place to manage these and how well any risks are being controlled. Consideration is also given to the experience and competence of people with a key role in managing health and safety. The total score is converted into a risk category which determines the frequency of visit required and can be used to provide a risk profile for NCC.

Musculoskeletal Injury Rehabilitation Scheme (MIRS)

MIRS is a fast track physiotherapy treatment service that helps staff with a musculoskeletal injury (back pain, muscle strain, overuse injuries, frozen shoulder, whiplash, ligament damage, tendonitis, sciatica, etc.) in managing or reducing the impact of their injury on work. People who are referred to the service consistently report the treatment either helped them return to work earlier, or prevented them taking sickness absence.

The service includes:

- An initial telephone assessment with a physiotherapist within 24 hours of being referred to establish the best course of treatment, and where required an initial treatment session is usually offered within 3 working days.
- An assessment report for the line manager outlining the problem and recommended treatment.
- A discharge report for the manager reiterating the information in the assessment report and providing an assessment of the outcome of any treatment given.
- FCEs for staff who are reporting that their health conditions are limiting their capacity to undertake their duties.
- Workstation, workplace and vehicle assessments for staff who are reporting these are having an impact on their health condition.

Non- Reportable (RIDDOR) Incidents

Incidents that result in injury that are not classed as reportable. These do not include any incident that did not result in an injury e.g. near miss incidents, damage to property or dangerous occurrences.

Monitoring Inspection

These are visits undertaken by professional health and safety staff to determine the level of compliance with standards and policies to manage risks. Managers receive a report following the visit that identifies areas of good practice, matters requiring attention and best practice recommendations. The team/premise are risk rated as a result of these visits.

Musculoskeletal Health

The musculoskeletal system is the system of muscles, tendons and ligament, bones and joints, and associated tissues that move the body and help us to maintain our structure and form. The health of the musculoskeletal system can be impacted by many factors both work and non-work related. Examples of work activities that can impact on this include tasks involving repetitive movement or physically demanding tasks.

Functional Capacity Evaluations (FCEs)

An FCE tests an individual's ability to perform a series of tasks, which simulate the activities they usually undertake within their job role. This will determine the extent to which an individual is able to perform these tasks on a regular basis. The goal of an FCE is to enable the employee and manager to make decisions regarding work and musculoskeletal health based on objective information.

Wellness Recovery Action Plan (WRAP)

A way for employees to understand and manage a chronic health condition, particularly in relation to its impact on work. Although it is usually used for psychological health conditions (Stress, anxiety depression) it is also effective for physical conditions (e.g. diabetes, arthritis).

Norfolk Support Line (NSL)

A well-established independent, confidential and professional advice and counselling service for employees; available 24 hours per day, 7 days a week, 365 days a year, on matters such as:

- money management
- substance misuse
- legal queries
- phobias
- consumer advice information
- trauma
- stress
- bereavement
- domestic matters
- emotional problems
- anxiety/depression

Stress Action Plan (SAP)

A way to enable employees and managers to understand why stress is perceived as work related. The employee will identify the behaviours in the workplace that they believe are causing them stress, and cite specific examples of when the behaviours occurred. The employee will also identify measures they believe will reduce the stress. This enable the manager to understand an employee's perceptions, and work cooperatively to address or explain the behaviours.

NHS Health Checks

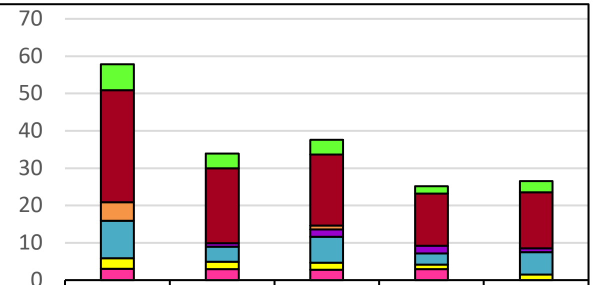
The health checks provide employees with a picture of their general health though an assessment of:

- blood pressure
- weight
- BMI
- pulse rhythm
- physical activity levels
- alcohol usage
- blood cholesterol levels
- blood sugar levels (if appropriate)
- risk related to family history

The results and implications will be conveyed to the employee in a practical way to help them make changes to reduce their risk of cardiovascular disease (CVD) and diabetes.

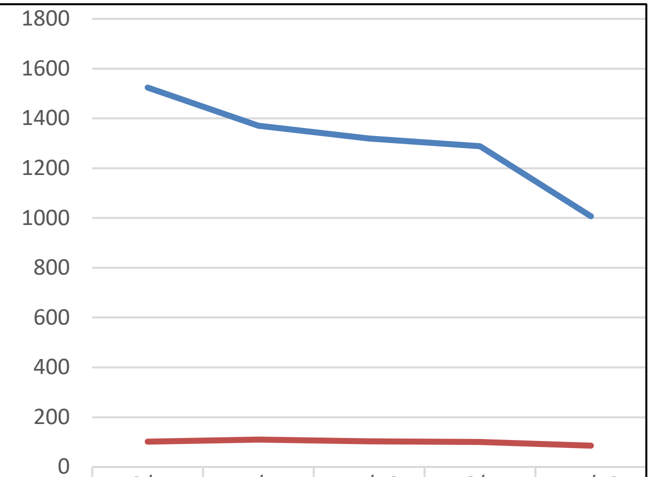
7.0 Detailed data

The following graphs provide the detailed data behind the performance information summarised throughout this report, including where possible departmental specific data.



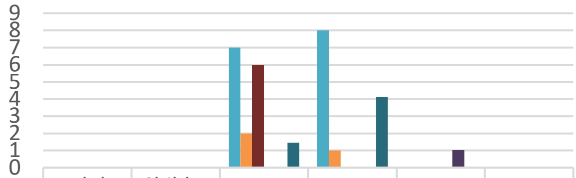
	13/14	14/15	15/16	16/17	17/18
Specified	7	4	4	2	3
Over 7 days	30	20	19	14	15
Diseases	5	0	1	0	0
Dangerous Occurrence	0	1	2	2	1
Non employee	10	4	7	3	6
Reportable Incidents to employees per 1000 f.t.e.	2.81	2.01	1.87	1.25	1.53
National Incidents (All Sectors)	3.05	2.92	2.75	2.93	

1. Reportable incidents over time – All services

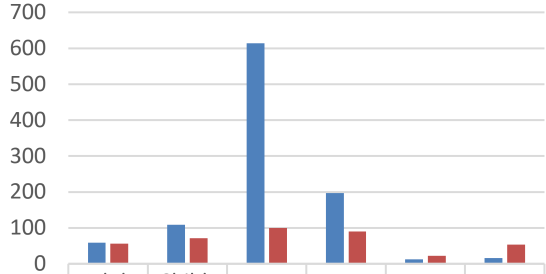


	13/14	14/15	15/16	16/17	17/18
Non Reportable	1524	1371	1319	1288	1007
Non Reportable Incidents to employees per 1000 f.t.e	101.98	110.01	102.65	100.52	85.61

2. Non- Reportable incidents over time – All services



	Adult Social Services	Children's Services	Schools	CES	FCS	MD Dept
Over 7 days	0	0	7	8	0	0
Specified	0	0	2	1	0	0
Non employee	0	0	6	0	0	0
Diseases	0	0	0	0	0	0
Dangerous Occurrence	0	0	0	0	1	0
Reportable Incidents to employees per 1000 f.t.e.	0	0	1.46	4.12	0	0



	Adult Social Services	Children's Services	Schools	CES	FCS	MD Dept
Non Reportable	59	109	614	197	12	16
Non Reportable Incidents to employees per 1000 f.t.e	56.24	71.39	99.76	90.28	21.95	53.34

3. Reportable incidents 17/18 By Service

4. Non-Reportable incidents 17/18 By Service

Year	collision between people	contact with electricity	contact with moving equipment	effects of heat/cold	exposure to harmful substance	fall from height	injury by animal or insect	manual handling	slip, trip or fall	fixed object strike	moving object strike	use of hand tools	use of power tools	violent incident	anti-social behaviour	work-related illness	damage to building or property	dangerous occurrence	road traffic accident	near miss	other cause	ARI: not yet reviewed and signed off	TOTAL
2014/15	4.27	0.07	1.05	0.97	0.37	0.67	0.22	6.60	9.82	3.90	2.47	0.15	0.07	30.13	2.62	15.37	1.05	0.07	8.24	6.67	10.94	5.70	111.46
2015/16	4.05	0.00	1.71	1.63	0.62	0.93	0.62	7.24	10.20	2.33	4.59	0.16	0.00	38.21	2.33	12.37	3.04	0.23	3.66	6.30	8.79	5.06	114.10
2016/17	7.34	0.16	1.17	0.62	0.47	1.17	0.78	10.07	10.46	4.06	5.54	0.23	0.00	33.95	2.03	15.53	1.25	0.16	0.94	7.49	0.86	6.09	110.28
2017/18	5.61↓	0.17↑	1.19↑	1.02↑	0.43↓	1.36↑	0.43↓	6.89↓	7.23↓	3.66↓	2.89↓	0.60↑	0.00=	30.44↓	2.89↑	12.92↓	0.94↓	0.09↓	1.62↑	5.70↓	0.09↓	10.63↑	96.75↓

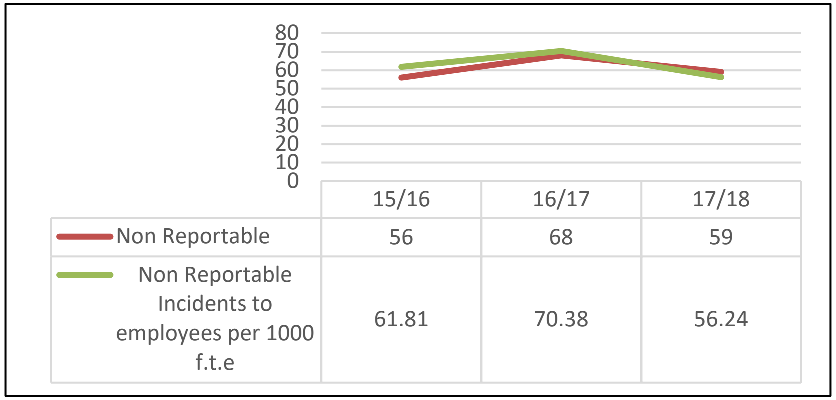
5. Causes of all incidents over time per 1000 fte

	Work related		Non- Work Related		Grand Total		% Work Related		% of all sickness		wr per 1000 fte		total per 1000 fte	
Absence Reason	2016-17	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**	2016-17	**2017-18**
Cancer	0.00	**0.00**	3045.16	**2346.45**	3045.16	**2346.45**	0.00	**0.00**	3.22	**2.57**	0.00	**0.00≈**	237.66	**199.49↓**
Circulatory or Organ Related	0.00	**1.00**	3067.70	**2066.19**	3067.70	**2067.19**	0.00	**0.05**	3.24	**2.27**	0.00	**0.09↑**	239.42	**175.75↓**
Diarrhoea and Vomiting	4.00	**4.00**	2890.80	**2509.02**	2894.80	**2513.02**	0.14	**0.16**	3.06	**2.76**	0.31	**0.34↑**	225.92	**213.65↓**
Genito-Urinary	0.00	**0.00**	668.95	**528.33**	668.95	**528.33**	0.00	**0.00**	0.71	**0.58**	0.00	**0.00≈**	52.21	**44.92↓**
Hospitalisation	0.00	**0.00**	8855.50	**6645.65**	8855.50	**6645.65**	0.00	**0.00**	9.36	**7.29**	0.00	**0.00≈**	691.13	**565.00↓**
Mental Well-being	242.69	**531.44**	19262.24	**18668.67**	19504.93	**19200.12**	1.24	**2.77**	20.61	**21.06**	18.94	**45.18↑**	1522.26	**1632.35↑**
Musculoskeletal	672.18	**653.55**	15151.31	**11754.11**	15823.49	**12407.66**	4.25	**5.27**	16.72	**13.61**	52.46	**55.56↑**	1234.94	**1054.87↓**
Neurological	1.05	**3.00**	2946.71	**3060.10**	2947.76	**3063.10**	0.04	**0.10**	3.12	**3.36**	0.08	**0.26↑**	230.06	**260.42↑**
Pandemic Flu	0.00	**0.00**	352.04	**29.59**	352.04	**29.59**	0.00	**0.00**	0.37	**0.03**	0.00	**0.00≈**	27.48	**2.52↓**
Pregnancy Related	0.00	**0.00**	1059.58	**551.96**	1059.58	**551.96**	0.00	**0.00**	1.12	**0.61**	0.00	**0.00≈**	82.69	**46.93↓**
Respiratory	0.00	**0.00**	2370.54	**2436.66**	2370.54	**2436.66**	0.00	**0.00**	2.51	**2.67**	0.00	**0.00≈**	185.01	**207.16↑**
Short-Term/Viral Infection	49.55	**54.66**	31842.10	**30696.33**	31891.64	**30750.99**	0.16	**0.18**	33.71	**33.73**	3.87	**4.65↑**	2488.98	**2614.37↑**
Skin Conditions	37.00	**296.00**	225.92	**227.00**	262.92	**523.00**	14.07	**56.60**	0.28	**0.57**	2.89	**25.17↑**	20.52	**44.46↑**
(blank)	1.91	**0.00**	1871.39	**8113.23**	1873.29	**8113.23**	0.10	**0.00**	1.98	**8.90**	0.15	**0.00↓**	146.20	**689.77↑**
Grand Total	1008.37	**1543.65**	93609.93	**89633.30**	94618.30	**91176.95**	1.07	**1.69**	100.00	**100.00**	78.70	**131.24↑**	7384.49	**7751.64↑**

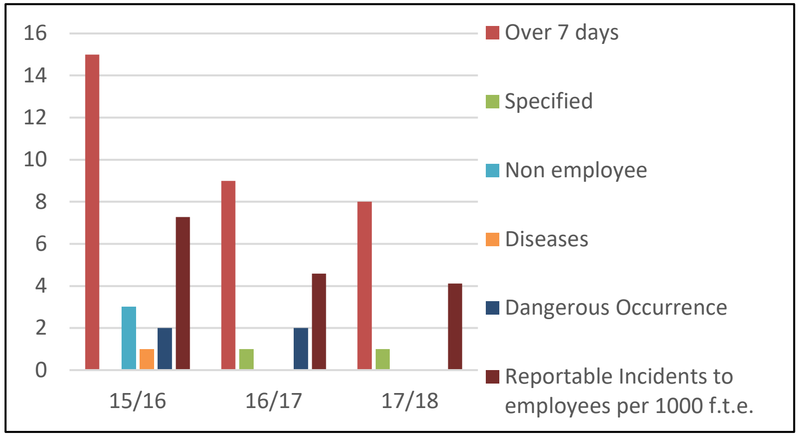
6. Work related sickness absence by cause (as declared by employees)

Departmental Trends over time:

