

Policy and Resources Committee

Date: **Monday, 20 July 2015**

Time: **10 am**

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

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

Membership

Mr G Nobbs (Chair)

Mr S Agnew
Mr M Baker
Mr B Borrett
Mr M Castle
Mr A Dearnley
Mr C Jordan
Mrs J Leggett
Mr I Monson

Mr S Morpew
Mr A Proctor
Mr D Ramsbotham
Mr D Roper
Mr R Smith
Dr M Strong
Mrs A Thomas
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 5)

To agree the minutes from the meeting held on 1 June 2015.

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. 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 15 July 2015**

Section A – Items for Discussion and Decision/Action

6. **Re-Imagining Norfolk – Service and Financial Planning 2016-19 for Policy and Resources** (Page 23)
Report by Executive Director of Resources and Executive Director of Finance
- 7a. **Delivering Financial Savings 2015/16** (Page 62)
Report by Executive Director of Finance
- 7b. **2015/16 Financial Monitoring** (Page 88)
Report by Executive Director of Finance
- 8 **The Role of “Administration” and “Opposition” under a Committee System** (Page 124)
Report by Head of Law and Monitoring Officer
- 9 **Internal and External Appointments** (Page 133)
Report by Executive Director of Resources
10. **Extension of BT Contracts for NCC’s corporate voice and data network and ancillary services** (Page 139)
Report by Executive Director of Resources
11. **Norwich International Aviation Academy** (Page 142)
Report by Executive Director of Community and Environmental Services

Section B – Items for Report

12. **Quarter 4 Performance and Risk Monitoring Report** (Page 149)
Report by Executive Director of Resources
13. **Health, Safety and Well-Being Annual Report** (Page 165)
Report by Executive Director of Resources

Section C – Exempt Items

14. Exclusion of 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 below on the grounds that it involves the likely disclosure of exempt information as defined by paragraph 3 of Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The committee will be presented with the conclusions of the public interest tests carried out by the report author and is recommended to confirm the exclusion.

15. Norwich International Aviation Academy—Exempt Appendix (Page 201)

Report by Executive Director of Community and Environmental Services

16. Proposed acquisition of land using compulsory purchase powers at London Road, Attleborough for a new primary School (Page 204)

Report by Executive Director of Finance and Interim Director of Children's Services

Group Meetings

Conservative	9:00am	Conservative Group Room
UKIP and Independent Group	9:00am	UKIP and Independent Group Room
Labour	9:00am	Labour Group Room
Liberal Democrats	9:00am	Liberal Democrats Group Room

Chris Walton
Head of Democratic Services

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Date Agenda Published: 10 July 2015



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Policy and Resources Committee

Minutes of the Meeting Held on Monday 1 June 2015

10:00am Edwards Room, County Hall, Norwich

Present:

Mr G Nobbs (Chair)

Mr S Agnew
Mr M Baker
Mr D Blake
Mr B Borrett
Mr M Castle
Mr A Dearnley
Mr C Jordan
Mrs J Leggett

Mr I Monson
Mr S Morpew
Mr A Proctor
Mr D Ramsbotham
Mr D Roper
Mr R Smith
Dr M Strong
Mrs A Thomas

Other Members Present:

Mr R Coke
Mr J Joyce
Mr P Smyth
Mrs S Whitaker
Mr B Spratt
Ms E Morgan
Ms A Kemp
Mrs C Walker

1. Apologies

- 1.1 There were no apologies for absence

2 Chairman's Announcements

- 2.1 The Chairman pointed out that this was the first meeting of the Committee where the Service Committee Chairs were formally attending as part of the changes introduced following the governance review.
- 2.2 The Chairman welcomed to the meeting Mr D Roper, as the new Vice Chair, Mr D Blake as a newly elected member who had been appointed to serve on the Committee, and Simon George as the new Executive Director of Finance.
- 2.3 The Chairman said that officers had asked to withdraw the report that was at item 10 on the agenda. He said that he had agreed to this and that any necessary budget revisions would be brought back to a future meeting of the Committee.

3 Minutes

The minutes of the two previous meetings held on 23 March 2015 and 20 April 2015 were confirmed by the Committee and signed by the Chairman.

4 Declarations of Interest and Items of Urgent Business

4.1 There were no declarations of interest and no items of urgent business.

5 Local Member Issues

5.1 There were no local Member issues.

6 Implications for NCC following the general election 2015

6.1 The annexed report (6) by the Managing Director was received. The report provided information to assist the Council in anticipating potential national policy changes as it developed its multi-year financial and strategic plans.

6.2 The Committee also received a supplementary briefing on the Queen's speech which was circulated to Members prior to the meeting, following a review of the Queen's speech published on 27 May 2015.

6.3 The Committee was asked to consider whether any specific action was required to make sure the Council's medium term financial and strategic plans took account of the implications highlighted in the report.

6.4 Dr M Strong said that she had a number of concerns about a government proposal to enable the extension of Right to Buy levels of discount to housing association tenants. She said that this proposal was particularly, but not exclusively, of concern to those living on the North Norfolk Coast where there were parishes with high numbers of second homes and the price of properties was often beyond those on low incomes. She said that for many years Norfolk residents had bequeathed houses and money to fund independent housing organisations and yet the money obtained now or in the future from discounted houses would not necessarily be used to build new properties in the same neighbourhoods. Dr Strong gave examples of housing associations from within her own division such as the 'Blakeney & Neighbourhood Housing Association' which was a private organisation operating since the war, based on properties and monies donated and run by volunteers, and in Wells-next-the-Sea 'Homes for Wells', an organisation similarly based on bequests, donations and volunteers. She added that whilst mainstream housing associations were seeking legal advice these local organisations did not have access to the funding necessary for such advice.

6.5 Dr Strong said that because the Government had not yet fully decided how it was going to implement its pledge to extend the right to buy to tenants of housing associations the following questions should be put before the new Secretary of State for Communities and Local Government directly and through the Norfolk MPs:

Firstly:

Question to Greg Clerk MP, the new Secretary of State for Communities and Local Government, asking him to put this concern to rest by stating that local housing organisations, such as at Blakeney and Wells, would be specifically excluded from the proposal.

Secondly:

Regarding all housing associations there was concern as to the wording of the Government's pledge which would allow the Government to widen access to home ownership by extending the 'right to acquire' rather than introducing a new right to buy.

Question to the Secretary of State for Communities & Local Government:

Is the Government considering widening access to home ownership by extending the 'right to acquire'?

6.6 RESOLVED (by 9 votes in favour and 0 votes against)

That the questions mentioned at paragraph 6.5 of these minutes should be asked of the Secretary of State for Communities and Local Government directly and through the Norfolk MPs.

- 6.7 Other Members then spoke about the importance of the Council continuing to focus on the key issues facing Service Committees that were set out in the report that would shape the Council's multi-year financial and strategic plans over the next five years.

6.8 It was then further RESOLVED

That the Committee note the likely direction of national policy development during the current Parliament and the potential implications associated with such development that were highlighted in the report.

7 Re-imagining Norfolk-a medium term strategy and financial plan

- 7.1 The annexed report (7) by the Managing Director was received. The report provided a strategic framework for the County Council to re-focus its role and pursue its priorities within a radically reduced level of resources.
- 7.2 The Managing Director said that the Council would need to adopt a significantly different approach to the way in which it delivered its services in future, given the likely financial prospects for the Council that lay ahead. The Managing Director highlighted the work on devolution that was being done by Norfolk's Leaders making it clear that with fewer resources the future lay in working effectively across the whole public service on a local basis. She said that with fewer resources the goal was for people to experience a coherent 'public service' across Norfolk, regardless of jurisdictions or constraints about who did what.
- 7.3 Mr D Roper commended to the Committee the approach outlined by the Managing

Director, particularly the importance of a multi-year strategy. He stated that the Council must focus on performance and approach the budget in terms of making the case for spend rather than just cuts. Mr Roper further added that service committees modelling their services on 75% of addressable spend was an essential exercise to give Members choice and this should involve any “tipping points” where services would substantially change.

- 7.4 Mr B Borrett asked the Managing Director for a written explanation of what was meant by the words at paragraph 5.2 F of the report about “the Council’s addressable revenue budget” and how this compared with the Council’s “total revenue budget”. In reply, the Managing Director said that these two terms were explained in a detailed note that had gone before a recent member workshop session and that she would reissue this note to Members.
- 7.5 In reply to further questions, the Managing Director confirmed that the revenue implications of the capital programme would be considered at future meetings of the Committee. She also said that future reports that were brought before the Committee would place emphasis on the duties and responsibilities of Councillors as well as the duties and responsibilities that were placed on the Council.
- 7.6 Mr Dearnley suggested that Service Committee should be asked to model their services on having 85% of their current spend as well as on having 75% of their current spend. In reply, the Chairman said that he would expect Service Committees to come up with a range of expenditure options that took account of this suggestion.
- 7.7 Mrs Thomas suggested that Service Committee’s should distinguish between what were statutory and what were non-statutory responsibilities.
- 7.8 **RESOLVED** (by 8 votes in favour and 0 votes against and 9 abstentions):

That the Committee:

1. Agree to develop a multi-year strategy for Norfolk County Council, underpinned by robust medium term financial and performance plans.
2. Note and comment on Re-Imagining Norfolk, and agree to this as a framework for the Council’s multi-year strategy.
3. Request that Service Committees in July, model their services based on having 75% of their current overall spend as set out in Section 9.
4. Agree the approach to wider engagement as set out in Section 10 and ask officers to take forward the work outlined in Section 9.

8 Delivering DNA

- 8.1 The annexed report (8) by the Executive Director of Resources was received together with the appendix to the report (that was at item 19 on the agenda) which contained exempt financial information. The report updated the Committee on the latest developments concerning the DNA (Digital Norfolk Ambition) partnership with Hewlett Packard which was established in December 2013 to deliver step changes in terms of ICT provision at NCC.

- 8.2 The Committee was asked to consider excluding the public from the meeting under Section 100A of the Local Government Act 1972 for consideration of the information contained in the appendix to the report (at item 19 on the agenda) on the grounds that it involved the likely disclosure of exempt information as defined by paragraph 3 of Part 1 of the Schedule 12A to the Act, and the public interest in maintaining the exemption outweighed the public interest in disclosing the information.
- 8.3 Paragraph 3 concerned “information relating to the financial or business affairs of any particular person” (including the Authority holding the information).
- 8.4 Having applied the “Public Interest Test” it was **RESOLVED** (by 9 votes in favour and 1 vote against and with 7 abstentions) to confirm the exclusion listed below:-
- The exempt annex to the report contained information about Hewlett Packard’s (HP) pricing at a level of detail and in a form which would permit other providers to draw inferences about HP’s pricing strategy which might disadvantage HP in future tenders for similar services.
- The public interest in upholding HP’s legitimate expectation of confidentiality and in maintaining potential bidders’ confidence in the Council’s protection of commercially sensitive information outweighed the public interest in transparency.
- 8.5 After the Committee had considered the exempt information the public were readmitted to the committee room.
- 8.6 Officers confirmed that many of the earlier vulnerabilities in the DNA project had now been successfully addressed and that service departments were in the process of carrying out appropriate tests on software applications in order that the remaining devices could be deployed prior to 31st December 2015.
- 8.7 In response to Members’ questions, it was pointed out that, partly due to an underinvestment of resources at the start of the DNA project, the completion of the “device roll out” stage of the project had slipped from March 2015 to 31st December 2015 and that the “server refresh” stage of the project had slipped from December 2014 to December 2015. Officers also confirmed that HP was undertaking a joint information project with the Council under the DNA contract to give better access to social care cost information.
- 8.8 Mr B Borrett asked for a written response after the meeting to confirm the timetable for the completion of the DNA project (and how this varied from the original timetable) and to explain what (if any) impact the delays would have on the Council achieving its budget savings.
- 8.9 Mr C Jordan suggested that the Committee should set up a small working group to consider progress with the completion of the project and this was unanimously supported by all Members of the Committee.
- 8.10 **RESOLVED**

That the Committee:

1. Authorise the Group Leaders to establish a small working group to examine progress with the implementation of the DNA project.
2. Note that DNA was essential to resolving a number of critical issues for the Council – in particular better use of information and better targeting of resources.
3. Note the mitigating actions that were in place to address delays to progress of the technical delivery.

9A 2014-15 Revenue Outturn Report

- 9 A.1 The annexed report (9A) by the Executive Director of Finance was received. This report gave details of the outturn position for the 2014-15 Revenue Budget, General Balances, and the Council's Reserves at 31 March 2015, together with related financial information.
- 9 A.2 The Executive Director of Finance said that he would look into a suggestion from Members of the Committee that service departments should in future be expected to meet their debt write offs from within their own budgets rather than general balances and that he would report back to the Committee on this matter.
- 9 A.3 The Executive Director of Finance agreed to let Mr R Smith have details after the meeting as to sums set aside within the budget for "grants and contributions to be carried forward" and how this money would be allocated in the future.
- 9 A.4 It was noted that the latest position from the Government regarding War Veterans would be able to be reported to the next meeting of the County Council.
- 9 A.5 Mrs Thomas moved, duly seconded,
- "That the County Council's outturn revenue underspend for 2014/15 of £1.753m be allocated to Adult Social Services to help met the adult social services 2014/15 overspend."
- 9 A.6 On being put to the vote there were 9 votes in favour of the motion and 8 votes against whereupon it was

RESOLVED –accordingly.

- 9 A.7 It was further **RESOLVED**

1. To note the outturn Revenue underspend of £1.753m (2013-14 £0.477m) on a net budget of £308.397m (gross £1,411.879m);
2. To note the resulting increase in General Balances at 31 March 2015 from £19.000m to £20.753m;
3. To approve five debt write-offs over £10,000 totalling £64,585.37, as set out in paragraph 4 of the report.

9B 2014-15 Capital Outturn Report

9 B.1 The annexed report (9B) by the Executive Director of Finance was received. This report provides the final update on the progress towards the achievement of the capital programme set by the Council in February 2014.

9 B.2 The Executive Director of Finance agreed to let Mr R Smith have a written explanation after the meeting of the mechanisms that were used by officers to manage the large sums of money that were included in the capital programme.

9 B.3 Members asked for more information to be included in future progress reports to explain the reasons for the large differences between the figures in the columns that were contained in table 3a of the report.

9 B.4 RESOLVED

That the Committee:

1. note the outturn expenditure and funding of the 2014-17 capital programme and as set out in Annex A section 1 of the report.
2. note the progress of the 2014-15 programme, as set out in Annex A section 2 of the report.
3. note the changes which had occurred during the year as set out in Annex A section 3 of the report.
4. approve the carrying forward into 2015-16 of re-profiled/slippage amounts not previously approved, as set out in in Annex A section 3 of the report.
5. note the use of revenue and reserves to minimise the Council's borrowing requirement in 2014-15 as set out in in Annex A section 4 of the report.
6. note the capital receipts generated in year, including the impact on borrowing and on the capital receipts reserve, as set out in in Annex A section 5 of the report.

10 Revisions to the 2015/16 Budget

10.1 It was noted that this report had been withdrawn and that any necessary budget revisions would be brought back to a future meeting of the Committee.

11 Annual Treasury Management Outturn Report 2014-15

11.1 The annexed report (11) by the Executive Director of Finance was received. In accordance with regulatory requirements, this report provided information on the Treasury Management activities of the County Council for the period 1st April 2014 to 31st March 2015.

11.2 RESOLVED

To endorse and recommend to County Council, the Annual Treasury Management Report 2014-15.

12 **Delivering Financial Savings 2015/16**

12.1 The annexed report (12) by the Executive Director of Finance was received. This report provided an overview of the progress in delivering the savings agreed by the County Council at its meeting 16 February 2015.

12.2 **RESOLVED** (by 9 votes in favour 0 votes against and with 8 abstentions):

That the Committee note:

1. the forecast total shortfall of £5.862m in 2015-16, for which alternative savings needed to be identified;
2. the increase in the budgeted value of 2015-16 savings projects rated as RED to £10.552m, of which £4.800m was now forecast to be delivered;
3. the forecast savings shortfall on AMBER rated projects of £0.110m; and
4. the actions being undertaken by Chief Officers to deliver the agreed level of savings.

13 **Asset Management Plan – Strategy 2015/18**

13.1 The annexed report (13) by the Executive Director of Finance was received. The report recommended that the Committee approve an asset management plan for 2015/2018 that would make property a catalyst of change by adopting a “Single Estate” approach within NCC and promoting a sharp external focus, for example taking a proactive role in creating a more joined up public sector approach to services and “One Public Estate “ programme across Norfolk.

13.2 Officers were asked to correct a small number of minor factual errors in the report and to include mention of the involvement of Members in the preparation of the strategy.

13.3 **RESOLVED**

That the Committee approve the Asset Management Plan for 2015-2018.

14 **Establishing a Corporate Property Team**

14.1 The annexed report (14) by the Executive Director of Finance was received. This report set out the background and current position in establishing the Corporate Property Team and implementing a Corporate Landlord model for managing and occupying property.

14.2 The Executive Director of Finance was asked to ensure that service committees were made aware of the new arrangements and given an opportunity to feed back any detailed comments.

14.3 Mr C Jordan asked to be given a written response after the meeting about the officer make-up of the corporate property team including their contact details.

14.4 **RESOLVED**

That the Committee note the new arrangements and endorse the Corporate Landlord approach which means that all service directorates and members must refer all property requirements and issues through the Corporate Property Team as the corporate property client instead of instructing NPS directly.

15 **Sale of land at Acle**

15.1 The annexed report (15) by the Executive Director of Finance was received.

This report concerned the disposal of approximately 5.6 hectares of agricultural land situated to the north of Norwich Road, Acle, with the benefit of outline planning permission for up to 140 residential dwellings, which represented a significant element of the disposals programme for 2015/16. Together with the two other sites reported at items 16 and 17 below, the total estimated sales proceed at £4.8m represented 48% of the £9.9m projected sales for 2015/16.

15.2 The Executive Director of Finance revised the recommendations included in the report for this item and the reports for items 16, and 17 on the agenda so that the Committee was asked to approve for each of these items one of the two options below:

A) Instruct the Assistant Director, Property to develop proposals for the direct development of the surplus land (working with appropriate partners) to maximise the financial return to the Council, bringing back recommendations to the Committee for approval.

Or

B) Approve the disposal of the surplus land.

15.3 In reply to questions, the Chairman confirmed that the new arrangements did not conflict in any way with the County Council's existing policy on County Farms.

15.4 The Executive Director of Finance was asked to let Mr Monson know outside of the meeting who would be responsible for the maintenance of the open space for recreational use.

15.5 **RESOLVED**

That the Assistant Director, Property be authorised to develop proposals for the direct development of the surplus land (working with appropriate partners) to maximise the financial return to the Council, bringing back recommendations to the Committee for approval.

16 **Sale of land at Lingwood**

16.1 The annexed report (16) by the Executive Director of Finance was received. The report concerned the disposal of approximately 1.23 hectares of land comprising the former (first and nursery) school site in Lingwood. The land has the benefit of

outline planning permission for up to 20 dwellings. The sale of this land represents a significant element of the disposals programme for 2015/16. Together with the two other sites reported on this agenda, the total estimated sales proceeds at £4.8m represent 48% of the £9.9m projected sales for 2015/16.

16.2 RESOLVED

That the Assistant Director, Property be authorised to develop proposals for the direct development of the surplus land (working with appropriate partners) to maximise the financial return to the Council, bringing back recommendations to the Committee for approval.

17 Sale of land at Blofield, east of Plantation Road

17.1 The annexed report (17) by the Executive Director of Finance was received. The report concerned the disposal of approximately 1.5 hectares of agricultural land situated to the east of Plantation Road in Blofield. The land has the benefit of outline planning permission for up to 14 dwellings. The sale of this land represents a significant element of the disposals programme for 2015/16. Together with the two other sites reported for sale on this agenda, the total sales at £4.8m represent 48% of the £9.9m projected sales for 2015/16.

17.2 RESOLVED

That the Assistant Director, Property be authorised to develop proposals for the direct development of the surplus land (working with appropriate partners) to maximise the financial return to the Council, bringing back recommendations to the Committee for approval.

18 General comments made at the end of the meeting by Mr Smyth, Chairman of Communities Committee

At the end of the meeting, Mr Smyth, Chairman of Communities Committee, asked for it to be recorded in the minutes that he considered it important for Members to be seen to be taking a strategic view on all the issues that were brought before Policy and resources Committee and to not be seen to be influenced by their membership of service committees, particularly when voting at Policy and Resources Committee on issues that could disadvantage service committees of which they were not Members.

The meeting concluded at 1.05 pm

CHAIRMAN



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Note concerning -- Minute 9 A7 of the published minutes for Policy and Resources Committee of 1st June 2015 relating to the 2014-15 Revenue Outturn Report.

To change at

2. To note the General Balances at 31st March 2015 of £19.2m were at the recommended minimum level.

And add at

4. To allocate the 2014-15 revenue underspend of £1.753m to Adult Social Services.

Responses from the Executive Director of Finance to questions raised at 1 June 2015 Policy and Resources Committee

The following pages give responses to four finance queries raised at 1 June 2015 P&R, covering:

1. Departmental debt write-offs
 2. Grants and contributions reserve
 3. Capital programme re-profiling
 4. Managing the capital programme
-

1. Departmental debt write-offs

9 A.2 The Executive Director of Finance said that he would look into a suggestion from Members of the Committee that service departments should in future be expected to meet their debt write offs from within their own budgets rather than general balances and that he would report back to the Committee on this matter.

Service departments are already 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 from the transaction or b) where a service has set up a bad debt provision (for example Adult Social Services) the provision is used to fund the write-off.

2. Grants and contributions reserve

9 A.3 The Executive Director of Finance agreed to let Mr R Smith have details after the meeting as to sums set aside within the budget for “grants and contributions to be carried forward” and how this money would be allocated in the future.

A breakdown of the grants and contributions reserve as at 1 April 2015 is as follows:

Service	Activity	£m
Resources	Public health	5.860
Resources	Resources - warm & well	0.064
Resources	Communications	0.075
Finance and property	One public estate	0.067
Childrens services	Ch Servs Gs&Cs	4.385
ASS	Transformation (SCRG)	2.489
ASS	Council 2014-15 underspend per 1 June P&R	1.753
ASS	Zero Based Review	0.141
ASS	NHS Funding for MH Training	0.091
ASS	Care Act	0.069
ASS	NHS funding for the Aspergers Service	0.060
ASS	Skills for Care (for Learning and Development)	0.034
ASS	Norwich City Council CCTV Grant	0.008
ASS (Communities)	Community Safety Fund/LPSA Reward Grant	0.167
CES	ETD travel and transport Community Transport	0.742
CES	Cultural Services Active Norfolk	0.546
CES	ETD bus serices operator grant	0.532
CES	Cultural Services Museums	0.467
CES	Historic Environment & planning services	0.072
Fire	Fire and Rescue Unspent Gs&Cs	0.181
CES	Cultural Services Libraries	0.109
CES	ETD Norfolk Smartcard Pilot	0.087
CES	ETD travel and transport Better Bus Area	0.034
CES	Cultural Services Art and Recreation - Projects	0.014
CES	Cultural Services NRO	0.012
CES	Cultural Services Art and Recreation - TOB	0.005
Other	Partnerships item to be adjusted	0.005
Total	Grants and Contributions reserve 1 April 2015	18.069

The activity column above shows how the grants and contributions reserve is allocated between services, and for ASS and CES activities within those services.

3. Capital programme re-profiling

9 B.3 Members asked for more information to be included in future progress reports to explain the reasons for the large differences between the figures in the columns that were contained in table 3a of the report.

Table 3a: Revised capital programme 2014-15

Service	Agreed Capital Programme 2014-15	Reprofiling, slippage and other adjustments	Opening Capital Programme 2014-15	Cumulative Changes in 2014-15	Final 2014-15 Capital Programme
	£m	£m	£m	£m	£m
Children's Services	69.460	21.700	91.160	-61.889	29.271
Adult Social Care	9.060	1.492	10.552	-6.554	3.998
Community & Environmental Services	93.170	9.009	102.179	-22.093	80.086
Resources	16.406	-2.817	13.589	-0.489	13.100
Finance & Property	14.366	6.089	20.455	-4.238	16.217
Total	202.462	35.473	237.935	-95.263	142.672

Local authority capital programmes typically cover a three year period. Norfolk County Council's programme is approved in February, approximately 6 weeks before the start of the financial year. The table above showed only the programme for the current year. An expanded table would have shown that a large proportion of the changes, which are reported to P&R throughout the year, relate to movements of the timings of proposed spend between years.

Major government capital grants (for example transport and children's services) are announced in December or January, leaving little time to plan specific projects. Traditionally these sums have been allocated to the first year of the plan until there has been time to properly profile the spend. In addition, the timing of specific projects is often dependent on third parties - a good example would be the planning process which has recently come to a conclusion in respect of the NDR.

However, the programme could provide a more realistic forecast, as estimated project timings are clearly on average over-optimistic. A recent move to two and three year capital grant announcements has improved the ability to plan ahead. In the autumn services will be challenged to prepare more realistic assumptions relating to the medium to long term timings of spend in their programmes to feed into the 2016-19 programme.

Finance monitoring reports to P&R give details of all adjustments and changes to the capital programme on a project by project basis, in an appendix to the Capital report.

4. Managing the capital programme

9 B.2 The Executive Director of Finance agreed to let Mr R Smith have a written explanation after the meeting of the mechanisms that were used by officers to manage the large sums of money that were included in the capital programme.

Control mechanisms over the capital programme.

Setting the capital programme

The capital programme is approved annually, and members of the P&R committee are asked to approve changes to the programme, including movements between years. A prioritisation model is used as a guide to which projects should be included in the programme.

Funding the capital programme

Items are only be added to the programme where there is an identified source of funding. The only exception recently is an element of the NDR pending agreement on the use of future capital receipts. A funding analysis is maintained and summarised in capital monitoring reports.

Long and short term borrowing is managed through the Council's treasury team. Borrowing decisions are informed by the capital programme, but not related to specific projects. The only exceptions are, for example, very low interest "Salix" loans which have been taken to help fund energy efficiency projects.

Capital grant funding – receipts

Capital grants form the largest element of funding for capital projects. Other sources of funding include developer contributions and internal funds from revenue budgets, reserves and through prudential borrowing.

Receipts from external bodies are processed by the Council's cash office, and coded to the appropriate capital budget. Movements between revenue budgets and reserves are monitored by the relevant Responsible Budget Officer.

Capital contracts and expenditure

Contractors are selected in accordance with the Council's contract standing orders, which may include framework agreements such as the ones administered by NPS for property and construction services.

The Council uses an "i-procurement" system for ordering, authorising and processing invoices. This is used for capital projects in the same way as all other Council expenditure, and requires authorisation from an officer with the appropriate authority level.

Capital budget management and cost control

All capital projects within Norfolk County Council are assigned a project code, and all capital expenditure has to be coded to a project. Each project has a “Responsible Budget Officer” whose responsibility it is to monitor and control the expenditure on that budget.

Due to the “thin” property client in Children’s Services, and hitherto in Corporate Property, the Council employs and relies on professional architects and project managers such as NPS to manage and provide cost control on a large number of property projects. However, each project is still the responsibility of a Council officer.

A new Budget Manager system for capital expenditure is being rolled out through 2015-16. The process will ensure that all projects are assigned to a specific manager, and will clarify responsibilities for cost control and for forecasting the timing of expenditure and for highlighting potential over and under-spends.

Policy and Resources

Item No 6

Report title:	Re-Imagining Norfolk – service and financial planning 2016-19 for Policy and Resources
Date of meeting:	20th July 2015
Responsible Chief Officer:	Executive Director of Resources – Anne Gibson Executive Director of Finance – Simon George
Strategic impact To provide a strategic framework – Reimagining Norfolk - for the County Council to re-focus its role and pursue its priorities within a radically reduced level of resources.	

Executive summary

Re-Imagining Norfolk sets out a strategic direction for the Council which will radically change the role of the County Council and the way it delivers services. It commits the authority to delivering the Council's vision and priorities for Norfolk, making clear that the future lies in working effectively across all public services on a local basis. Policy and Resources Committee endorsed Re-Imagining Norfolk as a framework for a multi-year strategy underpinned by robust medium term financial and performance plans.

As part of the Council's strategic and financial planning process for 2016-19, committees were asked to start the process of re-modelling their services on the basis of having 75% of their addressable spend.

This paper provides more detailed financial information specific to Policy and Resources to inform planning. In addition the report contains an appendix for the Resources and Finance Directorate detailing areas to explore for delivering savings.

To help frame the discussion for the Committee, the Executive Director of Resources and the Executive Director of Finance will give a short presentation highlighting context, opportunities, risks, and performance challenges to help inform future scenario planning for the service.

Recommendations:

The Committee is asked to:

- **Note the framework and milestones for delivering Re-imagining Norfolk and the Council's multi-year financial strategy**
- **Agree the outcomes – or results – that the Committee plans to achieve in its own areas of responsibility in pursuit of the Council's priorities.**

- **Commission executive directors to investigate potential models of ‘services for the future’, and prepare options of what these services could look like in three years’ time, with 75% of addressable spend, for consideration by the Committee in September 2015.**
- **Note and comment on Appendix 2 detailing savings and service delivery options for the Finance and Resources directorates.**

Background

1. On 1 June 2015, this Committee set a new strategic direction for Norfolk County Council – **Reimagining Norfolk**. Re-imagining Norfolk aims to re-design the Council, to enable the authority to deliver its vision and priorities for Norfolk, whilst addressing the financial challenges ahead.
2. Reimagining Norfolk will radically change the Council’s role and the way it delivers services, and signals the start of a new planning cycle for 2016-19. It will ensure that every penny of the Council’s billion pound budget is invested where it can have the most impact for the people of Norfolk.
3. **Re-Imagining Norfolk** has three strands:
 - **Norfolk’s Ambition and Priorities** – the Council is **ambitious** for Norfolk, and as the only democratically elected body which represents the whole county, it is in a unique position to harness others around a vision which sees the county and its people thrive. The Council’s **priorities** place Norfolk people at the forefront of plans and investments. It is vital to ensure that everything the Council does improves people’s opportunities and well-being.
 - **A ‘Norfolk public service’** – The people of Norfolk require a seamless continuum of services, targeted to those who need them most, and regardless of the multiple and separate institutions responsible for delivering them. By re-imagining services, the County can work with communities and other public services to redesign services around people’s lives, achieving better outcomes at less cost.
 - **Improving the Council’s internal organisation** - addressing the need for the Council to continue its journey of improving efficiency and modernisation, radically re-shaping its capacity while taking out costs.
4. A link to the full paper agreed by the Committee is here: www.norfolk.gov.uk/committees (Policy and Resources Committee, meeting of 1 June 2015, Agenda Item 7, ‘Re-imagining Norfolk – a medium term strategy and financial plan’).

Financial Planning Context

5. The financial prospects for local government are dominated by a period of continued austerity. To date, there are no detailed local government projections beyond 2015-16, however, there is every indication that the prospects for councils will be extremely tough. The Council's current projections for funding reductions from 2016-17 are based on the spending announcements made by the previous Government. It is anticipated that there will be greater clarity about the trajectory for Government spending following the second budget on 8 July. However, the Council will not receive its provisional settlement until December, in line with the usual timetable, and this will be the first time that detailed 2016-17 figures will be formally set out.
6. Based on current forecasts, the Council faces a projected budget 'gap' of £148.849m over the three years 2016-17 to 2018-19. As part of the 2015-16 budget process, the Council has already identified and agreed savings totalling £33.875m for the same period. After taking account of a forecast council tax base increase of £4.381m, this leaves a net budget gap of £110.593m, as set out in the table below.

Table A: Projected Budget gap 2016-19

	2016-17	2017-18	2018-19	3 Year Gap
	£m	£m	£m	£m
Funding Reductions	48.180	26.900	7.800	82.880
Inflation	10.225	10.246	10.300	30.771
Legislative Requirements	5.564	4.230	0.000	9.794
Demand / Demographic	7.655	8.215	8.314	24.184
NCC Policy	-0.230	1.450	0.000	1.220
Total Gap	71.394	51.041	26.414	148.849
Less: Savings already identified	-28.040	-5.835	0.000	-33.875
Less: Forecast tax base increase	-1.326	-1.555	-1.500	-4.381
Remaining Gap	42.028	43.651	24.914	110.593

7. For planning purposes, Policy and Resources Committee has agreed that additional 'headroom' should be built into the budget planning process to allow choices and options to be considered, as well as providing a contingency for adverse funding decisions by the Government. Policy and Resources Committee therefore recommended that three year budgets should be prepared on the basis of a 25% reduction in 'addressable' spend, assuming no increase in Council Tax.
8. Addressable spend has been identified totalling £672.435m and represents the expenditure within the budget which can be influenced or controlled by services. As such it is lower than the gross budget for the whole Council and excludes items such as depreciation, pension amounts and long-term

contractual commitments such as PFI. Table 1 in Appendix 1 shows a summary of Gross Budget and Addressable Spend by Committee.

9. A 25% reduction in addressable spend over the three years 2016-19 equates to a reduction of £168.594m, which is required in addition to the already identified savings of £33.875m. For the Policy and Resources Committee Budget (including Finance General), a 25% reduction in addressable spend equates to £16.729m over three years, representing the level of reduction required assuming a continuing Council Tax freeze. A breakdown of previously identified savings is set out in Table 2 in Appendix 1. Further detail of savings for the Committee is also set out in this appendix.
10. The tables below set out the contextual position for the whole Council, in the event of either a Council Tax freeze (Table B), or an annual increase of 2% (Table C). The tables take into account the gap total above, along with the latest budget planning assumptions, such as increases for demographic growth and inflation, but no additional Council Tax Freeze Grant funding for 2016-17 has been assumed. Table D sets out the budget planning assumptions included in the forecast of Committee's gross expenditure budgets. Reductions in these assumptions (for example, reductions in the assumed levels of demographic growth) would reduce the level of savings required. The Committee position is highlighted within the tables for members' information.

Table B: Indicative budgets with reduction of 25% of addressable spend, based on a continuing Council Tax freeze

Committee	Gross Expenditure 15-16 £m	Gross Expenditure 16-17 £m	Gross Expenditure 17-18 £m	Gross Expenditure 18-19 £m
Adults	358.963	332.535	315.686	308.170
Children's (Non DSG)	208.605	190.304	183.790	180.738
Communities	103.321	94.219	86.642	81.573
EDT	179.153	172.647	167.442	164.873
P&R (including Finance General)	156.698	152.859	148.080	144.592
Grand Total	1,006.739	942.564	901.640	879.947

Table C: Indicative budgets with reduction of 25% of addressable spend based on a 2% Council Tax increase annually

Committee	Gross Expenditure 15-16	Gross Expenditure 16-17 with Council Tax increase	Gross Expenditure 17-18 with Council Tax increase	Gross Expenditure 18-19 with Council Tax increase
	£m	£m	£m	£m
Adults	358.963	335.310	321.319	316.746
Children's (Non DSG)	208.605	191.486	186.190	184.391
Communities	103.321	95.052	88.332	84.146
EDT	179.153	173.492	169.157	167.484
P&R (including Finance General)	156.698	153.479	149.340	146.510
Grand Total	1,006.739	948.819	914.338	899.277

Table D: Summary of budget assumptions for 2016-19 included in Gross Expenditure Budget forecasts (Council Tax Freeze)

	Adults	Children's (Non DSG)	Communities	EDT	P&R (including Finance General)	Grand Total
	£m	£m	£m	£m	£m	£m
Gross Expenditure 2015-16	358.963	208.605	103.321	179.153	156.698	1,006.739
Inflation on gross expenditure 16-19	17.367	9.785	2.430	9.942	2.735	42.260
Legislative changes impact on gross expenditure 16-19					9.068	9.068
Demand and demographic growth on gross expenditure 16-19	18.076	6.108				24.184
County Council Plan changes on gross expenditure 16-19			-0.030		1.250	1.220
Previously identified savings on gross expenditure 16-19	-11.440	-11.901	-1.709	-1.451	-8.430	-34.931

Savings to be identified 16-19	-74.796	-31.858	-22.440	-22.771	-16.729	-168.594
Gross expenditure 2018-19	308.170	180.738	81.573	164.873	144.592	879.947

Re-Imagining Policy and Resources

11. Policy and Resources Committee has requested that all service committees start a process of re-modelling their services based on 75% of their current addressable spend. This is a different approach from looking at where spending reductions can be made from individual budget lines (sometimes referred to as 'salami slicing'). There will be two steps to this process:
 - Each Committee sets out the outcomes – or results – it aims to achieve in its areas of responsibility in pursuit of the Council's priorities.
 - Against these outcomes, the Committee then considers what can be achieved with 75% of the Committee's addressable spend. The Committee may redirect resources across its activities to reflect priorities, and identify areas where costs can be cut in the short run to make fewer savings necessary in future years.
12. It is anticipated that service committees, including Policy & Resources in respect of those services directly within its remit, will largely focus on the first step in the July round of meetings, and focus on the second step in the September round of meetings. It is open to committees to have additional workshops if they feel this would be helpful.

Considering outcomes and results for Policy and Resources

13. As the Council works to redesign itself over the next three years, its ambition and priorities will be drawn into a sharper, sustained focus. Every decision the Council makes will be set against this strategic framework:
14. **The County Council's ambition** is for everyone in Norfolk to succeed and fulfil their potential. By putting people first we can achieve a better, safer future, based on education, economic success and listening to local communities. **Our priorities** are:
 - **Excellence in education** – We will champion our children and young people's right to an excellent education, training and preparation for employment because we believe they have the talent and ability to compete with the best. We firmly believe that every single child matters.
 - **Real jobs** – We will promote employment that offers security, opportunities and a good level of pay. We want real, sustainable jobs available throughout Norfolk.

- **Good infrastructure** – We will make Norfolk a place where businesses can succeed and grow. We will promote improvements to our transport and technology infrastructure to make Norfolk a great place to do business.
 - **Supporting vulnerable people** – we will work to improve and support quality of life, particularly for Norfolk’s most vulnerable people
15. Helping more people into real jobs, obtaining good qualifications, within a county which is accessible and connected to the rest of the country represent critical outcomes in order for Norfolk to thrive and people living here are able to lead independent and fulfilling lives. Just as important is for vulnerable residents to have access to a continuum of community services.
 16. The Council will need to be a very different kind of organisation to lead and deliver the changes envisaged in Re-imagining Norfolk. We will need to be more strategic with the right attitudes and skills, able to change at pace while shedding cost.
 17. The Resources and Finance Directorates will need to be shaped to support the re-design of the Council and to drive down back office costs.
 18. To help frame the discussion for the Committee, the Executive Director of Resources and Executive Director of Finance will give a short presentation highlighting context, opportunities, risks, and performance challenges to help inform future scenario planning for the service.
 19. To help frame the discussion for the Committee, the Executive Director of Resources and Executive Director of Finance have produced two appendices that detail potential savings and service delivery options for the committee to comment on.
 20. Following the Committee’s consideration of outcomes and results for Policy and Resources, the expectation is that the Executive Directors will be asked to undertake further work to develop strategies and scenarios which model the services for the future with 75% of addressable spend for consideration at the September meeting.

Key milestones for Reimagining Norfolk and developing the budget

21. The next milestones for re-imagining Norfolk are as follows:
 - **July 20th Policy and Resources** – initial feedback from each Committee Chair (likely to be verbal, given the timeline) begins to frame a collective picture from Committee discussions.
 - **September Service Committees** – further detailed consideration of models for the service based on 75% of addressable spend.

- **September 28th Policy and Resources Committee** – the Committee considers the full collective set of findings and scenarios from service committees. It considers the relative priorities across all the Council's services, and taking a whole-council view apportions spending targets for three years to allow more detailed proposals to be worked up for consideration in October and November.
- **October and November Committees** - refine specific proposals for year one, and, as far as possible, refine proposals for years two and three, to achieve spending targets. Any specific statutory consultation takes place once proposals are clear.
- **January 2016 Service Committees** – continued consideration and finalisation of committees' outcomes frameworks and spending targets. Policy and Resources Committee (date to be agreed) recommends a three-year strategy and budget proposals for Full Council.
- **February 2016** – County Council considers and agrees the new multi-year strategy, and annual budget

Stakeholder and customer engagement

22. In parallel to the work of committees, a series of opportunities will be organised where different ideas can be explored and debated openly and constructively, to help inform committees' deliberations. This will include:

- Cross-party workshops for members on the four priorities
- Round table discussions with public and third sector partners to look at closer collaboration in localities – towards one virtual public service
- Customer research – talking with current and future users about how best to re-design services for them
- Engagement with key partnership groups.

Recommendations:

23. The Committee is asked to:

- **Note the framework and milestones for delivering Re-imagining Norfolk and the Council's multi-year financial strategy**
- **Agree the outcomes – or results – that the Committee plans to achieve in its areas of responsibility in pursuit of the Council's priorities.**
- **Commission executive directors to investigate potential models of 'services for the future', and prepare options of what these services could look like in three years' time, with 75% of**

addressable spend, for consideration by the Committee in September 2015.

- **Note and comment on Appendix 2 & 3 detailing savings and service delivery options for the Resources and Finance directorates.**

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:

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

Appendix 1

Table 1: Summary of Gross Budget and Addressable Spend

	Adults	Children's (Non DSG)	Communities	EDT	P&R (including Finance General)	Total NCC Non Schools
	£m	£m	£m	£m	£m	£m
Non-Schools Gross Expenditure Budget 2015-16	358.963	208.605	103.321	179.153	156.698	1,006.739
<i>Less:</i>						
Accounting Adjustments	5.760	14.554	0.577	-0.580	13.389	33.701
Adults Related - S256, S75, Probation, Blue Badges	0.772	0.000	0.000	0.000	0.000	0.772
Budgets with Contracts in Place	9.234	0.000	0.000	0.000	0.000	9.234
Capital Financing Costs	0.614	18.288	3.797	24.794	61.205	108.698
Care Act Implementation Budgets	8.204	0.000	0.000	0.000	0.000	8.204
Demand Led Expenditure	0.018	0.000	0.416	0.000	0.000	0.434
Departmental Recharge (mainly ETD Recharge of Transport to Services)	5.975	30.323	0.966	48.808	0.512	86.582
Eastern Inshore Fisheries Conservation Authority Levy	0.000	0.000	0.000	0.000	0.546	0.546
Fire Service Related - Leases, Equipment and Training	0.000	0.000	1.967	0.000	0.000	1.967
Insurance Related	0.095	0.042	0.461	1.852	-0.569	1.882
Museum functions funded by external Grant	0.000	0.000	2.133	0.000	0.000	2.133
Partnership Related	0.051	0.000	0.009	0.545	0.132	0.736
Pension Fund and Pension Related	0.216	4.155	3.148	0.254	12.082	19.855
PFI Related	0.000	5.671	0.000	8.702	0.000	14.373
Second Homes Payments	0.000	0.000	0.000	0.000	2.201	2.201
Traded Service	0.000	6.732	0.481	0.000	0.000	7.214
Transfer Payments	29.365	1.663	0.000	0.000	0.016	31.044
Transfer to Reserves	0.328	0.101	0.028	3.890	0.200	4.548
Miscellaneous other amounts less than £100,000	0.007	0.008	-0.162	0.067	0.260	0.180

Sub-total Non-addressable Expenditure 2015-16	60.640	81.538	13.821	88.332	89.974	334.304
Gross “Addressable” Expenditure Budget 2015-16	298.324	127.067	89.500	90.820	66.724	672.435
Gap Target (25%)	74.796	31.858	22.440	22.771	16.729	168.594

In respect of the Policy and Resources budgets, a total of £66.724m from the gross budget of £156.698m has been categorised as addressable spend. Addressable spend excludes capital financing costs, accounting adjustments and amounts relating to the Pension Fund.