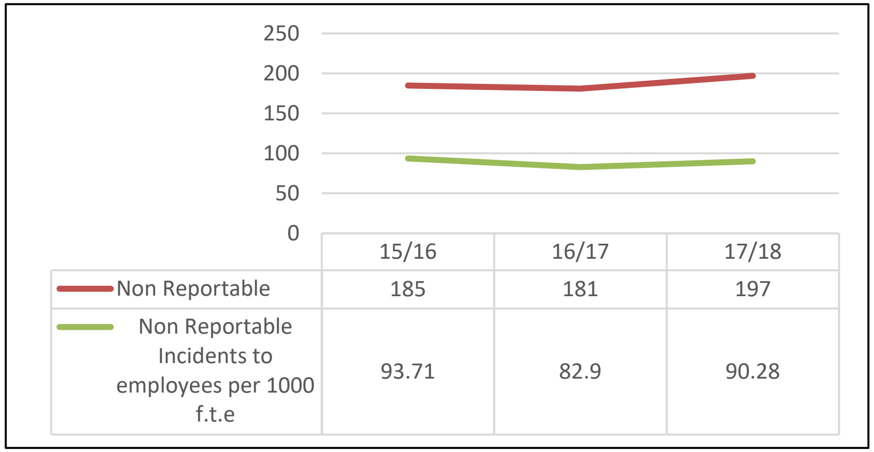
7. Adult Social Services Reportable incidents - No Reportable incidents for timeframe, no graph provided



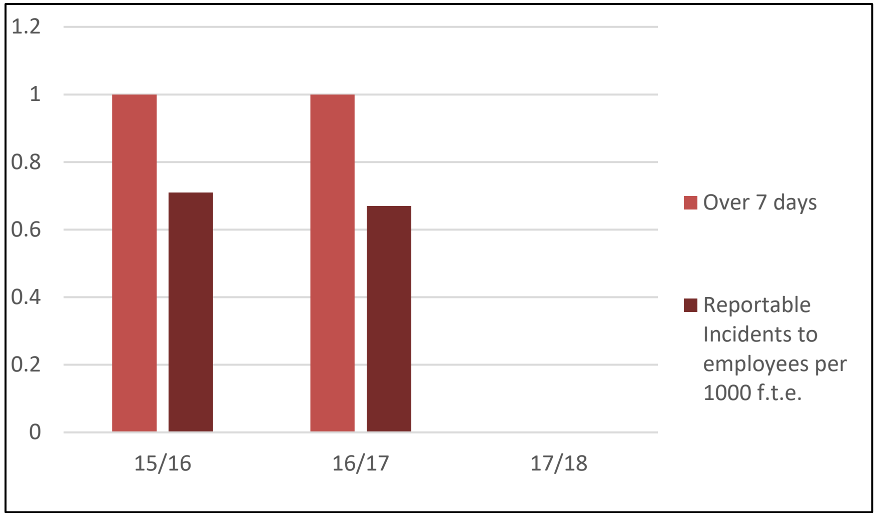
8. Adult Social Services Non-Reportable incidents



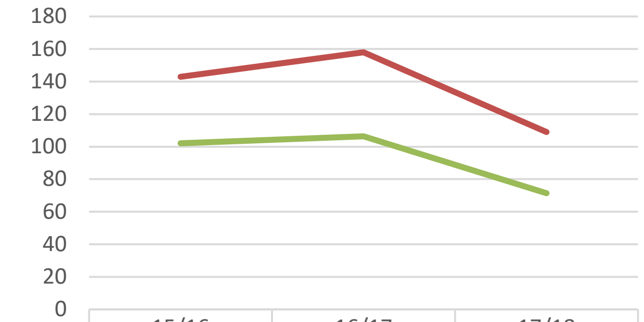
9. Community and Environmental Services Reportable incidents



10. Community and Environmental Services Non-Reportable incidents



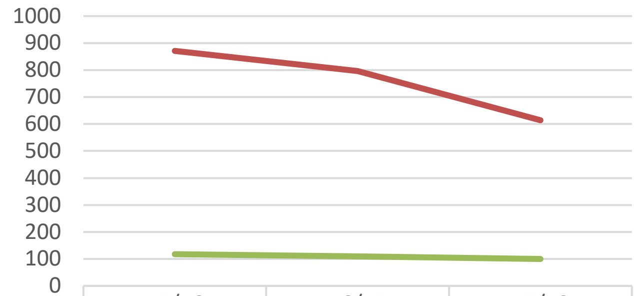
11. Children's Services Non- Schools Reportable



	15/16	16/17	17/18
Non Reportable	143	158	109
Non Reportable Incidents to employees per 1000 f.t.e	102	106.36	71.39

12. Children's Services Non-Schools Non-Reportable incidents

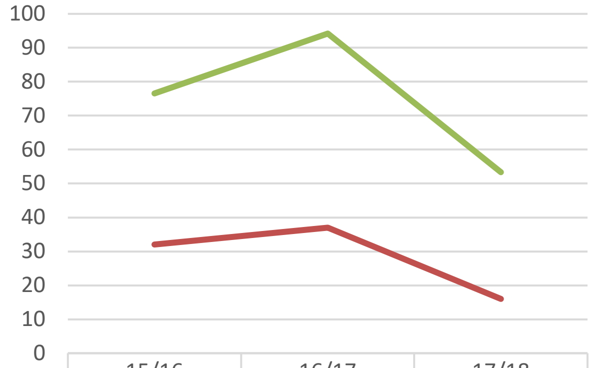
13. Schools Reportable incidents



	15/16	16/17	17/18
Non Reportable	871	796	614
Non Reportable Incidents to employees per 1000 f.t.e	117.5	109.06	99.76

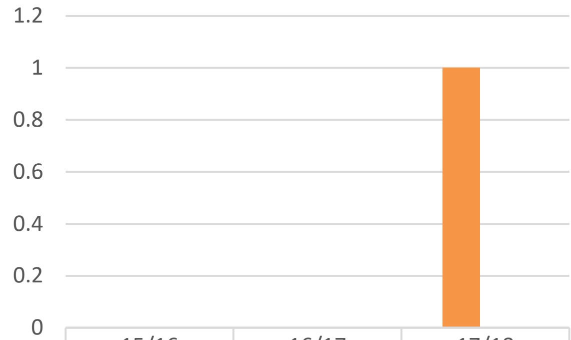
14. Schools Services Non-Reportable incidents

15. Managing Directors Department- No Reportable incidents for timeframe, no graph provided



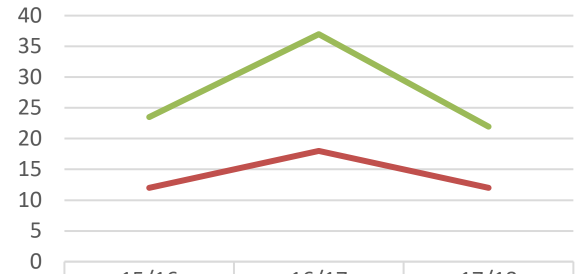
	15/16	16/17	17/18
Non Reportable	32	37	16
Non Reportable Incidents to employees per 1000 f.t.e	76.52	94.2	53.34

16. Managing Directors Department Non-Reportable incidents



	15/16	16/17	17/18
Dangerous Occurrence	0	0	1
Reportable Incidents to employees per 1000 f.t.e.	0	0	0

17. Finance and Commercial Services Reportable incidents



	15/16	16/17	17/18
Non Reportable	12	18	12
Non Reportable Incidents to employees per 1000 f.t.e	23.48	36.98	21.95

18. Finance and Commercial Services Non-Reportable incidents

	Adult Social Services		Children's Services		Schools		Community and Environmental Services		Finance and Commercial Services		Managing Director's		Whole NCC	
YEAR	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
collision between people	2.07	0.00	8.08	2.62	10.96	9.75	0.00	0.46	0.00	1.83	0.00	0.00	7.34	**5.61**
contact with electricity or an electrical discharge	0.00	0.00	0.00	0.00	0.00	0.16	0.92	0.46	0.00	0.00	0.00	0.00	0.16	**0.17**
contact with moving tools, machinery or equipment	0.00	0.95	0.00	1.96	1.64	1.30	1.37	0.92	0.00	0.00	0.00	0.00	1.17	**1.19**
effects of heat/cold including exposure to heat/fire	0.00	0.00	0.00	1.31	0.14	0.32	2.75	3.67	0.00	0.00	2.55	0.00	0.62	**1.02**
exposure or contact with harmful substance/material	0.00	0.00	0.00	0.00	0.69	0.49	0.46	0.92	0.00	0.00	0.00	0.00	0.47	**0.43**
fall from height	0.00	0.00	1.35	0.65	1.37	1.14	1.37	2.75	0.00	0.00	0.00	6.67	1.17	**1.36**
injury by animal or insect	2.07	0.00	0.67	1.96	0.00	0.00	3.21	0.92	0.00	0.00	0.00	0.00	0.78	**0.43**
injury while handling/lifting/carrying (manual handling)	3.11	3.81	6.06	3.27	10.00	7.80	17.87	9.62	3.66	0.00	7.64	10.00	10.07	**6.89**
other cause	0.00	0.00	0.67	0.00	1.37	0.00	0.00	0.46	0.00	0.00	0.00	0.00	0.86	**0.09**
slip, trip or fall	4.14	6.67	6.06	4.58	13.02	8.94	9.62	4.58	3.66	3.66	7.64	13.34	10.46	**7.23**
step on/strike against fixed object	0.00	1.91	2.02	1.96	4.11	3.57	7.79	6.87	1.83	1.83	2.55	0.00	4.06	**3.66**
struck by moving object including trapped between objects	0.00	0.00	4.04	0.65	7.12	3.74	5.50	4.58	0.00	0.00	2.55	0.00	5.54	**2.89**
use of hand tools	0.00	0.00	0.00	0.00	0.41	0.32	0.00	2.29	0.00	0.00	0.00	0.00	0.23	**0.60**
use of power tools	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
anti-social behaviour	0.00	1.91	0.00	4.58	1.10	0.65	6.87	9.17	1.83	1.83	5.09	0.00	2.03	**2.89**
damage to building or property	1.04	0.95	0.67	0.00	0.27	0.16	5.50	4.12	0.00	0.00	0.00	0.00	1.25	**0.94**
dangerous occurrence	0.00	0.00	0.00	0.00	0.00	0.00	0.92	0.00	0.00	1.83	0.00	0.00	0.16	**0.09**
near miss/ accident not resulting in injury	8.28	2.86	7.40	1.96	4.80	3.57	18.33	16.50	1.83	3.66	2.55	3.33	7.49	**5.70**
road traffic accident	2.07	4.77	0.00	3.93	0.27	0.00	3.21	3.21	1.83	1.83	0.00	0.00	0.94	**1.62**
violent incident (physical or verbal)	10.35	8.58	52.51	26.85	45.35	47.93	6.42	5.04	0.00	3.66	5.09	0.00	33.95	**30.44**
work-related illness	26.91	11.44	19.52	6.55	6.99	3.74	26.58	44.45	20.12	7.32	61.10	20.00	15.53	**12.92**
accident resulting in injury not yet reviewed and signed off	19.67	18.11	6.06	15.06	6.30	12.02	0.46	3.21	1.83	1.83	5.09	3.33	6.09	**10.63**
TOTAL	**79.70**	**61.96**	**115.11**	**77.94**	**115.91**	**105.61**	**119.16**	**124.20**	**36.58**	**29.27**	**101.84**	**56.68**	**110.36**	**96.75**

19. Causes of all incidents over time by 1000 fte

Well-being tables:

Type of Support	2016/17	2017/18
WRAP	18	32
SAP	12	19
SAP and WRAP	11	10
Bullying and Harassment	5	1
Suspension	5	0
General advice	0	17
Coaching	0	5
Other	5	8
Total	**56**	**92**

20. NCC Services individual well-being support provided

Support by Department	2016/17	2017/18
Adult Social Services	23	31
Children's Services	17	17
Communities and Environment Services	11	26
Finance	1	9
Managing Director's Department	4	6
NCC & NHS	0	0
Other: NP Law, NFRS	0	3
Schools/Academies	0	0
Total	**56**	**92**

21. NCC Services individual well-being support provided by department

	2016/17	2017/18
Total Number of teams Surveyed:	**40**	**42**
Number of employees survey sent to:	**626**	**574**
Number of employees responded:	**496**	**453**
Average response rate:	**83%**	**79%**
Response range:	**50%-100%**	**32-100%**
Average team scores:		
1.0-2.6 = High Risk	**0**	**0**
2.7-4.3 = Medium Risk	**25**	**19**
4.4-6.0 = Low Risk	**15**	**23**

22. NCC Services team well-being assessment results

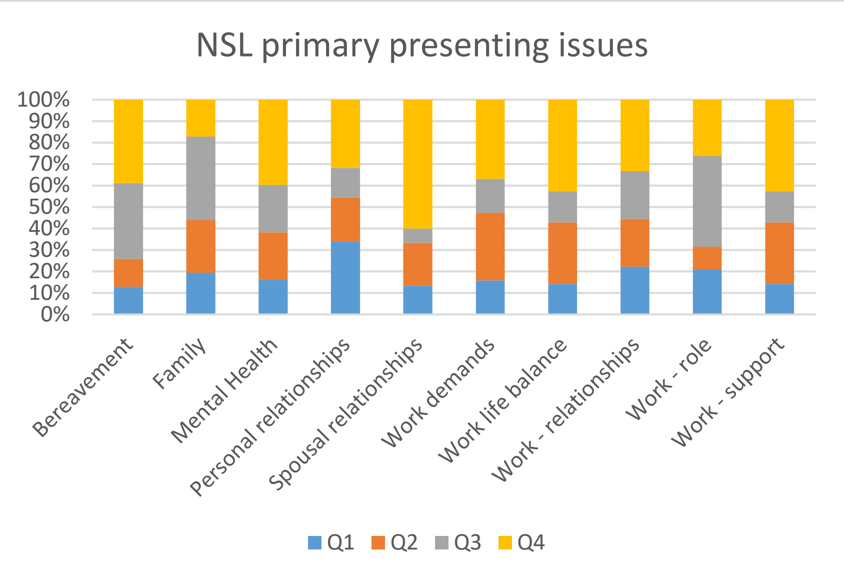
	2016/17	2017/18
Total number of schools surveyed:	26	**14**
Number of employees survey sent to:	855	**516**
Number of employees responded:	598	**340**
Response percentage rate:	70%	**66%**
Response range:	28%-100%	**17% - 100%**
Average team scores:		
1.0-2.6 = High Risk	**0**	**0**
2.7-4.3 = Medium Risk	**7**	**5**
4.4-6.0 = Low Risk	**19**	**9**

23. Schools well-being assessment results

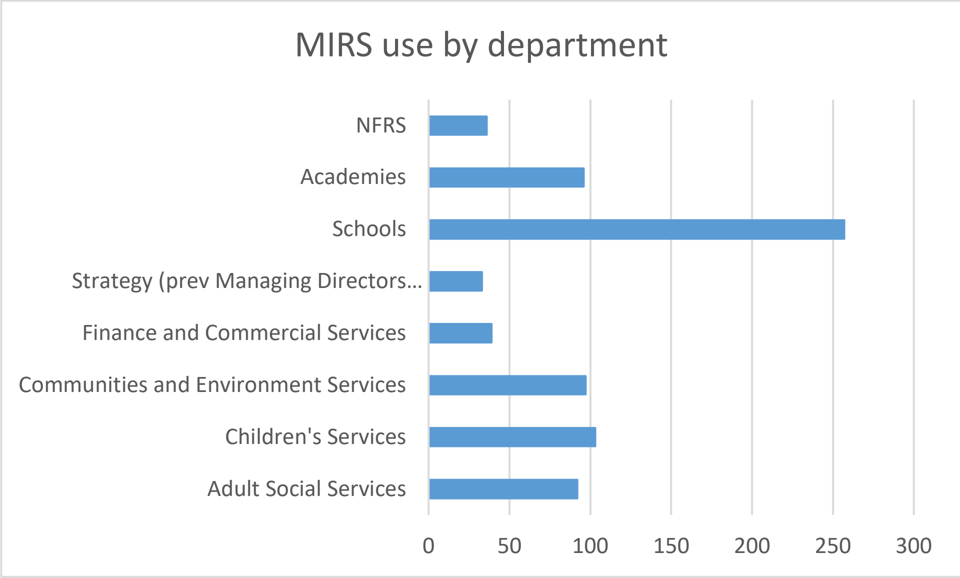
	2016/17	2017/18
Adult Social Services	1	0
Children's Services	1	1
Communities and Environment Services	3	3
Finance and Commercial Services	0	0
Managing Directors Department	1	1
Schools/Academies*	2	1
Other*	4	0
Total	**12**	**6**

24. Mediations undertaken in 17/18

***undertaken as a traded service**



25. NSL primary presenting issues



26. MIRS use by department

Policy and Resources Committee

Item 12

Report title:	**Liquidlogic/Social Care System Replacement Implementation**
Date of meeting:	**16 July 2018**
Responsible Chief Officer:	**James Bullion, Executive Director of Adult Social Services**

Strategic impact

CareFirst was NCC's social care system from November 2007. It was a key core system for NCC and its availability and functionality were business-critical. The system was used until recently by Adult Social Services, Children's Services, and by Finance Exchequer Services for paying providers and charging for adult social care and Procurement for contract administration.