Table 2: Previously identified savings by Committee 2016-18

	Children's Services	Adults	EDT	Communities	Policy & Resources	TOTAL
Savings 2016-17	£m	£m	£m	£m	£m	£m
1a Organisation	0.000	0.000	0.000	-0.052	-0.476	-0.528
1b Lean	-8.484	-1.500	-0.905	-1.340	-0.924	-13.153
1c Capital	-1.000	0.000	0.500	-0.227	0.000	-0.727
1d Terms & Conditions	-0.105	-0.090	-0.031	0.000	-0.876	-1.102
2a Procurement	0.000	-0.750	-0.350	0.000	0.830	-0.270
2b Shared Services	0.000	0.000	-0.005	-0.300	0.000	-0.305
3a Income and Rates of Return	0.000	0.000	-0.595	-0.105	-5.296	-5.996
4a Change standards	-2.312	-2.550	-0.280	0.000	-0.083	-5.225
4b Stop doing things	0.000	-1.500	-0.090	0.000	0.000	-1.590
4c Change assumptions	0.000	3.156	0.000	0.000	2.000	5.156
Shortfall	0.000	-4.300	0.000	0.000	0.000	-4.300
Total	-11.901	-7.534	-1.756	-2.024	-4.825	-28.040
Savings 2017-18						
1a Organisation	0.000	0.000	0.000	0.000	0.000	0.000
1b Lean	0.000	0.000	0.000	0.000	0.000	0.000
1c Capital	0.000	0.000	0.000	0.000	0.000	0.000
1d Terms & Conditions	0.000	0.000	0.000	0.000	0.000	0.000
2a Procurement	0.000	0.000	0.000	0.000	-0.135	-0.135
2b Shared Services	0.000	0.000	0.000	0.000	-2.000	-2.000
3a Income and Rates of Return	0.000	0.000	0.000	0.100	-3.000	-2.900
4a Change standards	0.000	-0.800	0.000	0.000	0.000	-0.800
4b Stop doing things	0.000	0.000	0.000	0.000	0.000	0.000
4c Change assumptions	0.000	0.000	0.000	0.000	0.000	0.000
Shortfall	0.000	0.000	0.000	0.000	0.000	0.000
Total	0.000	-0.800	0.000	0.100	-5.135	-5.835
Grand Total	-11.901	-8.334	-1.756	-1.924	-9.960	33.875

Policy and Resources Committee Financial Position

The current position of Policy and Resources budgets are set out in detail in other reports on this agenda. The following summary of the high level savings position is intended to provide context for the Committee's discussions.

Extract from Policy and Resources Report 1 June 2015: *Delivering Financial Savings 2015-16*

The latest report to Policy and Resources Committee (1 June 2015) identified a forecast shortfall of £0.110m within the agreed total of £6.396m of savings for Policy and Resources budgets in 2015-16, as set out below. An update to this report is included elsewhere on the Committee's agenda.

Table 3: Savings by Committee 2015-16

	Children's Services	Adults	EDT	Communities	Policy & Resources	TOTAL
Savings 2015-16	£m	£m	£m	£m	£m	£m
1a Organisation	-0.490	-0.250	-0.005	-0.087	-4.144	-4.976
1b Lean	-6.890	-0.200	-0.116	-0.242	-2.717	-10.165
1c Capital	0.000	0.000	-0.540	-0.074	0.000	-0.614
1d Terms & Conditions	-0.115	-0.099	-0.034	0.000	-0.347	-0.595
2a Procurement	0.000	-1.706	-1.904	-0.095	-1.362	-5.067
2b Shared Services	0.000	-0.150	0.000	-0.040	0.000	-0.190
3a Income and Rates of Return	0.000	-0.150	-0.882	-0.774	-5.502	-7.308
4a Change standards	-0.462	-2.350	0.337	-0.502	0.000	-2.977
4b Stop doing things	0.000	-3.000	-0.147	-0.150	0.000	-3.297
4c Change assumptions	-0.400	-3.156	0.000	0.000	7.786	4.230
Shortfall	0.000	-5.235	-0.167	-0.250	-0.110	-5.762
Total	-8.357	-16.296	-3.458	-2.214	-6.396	-36.721

Detail information is shown below which helps to expand upon the figures shown in the table above relating to Policy and Resources.

Policy and Resources

1. GET015 – Reducing the costs of employment – forecast shortfall £0.110m: The Council agreed savings of £0.440m from reducing the cost of employment. However, a scheme to implement this through charging for parking at County Hall was suspended for further consideration and planning. A shortfall of £0.110m has been identified for the year to date, pending agreement on implementation being reached.

The impact of the latest forecast means that the shortfall totalling £0.110m, has been identified within Policy and Resources budgets and alternative savings will be required within the Committee budgets.

Supporting Data pack (Budget Book Extracts):

The following pages have been extracted from the 2015-16 Budget Book and are intended to provide the context for the Committee's discussions. It should be noted that **the 2016-17 and 2018-19 figures in the Budget Book reflect the savings identified in the 2015-16 budget setting round, but not the additional savings required to meet the 'gap' set out in the paper.**

Key facts

- During 2014, there were 2,758,824 visits to the Norfolk County Council website, with 8,771,000 page views.
- The Business Intelligence and Performance Service, working with services, delivered the submission on time of over 750 returns, as part of the end of year reporting period (April to June). This includes early years settings, school pupils, key assessment data and about service users in children's social care, adult social care and museums.
- 100 Freedom of Information requests are processed per month by the Information Compliance Team.
- Payroll processes over 43,000 payments per month to NCC external clients across Norfolk which totals circa £379m in payments per annum.
- As part of the consultation on Norfolk's budget and services 2015-18, 1,655 people or organisations responded, making over 4,700 individual comments. In addition the consultation team have supported all departments with their statutory and non-statutory consultations throughout 2014-15.
- 37,679 young people voted in the Norfolk Youth Parliament elections (48% of all 11-18 year olds). 24% of this age group took part in the Make Your Mark Ballot to tell us their most pressing issues to take action on locally and nationally.
- 110 school age young people were engaged in Take Over Day helping us meet our priorities around excellence in education and real jobs. Hundreds of citizens were engaged at the International Women's Day partnership event at the forum in March 2015.
- 4,072 enquiries were dealt with by the media team (for the period 01.04.14 – 27.03.15).
- The media team run the @NorfolkCC twitter account. The number of followers rose from 15,500 in April 2014 to 20,800 in March 2015.

- 434 press releases were sent out by the media team (for the period 01.04.14 – 27.03.15). Over 95% of our press releases were taken up by at least one media outlet.
- In 2014 HR Direct handled over 60,000 contacts by phone and email from internal and external clients with a resolution rate of 95.6%.
- £11.964m in savings was successfully delivered in 2013-14 through the change programme, managed by the Corporate Programme Office.
- The Finance department rolled out a new budgeting, monitoring, and forecasting system (Budget Manager) to over 750 users throughout the organisation in 2014-15.
- Finance Exchequer Services process over 400,000 payments a year to the value of circa £900m.
- Delivery by Norfolk Audit Services of a planned 1,794 internal audit days in 2015-16, of which 384 (21%) will be provided to external clients.
- The Norfolk Pension Fund supports 100 different employers and 75,000 individual Norfolk Pension Fund members.
- £31.015m - latest projected cash recovery of money invested in Icelandic banks, of which £29.966m has been received, £0.830m is held in an Escrow account. £0.219m is still outstanding.
- NCC provides treasury management services to other bodies, such as the Police and Crime Commissioner for Norfolk, the Norse Group, Norfolk and Suffolk Community Rehabilitation Company, and Independence Matters. The average daily cash balance of these other bodies is expected to total £60m.
- Supports the preparation of a £439m capital programme.
- The Corporate Property Team is being established in 2015-16 to consolidate the management of property a budget of over £6m.

Policy and Resources – Executive Director of Resources – Anne Gibson /
Executive Director of Finance – Simon George

Note: The Policy and Resources Committee budget encompasses elements of Resources Department budgets managed by the Executive Director of Resources, and Finance Department budgets managed by the Executive Director of Finance.

Parts of Communications, Democratic Services (Registrars) and Public Health budgets, which are managed by the Executive Director of Resources, are included within the Communities Committee.

Policy and Resources also includes the Managing Director's budget, and the Finance General budget.

Breakdown of Net Spend	2015-16	2016-17	2017-18
Managing Director's Office	347,566	350,645	353,815
BIPPS & CPPS	1,679,659	1,530,493	1,546,853
Communications	733,450	586,663	592,053
Corporate Programme Office	790,496	803,685	817,075
Democratic Services	2,403,942	2,436,093	3,470,823
Human Resources	3,681,771	2,543,291	2,579,501
ICT	14,353,125	13,650,896	13,738,966
NPLaw	-449,810	-480,175	-458,715
Procurement	1,336,554	1,269,221	1,284,521
Resources savings to be allocated	-788,110	-796,220	-2,796,220
Budgeting & Financial Management	3,689,425	3,734,869	3,788,839
Finance Exchequer Services	2,285,213	2,325,543	2,366,313
Norfolk Audit Services	552,271	558,111	564,601
Pensions, Investments & Treasury	193,612	172,985	123,635
Property	6,409,422	4,678,862	1,769,852
	37,218,586	33,364,962	29,741,912

Policy and Resources – Executive Director of Resources – Anne Gibson /
Executive Director of Finance – Simon George

Subjective Analysis of Budget	2015-16	2016-17	2017-18
Employee	36,179,095	36,144,346	36,521,031
Premises	5,785,535	5,885,142	6,303,572
Transport	174,793	164,783	165,163
Supplies & Services	21,287,915	19,067,282	17,262,637
Agency and Contract Services	220,072	220,252	220,422
Transfer Payments	16,330	29,480	42,630
Support Services	63,000	63,000	63,000
Departmental Recharge	52,641	43,831	-369
Internal Recharge	113,530	113,530	113,530
Capital Financing	2,048,890	2,048,890	2,048,890
Total Expenditure	65,941,801	63,780,536	62,740,506
Government Grants	-44,402	-44,402	-44,402
Other Grants, Reimburs & Contrib.	-1,234,727	-1,350,476	-1,351,516
Customer & Client Receipts	-15,773,504	-17,217,104	-17,723,364
Interest rec'd	0	0	0
Corporate Recharges inc Capital Finance	-6,742,183	-6,861,613	-6,931,753
Departmental Recharge	-4,026,759	-4,032,229	-4,037,809
Internal Recharge	-113,530	-113,530	-113,530
Total Income	-27,935,105	-29,619,354	-30,202,374
Total (excluding unallocated savings)	38,006,696	34,161,182	32,538,132

Finance General	-306,039,000	-257,226,000	-225,525,600
Policy & Resources Subtotal	-268,032,304	-223,064,818	-192,987,468
Resources savings to be allocated	-788,110	-796,220	-2,796,220
Policy & Resources Grand Total	-268,820,414	-223,861,038	-195,783,688

Managing Director's Office – Managing Director – Dr Wendy Thomson CBE

Breakdown of Net Spend	2015-16	2016-17	2017-18
Managing Director's Office	347,566	350,645	353,815

Subjective Analysis of Budget	2015-16	2016-17	2017-18
Employee	296,181	299,161	302,161
Premises	2,040	2,080	2,120
Transport	7,716	7,725	7,805
Supplies & Services	37,199	37,249	37,299
Agency and Contract Services	0	0	0
Transfer Payments	0	0	0
Support Services	0	0	0
Departmental Recharge	0	0	0
Internal Recharge	0	0	0
Capital Financing	4,430	4,430	4,430
Total Expenditure	347,566	350,645	353,815
Government Grants	0	0	0
Other Grants, Reimburs & Contrib.	0	0	0
Customer & Client Receipts	0	0	0
Interest rec'd	0	0	0
Corporate Recharges inc Capital Finance	0	0	0
Departmental Recharge	0	0	0
Internal Recharge	0	0	0
Total Income	0	0	0
Total	347,566	350,645	353,815

Business Information & Performance Service and Corporate Planning & Partnerships Service – Head of Business Information & Performance Service and Corporate Planning & Partnerships Service and Communications – Debbie Bartlett

Breakdown of Net Spend	2015-16	2016-17	2017-18
Business Intelligence & Performance Service	1,033,828	1,044,278	1,054,818
Corporate Planning & Partnerships	360,841	364,461	368,121
Equalities & Cohesion	30,000	30,000	30,000
Norfolk Ambition	50,657	0	0
Group Management & Admin	204,333	91,754	93,914
	1,679,659	1,530,493	1,546,853

Subjective Analysis of Budget	2015-16	2016-17	2017-18
Employee	1,554,695	1,570,315	1,586,075
Premises	8,287	8,447	8,607
Transport	2,300	2,330	2,360
Supplies & Services	191,337	141,380	142,090
Agency and Contract Services	1,580	1,600	1,620
Transfer Payments	0	0	0
Support Services	0	0	0
Departmental Recharge	0	0	0
Internal Recharge	0	0	0
Capital Financing	7,070	7,070	7,070
Total Expenditure	1,765,269	1,731,142	1,747,822
Government Grants	0	0	0
Other Grants, Reimburs & Contrib.	-70,000	-184,729	-184,729
Customer & Client Receipts	-15,610	-15,920	-16,240
Interest rec'd	0	0	0
Corporate Recharges inc Capital Finance	0	0	0
Departmental Recharge	0	0	0
Internal Recharge	0	0	0
Total Income	-85,610	-200,649	-200,969
Total	1,679,659	1,530,493	1,546,853

Communications – Head of Business Information & Performance Service and Corporate Planning & Partnerships Service and Communications – Debbie Bartlett

Breakdown of Net Spend	2015-16	2016-17	2017-18
Corporate / Internal Communications	-7,090	-107,230	-109,380
Marketing	85,270	31,160	30,560
Media	8,720	8,890	9,060
Norfolk Show	7,520	7,520	7,520
Group Management & Admin	639,030	646,323	654,293
	733,450	586,663	592,053

Subjective Analysis of Budget	2015-16	2016-17	2017-18
Employee	912,001	921,231	930,541
Premises	0	0	0
Transport	4,152	3,555	3,575
Supplies & Services	216,030	163,770	165,050
Agency and Contract Services	2,043	2,063	2,083
Transfer Payments	0	0	0
Support Services	0	0	0
Departmental Recharge	0	0	0
Internal Recharge	0	0	0
Capital Financing	12,000	12,000	12,000
Total Expenditure	1,146,226	1,102,619	1,113,249
Government Grants	0	0	0
Other Grants, Reimburs & Contrib.	-166,582	-166,682	-166,782
Customer & Client Receipts	-154,130	-257,210	-262,350
Interest rec'd	0	0	0
Corporate Recharges inc Capital Finance	0	0	0
Departmental Recharge	-92,064	-92,064	-92,064
Internal Recharge	0	0	0
Total Income	-412,776	-515,956	-521,196
Total	733,450	586,663	592,053

Corporate Programme Office – Head of Corporate Programme Office – Pippa Bestwick

Breakdown of Net Spend	2015-16	2016-17	2017-18
Programme Management Office	790,496	803,685	817,075

Subjective Analysis of Budget	2015-16	2016-17	2017-18
Employee	1,315,128	1,328,388	1,341,778
Premises	0	0	0
Transport	0	0	0
Supplies & Services	4,938	4,867	4,867
Agency and Contract Services	0	0	0
Transfer Payments	0	0	0
Support Services	0	0	0
Departmental Recharge	0	0	0
Internal Recharge	0	0	0
Capital Financing	9,060	9,060	9,060
Total Expenditure	1,329,126	1,342,315	1,355,705
Government Grants	0	0	0
Other Grants, Reimburs & Contrib.	-508,630	-508,630	-508,630
Customer & Client Receipts	0	0	0
Interest rec'd	0	0	0
Corporate Recharges inc Capital Finance	0	0	0
Departmental Recharge	-30,000	-30,000	-30,000
Internal Recharge	0	0	0
Total Income	-538,630	-538,630	-538,630
Total	790,496	803,685	817,075

Democratic Services – Head of Democratic Services – Chris Walton

Breakdown of Net Spend	2015-16	2016-17	2017-18
Coroners	1,291,171	1,314,521	1,338,321
Elections	15,100	15,330	1,015,560
Members & Political Assistants	240,189	242,409	244,669
Scrutiny Support	17,580	15,711	15,841
Nfk Older Peoples Strategic Partnership	37,460	37,960	38,470
Parish Councils	0	0	0
Police and Crime Panel Grant	0	250	510
Safety of Sports Grounds	2,060	2,080	2,100
School Appeal Panels	48,813	49,213	49,613
Group Management & Admin	751,569	758,619	765,739
	2,403,942	2,436,093	3,470,823

Subjective Analysis of Budget	2015-16	2016-17	2017-18
Employee	1,075,699	1,084,720	1,095,860
Premises	103,281	105,351	107,451
Transport	12,479	12,589	12,699
Supplies & Services	1,194,960	1,215,960	2,237,390
Agency and Contract Services	43,649	44,089	44,539
Transfer Payments	0	0	0
Support Services	0	0	0
Departmental Recharge	18,000	18,000	18,000
Internal Recharge	0	0	0
Capital Financing	24,450	24,450	24,450
Total Expenditure	2,472,518	2,505,159	3,540,389
Government Grants	-44,402	-44,402	-44,402
Other Grants, Reimburs & Contrib.	0	0	0
Customer & Client Receipts	-24,174	-24,664	-25,164
Interest rec'd	0	0	0
Corporate Recharges inc Capital Finance	0	0	0
Departmental Recharge	0	0	0
Internal Recharge	0	0	0
Total Income	-68,576	-69,066	-69,566
Total	2,403,942	2,436,093	3,470,823

Human Resources – Acting Head of HR – Audrey Sharp

Breakdown of Net Spend	2015-16	2016-17	2017-18
Business Partners	601,620	607,630	613,710
Employee Reward	273,970	258,630	261,150
Employee Relations, Strategy & Resourcing	762,490	774,910	787,440
Health, Safety & Wellbeing Management	648,070	652,900	657,790
Organisational Development Management	1,558,760	1,577,230	1,595,930
Shared Service Centre	461,280	476,400	498,580
Departmental / Group Management & Admin	-624,419	-1,804,409	-1,835,099
	3,681,771	2,543,291	2,579,501

Subjective Analysis of Budget	2015-16	2016-17	2017-18
Employee	7,849,100	7,596,910	7,668,260
Premises	8,140	8,220	8,300
Transport	35,930	36,120	36,310
Supplies & Services	147,261	141,101	143,941
Agency and Contract Services	53,900	54,440	54,980
Transfer Payments	0	0	0
Support Services	0	0	0
Departmental Recharge	-296,010	-307,860	-320,180
Internal Recharge	0	0	0
Capital Financing	58,910	58,910	58,910
Total Expenditure	7,857,231	7,587,841	7,650,521
Government Grants	0	0	0
Other Grants, Reimburs & Contrib.	-13,550	-13,760	-13,980
Customer & Client Receipts	-4,102,330	-4,971,210	-4,997,460
Interest rec'd	0	0	0
Corporate Recharges inc Capital Finance	0	0	0
Departmental Recharge	-59,580	-59,580	-59,580
Internal Recharge	0	0	0
Total Income	-4,175,460	-5,044,550	-5,071,020
Total	3,681,771	2,543,291	2,579,501

ICT & Information Management – Head of ICT (Interim) – Steve Legetter

Breakdown of Net Spend	2015-16	2016-17	2017-18
People Portfolio	474,410	480,130	485,950
Places Portfolio	515,400	517,380	419,360
Schools Portfolio	-1,767,500	-1,805,580	-1,844,440
Information Services & Systems	1,705,550	1,723,730	1,742,110
Infrastructure	6,108,835	6,141,646	6,253,176
Technical Programme & Resources	3,010,430	2,926,470	2,942,350
DNA	4,306,000	3,667,120	3,740,460
	14,353,125	13,650,896	13,738,966

Subjective Analysis of Budget	2015-16	2016-17	2017-18
Employee	6,977,770	7,048,270	7,119,500
Premises	0	0	0
Transport	0	-6,959	-7,099
Supplies & Services	14,790,424	14,171,794	14,338,834
Agency and Contract Services	0	0	0
Transfer Payments	0	0	0
Support Services	0	0	0
Departmental Recharge	1,040	1,080	1,120
Internal Recharge	0	0	0
Capital Financing	1,503,700	1,503,700	1,503,700
Total Expenditure	23,272,934	22,717,885	22,956,055
Government Grants	0	0	0
Other Grants, Reimburs & Contrib.	0	0	0
Customer & Client Receipts	-7,358,960	-7,506,140	-7,656,240
Interest rec'd	0	0	0
Corporate Recharges inc Capital Finance	0	0	0
Departmental Recharge	-1,530,999	-1,530,999	-1,530,999
Internal Recharge	-29,850	-29,850	-29,850
Total Income	-8,919,809	-9,066,989	-9,217,089
Total	14,353,125	13,650,896	13,738,966

nplaw – Practice Director / Monitoring Officer – Victoria McNeill

Breakdown of Net Spend	2015-16	2016-17	2017-18
Monitoring Officer	67,430	67,375	68,045
nplaw	-517,240	-547,550	-526,760
	-449,810	-480,175	-458,715

Subjective Analysis of Budget	2015-16	2016-17	2017-18
Employee	3,228,425	3,259,920	3,292,460
Premises	520	530	540
Transport	19,170	19,330	19,490
Supplies & Services	425,713	430,283	435,253
Agency and Contract Services	41,250	41,660	42,070
Transfer Payments	330	330	330
Support Services	54,000	54,000	54,000
Departmental Recharge	197,901	200,431	203,021
Internal Recharge	29,850	29,850	29,850
Capital Financing	14,600	14,600	14,600
Total Expenditure	4,011,759	4,050,934	4,091,614
Government Grants	0	0	0
Other Grants, Reimburs & Contrib.	0	0	0
Customer & Client Receipts	-299,650	-301,350	-303,060
Interest rec'd	0	0	0
Corporate Recharges inc Capital Finance	-4,161,919	-4,229,759	-4,247,269
Departmental Recharge	0	0	0
Internal Recharge	0	0	0
Total Income	-4,461,569	-4,531,109	-4,550,329
Total	-449,810	-480,175	-458,715

Procurement – Head of Procurement – Al Collier

Breakdown of Net Spend	2015-16	2016-17	2017-18
Corporate Procurement	1,336,554	1,269,221	1,284,521
	1,336,554	1,269,221	1,284,521

Subjective Analysis of Budget	2015-16	2016-17	2017-18
Employee	1,365,954	1,296,654	1,309,664
Premises	1,260	1,187	1,207
Transport	1,628	1,638	1,648
Supplies & Services	118,798	120,818	123,068
Agency and Contract Services	530	540	550
Transfer Payments	0	0	0
Support Services	0	0	0
Departmental Recharge	0	0	0
Internal Recharge	0	0	0
Capital Financing	4,450	4,450	4,450
Total Expenditure	1,492,620	1,425,287	1,440,587
Government Grants	0	0	0
Other Grants, Reimburs & Contrib.	-53,826	-53,826	-53,826
Customer & Client Receipts	0	0	0
Interest rec'd	0	0	0
Corporate Recharges inc Capital Finance	0	0	0
Departmental Recharge	-102,240	-102,240	-102,240
Internal Recharge	0	0	0
Total Income	-156,066	-156,066	-156,066
Total	1,336,554	1,269,221	1,284,521

Budgeting & Financial Management – Head of Budgeting & Financial Management – Harvey Bullen

Breakdown of Net Spend	2015-16	2016-17	2017-18
Corporate Accounting	579,335	586,145	593,015
Departmental Budgeting & Accounting	1,983,732	2,005,332	2,027,142
Schools Finance	305,902	322,732	339,732
Financial Projects	413,618	417,672	421,872
Financial Management	190,175	192,165	194,245
Finance Support	216,663	210,823	212,833
	3,689,425	3,734,869	3,788,839

Subjective Analysis of Budget	2015-16	2016-17	2017-18
Employee	5,182,674	5,235,024	5,287,894
Premises	1,100	1,120	1,140
Transport	33,020	32,934	33,024
Supplies & Services	166,676	160,736	162,646
Agency and Contract Services	60,650	61,260	61,880
Transfer Payments	0	0	0
Support Services	0	0	0
Departmental Recharge	1,460	1,520	1,580
Internal Recharge	0	0	0
Capital Financing	47,740	47,740	47,740
Total Expenditure	5,493,320	5,540,334	5,595,904
Government Grants	0	0	0
Other Grants, Reimburs & Contrib.	-189,285	-189,825	-190,375
Customer & Client Receipts	-1,240,260	-1,240,930	-1,241,610
Interest rec'd	0	0	0
Corporate Recharges inc Capital Finance	-18,240	-18,600	-18,970
Departmental Recharge	-347,100	-347,100	-347,100
Internal Recharge	-9,010	-9,010	-9,010
Total Income	-1,803,895	-1,805,465	-1,807,065
Total	3,689,425	3,734,869	3,788,839

Finance Exchequer Services – Head of Finance Exchequer Services – John Baldwin

Breakdown of Net Spend	2015-16	2016-17	2017-18
Client Exchequer Services	1,197,286	1,210,756	1,224,356
Client Management (Risk and Insurance)	-658,467	-653,447	-648,387
Corporate Exchequer Services	1,250,717	1,263,647	1,276,697
FIMS	85,100	87,160	89,260
Free Nursing Care	-2,859	-969	941
General Ledger and Integration	313,344	316,474	319,644
FES Management	100,092	101,922	103,802
	2,285,213	2,325,543	2,366,313

Subjective Analysis of Budget	2015-16	2016-17	2017-18
Employee	3,692,931	3,729,901	3,767,231
Premises	0	0	0
Transport	32,384	32,414	32,444
Supplies & Services	186,023	189,393	192,833
Agency and Contract Services	0	0	0
Transfer Payments	0	0	0
Support Services	0	0	0
Departmental Recharge	10,250	10,660	11,090
Internal Recharge	0	0	0
Capital Financing	0	0	0
Total Expenditure	3,921,588	3,962,368	4,003,598
Government Grants	0	0	0
Other Grants, Reimburs & Contrib.	-206,984	-206,984	-206,984
Customer & Client Receipts	-22,530	-22,980	-23,440
Interest rec'd	0	0	0
Corporate Recharges inc Capital Finance	0	0	0
Departmental Recharge	-1,403,331	-1,403,331	-1,403,331
Internal Recharge	-3,530	-3,530	-3,530
Total Income	-1,636,375	-1,636,825	-1,637,285
Total	2,285,213	2,325,543	2,366,313

Norfolk Audit Services – Chief Internal Auditor – Adrian Thompson

Breakdown of Net Spend	2015-16	2016-17	2017-18
Norfolk Audit Services	552,271	558,111	564,601

Subjective Analysis of Budget	2015-16	2016-17	2017-18
Employee	586,141	592,051	598,021
Premises	0	0	0
Transport	3,290	2,750	2,800
Supplies & Services	42,300	43,090	43,890
Agency and Contract Services	0	0	0
Transfer Payments	0	0	0
Support Services	0	0	0
Departmental Recharge	0	0	0
Internal Recharge	0	0	0
Capital Financing	0	0	0
Total Expenditure	631,731	637,891	644,711
Government Grants	0	0	0
Other Grants, Reimburs & Contrib.	-8,620	-8,620	-8,620
Customer & Client Receipts	-6,000	-6,120	-6,240
Interest rec'd	0	0	0
Corporate Recharges inc Capital Finance	-10,200	-10,400	-10,610
Departmental Recharge	-30,000	-30,000	-30,000
Internal Recharge	-24,640	-24,640	-24,640
Total Income	-79,460	-79,780	-80,110
Total	552,271	558,111	564,601

Pensions, Investments & Treasury – Head of Pension, Investments & Strategy –
Nicola Mark MBE

Breakdown of Net Spend	2015-16	2016-17	2017-18
Pension Strategy	0	-7,046	-12,766
Pension Administration	0	-9,571	-18,761
Pension Facilities	0	-6,300	-8,040
Treasury	193,612	195,902	163,202
	193,612	172,985	123,635

Subjective Analysis of Budget	2015-16	2016-17	2017-18
Employee	1,686,896	1,703,916	1,721,106
Premises	151,490	154,870	158,340
Transport	22,224	20,427	20,747
Supplies & Services	971,321	984,821	1,003,271
Agency and Contract Services	0	0	0
Transfer Payments	0	0	0
Support Services	9,000	9,000	9,000
Departmental Recharge	100,000	100,000	65,000
Internal Recharge	83,680	83,680	83,680
Capital Financing	0	0	0
Total Expenditure	3,024,611	3,056,714	3,061,144
Government Grants	0	0	0
Other Grants, Reimburs & Contrib.	0	0	0
Customer & Client Receipts	-84,760	-86,460	-88,190
Interest rec'd	0	0	0
Corporate Recharges inc Capital Finance	-2,551,824	-2,602,854	-2,654,904
Departmental Recharge	-147,915	-147,915	-147,915
Internal Recharge	-46,500	-46,500	-46,500
Total Income	-2,830,999	-2,883,729	-2,937,509
Total	193,612	172,985	123,635

Property – Head of Corporate Property (Interim) – Duncan Johnson

Breakdown of Net Spend	2015-16	2016-17	2017-18
Buildings Maintenance Fund	800,980	800,980	800,980
County Farms	-431,120	-429,250	-427,030
Office Accommodation	3,594,132	1,956,052	-961,018
Property Services	2,118,130	2,018,130	2,018,130
Property Transferred	327,300	332,950	338,790
	6,409,422	4,678,862	1,769,852

Subjective Analysis of Budget	2015-16	2016-17	2017-18
Employee	455,500	477,885	500,480
Premises	5,509,417	5,603,337	6,015,867
Transport	500	-70	-640
Supplies & Services	2,794,935	1,262,020	-1,767,795
Agency and Contract Services	16,470	14,600	12,700
Transfer Payments	16,000	29,150	42,300
Support Services	0	0	0
Departmental Recharge	20,000	20,000	20,000
Internal Recharge	0	0	0
Capital Financing	362,480	362,480	362,480
Total Expenditure	9,175,302	7,769,402	5,185,392
Government Grants	0	0	0
Other Grants, Reimburs & Contrib.	-17,250	-17,420	-17,590
Customer & Client Receipts	-2,465,100	-2,784,120	-3,103,370
Interest rec'd	0	0	0
Corporate Recharges inc Capital Finance	0	0	0
Departmental Recharge	-283,530	-289,000	-294,580
Internal Recharge	0	0	0
Total Income	-2,765,880	-3,090,540	-3,415,540
Total	6,409,422	4,678,862	1,769,852

Finance General – Executive Director of Finance – Simon George

Subjective Analysis of Budget	2015-16	2016-17	2017-18
Employee	11,357,225	17,207,995	20,510,315
Premises	6,000	6,120	6,240
Transport	301,000	307,040	313,200
Supplies & Services	4,952,647	4,761,487	4,821,507
Agency and Contract Services	580,920	567,320	553,450
Transfer Payments	0	0	0
Support Services	1,278,320	1,289,520	1,300,830
Departmental Recharge	337,691	337,691	337,691
Internal Recharge	0	0	0
Capital Financing	57,683,280	56,858,280	58,308,280
Total Expenditure	76,497,083	81,335,453	86,151,513
Government Grants	-291,704,729	-248,724,729	-221,824,729
Other Grants, Reimburs & Contrib.	-2,624,324	-629,744	-635,264
Customer & Client Receipts	-662,630	-672,580	-682,720
Interest rec'd	-2,657,200	-3,647,200	-3,647,200
Corporate Recharges inc Capital Finance	-84,808,110	-84,808,110	-84,808,110
Departmental Recharge	-79,090	-79,090	-79,090
Internal Recharge	0	0	0
Total Income	-382,536,083	-338,561,453	-311,677,113
Total	-306,039,000	-257,226,000	-225,525,600

A corporate budget, which includes Council wide expenditure and income. This is a net income budget as total income exceeds total expenditure.

Employee related costs include corporate pension payments due to changes following the actuarial evaluation of the pension fund. Pension deficit recovery is identified as a cash sum and is budgeted for in Finance General.

Other expenditure includes redundancy and pension payments arising from organisational review; grant payments; audit fees; member allowances and capital financing costs.

Income includes general government grants such as the Council Tax Freeze Grant; Business Rates income; interest from investments and depreciation on capital from services.

Budget Changes for 2015-18 POLICY AND RESOURCES COMMITTEE				
		2015-16 £m	2016-17 £m	2017-18 £m
	Base budget	-273.980	-268.820	-223.861
	GROWTH			
	Economic			
	Basic Inflation - Pay (1% for 15-18)	0.375	0.637	0.632
	Basic Inflation - Prices	0.380		
	NCC Policy			
	Digital Norfolk Ambition	-3.000		
	Coroners funding capital	-0.107		
	One-off expenditure	-0.145		
	Additional provision for Willows Power and Recycling Centre	-8.000		
	Increase in general balances (2014-15 one-off)	-3.000		
	Increase in general balances (2015-16 one-off)	0.200	-0.200	
	Reversal of 2014-15 injection into Norfolk Carers pressure	-0.127		
	Increase cost of borrowing			1.450
	Cross cutting saving unachievable	0.030		
	Armed forces covenant	0.020		
	Legislative Requirements			
	National single tier pension		3.300	
	Motor Liability Insurance	0.300		
	Pension revaluation - Independence Matters / Norse staff			1.392
	Pension revaluation - NCC staff	1.211	1.538	1.838
	Election May 2017			1.000
	Carbon energy reduction programme	0.126		
	Total Growth	-11.737	5.275	6.312
Ref	SAVINGS			
	1a Digital Transformation, BWOW. Organisation			
	Reduction in redundancy	-2.500		
ENT01	Consolidate support services into a reduced number of service groups	0.000		
RES10, P&R003	Restructure staff management in Procurement	-0.050	0.000	
RES62	Reduce staff in the Corporate Programme Office	-0.100		
RES68	Reduce staff in the HR Reward team	-0.018	-0.018	
RES71	Restructure and reduce staff across HR	-0.296	-0.308	

Budget Changes for 2015-18 POLICY AND RESOURCES COMMITTEE				
		2015-16 £m	2016-17 £m	2017-18 £m
RES80	Reduce staff in Finance by increasing use of technology and changing business processes	-0.400		
	1b Digital Transformation, BWOW. Lean			
RES08	Reduce staff in Procurement by introducing automated document assembly	-0.050		
RES33	Reduce staff in Finance by increasing use of technology and changing business processes	0.000		
RES34	Restructure the Planning, Performance & Partnerships service, creating a new Business Intelligence function	-0.188	-0.115	
RES63	Reduce spend on properties with third parties	-0.200	-0.100	
RES63	Property saving not delivered (2014-15) of £0.300m	0.150		
RES65	Reduce staff supporting organisational development and learning and development	-0.039		
RES81	Reduce printed marketing materials		-0.054	
	1d Digital Transformation, BWOW. T&Cs			
GET15	Reducing the costs of employment	-0.440	-0.860	
GET16	Reducing the cost of business travel	-0.017	-0.016	
	2a Procurement, Commissioning. Procurement			
RES02	One-off ICT saving	0.010		
	3a Income generation, Trading. Sweat the assets			
RES64	Increase income from Nplaw	-0.058	-0.051	
RES67	Office moves for some HR teams	-0.015		
	County Hall refurbishment savings	-0.279	-0.751	
	Cross cutting savings	0.194		
	Reduced cost of borrowing	-0.103	-0.825	
	New Homes Bonus	-0.910	-1.529	
	Use of second homes money	-1.200	0.000	
	4a Demand Management. Change Standards			
RES11	Continued efficiencies in tendering and contract management in Procurement		-0.083	
	4c Demand Management. Change Assumptions			
RES57	One-off use of the customer services development reserve	0.122		
	Use of organisational change reserves (one-off)	3.000		
	Use of organisational changes reserve (one-off)	1.000		
	Use of Modern Reward Strategy reserve (one-off)	0.547		
	Use of Icelandic Bank Reserve (one-off)	1.453		
	Interest receivable/payable - change to risk appetite (one-off)	4.164		

Extracts from 2015-16 Budget Book

Budget Changes for 2015-18 POLICY AND RESOURCES COMMITTEE				
		2015-16 £m	2016-17 £m	2017-18 £m
	Sub-total Savings from 2014-17 Budget Round	3.777	-4.710	0.000
	1a Digital Transformation, BWOW. Organisation			
P&R002	Service review Communications	-0.060		
P&R003	Change to procurement management team (brought forward from 2016/17)	0.000	0.000	
P&R004	Accelerate "self service" for employees/mgrs - HR/Finance/ICT		-0.100	
P&R005	Automate more information and performance reports		-0.050	
P&R006	Further savings for review of shared services organisation	-0.100		
P&R007	Reduce management hierarchies in Finance	-0.100		
P&R008	Staff savings from new committee management system	-0.020		
P&R043	Resources	-0.500		
	1b Digital Transformation, BWOW. Lean			
EDT006	Centralise control of software licences	-0.250		
P&R012	Introduce a telephone expenses management system and rationalise phone lines and mobile phones	-0.050		
P&R013	Reduce the Chairman's budget	-0.030		
P&R014	Courier savings - enforce, bring forward, digitise HR process	-0.030	-0.030	
P&R015	Review VAT payments made in recent years and seek to reclaim any overspend	-0.100		
P&R016	Switch off colour printing for shared services staff	-0.020		
P&R017	Further reductions in printing spend	-0.090		
P&R018	Org Change: Reduced ICT spend through single device convergence		-0.625	
P&R019	Reduce expenditure on external venues	-0.100		
P&R020	Reduce number of interims and temps	-0.090		
P&R042	Local Welfare Assistance Scheme	-0.725		
P&R039	Share of £1.7m additional savings 2015-16 (Resources)	-0.320		
P&R037	Share of £1.7m additional savings 2015-16 (Finance General)	-0.085		
	Efficiency savings (Finance General) to be redistributed	-0.500		
	2a Procurement, Commissioning. Procurement			
P&R021	Pay per use ERP			-0.100

Extracts from 2015-16 Budget Book

Budget Changes for 2015-18 POLICY AND RESOURCES COMMITTEE				
		2015-16 £m	2016-17 £m	2017-18 £m
P&R022	New Multi Functional Devices contract 2016		-0.070	
P&R023	Optimise car leasing and reduced mileage	-0.300		
P&R024	Rationalise applications and centralise all applications spend		-0.100	
P&R025	Corporate Banking project - move to Barclays			-0.035
P&R038	External Audit Saving	-0.012		
P&R041	Insurance	-1.000	1.000	
P&R001	Rationalise procurement functions across the organisation	-0.060		
	2b Procurement, Commissioning. Shared Services			
P&R026	Org change: Collaborative working with others (shared services)			-2.000
	3a Income generation, Trading. Sweat the assets			
P&R033	Interest rate increases	-0.787	-0.990	
P&R034	Section 31 Compensation for business rates initiatives	-1.194		
P&R035	Council Tax surplus / increased tax base			0.000
P&R027	Reduce property costs through reducing area occupied and reducing cost per square metre	-1.000	-1.000	-3.000
P&R028	Stop all trading that doesn't cover costs or bring in higher revenue		-0.050	
P&R029	Increased income from advertising	-0.050		
P&R030	Corporate approach to sponsorship & advertising		-0.100	
P&R032	Increased rebate from the Eastern Shires Purchasing Organisation	-0.100		
	4c Demand Management. Change Assumptions			
P&R044	County Farms funding (one-off)	-2.000	2.000	
	County Farms funding (recurring)	-0.500		
	Additional funding following Final Settlement and District Council Information yet to be allocated			
	Sub-total newly identified Savings	-10.173	-0.115	-5.135
	Total Savings	-6.396	-4.825	-5.135
	BASE ADJUSTMENTS			
	Funding reductions	38.692	42.000	26.900
	Section 31 Compensation for business rates initiatives	-0.173	2.052	
	Section 31 Compensation for business rates initiatives (additional to budget plans of £1.194m included in savings)	-0.412		

Extracts from 2015-16 Budget Book

Budget Changes for 2015-18 POLICY AND RESOURCES COMMITTEE				
		2015-16 £m	2016-17 £m	2017-18 £m
	Business rate multiplier (to be updated 31st Jan 15)	0.620		
	New Homes Bonus adjustment grant	-0.457	0.457	
	Social Fund (Local Assistance Scheme) Grant	2.275		
	Community Right to Challenge grant	0.009		
	Reduction to extended rights to free travel funding	0.116		
	Council tax freeze grant	-3.542		
	Total Base Adjustments	37.128	44.509	26.900

	COST NEUTRAL			
	ICT - ELMS Systems Maintenance to ASC	-0.014		
	Comms - Carrow Road Reception Staff to Children's	-0.027		
	Democratic Services - NALC & Voluntary Norfolk to Adults	-0.107		
	Customer Services Communities to P&R	0.026		
	Comms - Division of Service Management - from P&R to Communities	-0.060		
	Depreciation	2.515		
	REFCUS	-20.230		
	Debt Management	-0.001		
	Centralise Office Accommodation budgets	4.096		
	Termination of leases Finance General to Fire	-0.055		
	Termination of leases Finance General to Libraries	-0.019		
	Post between Children's & Comms	-0.035		
	Lease budget between Finance General and Libraries	0.028		
	Car Park budgets from Departments	0.048		
	Total Cost Neutral	-13.835	0.000	0.000
	TOTAL	-268.820	-223.861	-195.784

Appendix 2 – Savings options

The savings ideas have been brigaded under the Strategic Approaches outlined in the Re-imagining Norfolk report that P&R approved on June 1st 2015. An indicative level of saving has been provided. The committee is invited to comment upon the savings ideas.

Strategic Approach	Savings Proposal	Savings Range £m	RAG Rating
Cutting costs through efficiencies	Proposal is to work across teams to deliver reductions in cost/headcount over two years, via various workstreams: <ul style="list-style-type: none"> • Delaying/Management reductions • Critical review of all activities to ensure we are working towards either: <ul style="list-style-type: none"> ○ Helping to deliver council outcomes. ○ A Statutory minimum • Improving customer interfaces to significantly reduce “failure demand”. • Working towards automation where possible. 	£0.5m - £1m	Amber
	Assess VFM of Corporate Subscriptions and cancel where appropriate:	£0.05m - £0.1m	Green
Customer Services: Channel Shift	Utilising the Council’s customer Service strategy to further reduce face-to-face customer contact.	£0.1m-£0.2m	Amber
Raising Revenue: a business Strategy.	Treasury Management Strategy: Risk Appetite. Currently our average return on our cash investments is 0.75%. A modest increase in risk appetite (additional 0.25% on £100m of cash) would not be unreasonable.	£0.2m-£0.3m	Green
	NCC company Borrowings: Currently Council wholly owned companies borrow funds to invest in Capital projects from banks and other institutions. There is an opportunity to arbitrage the high level of cash holdings the authority currently has, by this capital borrowing being provided by NCC and eliminating the profit margin	£0.4-£0.7m	Green
	Council Tax: Raising the Base. Working with the districts on a number of strands to deliver an increase in the council Tax base and subsequently increase Council Tax Revenue to the Council.	£1m- £1.2m	Amber

Extracts from 2015-16 Budget Book

	<p>1) Review of Mobile Homes Sites 2) Single Person Discounts review</p> <p>There are several companies in the market who will undertake this work on a risk and reward basis.</p> <p>This will deliver significant New Homes Bonus funding to the district Councils</p>		
	Cost Recovery exercise: Review of services provided across Finance to ensure that we are charging external clients (Including Schools) on a Full Cost Recovery basis.	£0.1m	Amber
	Commercialisation: Investment fund. Investment in a range of commercial activities, in particular via our wholly owned companies.	£0.5m - £0.75m	Amber
	Commercialisation: Property Development Exploring options for the authority regarding direct property development. This work is already underway following the decisions taking at 1 st June P&R pertaining to land at Acle, Lingwood and Blofield	TBC	TBC
	Fraud Error and Debt: Use of data analytical tools to collect debts that have been previously written off (Largely but not exclusively uncollected Council Tax) Again working with the districts.	TBC	Amber
Property Assets.	<p>Explore what further opportunities we have for further reducing core FM standards across the estate – Opening Hours etc.</p> <p>Important to note the significant level of property savings already included in the MTFS (Circa £7m)</p>	TBC	Amber

Policy and Resources Committee

Item No 7A

Report title:	Delivering Financial Savings 2015-16
Date of meeting:	20 July 2015
Responsible Chief Officer:	Simon George – Executive Director of Finance
Strategic impact This report to Policy and Resources Committee provides an overview of the progress in delivering the savings agreed by the County Council at its meeting 16 February 2015.	

Executive summary

County Council agreed savings of £36.721m as part of the 2015-16 budget setting process. This report provides details of progress in delivering these savings, concentrating on 2015-16, but also providing an overview of the later years 2016-17 and 2017-18.

The report comments on the exceptions to successful delivery, those items rated RED, and critical AMBER items.

This report will be presented to the Policy and Resources Committee at each meeting.

Members are recommended to consider and note:

- a) the forecast total shortfall of £11.952m in 2015-16, for which alternative savings need to be identified;
- b) the increase in the budgeted value of 2015-16 savings projects rated as RED to £18.682m, of which £7.302m are now forecast to be delivered; and
- c) the forecast savings shortfall on AMBER rated projects of £0.572m.

1. Savings Overview

1.1. The County Council, as part of setting its budget for 2015-16, considered proposed net 2015-16 savings of £36.094m, which included a net £0.227m of additional unallocated income compared to the total savings of £36.322m reported to Policy and Resources Committee in January. The County Council's decisions amended the proposed savings total in three ways:

	2015-16 £m
Total savings proposed to County Council (net)	-36.094
1. The deletion of Adult Services transport savings	+0.100
2. The addition of efficiency savings, held in P&R	-0.500
3. The removal of the unallocated additional funding	-0.227
Revised net total	-36.721

1.2. The additional efficiency saving of £0.500m for 2015-16, detailed elsewhere on this agenda, will be used to support the adult social care budget.

1.3. The agreed net savings of £36.721m in 2015-16 (gross saving £51.361m), include one-off items and use of reserves totalling £6.756m as set out in Annex 1. The detailed categorisation of the total savings, and the savings identified for subsequent years of the Medium Term Financial Strategy agreed as part of the budget process, are also shown in Annex 1.

2. RAG Ratings

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

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
Blue	Saving already delivered
Yellow	Alternative savings identified
Reversal	Reversal of previous year saving

2.2. The highlight report starts with the overall RAG position, as set out at Table 1. The information is derived from the detail at Annex 3. The decision to rate a project as RED, will be one arrived at by the Finance community, in consultation with departments. This will ensure a common standard is maintained in the monitoring.

2.3. A review of savings projects has been completed, with the result that the RAG ratings and forecasts shown in Table 1 and Annex 3 have been applied. A number of new 2015-16 savings have been categorised as BLUE where the actions are certain to be delivered. These include items such as the reduction in redundancy and where decisions have been made to reduce grant payments.

2.4. Eleven savings projects have been rated as RED, representing a budgeted total saving of £18.682m. It is currently forecast that only £7.302m of this saving will now be delivered as set out in the following table. This represents a shortfall of £11.380m, which relates to RED rated projects.

2.5. AMBER rated projects include a forecast shortfall of £0.572m. This results in a forecast total shortfall of £11.952m.

2.6. Alternative savings have been identified within the Policy & Resources budget in respect of budgeted savings totalling £0.157m, which have therefore now been classified as YELLOW.

Table 1: 2015-16 Savings by RAG Status

RAG Status	Budgeted Value of Savings 2015-16 (a)	Previous Forecast Savings 2015-16 (b)	Latest Forecast Savings 2015-16 (c)	Savings Shortfall 2015-16 (a)-(c)	Latest Forecast Savings 2015-16 (c) analysed by Committee				
					Children's Services	Adults	EDT	Communities	Policy & Resources
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Red	-18.682	-4.800	-7.302	-11.380	-2.502	-4.600	0.000	-0.200	0.000
Amber	-5.376	-12.752	-4.804	-0.572	-0.401	-0.000	-1.900	-0.235	-2.268
Green	-9.800	-10.880	-9.800	0.000	-0.872	-3.305	-1.881	-0.969	-2.773
Blue	-17.346	-17.167	-17.346	0.000	-0.740	-3.156	-1.510	-0.560	-11.380
Yellow	-0.157	0.000	-0.157	0.000	0.000	0.000	0.000	0.000	-0.157
Gross Savings	-51.361	-45.599	-39.409	-11.952	-4.515	-11.061	-5.291	-1.964	-16.578
Shortfall	0.000	-5.762	-11.952	n/a	-5.842	-5.235	-0.167	-0.250	-0.458
Reversal	14.640	14.640	14.640	n/a	2.000	0.000	2.000	0.000	10.640
Total	-36.721	-36.721	-36.721	n/a	-8.357	-16.296	-3.458	-2.214	-6.396

2.7. Table 2 below sets out the current categorisation of 2015-18 savings based on the updated RAG rating assessment and the latest forecast variance position, which includes the replacement savings of £16.252m to be identified for the three years.

Table 2: Categorisation of Savings 2015-18

	2015-16	2016-17	2017-18	Total
Savings	£m	£m	£m	£m
Org Change - Staffing	-4.624	-0.528	0.000	-5.152
Org Change - Systems	-4.437	-13.253	0.000	-17.690
Capital	-0.614	-0.727	0.000	-1.341
Terms & Conditions	-0.485	-1.102	0.000	-1.587
Procurement	-5.067	-0.270	-0.135	-5.472
Shared Services	-0.190	-0.205	-2.000	-2.395
Income and Rates of Return	-7.308	-5.996	-2.900	-16.204
Assumptions under Risk Review	4.230	5.156	0.000	9.386
Back office subtotal	-18.495	-16.925	-5.035	-40.455

Reducing Standards, including eligibility	-2.977	-5.225	-0.800	-9.002
Ceasing Service	-3.297	-1.590	0.000	-4.887
Front line subtotal	-6.274	-6.815	-0.800	-13.889
Shortfall	-11.952	-4.300	0.000	-16.252
Total	-36.721	-28.040	-5.835	-70.596

2.8. The breakdown of savings by Committee, for 2015-16 is shown in Table 3 below.
The position for all three years is set out at Annex 2.

2.9. A definition of savings categories is provided in Annex 4.

Table 3: Savings by Committee 2015-16

	Children's Services	Adults	EDT	Communities	Policy & Resources	TOTAL
Savings 2015-16	£m	£m	£m	£m	£m	£m
1a Organisation	-0.286	-0.250	-0.005	-0.087	-3.996	-4.624
1b Lean	-1.252	-0.200	-0.116	-0.242	-2.627	-4.437
1c Capital	0.000	0.000	-0.540	-0.074	0.000	-0.614
1d Terms & Conditions	-0.115	-0.099	-0.034	0.000	-0.237	-0.485
2a Procurement	0.000	-1.706	-1.904	-0.095	-1.362	-5.067
2b Shared Services	0.000	-0.150	0.000	-0.040	0.000	-0.190
3a Income and Rates of Return	0.000	-0.150	-0.882	-0.774	-5.502	-7.308
4a Change standards	-0.462	-2.350	0.337	-0.502	0.000	-2.977
4b Stop doing things	0.000	-3.000	-0.147	-0.150	0.000	-3.297
4c Change assumptions	-0.400	-3.156	0.000	0.000	7.786	4.230
Shortfall	-5.842	-5.235	-0.167	-0.250	-0.458	-11.952
Total	-8.357	-16.296	-3.458	-2.214	-6.396	-36.721

3. Commentary on savings rated RED

3.1. Following review, eleven savings have been rated as RED to reflect significant concern that the saving may not be delivered, and a forecast savings shortfall of £11.380m within RED rated projects identified. Commentary on the RED rated savings is provided below.

Adults

3.1.1. COM018 – Review Care Arranging Service – forecast shortfall £0.140m: This proposal predated the introduction of the Care Act which gives the council increased responsibilities for arranging care for people who fund their own care.

There will in fact be additional workload responsibilities for this team and alternative means of achieving this saving are being sought within the department.

- 3.1.2. COM026 – Change the type of social care support that people receive to help them live at home – forecast shortfall £0.100m: A tender for the reprocurement of home care services in West Norfolk and in Yarmouth and Waveney has been advertised. The Great Yarmouth and Waveney tender is being run jointly with Suffolk County Council to deliver a more integrated and efficient service. However this has resulted in a delay in the original procurement timetable. Full year savings will not be achieved in 2015-16 as the new contract will commence on 1st November 2015.
- 3.1.3. GET010 – Renegotiate contracts with residential providers, to include a day care service – forecast shortfall £0.100m: A detailed review of the individuals who receive a separate day care and residential care service has concluded that this saving is unlikely to be achieved in most cases. The Adult Social Services Cost of Care exercise is examining placement costs in Norfolk in detail and will inform work on this proposal.
- 3.1.4. COM034 – Care for Learning Disabilities or Physical Disabilities – forecast shortfall £1.000m: Current forecasts show that £1.000m of the £2.000m saving to change how we provide care for people with learning disabilities or physical disabilities will be achieved in 2015-16. The saving involves re-assessing existing service users and where appropriate providing alternative and most cost effective accommodation, or means of supporting them in their current accommodation. While the total saving will be achieved over time, this project does have a longer lead in time. This project is under review to ensure that all possible savings can be achieved.
- 3.1.5. COM033 – Reduce funding for Wellbeing Activities – forecast shortfall £3.000m: Estimates show that £3.000m of the £6.000m saving from reducing funding for those who receive support from a personal budget will be delivered. The time lag in implementing the change for existing service users, which was agreed following the consultation exercise, along with pressure on the reviewing capacity in the teams means it is uncertain whether the full £6.000m saving will be achieved in 2015-16. Additional reviewing capacity has been brought in to speed up this process, and the project is being very closely monitored by senior management in the department.
- 3.1.6. ASC002 – Redesign Adult Social Care pathway. Work with Hewlett Packard and procurement on areas of the pathway to drive out further efficiencies – forecast shortfall £0.395m: The HP Sprint has not completed and will therefore not produce improved data to influence procurement decisions. This saving will be achieved through further efficiencies in Purchase of Care.
- 3.1.7. ASC004 – Norse care savings – forecast shortfall £0.500m: Based on the current Norsecare strategic financial plan, there is a shortfall against the current Adult Social Services target, work is underway with Norsecare to reduce the gap and deliver the saving in full.

Communities

3.1.8. CMM007 – Income Generation – forecast shortfall £0.250m: The saving for income generation (external hire replacement, fire testing, highways clearance, grants from Europe) under the Communities Committee is highlighted as RED. It is now apparent a number of the original proposals have been overtaken by parallel schemes being pursued within the new Corporate Property Team. Current forecasts show £0.200m of the £0.450m target will be delivered. Options to deliver the balance of the saving are being explored as part of the CES Transformation Programme and through a review of external venue hire spend.

EDT

3.1.9. WAS10 – Reduce opening hours at some recycling centres – forecast shortfall £0.167m: None of the budgeted saving of £0.167m from reducing the opening hours at some recycling centres will be delivered, following the Committee decision in March that there should be no changes to opening hours.

Children's

3.1.10. CHI001 – Increase the number of services we have to prevent children and young people from coming into our care and reducing the cost of looking after children – forecast shortfall £5.638m: The number of Looked After Children and agency placements is not reducing as quickly as originally planned and we are forecasting only £2.502m of the £8.140m saving will be delivered.

Policy and Resources

3.1.11. P&R020 – Reduce number of interims and temps– forecast shortfall £0.090m: Number of interims and temps not currently reducing. Options to deliver an alternative to this saving are being explored.

4. Commentary on savings rated AMBER

4.1. Following review, four savings rated as AMBER are forecasting a shortfall of £0.572m. Commentary on these AMBER rated saving is provided below.

Policy and Resources

4.1.1. GET015 – Reducing the costs of employment – forecast shortfall £0.220m: The Council agreed savings of £0.440m from reducing the cost of employment. However, a scheme to implement this through charging for parking at County Hall was suspended for further consideration and planning. A shortfall of £0.220m has been identified for the year to date, pending agreement on implementation being reached.

4.1.2. RES071 – Restructure and reduce staff across HR – forecast shortfall £0.148m: The Council agreed savings of £0.296m, however resource from HR is being needed to support the organisational change the authority is going through. Only half of this saving will be achieved. Alternative options to deliver the balance of this saving are being explored.

Children's

4.1.3. CHI017 – Review senior management and commissioning structures – forecast shortfall £0.075m: Delayed implementation of the new structure in Children's Services means only part of this £0.180m saving can be delivered.

4.1.4. CHL008 – Savings in management costs in Children's Services – forecast shortfall £0.129m: Delayed implementation of the new structure in Children's Services means only part of this £0.310m saving can be delivered.

5. Summary

5.1. The impact of the latest forecast means that shortfalls totalling £5.842m, £5.235m, £0.167m, £0.250m and £0.458m have been identified within the Children's, Adults, EDT, Communities, and P&R budgets respectively and alternative savings will be required within the relevant Committee budgets.

Officer Contact

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

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One-off amounts are included within the total savings set out in the Categorisation of Savings table below, as shown below.

One-off savings 2015-18

	2015-16	2016-17	2017-18
	£m	£m	£m
One Off: Use of Earmarked Reserves (Adults)	-3.156	3.156	0.000
Use of ETD earmarked reserves	-0.500	0.500	0.000
Subtotal use of earmarked reserves	-3.656	3.656	0.000
One-off sale of some antiquarian and collectible library books that do not relate to Norfolk or its history	-0.100	0.000	0.100
County Farms funding (one-off)	-2.000	2.000	0.000
Insurance	-1.000	1.000	0.000
Subtotal one-off items	-3.100	3.000	0.100
Total use of reserves and one-off items	-6.756	6.656	0.100

Categorisation of Savings 2015-18 (Budget)

	2015-16	2016-17	2017-18	Total
Savings	£m	£m	£m	£m
Org Change - Staffing	-4.976	-0.528	0.000	-5.504
Org Change - Systems	-10.800	-13.753	0.000	-24.553
Capital	-0.614	-0.727	0.000	-1.341
Terms & Conditions	-0.705	-1.102	0.000	-1.807
Procurement	-5.667	-1.020	-0.135	-6.822
Shared Services	-0.190	-0.205	-2.000	-2.395
Income and Rates of Return	-7.558	-6.046	-2.900	-16.504
Assumptions under Risk Review	4.230	5.156	0.000	9.386
Back office subtotal	-26.280	-18.225	-5.035	-49.540
Reducing Standards, including eligibility	-4.144	-6.725	-0.800	-11.669
Ceasing Service	-6.297	-3.090	0.000	-9.387
Front line subtotal	-10.441	-9.815	-0.800	-21.056
Total	-36.721	-28.040	-5.835	-70.596

Savings by Committee 2015-18

	Children's Services	Adults	EDT	Communities	Policy & Resources	TOTAL
Savings 2015-16	£m	£m	£m	£m	£m	£m
1a Organisation	-0.286	-0.250	-0.005	-0.087	-3.996	-4.624
1b Lean	-1.252	-0.200	-0.116	-0.242	-2.627	-4.437
1c Capital	0.000	0.000	-0.540	-0.074	0.000	-0.614
1d Terms & Conditions	-0.115	-0.099	-0.034	0.000	-0.237	-0.485
2a Procurement	0.000	-1.706	-1.904	-0.095	-1.362	-5.067
2b Shared Services	0.000	-0.150	0.000	-0.040	0.000	-0.190
3a Income and Rates of Return	0.000	-0.150	-0.882	-0.774	-5.502	-7.308
4a Change standards	-0.462	-2.350	0.337	-0.502	0.000	-2.977
4b Stop doing things	0.000	-3.000	-0.147	-0.150	0.000	-3.297
4c Change assumptions	-0.400	-3.156	0.000	0.000	7.786	4.230
Shortfall	-5.842	-5.235	-0.167	-0.250	-0.458	-11.952
Total	-8.357	-16.296	-3.458	-2.214	-6.396	-36.721
Savings 2016-17						
1a Organisation	0.000	0.000	0.000	-0.052	-0.476	-0.528
1b Lean	-8.484	-1.500	-0.905	-1.340	-0.924	-13.153
1c Capital	-1.000	0.000	0.500	-0.227	0.000	-0.727
1d Terms & Conditions	-0.105	-0.090	-0.031	0.000	-0.876	-1.102
2a Procurement	0.000	-0.750	-0.350	0.000	0.830	-0.270
2b Shared Services	0.000	0.000	-0.005	-0.300	0.000	-0.305
3a Income and Rates of Return	0.000	0.000	-0.595	-0.105	-5.296	-5.996
4a Change standards	-2.312	-2.550	-0.280	0.000	-0.083	-5.225
4b Stop doing things	0.000	-1.500	-0.090	0.000	0.000	-1.590
4c Change assumptions	0.000	3.156	0.000	0.000	2.000	5.156
Shortfall	0.000	-4.300	0.000	0.000	0.000	-4.300
Total	-11.901	-7.534	-1.756	-2.024	-4.825	-28.040
Savings 2017-18						
1a Organisation	0.000	0.000	0.000	0.000	0.000	0.000
1b Lean	0.000	0.000	0.000	0.000	0.000	0.000
1c Capital	0.000	0.000	0.000	0.000	0.000	0.000
1d Terms & Conditions	0.000	0.000	0.000	0.000	0.000	0.000
2a Procurement	0.000	0.000	0.000	0.000	-0.135	-0.135
2b Shared Services	0.000	0.000	0.000	0.000	-2.000	-2.000
3a Income and Rates of Return	0.000	0.000	0.000	0.100	-3.000	-2.900
4a Change standards	0.000	-0.800	0.000	0.000	0.000	-0.800
4b Stop doing things	0.000	0.000	0.000	0.000	0.000	0.000
4c Change assumptions	0.000	0.000	0.000	0.000	0.000	0.000
Shortfall	0.000	0.000	0.000	0.000	0.000	0.000
Total	0.000	-0.800	0.000	0.100	-5.135	-5.835

2015-16 Savings and RAG Status Detail

Con Ref	Internal Ref	SAVINGS	2015-16	2016-17	2017-18	Forecast 2015-16	RAG Status 2015-16
			£m	£m	£m	£m	
Adult Social Care Committee							
		1a Digital Transformation, BWOW. Organisation					
14	COM031	Further Savings from PCSS (Personal Community Support Service)	-0.250			-0.250	Green
		1b Digital Transformation, BWOW. Lean					
14	COM018	Review Care Arranging Service	-0.140			0.000	Red
30	COM026	Change the type of social care support that people receive to help them live at home	-0.200			-0.100	Red
06	COM028	Electronic Monitoring of Home Care providers		-0.500		0.000	NA
		1d Digital Transformation, BWOW. T&Cs					
04	GET016	Reducing the cost of business travel	-0.099	-0.090		-0.099	Green
		2a Procurement, Commissioning. Procurement					
06	COM027	Review block home care contracts	-0.100			-0.100	Green
06	COM042	Review of Norse Care agreement for the provision of residential care	-1.000	-1.500		-1.000	Green
04	GET010	Renegotiate contracts with residential providers, to include a day service as part of the contract, or at least transport to another day service	-0.100			0.000	Red
04	GET011	Renegotiate the Norse bulk recharge	-0.106			-0.106	Green
		2b Procurement, Commissioning. Shared Services					
18	COM023	Integrated occupational therapist posts with Health	-0.100			-0.100	Green
18	COM024	Assistant grade posts working across both health and social care	-0.050			-0.050	Green
		3a Income generation, Trading. Sweat the assets					
20	COM019	Trading Assessment and Care Management support for people who fund their own care		-0.050		0.000	NA
08	COM025	Decommission offices, consolidate business support	-0.150			-0.150	Green
		4a Demand Management. Change Standards					

Con Ref	Internal Ref	SAVINGS	2015-16	2016-17	2017-18	Forecast 2015-16	RAG Status 2015-16
			£m	£m	£m	£m	
33	COM034	Changing how we provide care for people with learning disabilities or physical disabilities	-2.000	-3.000		-1.000	Red
35	COM038	Scale back housing-related services and focus on the most vulnerable people	-1.200			-1.200	Green
36	COM040	Reduce the number of Adult Care service users we provide transport for	-0.150	-0.150		-0.150	Green
		4b Demand Management. Stop Doing Things					
31	COM033	Reduce funding for wellbeing activities for people receiving support from Adult Social Care through a personal budget	-6.000	-3.000		-3.000	Red
		Sub-total Savings from 2014-17 Budget Round	-11.645	-8.290	0.000	-7.405	
		1b Digital Transformation, BWOW. Lean					
1a	ASC001	Residential care. Process improvements for more effective management of residential care beds	-0.100			-0.100	Green
3c	ASC002	Redesign Adult Social Care pathway. Work with Hewlett Packard and procurement on areas of the pathway to drive out further efficiencies	-0.395	-1.500		-0.000	Red
		2a Procurement, Commissioning. Procurement					
1b	ASC004	Norse care rebate. The proposal is for the rebate to be allocated to the Adult Social Care revenue budget on an ongoing basis, rather than to the Adult Social Care Residential Care Reserve as previously.	-1.000			-0.500	Red
		4a Demand Management. Change Standards					
5a	ASC003	Service users to pay for transport out of personal budgets, reducing any subsidy paid by the Council		-0.900	-0.800	0.000	NA
		4c Demand Management. Change Assumptions					
NA	ASC005	One Off: Use of Earmarked Reserves (Adults)	-3.156	3.156		-3.156	Blue
		Sub-total new savings	-4.651	0.756	-0.800	-3.656	
		Shortfall (alternative savings to be identified)	0.000	0.000	0.000	-5.235	
		Total Savings	-16.296	-7.534	-0.800	-16.296	

Con Ref	Internal Ref	SAVINGS	2015-16	2016-17	2017-18	Forecast 2015-16	RAG Status 2015-16
			£m	£m	£m	£m	
Children's Committee							
		1a Digital Transformation, BWOW. Organisation					
08, 3a	CHI017, CHL001	Review senior management and commissioning structures	-0.180	0.000		-0.075	Amber
		1b Digital Transformation, BWOW. Lean					
21	CHI001-004	Increase the number of services we have to prevent children and young people from coming into our care and reducing the cost of looking after children	-8.140	-8.484		-2.502	Red
21	CHI001-004b	Children's Services Review - use of one off reserves to delay savings to 2015-16	2.000			2.000	Blue
		1c Digital Transformation, BWOW. Capital					
26	CHI012	Reduce the cost of transport for children with Special Educational Needs		-1.000		0.000	NA
		1d Digital Transformation, BWOW. T&Cs					
04	GET016	Reducing the costs of business travel	-0.115	-0.105		-0.115	Amber
		4a Demand Management. Change Standards					
22	CHI005	Change services for children and young people with Special Educational Needs and Disabilities in response to the Children and Families Bill		-1.912		0.000	NA
24	CHI010	Stop our contribution to the Schools Wellbeing Service, Teacher Recruitment Service, Norfolk Music Service and Healthy Norfolk Schools Programme and explore if we could sell these services to schools	-0.215			-0.215	Green
28	CHI014	Reduce the amount of funding we contribute to the partnerships that support young people who misuse substances and young people at risk of offending		-0.250		0.000	NA
29	CHI015	Reduce funding for school crossing patrols	-0.150	-0.150		-0.150	Blue

Con Ref	Internal Ref	SAVINGS	2015-16	2016-17	2017-18	Forecast 2015-16	RAG Status 2015-16
			£m	£m	£m	£m	
		4c Demand Management. Change Assumptions					
12, NA	CHI018, CHL003	Reduced retirement costs for teachers	-0.400	0.000		-0.400	Blue
		Sub-total Savings from 2014-17 Budget Round	-7.200	-11.901	0.000	-1.457	
		1a Digital Transformation, BWOW. Organisation					
3a	CHL008	Savings in management costs in Children's Services	-0.310			-0.181	Amber
		1b Digital Transformation, BWOW. Lean					
3e	CHL004	Continued use of public transport within Looked After Children service	-0.190			-0.190	Blue
3e	CHL006	Reducing legal costs for Looked After Children	-0.430			-0.430	Green
3e	CHL007	End of ground maintenance contract for trees in schools	-0.130			-0.130	Green
		4a Demand Management. Change Standards					
4b	CHL005	Reduce subsidy for community use of school premises	-0.097			-0.097	Green
		Sub-total newly identified Savings	-1.157	0.000	0.000	-1.028	
		Shortfall (alternative savings to be identified)	0.000	0.000	0.000	-5.842	
		Total Savings	-8.357	-11.901	0.000	-8.357	

Con Ref	Internal Ref	SAVINGS	2015-16	2016-17	2017-18	Forecast 2015-16	RAG Status 2015-16
			£m	£m	£m	£m	
Communities Committee							
		1a Digital Transformation, Better Ways Of Working: Organisation					
08	RES79	Review and reduce staffing in Customer Services and Communications to reflect changes in communication practices and the business requirements of the organisation	-0.009	-0.042		-0.009	Green
		1b Digital Transformation, Better Ways Of Working: Lean					
NA		Reduced cost of ICT refresh		-0.100		0.000	NA
15	RES82	Efficiency savings arising from utilising public health skills and resources to remove duplication		-1.275		0.000	NA
		1c Digital Transformation, Better Ways Of Working: Capital					
55	FR001	Purchase different, cost effective fire vehicles for some stations	-0.074	-0.227		-0.074	Green
		2b Procurement, Commissioning. Shared Services					
16	ETD09	Enhanced multi-agency working on emergency planning	-0.040			-0.040	Amber
20	ETD24	Changes to the delivery of road safety education and evaluation to make greater use of community resources		-0.200		0.000	NA
		3a Income generation, Trading. Sweat the assets					
20	COM08	Museums - Gift Aid and Cultural Exemptions	-0.354			-0.354	Green
20	COM15	Norfolk Record Office - Increased income generation	-0.020	-0.010		-0.020	Green
48	ETD02	Charge for advice to business from our Trading Standards Service		-0.020		0.000	NA
20	RES39	Increase charges for Registration Services	-0.050	-0.050		-0.050	Green
58	RES42	Move the historical registration records to the Norfolk Record Office	-0.050			-0.050	Green
		4a Demand Management. Change Standards					
47	ETD01	Scale back Trading Standards advice to focus on the things we have to do by law	-0.250			-0.250	Blue
		4c Demand Management. Change Assumptions					
		Sub-total Savings from 2014-17 Budget Round	-0.847	-1.924	0.000	-0.847	

Con Ref	Internal Ref	SAVINGS	2015-16	2016-17	2017-18	Forecast 2015-16	RAG Status 2015-16
			£m	£m	£m	£m	
		1a Digital Transformation, Better Ways Of Working: Organisation					
2a, 2b, 2d	CMM002	Reductions in staff and increased income from car parking & ancient house museum (Thetford)	-0.078	-0.010		-0.078	Green
		1b Digital Transformation, Better Ways Of Working: Lean					
1c	CMM009	Reduction in Library Management System costs	-0.012			-0.012	Green
3b	P&R011	Review mail operations	-0.060	-0.065		-0.060	Green
3d	P&R010	Reduced consultation budget	-0.020			-0.020	Blue
NA	CMM012	Customer Services additional savings	-0.100			-0.100	Green
NA	CMM011	Library vacancy management additional savings	-0.050			-0.050	Green
		2a Procurement, Commissioning. Procurement					
1a	CMM010	Fire & Rescue Service savings generated through Priority Based Budgeting exercise - focussed on procurement efficiencies and asset management	-0.095			-0.095	Amber
		3a Income generation, Trading. Sweat the assets					
2c	CMM004	One-off sale of some antiquarian and collectible library books that do not relate to Norfolk or it's history	-0.100		0.100	-0.100	Amber
1d	CMM007	Income generation (External hire replacement, fire testing, highways clearance, grants from Europe)	-0.450			-0.200	Red
2a	P&R031	Portal for "Norfolk Weddings" registrars additional income		-0.025		0.000	NA
		4a Demand Management. Change Standards					
3g	CMM001	Library staff reductions	-0.080			-0.080	Green
3b	CMM003	Service reviews, management savings in Customer Services	-0.090			-0.090	Blue
3e	CMM005	Reduced spend on ICT and conservation materials for Record Office	-0.032			-0.032	Green
1b	CMM008	Reduce Healthwatch budget	-0.050			-0.050	Blue
		4b Demand Management. Stop Doing Things					
4a	CMM006	Arts - reduction of arts services and grants	-0.150			-0.150	Blue
		Sub-total new savings	-1.367	-0.100	0.100	-1.117	

Con Ref	Internal Ref	SAVINGS	2015-16	2016-17	2017-18	Forecast 2015-16	RAG Status 2015-16
			£m	£m	£m	£m	
		Shortfall (alternative savings to be identified)	0.000	0.000	0.000	-0.250	
		Total savings	-2.214	-2.024	0.100	-2.214	

Con Ref	Internal Ref	SAVINGS	2015-16	2016-17	2017-18	Forecast 2015-16	RAG Status 2015-16
			£m	£m	£m	£m	
Environment Development and Transport Committee							
		1b Digital Transformation, BWOW. Lean					
02	ETD15	Replacement of BusNet system with SMART ticket machines	-0.100			-0.100	Blue
02	ETD26	Use of alternative existing technology to provide transport monitoring data and changes to how the council procures traffic surveys		-0.135		0.000	NA
59	GET07	Cut the cost of providing school transport (Allocate more children to public transport contracts)	-0.020	-0.020		-0.020	Green
NA	ETD33	Improving processes and working arrangements in ETD	1.000			1.000	Reversal
		1c Digital Transformation, BWOW. Capital					
59	GET08	Cut the cost of providing school transport (Incentivise entitled pupils to opt out)	-0.040			-0.040	Green
		1d Digital Transformation, BWOW. T&Cs					
04	GET16	Reducing the costs of business travel	-0.034	-0.031		-0.034	Green
		2a Procurement, Commissioning. Procurement					
17	ETD18	Renegotiate concessionary travel schemes with bus operators	-0.350	-0.350		-0.350	Blue
04	ETD23	Reduction in the number of hired highway vehicles	-0.150			-0.150	Blue
		2b Procurement, Commissioning. Shared Services					
16	ETD08	Collaboration with peer authorities for delivery of specialist minerals and waste services		-0.005		0.000	NA
		3a Income generation, Trading. Sweat the assets					
49	ETD04	Charge people for the advice they receive from us prior to submitting a planning application	-0.010			-0.010	Green
52	ETD07	Charge for site inspection reports for operators of mineral and waste sites	-0.005			-0.005	Green
20	ETD10	Attract and generate new income for Environment services with a view to service becoming cost neutral in the long term.	-0.041	-0.072		-0.041	Green
20	ETD11	Attract and generate new income for Historic Environment Services with a view to service becoming cost neutral in the long term.	-0.026	-0.046		-0.026	Green

Con Ref	Internal Ref	SAVINGS	2015-16	2016-17	2017-18	Forecast 2015-16	RAG Status 2015-16
			£m	£m	£m	£m	
20	ETD12	Full cost recovery for staff in Smart ticketing project	-0.250			-0.250	Green
20	ETD13	Full cost recovery for delivery of travel plans with developers	-0.050	-0.052		-0.050	Green
49	ETD14	Charge people for the advice they receive from us prior to submitting a planning application - pre-application services	-0.125	-0.150		-0.125	Amber
20	ETD17	Reduce NCC subsidy for park and ride service by ongoing commercialisation.	-0.075	-0.075		-0.075	Amber
20	ETD25	Increased income from delivery of specialist highway services to third parties	-0.050	-0.100		-0.050	Amber
20	ETD28	Generation of external funding and grant programme management efficiencies		-0.100		0.000	NA
		4a Demand Management. Change Standards					
51	ETD06	Scale back planning enforcement	-0.037			-0.037	Green
53	ETD19	Reduce our subsidy for the Coasthopper bus service	-0.075			-0.075	Green
16	WAS06	Harmonisation of statutory recycling credit payments	-0.166			-0.166	Green
62	WAS09	Charge at some recycling centres		-0.280		0.000	NA
63	WAS10	Reduce opening hours at some recycling centres	-0.167			0.000	Red
54	ETD35	Reduce highway maintenance for one year	1.000			1.000	Reversal
		4b Demand Management. Stop Doing Things					
08	ETD27	Review budget allocations for economic development projects	-0.147	-0.090		-0.147	Green
		Sub-total Savings from 2014-17 Budget Round	0.082	-1.506	0.000	0.249	
		1a Digital Transformation, BWOW. Organisation					
NA	EDT001	Management of Vacancies	-0.005			-0.005	Green
		1b Digital Transformation, BWOW. Lean					
3a	EDT002	Review of on call arrangements with Norfolk Fire and Rescue Service	-0.005			-0.005	Green
3a	EDT003	Reduce training budget	-0.025			-0.025	Blue
3b	EDT004	Reviewing all of our back office budget and systems to identify savings, e.g. process reviews, without reducing our services	-0.566			-0.566	Amber
3e	EDT005	Introduce LED street lighting	-0.250	-0.750		-0.250	Amber

Con Ref	Internal Ref	SAVINGS	2015-16	2016-17	2017-18	Forecast 2015-16	RAG Status 2015-16
			£m	£m	£m	£m	
NA	EDT014	Additional savings Business support	-0.100			-0.100	Green
NA	EDT015	Additional savings LED Street lighting	-0.050			-0.050	Green
		1c Digital Transformation, BWOW. Capital					
3f	EDT007	Use of reserves	-0.500	0.500		-0.500	Blue
		2a Procurement, Commissioning. Procurement					
1a	EDT008	Retendering of waste disposal contracts	-0.834			-0.834	Amber
1a	EDT009	Re-tendering of transport contracts	-0.370			-0.370	Green
1a	EDT012	Savings from new recycling contract	-0.200			-0.200	Green
		3a Income generation, Trading. Sweat the assets					
2a	EDT010	Highways Income	-0.200			-0.200	Green
3f	EDT011	Norfolk Energy Futures return on Investment	-0.050			-0.050	Green
		4a Demand Management. Change Standards					
NA	EDT013	Reduce highways maintenance	-0.385			-0.385	Blue
		Sub-total newly identified Savings	-3.540	-0.250	0.000	-3.540	
		Shortfall (alternative savings to be identified)	0.000	0.000	0.000	-0.167	
		Total Savings	-3.458	-1.756	0.000	-3.458	

Con Ref	Internal Ref	SAVINGS	2015-16	2016-17	2017-18	Forecast 2015-16	RAG Status 2015-16
			£m	£m	£m	£m	
Policy and Resources Committee							
		1a Digital Transformation, BWOW. Organisation					
NA		Reduction in redundancy	-2.500			-2.500	Blue
01, 3a	RES10, P&R003	Restructure staff management in Procurement	-0.050	0.000		-0.050	Green
08	RES62	Reduce staff in the Corporate Programme Office	-0.100			-0.100	Yellow
08	RES68	Reduce staff in the HR Reward team	-0.018	-0.018		-0.018	Yellow
08	RES71	Restructure and reduce staff across HR	-0.296	-0.308		-0.148	Amber
10	RES80	Restructure the Corporate Resources department to reflect a smaller authority	-0.400			-0.400	Amber
		1b Digital Transformation, BWOW. Lean					
01	RES08	Reduce staff in Procurement by introducing automated document assembly	-0.050			-0.050	Green
11	RES34	Restructure the Planning, Performance & Partnerships service, creating a new Business Intelligence function	-0.188	-0.115		-0.188	Green
08	RES63	Reduce spend on properties with third parties	-0.200	-0.100		-0.200	Green
08	RES63	Property saving not delivered (2014-15) £0.150m of £0.300m	0.150			0.150	Reversal
09	RES65	Reduce staff supporting organisational development and learning and development	-0.039			-0.039	Yellow
10	RES81	Reduce printed marketing materials		-0.054		0.000	NA
		1d Digital Transformation, BWOW. T&Cs					
04	GET15	Reducing the costs of employment	-0.440	-0.860		-0.220	Amber
04	GET16	Reducing the cost of business travel	-0.017	-0.016		-0.017	Green
		2a Procurement, Commissioning. Procurement					
02	RES02	One-off ICT saving	0.010			0.010	Reversal
		3a Income generation, Trading. Sweat the assets					
20	RES64	Increase income from Nplaw	-0.058	-0.051		-0.058	Green

Con Ref	Internal Ref	SAVINGS	2015-16	2016-17	2017-18	Forecast 2015-16	RAG Status 2015-16
			£m	£m	£m	£m	
08	RES67	Office moves for some HR teams	-0.015			-0.015	Green
NA		County Hall refurbishment savings	-0.279	-0.751		-0.279	Green
NA		Cross cutting savings	0.194			0.194	Reversal
NA		Reduced cost of borrowing	-0.103	-0.825		-0.103	Blue
NA		New Homes Bonus	-0.910	-1.529		-0.910	Blue
NA		Use of second homes money	-1.200	0.000		-1.200	Blue
		4a Demand Management. Change Standards					
01	RES11	Continued efficiencies in tendering and contract management in Procurement		-0.083		0.000	NA
		4c Demand Management. Change Assumptions					
07	RES57	One-off use of the Communication development reserve	0.122			0.122	Reversal
NA		Use of organisational change reserves (one-off)	3.000			3.000	Reversal
NA		Use of organisational changes reserve (one-off)	1.000			1.000	Reversal
NA		Use of Modern Reward Strategy reserve (one-off)	0.547			0.547	Reversal
NA		Use of Icelandic Bank Reserve (one-off)	1.453			1.453	Reversal
NA		Interest receivable/payable - change to risk appetite (one-off)	4.164			4.164	Reversal
		Sub-total Savings from 2014-17 Budget Round	3.777	-4.710	0.000	4.145	
		1a Digital Transformation, BWOW. Organisation					
3a	P&R002	Service review Communications	-0.060			-0.060	Green
3b	P&R004	Accelerate "self service" for employees/mgrs - HR/Finance/ICT		-0.100		0.000	NA
3b	P&R005	Automate more information and performance reports		-0.050		0.000	NA
3a	P&R006	Further savings for review of shared services organisation	-0.100			-0.100	Amber
3a	P&R007	Reduce management hierarchies in Finance	-0.100			-0.100	Blue
3b	P&R008	Staff savings from new committee management system	-0.020			-0.020	Green
NA	P&R043	Additional Resources saving	-0.500			-0.500	Amber
		1b Digital Transformation, BWOW. Lean					

Con Ref	Internal Ref	SAVINGS	2015-16	2016-17	2017-18	Forecast 2015-16	RAG Status 2015-16
			£m	£m	£m	£m	
1c	EDT006	Centralise control of software licences	-0.250			-0.250	Green
1c	P&R012	Introduce a telephone expenses management system and rationalise phone lines and mobile phones	-0.050			-0.050	Green
3d	P&R013	Reduce the Chairman's budget	-0.030			-0.030	Blue
3b	P&R014	Courier savings - enforce, bring forward, digitise HR process	-0.030	-0.030		-0.030	Green
3f	P&R015	Review VAT payments made in recent years and seek to reclaim any overspend	-0.100			-0.100	Green
3b	P&R016	Switch off colour printing for shared services staff	-0.020			-0.020	Green
3b	P&R017	Further reductions in printing spend	-0.090			-0.090	Green
1c	P&R018	Org Change: Reduced ICT spend through single device convergence		-0.625		0.000	NA
1d	P&R019	Reduce expenditure on external venues	-0.100			-0.100	Amber
3a	P&R020	Reduce number of interims and temps	-0.090			0.000	Red
NA	P&R042	Local Welfare Assistance Scheme saving	-0.725			-0.725	Blue
NA	P&R039	Share of £1.7m additional savings 2015-16 (Resources)	-0.320			-0.320	Green
NA	P&R037	Share of £1.7m additional savings 2015-16 (Finance General)	-0.085			-0.085	Blue
		Efficiency savings (Finance General) to be redistributed	-0.500			-0.500	Amber
		2a Procurement, Commissioning. Procurement					
1c	P&R021	Pay per use ERP			-0.100	0.000	NA
1c	P&R022	New Multi Functional Devices contract 2016		-0.070		0.000	NA
1c	P&R023	Optimise car leasing and reduced mileage	-0.300			-0.300	Amber
1c	P&R024	Rationalise applications and centralise all applications spend		-0.100		0.000	NA
1a	P&R025	Corporate Banking project - move to Barclays			-0.035	0.000	NA
NA	P&R038	External Audit Saving	-0.012			-0.012	Blue
NA	P&R041	Insurance (one-off)	-1.000	1.000		-1.000	Blue
3a	P&R001	Rationalise procurement functions across the organisation	-0.060			-0.060	Green
		2b Procurement, Commissioning. Shared Services					

Con Ref	Internal Ref	SAVINGS	2015-16	2016-17	2017-18	Forecast 2015-16	RAG Status 2015-16
			£m	£m	£m	£m	
3c	P&R026	Org change: Collaborative working with others (shared services)			-2.000	0.000	NA
		3a Income generation, Trading. Sweat the assets					
3f	P&R033	Interest rate increases	-0.787	-0.990		-0.787	Blue
3f	P&R034	Section 31 Compensation for business rates initiatives	-1.194			-1.194	Blue
1d	P&R027	Reduce property costs through reducing area occupied and reducing cost per square metre	-1.000	-1.000	-3.000	-1.000	Green
2a	P&R028	Stop all trading that doesn't cover costs or bring in higher revenue		-0.050		0.000	NA
2a	P&R029	Increased income from advertising	-0.050			-0.050	Green
2a	P&R030	Corporate approach to sponsorship & advertising		-0.100		0.000	NA
1b	P&R032	Increased rebate from the Eastern Shires Purchasing Organisation	-0.100			-0.100	Blue
		4c Demand Management. Change Assumptions					
NA	P&R044	County Farms funding (one-off)	-2.000	2.000		-2.000	Blue
		County Farms funding (recurring)	-0.500			-0.500	Blue
		Sub-total newly identified Savings	-10.173	-0.115	-5.135	-10.083	
		Shortfall (alternative savings to be identified)	0.000	0.000	0.000	-0.458	
		Total Savings	-6.396	-4.825	-5.135	-6.396	
		Grand Total Savings	-36.721	-28.040	-5.835	-36.721	

Definition of Savings Categories

1a	Org Change - Staffing	Savings achieved through the restructuring of staff. E.g. a management restructure.
1b	Org Change - Systems	Savings achieved through better processes resulting in the same service delivered at a lower cost. E.g. reduction in systems cost or reducing training budget.
1c	Capital	Savings achieved through better use of the assets we have at our disposal. E.g. use of more cost effective fire vehicles.
1d	Terms & Conditions	Savings achieved through review of staff terms & conditions.
2a	Procurement	Savings achieved through procuring more cost effective agreements with suppliers.
2b	Shared Services	Savings achieved through sharing services with other organisations
3a	Income and Rates of Return	Savings achieved through generating more from current processes. E.g. Income generation or reduced cost of borrowing.
4a	Reducing Standards, including eligibility	Savings which result in a reduced service for customers.
4b	Cease Service	Savings from the ceasing of a service.
4c	Assumptions under Risk Review	Savings from the identification of factors that may reduce costs. E.g. reduced retirement costs for teachers.

Glossary and terminology

The Council (and public sector bodies in general) use a range of financial terms that sometimes differ from their use in private sector businesses, and more general usage. This is a quick guide to some of the more important terms that we use in Norfolk County Council.

CIPFA

Chartered Institute of Public Finance & Accountancy. The organisation sets out best practice for financial accounting in public bodies, including the categorisation of *income & expenditure*.

Cost centres & subjective analysis

All expenditure and income is allocated both a cost centre code and a subjective code.

Cost Centre: A cost centre is an area of the budget to which income and expenditure can be attributed, and generally relates to a service area.

Subjective code: Subjective codes describe types of spend, and are common across the authority.

For example when Aylsham Library buys paper for its photocopier, it is recorded in the accounting system first by the library's unique *cost centre* - LL4800, then by *subjective code* 46500 - 'Printing, stationery and photocopying'.