The objective of the Social Care System Replacement programme is to procure and implement a social care information system for Norfolk County Council that will meet current and future business requirements, including integration with partners, which will enable us to support vulnerable people most effectively. This is the platform on which savings, integration and service improvements can be developed and delivered.

Executive summary

The purpose of this report is to inform the Policy and Resources Committee of the progress of the Social Care System Replacement (SCSR) programme.

Following a rigorous procurement process NCC awarded the contract for the new system to Liquidlogic in August 2016.

Phase One has now been delivered: the Adults and Finance Go Live took place on schedule and after live testing, was released to staff on 22 November 2017; Children's and Finance Go Live went live on 3 May, with the completion of the first pay run for Direct Payments on 11 May.

The departments want to fully exploit the potential benefits of the new Liquidlogic and ContrOCC systems and Phase Two of the Programme is underway.

The programme is forecast to be on budget.

Based on other local authorities' experience it is very rare to deliver this volume of functionality in Phase One and is testament to the quality, dedication, hard work and determination of the project team.

Recommendation:

The Policy and Resources Committee are asked to note the progress on delivering the new Social Care System for Adult Social Services, Children's and Finance and to consider whether they would like any further reports at future meetings of this Committee.

1 Introduction and Background

1.1 CareFirst was NCC's social care system since November 2007. It was a key core system for NCC and its availability and functionality were business-critical. The system was used until recently by Adult Social Services, Children's Services, and by Finance Exchequer Services for paying providers of social care and charging for adult social care and Procurement for contract administration.

1.2 There were a number of reasons for replacing CareFirst. The key benefits are:

a) A resilient and adaptable system to underpin our planning and delivery of social care through to 2025
b) Efficiencies, integration and service improvement through an intuitive, flexible system
c) Compliance with the legal and procurement imperatives.

Further information on the benefits are in section two.

1.3 The Policy and Resources Committee agreed on 8 February 2016 to:

a) Allow an exemption to Contract Standing Orders to extend the contract for the current CareFirst system to March 2018, to permit a phased transition
b) the procurement of a replacement social care recording system that meets current and future business requirements, effectively
c) associated capital funding of £7.926m
d) recommend the revenue funding of £0.150m for 2015-16 and £2.271m over the three years 2016-17 to 2018-19.

Reports had been presented to the Adult Social Care Committee on 25 January 2016 and to the Children's Services Committee on 26 January 2016 and their recommendations were presented to the Policy and Resources Committee.

1.4 In February 2016 the project to replace Care First had been provisionally planned as follows:

a) Phase 1 (Requirements) – to inform the development of an agreed Requirements Specification by March 2016
b) Phase 2 (Procurement) – selection of a solution and supplier by October 2016
c) Phase 3 (Implementation) – configuration of solution, business process review, training, migration of data and go-live by April 2018

1.5 Following a rigorous procurement process NCC awarded the contract to the new system provider, Liquidlogic, on 31 August 2016.

1.6 The cross departmental nature of this programme dictates that it sits under its own governance hierarchy and provides reporting for information to each departmental transformation change programme. There is a SCSR Programme Board that meets monthly and includes: the Executive Director of Adult Social Services; the Executive Director of Children's Services; the Executive Director of Finance and Commercial Services; the Strategy Director; the account manager for Liquidlogic; the External Quality Assurance Consultant; the Head of IMT; the Joint Leadership Advisory Group Leads; and the two Senior Project Managers. Updates are provided regularly to CLT (County Leadership Team) and CLT make key decisions.

1.7 The Joint Leadership Advisory Group (JLAG) meets weekly to monitor progress, resolve issues and make decisions. It consists of: the Assistant Director Early Help and Prevention (Adult Social Services); the Head of Quality Assurance and Effectiveness (Children's Services); the Head of Finance Exchequer Services; and the two Senior Project Managers. Other people attend as required.

2 Benefits

2.1 The strategic principles for the Social Care System Replacement are:

a) **A joined-up social care system for Adults, Children's, Finance and Procurement -** to enable and support more integrated approaches with the whole family, transition from child to adult, contracts, commitments and forecasting.
b) **Integration with Health and other partners**, reflecting our integrated commissioning and delivery in Adults, including direct working together under partnership arrangements under section 75 of the NHS Act 2006, and the new locality-based multi-agency hub approach in Children's.
c) **Supporting vulnerable people** – the solution is an enabler for our corporate outcome framework - that all vulnerable people who live, work, learn and are cared for will be safe; and that vulnerable people are more resilient and independent.
d) **Simplicity, with straightforward recording, automated workflows and readily accessible information**, to improve efficiency and release practitioner time while supporting our compliance with relevant legislation.
e) **Information and our use of it drives the system**. Information sharing with partners underpins commissioning and delivery within a 'whole system' approach. We also need to make citizens' own records more accessible to them.
f) **Transformation** – from the National Information Board digital strategy through to local initiatives (Caring for Our County, Signs of Safety and Promoting Independence) - will require a system and supplier that are flexible and offer innovative solutions.
g) **The strategic IMT architecture** requires integration of the social care system- with Identity Management, the Information Hub, Records Management, Customer Relationship Management, portals, and the means to control staff and other users access to systems - to support the corporate programme and exploit wider benefits.

2.1.1 The benefits include:

a) Time savings delivered through reduced administrative and data input time required by front line social care staff in Adult Social Services and Children's Services
b) Improved management information to reduce managers/supervisors' administration time and improve case management
c) Reduction in annual application support costs
d) Improved outcomes and efficiencies through mobile working
e) Improved service through integrated working and data sharing with NHS and other public sector partners
f) Improved care package commissioning process through improved information
g) More robust data quality for reports and mandatory returns
h) The ability to generate accurate client based milestone-driven information to enable NCC to plan and target services, manage demand and improve performance.

3 Phase One

3.1 The project scope and timescales were ambitious and challenging. The project implemented the new system (LAS – Liquidlogic Adults System) for Adult Social Care and associated Finance functions (ContrOCC) on 22 November 2017.

3.2 LCS (Liquidlogic Children's System) and EHM (Early Help Module) for Children's Services and associated finance functions (ContrOCC) went live on 3 May 2018. Following this the programme successfully went live on 3 May 2018 with the new integrated system covering social care LCS (Liquidlogic Children's System), Early Help Module (EHM) and ContrOCC for financial payments. This also includes Adoption and, Fostering pathways and four unique workspaces for specialist areas e.g. Legal work.

3.3 The new Children's and Finance systems have been live for approximately a month at the time of writing this report and the project team are continuing to support the business as usual teams as planned. Overall the implementation of the new system has been received positively. There are a few issues addressed the helpdesk and project team. These are in line with our expectations based on the experience of the Adults implementation and those from other local authorities. The main issue remains improving the accuracy of some reports. This is being monitored at Programme Board level and is being addressed by LiquidLogic and NCC staff.

3.4 The transition from project to Business as usual has started in a limited way and will be completed when the new support team model is in place in September.

3.5 Based on other local authorities experience it is very rare to deliver this volume of functionality in Phase One and is testament to the quality, dedication, hard work and determination of the project team.

4 Phase Two

4.1 The departments want to fully exploit the potential benefits of the new Liquidlogic and ContrOCC systems. Early work was carried out to shape up a programme of work for Phase 2 Adult Social Services and Finance so that the momentum carried on after November 2017 and the following projects have been initiated to date:

4.2. **Mobile App and Device**

This project is delivering a 100-user pilot of two types of touchscreen devices to five teams to determine which works best in a front line working environment, and whether the Mobile app with offline working capability provides a better balance of cost / benefit, usability and service user experience than LAS accessed on the move via data SIM.

4.2.1 Preparations for the pilot are progressing well. Testing of the mobile application has completed and defects have been raised with the supplier for resolution action. The roll out plan is to take the app and devices out to five teams in the weeks following provision of the updated mobile app on 13 July.

4.2.2 The teams have responded very positively to the pilot so far and workshops are being booked with each team to agree specific changes to their ways of working that they believe the device, app and connectivity will enable and these will be tracked through the pilot.

4.2.3 The principle concern is with the availability of devices to support the pilot. There were issues with the delivery of 10 devices in the initial two batches. A third procurement of

80 devices has been initiated and hopefully this supplier will be better able to meet their commitments. Late delivery will impact the timescales of the pilot.

4.3 **Client and Online Financial Assessment Portals**

This project enables online interaction with citizens and service users, thus giving people another option of how to work with NCC. Primarily it enables online referrals, needs assessment and financial assessment. It also enables secure sharing of documentation and update of personal details. Other portals are under development in the Finance area to provide online access to invoices and statements, ability to make online payment and secure communication. These will be brought in to the project as they become available.

4.3.1 This work is also progressing well. The project team are working with Customer Services to design the customer journey and placement of the portal in relation to the corporate website and the new Norfolk Community Directory. Initial configuration of the Online Financial Assessment is complete and early testing is expected to be carried out from 4 June.

4.3.2 A presentation was made to the Making It Real board in line with the plan to engage user reference groups. Members of the group are concerned that it was not possible to attach sign language clips to each form screen or to use third partly screen reader software (for data security reasons / hack risk). The project team is working with the Making it Real to explain the reasons and with the supplier to progress accessibility tools.

4.4 **MarketPlace e-Brokerage module**

This will improve the efficiency of the Council's processes with the care and support market, provide information about capacity and increase the Council's ability to create new markets to meet care and support needs. By linking this with the new Norfolk Community Directory it will also help NCC to improve its offer to people who fund their own care, voluntary organisations supporting people, unpaid carers and others. This is in accordance with duties outlined in the Care Act around Information, advice and support, as people will be able to see what care there is, the quality etc and then potentially buy it on-line.

4.4.1 The project has successfully recruited a Business Lead and work is starting in earnest to shape up this piece of work. The business lead has met with some key stakeholders and has also visited two reference site contacts provided by the software supplier at their home location: West London Alliance at Ealing Council; and Surrey County Council. These have provided live system demonstrations and some high-quality information on implementation planning and provider engagement.

4.5 **Integration**

One of the benefits of Liquidlogic is that it can facilitate integrated working and data sharing with NHS and other public sector partners. Adult Social Services locality teams are integrated with NCH&C. NCH&C use SystmOne as their recording system, which is provided by TPP. The project team have pursued TPP to work with Liquidlogic to integrate SystmOne and LAS. TPP have said they would be willing to work with Liquidlogic, if they will work to NHS Standards (CareConnect) however these are not yet published/formalised so Liquidlogic cannot do this. IMT are looking at how we can work around this problem.

4.5.1 IMT are also progressing taking a single care record forward using feed from the Eclipse system, used by many GPs in Norfolk, with Liquidlogic data.

4.6 **Children's Phase Two**

A couple of sessions have been held with Children's Services Leadership Team (CSLT) to understand the high-level requirements for Phase Two deliverables for Children's, Early Help and Finance. These include piloting mobile working using new NCC hardware and software from LiquidLogic, establishing the use of the Professional Portal and Children's Portal. In addition, finance related projects have been initiated to extend the use of ContrOCC to other contract areas and to implement the Children's Finance Provider Portal. This is currently being ratified by CSLT and programme governance. Discussions are ongoing with the supplier to secure appropriate delivery slots and initial work is underway to understand and plan the resource needed to deliver the Phase Two items.

5 Financial Implications

5.1 The programme overall remains forecast to be on budget.

Policy and Resources Committee in February 2016 agreed: capital funding of £7.926m; and revenue funding of £2.421m – a total budget of £10.347m.

As at the end of 2017-18 the programme had spent £4.862m. Currently the forecast spend for 2018-19 is £1.017m but this will increase as more Phase Two projects get underway.

Based on the information and estimates available the project budget will be spent by the end of Phase Two, including the funding of some additional items not in the original programme scope, eg Adults and Children's eBrokerage, The projects require further detailed costing as more information becomes available.

A key reason for successfully delivering the programme within budget is that there has been less use of contractors on day rates than originally anticipated. Most people on the Programme have been on NCC contracts, either recruited from outside NCC or seconded from posts within the organisation.

6 Issues, risks and innovation.

6.1 At the time of Policy and Resources Committee on 8 February 2016 the major risks identified were:

a) Being unable to resource the project to meet the April 2018 deadline
b) Setting a scope that is either too ambitious or not challenging enough
c) The market may not provide an affordable solution
d) It may be difficult to establish costs and fund the project
e) National and local agendas may cause our requirements to change radically between procuring and implementing the system
f) Corporate governance may be challenging to establish standard requirements for a complex project involving users from four council departments and three committees

These risks have been and are being successfully managed.

6.2 The Programme has a Risk Register which is reviewed regularly by the JLAG Leads and by the Programme Board. Given the scope, size and nature of the programme the project team and Board are managing risks and issues all the time.

The key risks, issues and the mitigations currently are:

a) Ensuring sufficient resources are in place to deliver the Phase Two projects. Phase Two of the programme is in a very different form to Phase One with several small projects rather than the two large Phase One projects. There is no longer a need for specialist workstream lead roles for Testing, Data Migration etc. Instead the programme has small multifunctional teams to support the projects. People are being recruited to the roles in Phase Two or moved across into them from other programme roles as appropriate.
b) Staff not fully embracing changes in ways of working that are required, for example mobile app. The teams have responded very positively to the mobile app pilot so far and workshops are being booked with each of the five teams to agree specific changes to their ways of working that they believe the device, app and connectivity will enable. These will be tracked through the pilot and used to inform the full roll-out.

7 Conclusion

7.1 The SCSR programme has progressed well with an ambitious scope and timeline since the Policy and Resources Committee agreed on 8 February 2016 to the procurement of a replacement social care recording system.

The Adults and Finance Go Live took place on schedule and after live testing, was successfully released to staff on 22 November 2017.

Children's and Finance Go Live went live on 3 May, with the completion of the first pay run for Direct Payments on 11 May.

The departments want to fully exploit the potential benefits of the new Liquidlogic and ContrOCC systems and Phase Two of the Programme is underway.

The programme is forecast to be on budget.

8 Recommendation

8.1 **The Policy and Resources Committee are asked to note the progress on delivering the new Social Care System for Adult Social Services, Children's and Finance and to consider whether they would like any further reports at future meetings of this Committee.**

Officer Contact

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

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Policy & Resources Committee

Item 13:

Report title:	**Syrian Vulnerable Persons Resettlement Scheme (VPRS) – Progress Report**
Date of meeting:	**16 July 2018**
Responsible Chief Officer:	**James Bullion, Executive Director of Adult Social Services**

Executive summary

This report updates the committee regarding the provision of the current Syrian Vulnerable Persons Resettlement Scheme (VPRS) and considers the extension of this provision beyond 2020.
In July 2016 Full Council voted to house 50 vulnerable Syrian refugees into Norfolk as part of the Home Office VPRS. This decision was based on resource obtained via the Home Office pro capita funding stream. Since 2017 the PFA has successfully assisted with the planned resettlement and integration of 52 Syrian Refugees as part of the Syrian VPRL programme as part of the People from Abroad Team (PFA). This has been provided within the cost envelope allocated by the Home Office. As at February 2018, the UK is more than half way towards meeting its commitment to resettle 20,000 people through the VPRS by 2020 and is looking for Local Authority's to extend current provision across the country.

Local authorities can volunteer to participate in the Syrian Vulnerable Persons Resettlement scheme for humanitarian and compassionate reasons. As previously documented there is no direct impact on the Council's ambition or priorities.

The report highlights the potential financial implications of further participating in the VPRL scheme, and sets out additional information that elected members will want to take into account before agreeing a recommendation to Full Council.

Recommendations:

a) That Policy & Resources Committee consider the report, taking into account the potential cost implications for Norfolk authorities, and recommend that a decision be made by full Council to support the resettlement of a further 100 Syrian refugees between 2018/2020 (50 each year) within the locality of Greater Norwich.

b) Note the success and the breadth of work carried out by the PFA team, the wider benefits/service resilience the VPRL programme will bring via the provision of a specialist service in Norfolk in the context and evidence of increasing demand.

1. Background

1.1 Since the outbreak of civil conflict in Syria in 2011, around 4.3 million Syrians have fled abroad, mostly to neighbouring countries in the region. The Government's policy is to target international aid to assistance programmes in the regions neighbouring Syria, arguing that this is preferable to encouraging Syrian refugees to make dangerous journeys to Europe. Alongside this however, it has established a 'Syrian Vulnerable Person's Resettlement Scheme', to provide a route for selected Syrian refugees to come to the UK. On 7 September 2015, the Prime Minister announced that the scheme would accept up to 20,000 refugees over the next five years. The VPRS is a joint scheme between the Home Office, the Department for International Development and the Ministry of Housing, Communities and Local Government (MHCLG). The UK works closely with United Nations High Commissioner for Refugees (UNHCR), the

International Organisation for Migration (IOM), the UN Migration Agency and partners on the VPRS to provide life-saving solutions for the refugees most in need of protection, including people requiring urgent medical treatment, survivors of violence and torture, and women and children at risk.

1.2 The VPRS primary purpose is to resettle refugees in a way that:

a) secures national security and public protection
b) has the wellbeing of the vulnerable persons and the welcoming communities at the centre of decision making
c) delivers value for money for the UK tax payer

1.3 Norfolk and primarily Norwich has an established history as a place of refuge and successfully delivered the Gateway Refugee Resettlement Programme between 2007 and 2011. This programme managed the integration of primarily Congolese refugees within Norwich and has provided a cost-effective framework and an established model for the VPRS to develop. The current VPRS Programme in Norfolk has successfully resettled its quota, providing an intensive programme of English lessons with associated crèche facility, integration support, employability pathways, befriending and social opportunities. The programme recruited and trained 60 volunteers and draws upon community resources and offers of help to deliver a broad range of support to work towards independence and self-reliance.

1.4 The current VPRS model has been delivered within the cost envelope of the Home Office pro capita funding model, the programme has been regionally renowned and highlighted to the Immigration Minister as a model of good practice and has received a wealth of local support. It was included in the Chief Social Worker for Adults Annual Report 2017/18 as an exemplar of community-based social work for people facing additional barriers to accessing traditional services because of their immigration status. The programme accessed appropriate private housing stock via Norwich City Council, funded within Home Office cost envelope and the local CCG were consulted regarding the recharging of appropriate health costs.

1.5 Given the early stages of the VPRS project there is limited evaluation of the programmes outcomes or the cohort's ongoing support needs. However, having reviewed initial outcomes the PFA have highlighted that the cohort are less likely to require ongoing support when compared alongside the cohort arriving through the Gateway Protection Programme. However, further ongoing system wide evaluation, analysis and review is required.

1.6 The first 12 months of a refugee's resettlement costs are fully funded by central government using the overseas aid budget and the government has also provided an additional £10m ESOL funding to enhance the English language skills of adults to improve their resettlement and integration experience and employability. For years 2-5 of the scheme there is £129m of funding available to assist with costs incurred by local authorities providing support to refugees under the VPRS. This is allocated on a tariff basis over four years, tapering from £5,000 per person in their second year in the UK, to £1,000 per person in year five.

2. Extending VPRS in Norfolk

2.1 As highlighted Norfolk has received 52 Syrians under the VPRS to date (12 families). The PFA team have developed a proposal to extend the Syrian offer to a resettle a further 100 individuals over the next 2 years. This scheme would be provided via per capita funding over a further 5-year period and would dovetail with current provision providing a specialised, resilient and robust service. It is understood that the basic funding offer by the Government is **£20,520 per refugee** (five years of funding per individual), equating to total funding of £1,026,000 for 50 individuals.

2.2 It is proposed to resettle 4 cohorts of 25 over the two years, with planned arrivals in Spring and Autumn each year. After consideration of the previous VPRS and Gateway programmes this method of delivery supports integration and is manageable within cost envelope and resource. Both the Green Paper from MHCLG "Integrating Communities Strategy" and the All Party Parliamentary Group's document "Integration not Demonisation" state that integration should be at the heart of any strategy and the phased approach of welcoming 50 individuals each year would enable this to be delivered and manageable within the Local Authority, within private housing resource and comparable with the commitment demonstrated by other comparable Local Authorities.

2.3 Whilst the Local Authority is the lead agency, partnership working has been key to the success of completed and future programmes. Appropriate strategic and operational dialogue will be held with partners in housing and health trusts in extending provision. Given the early stages of the VPRS programme there is limited information regarding individual outcomes or service impact. However, whilst further and ongoing liaison and evaluation with partners and the Home Office is essential, year 1 of the VPRS programme has been cost neutral for the Local Authority and District Council and viewed as a success.

3. Financial Implications

3.1 In the previous Policy and Review Committee Report in 2016 it was documented that the Government's five-year funding offer to facilitate resettlement of Syrian refugees through the VPRS is based on local authorities bearing around 20-30% of the overall costs of the scheme in years 2 to 5. The Home Office stated that was unable to provide any funding for discretionary housing payments (topping-up housing benefit) in areas like Norfolk, where there is significant housing pressure and the monthly cost of large family housing cannot be covered by housing benefit. However, it is understood that the VPRS delivery model is able to be delivered as cost neutral over years 2-5. However, the through planned and capped provision the programme could also enhance and develop service resilience through additional funding and economies of scale for key services.

3.2 The original funding formula for the VPRS was informed in part by Coventry City Council's costs to run the Gateway Protection Programme. Coventry is a city of migration with an established infrastructure for supporting refugees, and low housing pressure. Norfolk did not have such an infrastructure at this juncture, so costs were estimated accordingly. Having established the PFA team in 2016 and having developed an appropriate infrastructure for VPRS there is a better understanding of costs and a service which to develop provision around although further analysis and understanding of wider costs is required.

3.3 In 2016 it was estimated that it would cost a minimum of **£28,553 per refugee** to resettle 50 refugees in Norfolk, equating to a total cost of £1,427,659 over seven years. These figures were indicative because it is impossible to be sure about the mix of people who would come, or their needs. This estimate covers programme management and administration, integration and orientation, housing (costs of a housing support officer and one-off housing fit-out costs), interpretation and translation, English language tuition and some social care costs (relating to the provision of family support). It did not cover the one-off investment requested by local health services to coordinate primary health care; specialist provision such as education and mental health, or community hub costs (including any property costs).

3.4 It is indicated that the predicted total funding shortfall of **£401,659** over seven years for delivering a basic resettlement service in Norfolk has been successfully overturned since it was highlighted in 2016. However, further analysis of this figure is required with partners also evaluating potential financial challenges and opportunities regarding the expansion of the VPRS. It is understood that the basic funding offer by the Government is **£20,520 per refugee** (five years of funding per individual), equating to total funding of £1,026,000 for 50 individuals. Given the establishment of a core service further funding streams could be dovetailed to maintain and develop a core service.

3.5 In 2016 Norwich City Council highlighted that there was likely to be an additional cost for housing providers of approximately **£216,000** to take into account, which relates to the cost of providing top-ups to housing benefit over a five year period. It is understood that housing has been managed within allocated resource and that Norwich City Council is willing to consider discussion regarding the extension of the VPRS.

3.6 At the time of writing this report, the County Council is in ongoing discussions with districts to identify how allocation could be shared.

3.7 Ongoing discussions are taking place with the Home Office and the Local Government Association (LGA) to better understand the VPRS, the profile and needs of vulnerable Syrian refugees, and the funding available for local authorities.

4. Recommendations

4.1 Policy and Resources Committee are asked to:

a) Note the success and the breadth of work carried out by the People from Abroad team.
b) Consider the proposal for the resettlement of a further 100 Syrian refugees across 2018/2019 and 2019/2020 (50 each year) within the locality of Greater Norwich.

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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Policy & Resources Committee

Item No 14

Report title:	**Sourcing strategy for council services**
Date of meeting:	**16 July 2018**
Responsible Chief Officer:	**Simon George, Executive Director Finance and Commercial Services**
Strategic impact The decision as to whether to make, buy or trade services has a significant impact on service cost and quality and on the council's workforce.	

Executive summary

In response to a request from members, this report recommends an approach to deciding how to deliver services – whether they should be delivered in-house, traded, provided by an arm's length company or outsourced. It proposes that these options should be considered whenever a significant contract is to be extended or replaced.

Recommendations

The committee is invited:

A. to note the context and rationale for sourcing decisions set out in sections 2-5 of this report;

B. to agree that:

   i. insourcing (including insourcing and trading);

   ii. service provision by an arm's length company (again including trading), and

   iii. disaggregation of the contract to remove the prime contractor role

   should all be considered as options when a significant contract is to be extended or replaced, and that the analysis should cover the aspects set out in section 6 below; and

C. to review the conclusions reached in section 6 about specific categories of expenditure and:

   i. to note the work already undertaken, and that planned, in respect of IT contracts and highway service delivery; and

   ii. to note that Environment, Development and Transport committee is expected to consider the procurement strategy for waste services beyond 2020 in November 2018, and ask that before any longer-term arrangements are made an options appraisal be completed including an assessment of whether any aspects of the service should be insourced or delivered by an arm's length provider.

1. Background

At its meeting of 26 March, Policy & Resources Committee requested that a paper be brought to its next meeting on the relative value for money of insourced and outsourced services.

The Council spends some £700m on goods and outsourced services each year. Major categories of spend include:

- adult social care
- construction
- highways

- children's social care
- passenger transport
- public health
- waste disposal, and
- IT and telephony.

A procurement 'pipeline' is brought to Policy & Resources Committee approximately every six months, showing the forthcoming contract expiries and break points. This provides an opportunity for Policy & Resources Committee to give a steer on the desired approach to particular procurements. Detailed papers are taken to service committees for sign-off before significant procurements are commenced.

2. Service delivery models

The main potential service delivery models are as follows.

In-house	The service is delivered by council staff. They may use purchased or leased equipment and may be supplemented by agency staff. Aspects of the service may be outsourced: for example, payroll is delivered in-house using purchased computer equipment and software, with money transmission and banking services being outsourced. Services which are delivered in-house may be traded, but if the intention is to make a profit (and not simply to cover direct costs and make a contribution to overheads) then trading must take place through a company.
Arm's length	The service is delivered by a company, such as Independence Matters or one of the Norse companies, that is controlled by the Council. Arm's length companies are able to trade for profit, but are subject to corporation tax.
Delegated	The council delegates certain functions to other public bodies because of synergies between that service and the other functions of the body concerned. For example, the council has a highways agency arrangement with the city council.
Outsourced	The service is delivered by a third-party charity, company or public body. A significant proportion of these outsourced services are delivered by NHS bodies, including the Norfolk and Suffolk Foundation Trust, Norfolk Community Health and Care and Cambridgeshire Community Services.
Direct payment/personal budget	The council provides eligible individuals with a budget and they choose who should provide the service. The service may be arranged by the council, by a third-party broker or by the individual or their family.
Grant funding	The council cannot procure services which it is itself required to deliver by means of a grant, but may grant-fund third party organisations to help deliver community cohesion or to provide complementary activities.

3. Legal and practical constraints on insourcing

Choice
The choice directive provides that for certain classes of care, individuals may choose from care provided by any eligible provider that will (a) sign up to the council's standard conditions; and (b) accept the council's usual price. The council could not require individuals to use its in-house services instead.

These services account for about one third of the council's external spend.

Direct payments and personal budgets
The council is required by law to provide personal budgets.

Clinical governance
Providing the necessary clinical governance and support to deliver many of the services – such as sexual health and child health services and drug and alcohol recovery services – commissioned by the public health team would be impractical. These services account for in excess of £30m of spend.

Infrequent and specialist works
It is not practical for the council to maintain the necessary level of resource to deliver major highways schemes – such as the NDR and the Great Yarmouth Third River Crossing – or major construction works. Schemes on this scale only arise infrequently and require considerable technical resource.

Shared infrastructure
Certain services require the use of shared infrastructure if they are to be delivered effectively. For example, gas, water and electricity networks are shared and cannot practically be self-delivered, although regulatory and technical changes may affect the way in which the council can buy these services.

4. Main considerations in sourcing decisions

Where none of the fundamental issues set out above apply, the council must develop and apply decision criteria to decide whether to deliver services itself or whether to use one of the other service delivery models.

The outsourcing literature is derived from the theory of the firm, which posits that the boundary of a firm's activities is drawn at the point where the transaction costs of buying services in the market (as opposed to delivering them internally) exceed the benefits of doing so. In the context of outsourcing, an organisation will outsource activity where the benefits of doing so exceed the costs of letting and managing the contract and the disbenefits (in terms of control, nuance and flexibility) of outsourcing.

Potential benefits of outsourcing
In particular circumstances outsourcing may offer lower costs, higher quality, greater flexibility, or a combination of these benefits, for a number of reasons.

<u>Economies of scale</u>
A specialist may deliver services on a much greater scale than the council would if it insourced the service, and may benefit from greater expertise, the ability to invest in specialist equipment, or the ability to recruit and retain staff by offering a suitable career structure. Particularly where local authorities are not the only purchaser of the services concerned, the specialist may be able to share its costs across many other customers.

Example of economies of scale in local authority services include:

- social care, where services are being sold to self-funders and the NHS as well as local government, and
- transport, where vehicles would stand idle for much of the day if they were used only to get clients to a service in the morning and home in the afternoon.

Economies of scope
An outsourced provider may derive economies of scope from the delivery of related services that are able to share management, particular expertise, a specialist workforce, geographical presence, or specialist facilities. (Equally, in some circumstances, the council may itself enjoy economies of scope).

Examples of economies of scope in local authority services include clinical services, where the costs of a clinical infrastructure (clinical buildings, laboratory services, clinical governance and expertise, clinical computer systems, etc) are shared across multiple specialisms.