Council Tax	<p>Council Tax is a key source of locally raised income for the County Council. It helps make up the difference between the amount a local authority needs to spend and the amount it receives from other sources, such as business rates, government grants and fees and charges.</p> <p>For 2015-16, local taxpayers will contribute £318.428m Council Tax to County Council services.</p>
Earmarked reserves	<p>Earmarked reserves are money held by the Council in reserve for specified reasons. Some reserves can only be used for specific purposes, usually following the receipt of conditional grants which have to be re-paid if not spent for the intended purpose. However, this does not apply to the majority of the council's earmarked reserves.</p>
Finance General	<p>The area of the budget that is not directly attributable to a specific department; covering such expenditure as pension fund losses, capital financing costs, and audit fees. It also includes income such as general government grants, business rates income, and interest from investments.</p>
Financial Years	<p>The Council's financial year runs from April to March.</p> <p>Prior to the start of each financial year, the Council produces a balanced budget as part of a three year medium term financial strategy.</p> <p>During the year, monthly monitoring reports showing forecast outcomes for each service are presented to the Council's Policy and Resources Committee.</p> <p>At the end of the financial year, closing accounting adjustments are made, and Statutory financial statements are produced, audited, and published in September.</p>
General balances	<p>The general balance is money held in reserve by the Council that is not allocated to any specific purpose, i.e. is not part of <i>earmarked reserves</i>. The minimum level of general reserves required by the authority to meet unforeseen contingencies is calculated each year, and the balance set aside accordingly.</p>
Medium Term Financial Strategy (MTFS)	<p>The Medium Term Financial Strategy covers three years 2015-18 and brings together all of the elements that are considered as part of the robust planning process. The latest MTFS was presented to County Council in February 2015, and included revenue and capital budgets and estimates covering three financial years.</p>
Monitoring and forecasting	<p>The Council's finance systems work on monthly cycles. At the end of each month, responsible budget officers throughout the authority are asked to monitor their budgets and provide a forecast showing whether they are likely to over or under-spend against their budget during the year as a whole. The sum of this information is then considered by senior management, and the resulting net position for each service is summarised in this report.</p>
National non-domestic rates (NNDR)	<p>The business rate in the pound is the same for all non domestic rate payers and is set annually by the Government.</p> <p>Since April 2013, Councils have no longer received Formula Grant, but instead received funding from a mix of locally retained business rates and government grants that are allocated from centrally retained business rates. The business rates retention scheme provides incentives for local authorities to increase economic growth, through retention of a share of the revenue generated from locally collected business rates.</p>
Net & gross	<p>The cumulative total of all planned <i>revenue</i> spending for a year is known as the <i>gross expenditure</i>. NCC's income comes from a variety of sources - central government grants, customer receipts, locally retained Business</p>

Rates (also referred to as National Non Domestic Rates or NNDR). The difference between the income from these sources and the *gross expenditure* is known as *net expenditure*, and is the amount NCC needs to collect in Council Tax each year.

Provisions

A provision is an amount which the authority is likely to have to pay out, but is of uncertain timing and/or amount. The Council's largest provisions relate to insurance and closed land-fill sites. In both cases historic and current data are used to calculate the appropriate provision carried forward each year.

Revenue & capital

Capital and revenue income and expenditure in local government are clearly defined and must be recorded separately. Day-to-day spending on supplies (for example paper for printers) and services (for example window cleaning) is classed as *revenue* expenditure.

One-off spending which results in a new asset, or which improves an asset, is classed as *capital* expenditure. Capital grants may only be spent on capital expenditure. Also, income generated by the sale of any assets is classed as a capital receipt, and if not used to re-pay debt may only be spent for capital purposes. A more extensive definition is given in the separate capital monitoring report

Income from, for example, the sale of services, revenue grants and business rates is classed as *revenue* income and may be spent for revenue or capital purposes.

Policy and Resources Committee Item No 7B

Report title:	2015-16 Finance monitoring report May 2015
Date of meeting:	20 July 2015
Responsible Chief Officer:	Executive Director of Finance
Strategic impact The Annexes to this report summarise the Period 2 (May 2015) forecast financial outturn position for 2015-16, to assist members maintain an overview of the overall financial position of the Council, including the budgets for which this committee is directly responsible.	

Executive summary

This report gives details of the forecast position for the 2015-16 Revenue and Capital Budgets, General Balances, and the forecast Council's Reserves at 31 March 2016, together with related financial information. The report also provides a brief commentary on Resources and Finance budgets which are the responsibility of this Committee.

Members are asked to:

- **note the period 2 forecast Revenue overspend of £12.386m (2014-15 outturn underspend £1.753m) on a net budget of £318.428m, as set out in Appendix 1;**
- **note paragraph 5.5 in Appendix 1 which states that officers are working towards delivery options to reduce the overspend;**
- **note the forecast General Balances at 31 March 2016 of £19.200m, before taking into account any over/under spends;**
- **Approve the virement of £0.5m from budgets to reflect lower than expected inflation rates, in order to fund £0.5m budget decisions to support Adult Social Care approved on 16 February 2015, as set out in section 3 below;**
- **Approve the write-off of one debt totalling £16,507.73 as set out in section 3 below;**
- **note the revised expenditure and funding of the 2015-18 capital programme as set out in Appendix 2;**
- **note the forecast financial information in respect of Resources and Finance budgets which are the responsibility of this Committee, as set out in Appendix 3.**

1. Introduction

On 16 February 2015, the County Council agreed a net revenue budget of £318.428m. 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

Three appendices are attached to this report:

Appendix 1 summarises the forecast revenue outturn position, including:

- Forecast over and under spends within each Service
- Forecast reserves balances
- Changes to the approved budget
- The impact of planning assumptions
- Treasury management
- Payments and debt performance
- A brief summary of the Council's financial risk register.

Appendix 2 summarises the forecast capital outturn position, and includes

- Changes to the capital programme
- Future years capital programmes
- Forecast and actual income from property sales
- Capital programme funding
- Other information relating to capital expenditure, including completed projects and planned schemes.

Appendix 3 summarises the forecast outturn for budgets which are the responsibility of the Policy and Resources Committee, including forecasts and other information relating to:

- Resources budgets
- Finance and property budgets
- Finance General budgets.

3. Financial Implications

As stated above, the forecast revenue outturn for 2015-16 is an **overspend** of **£12.386m**, on a net budget of £318.428m. Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. Chief Officers will explore measures to reduce or eliminate potential over-spends in-year, for example by reducing expenditure to minimise the call on reserves.

As part of the 2015-16 budget agreement reached at Council on 16 February 2015, it was agreed that £0.500 efficiency savings money would be put back into Adult Social Care. This was on the basis that, in the context of a £1.4bn revenue budget, identification of funding for the spend would be considered over the first three months of the financial year. With CPI running at or very close to zero since February, there has been an opportunity to re-visit inflation assumptions. As a result, a recommendation to approve a virement of £0.500m from service budgets, to reflect lower than expected inflation rates, is being made in order to fund the additional expenditure approved in February.

One debt over £10,000 is awaiting Policy & Resources Committee approval. The debt totals £16,507.73. The debt relates to residential care charges for which legal debt recovery options have been exhausted.

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 from the transaction or b) where a service has set up a bad debt provision (for example Adult Social Services) the provision is used to fund the write-off.

The Council's three year capital programme totals £525m. This is a decrease of approximately £4m since the outturn position reported to this committee on 1 June 2015 due to a reduction in the initial estimate of developer contributions on a variety of highways schemes. The total is likely to increase again as agreements with developers are firmed up.

4. Issues, risks and innovation

Risk implications

- 4.1 Officers have considered all the implications which members should be aware of. Specific risks are summarised in the Council's corporate risk register. Corporate risks with financial implications are reviewed on a quarterly basis, and the areas of highest risk are summarised in the attached report.
- 4.2 Apart from those referred to in the report, there are no other implications to take into account.

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.

Officer Contact

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

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Appendix 1: 2015-16 Revenue Finance Monitoring Report Month 2

Report by the Executive Director of Finance

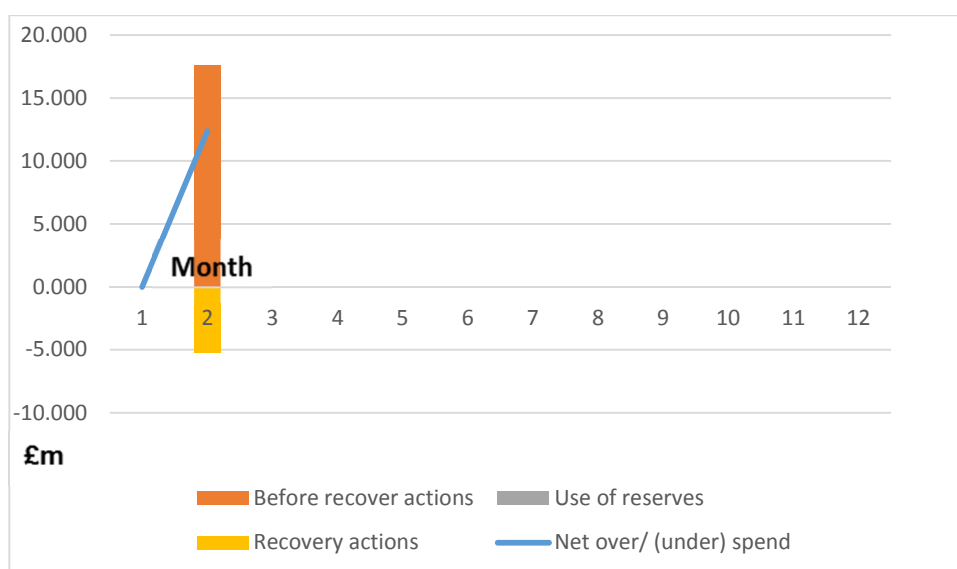
1 Introduction

- 1.1 This report gives details of:
- the latest monitoring position for the 2015-16 Revenue Budget
 - forecast General Balances and Reserves at 31 March 2016 and
 - other key information relating to the overall financial position of the Council.

2 Summary of financial monitoring position

- 2.1 At the end of May 2015 (month 2):
Revenue expenditure is forecast to **overspend** by **£12.386m** (after identified recovery actions), on a net budget of £318.428m. The chart below shows the month by month trend.

Chart 1: forecast revenue outturn 2015-16, by month, after recovery actions and approved use of reserves: Month 2 forecast overspend of £12.386m.



The main reasons for the forecast overspend are as follows

- In Adult Social Services, the overspend is primarily due to the net cost of Services to Users (purchase of care) and risks associated with the delivery of this and other savings resulting in a forecast overspend of £10.808m. This and other net overspends within the service are off-set by the use of new funding for implementing the Care Act of £5.2m, resulting in a net forecast service overspend of £5.608 (ref Annex 1 table A1c).
 - Within Children's Services, Looked After Children numbers remain high with resulting financial pressures. In addition the final implementation date for a new staffing structure has meant a pressure on the agency social worker budget.
- 2.2 The Care Act funding of £5.2m noted above is part of additional funding, totalling £8.2m, for the implementation of the Care Act for 2015-16 which was included in the 2015-16 budget and is now being allocated.

- 2.3 General Balances are forecast to be £19.200m at 31 March 2016, before taking into account any forecast under/overspends.
- 2.4 The Council has earmarked revenue reserves which are forecast to be £43.208m at 31 March 2016. The plan for 2015-16 predicted reserves of £32.341m (Budget Book page 144), so the forecast outcome remains broadly in line given a relatively high level of grants and contributions brought forward at the beginning of the year. The Council separately holds Reserves in respect of Schools forecast to be £39.879m at 31 March 2016.

3 Agreed budget, changes and variations

- 3.1 The 2015-16 budget was agreed by Council on 16 February 2015 and is summarised in the Council's Budget Book 2015-18. A summary of the budget by service is as follows:

Table 1: 2015-16 original and revised net budget by service

Service	Approved net base budget	Opening budget this period	Changes to P2 May 2015	Revised budget
	£m	£m	£m	£m
Adult Social Services	242.197	242.197	-0.092	242.105
Children's Services	174.531	174.531	-0.286	174.245
Community and Environmental Services	156.310	156.310	15.515	171.825
Resources	38.299	38.299	-15.093	23.206
Finance and Property	13.130	13.130		13.130
Finance General	-306.039	-306.039	-0.040	-306.082
Total	318.428	318.428	-	318.428

- 3.2 The Council's total net budget has not changed during the year to date.
- 3.3 Some budgets have been transferred between services since the budget was approved. The main movement during the period relates to the £15.160m "Better Broadband for Norfolk" budget, which has been transferred from Resources to Community and Environmental Services, to align with the current management structure (ref Budget Book 2015-18 page 97). Other minor changes relate mainly to staffing budgets transferred from Children's Services to Economic Development and Strategy, again to align with the management structure.
- 3.4 **New grants:** On 27 March 2015, the Minister for Care and Support announced an additional £25m nationally would be made available to local authorities in the form of one-off, non-ringfenced grants to support the Deprivation of Liberty Safeguards (DoLS). The purpose of the grant is to support independent scrutiny of care conditions within the context of the Mental Capacity Act; nationally there has been a ten-fold increase on previous activity levels. Norfolk County Council's allocation is £0.446m.

4 Control of growth, cost pressures and savings targets

- 4.1 **Planning assumptions:** The key cost pressures identified during the preparation of the 2015-16 budget (budget book page 10) are shown in the following table along with a brief narrative showing the status in each:

Table 2: 2015-16 key planning pressures

Key planning assumptions	Impact £m	Status
Pay and price inflation – in particular pressures relating to third party contracts.	10.904	The general price inflation rate is currently lower than forecast, with CPI running at 0% at the start of the financial year. Agreed pay increases are in line with budget assumptions.
Demand / Demographics – pressures through both the age profile of the county and through changes to need, including supporting looked after children.	21.230	Long term demographic pressures still apply. The forecast cost of supporting looked after children has resulted in a significant forecast overspend over and above the budgeted impact.
Legislative requirements – including implementation of the Social Care Act 2014, new responsibilities for social care in prisons, and the impact of conversions of schools to academies.	13.113	Financial pressures resulting directly and indirectly from legislative changes are expected to have the predicted impact on budgets, including the costs of early assessments of service users who fund their own care which have been introduced in 2015-16.

- 4.2 **Savings targets:** The key savings targets required for the preparation of a balanced 2015-16 budget are addressed in a separate report to this committee.

5 Revenue outturn – forecast over/underspends

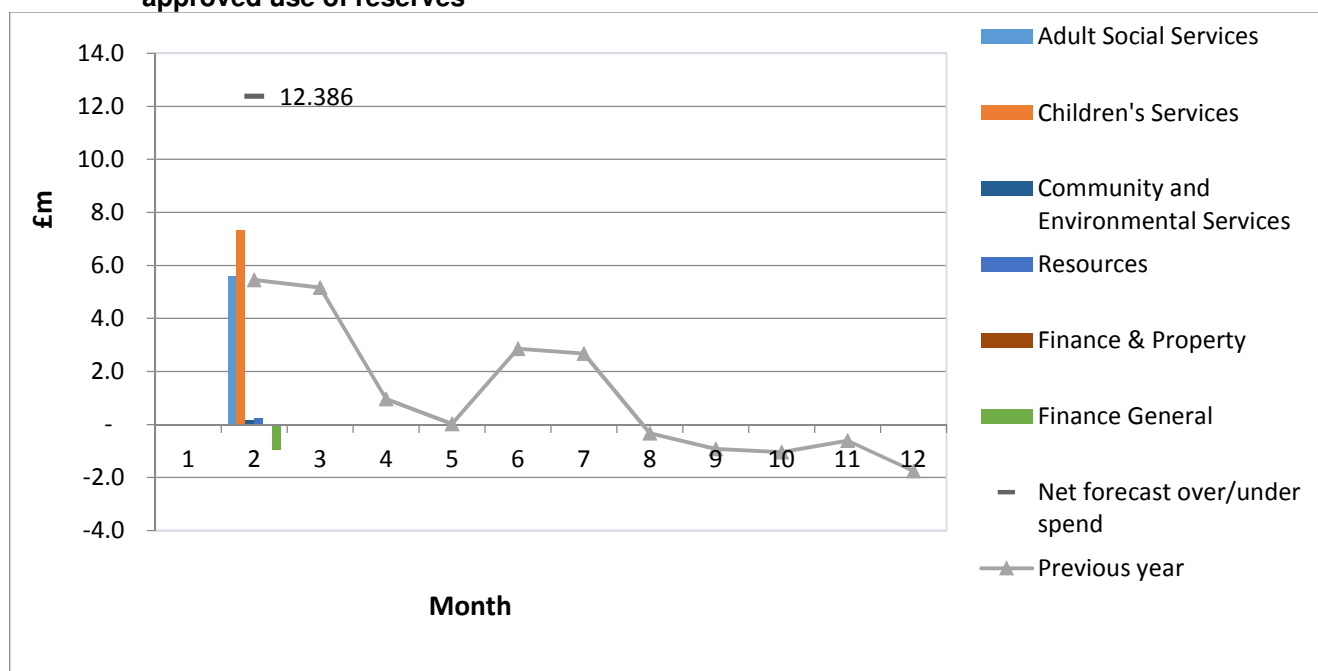
- 5.1 Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. They have been charged with reviewing all of their cost centres to ensure that, where an overspend is identified, action is taken to ensure that a balanced budget is achieved for the year.
- 5.2 The latest projection for the 2015-16 revenue outturn shows a net projected overall **overspend** of **£12.386m**, after identified recovery actions and anticipated use of earmarked reserves.
- 5.3 Details of all projected under and over spends for each service, together of areas where mitigating action is being taken, are shown in the final section of this report, and are summarised in the following table:

Table 3: 2014-15 projected budget variations by service

Service	Revised Budget £m	Projected net (under)/ over spend after use of reserves £m	%	RAG
Adult Social Services	242.105	5.608	2.3%	A
Children's Services	174.245	7.338	4.2%	A
Community and Environmental Services	171.825	0.167	0.1%	G
Resources	23.206	0.220	0.9%	G
Finance	13.130	-		G
Finance General	-306.082	-0.947	0.3%	G
Totals	318.428	12.386	3.9%	A

- 5.4 The following chart shows service outturn projections by month:

Chart 2: service revenue outturn projections 2015-16, by month, after recovery actions and approved use of reserves



The main reasons for the forecast overspend are as follows:

- Adult Social Services: the overspend is primarily due to the net cost of Services to Users (purchase of care) and risks associated with the delivery of this and other savings resulting in a forecast gross overspend of £10.808m. This has been off-set by the use of new funding for implementing the Care Act of £5.2m resulting in a net forecast overspend of £5.608m. Further details can be found in the 29 June 2015 Adult Social Care Committee supplementary agenda.
- Within Children's Services, the number of Looked After Children remains higher than planned with resulting financial pressures. In addition the final implementation date for a new staffing structure has meant a pressure on the agency social worker budget, and there is a forecast overspend for additional support costs for care leavers. Further details can be found in the 7 July 2015 Children's Services Committee agenda.

5.5 The forecast for our largest areas of risk and expenditure (Childrens and Adults placement budgets) are built upon detailed models. The overspend on these models is then reduced by evidenced actions to deliver savings or reductions in the overspend itself. Officers are working on such actions and as such it is expected that the overall forecast overspend will reduce as we move through the year.

5.6 **Potential cost pressures identified after the reporting period:**

Council Budget decisions

As part of the 2015-16 budget agreement reached at Council on 16 February 2015, additional expenditure of £0.500m was agreed to support Adult Social Care. This was in the context of a new corporate priority that was adopted by Council: "To work to improve and safeguard the quality of life for all the people of Norfolk and particularly Norfolk's most vulnerable people".

The expenditure was funded on the basis that, in the context of a £1.4bn revenue budget, identification of funding for the spend would be considered over the first three months of the financial year. With CPI running at or very close to zero since February, there is an opportunity to re-visit inflation assumptions which could amount to £0.500m. As a result of this, a recommendation to approve the top-slicing of budgets, to reflect lower than expected inflation rates, is being made in order to fund the additional expenditure.

Other pressures

The Council has received a claim for a Judicial Review of a fee uplift decision made by the Council, at the Adult Social Care Committee on 9 March 2015, in respect of care charges. The application for judicial review was submitted to the High Court in early June 2015. At the time of writing it is not known whether the application will be successful, or the financial implications, if any. A report is due to the Adult Social Care Committee in September to report back on the costs and consultation with providers over any further fee increase.

As reported to the July Communities Committee, part of the planned savings for 2015/16 the Fire and Rescue Service identified £0.450m savings relating to income generation. Current forecasts show £0.200m of the target will be delivered. Options to deliver the balance of the saving are being explored as part of the Communities and Environmental Services Transformation Programme and through a review of external venue hire spend.

A potential shortfall £0.090m relating to numbers of interims and temporary staff not reducing as quickly as anticipated, and a potential shortfall of £0.148m in Resources staff reductions are not yet shown as forecast overspends as alternative options to deliver the balance of this saving are being explored.

6 General balances and reserves

General balances

- 6.1 On 16 February 2015 Council agreed the recommendation from the Executive Director of Finance that a minimum level of General Balances of £19.2m be held in 2015-16, an increase of £0.200m. General Balance levels at 31 March 2016 are estimated as follows.

Table 4: forecast general balances

	£m
General Balances – Outturn report 1 June	20.753
Transfer to Adult Social Services unspent grants and contributions reserve following 1 June 2015 Policy and Resources Committee	(1.753)
General Balances 1 April 2015	19.000
Use of funds for one-off purposes: Increase in General Balances (Budget Book 2015-18 page 117)	0.200
Latest forecast General Balances at 31 March 2016	19.200

The forecast does not take into account any current year projected over/under spends.

Earmarked reserves balances and forecasts

- 6.2 A reserve is an amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years. The plan for 2015-16 predicted reserves of £32.341m (Earmarked reserves - non schools, Budget Book page 144), and the forecast outcome below is in line. The Council carries a number of reserves with totals as follows:

Table 5: actual and forecast revenue reserves

	Balances 31 March 2015 after year end accounting adjustments (relate to services rather than committees)	Latest forecast balance 31.3.16
		£m
Earmarked reserves - non schools		
Adult Social Services	8.748	2.586
Children's Services	5.403	2.668
CES	26.478	17.093
Resources	14.651	8.255
Finance	0.967	0.592
Finance General	12.235	12.014
	68.483	43.208
Earmarked reserves - schools		
Schools - LMS balances	22.545	18.209
Schools - other reserves	17.301	17.419
Total schools reserves	39.846	35.628
Total Reserves	108.329	78.836

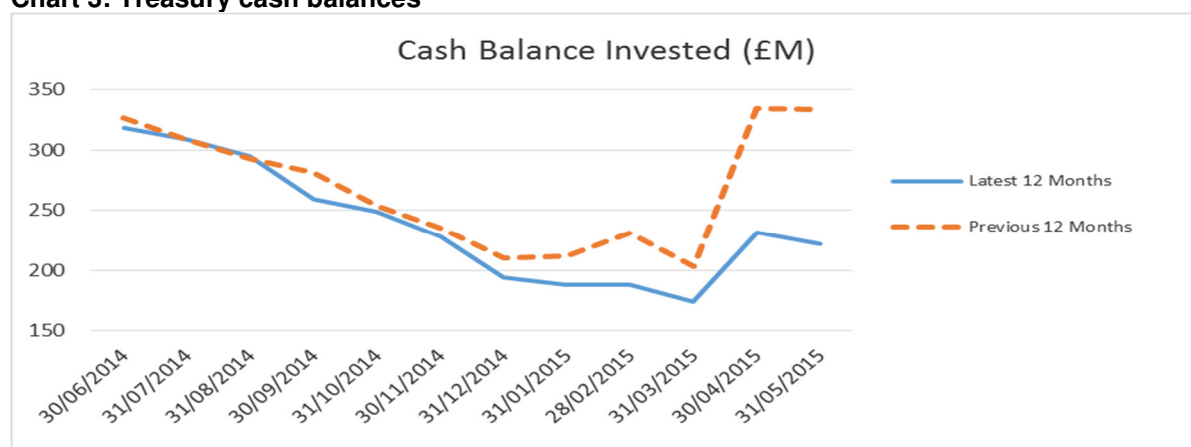
- 6.3 Following the outturn report presented to 1 June 2015 Policy and Resources Committee, earmarked reserves increased by £2.216m. This was due to:
- £1.753m transferred from net underspends to an Adult Social Services unspent grants and contributions reserve, following a decision at that Committee,
 - the transfer of £0.4m from the Insurance Provision to the Insurance Reserve, and
 - a small number of other accounting adjustments and corrections as part as part of the Statement of Accounts preparation process.
- 6.4 ASS reserves are forecast to reduce by over £6m, due mainly to full use of the service IT and Residential Review reserves totalling £3.2m to offset demand pressures within Purchase of Care, approved as part of the 2015-16 approved budget, plus £2.7m planned expenditure from grants and contributions brought forward, and £0.3m from the Prevention fund.
- 6.5 Children's Services net use of reserves represents forecast use of various reserves, including significant use of grants and contributions brought forward from 2014-15.
- 6.6 Net reserves use is forecast across the majority of CES services, with significant use of the apprenticeship scheme and capital sustainability reserves.
- 6.7 Resources reserves show a forecast reduction of £6.5m, primarily due to the planned use of £5.9m of ring-fenced Public Health monies.
- 6.8 Finance reserves are forecast to reduce by 0.5m due to use of the Organisational Change and Redundancy and IT reserves.
- 6.9 The Finance General reserves include significant organisational change, building maintenance (mainly county farms) and insurance reserves. At this stage of the year, no significant movements have been forecast.

7 Treasury management

- 7.1 Treasury management: the corporate treasury management function ensures the efficient management of all the authority's cash balances.

The graph below shows the level of cash balances over the latest 12 months (against a comparison for the previous 12 months). The spike in April 2014 reflects the front loading of Business Rates Retention and Revenue Support Grant (half of the £246m annual total received in one month), whereas the current year's receipts will be more evenly distributed through the year.

Chart 3: Treasury cash balances



Gross interest earned for the period 1 April 2015 to 31 May 2015 is £0.263m.

In accordance with the approved 2015-16 Investment Strategy, the County Council continues to delay new borrowing for capital purposes, using cash balances on a temporary basis to avoid the cost of 'carrying' debt in the short term. Delaying borrowing and running down the level of investment balances also reduces the County Council's exposure to investment counterparty risk.

8 Purchase and payment performance, and debt collection

- 8.1 **Payment performance:** approximately 420,000 invoices are paid annually. In April 2015, 95.7% were paid within a target of 30 days from receipt, against a target of 90%. In May 2015, the percentage was 97%. .
- 8.2 **Debt recovery:** Each year the County Council raises over 130,000 invoices for statutory and non-statutory services totalling over £920m. 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.
- 8.3 Over 2014-15 92% of all invoiced income was collected within 30 days of issuing an invoice, and 97% was collected overall.
- 8.4 Performance measures for the current month are as follows:
- Collection performance for May 2015: 84% of invoices were collected within 30 days
 - Levels of outstanding debt – secured £9.57m and unsecured £35.29m (end 2014-15 £9.57m & £26.33m respectively). The increase this month is related to a small number of large contract invoices with other public sector and related bodies, which are being actively pursued and parts of which are still subject to negotiation.
- 8.5 For the period 1 April 2015 to 31 May 2015, 99 debts less than £10,000 have been written off following approval from the Executive Director of Finance. These debts totalled £39,924.09.
- 8.6 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 from the transaction or b) where a service has set up a bad debt provision (for example Adult Social Services) the provision is used to fund the write-off.
- 8.7 One debt over £10,000 is awaiting Policy & Resources Committee approval. The debt totals £16,507.73.

Debt Type	Amount	Reason
Residential Care Charges	£16,507.73	Legal options exhausted

9 Controlled companies

9.1 The Council controls the following companies, whose finances are recorded outside the Council's budget and finance systems.

9.2 A summary of results, where available, and loans transactions with NCC are as follows:

Table 6: controlled companies

Company	Norse Group	Independence Matters CIC (Draft)	Hethel Innovation Limited	Norfolk Energy Futures	Great Yarmouth Development Company
Year end	31/1/2015	31/3/2015	31/3/2015	31/3/2015	31/3/2015
Turnover £m	£251.172m	13.905	£0.680m	£0.021m	£1.955m
Net profit £m	£2.621m	-0.138	£0.024m	-£0.029m	£0.016m
Dividend £m	£1.2m interim	n/a	n/a	n/a	n/a
Fixed (non-current) assets	£82.577m	-	£5.976m	£0.354m	0
Net Assets / Reserves £m	£7.737m	£0.062m	£0.223m	-£0.042m	0
Capital loan with NCC	"NEWS" loan £2.440m	n/a	£3.770m facility of which £3.260m borrowed	£0.550m	Original loan £1.970m fully repaid.
Date of loan	28 March 2001	n/a	1 Oct 2014	1 April 2014	31 March 2014
Length of loan	23 years	n/a	35 years	20 years	Short term
Status	Loan £1.113m at 31 Jan 2014	n/a		See note below	Fully repaid 31 March 2015
Loan interest due 31/3/15 paid up to date	March 2015 interest paid up to date	n/a	March 2015 interest paid up to date.	Invoice raised for interest and agreed repayment of £0.060m principal	N/A

Note: NEFL additional loan facility: the capital programme contains a facility of £7.250m available to NEFL for capital projects subject to business cases which demonstrate the ability to cover the associated debt costs

9.3 A new company, Norfolk Safety Community Interest Company, was set up in January 2015, and has started trading in 2015-16. The company, operating in partnership with Norfolk Fire and Rescue Service, has been set up to provide a range of risk management, training and related services.

9.4 The Council also has a controlling interests Norwich Airport through two "Legislator" companies: Legislator 1656, and its owned subsidiary Legislator 1657. Legislator 1656 is owned jointly by the County Council and Norwich City Council, and has a 4.9% stake in the airport.

10 Financial risk management

- 10.1 The Council's risk management processes seek to identify, analyse, evaluate and treat risks. This is done through all levels of the organisation, and summarised at departmental and corporate level.
- 10.2 Risks which affect corporate or strategic objectives are gathered in the corporate risk register. The Council's Audit Committee receives reports on key corporate risks, progress on their treatment and corporate risk management performance on a quarterly basis.
- 10.3 An analysis of corporate risks, together with associated financial implications is analysed in a risk register, which is updated on a quarterly basis. There are two measures applied:
- The "current risk score" and
 - The "target risk score" that takes into account the mitigating actions that are in hand.
- The Risk Manager's advice is that the "target risk score" is the critical measure.
- 10.4 The latest update to the risk register, dated May 2015, includes three current risk scores which are classed as high or "red", being the financial risks associated with:
- Failure to meet the long term needs of older people: a long term risk to 2030 - funding considered as part of the on-going budget planning process.
 - Failure to follow data protection procedures - Potential financial exposure due to penalties, factored into appropriate budget planning. Public Liability insurance in place to mitigate exposure to civil litigation.
 - Shortage of personnel for a variety of reasons e.g. illness, industrial action, inclement weather etc., including loss of key senior personnel - Low potential financial exposure, contingencies factored into appropriate budget planning.
- 10.5 One item has been removed, being risks associated with the potential failure to establish a waste management strategy and associated policies, as the risk targets were marked as having been met on the previous risk assessment dated March 2015.
- 10.6 There are no target risk scores that are red. The register is due to be updated in August 2015. Two items have met their risk targets and will be removed in August: failure to deliver planned revenue budget savings in 2014/15, and a potential liability for legal challenge to procurements conducted by ESPO.

Projected revenue outturn by service analysis

The latest projection for the 2015-16 revenue budget shows a net projected overall variance as follows:

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

Service	Revised Budget £m	Service total projected overs spend £m	Service total projected (under) spend £m	Net total over / (under) spend £m	%
Adult Social Services	242.105	11.409	-5.801	5.608	2.3%
Children's Services	174.245	8.704	-1.366	7.338	4.2%
Community and Environmental Services	171.825	0.167	-	0.167	0.1%
Resources	23.206	0.220	-	0.220	0.9%
Finance and Property	13.130	-	-	-	
Finance General	-306.082	0.473	-1.420	-0.947	0.3%
Totals current month	318.428	20.863	-8.587	12.386	3.9%
Previous month	n/a				

The net underspend is a result of a range of underlying forecast over and underspends which are listed on the following pages and which are the subject of detailed monthly monitoring within services.

Reconciliation between current and previously reported underspend

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

	£m
Forecast 2015-16 over/(under)spend previous report	n/a
Movements in current period - summary	
Adult Social Services	5.608
Children's Services	7.338
Community and Environmental Services	0.167
Resources	0.220
Finance and Property	-
Finance General	-0.947
Latest forecast over / (under) spend after use of reserves	12.386

Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. Where overspends are forecast, it may be necessary to identify remedial action, alternative sources of funding, or to plan draw on reserves:

Table A1c: recovery actions and use of reserves

Service	Service total projected over spend £m	Use of Care Act funding not previously allocated £m	Net total over / (under) spend £m
Adult Social Services	10.808	-5.200	5.608
Children's Services	7.338		7.338
Community and Environmental Services	0.167		0.167
Resources	0.220	-	0.220
Finance and Property	-	-	-
Finance General	-0.947		-0.947
Totals current month	17.586	-5.200	12.386
Previous month	n/a		

Projected revenue budget outturn by service – detail

	Projected over spend	Projected under spend	Change this month
	£m	£m	£m
Adult Social Services			
Central Services – Business Development		-0.351	-0.351
Commissioning, including Supporting People	1.309		1.309
Management, Finance and Transformation		-0.127	-0.127
Human Resources		-0.088	-0.088
Income from Service users		-0.003	-0.003
Early Help and Prevention	0.780		0.780
Safeguarding	9.320		9.320
Other minor items		-0.032	-0.032
Over / (under) spend before recovery actions	11.409	-0.601	10.808
	10.808		
Application of Care Act funding not previously specifically allocated within budget		-5.200	-5.200
Forecast total for Adult Social Services	11.409	-5.801	5.608
Over / (under) spend after recovery actions and approved use of reserves	5.608		

Children's Services	Projected over spend	Projected under spend	Change this month
	£m	£m	£m
Number of LAC agency placements not reducing as quickly as planned	5.638		5.638
Additional residence/kinship costs	0.266		0.266
Additional cost of care leavers independent living support	1.000		1.000
Additional cost of agency social workers and NIPE social workers	1.800		1.800
Reduced cost of Early Years & Childcare Service		-0.300	-0.300
Savings on Information Advice and Guidance Service vacancies		-0.300	-0.300
Capitalisation of school broadband costs		-0.176	-0.176
Additional school attendance court fine income		-0.160	-0.160
Savings on business support staff vacancies		-0.250	-0.250
Reduced legal costs		-0.180	-0.180
<u>Dedicated Schools Grant</u>			
Cont'n to schools contingency fund	n/a		
Forecast outturn for Children's Services	8.704	-1.366	7.338
	7.338		

Community and Environmental Services	Projected over spend	Projected under spend	Change this month
Highways and Transport Services		-	
Environment and Planning – Energy and Waste: Overspend as the budgeted change in HWRC hours is not going ahead	0.167		0.167
Economic Development and Strategy		-	
Business Development and Support		-	
Cultural Services		-	
Customer Services		-	
Community Safety & Fire		-	
Forecast out-turn for CES	0.167	-	0.167
	0.167		

Resources, Finance and Finance General	Projected over spend	Projected under spend	Change this month
Resources	£m	£m	£m
Director of Resources – County Hall car park income	0.220		0.220
Policy and Performance		-	
Procurement		-	
Human Resources		-	
Consultation		-	
Nplaw		-	
ICT		-	
Net forecast outturn for Resources	0.220	0.000	0.220
	0.220		
Finance and Property			
Finance		-	
Property		-	
Net forecast outturn for Finance and Property		0.000	
Finance General			
Adjustment to forecast interest on balances (see Appendix 3)		-0.532	-0.532
Adjustment to minimum revenue provision to reflect re-profiling of schemes to be funded from borrowing in the capital programme		-0.888	-0.888
Additional costs arising from 2013-14 transfer of Norse pension liabilities due to Norse now having fewer members in the Local Government Pension Scheme.	0.473		0.473
Net forecast outturn for Finance General	0.473	-1.420	-0.947
		-0.947	

Norfolk County Council

Appendix 2: 2015-16 Capital Finance Monitoring Report Month 2

Report by the Executive Director of Finance

1 Capital Programme 2015-16 Period 2 Position

- 1.1 The 2015-16 Capital Programme was approved by the County Council on 16 February 2015 and is published in the Council's 2015-18 Budget Book.
- 1.2 Subsequent to the approval of the 2015-16 Capital Programme, there has been further reprofiling and other changes reported to Policy and Resources Committee resulting in the updated opening position below, which was reflected in the outturn report.
- 1.3 Following this opening position, the capital programme has undergone further revisions as summarised in Table 2.
- 1.4 The latest revised programme totals £525.487m, made up of:

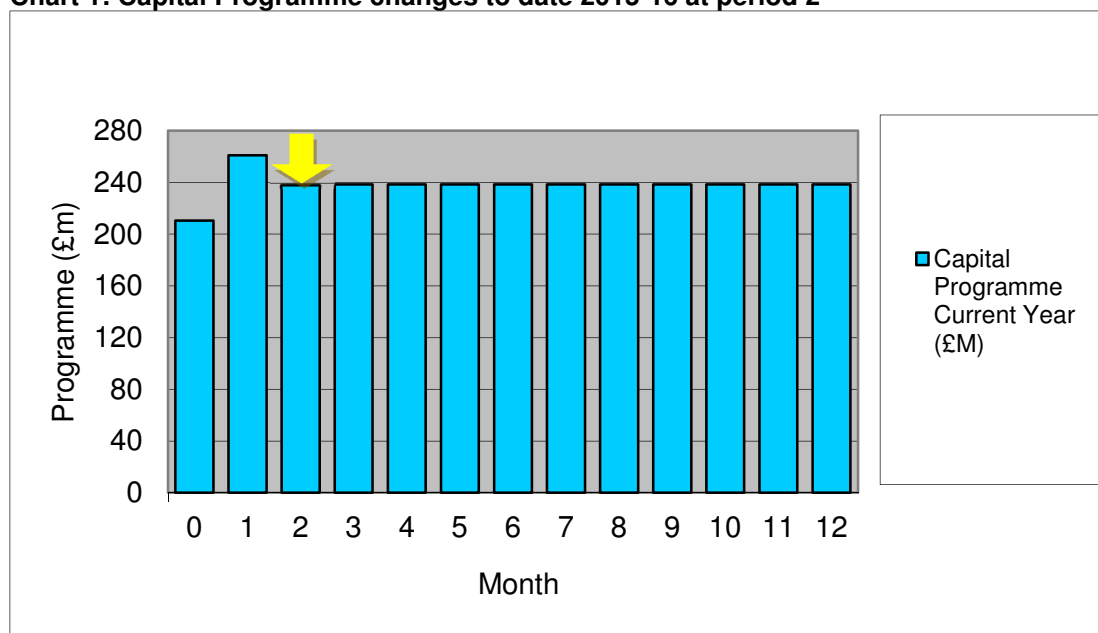
Table 1: Revised Capital Programme

	2015-16	2016-18
	£m	£m
New schemes approved February 2015	38.982	136.281
Previously approved schemes	171.521	92.149
Totals in 2015-18 Budget Book	210.503	228.430
Re-profiling at financial year end	39.070	3.338
Other Adjustments, including adjustments to indicative funding settlements	11.511	36.897
Capital Programme Opening Position	261.083	268.665
Previously approved reprofiling	0.000	0.000
Other movements to be approved	0.000	0.000
Totals previous period	261.083	268.665
Re-profiling this period	-18.351	18.351
Other movements to be approved	-4.261	0.000
Revised capital programme outturn	238.471	287.016
Total		525.487

- 1.5 This table highlights a reduction of £18.351m in the 2015-16 capital programme due to reprofiling schemes to later years, following an early review of the programme, as described in more detail in Capital Annex 1.

- 1.6 The following chart identifies the cumulative effect of the changes to date on the capital programme.

Chart 1: Capital Programme changes to date 2015-16 at period 2



- 1.7 Month "0" represents the approved capital programme, and month one the revised opening position. The arrow at Month 2 shows the latest position.
- 1.8 The table below provides a high level view of how the revised 2015-16 programme is made up for each service:

Table 2: Revised capital programme 2015-16

Service	Opening Capital Programme 2015-16 £m	Cumulative Changes To Date £m	Reprofiling To Be Approved £m	Other Changes To Be Approved £m	2015-16 Capital Programme £m	Forecast Outturn £m	Over / (Under)spend £m
Children's Services	100.392	0.000	-3.231	0.021	97.182	97.182	0.000
Adult Social Care	8.733	0.000	0.000	0.002	8.736	8.736	0.000
Community & Environmental Services	116.003	0.000	-10.120	-4.290	101.593	101.592	0.000
Resources	17.989	0.000	-5.000	0.000	12.989	12.989	0.000
Finance	17.966	0.000	0.000	0.006	17.972	17.955	-0.017
Total	261.083	0.000	-18.351	-4.261	238.472	238.454	-0.017
		261.083		-22.612			

- 1.9 Reprofiling and other changes to schemes are identified in further detail in Capital Annex 1.

1.10 The revised programme for 2016-18 is as follows:

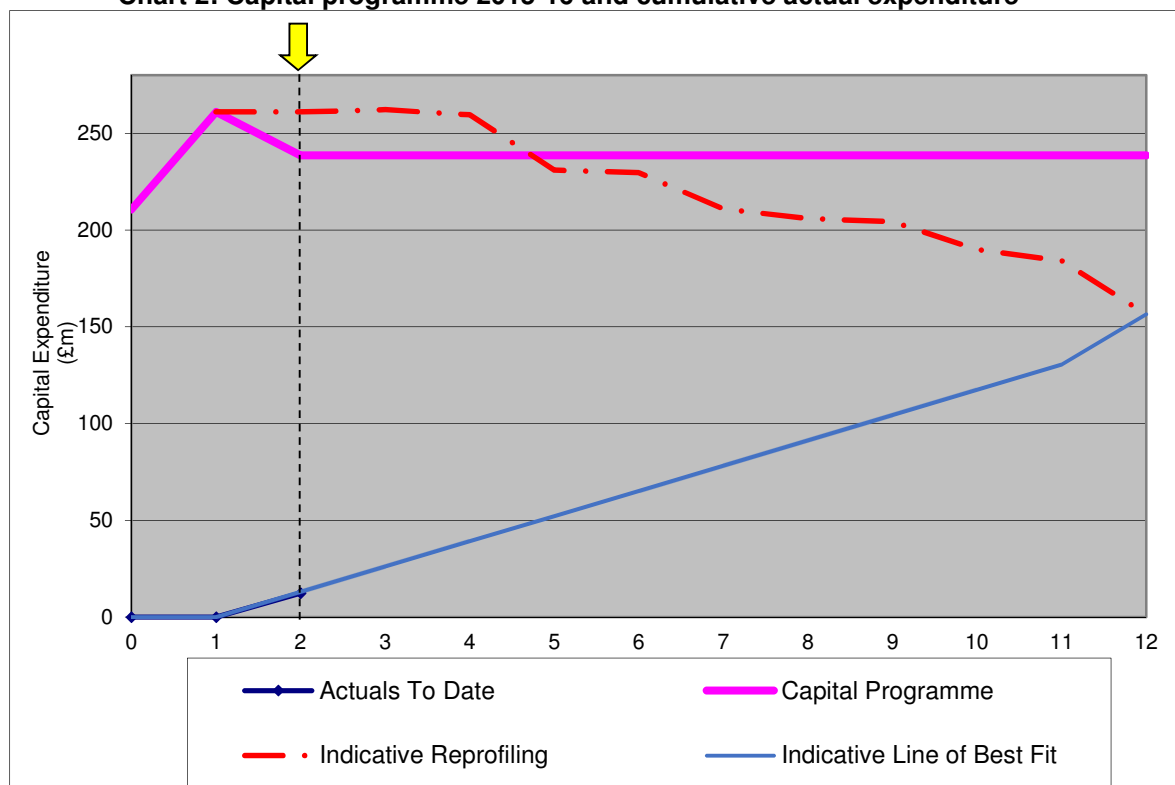
Table 3: Capital programme 2016-18

Service	Opening Capital Programme £m	Reprofiling in May £m	Other Movements in May £m	Revised Position at end of May 2015 £m
Children's Services	75.485	3.231	0.000	78.716
Adult Social Care	4.013	0.000	0.000	4.013
Community & Environmental Services Cultural Services	169.867	10.120	0.000	179.987
Resources	17.100	5.000	0.000	22.100
Finance	2.200	0.000	0.000	2.200
TOTAL	268.665	18.351	0.000	287.016

2 Actual Spend and Progress on Capital Programme

2.1 Progress on the overall capital programme is as follows:

Chart 2: Capital programme 2015-16 and cumulative actual expenditure



2.2 Total expenditure on the 2015-16 capital programme to the end of May was £12.359m, broadly in line with expectations taking accruals into account.

2.3 A straight line expenditure profile would suggest a target spend percentage of 16.7% at the end of month 2. Capital projects by their nature do not lend themselves to evenly profiled expenditure. A number of reasons may result in higher expenditure during certain parts of the year. In particular, major construction and infrastructure projects would expect to incur greater expenditure during the summer and autumn. There may be other reasons for delays in projects such as difficulties in obtaining planning permission.

2.4 The graph above suggests that expenditure is broadly in line with expectations when opening accruals are taken into account, although there may still be a significant amount of re-profiling of expenditure into future year's programmes, in line with historical trends, as identified by the dashed line.

- 2.5 Progress towards the completion of the current capital programme by each service is as follows:

Table 4: Comparison of capital programme, by service, and expenditure to date

Service	Capital Programme	Expenditure To Date	% Capital Expenditure Incurred
	£m	£m	
Children's Services	97.182	1.894	1.9%
Adult Social Care	8.736	0.204	2.3%
Community & Environmental Services	101.593	9.099	9.0%
Resources	12.989	0.008	0.1%
Finance	17.972	1.155	6.4%
Total	238.472	12.359	5.2%

- 2.6 The expenditure on Resources is currently relatively low as the majority of this programme relates to the delivery of Better Broadband which is billed quarterly in arrears. This month the scheme has been reprofiled to better reflect expected spend in the financial year.
- 2.7 Children's Services expenditure is likely to be below the expected profile as large amounts of work will be undertaken during the school holidays during the summer. There is likely to be further reprofiling of the Children's Services programme during the year, which has been a major driver of the indicative reprofiling in Chart 2 in prior years.
- 2.8 The development of the Children's Services capital programme has continued in the first months of 2015-16 with reports on the capital programme going to Children's Services committee and the Capital Priorities Group in May. Specifically, further progress has been made on the options for the Great Yarmouth Reorganisation project.
- 2.9 Construction of the Postwick Hub junction has continued during 2015-16 with completion to be secured in 2015-16. Consent for the Northern Distributor Road from DfT was notified on 2 June 2015.

3 Financing The Programme

3.1 The Council uses a number of sources of funding to support its capital programme.

3.2 Funding 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.

3.3 The table below identifies the planned funding of the revised capital programme:

Table 5: Financing of the capital programme

Funding Stream	Approved Capital Programme	Previously Approved Changes	Changes To Be Approved	2015-16 Programme	2015-16 Forecast Outturn	2015-16 Over / (Under) Spend	Future Years Forecast
	£m	£m	£m	£m	£m	£m	£m
Prudential Borrowing	58.244	0.000	-3.899	54.345	54.327	-0.018	37.250
Capital Receipts	7.200	0.000	-3.019	4.181	4.181	0.000	14.643
Revenue & Reserves	6.279	0.000	-0.848	5.431	5.431	0.000	1.000
Grants and Contributions							234.123
DfE	77.960	0.000	2.658	80.618	80.618	0.000	
DfT	59.278	0.000	-1.719	57.559	57.559	0.000	
DoH	7.721	0.000	0.001	7.722	7.722	0.000	
DCLG	0.967	0.000	-0.118	0.849	0.849	0.000	
DCMS	3.001	0.000	0.000	3.001	3.001	0.000	
GNDP/CIF	0.000	0.000	0.000	0.000	0.000	0.000	
Developer Contributions	9.772	0.000	2.973	12.745	12.745	0.000	
Other	30.662	0.000	-18.640	12.022	12.022	0.000	
TOTAL	261.083	0.000	-22.611	238.472	238.454	-0.018	287.016

3.4 The table above shows a forecast prudential borrowing requirement for the Council to support the 2015-16 programme of £54.327m.

3.5 The decrease in the forecast use of borrowing and capital receipts is primarily due to the reassessment of the delivery of Better Broadband in the current year. This scheme is currently being delivered on target and under budget. Due to the use of DCMS grant to fund the initial stages of the first phase, the majority of funding left to finance this programme is now prudential borrowing, supported by the Norfolk Infrastructure Fund.

3.6 Changes on Other Grants and Contributions relate to the disaggregation of developer contributions and DfT funding previously classified as other grants and contributions upon initial profiling of the Highways programme. There has been a significant amount of reprofiling in the Highways programme to better reflect the expected work to be delivered in 2015-16 and a reduction in developer contributions funding where initial estimates included in the capital programme have been reviewed.

4 Capital Receipts

- 4.1 The Council's Asset Management Plan, as approved on 1 June 2015, details the short and medium term plan for the management of the Council's assets and how this supports the delivery of the Capital Programme.
- 4.2 The plan notes that the 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 reducing revenue costs of the operational property portfolio.
- 4.3 The capital programme, approved in February 2015, demonstrated how asset management would support capital expenditure through generating a target £8.085m of capital receipts through property disposals.
- 4.4 Since then, there have been a significant number of changes to the draft disposal schedule, in particular relating to projected receipts relating to development land within the County Farms estate. The current revised schedule for disposals is:

Table 6: Revised disposal schedule £m

	2015-16 Approved	2015-16 End of May	Changes since Capital Programme approval
	£m	£m	£m
General Capital Receipts	2.734	3.213	0.479
Financial Packages	0.295	0.305	0.010
County Farms Capital Receipts	5.056	0.702	-4.354
Estimated Total Capital Receipts	8.085	4.220	-3.865

- 4.5 Changes on expected capital receipts following the last report are as follows:

4.5.1 General Capital Receipts

The main reasons for the reduction in expected receipts for the year are:

- The delay of a number of property sales from the end of 2014-15 with these sales now expected to complete in 2015-16, increasing the expected receipts in year. These were reported in the final months of 2014-15.
- A modest reduction from a number of properties no longer expected to complete in 2015-16.
- The addition of two properties to the disposals schedule.

4.5.2 Financial Packages Receipts

The increase in expected receipts is the result of a larger than expected receipt for the former Alderman Jackson school in King's Lynn.

4.5.3 County Farms Receipts

The reduction in expected Farms receipts is primarily the result of two large disposals being investigated as direct development at the request of P&R committee, along with a number of smaller sites. These disposals – land at Acle for development of 140 houses, programmed at £3.6m, and the site for development for 14 homes in Blofield, valued at £0.4m – have been delayed until future years accordingly. Hall Farm Barns

has also been delayed due to the lodging of an adverse possession claim on part of the land which is currently being dealt with by NPLaw.

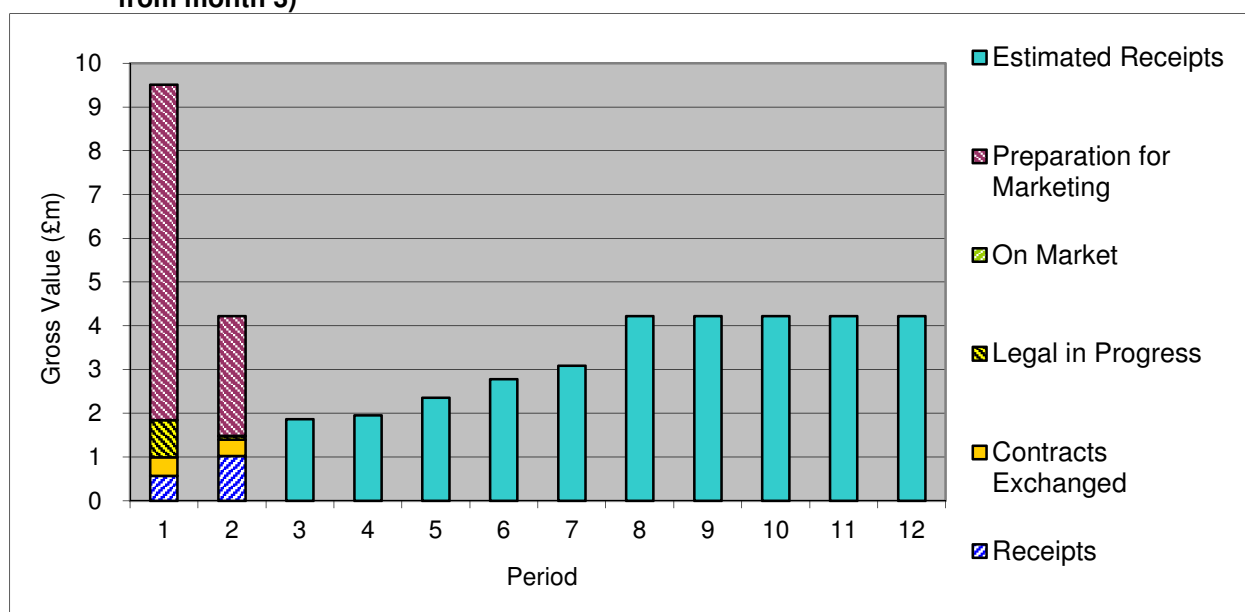
- 4.6 The following table classifies the movements on forecast receipts following the previous forecast.

Table 7: Reconciliation of Disposal Schedule Estimates

	£m
Capital receipts in capital programme	8.085
Additions	0.143
Upward revaluations of estimates	0.089
Delayed from 2014-15	0.896
Removals	-0.001
Downwards revaluations of estimates	-0.075
Disposals in 2014-15	-0.002
Delayed until future years	-4.915
Revised Estimate 2015-16	4.220

- 4.7 The chart below shows the progress on realisation of the forecast capital receipts for 2015-16.

Chart 4: Forecast Capital Receipts from property sales 2015-16 (estimated cumulative receipts from month 3)



- 4.8 Where unallocated capital receipts are generated the Council uses these to support its general capital programme. Anywhere capital receipts have been allocated as part of a financial package, but are still to be used, they are retained in the capital receipts reserve to fund future projects. The table below identifies expected movements on the capital receipts reserve:

Table 8: Capital receipts reserve forecast 2015-16

	General	Financial Packages	County Farms	Total
	£m	£m	£m	£m
Opening Balance	0.000	2.845	0.409	3.253
Forecast receipts from sales of properties	3.213	0.305	0.702	4.220
Receipts from sales of assets to leasing companies	0.000	0.000	0.000	0.000
Other capital receipts	0.060	0.000	0.000	0.060
Forecast receipts generated in year	3.272	0.305	0.702	4.279
Sales expenses	-0.286	-0.014	0.000	-0.300
Receipts repayable to third parties	0.000	0.000	0.000	0.000
Forecast net receipts available for funding	2.986	3.136	1.111	7.232
Forecast use to fund incomplete leases	0.000	0.000	0.000	0.000
Forecast use to fund programme and reduce borrowing	-2.986	-0.412	-1.083	-4.481
Forecast Closing Balance	0.000	2.724	0.026	2.751

4.9 Financial packages exist where the Council has agreed to link receipts from the sale of an asset with the funding of a specific project. Balances on financial packages exist where these projects remain incomplete.

4.10 Other capital receipts include loan repayments from subsidiary companies.

5 New capital scheme proposals requiring borrowing

5.1 There are no new schemes identified requiring borrowing.

6 Capital schemes in development

6.1 Postwick Hub and NDR:

- Postwick Hub construction work started in earnest in May 2014, and the junction is expected to be opened to traffic in November 2015 with works complete by the end of the year.
- The Secretary of State confirmed on 2 June 2015 that the Development Consent Order (DCO) for the Norwich Northern Distributor Route (NDR) had been approved. A “legal challenge” period concludes on 14 July 2015. At the time of writing this report, it is not known whether a legal challenge will affect the progress of the project. The DfT provided ‘conditional’ funding approval for the NDR in 2011. The “full” approval process will be undertaken after all statutory processes have been completed. Meanwhile, the NDR team continue to work on the details of the project and the financial case. Further details are included in the agenda to the 10 July 2015 Environment, Development and Transport Committee.

6.2 A number of schemes previously reported within this section have now been agreed as part of the 2015-18 capital programme. Schemes still in development include:

6.3 A14 Cambridge to Huntingdon Improvement Scheme 2016-2020

The Secretary of State for Transport proposes to construct the A14 Cambridge to Huntingdon Improvement Scheme. The scheme is under development and is to be jointly funded by the Secretary of State and local authorities and LEPs based in the Eastern region. The outturn cost of the scheme is approximately £1.345 billion based on the works taking place between the financial years 2016-17 and 2019-20. Local authorities and LEPs will be contributing £100m, with £75m from Cambridgeshire County Council and Greater Cambridge Greater Peterborough LEP. Norfolk County Council's contribution will be £0.040m per annum from January 2020 to January 2044, resulting in a total commitment of £1m.

6.4 One Public Estate programme

The Council was successful in a joint bid with Suffolk to be part of the "One Public Estate Programme," and our inclusion was confirmed in September 2014. The programme is designed to facilitate and enable local authorities to work successfully with central government and local agencies on public property and land issues through sharing and collaboration. It has four main objectives:

- Create economic growth;
- Generate capital receipts;
- Reduce running costs; and
- Deliver more integrated and customer focused services.

The newly formed Corporate Property Team is leading on the initiative and is already having productive conversations with other public sector agencies around co-location opportunities.

6.5 Bowthorpe Development

Norfolk County Council, acting as the Accountable body for the Local Infrastructure Fund on behalf of the Greater Norwich Growth Board, is in the process of drafting a loan agreement with Norwich City Council. The loan is to the value of £1.865m and is intended to support the development of key infrastructure as part of the major development at Bowthorpe Threescore.

6.6 Priority Schools Building Programme

The second phase of the PSBP national programme was launched on 1 May with a value of around £2billion over a five year programme. All local authorities, dioceses, sixth form colleges, academies and multi-academy trusts were invited to submit an expression of interest for those schools and sixth form colleges in the very worst condition to undertake major rebuilding or refurbishment.

One of the authority's applications was successful with Marshland High School being included in the funding round.

6.7 Museums Joint Committee Capital Projects

The redevelopment of the keep at Norwich Castle Museum and Art Gallery is a longer term renovation project to take place from 2016-17 to 2018-19. The cost of this project will likely be in the region of £10m – £12m and is currently subject to planning approval and securing external funding sources.

6.8 DfT Local Highways Maintenance Challenge Fund

The Local Highways Maintenance Challenge Fund was announced as part of the Autumn Statement in 2014 and seeks to address major maintenance schemes on local infrastructure which would otherwise be unaffordable through the annual block funding allocation.

The fund is due to run for six years with a total of £575m of funding available to Local Authorities. The funding will be for schemes over £5m and is allocated through a bidding process.

6.9 Replacement recycling centre for Norwich 2020-21

The contract for the existing Mile Cross Recycling Centre in Norwich is due to expire in September 2021. This is the largest recycling centre in Norfolk, and a replacement site or sites may need to be found before that date. The capital cost, excluding land, is estimated to be between £1.3m and £3.0m. The process of finding and securing a site, obtaining planning permission, exploring funding options, and construction can be lengthy. The team managing this project has established a good track record of cost control and savings in relation to drainage improvements at recycling centres, as was demonstrated by the underspend reported in 2014-15.

Reprofiling and Other Changes to the 2015-18 Capital Programme

- i. This appendix sets out the reprofiling and other changes which have occurred during the first two months of 2015-16.
- ii. The changes to the 2015-16 programme are as follows:

Reprofiling

Table A1a: Reprofiling in April and May 2015

Service	Project	Funding Type	Amount £m	Explanation
Children's Services - schools	West Norfolk Specialist Academy	Revenue and Reserves	-1.000	Now settled as a fully funded rebuild scheme with a challenging but realistic timetable for delivery of a building to an academy provider
	Bignold Growth	Grants and Contributions	-0.750	A review of demand for pupil numbers has suggested slower demand for places in South Norwich. This project will remain under review pending revised forecasts in the Autumn.
	Bowthorpe St Michael - Modular	Multiple Funding Sources	-0.322	Work delayed and now expected to start in 2016-17
	Trowse Primary	Grants and Contributions	-0.500	Work delayed and now expected to start in 2016-17
	Heartsease Primary major phase	Grants and Contributions	-0.073	Work delayed and now expected to start in 2016-17
	Brooke replacement School	Grants and Contributions	-0.586	Work delayed and now expected to start in 2016-17
Children's Services Total			-3.231	
Community & Environmental Services	CERF Carrow FS PV solar panels	Borrowing and Capital Receipts	-0.076	Reprofile whilst delivery of project is being reviewed
	ALP for Earlham FS	Grants and Contributions	-0.118	Funding from unallocated grant rolled forward to 2016-17 to deliver scheme at Earlham
	LPSA Domestic Violence	Grants and Contributions	-0.100	Roll forward of part of LPSA pot
	NDR & Postwick Hub	Grants and Contributions	-7.280	Initial reprofiling of expected spend on NDR and Postwick Hub projects
	Cycling projects	Grants and Contributions	-2.500	Reduction in expenditure on City Cycle Ambition projects forecast for 2015-16 and reprofiled accordingly. These

				schemes include The Avenues, Earlham Road, Heathgate, Tombland and Magdalen Street.
	Civil Parking Enforcement	Borrowing and Capital Receipts	-0.046	Other minor reprofiling
Community & Environmental Services Total			-10.120	
Resources	Better Broadband	Borrowing and Capital Receipts	-5.000	Reprofiling of funding as scheme continues to be delivered under the original estimates. Funding rolled forward to fund further improvements in 2017-18
Resources Total			-5.000	
Total Reprofiling			-18.351	

Other Changes

Table A1b: Other changes in April and May 2015

Service	Project	Funding Type	Amount £m	Explanation
Children's Services	Schools-based projects	Multiple Funding Sources	0.021	Additional funding identified for schools based projects
Children's Services Total			0.021	
Adult Social Care	ASC Corporate Minor Works schemes	Borrowing and Capital Receipts	0.002	Disaggregation of Corporate Minor Works funding to services
Adult Social Care Total			0.002	
Community & Environmental Services	Multiple Libraries schemes	Multiple Funding Sources	0.001	Various minor funding adjustments across the Libraries programme
	Fire Corporate Minor Works	Borrowing and Capital Receipts	0.002	Disaggregation of Corporate Minor Works funding to services
	MTFA 4x4 vehicle	Revenue and Reserves	0.059	New vehicle to be purchased from Resilience reserve
	Multiple Highways Schemes	Multiple Funding Sources	-4.352	Reduction in the initial estimate of developer contributions which would be

				used in 2015-16 to support the capital programme. This funding is likely to be available in future years when schemes are finally agreed, but has not been included in the future years programme until agreements are in place.
Community & Environmental Services Total			-4.290	
Finance	Corporate Minor Works Pot	Borrowing and Capital Receipts	0.006	Increase in pot to reflect underspends returned at end of 2014-15 offset by amounts disaggregated to services
Finance Total			0.006	
Total Other Changes			-4.261	

- iii. The total reprofiled into future years reflects the items re-profiled from 2015-16 in the table above.

Norfolk County Council

Appendix 3: Resources and Finance commentary

Report by the Executive Director of Finance

1 Introduction

The Policy and Resources Committee is responsible for the oversight of the Council's Resources and Finance budgets (including the Finance and Corporate Property service, and Finance General). This appendix is designed to give a brief overview of the financial performance of each of these service areas.

2 Resources

The table below summarises the forecast outturn position as at the end of May 2015 (Period 2).

2015 / 16	Current Budget	Expenditure Year to Date	Full Year Forecast	Reported Overspend / (Underspend)
	£m	£m	£m	£m
Managing Director's Office	0.424	0.071	0.424	-
Director of Resources	(0.788)	0.000	(0.568)	0.220
CIPPS & BPPS	1.680	0.275	1.680	-
Corporate Programme Office	0.790	0.181	0.790	-
Procurement	1.337	0.311	1.337	-
Human Resources	3.682	1.279	3.682	-
Communications	0.733	0.151	0.733	-
nplaw	(0.450)	0.286	(0.450)	-
Democratic Services	2.377	0.843	2.377	-
Public Health	(1.201)	(3.145)	(1.201)	-
ICT	14.353	5.094	14.353	-
Total Corporate Resources	22.937	5.346	23.157	0.220

Note: there is a difference between the total budget above and the "Resources" budget shown in table 1 to Appendix 1 as some services managed within the Resources department are not the responsibility of this committee.

At the end of month 2, there is one forecast over spend in Resources of £0.220m relating to a decision to delay charging staff to use the County Hall car park.

While there are potential areas for modest savings from vacancy management and income generation in a number of areas, these are too early to forecast with any certainty and likely to be off-set by pressures to make savings which span the Resources service.

The largest forecast movement on reserves for this service is the projected full use of the brought forward reserve holding £5.860m of unspent Public Health Ring fenced grant. A small number of IT and transformation projects, and planned improvements to the capital improvement to QEH mortuary for the benefit of the Coroner's service have resulted in an overall forecast net reduction in reserves of £6.510m.

3 Finance and Property, and Finance General

May 2015 saw the arrival of the new Director of Finance, Simon George. In addition, as reported to the 1 June 2015 the Council's new Corporate Property Team (CPT) was established on 1 April 2015 to act as the single property client function for Norfolk County Council.

The CPT marks a significant change in management arrangements for planning, prioritisation and managing the substantial property assets held by the Council. An ambitious three year revenue savings target of £7.3 million has been set for the team.

The table below summarises the forecast outturn position as at the end of May 2015 (Period 2).

2015 / 16	Current Budget	Expenditure Year to Date	Full Year Forecast	Reported Overspend / (Underspend)
	£m	£m	£m	£m
Finance	6.721	1.916	6.721	0.000
Property	6.409	0.753	6.409	0.000
Finance & Property	13.130	2.669	13.130	0.000
Finance General	-306.082		307.029	-0.947
Total Finance	292.952		-293.899	-0.947

At the end of month 2, no net under or over spend is forecast for within and Finance and Property service. There is the potential for some additional income generation, but also for additional costs associated with the restructuring necessary to reduce costs in the medium and long term.

4 Finance General over and underspends

A table showing forecast under and over spends is included in annex 1 to appendix 1. Explanations for Finance General forecasts are as follows:

Interest on balances due to reduced borrowing (forecast underspend £0.532m)

The 2015-16 interest payable/receivable budget was prepared on the basis that borrowing to support capital expenditure would be undertaken on 1 April 2015. This assumption was made to ensure that, in accordance with the treasury management code of practice, treasury management activities are not impacted by short-term budget considerations.

Owing to the deferral of borrowing which has not been necessary in the year to date due to the re-cycling of cash balances, a net interest saving of £0.532m to the 31 May has been generated. This is as a result of reduced borrowing costs offset by lower interest earned on investments.

Whether it is possible to continue to defer additional borrowing during the remainder of 2015-16, will depend upon the Council's cash flow requirements and movements on short and long term interest rates which are constantly monitored. Rates can be volatile, and may be affected by events affecting, for example, the "Eurozone".

There are no immediate plans for new borrowing, and if the borrowing continues to be deferred until 31 March 2016, it is estimated that the one-off saving will increase to approximately £4m.

Forecast Minimum Revenue Provision (forecast underspend £0.888m)

Every year the Council has to set aside an amount which represents the minimum contribution to the repayment of borrowing. The MRP underspend is an adjustment which reflects capital spend which was budgeted to be spent in 2014-15, but which is now forecast to be incurred in 2015-16 and beyond.

Norse pension liabilities (forecast overspend £0.473m)

This adjustment relates to additional costs arising from 2013-14 transfer of Norse Group pension liabilities to Norfolk County Council due to Norse now having fewer members in the Local Government Pension Scheme.

Policy and Resources Committee

Item No 8

Report title:	The role of “Administration” and “Opposition” under a Committee System
Date of meeting:	20 July 2015
Responsible Chief Officer:	Victoria McNeill, Head of Law & Monitoring Officer
Strategic impact: To ensure the most effective governance achievable for the County Council within a Committee System.	

Executive summary

At the Policy and Resources Committee on 20 April 2015 Cllr John Dobson moved as follows:

“This Council recognises that the discrete entities of the Administration and the Opposition are not formally recognised under the existing Committee system and therefore calls on the officers to bring forward proposals on how these two functions can be properly defined and recognised in the Council’s Constitution.”

This motion was agreed. The Head of Law & Monitoring Officer has considered how the functions or concepts of Administration and Opposition might be defined and recognised.

Recommendations:

1. To endorse the present arrangement whereby the Managing Director has regular diarised meetings with the leader of the largest Group, in addition to his or her right to attend Group Leaders’ meetings;
2. To endorse the current arrangement whereby senior officers are available for Group confidential briefings on upcoming agenda items, in accordance with the member/officer protocol.

1. Background

The internal governance framework of local authorities is set out in the Local Government Act 2000 (“the 2000 Act”). The options available include the Leader and Executive system, also known as the Cabinet system, which Norfolk County Council (“the Council”) used from 2001 to 2014 and the Committee system which the Council currently uses.

The Local Government Act 1989 (“the 1989 Act”) gave political groups within local authorities a recognised status and provided that committees had to be appointed in accordance with the “political balance” rules. These are applied so as to reflect the political balance of the authority as a whole on its ordinary committees.

The creation and membership of a party group is governed by regulations made under the 1989 Act. Any Group must be properly constituted and its name and membership confirmed in writing by each member to the proper officer, in the Council’s case, the Head of Democratic Services. Norfolk County Council currently has 5 such groups; the Conservative Group, the UKIP and Independence Group, the Labour Group, the Liberal Democrat Group and the Green Group.

The Council voted to change from a Leader and Executive system to a Committee system of governance, effective from May 2014. Appropriate changes were made to the Constitution and a review of the effectiveness of the new system, involving all members, was commenced after 6 months of operation. A number of recommendations to improve the effectiveness of collective decision-making were approved at the Policy & Resources Committee on 20 April 2015 and thereafter at Full Council on 18 May 2015.

2. Definition of “Administration” and “Opposition”

In an authority governed by a Leader and Executive system the Executive is permitted to be a one party body as chosen by the Leader, with no requirement for political balance. In that circumstance it is not uncommon to describe the Leader’s party as an “administration” and the other party or parties as “opposition” – although it should be noted that neither of these words is used in the 1989 Act or the 2000 Act. Those terms do not have a legal meaning in a local government context.

In an authority governed by a Committee system the political balance rules are applied separately to each and every Committee. These are applied so as to reflect the political balance of the authority as a whole on its ordinary committees. In this situation it is difficult to characterise a party group or groups as “administration” and “opposition”.

Under a Committee system, the Chairs and Vice-Chairs of Committees do not possess, as Cabinet portfolio holders possessed, any authority to take decisions either individually or collectively as a group of Chairs and Vice-Chairs. Therefore to categorise them on the Groups to which they belong as an “Administration” would be misleading.

3. Functions of “Administration” and “Opposition”

As well as there being no formal legal definition of “Administration” and “Opposition” within a local government context there is also no specific function conferred upon them.

However, in a No-Overall-Control Council, when the leadership doesn't sit with the largest Group, that Group still has more influence under a Committee system than it would under a Cabinet system.

The relative size of the Conservative Group is reflected in the make-up of the Committees. On each of the Service Committees, the Conservatives have 8 out of 17 members and the remaining members are made up, on a politically proportionate basis, from the other Groups. This gives the Conservative party a proportional opportunity to influence decision-making.

As well as having proportional influence on decision-making, at Committees and in Full Council, there are other ways in which the size of the Conservative Group is recognised under the Constitution.

- (a) The leader of a Political Group with 31 or more members gets a higher SRA for that role than leaders of the smaller Groups.
- (b) Group Spokes' SRA's are paid only to the Spokes for the largest Group on a Service Committee/Policy and Resources Committee.

4. Officer support to party groups

As can be seen from the Council's member/officer protocol in the Appendix to this report and the highlighted paragraphs in particular the facility for party group confidential briefings is already provided for.

However, under the law and under the Council's own standing orders there can be no partiality in this arrangement and if other party groups required the same facility then it could not be denied.

Other shire counties (and district councils) operating a committee system have similar arrangements for officer support. To the best of our knowledge none have conferred any special title or status to any party groups.

In the absence of any place for "Administration" or "Opposition" under a Committee system the recommendations below outline the support that the largest Group will get from senior officers.

5. Recommendations

- 1. To endorse the present arrangement whereby the Managing Director has regular diarised meetings with the leader of the largest Group, in addition to his or her right to attend Group Leaders' meetings;
- 2. To endorse the current arrangement whereby senior officers are available for Group confidential briefings on upcoming agenda items, in accordance with the member/officer protocol.

Officer Contact

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

APPENDIX

NORFOLK COUNTY COUNCIL

PART 8.3

PROTOCOL ON MEMBER/OFFICER RELATIONS

INTRODUCTION

1. This protocol deals with the working relationships between the elected members on the County Council and the officers of the Council. Its purpose is to ensure the smooth running of the Council's processes.

2. The protocol is based on the principle that an officer's duty is to all Members of the Council as a single corporate body. Officers have, therefore, to provide information, offer advice and give assistance in the formulation of policy proposals impartially to all political groups who wish such information, advice or assistance.

Principles for Member/Officer working

3. Councillors and Officers are servants of the public. The effectiveness of the outcomes they are able to deliver for residents is dependent on a strong and constructive relationship which adheres to a set of clear principles. These principles are:

- ☐ ☐ Mutual respect for each other's roles and responsibilities.
- ☐ ☐ Dealings between Members and Offices should be courteous, and conducted in a constructive and positive way.
- ☐ ☐ Neither party should seek to take unfair advantage of their position or seek to exert undue influence.
- ☐ ☐ Respecting the confidentiality of information given and received as part of County Council business.
- ☐ ☐ Concerns as to the conduct of officers should be made to the relevant Chief Officer, and of Members, to the Monitoring Officer.

ROLES

4. Members and Officers have distinctive responsibilities. Councillors are responsible to the electorate and to the County Council. Officers are responsible to the Council, and also have a public service role. Their job is to give advice to

Councillors and the Council and to carry out the Council's work under the direction and control of the Council and its Committees. Officers are responsible for ensuring the effective and efficient operations of services the Council commissions or delivers. Some Council officers hold statutory positions, and have particular public responsibilities. These Officers are:

Head of Paid Service (Managing Director)

Executive Director of Finance

Monitoring Officer (Head of Law)

Executive Director of Children's Services

Executive Director of Adult Social Services

Chief Fire Officer

Director of Public Health (DPH)

The specific roles and responsibilities of these Officers are set out in Article 8. .

5. The specific roles and functions of Councillors are contained in Article 2 paragraph 2.3 of the Constitution. Broadly these are:-

- ☐ ☐ As politicians – expressing political values and supporting the policies of the group to which they belong.
- ☐ ☐ As representatives and advocates – engaging with their communities to represent the division or ward and the citizens who live there.
- ☐ ☐ As decision makers, on Full Council, its committees and joint committees.
- ☐ ☐ As policy makers – developing and reviewing policy and strategy.
- ☐ ☐ Monitoring and reviewing policy implementation and service quality.
- ☐ ☐ As community leaders and networkers – through active partnerships with other organisations.

6. In broad terms officers have the following main roles:-

- ☐ ☐ Managing and providing the services for which the Council or a committee has given them responsibility and being accountable for the efficiency and effectiveness of those services and for proper and lawful practice in discharging their responsibilities.
- ☐ ☐ Giving professional and impartial advice to the Council, its committees and individual members in respect of its services.
- ☐ ☐ Initiating policy proposals as well as implementing agreed policy.

□□ Ensuring that the Council always acts in a lawful manner.

OFFICERS AND WHOLE COUNCIL

7. Officers are required at all times to serve the whole Council and to implement and deliver the Council's decisions and policies.

OFFICERS AND COMMITTEES

8. In the effective running of the Council's Committees, good working arrangements between Members and Officers will support sound decision making which is in the best interests of Norfolk people.

9. Reports to Committees will be produced by Officers. In developing reports for decision, Officers will present information and advice in a way which is clear and evidence based, ensuring there is opportunity for constructive challenge and debate.

10. Early engagement between Officers and Members Advice should be built in to the Committee's work programme to ensure that Members avoid taking any unlawful or unworkable decisions.

11. Any decision by committees must take into account advice from the appropriate officer. An officer's obligation to the whole Council requires that such advice is given and that the advice is independent. Committee members must not seek to suppress or amend any aspect of such professional advice. The appropriate officer will place on record his/her professional advice to the committee and ensure that the advice is considered when a decision is taken.

12. Whenever officers represent the decisions of a committee, members who are not on that committee will need to recognise that in so doing the officer is representing a decision made by Members.

OFFICERS AND INDIVIDUAL MEMBERS

13. Any Group Leader, Committee Chairman or Group Spokesman or may request a private and confidential briefing from a Chief Officer or Head of Unit on matters which have already been, or may be, discussed by the Council or one of its decision making or advisory bodies. All requests should be made to the appropriate Chief Officer or Head of Unit. Briefings shall remain strictly confidential

and are not to be shared with other members of the Council unless so permitted by the relevant Member. In addition, briefings should not be used by Members or Chief Officers to pre-empt the decision-making processes laid down in the Constitution. Other Members may seek private and confidential briefings with the agreement of their group leader.

14. Except for the confidential matters referred to above, information given to a Group Leader, Committee Chairman or Group Spokesman will where possible be shared with the relevant representatives of the other political groups.

15. In general the Council encourages dialogue between members and officers, during working hours and taking into account the proper processes, on all issues affecting the Council.

16. The rights of Members to documents and information of the Council are set out in section 7 of Part 7.4 of the Constitution, (Access to Information Procedure Rules). In circumstances where the Chief Officer and Member disagree as to whether the Member is entitled to the information the matter will be referred to the Managing Director, for decision. If the matter is still unresolved, it will be decided by the Council itself.

OFFICERS AND POLITICAL PARTY GROUPS

17. There is statutory recognition for Political Groups and it is common practice for such groups to give preliminary consideration to matters of Council business in advance of consideration by the relevant Council body.

18. On the invitation of a Group Leader a Chief Officer or his/her nominee may attend a Group meeting to give factual information. In such circumstances the following guiding principles apply:

- a) No officer is obliged to accept an invitation to a Group meeting;
- b) No officer is entitled to insist on attending a Group meeting;
- c) The duration of an officer's attendance at a Group meeting will be at the discretion of the Group but an officer may leave if he/she feels uncomfortable remaining at the meeting;
- d) An officer accepting an invitation to the meeting of one group must not decline an invitation to advise another Group on the same subject;
- e) An officer who is not a chief officer will not be invited to attend a Group meeting, but a chief officer may nominate such an officer to attend on his

behalf;

f) An officer's advice to the Group meeting must be confined to matters of factual information or professional expertise;

g) An officer must give substantially the same advice to each Group on any matter raised by more than one;

h) An officer must not divulge to any member of the Council the views expressed by members at a meeting of a Group to which the member in question does not belong;

i) An officer must be afforded an opportunity of verifying any record of his/her advice contained in the minutes of a Group meeting;

j) No member will refer in public or in meetings of Council or committees, or in communication with the media, to advice or information given by an officer in any Group meeting.

Policy and Resources Committee

Item No 9

Report title:	Internal and External Appointments
Date of meeting:	20 July 2015
Responsible Chief Officer:	Anne Gibson

Strategic impact

Appointments to Outside Bodies are made for a number of reasons, not least that they add value in terms of contributing towards the Council's priorities and strategic objectives. The Council also makes appointments to a number of member level internal bodies such as Boards, Panels, and Steering Groups.

Under the Committee system responsibility for appointing to internal and external bodies lies with the Service Committees. The same applies to the positions of Member Champion. In the Autumn 2014 cycle, committees reviewed and made appointments to those external organisations and internal bodies for the municipal year.

Executive summary

In the September 2014 cycle, Service Committees undertook a fundamental review of the Outside Bodies to which the Council appoints. The views of members who have served on these bodies together with those bodies themselves and Chief Officers were sought and reported back to Committees. Committees are required to consider appointments at their first ordinary meeting of the municipal year.

Set out in the appendix to this report are the outside and internal appointments relevant to this Committee.

Recommendation

- **That Members review and where appropriate make appointments to those external bodies, internal bodies and Champions position as set out in Appendix A.**

1. Proposal

Outside Bodies

1.1 In the September 2014 cycle, all organisations and the current member representatives were invited to provide feedback on the value to the Council and the organisation of continued representation and to make a recommendation to that effect. In addition, Chief Officers were consulted.

1.2 Organisations were asked a number of questions about the role of the Councillor representative. Councillor representatives were asked questions such as how the body aligned with the Council's priorities and challenges and what the benefits are to the people of Norfolk from continued representation. Finally, both were asked whether they supported continued representation. Committees considered this information and made decisions on appointments. The appendix to this report sets out the outside bodies under the remit of this Committee. Members will note that the current representative is shown against the relevant body. Members are asked to review Appendix A and decide whether to continue to make an appointment, and if so, to agree who the member should be.

Internal bodies

1.3 Set out in Appendix A are the internal bodies that come under the remit of this Committee. There is no requirement for there to be strict political balance as the bodies concerned do not have any executive authority. The current appointments are not made on the basis of strict political proportionality, so the Committee may, if it wishes to retain a particular body change the political makeup. The members shown in the appendix are those currently serving on the body.

2. Evidence

2.1 The views of the Councillor representative, the organisation and Chief Officer were reported to the Committee when it undertook its fundamental review of appointments in 2014.

3. Financial Implications

The decisions members make will have a small financial implication for the members allowances budget, as attendance at an internal or external body is an approved duty under the scheme, for which members may claim travel expenses.

4. Issues, risks and innovation

4.1 There are no other relevant implications to be considered by members.

5. Background

5.1 The Council makes appointments to a significant number of internal bodies and external bodies. Under the Committee system, responsibility for these bodies lies with the Service Committees.

5.2 There is no requirement for a member of an internal body to be appointed from the "parent committee". In certain categories of outside bodies it will be most appropriate for the local member to be appointed; in others, Committees will wish to have the flexibility to appoint the most appropriate member regardless of their division

or committee membership. In this way a “whole Council” approach can be taken to appointments.

Background Papers – There are no background papers relevant to the preparation of this report

Officer Contact

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Appendix A

Policy and Resources Committee Appointments

1. **LOCAL GOVERNMENT ASSOCIATION APPOINTMENTS**

LGA General Assembly (4)

George Nobbs (4 votes)
Tom FitzPatrick (1 vote)
Alison Thomas (1 vote)
Mike Sands (1 vote)

County Council Network (4)

Tom FitzPatrick
Tom Garrod
George Nobbs
Marie Strong

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

George Nobbs
Tom FitzPatrick (sub)

LGA Coastal Issues Special Interest Group (SIG) (1)

Michael Baker

The LGA Coastal SIG champions and takes forward the coastal strategy and represents the collective interests of all maritime local authorities.

2. **POLICY AND RESOURCES COMMITTEE OUTSIDE BODIES**

1. **Greater Norwich Growth Board (1)**

Steve Morphew

The Greater Norwich Growth Board is the body through which the County Council, together with Broadland District Council, Norwich City Council, South Norfolk Council and the New Anglia Local Enterprise Partnership, has worked together to manage the Government's housing and job growth targets. The growth targets for the Greater Norwich area are to deliver at least 37,000 new homes and 27,000 new jobs by 2026.

3. POLICY AND RESOURCES COMMITTEES/ BOARDS/PANELS/ GROUPS

1. Joint Consultative & Negotiating Committee – 7

Deputy Leader

1 Labour (Bert Bremner)

3 Conservative (Andrew Proctor, Tom FitzPatrick, Tony Adams)

1 Lib Dem (John Timewell)

1 UKIP (currently Rex Parkinson Hare - UKIP will propose a replacement)

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

2. Member Support & Development Advisory Group – 10

4 Conservative – Colin Foulger, Judy Leggett, Tom Garrod, Tony White

2 Labour - David Collis, Julie Brociek-Coulton

1 Lib Dem – Eric Seward

2 UKIP – Jonathan Childs and Denis Crawford

1 Green – Richard Bearman

This Group champions Member Development and Member Support

3. NORSE

Shareholder Representative - Toby Coke

Member Director - Colleen Walker (serves on the Norse Group Board, NPS Board and NCS Board).

4. NORSE Member/Officer Shareholder Committee – 6

1 Lib Dem - John Timewell

3 Conservative - Roger Smith, Bill Borrett, Wyndham Northam

1 UKIP - Toby Coke (as current Shareholder Representative)

1 Labour – Mick Castle

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.

5. NORSE Care Liaison Board (2)

Member Director of the NORSE Board (Colleen Walker) and the Chairman of Adult Social Care Committee (Sue Whitaker).

6. Property Reference Panel – 6

3 Conservative - Nigel Dixon, Tony White, Cliff Jordan

1 UKIP - Colin Aldred

1 Lib Dem - John Timewell

1 Labour - Steve Morpew (served as Cabinet Member for Finance, Corporate and Personnel and was the Chairman of the Panel)

The Panel was created to advise the Cabinet Member on Property matters. Under the Council's new governance structures, property matters are the responsibility of this Committee.

At its 2014 review of internal bodies, the Committee **agreed** to reconsider the need for a Property Reference Panel following the Property workshop held on 28 October 2014. The future of the Panel was not discussed at this seminar and Members are asked to consider whether this body should continue in a revised form or be discontinued.

7. Strategic Equalities Group – 6

Deputy Leader

1 Lib Dem - Tim East

1 Conservative - John Dobson

1 Green - Elizabeth Morgan

1 UKIP – Jonathan Childs

1 Labour - TBA

This body provides Member leadership on equality for Norfolk County Council, ensuring that the authority delivers its duties with respect to the Equality Act 2010 and the Public Sector Equality Duty.

8. Treasury Management Panel – 9

2 Labour - Bert Bremner, Emma Corlett

4 Conservative - Ian Mackie, Brian Iles, Cliff Jordan & Andrew Proctor

2 UKIP - Toby Coke, Michael Baker

1 Lib Dem - Brian Watkins

In the light of the recovery of the Icelandic banks money, it is suggested that the Committee requests the Panel to consider at its next meeting whether or not it has a continuing role.

9. ESCO (Energy Saving Company) - 1

Deputy Leader

10. Constitution Advisory Group - 7

3 Conservatives (Andrew Proctor, Alison Thomas, Shelagh Gurney)

1 Labour: Steve Morpew

1 Lib Dem: Marie Strong

1 Green: Richard Bearman

1 UKIP: Toby Coke

Policy & Resources Committee

Item No 10

Report title:	Extension of BT Contracts for NCC's corporate voice and data network and ancillary services
Date of meeting:	20 July 2015
Responsible Chief Officer:	Executive Director, Resources
Strategic impact This paper requests an exemption to contract standing orders to extend the existing contract for voice and data services to enable a smooth transition to the new contract. The new contract is intended to reduce costs, support flexible working and deliver social value to the county.	

Executive summary

The Council is currently undertaking a procurement to replace its existing corporate voice and data network, mobile communications, calls & lines contracts, and associated value-added services. This development is expected to drive a move to unified communications, and also to provide wider benefits from greater integration of communication technologies into operating processes

As agreed by the committee in March 2015, connectivity requirements (voice, data, fixed and mobile) will be procured together with a single provider taking responsibility for all services.

The existing voice and data contract with BT is due to expire on 31 March 2016 and the new contract is due to be awarded in December 2015. This would allow 3-4 months to migrate to the new service. However, all the bidders have indicated that there needs to be a longer transition period with an element of parallel running to ensure that the migration to the new service is robust and successful. This is partially due to the fact that the service is being radically redesigned to make it more effective and efficient as well as to benefit from new technology.

In order to allow more time for transition and parallel running, we are seeking to extend the current contract by one year.

Recommendation: To delegate to the Executive Director of Resources, subject to the satisfactory conclusion of negotiations, approval to extend the existing BT contract until 31 March 2017.

1. Proposal

The proposal is to extend the current BT voice and data contract until 31 March 2017 to allow time to migrate the service to a new provider in a robust and resilient way.

The procurement to replace the current contract is already under way and, as this is an essential service, there is no other viable option.

The extension will be on the basis that, as new services are rolled out under the new contract, the existing services will be phased out.

2. Evidence

The procurement to replace the current contract is already under way, but it has become clear during market engagement that the transition period allowed for was insufficient and that there will be a need for a phased transition with an element of parallel running. This is partially due to the fact that the service is being re-designed. The current model is outdated and requires modernising, so that the Council can benefit from the introduction of new technology and the efficiencies that it brings.

3. Financial Implications

The BT contract delivers the telecommunications infrastructure for the Council. There is already a budget for this essential service. The exact value of the extension will depend upon the speed of transition to the new contract, but is not expected to exceed £4million.

As part of the contract extension, we are identifying all possible opportunities to reduce the running costs of the existing network, including opportunities for savings during the current financial year. These savings will contribute to the cost of transition to the new network.

4. Issues, risks and innovation

4.1 Legal Implications

The contract has already been extended to the maximum term stated in the procurement documentation.

However, the Public Contract Regulations 2015 allow for modification of contracts during their term in specific circumstances. Regulation 72(b) states that contracts can be modified for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—

(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or

(ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority,

provided that any increase in price does not exceed 50% of the value of the original contract.

Both (i) and (ii) apply and the extension will be within the 50% value of the original procurement.