Labour costs
An outsourced provider may have lower labour costs, either because of greater productivity or because its terms and conditions are different.

Scalability
Customers may benefit where a service provider is able to flex its own resources and to offer its customers the ability to scale up and scale down activity at an attractive price. Examples of this include cloud computing; temporary staffing; call centres and business processing activities to cope with overflows, backlogs, seasonal peaks or crises; and temporary office accommodation and storage.

Using scalable solutions of this sort can save the council from the costs of maintaining capacity that is only needed at the peak.

Potential disbenefits of outsourcing

Monopolies, oligopolies and lock-ins
Where suppliers achieve a local or national oligopoly – or where a customer becomes ‘locked in’ to a supplier – the lack of competition can result in significant cost escalation or poor quality of service – or both.

Procurement and commissioning costs
The cost of tendering services needs to be taken into account. The procurement function costs about 0.2% of procurement spend. Commissioning costs are higher than this, but even where services are in-house there is still a need to define what is to be delivered, in consultation with customers, so it is unlikely that insourcing would significantly reduce commissioning costs. In total, procurement, commissioning and contract management costs are unlikely to exceed 1% of contract value.

In addition, the costs of contractors’ bidding for the work are ultimately factored into the price paid by the client. In construction, these costs are estimated at around 0.5-0.6% of project value for the first-tier contractors[1]. Second tier contractors will also incur bid costs – but unless one were contemplating insourcing of the entire supply chain, these would apply even if the top-tier contractors were insourced.

Bid costs are likely to be of a similar order of magnitude, or lower, in other fields.

Profit
Private sector suppliers exist to make a profit; third sector bodies aim to make a return which they re-invest in charitable activities; and public bodies that trade aim to make a return which covers risk. In all these cases, the profit is paid for by the client. The question, therefore, is whether in any given case the benefits of outsourcing outweigh the cost to the client of the provider’s profit.

The scale of profits should not be exaggerated. In construction and highways, they are a few per cent. In business services, they may be around ten per cent. Residential care homes may make a profit of around eight per cent overall, but they are likely to make significantly less than this from local authority clients.

[1] Source: *Constructing Excellence blog*

Profits may be significantly higher in some niches – such as software – but these are rarely areas where local authorities have the choice to insource services.

Quality management

Whilst contractors generally want to do a good job – their reputation and future sales depend on it – they will always be incentivised to maximise profits. Incentivising the delivery of high quality services is more difficult where the output is hard to define, or where the direct connection between the outcomes achieved and the service being delivered is hard to demonstrate. In these circumstances an alternative to outsourcing may deliver greater value.

Nuance

Capturing all the nuances of a good service in a specification is difficult, and it is even harder to ensure that these nuanced elements are delivered. Outsourcing may result in a service being boiled down to its essentials. Sometimes – particularly when budgets are tight – this may be desirable, but there is a risk that social benefits such as reducing loneliness and isolation may be lost.

Staff conditions

Lower labour costs are a financial benefit to the council but have an impact on the staff concerned and may affect central government, through higher welfare costs.

Inflexibility

Long-term outsourcing contracts can prove inflexible and there can be significant costs to change or terminate them. This risk can be mitigated by entering into shorter contracts and by entering into contracts for individual service components, with the council acting as "systems integrator".

The option to deliver through arm's length companies

The council makes extensive use of arm's length companies to deliver social care, waste management, property professional services, facilities management and transport.

Arm's length companies offer the following main advantages and disadvantages.

Returns from trading

In general, local authorities may only trade for a profit through setting up a company, which is then subject to the same taxation, state aid and other regimes as its private sector competitors.

Where economies of scope and scale – as discussed above – are attainable through broader trading, an arm's length company is the appropriate vehicle to deliver the benefits, unless the decision is taken to outsource the service.

Clarity and efficiency

The financial success of arm's length companies is relatively easy to ascertain. The price of services – provided that the services are clearly defined – can be benchmarked against market norms, whilst the return from trading can be evidenced in the form of a dividend flow. Achieving this degree of clarity requires careful consideration of pension cost and risk in particular, and of transfer pricing for any service delivered to the company by the council. It also requires that money is only loaned to the company at a market rate, and that the company is charged at a market rate for any property it occupies.

Subject to these strictures, it is relatively straightforward to measure the performance of arm's length companies and their executives. In turn, this can drive a degree of focus and single-mindedness that delivers significant efficiencies.

Lack of competition

Benchmarking is a valuable but imperfect means of establishing what price should be paid. It is always open to interpretation and negotiation. Accordingly, it is less likely to establish the lowest available price than an effective tendering exercise.

The principal-agent problem

Relationships with the management of arm's length companies are subject to the principal-agent problem: (a) the interests of management – which may include 'softer' motivations such as the prestige associated with expanding the business – are hard to align perfectly with those of the parent organisation; and (b) management inevitably has more access to information about the company than does the shareholder.

Terms and conditions

For certain roles, arm's length companies may be better able to recruit and retain staff, and achieve optimum levels of staff turnover, than the council. This ability derives from the ability to offer a mixture of salary, type of pension and other benefits that are closer to the market norm for the role than the council can achieve.

Flexibility

Arm's length companies can in some instances be more flexible than outsourced service providers, and this can be helpful to achieve service reconfiguration or to deal with strategic uncertainty. However, this degree of flexibility should not be exaggerated. In some instances – such as cloud computing – an outsourced service provider with thousands of customers can be more flexible than an arm's length company. And an arm's length company is subject to the same inflexible aspects – fixed assets, sub-contracts, permanent staff, etc – as any other entity.

Transparency

Because the council has control over the accounting policies and practices of its arm's length companies, open-book contracts work better than with private or third-sector providers. Such contracts work well in particular during periods when there is a need to significantly reconfigure services.

Duplication and costs of governance

Arm's length companies inevitably duplicate services – such as the back office – that the council must continue to maintain for its other functions. They also require both client and shareholder governance – which requires resources on both sides – and each company incurs statutory accounting and auditing and other regulatory costs.

Control over key assets

Arm's length companies can own assets which are essential to service delivery, such as waste transfer stations or depots in key locations. This ownership on behalf of the council protects it from being 'held to ransom' by private providers controlling critical assets and charging excessive prices.

Re-configuring the delivery chain

A less black-and-white view than 'make or buy' is to examine the components of the delivery chain and to decide how each is best delivered. This approach is most notably being adopted in IT, where councils and others are moving away from large-scale outsourcing towards a combination of niche contracts for specific services such as data networks; cloud computing for commodity hosting requirements; software as a service; and in-house customisation and small-scale application development.

A similar view will need to be taken of highways contracts – whether there are aspects which could be procured directly from contractors who are currently sub-contractors, rather than procured through the prime contractor. This analysis will need to be carried out in 2021 to fit with contract break points.

This approach can be a productive one in other fields, where services can be examined and if appropriate delivered using a different combination of in-house, arm's length and outsourced resources, volunteering, etc. But – where the result is disaggregation of contracts – it can only work if sufficient skilled resource is available for contract management and service integration.

Temporary insourcing
Temporary insourcing can be a valuable means of gaining control of a service, examining it and reconfiguring it, before (if appropriate) outsourcing it again in part or in whole.

In local government, however, insourcing staff brings them into the local government pension scheme which – if they are not currently in a defined-benefit pension – typically increases staff costs by around 15%, as well as creating contingent liabilities on the balance sheet. Once in the scheme, staff retain the right to a public-sector pension even if they are subsequently outsourced. This both makes the service more expensive and makes it an unattractive proposition for many alternative providers in the third and private sectors.

This approach is therefore more attractive where staff are already in the public sector – for example, where a service is currently provided by the NHS – or in the rare instances where staff costs are a comparatively small part of total costs. In other instances, it is likely to make more sense to bring staff into an arm's length company.

Accurate costing
In order to allow accurate comparisons between the different sourcing models in each instance, work is currently under way to develop a new corporate policy for allocating overheads and pension costs to trading entities.

5. Analysis required at contract renewal/break points

The pipeline tracks contract renewal points. It also tracks break points where a contract could be terminated without the council having to pay compensation. These are key decision points which allow for a change of direction and – in the case of contract break points – for a contract renegotiation.

It is proposed that, at these points and sufficiently in advance that all options remain open, an analysis should be prepared for members covering:

- the continuing relevance of the contract to the council's priorities;
- the operational and reputational risks associated with the contract;
- the track record of the contract (including performance against KPIs and views of staff and, where applicable, service users) and the lessons to be learned;
- the stability of the supply market concerned;
- the contract management arrangements for the contract, whether these have proven adequate, and the cost of adequate contract management arrangements for the future;
- the options for insourcing, provision by an arms-length company and disaggregation; and
- the opportunities for generating increased social value from the service.

6. Application of decision criteria to county council contracts

This section considers, at a high level, the applicability of alternative models of provision to major areas of council expenditure.

Adult social care

<u>Residential care</u>
Residential care for the elderly – the largest category of expenditure – is subject to the choice directive. It is also a sector where staff costs are a significant part of the whole – 55% of turnover, according to the NatWest Care Home Benchmarking Report.

Application of local authority terms and conditions would, at a conservative estimate, increase staff costs by 25%[2] - and therefore overall costs by 14%. This would more than outweigh any saving from foregoing profit.

Insourcing of residential care would also require very significant capital investment – new build capital costs including land acquisition are in excess of £90,000 per bed plus fit-out costs[3].

Accordingly, the council's priority in residential care is to reduce the need for it by providing effective preventive and rehabilitation services and through work in the community to reduce loneliness and isolation. The council is also working with its arm's length provider, Norse Care, to reduce Norse Care's costs.

Domiciliary care
In domiciliary care, some 70% of costs are staff and typical profit is around 2.9%.[4] Hence a 25% increase in staff costs would result in a 17.5% increase in costs, offset by a 2.9% reduction in profit.

Accordingly, the council's priorities for domiciliary care are:

- to make the service more efficient through more-rational allocation of work to providers, reducing workers' travelling time; and
- to place a greater emphasis on rehabilitation to reduce the need for long-term care.

IMT
In IMT, the council has been pursuing a policy of delivery chain reconfiguration as described in section 5.4 above. The main components have been:

- a move to commodity software-as-a-service for major systems – email, highway management, libraries, customer relationship management and social care;
- retraining and redeployment of some staff who were previously engaged in hosting and administering these systems to new roles, such as configuration of the customer relationship management system
- renegotiation of the contract with HP (now known as DXC) to take aspects of the service back in-house, and a decision not to re-let the contract when it expires in November.

The next stages will be:

- to roll out a cloud-based e-procurement system to replace the current system, which is hosted in house – a contract has been let to Wax Digital for this system;
- to review the Oracle finance and HR system and identify a lower-cost replacement;
- to move telephony from an in-house-hosted solution, with an expensive support contract, to a cloud-based alternative;
- on expiry of the current telephony and data network contract (which has itself delivered substantial savings compared to its predecessor), to move some elements of service management in-house whilst continuing to use a third-party provider for wide-area connectivity.

School transport
Staff costs account for some 60% of the cost of bus and coach transport.[5] Vehicle depreciation, maintenance and insurance account for a further 13% of costs.

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[2] 15% pension costs plus impact of typically higher salary, shift allowances, etc
[3] Source: Savills, 2013; indexation applied to bring to 2018 terms
[4] Source: National Homecare Association
[5] Source: Confederation of Passenger Transport: CPT Cost Index

Accordingly an in-house operation, with higher staff costs and less opportunity to use vehicles for other purposes, would be unlikely to be viable.

The council uses Norse Transport to deliver certain passenger transport services, particularly to mitigate the risk of an oligopoly operating to the disadvantage of the council, and also to operate vehicles that are too specialist to have an alternative use.

Highways
The council has been working with Norse Group to identify whether savings could be achieved by moving aspects of the current highways service into Norse, and a paper will be brought to September Policy & Resources Committee.

As discussed in section 4 above, there may be an opportunity for reconfiguration of the outsourced supply chain when current contracts expire.

Waste
The next stage of the waste procurement strategy, for services beyond 2020, is expected to be brought to Environment, Development and Transport committee in November 2018.

Public health
The insourcing of the main public health services (sexual health, drug and alcohol recovery services and the healthy child programme) is unlikely to be viable because of the specialist expertise required, the lack of economies of scope with other clinical services, and the clinical governance issues.

Both the sexual health and healthy child services are performing well. The drug and alcohol recovery service has recently been retendered, in part because of contract expiry but also to deliver improved performance.

A particular emphasis now will be on greater integration between the healthy child services commissioned by public health and the services, including children's centres, commissioned by the children's services directorate.

Children's social care
In children's residential social care, staff costs account for a similar proportion of turnover (around 55%) as in residential homes for the elderly.[6] However, the sector is more profitable and there is greater difficulty in aligning interests between providers and the council – the council wishes in most cases to 'step down' the level of care from residential to fostering, adoption or guardianship, whilst this is not in the financial interests of the provider.

Accordingly, there is merit in reviewing whether the current mix of in-house and bought-in residential services is the correct one, from both a financial point of view and from the point of view of outcomes for looked after children.

Similar arguments may apply to mental health services for adults.

An important initial step will be to assess more accurately the true cost of in-house residential care, including voids and overheads.

Similarly, it will be important to review the true costs of in-house fostering and to compare these with the cost of agency provision.

7. Financial Implications

Financial implications would play an important part in make/trade/buy decisions.

[6] NatWest, op.cit.

8. Issues, risks and innovation

No approach to sourcing is without risk and whatever approach is to be taken in a particular instance, the council will need to be satisfied that it has the capacity to deliver the service and to manage financial, health and safety, service and environmental risks.

Insourcing places a particular requirement on the council to attract and retain sufficient capable staff to deliver the service. Trading requires a suitably entrepreneurial culture and the management of demand risks. Outsourcing demands a strong client-side contract and supplier management capability.

Officer Contact

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

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Policy and Resources Committee

Item No 15

Report title:	**Limited Company Consents**
Date of meeting:	**16th July 2018**
Responsible Chief Officer:	**Executive Director of Finance & Commercial Services – Simon George**

Strategic impact

Limited companies owned by the County Council require the consent of the County Council before they can make certain decisions including the appointment of directors & the moving of registered offices.

Executive summary

Policy and Resources Committee is recommended to:

1. **Recommend to Full council the appointment of directors to companies as detailed in appendix A**
2. **Recommend to Full Council the change in registered office for Norse Group companies as detailed in Para 1.4**

1. Background

Appointment of Directors

1.1 Limited companies owned by the County Council require the consent of the County Council to appoint directors to its companies.

1.2 The Executive Director of Finance & Commercial Services has reviewed the attached list of appointees (In appendix A) and advises that they are suitable

1.3 Business and Property Committee (3rd July) approved the appointment of two non-exec directors to Repton Property Developments ltd and asked P&R to endorse their appointment en-route to Full council.

And subsequently recommends that the Policy and Resources Committee approve the appointment of the attached list of directors to Full Council.

Change of Registered Office

1.3 The registered office of all Norse Group companies, with the exception of Addfill Limited, is Lancaster House.

1.4 In August the Group Solicitors team, which is responsible for the administration of the Norse Group company books will move to Fifers Lane. As the registered office of a company is where official communications are sent it would be appropriate to change the registered office of all the Norse Group companies to the Fifers Lane address (Addfills registered office is Fifers Lane) **280 Fifers Lane, Norwich, Norfolk, NR6 6EQ**.

1.5 A change of registered office also requires the consent of many of the local authorities who are shareholders in the joint venture companies. The consent of these local authorities will also be sought and the change for each company will be implemented when the necessary consents have been given.

2. Financial Implications

2.1. The effective management and oversight of the Limited companies owned by the County Council will further enhance the financial return to the Council.

3. Issues, risks and innovation

3.1. There are no significant risks or implications beyond those set out in the financial implications section of the report.

4. Background Papers

Officer Contact

If you have any questions about matters contained or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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

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Appendix A

Company	Resign	Appoint
Hamson Barron Smith Limited	Glen Reynolds	Not required
Norse Energy Limited	Glen Reynolds	Not required
NPS Group Limited	Glen Reynolds	Not required
NPS Infinity Limited	Glen Reynolds	Not required
NPS North East Limited	Glen Reynolds	Dean Wetteland
NPS North London Limited	Glen Reynolds	Dean Wetteland
Repton Property Developments Ltd	N/A	Simon Hardwick
Repton Property Developments Ltd	N/A	Mathew Spry

Policy and Resources Committee

Item No 16

Report title:	**Notifications of Exemptions Under Contract Standing Orders**
Date of meeting:	**16 July 2018**
Responsible Chief Officer:	**Simon George, Executive Director of Finance and Commercial Services**

Brief outline of the paper:

Under the Council's Contract Standing Orders, paragraph 9.11, the Head of Procurement and the Head of Law have the authority to approve the letting of a contract without competition or the negotiation of a contract with one or more suppliers without prior advertisement, subject to the relevant law. Exemptions resulting in the letting of contracts valued at more than £100,000 must be made in consultation with the Chairman of Policy and Resources Committee.

Under paragraph 9.12 an exemption under 9.11 outlined above, relating to the award of a contract valued in excess of £250,000 is to be notified to the Policy and Resources Committee.

The report sets out the exemptions that have been made up to 13 June 2018 under paragraph 9.11 of Contract Standing Orders and that are over £250,000 and therefore need to be notified to the Policy and Resources Committee.

Key decisions/recommendations that Committee need to make:

Recommendations:

As required by paragraph 9.12 of the Council's Contract Standing Orders, Policy and Resources Committee is asked to note the exemptions that have been granted under paragraph 9.11 of Contract Standing Orders by the Head of Procurement and Head of Law in consultation with the Chairman of Policy and Resources Committee that are over £250,000.

Supplier	**Value, term and ref**	**Short description of Contract and Reason for Exemption**	**Date seen by the Chairman of Policy and Resources Committee**
Morgan Sindall	£548,396.38– 11th June 2018 to 1st November 2018 (EX52361)	**Corporate Property Team.** To install insulation to the 1st floor overhang on both front and back of the County Hall building. No acceptable offers were obtained through competitive tendering so a negotiation was undertaken with Morgan Sindall, who are delivering the works to the North Wing.	12 June 2018

Officer Contact
If you have any questions about matters contained or want to see copies of any assessments, e.g. equality impact assessment, please get in touch with:

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

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Policy and Resources Committee

Item No 17.

Report title:	**Low Carbon Financial Instrument 2: an economic development funding opportunity**
Date of meeting:	**16 July 2018**
Responsible Chief Officer:	**Tom McCabe**

Strategic impact

Norfolk County Council has the opportunity to lead a regional Low Carbon Investment Fund over a 10 year period from 2019-2029, funded by the European Regional Development Fund. The Fund will invest £8m to support around 33 growing technology companies in the East of England with an average loan or equity investment of £245,000 per company, and leveraging in an estimated £19m private investment. The Fund would cover three LEP areas; New Anglia, Hertfordshire and the Cambridgeshire and Peterborough Combined Authority.

Taking on this role would enable the Council to maximise the opportunity for Norfolk businesses to benefit from investment from the Fund and would give the Council the ability to co-direct with UEA the reinvestment of returns. Norfolk County Council would therefore have a key role in the investment (and further re-investment) of investment returns in economic development activity over the long-term, a potentially significant opportunity for the Council.

Executive summary

Norfolk County Council has the opportunity to submit a European Regional Development Fund bid to lead a regional equity Low Carbon Investment Fund with £8m ERDF funding leveraging in up to £20m private sector investment for projects in three LEP areas including New Anglia.

The project would -

- Enable the Council to ensure that Norfolk businesses benefit as fully as possibly from the Fund, whose predecessor invested £3M in 18 companies in Norfolk and Suffolk, generating a further £5.5M private sector co-investment. The new Fund would also invest around £3m in Norfolk and Suffolk companies.

- Give the Council the leading role in reinvestment of returns from the Fund in the long-term, providing a new long-term source of funding for economic development activity, as returns are continually reinvested in relevant projects.

- Increase investment expertise within Norfolk County Council, at no cost to the Council, which could help enable us to exploit future equity investment opportunities which may arise in the post-Brexit funding landscape.

- Give NCC a leading regional role in overseeing the delivery of a unique equity investment fund aimed at growing smaller technology businesses, working in close partnership with UEA who are recognised specialists in this field.

- Bring in a management fee of £560,000 across 10 years to fully cover the limited staff costs of the required oversight role for the Council.

To take advantage of this opportunity Norfolk County Council needs to establish a Holding Company, in partnership with UEA, to deliver the project. This is on the advice of the Ministry for Housing, Communities and Local Government and has been confirmed in an independent feasibility study.

Recommendations:

1. **that Norfolk County Council will submit a bid to the Ministry for Housing Communities and Local Government for £8m ERDF funding to deliver the proposed Low Carbon Financial Instrument.**
2. **to receive a paper in due course with a proposal to set up a Holding Company, in collaboration with UEA, to run the project, alongside a proposal to appoint Directors.**

1. Proposal (or options)

1.1. The proposed Low Carbon Investment Fund (LCIF2) would deliver £8m equity investment, generally through loans convertible to equity, into businesses in the New Anglia LEP, Hertfordshire LEP, and Cambridgeshire and Peterborough Combined Authority areas. These investments are expected to leverage around £19m private sector co-investment, generating a total investment potential of around £27m.

1.2. The proposal follows the very successful Low Carbon Investment Fund 2010-20 (LCIF1) which the Adapt Low Carbon Group at UEA runs, and which invested over £20m in 45 companies across the East of England by 2015, leveraging in a further £49m from private sector co-investors. Due to a rule change, the successor project cannot be headed up by a university, and NCC was approached as the partner organisation with the greatest relevant expertise and capability.

1.3. Norfolk County Council would lead the new project, providing oversight and strategic direction, and working in close collaboration with UEA, who would manage the Fund. UEA will also reinvest some of the returns from the current LCIF1 in a £1.1m programme of investment-readiness support to sit alongside the investment within the project itself.

1.4. In order to take advantage of this opportunity, Norfolk County Council would need to set up a Holding Company to manage the funds, in collaboration with UEA, which would be the subject of a more detailed proposal to members in due course. This is required for the following reasons

1.4.1. It is the preferred mechanism for delivering projects of this type with ERDF funding and has been recommended by MHCLG and also by Blue Sky Corporate Finance, who have carried out an initial feasibility assessment for the project partnership. The proposed project model is the customary structure for projects of this type.

1.4.2. Except in the limited instances set out later in this proposal, it would enable any liability to be contained within the company, and shared between NCC, UEA and the Fund Manager which the Company would procure and appoint as a Limited Partner.

1.4.3. It would provide an eligible mechanism for NCC to work in partnership with UEA on the delivery of the Fund while retaining oversight of the whole project.

1.5. NCC would own a majority of the Holding Company and would appoint Directors as part of its Governance. If Members agree that NCC can submit a bid to deliver the project, the composition and remit of the Holding Company would be the subject of detailed assessment and a further report to Committee as stated in the recommendations.

1.6. Norfolk County Council would also, as the accountable body for the Fund, take the Secretariat role in an Investment Advisory Committee which would be set up to provide strategic direction for investments and would include representatives from all three participating LEPs.

1.7. The Fund would invest up to the end of 2023, when the current ERDF programme closes, and would have a further 5 years to bring in returns. At that point, in 2028, Norfolk County Council, in collaboration with the Steering Group (comprising LEP representatives or similar), would be required by the terms of their original contract to set up a Legacy Fund, normally for a further 10 years. The remit and constitution of this Fund would have to be approved by MHCLG and would enable the reinvestment of the projected £8m (minimum) returns from the original project in similar low carbon business innovation activity across the same regional geography.

1.8. At the end of the period of the Legacy Fund (around 2038), MHCLG (or equivalent) are unlikely to take an active role in monitoring the further use of the funding, although they will want to be assured that it will be used for economic development activity across the same regional area. NCC should have considerable freedom at this point to determine the use of any funds - for loans, investment or grants - in collaboration across the region. At the point of establishing the Legacy Fund in 2028, NCC would probably want to establish an exit strategy for the end of the Legacy Fund around 2038, which would establish parameters for future use of any returns and a decision making process.

2. Risks and financial implications

2.1. The funding for this project would be from the European Regional Development Fund. Provided the project is contracted by the end of March 2019, the funding is guaranteed by the UK Government for the full term of the project.

2.2. While some EU-funded programmes, especially those based on cross-border collaborations, have experienced some ‘dampening’ of interest as a result of the Brexit vote, this project would follow on directly from an existing Low Carbon Investment Fund, and would benefit from an existing strong pipeline of relevant businesses seeking investment.

2.3. The proposed model ring-fences the management of the project and its associated costs, to be paid from returns on investment over the 10 year lifespan of the project, with the principal returns coming in the 2nd 5 year period. Norfolk County Council would be able to claim up to a maximum of 7% of the funds (approximately £560,000 over 10 years) for eligible management costs (essentially oversight costs) incurred.

2.4. Almost all of the costs of management and delivery of the proposed Fund will be handled by the proposed Holding Company, set up by NCC and UEA to run the project. The £8m grant from ERDF is payable in 25% instalments, with the first 25% up front, and these would go straight to the Holding Company and Fund Manager to cover costs. These costs would include audit, and other essential compliance costs. The ERDF funding application would also apply to retrospectively cover the set up costs for the Holding Company, including legal fees.

2.5. There is a limited requirement for outline legal advice to support the application for funding, which can be funded from an existing European Regional

Development Fund (ERDF) project which supports the development of new ERDF projects. The proposed project would incur no other cost for Norfolk County Council over and above the very limited staffing costs of oversight and strategic direction for the project covered by the management fee cited above.

2.6. The financial risk to NCC of leading this project is extremely limited for the following reasons –

2.6.1. There is no penalty if investments fail; it simply means there will be no return on the initial outlay from those ERDF funds invested.

2.6.2. The investment model proposed is designed to reduce risk; initial investments are loans, only converted to equity on the basis of good performance, and the Fund Manager appointed as a Limited Partner in the Holding Company is incentivised to succeed through the procurement process.

2.6.3. Because the 7% management costs are only payable from the ERDF funding from returns on investment, Norfolk County Council would have to be prepared to cash flow these costs for the initial 5 year investment period of the project, reclaiming them from returns in the 2nd 5 year period. The risk of not being able to reclaim these funds is limited to a scenario where returns on the £8m invested were less than 7%. The extensive modelling in the feasibility study showing 100% returns indicates this would be highly unlikely. The current LCIF project has already delivered £4.5m investment returns, over 20% of the original £20.5m invested, with still over 2 years to go until the end of the project.

2.6.4. Errors in complying with the rules of the ERDF funding are unlikely as UEA and Norfolk County Council have a long and excellent track record in successfully delivering EU-funded projects without penalty. In any case, liability for the risk around compliance can be mitigated within contractual arrangements with UEA in setting up the Holding Company and in the procurement of the Fund Manager.

2.6.5. UEA is committing £1.1m of legacy funding from LCIF1, the original Fund, to support a package of investment-readiness activity to sit alongside the £8m investment vehicle. This funding is already available through investment returns and will be contracted as a UEA commitment in the process of setting up the Holding Company.

2.7. Principal specific liabilities for Norfolk County Council are –

Risk	**Mitigation**
Responsible to DCLG for compliance of LCIF 2 to Offer Letter	UEA have successfully run LCIF 1 with an excellent compliance record. Responsibility and accountability for compliance can be written into the partnership arrangement for the SPV and into the contractual arrangements with the Fund Manager.
Responsible to DCLG for Reporting & Monitoring	UEA and NCC have an excellent track record of compliance and effective reporting to ERDF and other EU programmes, including UEA's experience of running LCIF1.

Liable to DCLG for any ineligible investments	This is unlikely given the experience of compliant investment from UEA. It can also be mitigated through contractual arrangements and penalty clauses with the Fund Manager.
Because the 7% management costs are only payable from the ERDF funding from returns on investment, Norfolk County Council would have to be prepared to cash flow these costs for the initial 4-5 year investment period of the project, relying on reclaiming returns in the 2nd 5 year period to recoup funds.	The risk of not being able to reclaim these funds is limited to a scenario where returns on the £8m invested were less than 7%. The extensive modelling in the feasibility study showing 100% returns indicates this would be highly unlikely. Returns on the current project are running at over 20% with still 2 years to bring in returns, providing further reassurance.

3. Benefits of the proposal

3.1. The project would bring to Norfolk County Council:

3.1.1. **Leadership of a significant regional Low Carbon initiative**, delivering innovative business growth activity across three LEP areas. While Norfolk County Council couldn't direct investments, a leadership role provides the opportunity to structure the Fund opportunity and to direct its promotion, to ensure that Norfolk businesses get the greatest possible opportunity to benefit.

3.1.2. A **leadership role over long-term investment of returns** from the Fund's investments, and a role in the future investment of legacy returns from LCIF1. The current £20m fund is expected to at least recoup its investments by the end of 2020, and at the most optimistic prediction, could grow up to £30m. It has already been able to invest in the NCC-led £1.8m Invest East ERDF project which will support inward investment activity in 145 businesses in Norfolk and Suffolk. If Norfolk County Council leads the proposed £8m fund from 2019-2029, it will have the opportunity, in partnership with UEA, to influence the reinvestment of up to £40m returns in economic growth activity, and increase flexibility in how returns can be invested. This is an excellent opportunity for NCC to have access to a new and renewable source of funding for economic development activity in the longer term.

3.1.3. The **opportunity to enable investment in key growth businesses** for Norfolk, as the case studies from the previous Low Carbon Investment Fund cited below show.

3.1.4. A **close partnership with UEA in a field where they are recognised leaders on low carbon innovation**, but where NCC and partners also have a key interest, through involvement in renewables and other low carbon initiatives and the likely new impetus from the proposed East of England Energy Hub.

3.1.5. The **investment expertise** to help Norfolk County Council to exploit relevant funding opportunities post-Brexit, at no cost to the Council.

3.1.6. A management fee of £560,000 over 10 years. This covers incurred costs but enables the Council to develop expertise in managing a financial instrument at no additional cost. This may be especially beneficial if more future Government funding is delivered through loans or equity as predicted.

3.1.7. Considerable low carbon benefits for the region, with a projected saving of

9,000 tonnes CO_2 every year for the funding period.

3.2. The Fund would:

3.2.1. provide an estimated additional £12M - £19M private sector investment

3.2.2. enable the growth of up to 75 knowledge intensive, innovative businesses

3.2.3. enable the creation of at least 10 new businesses

3.2.4. create approximately 160 new high value jobs

3.2.5. save a minimum of 9000 tonnes CO_2 every year for the funding period

3.3. It would do this through -

3.3.1. 5 years of targeted investment followed by 5 years to bring in returns for re-investment and to cover costs.