4.2 Other Implications

There are no implications in terms of resources (staff, property), equality, human rights, environment or Health & Safety. The BT infrastructure is robust and resilient.

5. Background

The contract with BT for the corporate voice and data network and associated services started on 1 April 1999 and was initially awarded for a five year term with the option to extend by a further two years. The initial contract value was £33.24million over five

years and both extensions have been taken up with values of £6.1million (year 6) and £5.5million (year 7). The contract is due to expire on 31 March 2016.

Following a considerable amount of consultation with stakeholders, including key providers in the market, the procurement to replace the voice & data contract (as well as the mobile communications and calls & lines contract) was commenced on 27 May 2015.

During the consultation with providers, it has become apparent that the transition to a new fully integrated service would require a longer transition period than originally anticipated, as well as an element of parallel running to allow the new service to 'build up', rather than a 'big bang' approach, which is inherently risky.

This paper seeks permission to extend the existing BT contract until 31 March 2017, on the basis that services will be phased out over the life of the contract extension as the new provider implements its solution. The committee is asked to delegate to the Executive Director, Resources, authority to finalise and enter into the extended contract.

Background Papers:

Policy & Resources Committee Report (May 2015 – Item 9) – Re-procurement of telephony and data network services

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. 11

Report title:	Norwich International Aviation Academy
Date of meeting:	20th July 2015
Responsible Chief Officer:	Executive Director of Community and Environmental Services
Strategic impact This project is wholly consistent with our Ambition for everyone in Norfolk to succeed and fulfil their potential. The aviation sector, especially in engineering, is one that is projected to grow substantially locally, nationally and internationally. Norwich is in a prime position to capitalize on this with the creation of a training academy, where local people especially will be able to take advantage of this opportunity. The sector is identified as a major growth opportunity in both the Strategic Economic Plan and the City Deal. By creating a major facility for aviation related training within or close to Norwich Airport it will help attract businesses in this sector to grow, or to locate here and the planned Norwich Aeropark will be ideally placed to accommodate new business. The project will also benefit from proximity to the proposed Norwich Northern Distributor Route	

Executive summary

The County Council has been working closely with partners to deliver the Norwich International Aviation Academy (NIAA). This project builds on one of Norfolk's key employment sectors as identified in the City Deal and the New Anglia Local Enterprise Partnership's Strategic Economic Plan.

The NIAA was launched in September 2014 as a collaboration between the Council, the Airport, KLM UK Engineering, City College Norwich, the University of East Anglia and Aviation Skills Partnership (based in Exeter). The Council, with support from Norse has been leading on the development of the facility itself which involves the modification and refurbishment of an existing building on the Hurricane Way Industrial Estate, close to Norwich International Airport. It will be home to the Academy, with 20 classrooms, 5 engineering workshops and an Emulation Zone (a live aircraft and a helicopter) where trainees will have unparalleled facilities to learn.

KLM UK Engineering already provides a highly valued programme of training; locally at apprentice and nationally at graduate level. Research has uncovered a substantial local and global need and demand to increase the level of training, coupled with a unique opportunity to bring together KLM with the partners mentioned above. It is vital to build on what we have, which will create one of the UK's foremost aviation training facilities. Failure to do so will risk investment moving elsewhere as other regional airports become alert to the opportunity.

Initially focussing on aviation engineering, the facility will gradually extend its remit into ground crew operations, air traffic control, cabin/crew training, operations, planning, and pilot training.

The project proposal involves works to a building within or close to the Airport. The cost is currently projected at £12.23m, of which the Council will need to provide £6.25m in the form of a loan. The building that will host the proposed facility will be subject to a substantial programme of improvement works planned to accommodate the various training facilities that will be provided.

The Academy has already been launched, working out of existing facilities with the first undergraduate cohort taken on in September 2014. The second cohort will commence this year and the facilities will then be at capacity. The new facility needs to be open by September 2016 to take the 3rd cohort and also to allow the wide range of additional courses to be developed, promoted and hosted. If courses for 2016 are to be advertised in the autumn, so that the facility can be ready in time, then the decision to support this project as proposed needs to be taken at this committee

Recommendations:

Policy and Resources committee is requested to authorise a loan of £6.25m to the NORSE Group. The commercial structure of the loan will be agreed with the Executive Director of Finance, but it is anticipated that the loan capital and interest will be repayable over 30 years.

Proposal

- 1.1 The proposal is for the county council to use its borrowing powers to provide part of the finance to create a physical location for the Norwich International Aviation Skills Academy at a site close to the edge of Norwich International Airport, to be opened in time for the 3rd cohort to commence training in September 2016.
- 1.2 The key aims of the proposal are to create a facility that will provide:
 - local jobs
 - opportunities for local people to work in a national or international setting.
 - an opportunity for a national and international facility in Norwich
- 1.3 The main training partners have worked on the development of a training plan. The key issue to consider is the need to create a custom-designed facility enabling access to the airport itself which would initially focus on aviation engineering training to support the existing demand from KLM UK Engineering, but with the intention of this increasing over time to incorporate skills across six areas of aviation.
 - pilot
 - engineer
 - air traffic control
 - cabin crew/crew
 - airport operations
 - operations, planning and crewing
- 1.4 A Business Plan has been produced by Aviation Skills Partnership (ASP) on behalf of the key partners and stakeholders. It sets out a costed proposal to create the Academy and shows that enough training revenue can be derived from each element of the initial phase of the academy to cover the operational cost, renewals and the cost of servicing the loan requested towards the total cost of creating the facility. The plan is largely based on training currently being delivered, or for which a market has already been established. The plan does not assume aspirational growth, although the next section clearly describes the substantial demands on skills the sector will be making in the next decade.
- 1.5 The Mission Statement for the NIAA is **to create a Silicon Valley for Aviation Training**. The strategy to deliver this, is to establish 'pipelines' for people leading to full and part-time career paths that we know exist locally, nationally and internationally and will offer long term, sustainable futures. We fully expect local people to benefit from the opportunities on an increasing scale as the role of the facility grows. ASP has an excellent track record of working with disengaged young people, and using the aviation

sector as a source of inspiration

- 1.6 **The Location** is described in the exempt appendix 1.
- 1.7 It is important to stress this is not a new venture starting from scratch. It is building on current provision
- 1.8 KLM UK Engineering is currently delivering training at its Technical College at a site nearby. The company intends to bring all its training needs together on the Academy site. They would then relinquish their current facilities enabling the existing site to be released for development with the commensurate benefit and return to the two councils. City College Norwich does not have any dedicated aviation training areas. However, it has commenced a new 16-18 Aviation Engineering course in existing facilities until the Academy building is available; at this point they would adopt part of the Academy as their delivery area for the 16-18 Engineering feed, cabin crew and airport operations programmes

2. Evidence

2.1 The Current Aviation Skills Market

The International Civil Aviation Organisation (ICA), part of the United Nations, has stated there is a worldwide shortage of skilled people in the aviation (operating sector). This is a separate sector to the aerospace sector but no less important – indeed it is estimated that 4 times as many people are employed in maintaining aircraft as there are designing and building them. The world's aviation sector, including Europe to a lesser extent is set to grow over the next few years.

- 2.2 The ICA has set up a task force – the Next Generation of Aviation Professional (NGAP) - to coordinate activity to respond to this need. Linked to that, the Royal Aeronautical Society (RAeS) has recently published a Discussion Paper – towards a UK Aviation Skills Plan.
- 2.3 The UK has, in the past, been the traditional source of recruitment for international organisations and in recent times, this has resulted in a drain of resources that has not been replaced. This has led to UK and international organisations recruiting from a decreasing pool.
- 2.4 At the same time, the UK is host to the largest aerospace industry in Europe, and globally only the US is larger. We have key strengths in some of the most complex parts of aircraft. The sector supports 230,000 jobs; has an annual turnover of around £24billion of which over 70% is exported. The sector offers huge growth opportunities; for example, by 2030 some 27,000 new large passenger aircraft are required, worth almost \$4trillion; and in the same period some 40,000 new civil helicopters worth \$165billion are needed.
- 2.5 Some of this growth is to replace existing fleets, but a great deal is in response to substantial demand from new markets in China, Asia, Africa and the Middle East. Boeing's 2011 Market Outlook estimated that the number of aircraft in service will double by 2030
- 2.6 What does this mean to Norfolk, which does not have a large aerospace industry? The key issue is that aircraft maintenance, ground crew, operations, air traffic control and even pilot training will need to grow in conjunction. The role of this huge support network is often underestimated, and few outside the industry would appreciate the routes into it.

- 2.7 Within the next 10 years, the ICA estimates that an *extra* 450,000 staff in these aviation related roles will be needed. Boeing predicts a need for approximately 600,000 maintenance technicians alone by 2031 (including replacement of retiring staff). In Europe, the number of engineering and maintenance staff to support new aircraft will have to grow by at least 140,000 people.
- 2.8 As English is the common aviation language worldwide, English speaking nations are in pole position to meet the need. (Indeed, other nations, notably Germany is setting up English speaking facilities). Engineering, maintenance and other technical skills are seen as being of critical importance and these demand training facilities in an airport location, ideally with airside access. This is to enable simulated training, which the CAA demands to supplement training and qualifications that may have already been gained elsewhere.
- 2.9 **National and Local Responses**
In 2007, the Flybe Training Academy project was launched on the back of the merger with the British Airways Regional Airline, BA Connect. This aimed to train the required staff to feed the growth of the airline and targeted 70% of its capacity at third-party work (above and beyond its own needs). It became the first government-funded employer skills academy and was opened by the Chancellor of the Exchequer in 2010. Rolls-Royce and others subsequently opened facilities but mostly in the aerospace (manufacturing) sector, rather than in the aviation (operating) sector. Although worthy activities and successful individually, they have failed to solve what is becoming a growing issue in the industry. More initiatives, regionally and internationally are required.
- 2.10 Currently KLM offers 10 apprenticeships per year which represents the total capacity currently. There is no national advertising and in fact very little local advertising. Despite this, KLM receives in excess of 200 applications per year. Typically the quality of applicants is very high and most of these applicants (90%) are local from a 70 mile radius of Norwich.
- 2.11 Developing a pipeline of suitably trained engineers and support staff is a critical part of KLM's 5 year plan. KLM advises that it is seeking to recruit 80 trainees, 50% of whom will be local while the remainder will be from other national or international engineering companies that find themselves in a similar position to KLM.
- 2.12 Aviation Skills Partnership (ASP) has been brought in to work with KLM, other employers, City College Norwich, the University of East Anglia, and Norwich International Airport to address these needs and opportunities. The concept of the Norwich International Aviation Academy was established in conjunction with the local authorities, the New Anglia LEP and other partners
- 2.13 The County Council was involved from the outset when discussions commenced in 2013 including KLM's adoption of ASP's new work-based Engineering degree. This culminated in the launch of the Norwich International Aviation Academy Plan in September 2013. This has led to the development of a Business Plan. Key to plan is the engagement of both City College Norwich and the University of East Anglia who rapidly became key partners for the core skills requirements

3. Financial Implications

- 3.1 **Costs** – have been assembled by WT Partnership, on behalf of the Academy partners. The total capital cost is estimated to be £12.23 million, which includes the estimated cost of the aircraft. The aircraft will be provided by KLM, who will also contribute to the refurbishment.

3.2 The contributors to the project are:

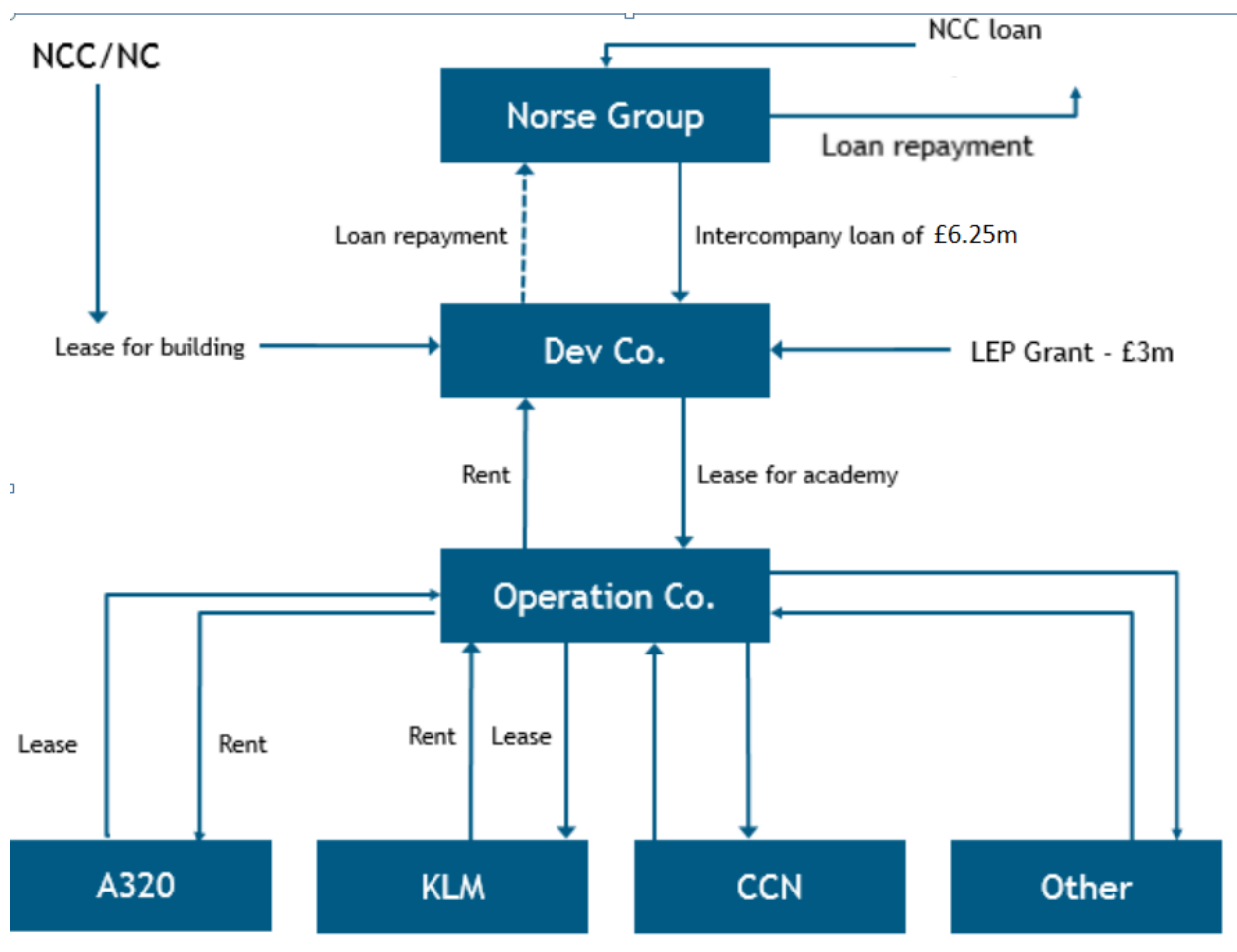
- £3,000,000 of capital cost will be grant funded by the New Anglia LEP
- £3,600,000 will be funded by KLM UK for the fit-out of their space and provision of the aircraft in the Emulation Zone
- £120,000 will be funded by City College Norwich for the fit-out of their space

3.3 In addition, £6,250,000 is sought from Norfolk County Council in the form of a loan (required in March 2016) to the Norse Group which is bearing the commercial risk. The first payment will be in April 2017 when the academy becomes fully operational and generates income. The loan period is currently set at 30 years and at a minimum, the current Public Works Loan Board year rate will be charged.

3.4 The operating income will be derived from a combination of relocated, refocussed and new training delivery and is summarised in Appendix 1 (Exempt)

4. Issues, risks and innovation

4.1 **Governance and operation** - It is proposed that the Academy will be governed and operated through a County Council funded Special Purpose Vehicle (SPV). The SPV will then “out-source” the management and operation of the operation of the Academy probably to a bespoke joint venture organisation that would be responsible for all day-to-day activities, including the running of the Academy, marketing its use to secure more tenants, building maintenance and facilities management provision, strategic property and future management of expansion projects. The proposed structure is shown as follows:



- 4.2 A tenant liaison board will be established for the Norwich International Aviation Academy. The Board will involve KLM UK Engineering, Norwich International Airport, Aviation Skills Partnership, City College Norwich/UEA as well as other stakeholders. New clients will be invited to join the Board as they start to utilise the facility.
- 4.3 Aviation Skills Partnership and NPS will jointly take responsibility for the running of the buildings and this then allows the Clients – in this case identified as KLM UK Engineering, City College Norwich and other partners - to fund operating costs where the facilities are negating the need for them to invest in training facilities but also to benefit from training income. The operating company will be carrying the operating risk and liability for the rent.
- 4.4 **The Programme**
It is vital that the facility is ready to take students with effect from September 2016. The courses need to be advertised with effect from September 2015 and to give certainty that the facility will be open, planning permission needs to be applied for later this month. This is a key risk and any delay will result in the project needing to be deferred for another year, or possibly abandoned entirely.
- 4.5 The table below shows the programme for delivery of the project in time for the 3rd cohort to be accommodated with effect from September 2016.
- 4.6 The timeline for delivering the project is reasonably compact as this is largely a refurbishment. There are a few contingencies built in to allow for the need to deal with asbestos cladding, but the site is not believed to be otherwise contaminated. There should be no need for any piling, specialist ground works or excavation below the water table. All necessary services are already available and believed to be adequate for the project's needs
- 4.7 In planning terms this is a relatively straightforward change of use application and we

expect it to be treated favourably. As a training facility it would be expected to generate less traffic compared to its current use

4.8

2015	May	Scheme Designs		
	June			
	July			
	August	Planning Application	Detailed Designs	Detailed Surveys
	September			
	October			
	November	Approval to Proceed	Procurement	
	December	Lead-in		
2016	January	Construction Period		
	February			
	March			
	April			
	May			
	June			
	July			
	August	Commissioning		
	September	Academy Operational		

4.9 Norse is assuming the operational risk of the project, and guarantees sufficient income to the county council to cover the capital and interest repayments.

4.10 The key risk is to the local economy should the project not proceed. This will be a significant lost opportunity. This could result in the project being located elsewhere, and the aviation sector could shift its focus away from the Norwich area

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 12

Report title:	Quarter 4 Performance and risk monitoring report
Date of meeting:	20 July 2015
Responsible Chief Officer:	Head of Business Intelligence and Performance Service & Corporate Planning and Partnerships Service

Strategic impact

Robust performance management is key to ensuring that the organisation works both efficiently and effectively to develop and deliver services that represent good value for money and which meet identified need.

Executive summary

This report, and the accompanying dashboard, provides a high level summary of some of the key performance issues for the council, as identified through departmental management team and committee performance reporting at Q4 2014/15.

Looking at the areas of corporate resources and policies that this committee directly oversees, the report highlights:

- Good performance in key areas of procurement practice, with improved percentages of transactions 'on contract', and both large and small procurement exercises happening in a prompt and timely way.
- Rising staff sickness in most areas. This is the first increase in recent years, and means we have missed the target, despite improved absence management efforts.
- Better-than-target business mileage savings. The paper highlights some issues with the data that has meant performance has been under-reported previously.
- A recent tailing-off of in the deployment of new laptop computers as part of the Digital Norfolk Ambition programme; but continuing good response rates for ICT calls, and a slight reduction in the number of calls that remain 'outstanding'.
- Improving rates of Freedom of Information Requests responded-to within the target timescale.

Supporting the Committee's oversight of whole-council performance the report also highlights the most significant findings from each committee's end-of-year performance reports. Specifically:

- Children's social care services are working hard to ensure that children and young people receive an appropriate level of service at the right point in time. The 3 year strategy to reduce the number of Looked-After Children (LAC) is having an impact, with numbers reducing on target at the end of the first year of implementation.
- There remains a strong focus on improving educational attainment in the county. Predictions suggest improvement in educational achievement at every Key Stage in 2015.
- Adult social care services are focussing on keeping people as independent as possible. There has been a significant 'better-than-target' reduction in permanent admissions to residential and nursing care for older people. Admissions for people aged 18-64 have also significantly reduced, but are off target, and performance in this area remains under close scrutiny.
- Managing the cost of dealing with waste collected by local authorities continues to be a challenge with the total amount of household waste collected increasing, the amount of residual waste per household increasing and recycling and composting rates increasing slightly.
- Working through the Road Casualty Reduction Partnership, we continue to work make Norfolk's roads safer. Despite this, there has been an upward trend in the number of people killed and seriously injured on Norfolk's roads since the summer of 2011.

The paper reports four risks relating to services overseen by the committee that are significant, and that have an 'amber' rating for improvement. These are: 'Failure to follow data protection procedures'; 'Shortage of personnel (illness, industrial action, severe weather, loss of key senior personnel)';

‘Capacity for change - Insufficient capacity for business transformation’; and ‘Loss of key ICT systems’.

It is anticipated that the performance and risk report for Q1 2015/16, which will be brought to this committee in September, will look very different, providing a more strategic view of the performance of the council and the challenges that it faces.

Recommendation

Committee Members are asked to:

- Review and comment on the performance information and analysis
- Consider any areas of performance that require a more in-depth analysis.

1. Developing performance reporting

- 1.1. The quarterly performance and risk reports that are brought to service committees have been under development over the past 12 months. Principally, this has been in response to: changing organisational demands; feedback from members; and a need to present performance data, information and analysis in an accessible and engaging format that promotes good governance and accountability.
- 1.2. The quarterly performance and risk report will be developed further over the next 3 months, focussing in on the most important performance indicators and risks that will enable members to test the health of the organisation. As such, this will help to facilitate a stronger strategic grip of the council at a time when it faces huge challenges as it manages a diminishing budget, makes fundamental decisions about what services it will deliver, how and for whom, and as it attempts to drive out the maximum value from its resources.
- 1.3. The Policy and Resources dashboard containing key performance data is presented in Appendix A.
- 1.4. The council's performance management arrangements are currently subject to a review commissioned by the Managing Director, with a view to improving future arrangements. The outcome of which will help shape what we report and how we report it.
- 1.5. Taking all of this into account, the Q4 report for 2014/15 rounds off one style of reporting and serves as a bridge to a new style of reporting in Q1.

2. Key performance issues

- 2.1. In reviewing performance this paper looks at the following broad areas in turn:
 - Services that report directly to this committee (primarily the Resources department) and broad corporate whole-council issues
 - Whole council performance as reported to other committees.

2.2. Resources and corporate performance

End of year performance data highlights the following key issues.

2.2.1. Staff sickness – increasing

On average each full-time-equivalent (FTE) member of staff in the council (excluding staff working in schools) took 8.35 days sickness absence in 2014/15, higher than both the target of 7.66 days, and the result at the same time last year of 7.91 days.

Whilst the whole-council figures mask variations between department (with Community and Environmental Services having fewer average days, and Adult Social Services and Children's Services having more), all departments have seen an increase to some extent. In 2014/15 the financial impact of the days lost to sickness absence, monitored using an average cost of sickness calculation, was £3,334,657. This increases to £6,029,043 when school absences are included.

Data about the reasons for people's sickness absence provides some background to the increase. 'Short-term/viral infections' is the most common explanation for absence accounting for nearly 30% of all sick leave in 2014/15. It was also the 'fastest growing' explanation – there was a 7.08% increase in the proportion of sickness attributed to short term viral infections, a bigger increase than any other area. So it seems likely that increases in short term viral infections account for much of the increase.

There are other possible and more local explanations for increases in some areas. The Adult Social Services Committee performance report reflects on increases in the proportion of sick leave attributed to 'mental wellbeing' (describing leave for depression, stress and anxiety),

and speculates on whether demands on staff have prompted additional sickness in that area. The paper proposes additional monitoring and actions to mitigate against excessive workloads and pressure.

Staff in resources had an average of 8.25 days per FTE, ahead of the target of 7.47 days, and the result last year of 7.77 days.

Finally it is important to note that these average figures can mask significant differences between individual members of staff. Whilst across the council the staff took an average of 8.25 days off per FTE, nearly 44% of staff took no sick leave at all.

2.2.2. Other key workforce measures

End-of-year figures on the workforce profile, excluding schools, shows: an average head count for the year of 5,627 people; that a total of 685 people left NCC, voluntary and non-voluntary; a staff turnover of 12.17%; whilst a total of 583 people started work at the Council, excluding casual staff.

A total of £6,651,890 was spent on employing agency staff in 2014/15. 90% of this was spent upon supporting the continuation of the Children's Services Improvement Plan. Those agency staff that have assignments lasting more than 12 months are for specialised roles in national skills shortage areas such as Social Workers, Planners and legal professionals, where it has not been possible to recruit. Savings continue to be made with expenditure on employing agency staff reducing by £437,500 in 2013/14 and by a further £389,500 in 2014/15, due to reduced agency margins negotiated through contracts.

2.2.3. Improving response to Freedom of Information requests

The Information Management Service manages formal requests made to the Council by the public for data and information. Over 2014/15, the percentage of Freedom of Information Requests responded to within the 20 day target varied between a low of 67% in September 2014 to a high of 94% in February 2015. The variance was largely as a result of severe staff shortages July to November 2014, which created a backlog in requests. Over the course of 2014/15 there was an average of 110 Freedom of Information Requests each month.

2.2.4. Planned and timely procurement arrangements

Procurement support the tendering of contracts for Council departments. In both 2013/14 and 2014/15 there have been 2 tenders let through 'competitive dialogue', the most complex and high risk tendering process. In 2014/15 the end to end process took 184 days, compared to 227 days in 2013/14. This is significantly below the national average, as stated by the Cabinet Office, of over 400 days.

Most tenders are for the renewal of existing contracts. Performance in this area has improved. The average time taken for less complex tenders, let under the single-stage 'open' procedure, has fallen from 90 days in 2013/14 to 81 days in 2014/15.

Data showing our 'on contract' spend, which indicates that spending is happening in a planned and negotiated way, is significantly improved with 89% of spend 'on contract' compared to 76% in 2013/14. We continue to work towards the "world class" rate of 92%.

2.2.5. Improving ICT call response, but slowing laptop deployment

The appended dashboard shows that ICT calls by staff to the service desk continue to be resolved promptly, and there is a continuing reduction in 'outstanding' calls where we await resolution.

The deployment of the DNA Laptops kept pace with the schedule until March 2015, however the DNA solution requires applications to be packaged which affected the pace of the rollout for a time. From July 2015 the deployments are picking up and are on track to complete by the end of Dec 2015.

2.2.6. **Business mileage – better than reduction target**

On 23 March 2015, it was reported to this committee that claims for business mileage had not reduced by the amount of the top-slice in 2014/15, reducing only by £12,074. This then implied that business mileage budgets were overspent by nearly £280,000 and that the necessary money was being found from other departmental budgets.

Following further investigation, it has been established that figures that were previously reported to this committee did not reflect the amounts charged to mileage budgets within the Council's financial systems. As a result, there was a disconnection between the reported mileage position and the costs recorded against those budgets from which mileage savings have been made. This was due to the dataset, upon which performance reporting has been based, not taking into account: VAT credits of approximately 5%; the recoding of some payments when processed into payroll and the financial system; and end of year accruals being placed in the system.

End of year figures produced by Finance, which take into account the above adjustments, show that there is an under spend on the overall business mileage budget in 2014/15 of £371,000 (expenditure was £3.408 million compared to a post top-slice budget of £3.779 million).

Based upon the performance in 2014/15 when the top-slice was made and a further saving of £371,000 achieved, it is reasonable to suggest that the expenditure on business mileage in 2015/16 and 2016/17 will be under the post top-slice business mileage budget for those years.

2.3. **Performance across the council**

Supporting the committee's role in providing whole-council oversight of performance, the following section pulls out key messages from Quarter 4 Performance and Risk reports to other committees as presented in June and July. Full details can be found within these reports on the committees website via the following links:

- [Adult Social Care Committee papers](#)
- [Communities Committee papers](#)
- [Children's Services Committee papers](#)
- [EDT Committee papers](#)

2.3.1. **Number of Looked After Children (LAC) – reducing**

Year 1 of the 3-year LAC reduction strategy closed with LAC numbers at 1,067 against a year-end objective of 1,065 (based on the highest achievable performance) from a starting point of 1,141. This has reversed the upward trend experienced over the previous 7 years.

Reducing the number of LAC is important and the focus is upon reunification with families wherever it is appropriate and safe to do so. There is national and international research evidence that suggests that children achieve better outcomes and more fulfilled lives where they are cared for by their families. LAC placements are also a significant cost to the Council. The average cost of each looked after child is about £45,000 per year.

2.3.2. **Educational achievement – predicted to improve further**

Improvement in educational achievement is predicted at every Key Stage. Predictions for performance in 2015 are now collected from every Norfolk school including Free Schools and Academies. The summaries below are aggregated predictions for all Norfolk schools.

- **Early Years Foundation Stage** - predictions indicate that the Norfolk percentage achieving 'A Good Level of Development' would rise by 5%, compared to 2014, to 63% and this would be 3% above the 2014 national average.
- **Key Stage 2** - predictions indicate a rise of 4% overall for pupils reaching the expected

level of attainment, compared to 2014. This would be 1 % below the national average for 2014.

- **Key Stage 4** - predictions indicate a rise of 7% overall for pupils reaching the expected level of attainment, compared to 2014. This would be 4% below the national average for 2014.

School level data is shared with the school and key education officers to ensure follow up through our services to challenge under performance and to understand any district variations.

2.3.3. Permanent admissions to residential and nursing care for people aged 65+ – numbers and costs going down

There has been a significant reduction in permanent admissions to residential and nursing care for older people. The end of year rate of 705.7 per 100,000 is below the 716.4 target and an improvement upon 2013/14. The reduction reflects a concerted effort within the year to ensure that people are placed in the most appropriate settings, and that permanent placements are only made when there is no likelihood of people being able to return home.

Residential and nursing care are by far the most expensive care settings, and previously rising admissions account for some of the budget pressures that we currently face.

There remain challenges around the reduction of permanent admissions to residential and nursing care for people aged 18-64. Whilst the numbers have fallen for the third successive year, they remain significantly above both the target (a rate per 100,000 per 31.3 against a target of 28.5) and the family group average (a rate of 14.4 per 100,000 in 2013/14, the year for which we have the last benchmarking data).

2.3.4. People Killed and Seriously Injured on Norfolk's Roads – rising numbers

The 12 month rolling total was 407 in March 2015. Whilst the end of year figure for KSI represents a 12% reduction on the 2005-2009 baseline figure of 462, there has been an upward trend in the number of people killed and seriously injured on Norfolk's roads since the summer of 2011.

The aim of the Norfolk Road Casualty Reduction Partnership is to reduce the number of people killed and seriously injured to 389 by the end of March 2015 and to 310 by December 2020. To do this, they have identified Key Target Groups that local data and national research suggest are most vulnerable to injury: moped and motorbike riders; pedestrians and cyclists; older drivers (70 and above); younger drivers (17-25). Of these, there has been a renewed focus upon the pedestrian and cyclists group.

Accidents are multi-factorial events and can and do vary month on month. Working with the Police and other partner agencies through the Road Casualty Reduction Partnership, we continue to monitor all KSIs on the highway and ensure that all relevant data and information on accidents are collated to enhance our understanding of why they occur and what can be done to prevent them.

2.3.5. Managing Norfolk's waste – increasing pressures

Managing the cost of dealing with waste collected by local authorities continues to be a challenge with the total amount of household waste collected increasing, the amount of residual waste per household increasing and recycling and composting rates increasing slightly.

	Tonnes of local authority collected household waste	Kilograms of residual waste per household	% of local authority waste reused, recycled or composted
Q4 2013/14	380,102	534.17	42.80
Q4 2014/15	388,538	542.32	43.22

This combination of performance, as indicated from the pre-audit data for 2014/15, is a large part of what led to the waste service costing more than expected in 2014/15 and the current risk is that in 2015/16 the cost of the waste service will exceed the budget provided.

The countywide percentage of waste reused, recycled or composted shows a slight increase from 42.80% to 43.22%, despite an increase in the tonnage sent for reuse, recycling and composting. This is, in part, due to: the mild spring and autumn in 2014 leading to more green waste; the weight of some items that can be recycled becoming lighter; a reduced impact of some local authority schemes to enable and promote recycling; and a change in regulations from the previous year meaning street sweepings can no longer be recycled. Indications are that the average recycling rate across the 20 County Council Recycling Centres has increased to 65.8%.

The tonnes of household waste collected by local authorities shows an increase. This is due to: an increase in the number of households; the mild spring and autumn in 2014, which led to more green waste; and an increase in consumer confidence linked to the economy, meaning more consumption of goods and so more waste.

The amount of residual waste per household shows an increase. As for total household waste collected, this is due to: the mild spring and autumn in 2014, which leads to more green waste being put in the residual waste bin; and increased consumer confidence and consumption levels. It is also due to a reduced impact of some scheme to enable and promote recycling.

2.4. **Risk management - resources**

Four risks relating to the services that specifically fall under the remit of this committee have been identified for further consideration. The 'Current Risk Score' and the 'Prospects for Improvement' for these risks remain unchanged since last reported to this committee in March 2015.

RM13968 - Failure to follow data protection procedures.

Prospects for improvement are currently 'amber'. In addition to what was previously reported, mitigation includes putting in place mandatory data protection and information security courses for all staff, with social care staff using the NHS Information Governance toolkit Level 2.

RM14097 - Shortage of personnel (illness, industrial action, severe weather, loss of key senior personnel).

Prospects for improvement are currently 'amber'. Continuing organisational change and budgetary reductions over 2015/16 are likely to have a negative impact upon this risk.

RM0200 - Capacity for change - Insufficient capacity for business transformation.

To meet the Council's financial challenges the organisation needs to radically transform. Without the resources needed to make these changes projects can be delivered late, not deliver the required benefits, or fail. Corporately this risk is being managed through the Corporate Programme Office and through escalation to Chief Officer Group

RM14100 - Loss of key ICT systems.

Prospects for improvement are currently 'amber'. The focus is upon ensuring that ICT solutions are designed, implemented and operated in ways that help prevent significant

losses of key services and so provide a high degree of resilience. As part the DNA programme, ICT systems and services were due to migrate to Tier 3 (National infrastructure) data centres during 2014 to mitigate this risk.

- 2.5. The dashboard in Appendix A includes a 'heat map' summary of any Corporate risks with prospects of mitigation of red. It also includes risks with a current risk score of 12 and above with prospects of meeting the target score by the target date of amber or red.
- 2.6. The corporate risk register is reported to the Audit Committee on a quarterly basis. The last report was taken to the Audit Committee on 18 June 2015 and can be found on the Norfolk County Council Democratic Services website [here](#).

3. Recommendation

Committee Members are asked to:

- Review and comment on the performance information and analysis
- Consider any areas of performance that require a more in-depth analysis.

4. Financial Implications

There are no significant financial implications arising from performance dashboards or the suggested approach to performance management.

5. Issues, risks and innovation

Performance reporting brings together complex information in order to assist members with decision making and understanding of issues facing the organisation. Over time these will develop alongside Committee plans to drive a number of complex issues. They will help to monitor and manage issues and risks to the services we deliver.

6. Officer Contact

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

Officer Name: Debbie Bartlett

Tel No: 01603 222475

Email address: debbie.bartlett@norfolk.gov.uk

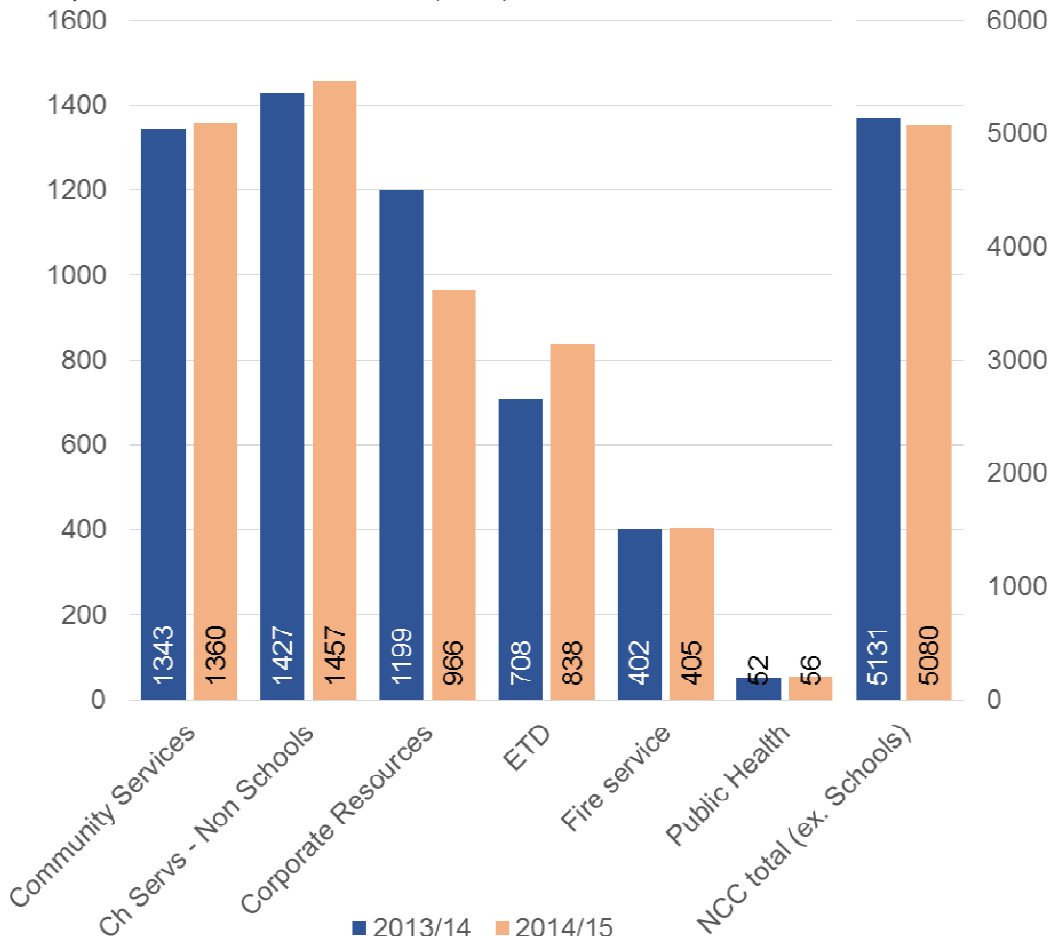
Officer Name: Jeremy Bone

Tel No: 01603 224215

Email address: Jeremy.bone@norfolk.gov.uk

People

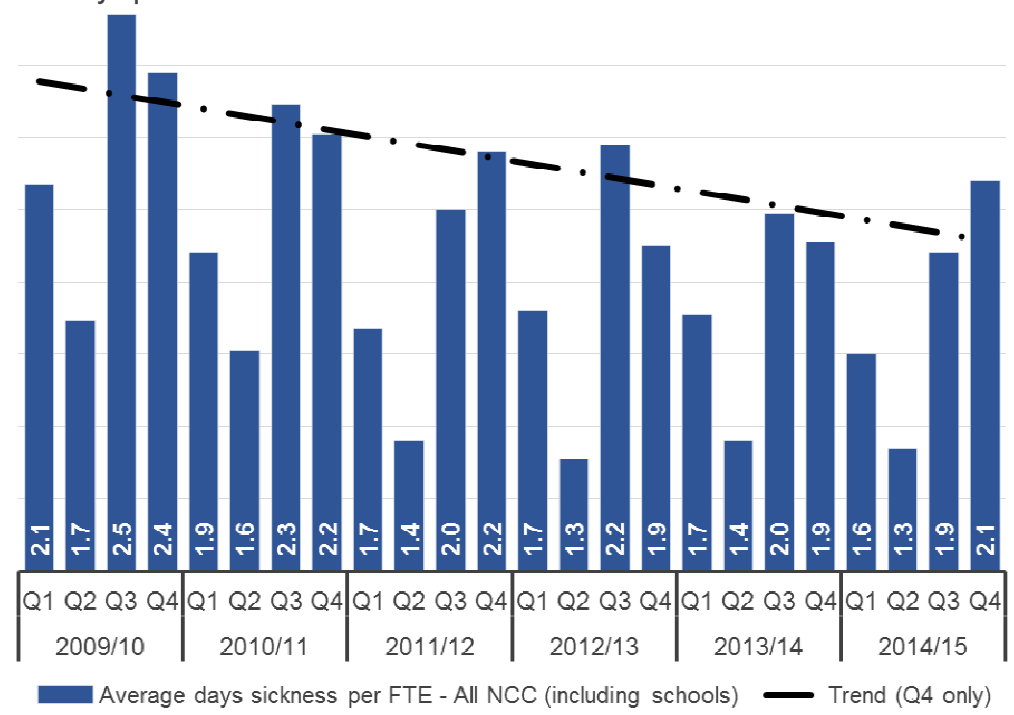
Comparison of staff numbers (FTE) 2013/14 to 2014/15



What does this tell us? Staff levels have remained fairly static, excluding schools, reducing by 51 between 2013/14 and 2014/15. However, staffing in Resources has reduced significantly (-233).

Risks	Score	Prospects
Shortage of personnel for a variety of reasons e.g. illness, industrial action, inclement weather etc., including loss of key senior personnel	16	Amber
Capacity for change - Insufficient capacity for business transformation	12	Amber

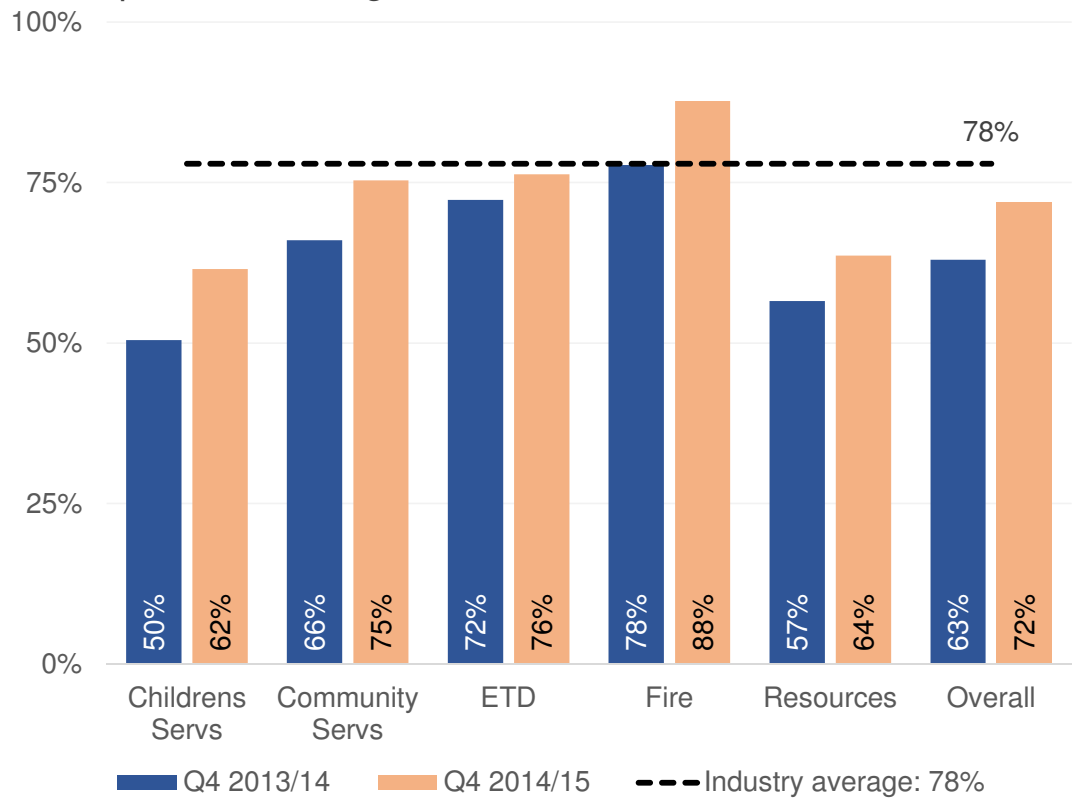
Average days sickness per Full Time Equivalent (FTE) member of staff by quarter 2009-15



What does this tell us? There is a long-term downward trend in sickness absence. However, in 2014/15 we were above target and higher than the previous year.