3.3.2. A range of investments from £25,000 to £750,000. Initial investment will be capped at £60,000 with further investment in companies which show encouraging progress.

3.3.3. Investing in around 33 companies with £245,000 average investment in each company.

3.4. A typical investment example from the current LCIF project is the £75,000 investment in MSF Technologies, a highly innovative engineering company based at Hethel Innovation which was funded by LCIF at start-up and has raised major additional investment to bring a suite of new innovative energy efficiency products to market in the automotive and power sectors. Fast-growing, the company has created over 70 new jobs since LCIF investment in 2014 and has big plans for further expansion.

3.5. Other examples include –

3.5.1. **Ablatus** is a med-tech spin out from the Norfolk & Norwich Hospital. Following £75,000 LCIF investment in 2015, additional investment was secured from local angel investors. Due to the successful development of the company they have now secured £1.5M investment from a major med-tech funder to accelerate technology development and bring new products to market.

3.5.2. **Signplay** is a Loddon-based smart solutions company developing Enlight products for the growing Internet of Things, market enabling smart monitoring, data collection and control of facilities across communities and estates. Their business demonstrates high value innovation in the facilities management arena. Following LCIF investment of £75,000 in 2014, an additional £1M was raised from the private sector.

4. Evidence to support the proposal

4.1. The feasibility of the proposed model in relation to compliance with the funding rules has been investigated in detail by Blue Sky Corporate Finance, on behalf of the project Steering Group comprising representatives of New Anglia LEP, Hertfordshire LEP, Cambridgeshire and Peterborough Combined Authority and Norfolk and Suffolk County Councils. MHCLG have confirmed to the Steering Group that this model is the customary method of managing Funds of this type and would fulfil their funding rules.

4.2. Blue Sky are specialists in Financial Instruments, and in the particular rules around setting them up with ERDF funding. Their Ex Ante analysis report is available on request and has been shared with the Director of Finance. It sets out in detail a model for the management of the project as outlined above and considers the feasibility and likely returns of the Fund proposal as an investment vehicle.

4.3. The feasibility of the proposal has been further tested in the submission of an outline application to MHCLG for a new LCIF2 based on this model with UEA as the applicant on behalf of the Steering Group in 2017. While it was determined that UEA was not an eligible applicant under new regulations as outlined above, feedback on the outline application was broadly positive, with no significant queries raised on the project model.

4.4. The overall aim of the proposal is to develop a successor project to the Low Carbon Innovation Fund which UEA has run from 2010-2020. Between 2010 and the ERDF deadline of December 2015 the fund invested the whole £20.5M into a portfolio of 45 companies in around 90 investment rounds, leveraging a further £49M from private sector co-investors. 18 of the companies receiving investment were in Norfolk and Suffolk, receiving £3M from LCIF alongside a further £5.5M private sector co-investment. The Fund fills an identified gap in the availability of small-scale investment finance.

4.5. Options for creating a successor Fund with the public funding currently available through the ERDF programme have been considered as follows –

Option	**Conclusion**
UEA to apply direct to ERDF to deliver a new successor project on behalf of the 3 LEP Steering Group.	UEA is not an eligible applicant under new rules which require a ‘governmental body’ to act as the applicant.
British Business Bank or similar financial institution to act as the applicant	The British Business Bank considers the proposed fund to be too small to take on.
Other eligible members of the Steering Group to take on the role of Entrusted Entity to lead the project	Only the Councils on the Steering Group would be eligible for this role. Norfolk County Council was deemed the strongest option because of our background in running EU projects and programmes. Other Councils did not feel they had the necessary skills to take this lead role.
It has been agreed by the Steering Group and UEA that unless Norfolk County Council takes on the Entrusted Entity role, the proposed Fund outlined here cannot be established, especially as the project would have to be contracted by the end of March 2019 to secure EU funding, so there is a limited time available to set up the project.	

5. Fund operation and background

5.1. As accountable body and applicant, Norfolk County Council would –

5.1.1. Be responsible for checking and forwarding monitoring reports to the MHCLG European Regional Development Fund team.

5.1.2. Carry out a review and oversight role over the Fund and its activity, checking that compliance with Fund rules is achieved.

5.1.3. Carry out the Chair and Secretariat role on the Investment Advisory Panel at the heart of the project model, providing strategic direction to investments.

5.1.4. Have the opportunity to connect our own expertise in business development and low carbon initiatives with the investment readiness business support available at UEA.

5.2. The proposed Holding Company set up by Norfolk County Council with additional Directors from UEA and the Fund Management organisation would be responsible for –

5.2.1. Delivery of the project including all evidence required by the funder (checked by NCC as applicant)

5.2.2. Fund management and compliance with relevant financial regulations (with strategic direction from NCC)

5.2.3. Investment readiness activity and the creation of a pipeline of businesses to consider for investment (funded by returns from LCIF1 by UEA).

5.3. While individual investment decisions would be made independently, NCC will be in a strong position to put Norfolk businesses forward for support with investment readiness, and therefore potentially for investment from the Fund.

5.4. The proposed Low Carbon Investment Fund 2 (LCIF2) builds on the success of its predecessor, run by UEA from 2010-2020.

5.4.1. LCIF 1 was a venture capital investment fund which received £20.5m of ERDF grant from 2010 and was operated by the University of East Anglia. The initial fund strategy was to invest amounts between £100k - £750k per round alongside private co-investors into SMEs in the EEDA East of England region who were developing products and services with environmental benefits through innovation and energy or resource efficiency savings.

5.4.2. Between 2010 and the ERDF deadline of December 2015 the fund invested the whole £20.5M into a portfolio of 45 companies in around 90 investment rounds, leveraging a further £49M from private sector co-investors.

5.4.3. Of the total portfolio of 45 investee companies 18 of these were based in Norfolk and Suffolk. Collectively these received £3M from LCIF alongside a further £5.5M private sector co-investment.

5.5. A strong network of investors, entrepreneurs, mentors and advisory professionals has been developed and can now be described as a thriving business eco-system which can facilitate the support and successful growth of the early stage businesses LCIF was designed to help.

5.6. There are currently over 20 Norfolk and Suffolk companies in the investment application pipeline awaiting new funding opportunities UEA is unable to progress these through lack of available funds.

5.7. There is considerable appetite across the East of England to develop a new Low Carbon Investment Fund (LCIF2), as outlined in this proposal.

5.7.1. There is a Steering Group comprising representatives of New Anglia LEP, Hertfordshire LEP, Cambridgeshire and Peterborough Combined Authority and Norfolk and Suffolk County Councils.

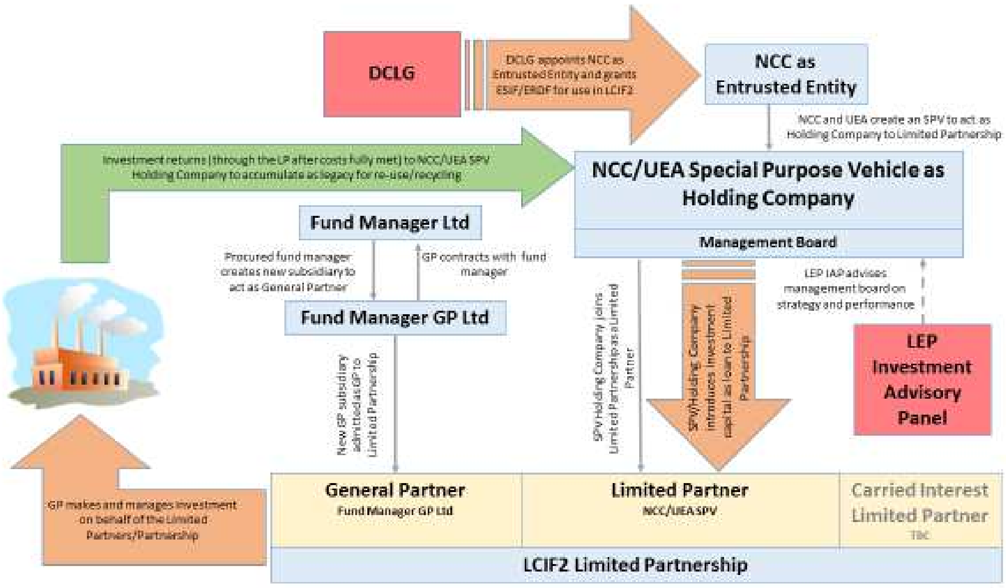
5.7.2. The Steering Group partners have funded a formal detailed assessment of the feasibility of a new project from Blue Sky Corporate Finance, specialists in ERDF Financial Instruments.

5.7.3. The proposal is to invest at least £8m of ERDF funding from the Low Carbon priority allocations across partner LEPs. This is a smaller investment than the previous LCIF1, but the feasibility study (Ex Ante Assessment) has shown that the model is viable in principle.

5.7.4. An outline application has already been submitted to MHCLG for a new

LCIF2 based on this model with UEA as the applicant on behalf of the Steering Group. Feedback on the outline application was broadly positive, with no significant queries raised on the project itself, so the need to identify a new eligible 'entrusted entity' is the key issue.

5.8. The structure for the proposed project, which has already received outline approval from MHCLG apart from the need to appoint a local authority as the Entrusted Entity, is as follows. It was developed by Blue Sky Corporate Finance and is a widely accepted model for projects of this type.



5.9. The diagram above shows:

5.9.1. NCC as Entrusted Entity, setting up a Special Purpose Vehicle with UEA which delivers the project, making investments and receiving returns from investment.

5.9.2. The Special Purpose Vehicle (SPV) procuring a Fund Manager who then becomes a 'General Partner' in the SPV, sharing liability for the successful delivery of the project.

5.9.3. NCC convening and chairing the Fund's Investment Advisory Panel which provides strategic direction for project investments, and providing the Secretariat for that Panel.

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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Policy and Resources Committee

Item no 18

Report title:	**Effecting a Smooth and Timely Transition from a Committee to a Cabinet System of Governance**
Date of meeting:	**16 July 2018**
Report of:	**Chairman of the Cabinet System of Governance Working Group**

Executive summary

This paper sets out progress made in transitioning from a Committee to a Cabinet system of governance. A politically balanced Working Group was established in line with the decision of Policy and Resources Committee, to develop and recommend a structure. The report provides an update on the Working Group's activities and proposes an outline structure for endorsement and further development by officers.

The Committee is invited to:

1. note the progress made by the Working Group;
2. note the milestones for further activity (Appendix 1);
3. endorse:
    - The principles of the new governance system (paragraph 3.1)
    - The proposed approach to the scheme of delegation (paragraph 4.1)
    - The proposed scrutiny structure (paragraph 5)
    - The overall proposed structure for further detailed development by officers (Appendix 2).

1. Introduction

1.1 The Administration has been clear that it is committed to returning to the Cabinet system of governance from the current Committee system as soon as legally possible, subject to a decision of the Council. On September 25, 2017, the Policy and Resources Committee resolved to establish a Working Group of 7 Members, politically balanced, to consider and make recommendations on the reintroduction of a Cabinet System. The Membership is Councillors Proctor (Chairman), Borrett, FitzPatrick, Long, Plant, Morphew, and Roper. Cllr Castle is invited to attend as a non-appointed Member.

1.2 The Terms of reference of the Working Group are to:

− Agree a set of principles for the new governance system

− Develop proposals for an effective cabinet and scrutiny structure

− Agree on relevant training for members in effective scrutiny

- Make recommendations in relation to the new system to the Policy and Resources Committee
- Recommend a new form of constitution, reflecting the Policy and Resources Committee's recommendations, to the Constitution Advisory Group.

2 Progress

2.1 The Working Group has met on 5 occasions – 5 February, 26 March, 2 May, 16 May and 26 June 2018.

- 5 February 2018 – considered and agreed some draft principles for the new Executive arrangements and a report into the effectiveness of scrutiny.
- 26 March 2018 – finalised the proposed principles of Executive arrangements and had an initial discussion on a possible non-executive and scrutiny structure.
- 2 May 2018 – received a briefing note on the legal framework for the relative roles of Council and the Executive, considered detailed proposals and options for the scrutiny model and agreed an approach to the scheme of delegation.
- 16 May 2018 – considered detailed information on the health scrutiny function and the possible role and functions of Select Committees.
- 26 June 2018 – considered and endorsed a draft structure chart and an updated timeline for recommendation to this Committee.

3. Principles

3.1 To assist in the preparation of the Constitution, the working group agreed a set of principles to underpin and guide the development work as follows:

Transparency:

- Holding meetings in public wherever possible, except where prevented from doing so by law. Consider webcasting public meetings
- Airing/considering the significant issues in public
- Publishing information
- Collective executive decision-making (as opposed to single member) other than for minor administrative decisions
- Clear terms of reference for Full Council, Cabinet, Regulatory and Non-Executive Committees
- Opportunities for public questions
- Presumption that meetings would be held in public
- Group Leaders' meetings
- Public input into scrutiny
- Clear record of the decision-making process.

Focus:

- Clear role for full Council
- Members should focus on the key decisions, and delegate other issues to Chief Officers
- Engage backbench members through effective, value-adding scrutiny and policy development

Efficiency:
- Timeliness
- Minimise the administrative burden of the meetings schedule
- Clear, concise Constitution
- Effective urgency provisions

Robust decision-making:
- Take account of professional advice of statutory officers
- Appropriate consultation
- Actions in proportion with what the Council wants to achieve
- Clear decisions
- Lawful, including human rights legislation, equalities and disabilities
- Evidence based data.
- Consider how back-benchers could attend and speak at meetings.

Inclusivity:
- Ensure channels for public, opposition and backbenchers to participate in and influence decision-making
- Be clear how confidential reports would be made available to Councillors not on a Committee (Access to Information Regulations)

Accountability
- Effective scrutiny to hold the Executive and portfolio holders to account
- Effective overview

Integrity and ethical conduct:
- Member Code of Conduct
- Member/Officer working protocol

Engagement with citizens and stakeholders

3.2 The Committee is recommended to endorse the above principles.

4. Scheme of Delegation

4.1 The Working Group considered what the approach to the scheme of delegation should be. It was noted that under the previous Cabinet system and in the current committee system, there was a complex and inflexible scheme of delegation which was not always conducive to the needs of a large and responsive Council. In particular, it was felt to be too detailed and the Working Group agreed that they favoured the Cumbria County Council style general scheme of delegation which was simpler, broader and would allow for clear and accountable decision making, together with sufficient flexibility and fleetness of foot (https://www.cumbria.gov.uk/council-democracy/constitution/part3/default.asp). Officers were asked to work up a scheme accordingly.

5. Overview and Scrutiny

5.1 The Group agreed that it wished to establish a structure where a single body (the Scrutiny Committee) scrutinised the Cabinet and conducted call ins but also conducted the wider Council wide scrutiny function. In addition, there would be 3 overview bodies (Select Committees) to support policy development. In principle it was proposed that an opposition Member would chair the Scrutiny Committee. The

Working Group agreed the general and specific roles of Select Committees would be as follows:

General Role of Select Committees:

- Assist and advise on the development of new policy or reviewing current policy, making reports and/or recommendations to the full Council, the Cabinet and/or relevant partners in connection with the discharge of any functions;
- Respond to direct requests from Council or the Cabinet when appropriate;
- Consider any matter affecting the area or its inhabitants including any matters raised by a Councillor Call for Action.