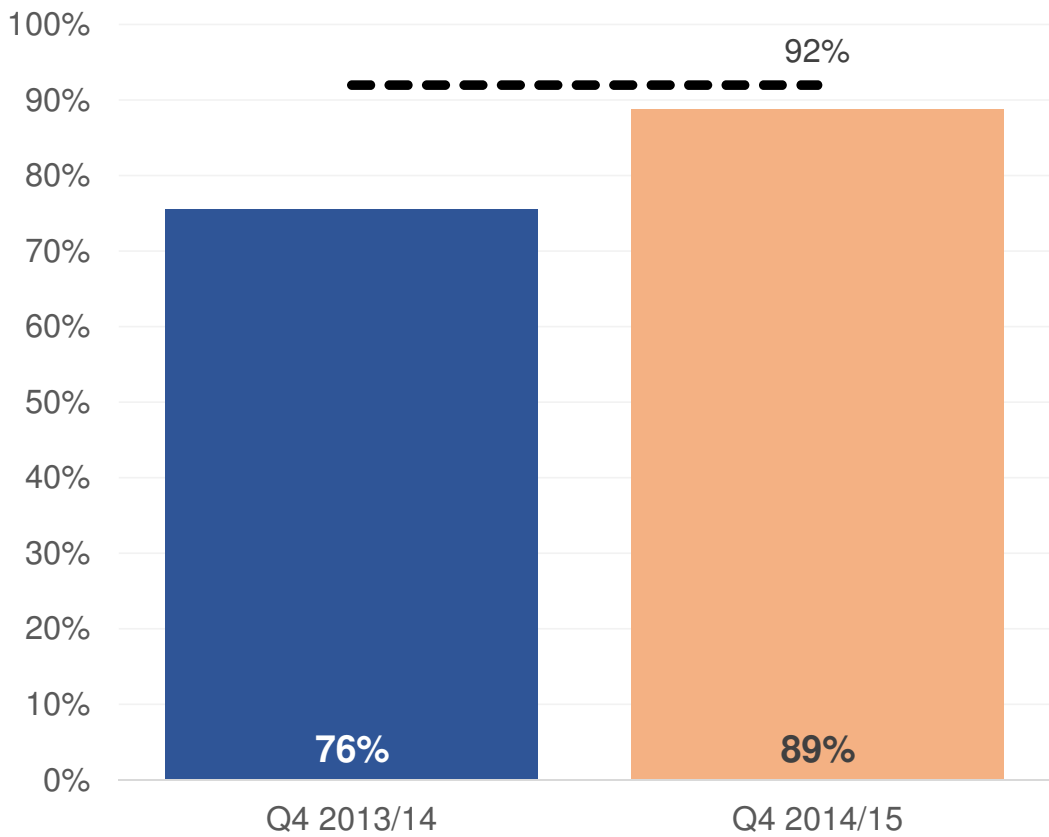
Procurement

Retrospective ordering



What does this tell us? The percentage of orders placed in advance is increasing. This ensures that the goods and services are clearly covered by our terms and conditions. The industry average for purchase orders placed in advance is 78%.

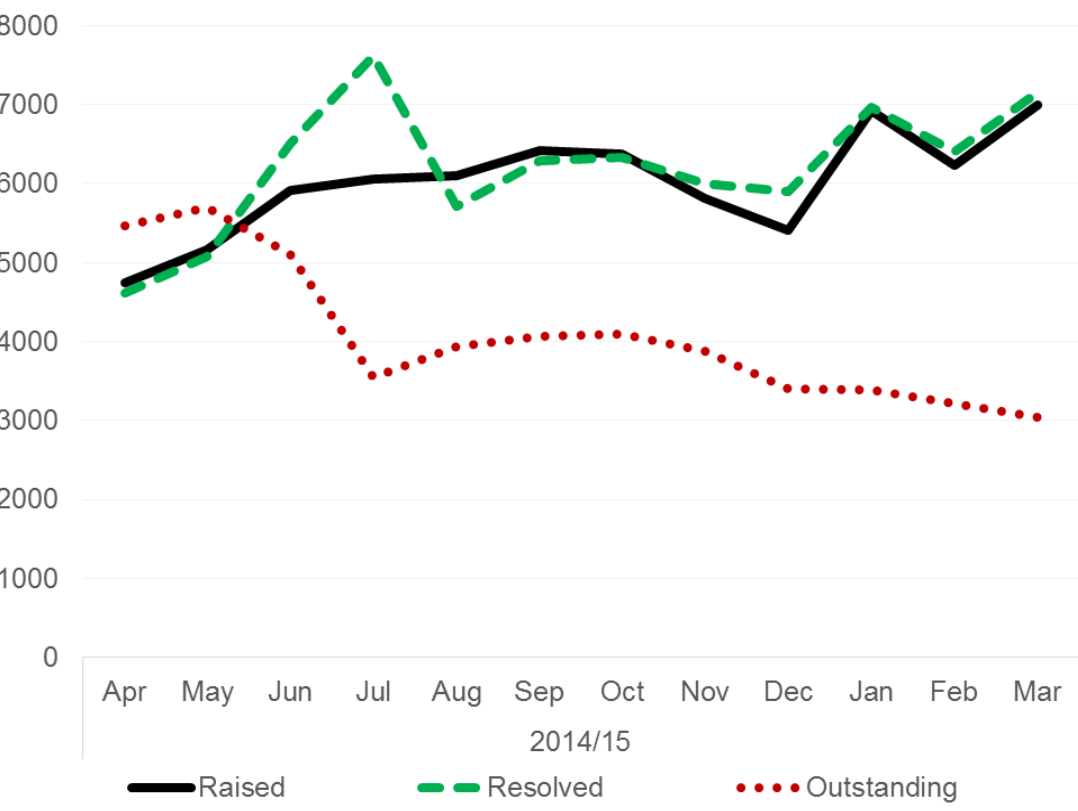
Spend on contract



What does this tell us? There has been a reduction in ad hoc spend relating to short-term or one-off requirements and an increase in “on contract” or planned spend. For the last quarter, spend on contract was 89%, compared to 76% for the comparable quarter the previous year. The “World Class” figure is 92%.

ICT

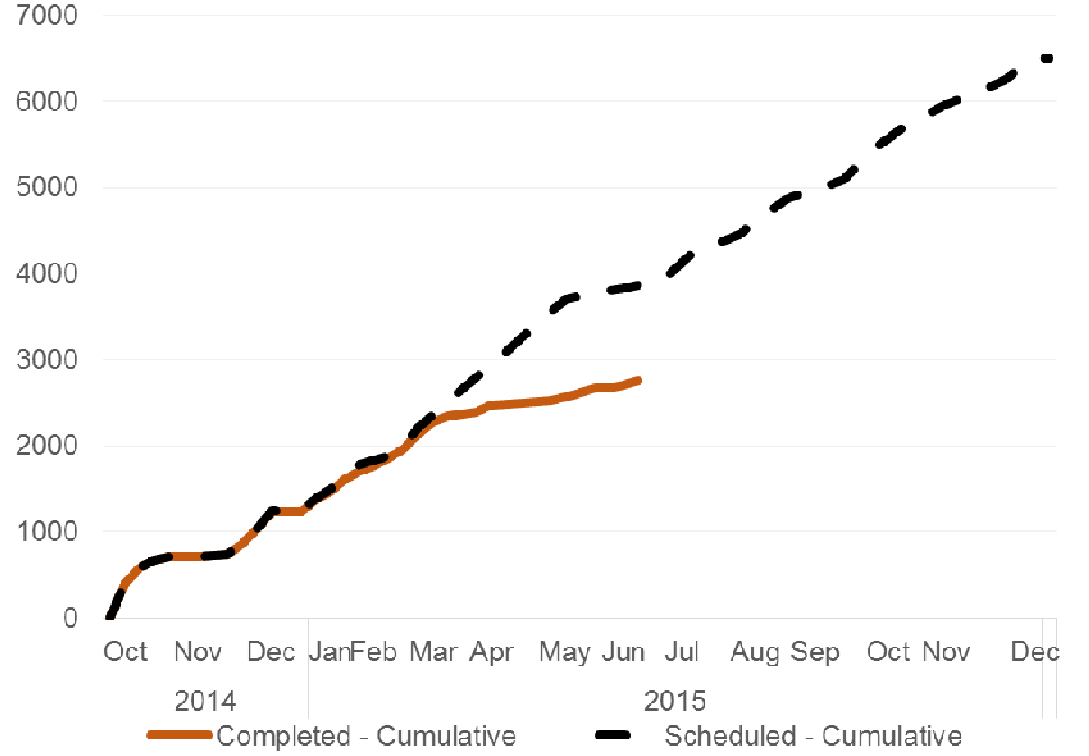
ICT calls raised, resolved and outstanding



What does this tell us? ICT calls by staff to the service desk continue to be resolved promptly, and there is a continuing reduction in 'outstanding' calls where we await resolution.

Risks	Score	Prospects
Failure to follow data protection procedures	20	Amber
Loss of key ICT systems	12	Amber

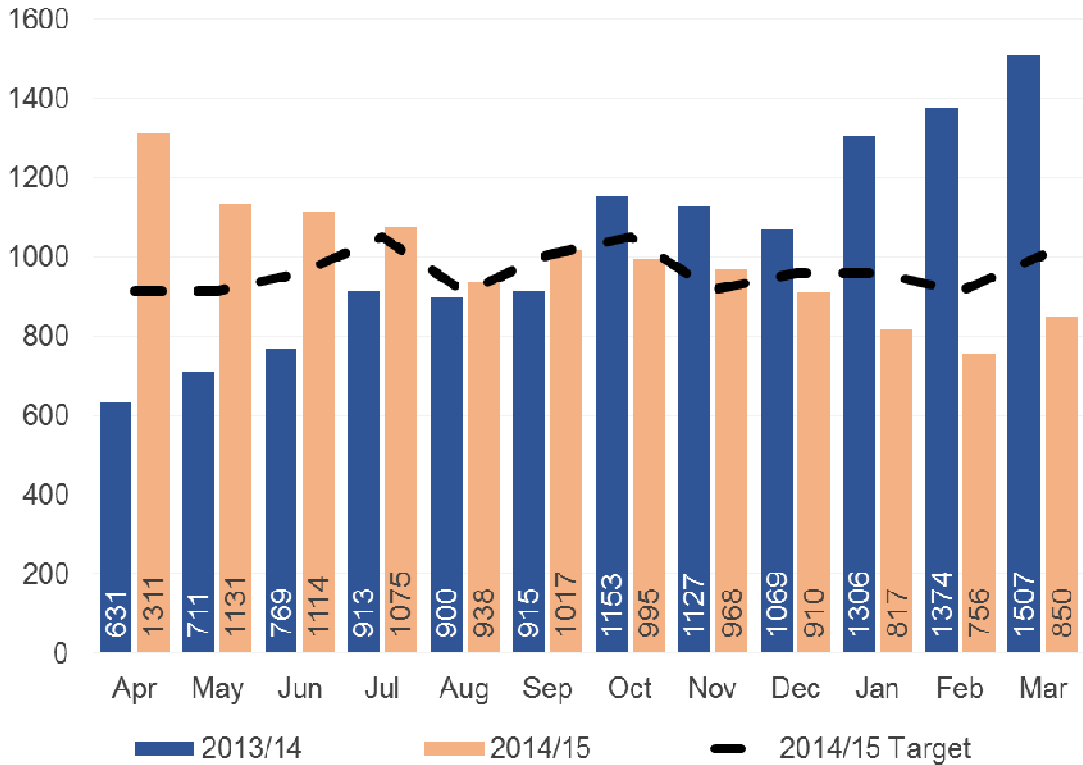
DNA device deployment – progress tracker



What does this tell us? There has been a slowing of deployments in recent months. As of July 2015 the deployments are picking up and are on track to complete by the end of Dec 2015.

Adult Social Services

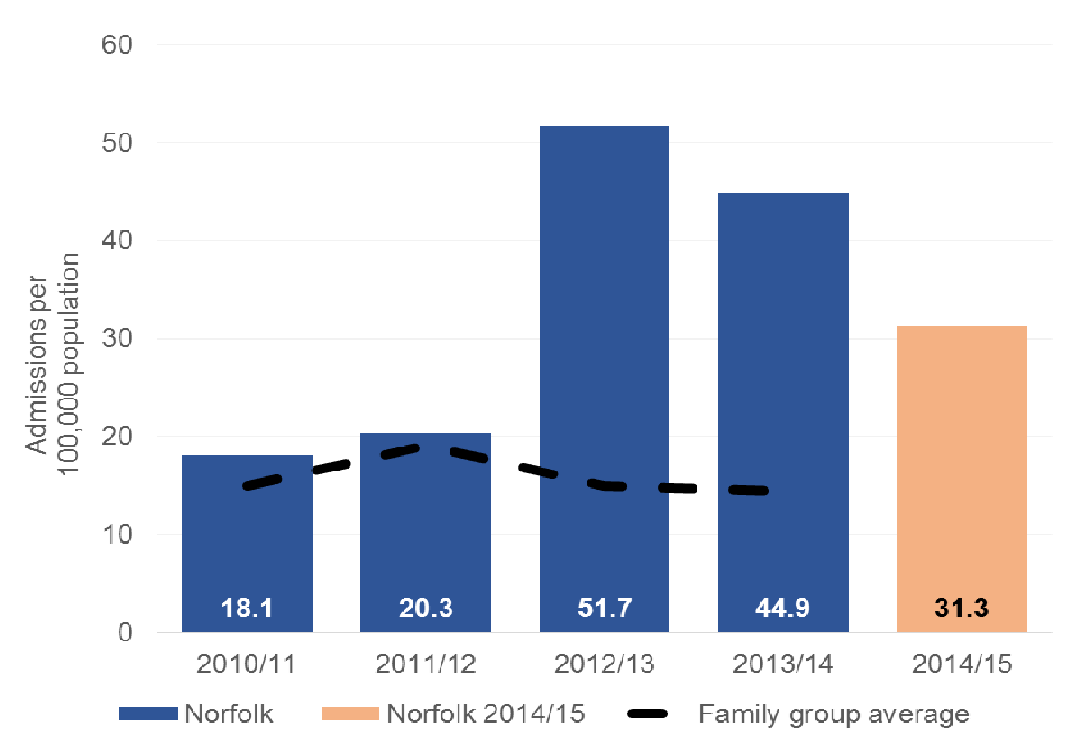
Service users whose needs have been reviewed in year



? What does this tell us? The number of social care service users who have had a review is below target and worse than last year. This means that around 2,500 fewer people were reviewed than in the previous year.

Risks	Score	Prospects
Failure to meet the long term needs of older people	25	Amber
Failure to meet the needs of older people	12	Amber

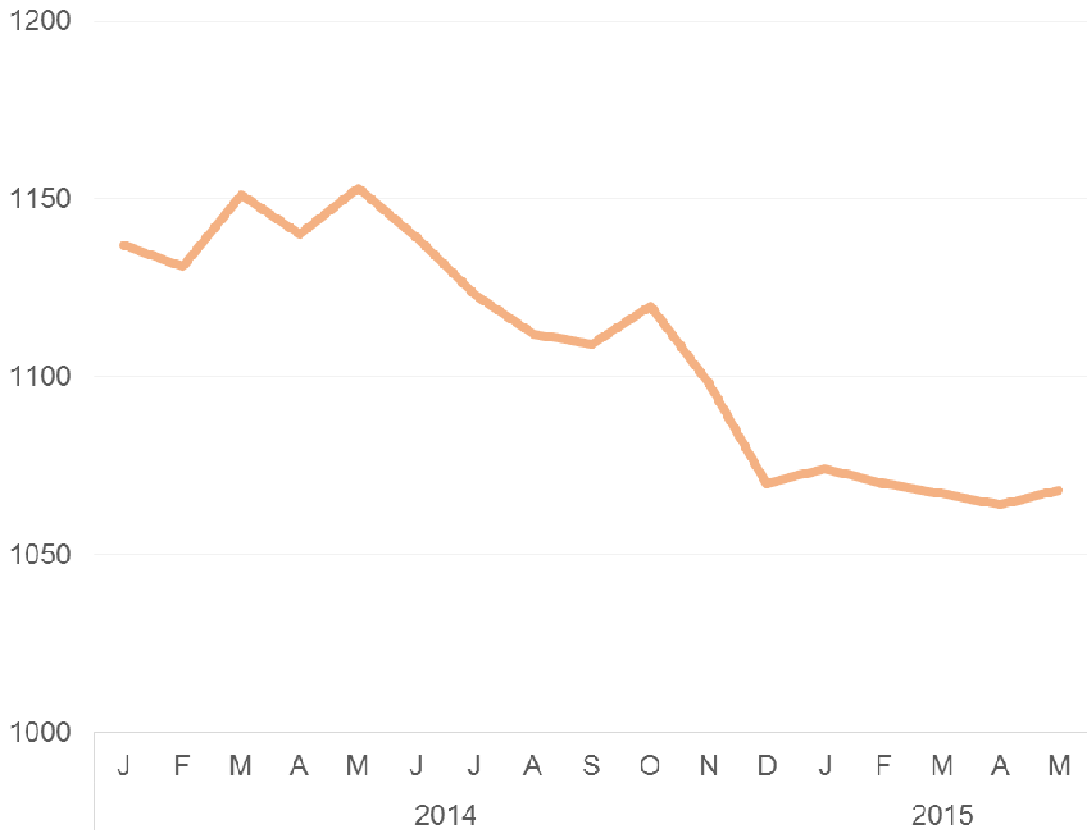
Permanent admissions to residential and nursing care for people aged 18-64 per 100,000 population



? What does this tell us? Whilst the numbers have fallen for the third successive year, they remain significantly above the family group average.

Children's Services

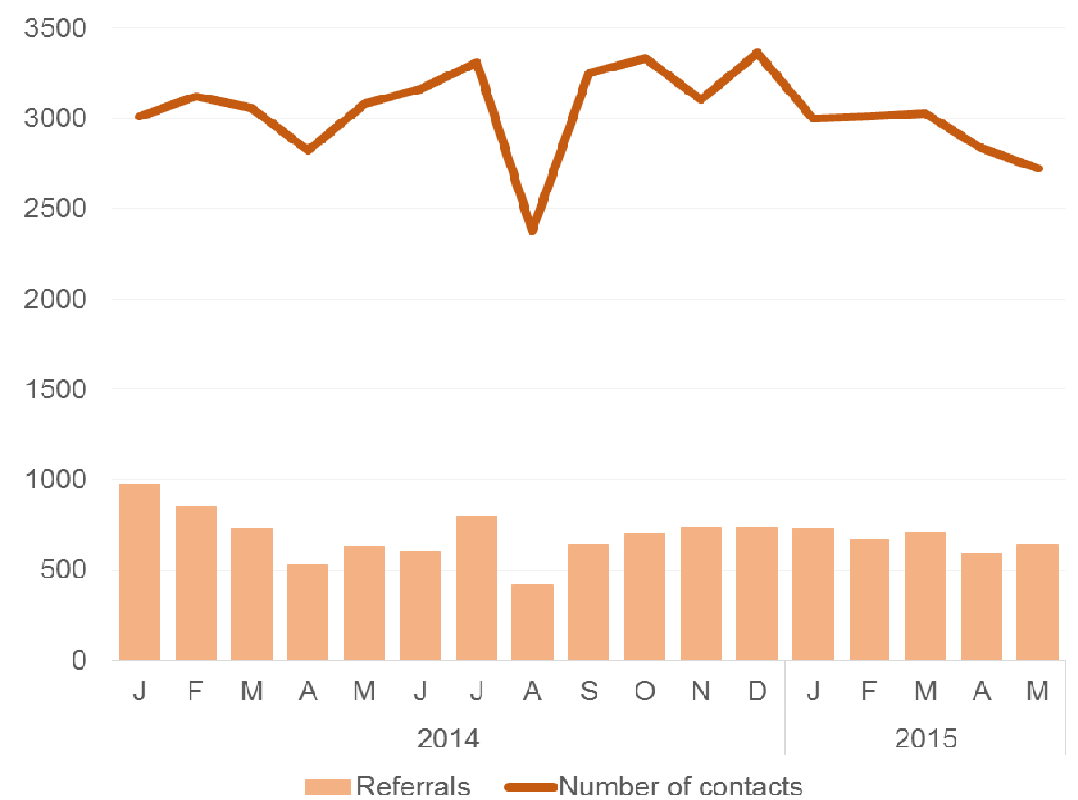
Number of Looked After Children



? What does this tell us? The number of Looked After Children (LAC) has fallen over 2014/15, in line with Year 1 of the 3-year LAC reduction strategy. This has reversed the upward trend experienced over the previous 7 years.

Risks	Score	Prospects
Overreliance on interim capacity	15	Amber
Looked After Children overspends	15	Amber

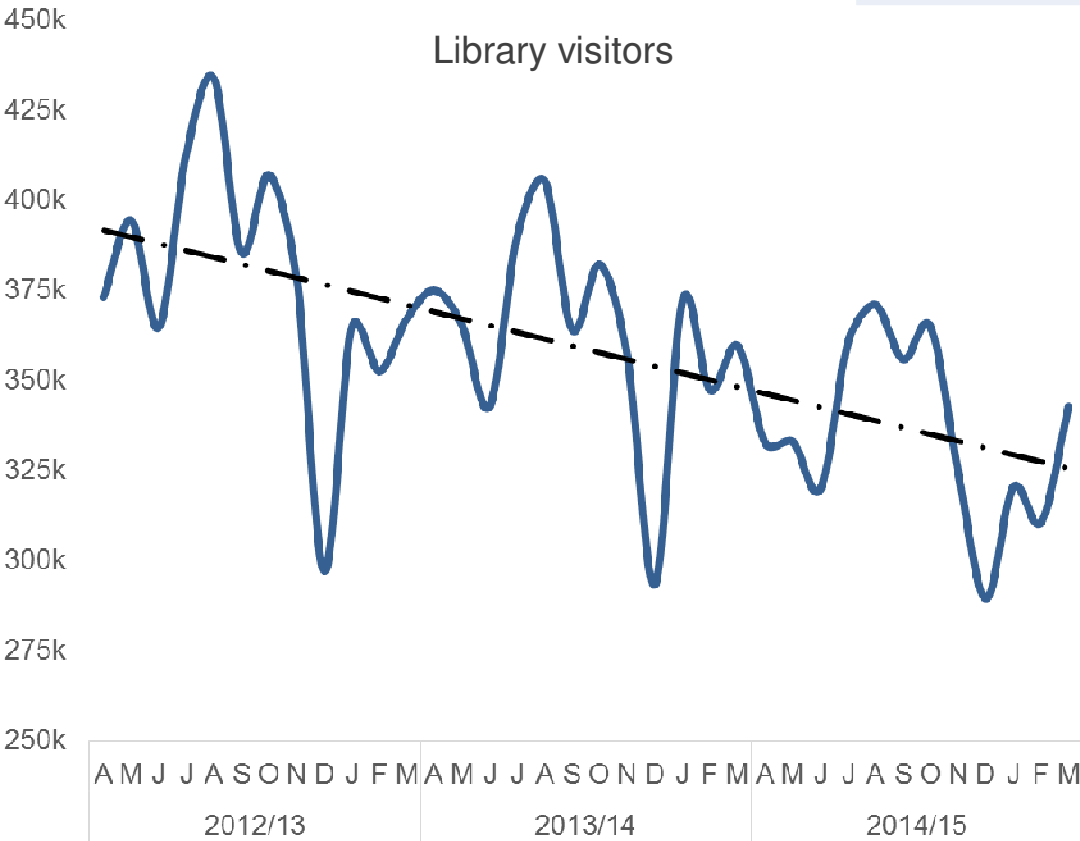
Contacts and Referrals



? What does this tell us? Both the number of contacts and referrals has remained fairly static over 2014/15, albeit with a seasonal drop in August 2014.

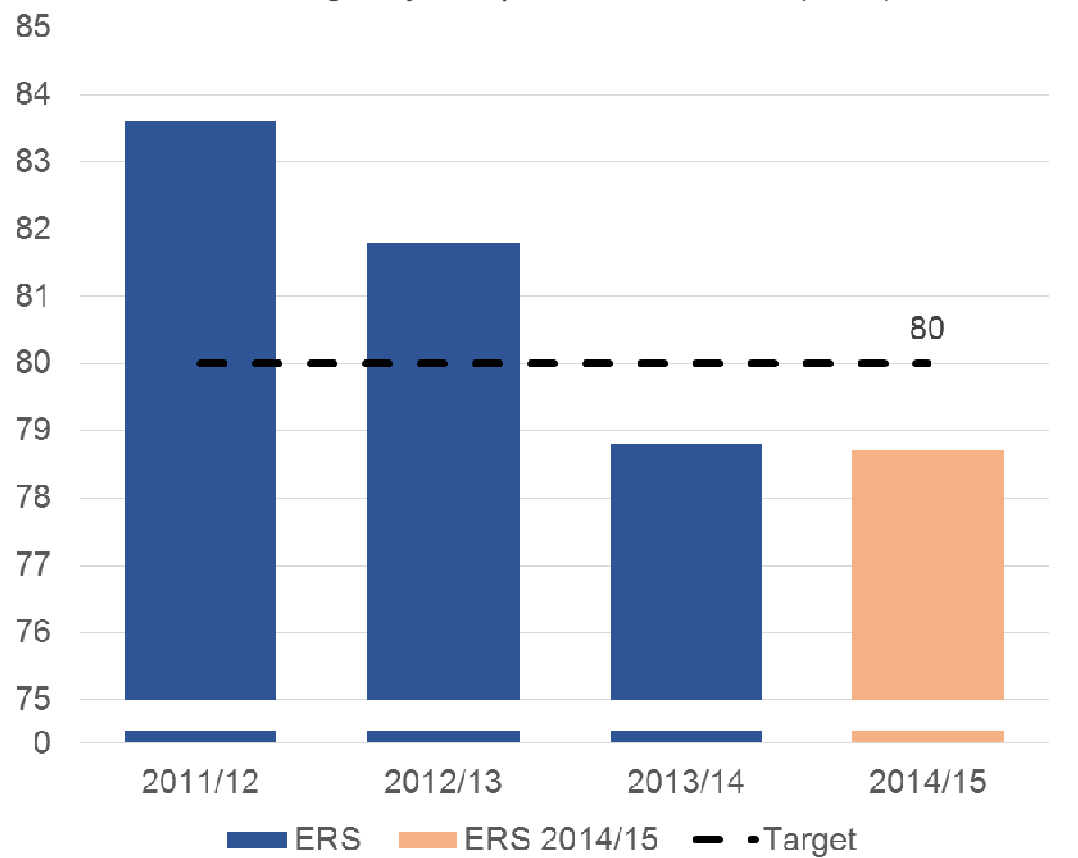
Communities

Risks	Score	Prospects
There are no Fire or Library related risks on the corporate risk register		



What does this tell us? Whilst the seasonal profile of library visits remains similar to previous years, the trend continues to fall. The reductions over time in opening hours, stock and staff may be contributing to this along with changes in the way people are using libraries.

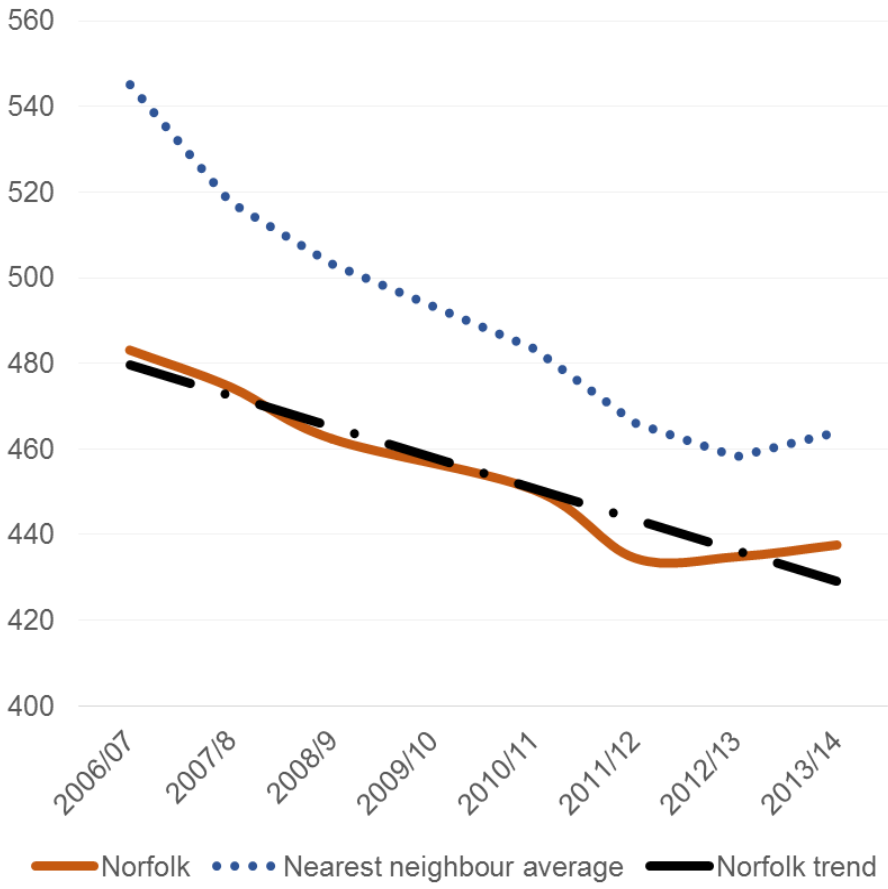
Fire Service - Emergency Response Standards (ERS)



What does this tell us? Performance against Emergency Response Standards (ERS) shows how often NFRS reaches incidents within targets set for attendance times. This is just below target but similar to 2013/14.

EDT

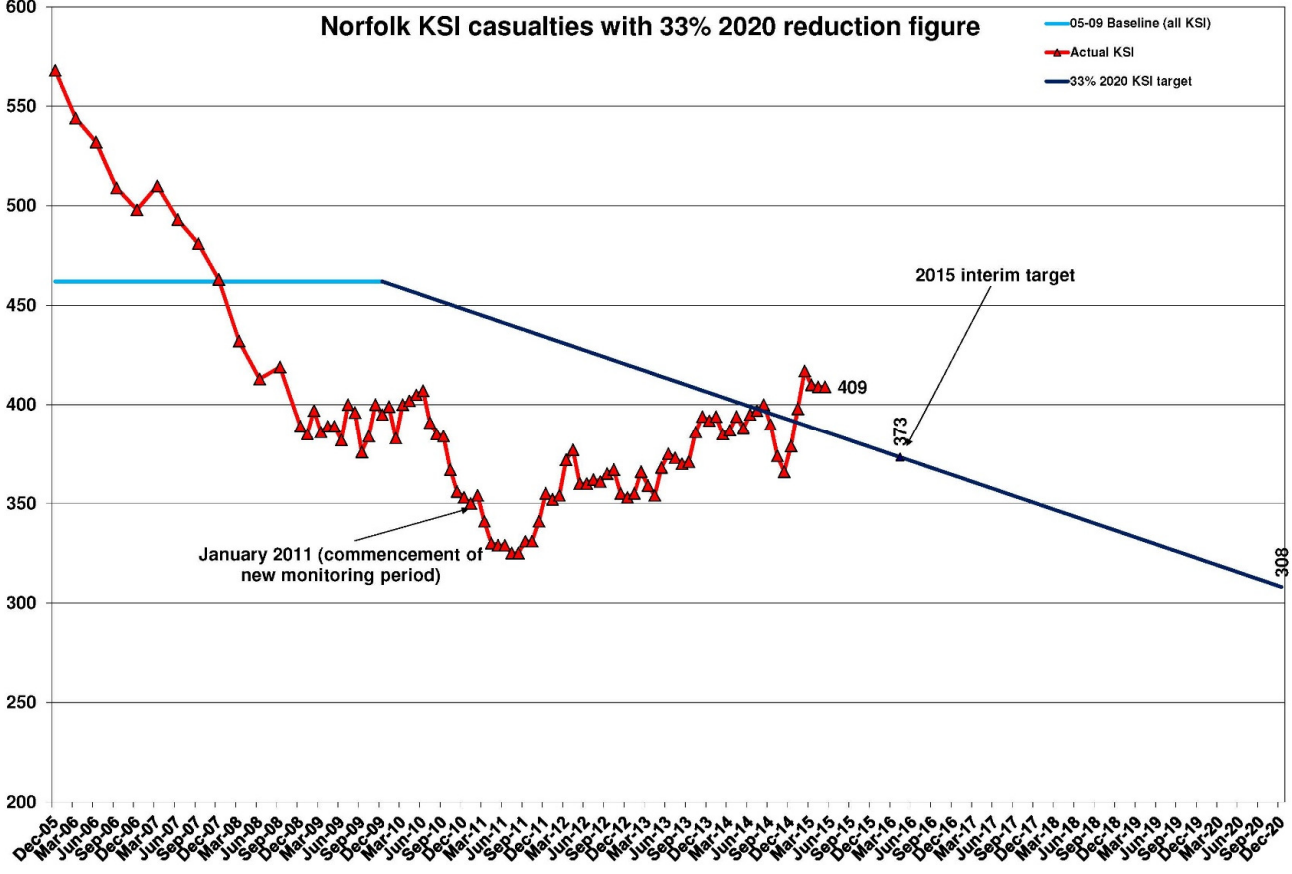
Kilograms of household waste collected per capita



? **What does this tell us?** Over the longer term the amount of waste collected has reduced. However, more recently we have seen an increase.

Risks	Score	Prospects
Failure to implement Norwich Northern Distributor Route (NDR)	12	Amber

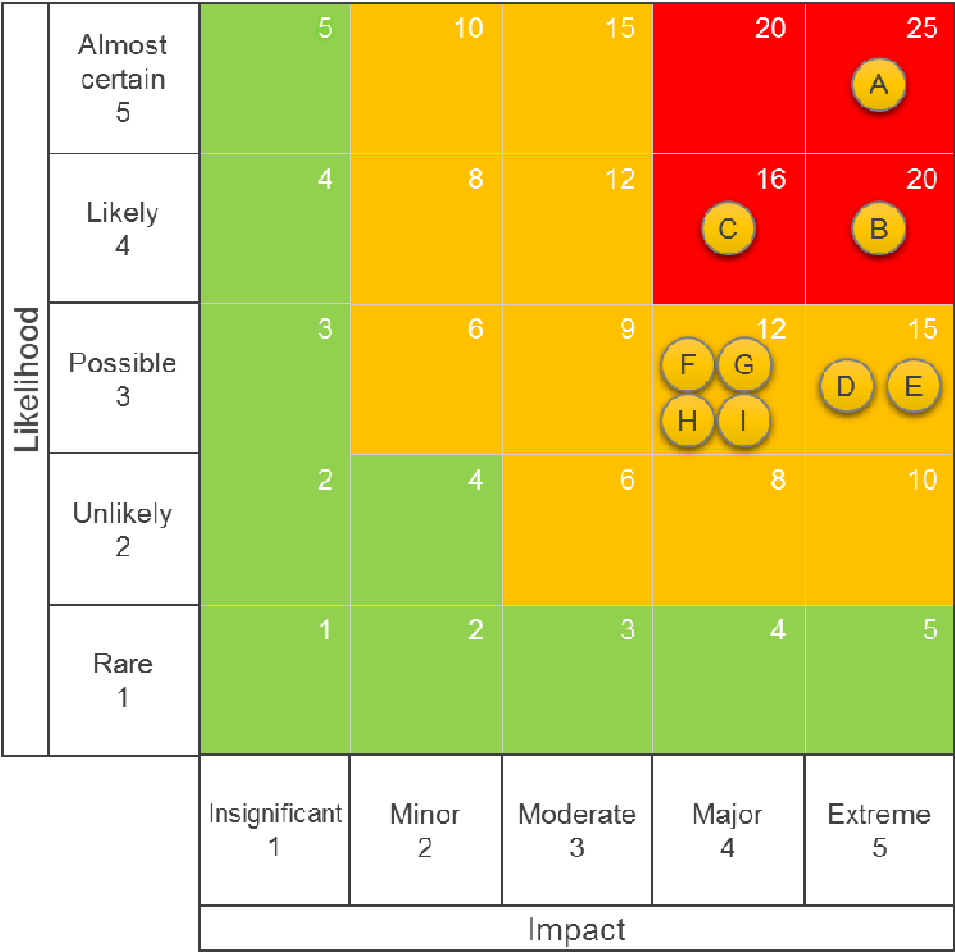
Road accident casualties – killed or seriously injured



? **What does this tell us?** There has been an upward trend in the number of people killed and seriously injured on Norfolk's roads since the summer of 2011. It is unlikely that the 2015 interim reduction target will be achieved.

Corporate risk register risks

The grid represents the risk model of likelihood and impact. It shows those risks where the prospects have either been scored as red, irrespective of the risk score, or the prospects have been scored as amber or red for those risks with a risk score of 12+.



	Risk
A	Failure to meet the long term needs of older people
B	Failure to follow data protection procedures
C	Shortage of personnel for a variety of reasons e.g. illness, industrial action, inclement weather etc., including loss of key senior personnel
D	Overreliance on interim capacity
E	Looked After Children overspends
F	Failure to implement Norwich Northern Distributor Route (NDR)
G	Failure to meet the needs of older people
H	Capacity for change - Insufficient capacity for business transformation
I	Loss of key ICT systems

Prospects key:



Amber (Slightly off track)



Red (Unlikely to mitigate within timescale)

Policy and Resources Committee

Item No 13

Report title:	Health, Safety and Well-Being Annual Report
Date of meeting:	20 July 2015
Responsible Chief Officer:	Executive Director of Resources
<p>Strategic impact</p> <p>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), school pupils, contractors and members.</p> <p>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. However the law is not a never ending responsibility and it does allow for us to make judgements on what measures are 'reasonably practicable' to be provided. This judgement is very much founded in the law and allows proportionality regarding risk versus cost.</p> <p>The Health, Safety and Well-Being (HSW) Team provide 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 sensible and proportionate decisions that support us to meet our key service priorities without exposing the authority, our employees or others to unnecessary risks.</p> <p>As part of the NCC health and safety management system the Health, Safety and Well-Being Manager (HSWM) is required to report to the Chief Officers Group and the Policy and Resources Committee annually on progress on meeting the stated health, safety and well-being objectives and to provide an overall summary of health and safety management within the organisation.</p> <p>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.</p> <p>This report does not cover or include the work of the Health and Well-Being Board or the Public Health responsibilities of NCC.</p>	

Executive summary

This report provides an overview of the activities of the HSW Service during 2014/15, NCC health and safety performance for 2014/15 and the forward plan for 2015/16.

The HSW team have developed or refreshed policies in relation to a number of key areas this year including Occupational Health Procedures and Guidance, Our Commitments and Organisation and Responsibilities Policy and the suite of information that relates to procurement, commissioning and contract management.

Support has been provided to services in relation to various areas of specific risk to help ensure these are managed and controlled appropriately and proportionately; examples include the lone working device retender and support to teams in their use, improving the system for identifying when the HSW team need to become involved in contract tenders, providing dedicated support to the County Hall Project to ensure NCC health and safety responsibilities are well managed, supporting the transfer of mental health employees to NCC and the provision of individual well-being support where the need is identified by the manager or employee.

Occupational Health and Well-being activity includes:

- Good satisfaction levels from users of the Occupational Health Service, however performance targets were not met by the contractors for part of the year due to a number of their staff leaving the organisation.
- The Musculoskeletal Rehabilitation Scheme (MIRS) estimated to provide a cost avoidance of over £500,000 this year.
- 5% of eligible employees used NSL during 2014/15. The level of work issues being raised as the primary problem has continued to decrease, reflecting the year on year pattern. During 2014/15 the ratio of work to personal issues reduced from 49:51 to 25:75.
- 291 employees received a NHS Health Check from the HSW team this year at 27 NCC sites.

Health and Safety performance indicators show a mixed picture this year:

- The number of reportable injuries has reduced slightly again this year building on the success of previous years
- The percentage of absence attributed by employees as being work related also remains low at less than 3% of all absence although work related musculoskeletal absence rose slightly
- The risk profile of NCC premises and teams has increased this year
- This year's audit of the health and safety management system identified areas for improvement in the way health and safety is operationally managed
- There has been a decrease in attendance and core health and safety training

A forward plan for 2015/16 aimed at key health and safety improvements derived from management team discussions, trend analysis and forecasting information is provided. These include: supporting implementation of new lone working devices, ensure higher risk contracts are appropriately monitored, support the Corporate Property Team to develop robust systems and processes, contribute to key public health objectives in the workplace.

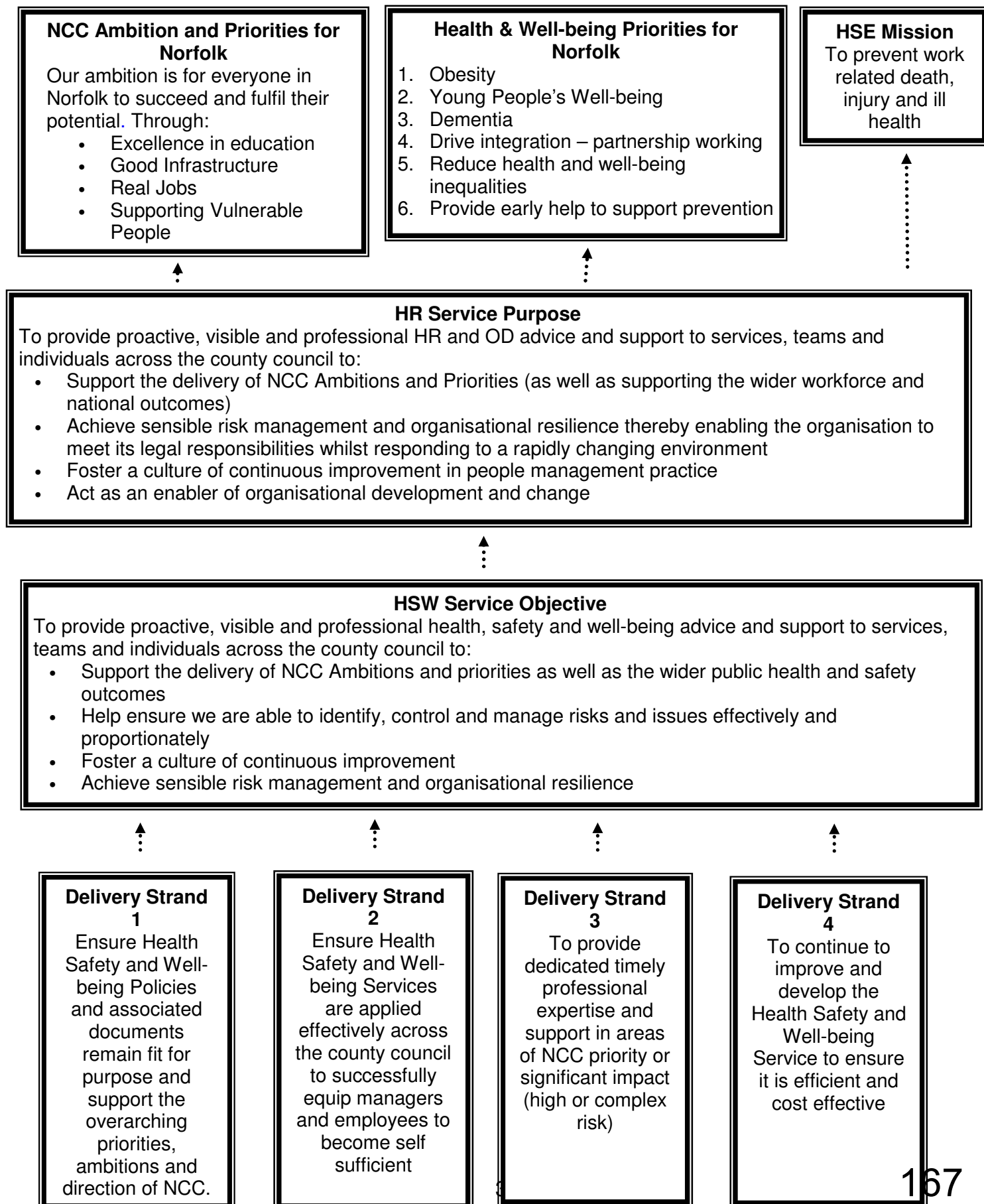
Members are asked to:

- **Consider and comment on the Health, Safety and Well-Being Annual Report for 2014/15**
- **Consider the actions outlined throughout the report and specifically the delivery strand detail in section 5.0.**

1. Overview of the HSW Service

1.1 The diagram below illustrates the role and functions of the HSW Service in relation to the strategic direction of NCC and national objectives.