Specific Role of Select Committees:

- Assist the Council and the Cabinet in the development of its budget and policy framework by in-depth analysis of policy issues;
- Conduct research, community and other consultation in the analysis of policy issues and possible options;
- Consider and implement mechanisms to encourage and enhance community participation in the development of policy options;
- Question members of the Cabinet and Directors on issues and proposals affecting the County Council's area;
- Liaise with other external organisations operating in the area, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working;
- Work with relevant external organisations which impact on the County Council's functions or services;
- Review the performance of other public bodies in the area and invite reports from them by requesting them to address the Select Committee and local people about their activities and performance;
- Make recommendations to the Cabinet, Council or relevant partner organisations as appropriate.

5.2 The Group considered several models from other County Councils - Warwickshire, Staffordshire, Cumbria, Gloucestershire and Hertfordshire. The Group was clear that these bodies needed to be forward-looking, cross cutting, outward facing and flexible in their terms of reference to make sure silos were not created. Members favoured a 3 "Select Committee" model and asked that officers develop options. Members agreed that the existing Norfolk Health Overview and Scrutiny Committee and Health and Wellbeing Board should continue. The Group considered detailed possible allocations of functions for the following models of Select Committees:

- Healthy Norfolk, Safe and Strong Communities, Corporate, Prosperous Norfolk;
- Corporate, People, Infrastructure

5.3 Following their deliberations Members recommended the following Select Committees:

- People
- Communities
- Corporate

6. Regulatory and Joint Committees

6.1 At its meeting on 26 March, the Working Group considered the issue of Regulatory Committees (i.e. Planning Regulatory Committee, Pensions, Personnel etc.). The Group agreed that the General Purposes Committee (which had not met for many years) should be discontinued, with any residual functions such as registering common land, certain decisions on public rights of way etc. being picked up by other non-executive Committees such as Planning Regulatory Committee.

6.2 Comparison with other local authorities had shown that decisions relating to HR/Personnel matters were generally delegated to the Head of Paid Service and other Directors, with Members being only convened as a panel/body to consider non-executive issues such as senior appointments/employment appeals. This is reflected in the diagram of the proposed structure set out at appendix 2 and subject to further Member consideration.

6.3 The Working Group considered that there was no merit in amalgamating Standards and Audit Committees and these should remain stand-alone bodies.

6.4 The Working Group did not recommend any changes to the Joint Committees.

7. The Cabinet

7.1 The Working Group noted that the arrangements for the Cabinet (i.e. the number of Cabinet members and their portfolios) will be within the authority of the Leader. The Group therefore decided that it was not appropriate for the Group to express a view.

8. Timetable

The Working Group has been working towards the following timescale which Member are asked to note.

Activity	Timescale
Recommend proposals to P&R	Monday, 16 July, 2018
Development of Constitution	August/September 2018
Revised Constitution to CAG	October 2018
Recommend Constitution to P&R	November 2018
P&R recommends to Full Council change to system of governance with new Constitution	December 2018
Training for Members on scrutiny and new Constitution	January – March 2019
Change to Cabinet System of governance effective	AGM May 2019

9. Financial Implications

9.1 This report suggests a new governance structure for Council. The cost of the new structure will depend on the practicalities of its operation (for example officer support). Once the structure has been developed further, then it will be possible to be clearer as to what the costs of the new system will be.

10. Issues, Risks and Innovation

10.1 The risks of reverting to the Cabinet system have been mitigated by setting some clear principles which are based on lessons learned from Norfolk and other Councils. By identifying these and building on best practice from comparable Councils, it is suggested that the risks will be minimised. The Practice Director of NPLaw will be undertaking the detailed drafting of the constitution to ensure it is compliant and will meet the needs of the Council.

11. Conclusions

10.1 The Working Group has made good progress and has developed and recommended to this Committee an overall structure for consideration and approval.

12. Recommendations

To:

1. note the progress made by the Working Group;
2. note the milestones for further activity (Appendix 1)
3. endorse:

- The principles of the new governance system (paragraph 3.1)
- The proposed approach to the scheme of delegation (Paragraph 4.1)
- The proposed scrutiny structure (Para 6)
- The overall proposed structure for further detailed development by officers (Appendix 2)

Officer Contact

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

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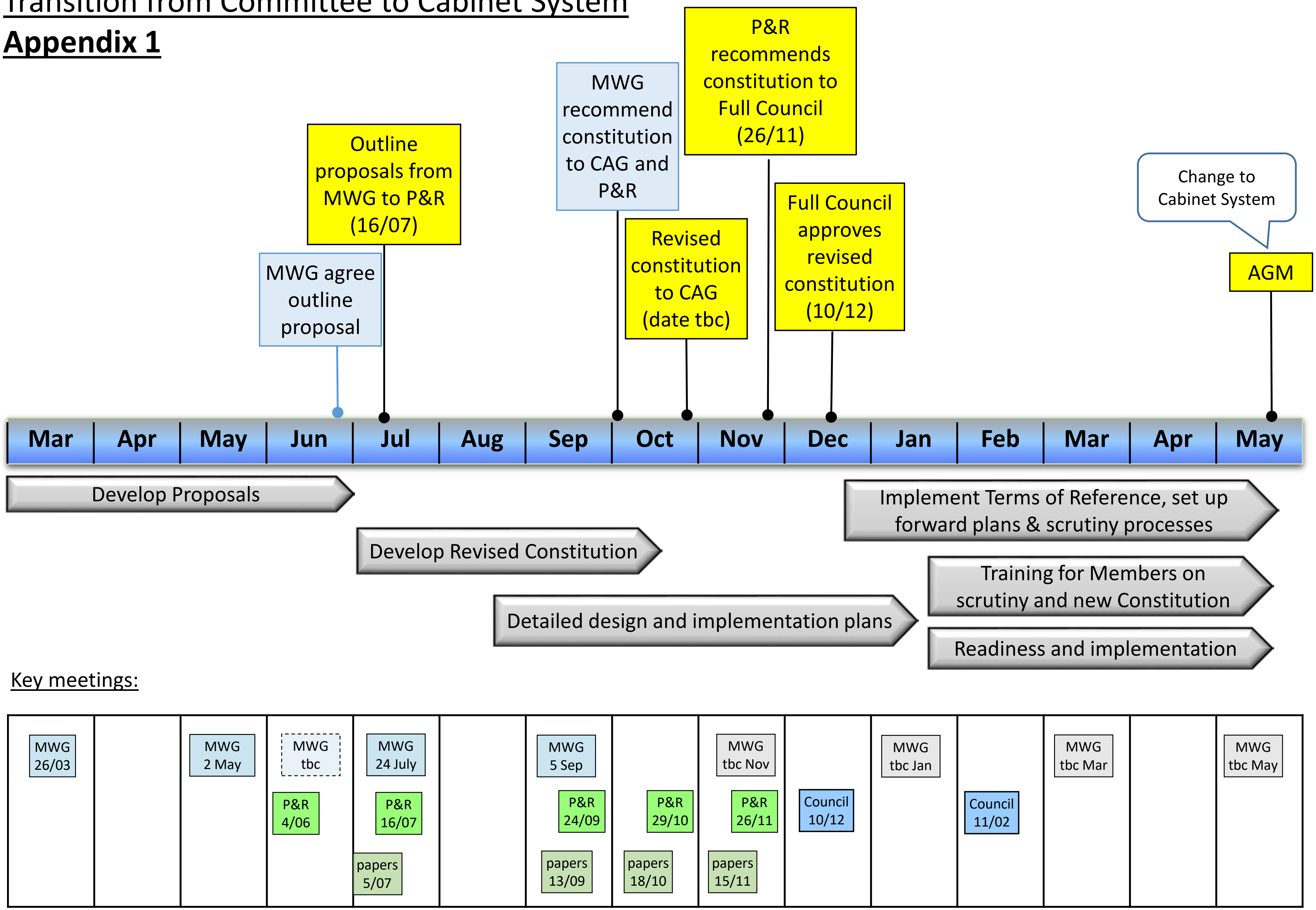
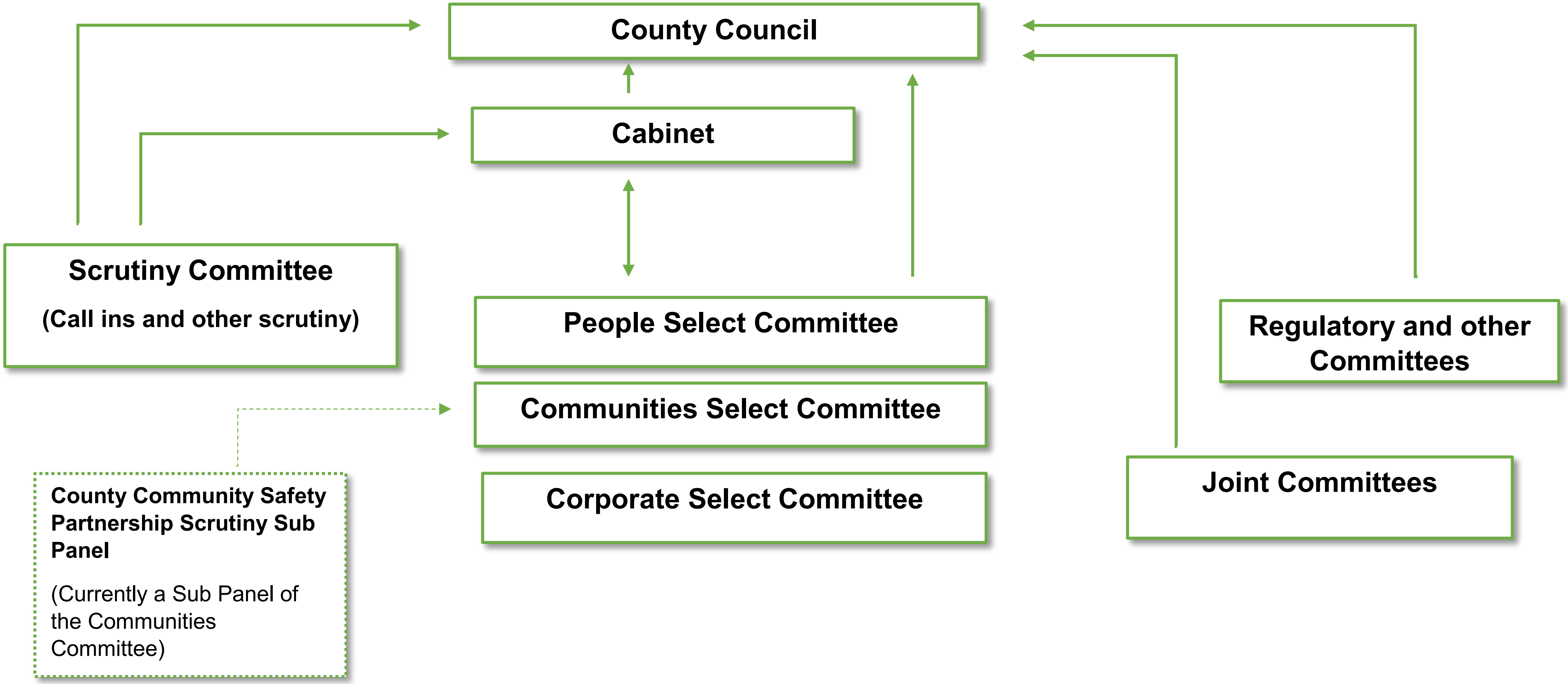
Transition from Committee to Cabinet System

Appendix 1

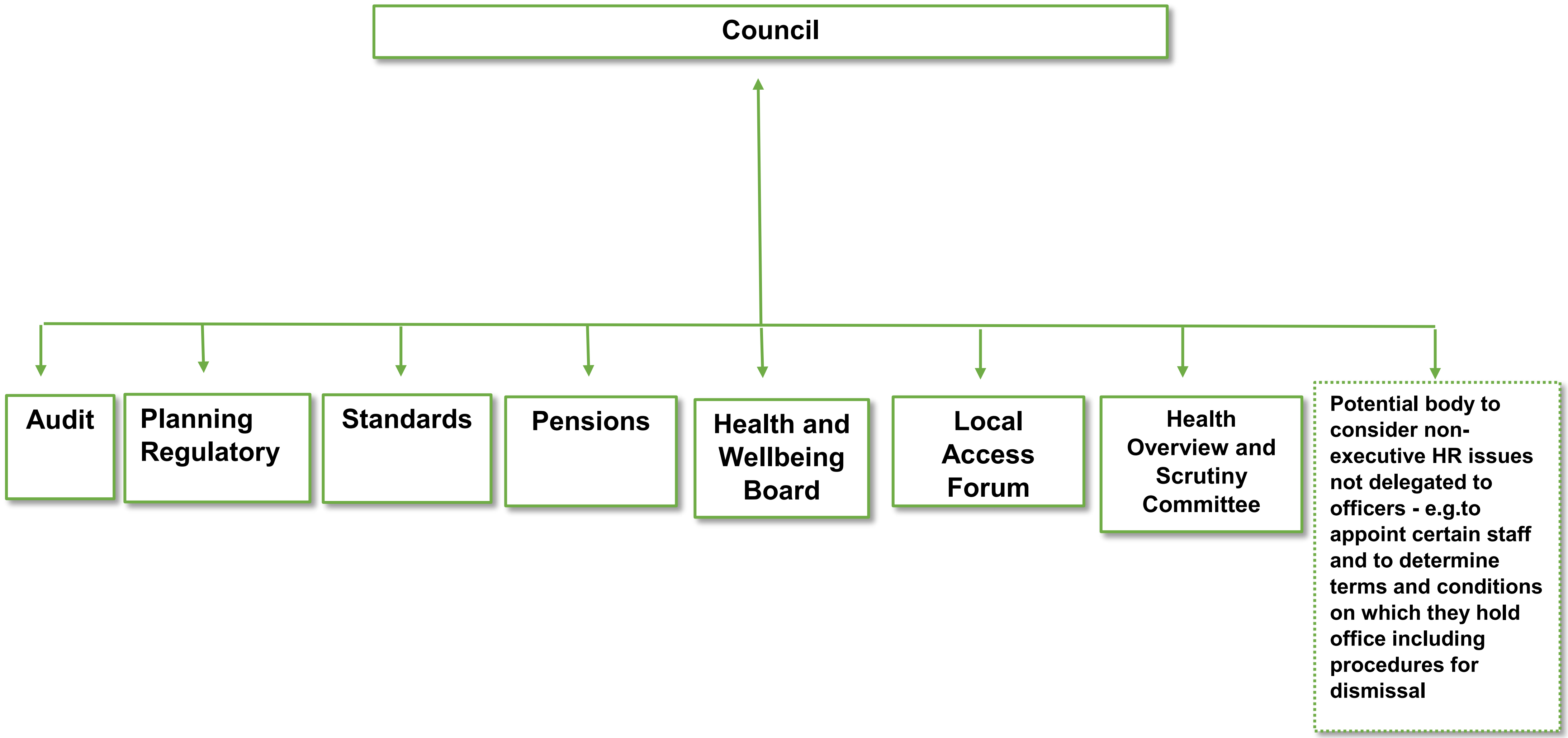


Appendix 2

Proposed Draft Structure



Regulatory and other Committees



Joint Committees

Council

- **Norfolk Records Committee**
  (Established by participating authorities)
- **Norfolk Joint Museums Committee**
  (Established by the Norfolk Museums Agreement)
- **Norfolk Parking Partnership**
  (Established by a legal agreement for joint provision of civil parking enforcement)
- **Norfolk Police and Crime Panel**
  (Statutory)
- **Norwich Joint Highways Committee**
  (Established under the Norwich Highways agreement)