1.2 Details of how the service intends to deliver specific areas of improvements under each strand are provided in section 5.



2. Key Activities undertaken for 2014/15

2.1 Improvement Strand 1: Ensure Health, Safety and Well-being Policies and associated documents remain fit for purpose and support the overarching priorities, ambitions and direction of NCC

2.1.1 Policies and procedures are identified for review and update for a number of reasons including: changes in statutory requirements, national guidance and case law; organisational direction of travel or service changes; as a result of learning from incidents; or as a result of trend and gap analysis.

2.1.2 A number of policies and procedures have been reviewed and updated this year including:

- Occupational Health Procedures and Guidance
- Electrical Equipment
- Hazardous Substances
- Our Commitments and Organisation and Responsibilities Policy
- Monitoring and Review Policy
- Fire Safety Policy, guidance and forms
- Procurement and Commissioning Risk Profiling Tool
- Shared Screen Guidance and Desk Sharing
- Contractor Checklist and Site Information
- Model School Health and Safety Policy
- Work Experience Guidance

2.1.3 The review of the procurement and commissioning guidance was a specific aim for this year to ensure it was simple and easy to understand. The guidance was re-launched in February 2015 and now provides a much simpler approach to assessing and understanding the health and safety risks that relate to procurement and commissioning of services as well as whether advice needs to be sought from the HSW team.

2.1.4 New policies, procedures and guidance are produced when gaps are identified in current systems that require direction and support. A number of new procedures have been developed this year:

- Maintenance of electronic premises management records
- Biomass boiler operation
- Requirements for employees working at and visiting non NCC premises
- Procurement and Commissioning Monitoring Arrangements
- Applying Health and Safety Requirements to different service delivery models
- Guidelines for dual computer screen use
- Lone Worker Device Guidance

2.2 Improvement Strand 2: Ensure Health, Safety and Well-being Services are applied effectively across the County Council to successfully equip managers and employees to become self sufficient

2.2.1 A number of courses have been refreshed and adapted to ensure the training offer remains fit for purpose. An example of this is the creation of a separate course for Head Teachers. Previously Head Teachers and NCC Services Managers would attend the same line manager's course. Whilst there are a number of similarities in their responsibilities there are also a number of significant differences, particularly in relation to curriculum activity. The separation of the courses enables both courses to concentrate on the areas that

are of most importance to both NCC Services Managers and Head Teachers giving them a better understanding of their specific responsibilities.

- 2.2.2 Fire Safety Risk Assessment training has also been reviewed with Norfolk Fire and Rescue Service (NFRS) to ensure that premises managers are competent to use fire plans effectively.
- 2.2.3 Analysis of some other courses on offer, including Manual Handling and Display Screen Equipment (DSE), indicated that the target audience was not clear in promotional material and as a result the target audience was not attending the courses. Material has been updated to refocus and clarify the purpose of the courses for employees.
- 2.2.4 In 2011 NCC invested in an online health and safety management system. The system has the capacity to streamline and digitise a number of health and safety processes and statutory requirements. The hope was to make both improvements to the management systems and create efficiencies. Initially the incident management module was introduced with a view to purchasing other modules in the future. Unfortunately difficulties with NCC system compatibility and securing module improvements from the supplier have prevented further development of the system although some minor improvements in usability have been secured. Alternatives to the current system will be explored in 2015 with a view to replacement at the end of the contract with the current providers in 2016.
- 2.2.5 As part of the contract with the providers of the online system NCC had agreed to purchase a Display Screen Equipment (DSE) assessment module. As a result of the ongoing and protracted development issues with the system and the resulting decision not to continue with the software we have not committed to rolling out the DSE module. Any future such module will need to be appropriate for the flexible ways of working that are now enabled through the implementation of DNA for example remote working and hot-desking. However PeopleNet Guidance has been updated this year to reflect these different ways of working.

2.3 Improvement Strand 3: To provide dedicated timely professional expertise and support in areas of NCC priority or significant impact (high or complex risk)

- 2.3.1 This year the HSW team supported the Procurement Team to ensure consistency in identification of HSW risks in new procurement activity and to develop a simple approach to understanding when risks may be high or more complex and therefore require the involvement of the HSW Team. As a result HSW supported the procurement of a greater number of procurements this year including: health visitors and school nurses (Healthy Child programme), home support, park and ride, public analyst, alternatives to care select list, highways work and equipment, waste management, NPS contractors, Substance Misuse, Hethel Engineering Lift, Looked After Children Special Education Needs Service.
- 2.3.2 In order to support the proactive management of risks the HSW team have started to review NCCs approach to health and safety risk identification and mitigation in significant projects with the Programme Office. The aim is similar to the work undertaken with the Procurement Team activity outlined above.
- 2.3.3 A new lone worker monitoring device contract tendering exercise took place this year. As a result a new provider has been identified. Guidance on the selection and use of the appropriate equipment has been published and publicised. The HSW team have started to work with teams to review their current arrangements

and identify whether their lone working activity risk warrants the purchase of devices.

- 2.3.4 In support of these reviews and the purchase of new equipment a series of personal safety workshops will be promoted in 15/16 for teams who are using the lone working devices in order to ensure that they are appropriately trained in their use as part of their overall safe system of work.
- 2.3.5 In October 2014 Mental Health Support Services transferred into Adult Social Care. The HSW team worked with the team managers to ensure operational processes aligned with NCC procedures and that all employees received appropriate training and information regarding NCC HSW services and management system.
- 2.3.6 Library Services report a significant number of anti-social behaviour incidents each year as well as a number of violent incidents. Libraries are often at the hub of the community and whilst the service wishes to be open and accessible to all, this can in some circumstances lead to incidents. The HSW team facilitated a workshop with the service to explore the issues experienced in libraries and identify solutions. As a result it was identified that the current personal safety training and approach would not achieve the best outcome for these circumstances. Expert advice was sought to provide information on the societal factors that are contributory to a range of behaviours experienced within libraries. This has enabled recommendations to be made around bespoke training that will raise staff awareness across a range of factors when dealing with the customer base and improved community involvement with the aim of reducing antisocial behaviour and improving management of antisocial behaviour.
- 2.3.7 Dedicated support continued to be provided to the County Hall Refurbishment Project this year. This includes an input into designs, ensuring the contractor is delivering a safe project and advising on the impact of the construction works in an occupied building. This support will continue throughout the life of the project.

2.4 Improvement Strand 4: To continue to improve and develop the Health Safety and Well-being Service to ensure it is efficient and cost effective

- 2.4.1 In 2013/14 the HSW Team restructured and resources were reduced in line with budget reductions. However demand for the service did not reduce, in fact the improvements made to the organisations management system increased demand for support. This has impacted on the team's ability to respond with pace. Information provided in section 3 regarding the risk profile of premises and teams suggests that despite a continued downward trend in incident report numbers, for the first time in a number of years health and safety is not being managed as well as in previous years. This is further supported by the results of the management system audit this year (see 2.4) where an opinion of 'key areas to be addressed' was given compared to 'adequate' at the previous audit.
- 2.4.2 The team will continue to develop and reshape our approach to HSW support during 2015/16 in order to provide a service that adds value and supports sensible risk management as much as possible with the resources available.
- 2.4.3 The traded service offer was reviewed this year to ensure it was customer focused and continued to provide value for money for both NCC and our customers. As a result a new menu of service options has been made available to customers for 2015/16. Early indications are that this has been well received.

- 2.4.4 Quarterly management information reports are provided to senior management teams across NCC Services to provide information on how well HSW is being managed in their service area and the use of health and well-being services. The format and content of these reports was reviewed this year in consultation with managers. They are now more concise and provide more comparative data.
- 2.4.5 Most high schools use sources of radiation in their science curriculums. There are very specific requirements in health and safety legislation regarding the management of this material. Previously NCC contracted a Radiological Protection Officer (RPO) to comply with our legal obligations regarding the management and monitoring of such material. This year the Health and Safety Advisers trained as RPOs so that they could take on this role. This has reduced cost to the authority, improved efficiency in the service provided to schools combining health and safety and RPO visits and increased resilience as we now have 4 employees trained in the role rather than relying on one contractor.

2.5 Norfolk Audit Service (NAS) Audits

- 2.5.1 The audit programme for 2014/15 was due to review:
- The Health and Safety Management System
 - Driving for Work
- 2.5.2 When the management system was audited in 2012 it was assessed as adequate. However the recent review of the management system concluded that there are **key areas that need to be addressed** in summary these are:
- Ensuring the competence of employees at all levels can be demonstrated
 - Ensuring adequate risk assessments are undertaken and reviewed
 - Ensuring managers proactively monitor the health and safety performance of their service areas
 - Ensuring health and safety records are properly managed and controlled in line with the published retention policy
- 2.5.3 However a number of positive feature of the management system were also identified:
- 'It can be concluded that the overall effectiveness and efficiency of the Health, Safety and Wellbeing Centre of Expertise in the delivery of its services is of a good standard. Overall feedback received in relation to the team was pleasing and the culture of the organisation in relation to health, safety and wellbeing was generally observed to be positive.'*
- 2.5.4 The Driving for Work Audit has suffered minor delays and was not completed during 2014/15 but is now underway and will be reported on shortly.
- 2.5.5 For 2015/16 it is planned that the lone working management system and the management of educational visits will be audited.

2.6 Major Investigations

- 2.6.1 A major investigation was undertaken by the HSW team when an elderly library customer suffered serious injuries after automatic doors attempted to close while she was walking through them. The incident was also reported to the HSE.
- 2.6.2 A number of instances of uncontrolled releases of asbestos and identification of previously unrecorded asbestos occurred this year. As a result reassurance work will be undertaken during 2015/16 to ensure our records are as comprehensive

as is reasonably practicable. Work also continues to reduce the amount of asbestos in our buildings through a capital investment agreed by Chief Officers and Members to remove a significant amount of asbestos across the portfolio.

- 2.6.3 It is pleasing to report no other significant incidents or accidents requiring investigation by the HSW team occurred this year.

2.7 Traded Services

- 2.7.1 The number of converting academies that purchase the traded health and safety service remains high at 75% - 68 out of 91 Norfolk academies as well as one Free School and one Suffolk Academy.
- 2.7.2 The HSW Service continues to provide traded service to Eastern Inshore Fisheries and the Society of Local Parish Clerks. Agreement has been reached with Great Yarmouth Borough Council to provide them with a Health and Safety Advice Service for 2015-16.
- 2.7.3 2015/16 will also see the launch of a new traded service to schools offering the well-being services that are already available to NCC Services. To date over 70 schools have signed up to this new service.

2.8 Norfolk Fire and Rescue Service (NFRS)

- 2.8.1 The main focus this year has been to secure the effective implementation and monitoring of the Services health and safety management system. This has resulted in an improved culture in NFRS evidenced by better ownership of, and engagement in active health and safety management across all activities.
- 2.8.2 The main activities that have contributed to this are:
- Developing support to services through Steering and Practitioners groups and district team meetings.
 - High profile auditing activity (internal and external) and the subsequent publication of outcome reports and follow up on actions and recommendations.
 - Active monitoring and follow up of recommendations and actions from a range of active and reactive health and safety management activities e.g. routine premises inspections, specific risk assessment activity, safety event investigation outcomes.
 - Improved visibility of health and safety performance data via the Service Intranet.
 - Establishing dedicated performance monitoring groups e.g. Fleet and Training for vehicle related safety events, Operational Safety practitioners group
 - Districts and functions adopting robust performance monitoring and management activity to drive improvement and promote and influence health and safety culture change where required.
- 2.8.3 Reportable incidents that occurred this year include:
- Asbestos release caused by contractors at Holt Fire Station
 - Failure (burst) diver air supply hose at the surface
- 2.8.4 Significant health and safety related achievements during 2014/15 include:
- BSI - ISO 9001 Quality Systems Accreditation
The IOS 9001 Quality Systems certification that covers health and safety as well as other NFRS departments inclusive of Fleet and Operational

Assurance was re audited during 2014/15. This found that the Service is performing well with a number of minor non conformities which have been addressed.

- **RoSPA Audit**
This audit has illustrated a number of opportunities for improvement. These in summary include improving relationships between health and safety and HR, ensuring the one to one performance review process is undertaken consistently across the Service, and linking health and safety planning to corporate and strategic objectives. As a result an action plan has been drafted and agreed with respective appropriate managers and will be routinely monitored by the Health and Safety Manager.

2.9 Occupational Health Activity

- 2.9.1 During the first year of the new service provided by PAMS, there was a general improvement in satisfaction from managers regarding the service. As expected, the aspect of the service most greatly appreciated was the opportunity to have a discussion with the occupational health nurse before and/or after the employee's appointment. This enabled a greater understanding for the nurse, and more appropriate recommendations in the report.
- 2.9.2 Following a loss of staff, PAMS failed to meet their KPIs for a limited number of cases during January and February. As a consequence, there was a reduction in the cost of the appointments, in line with contractual penalty clauses resulting in a saving of £2,500. There was also a concurrent plan to ensure normal services were restored at the earliest opportunity.

2.10 Musculoskeletal Injury Rehabilitation Scheme (MIRS)

- 2.10.1 The contract for MIRS was retendered and awarded to IPRS, the previous provider. The revised service is a pay - as - you use service, which provides better value for NCC and its changing workforce. The framework agreement also enables other local authorities and organisations commissioned to provide services for NCC to access the service under a separate contract. This provides NCC with a small income to cover the cost of the retendering process, as well as increasing purchasing power and efficiency within across local authorities and partners.
- 2.10.2 During 2014/15 764 employees were referred for treatment. It is estimated 5890 days absence has been prevented, equating to an estimated cost avoidance of £500,650.
- 2.10.3 The table below shows referral to the service during 2014/15 compared to the previous year. The referral rates reflects the reduction in NCC employees and the increase in schools and academies both subscribing and being aware of the service. This has been due to a sustained effort to increase awareness of the scheme through training managers in schools and academies to make referrals, rather than referring through HR Direct. Schools and academies are also made aware of the service during health and safety inspections where musculoskeletal injuries have been identified as a risk to staff.

	2013/14	2014/15
Children's Services - Schools	341	365
Children's Services – Non-Schools	112	106
Academies	12	30
Community Services – Adult Social Care	160	113
Community Services – Cultural Services	43	32
Environment, Transport and Development	59	44
Customer Service & Communication	25	13
Resources	82	61
TOTAL	834	764

TABLE 1. REFERRALS TO MIRS 2014/15

2.10.4 After an initial telephone assessment with a physiotherapist, employees can be referred for hands-on or remote (telephone) management. A review in 2013/14 of the way in which employees were assessed resulted in a significant reduction in the number of employees referred to remote management, and the average time with an open case on the scheme. During 2014/15 this reduction has continued, with average days on the scheme reducing from 37.3 to 36.9.

2.10.5 A survey following treatment is completed for qualitative feedback. 33% of respondents felt the treatment met their expectations, whilst 64% felt it exceeded their expectations. 47% felt the treatment greatly helped them continue at work, or return earlier if they were absent, whilst a further 43% felt it was of some help. By way of endorsement, all respondents would recommend the scheme to their colleagues, and the following comments demonstrates what the scheme has done for individuals: -

“Excellent verbal coaching to make you aware in terms of your body’s movements and limitations. Good practical advice, taking into account the working environment and its demands.”

“The speed of the whole process was excellent. I received a telephone call the day after I was referred. I was offered an appointment for the next day! However, this was not convenient so I booked an appointment for three days later. If I had had to wait a while to see someone, my problem would have got worse in the meantime and I feel I may have had to take some time off work. So IPRS has helped me to stay in work without having days off sick.”

2.10.6 IPRS have continued to provide innovative and support services to meet the needs of NCC. They have provided support for staff moving to the refurbished floors in County Hall through individual assessments of seating as well as group sessions to demonstrate how the seating can be adjusted for maximum comfort. They also undertook a training session for staff in the music service during a team development day. The manager was impressed with the creative way the in which his team were made aware of the musculoskeletal risks to them and how they could address them before they developed symptoms.

2.10.7 22 “MOT days” where up to 20 employees can request an assessment with a physiotherapist regarding any concerns they have about their musculoskeletal health, took place throughout Norfolk, with 12 at schools or academies. The table below shows the outcome of the assessments for the 260 employees assessed:

Recommendation	
Given exercises/advice and no further treatment required	90
Given exercises/advice along with a “timescale” to monitor improvements	61
Advised to seek a referral for IPRS Remote Management only	4
Advised to seek a referral for IPRS Hands’ On Treatment	88
Advised to undertake a workstation assessment	31
Requires immediate onwards referral to GP/Hospital/Walk in Centre	2

TABLE 2. MOT ASSESSMENT RESULTS

2.11 Norfolk Support Line (NSL)

2.11.1 5% of eligible employees used NSL during 2014/15, a reduction from 6% during 2013/14.

2.11.2 The level of work issues being raised as the primary problem has continued to decrease, reflecting the year on year pattern. During 2014/15 the ratio of work to personal issues reduced from 49:51 to 25:75. The table below shows the top reasons employees contacted Norfolk Support Line during 2014/15 compared with 2013/14.

Personal Issues	2013-14	2014-15
Health – Mental	134	138
Family / Child / Maternity	98	94
Relationships	92	77
Health – physical	27	42
Divorce / Separation	37	37
Work related Issues		
WRS – Role	97	86
WRS – Demands	86	69
Work – Life Balance	58	52
WRS – Support	53	45
WRS – Relationships	44	38
Work Overload	40	24
WRS – Control	19	24
WRS – Change	20	21
Legal issues	147	115
Debt/Finance issue	22	16
Manager Consultations	13	13

TABLE 3. REASONS FOR ACCESSING NSL SERVICES

2.11.3 During 2014/15, 88 employees were referred for face to face counselling with 81 of those completing a feedback questionnaire at the end of treatment. Feedback was positive regarding the benefits the service provides, with 53% stating it improved their productivity and effectiveness, 62% stating it improved their concentration and focus, and self-confidence, and 73% reporting it reduced their stress levels. The following comment regarding the experience of an employee reflects the benefits the service to NCC as well as the individual:

“The counsellor I was privileged with was extremely supportive. I felt confident and secure to speak with her about my issues at work and in my personal life. I felt valued as an individual in my own right and she was effective in a short period of time.”

“The support I received from the counsellor was invaluable. She taught me to believe in myself and become strong again. Supporting me through a very dark time in my life, never judging me. I can’t ever thank her enough.”

2.12 NHS Health Checks for Employees

- 2.12.1 During 2013/14 The well-being team continued to deliver the NHS Health Check programme, with 291 employees being seen at 27 sites throughout Norfolk. The programme assesses an individual’s risk of developing cardiovascular disease (CVD) or diabetes in the next 10 years. There was also an introduction of an alcohol assessment and, for over 65s, questions to raise awareness of dementia risk.
- 2.12.2 There was a concerted effort to undertake health checks in schools, which result in 18 clinics taking place at schools across Norfolk. It was particularly encouraging that through good on-site organisation, the majority of health checks took place during a normal school day without disruption to pupils.
- 2.12.3 Of the 291 employees seen, the majority had no immediate health problems. However, a number were advised to make an appointment with their GP for further assessment of their blood pressure (36), blood glucose levels (15), and cholesterol levels (10). Sixteen employees had a 10 – 20% risk of developing Cardiovascular Disease (CVD), implying they needed to make lifestyle changes to reduce their risk, and 1 had a risk greater than 20% which implies medical intervention is required.
- 2.12.4 In order to assess the impact of the NHS Health Check, participants are sent a survey to complete 4 weeks after their appointment, if they consent to participate. Although the response rate was low it did show that even people with a low risk of CVD had made lifestyle changes. Unfortunately, less than 10% of employees agreed to take part in the survey.
- 2.12.5 Public Health view the way NCC Well-Being Team undertake NHS Health Checks as an exemplar. Consequently the Well-Being Team Manager provided training for a number of GP practices. The team also helped in a county-wide promotion of NHS Health Check by participating in promotional videos of firefighters and the Chairman of the Council having health checks.
- 2.12.6 The Well-Being Team will continue to work collaboratively with Public Health in 2015/16, trialling new health check equipment, supporting Public Health Objectives, and obtaining evidence of the impact of NHS Health Checks.

2.13 Well-being Programme

- 2.13.1 Following the 2013/14 review of well-being services in light of budget and resource reductions there was a significant shift in the interventions undertaking by the team this year, most notably there was a change in emphasis from a team based approach to individual support.
- 2.13.2 The review target for teams completing well-being questionnaires was 50, although eventually only 30 teams participated. A significant factor in the reduced number of teams taking up the offer of completing a questionnaire was the employee survey being carried out this year and subsequent reports provided at team level (where a sufficient response was received). Over the year although fewer teams completed well-being questionnaires, there was a focus on teams

who were considered to be at a greater risk of work related stress. Consequently the medium risk scores for the teams completing the questionnaire increased from 63% to 77%, as shown in the table below:

	2013/14	2014/15
Children's Services	24	11
Community Services	25	1
Environment, Transport and Development	22	11
Customer Service & Communication	11	1
Resources	4	6
Total Teams	86	30
Response percentage rate:	76%	78%
Response range:	36%-100%	63%-100%
Average team scores:		
1.0-2.6 = High Risk	0	0
2.7-4.3 = Medium Risk	54	23
4.4-6.0 = Low Risk	32	7

TABLE 4. WELL-BEING QUESTIONNAIRE RESULTS SUMMARY

2.13.3 The increase in individual support occurred across all types, as shown in the table below, with the exception of bullying and harassment support. This could be due to the significant increase in mediation which was instigated in a number of cases following an initial referral centred on concerns of bullying and harassment.

Type of case:	2013/14	2014/15
Bullying & Harassment support	9	7
Stress Action Plans	22	27
Stress Action Plan & Wellness Recovery Action Plan	4	11
Wellness Recovery Action Plan	20	30
Mediation	10	31
Other	22	21
Total cases:	77	127

TABLE 5. INDIVIDUAL CASES SUPPORTED BY WELL-BEING OFFICERS

2.13.4 Twenty-one of the referrals were for school employees and provided as a traded service. A number of schools referred more than one employee, implying they found the support a benefit to their school and employees.

2.13.5 Following individual support (with the exception of mediation) a survey was sent to the referral manager and employee to establish the impact of the support. Of the 97 cases, there was a disappointing low response rate of 7, and work will be done in 2015/16 to improve the response rate. Of those who did respond, the majority felt the support improved productivity, working relationships and (the employee's) self-confidence. The following comments reflect how the support provided has helped both the employee and NCC.

"Having struggled and taken time from work for a period, the WRAP and associated support ensured that rather than a recurrence as my circumstances changed I was able to remain in work and productive through the period."
-Supported employee

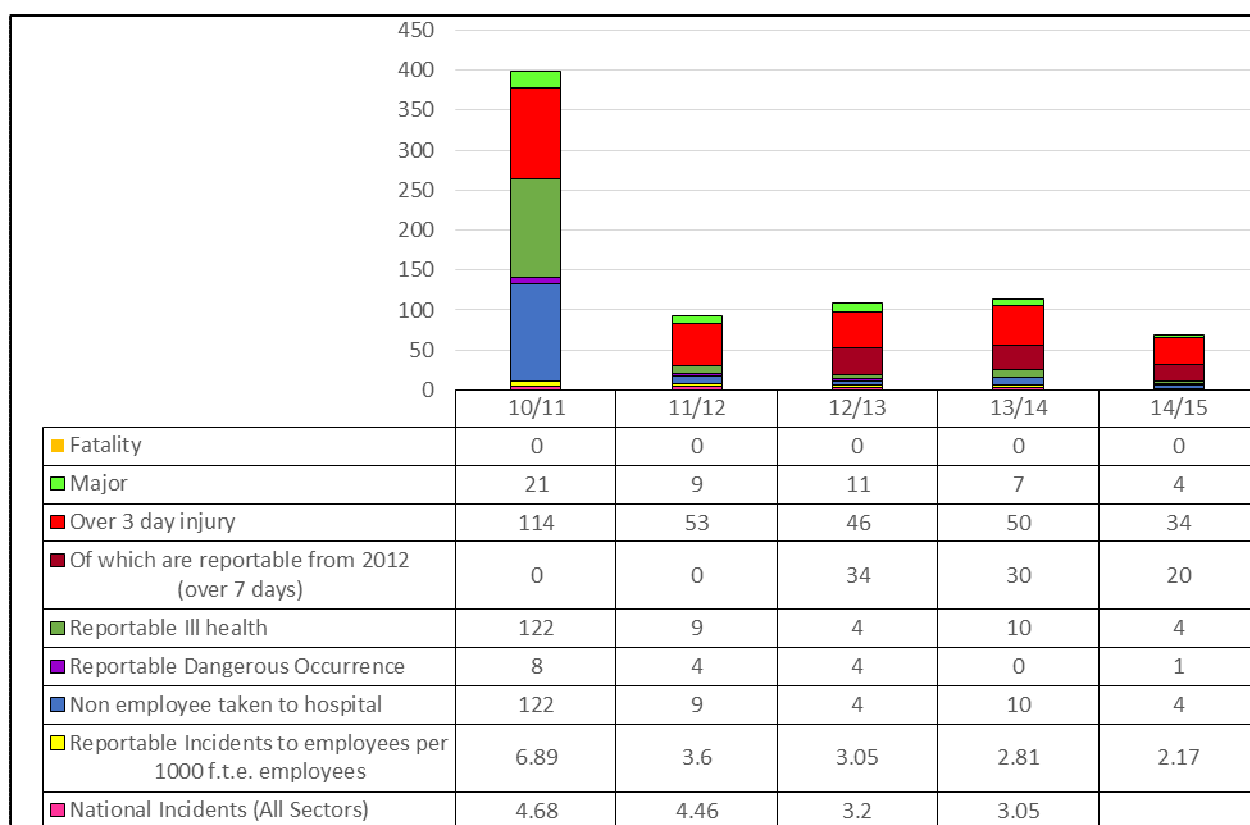
“The member of staff received support but eventually decided to resign and follow a different career path, which was undoubtedly the best decision for him. Therefore the support was very useful [for NCC]”
- Referrer

2.13.6 During 2015/16 all mediation referrers will be sent a survey 3 months after completion of the intervention to establish its impact.

3. Health and Safety Performance for 2014/15

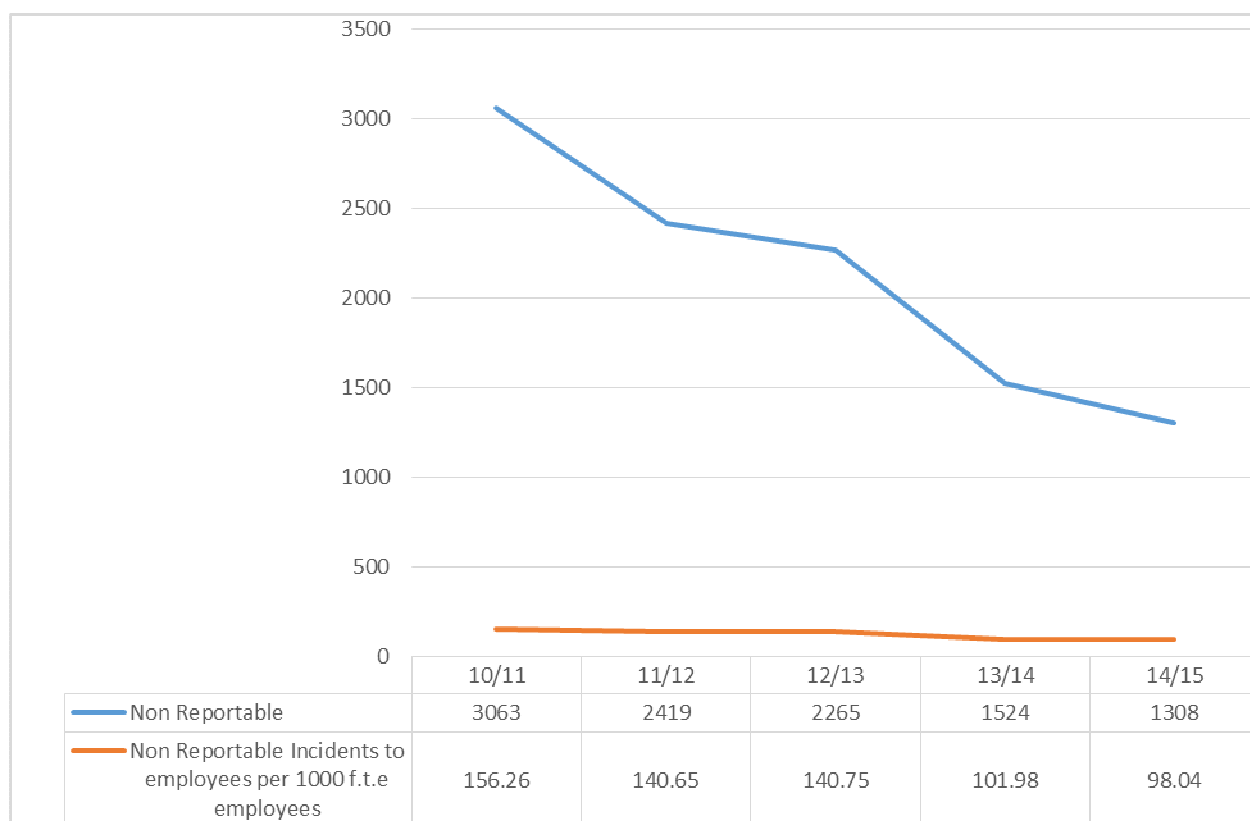
3.1 The below tables and graphs provide an overview of the health and safety performance for the organisation. More detailed tables and graphs are provided in the appendix for information. Please note that NFRS data has now been fully integrated into NCC data including the separate directorate data provided in the appendix, however due to the retained fire fighters within the service the full time equivalent (f.t.e.) numbers are estimated which may impact on the figures provided.

3.2 The figures this year show a significant reduction in the number of reportable incidents across all types except for dangerous occurrences. As a result the number of reportable incidents per 1000 f.t.e. has also reduced.



GRAPH 1. NUMBER OF REPORTABLE INCIDENTS BY YEAR

3.3 Graph 2 shows that the non-reportable incidents also continue to fall.



GRAPH 2. NUMBER OF NON REPORTABLE INJURIES

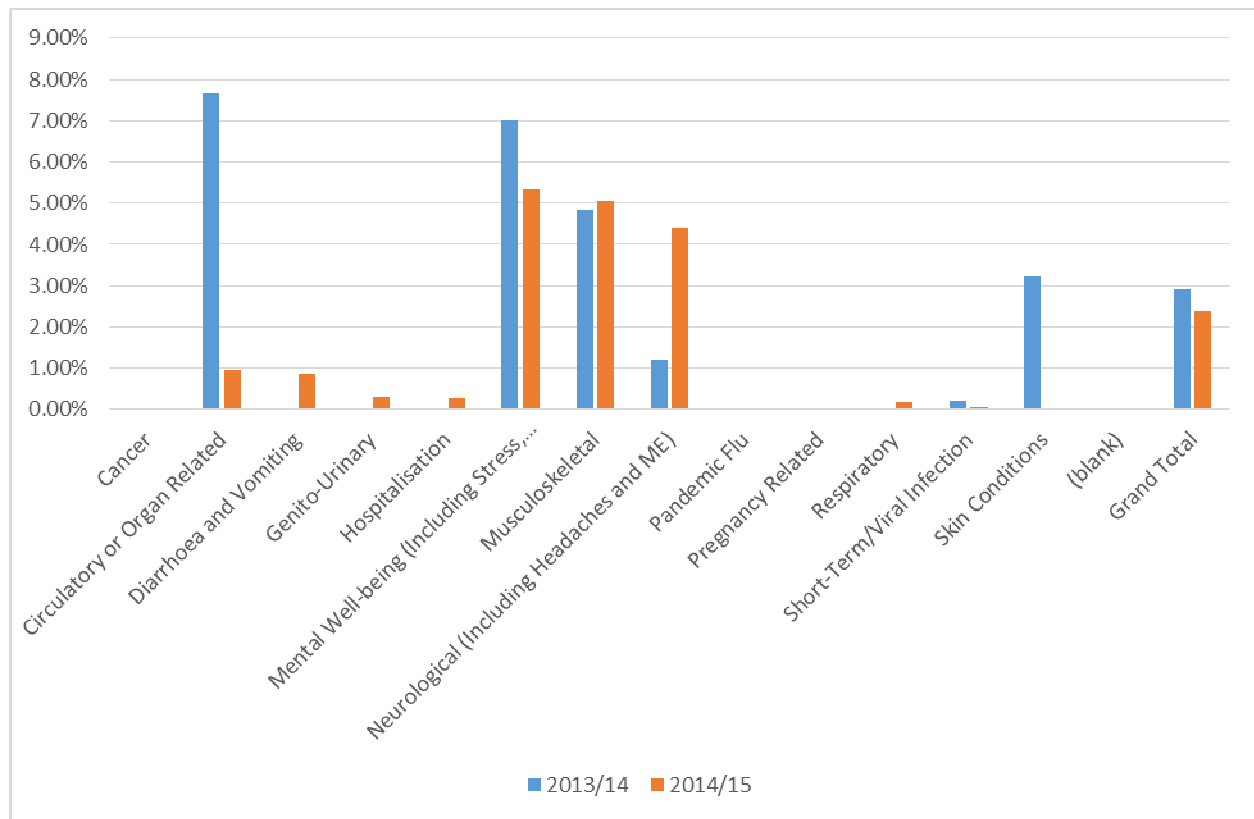
- 3.4 Tables and graphs containing further information with a breakdown per Directorate are provided in the appendix. Please note as a result structural changes to Directorates this year only one year of comparative data is provided. NFRS data has been included in CES Directorate.
- 3.5 The top 5 causes of incidents have changed again this year compared to previous years. Whilst violence, road traffic incidents, and ill health remain in the top 5 they have all changed position and all reduced in number in line with the general trend.
- 3.6 Other injuries and near misses appear in the top 5 for the first time although they are both lower in number than last year.

Cause	Number
Violence	377
Ill Health	188
Road Traffic Incident	108
Other	99
Near Miss	90

TABLE 6. TOP 5 CAUSES OF INCIDENTS

- 3.7 The cautionary note regarding the figures given last year applies equally this year, as there remains a significant number of incidents that have not been reviewed and signed off by managers and cannot therefore be categorised. This may be masking the true top causes of incidents. Despite the difficulties with the incident management software outlined in 2.2.4 above, one improvement that was secured at the end of 2014/15 was automatic notifications to managers who have incidents outstanding. This has already helped to reduce the number of incidents that cannot be categorised and increased the number being reviewed and signed off. It is therefore hoped that the analysis of the top causes of incidents will be much more reliable next year.

- 3.8 Graph 3 indicates the percentage of total sickness absence that has been identified by employees as being work related. This remains a low percentage of the total absence and has decreased slightly in total since last year, although musculoskeletal absence relating to work has increased slightly (from 4.83% to 5.06%). This is disappointing considering the support available regarding musculoskeletal injuries, and although the scheme continues to help people return to work quicker than if they did not access the scheme, we need to ensure it is used in a preventative way in support of other measures such as activity design and training to prevent injury in the first place.



GRAPH 3. PERCENTAGE OF SICKNESS ABSENCE IDENTIFIED BY EMPLOYEES AS BEING RELATED TO WORK

- 3.9 The top 3 causes of work related sickness absence differ slightly from last year with the most significant reduction being absence relating to circulatory or organ related illness. As a result the top three causes are now mental well-being, musculoskeletal and neurological. These are all areas that we continue to resource preventative support in.
- 3.10 There were no enforcement notices issued this year despite investigations and enquiries by the HSE into some incidents reported to them, this is a positive endorsement of our robust health and safety management framework.
- 3.11 169 monitoring inspections were completed in NCC premises in 2014/15 along with 35 as part of the traded service offer and 15 in partner/commissioned services. The total was therefore 219, marginally less than last year, but considering the reduction in resources and the increase in demand for support this is very pleasing. It does however fall short of the number of visits programmed for the year by 13%
- 3.12 When monitoring visits take place the health and safety advisers and officers risk rate a premises/service area according to a number of criteria: hazards (activities, equipment etc with the potential to cause harm), risks (are hazards being controlled?), public risk (are the public exposed to any risk of harm?), confidence in management (how well are issues being managed, are any improvements identified likely to be made?). The lower the rating the less

frequently we will visit the premises/service area. 'A' represents the premises/service area with the biggest risk and 'C' the lowest. It should be noted that some premises/service areas will be higher risk by the nature of the activities that they undertake even if they are well managed. For NCC premises 145 of the visits made were revisits based on the risk score given at a previous visit, of which 52 increased their risk category, 52 lowered it and 41 saw no change. In the previous 3 years we saw more premises and teams lower their score than those that increased it. This year's data appears to show a plateau in improvements in the management of risks.

- 3.13 A further indication that risks may not be as well managed as previously is the overall risk profile of NCC premises/teams. Table 7 shows that over the previous 3 years there had been a positive downward trend in the risk profile of NCC that is now reversing; with 70 premises/teams being rated in the higher risk bands (A and B¹) compared to 63 last year, the increase occurring in the highest risk band – A. There is also a corresponding reduction in the medium (B² and B³) and low risk (B⁴ and C) premises/teams.

Risk Band	2011/12	2012/13	2013/14	2014/15
A	27	28	21	35
B ¹	82	54	42	35
B ²	115	123	123	82
B ³	72	195	219	236
B ⁴	103	104	111	98
C	79	78	68	58
Total	478	582	584	544

TABLE 7. CURRENT RISK PROFILE OF PREMISES/TEAMS

- 3.14 Table 8 below shows the training uptake for the year compared to previous years. There has been a decrease in uptake of training this year. In the case of the face-to-face training courses, the largest decrease has been in Personal Safety training. This may be due to numbers being greatly increased in the previous 2-3 years through targeted initiatives which have now been completed. The overall decrease in attendances, excluding Personal Safety, is around 20 percent. There has, however, been a 10.7 per cent decrease in the FTE employment in the Council over this period.
- 3.15 The reduction may also be partly due to the L&D post being filled part-time only for a proportion of the year resulting in reduced promotional activity.
- 3.16 It will also have been affected by the start of a process of more actively focussing training activity in areas where training can most effectively reduce risk. This has resulted in a decrease in face-to-face DSE training in favour of e-learning and a decrease in manual handling training as attention is focussed upon the most hazardous manual handling activities.

Training Course	No. trained				
	2010/11	2011/12	2012/13	2013/14	2014/15
Premises Managers Pt 1	177	146	132	130	90
Premises Managers Pt 2	128	99	101	72	58
Premises Managers Pt 3	51	93	117	85	77
Premises Manager Refresher	N/A	19	28	30	27
Introduction to CDM	N/A	7	41	25	20
Risk Assessment	147	53	34	29	20
Kinetic Handling	96	35	98	39	34
Line Managers	91	40	81	82	24
Personal Safety	74	108	165	188	27
DSE Assessor	44	27	101	18	9
Dealing with Stress	58	19	No longer available	No longer available	No longer available
H&S for Managers Refresher					5
H&S in procurement & commissioning					10
Sub Total	866	646	898	698	439
e-Introduction to H&S	553	309	408	2673	988
e-Risk Assessment	293	194	220	163	68
e-Manual Handling	516	249	320	169	116
e-DSE	590	543	776	413	283
e-Hazardous Substances	206	180	134	113	66
e-Fire Safety	517	368	488	2885	911
e-Slips and Trips	386	139	162	92	67
e-Personal Safety	N/A	156	114	298	204
e-understanding mental health	N/A	278	304	286	145
Sub Total	3061	2416	2926	7092	2848
Total	3927	3062	3824	7790	3287
Senior Managers	9 teams	6 teams	5 teams	3 teams	5 teams

TABLE 8. NUMBER OF CORPORATELY PROVIDED TRAINING COURSE ATTENDED

4. New Legislation and Forthcoming Challenges

4.1 Health and Safety Legislation

4.1.1 As a result of governmental reviews of legislative requirements health and safety legislation is currently the subject of scrutiny, and proposals for changing legislative requirements are a regular feature of the calendar. Proposals for amendments are published twice yearly. The proposals for up to July 2015 have limited impact except for changes to the Construction Design and Management Regulations.

4.1.2 The Construction, Design and Management Regulations were updated in April 2015. This brought about significant changes to the responsibilities for the

management of construction projects both small and large, the most significant of which sees an increased responsibility on the client (NCC). The HSW team will work this year with NPS, the Corporate Property Team and managers across NCC to ensure that the requirements of this new legislation are understood and appropriately managed.

4.2 The Health and Safety Executive Priorities

- 4.2.1 Many of the HSE's priorities have not changed from last year as they formed part of a long term strategy due to be refreshed later in 2015. These therefore include:
- waste and recycling,
 - management of construction contractors particularly in relation to small works,
 - management of asbestos,
 - legionella management
 - competence of workers in the health and safety aspects of their role,
 - the prevention of work related ill health
 - the prevention of injury to members of the public affected by work activities
 - proactive management of commissioned services to deliver safe services no matter the provider
- 4.2.2 In their business plan for 2015-16 the HSE outlines other areas of work activity, those that may impact on NCC include:
- publication of a report on the relationship between shift work and disease
 - undertaking targeted inspections to review management and prevention of musculoskeletal disorders
 - a review of guidance that relates to public services and fire and rescue services activity
- 4.2.3 The current Healthy Workplaces European campaign, organised by the European Agency for Safety and Health at Work, is entitled 'Healthy workplaces manage stress'. This was launched on 7 April 2014, and will run until late 2015. In 2015 they announced their award winners for innovation and investment in this area. Having reviewed the information on the award winners it is pleasing to note that many of the approaches taken have already been implemented by NCC over the past few years.

5. Improvement Plan for 2015/16

In section 2 an overview of the key improvement strands for HSW and how these support NCC strategic direction is provided. This section outlines the main improvement success actions that will be used to measure the achievements against for the forthcoming year. This work has been developed with management teams across NCC as well as reviewing data and other information and resources. It should be noted that these strands do not represent all of the work of the HSW team; in particular it does not specify any proactive or reactive 'business as usual' activity or involvement in wider HR projects, nor does it include the planned work of the NFRS health and safety team.

Delivery Strand 1

Ensure Health Safety and Well-being Policies and associated documents remain fit for purpose and support the overarching priorities, ambitions and direction of NCC.

Success Actions

- Undertake a general review of the suite of policies and associated documents available on PeopleNet and Schools PeopleNet with a view to simplifying the approach to ensure clarity of requirements and ease of navigation.
- Work with Communications, ICT and other stakeholders to develop guidance for employees regarding the safe use of social media to protect personal safety
- Review policy content as required in line with the scheduled timescales, legislative and NCC demands

Delivery Strand 2

Ensure Health Safety and Well-being Services are applied effectively across the county council to successfully equip managers and employees to become self sufficient

Success Actions

- Launch and implement the refreshed well-being policy. To include the promotion of all services and benefits available throughout NCC that support employee well-being
- Continue to contribute towards, and maximise the achievement of, key public health objectives by working with public health on initiatives within the workplace
- Review the well-being and mental health training offer to ensure it is effective
- Review the health, safety and wellbeing training offer to ensure that resources are used in the way that most efficiently reduces risk.

Delivery Strand 3

To provide dedicated timely, professional expertise and support in areas of NCC priority or significant impact (high or complex risk)

Support Activity

- Support services to review lone working risk assessments and roll out new lone working devices as appropriate, including the provision of training in their use.
- Support Adult Social Services to identify and manage the health and safety implications of the Care Act
- Work with contract managers to ensure higher risk contracts are appropriately monitored for health and safety compliance
- Support the development of the Corporate Property Team to ensure health and safety management of property is embedded in systems and processes
- Work with health partners to develop a unified and clear approach to health and safety management for integrated teams and services
- Work with Adult Social Services to integrate health and safety standards into the quality framework for care
- Undertake a review of our approach to Legionella management and support the retender of the Legionella risk assessment and management contract
- Provide support to Children's Services and Adult Social Services to ensure HSW considerations are managed appropriately when reshaping services
- Continue to provide dedicated well-being support to a high risk areas of the organisation to support resilience and good well-being modelling

- Work with NPS and the Corporate Property Team to ensure CDM responsibilities are understood and well managed in NCC
- Work with CES to identify their key risks and ensure these are appropriately managed and monitored
- Review the use of well-being support in the Resources Directorate and ensure it is used in a proactive and preventative manner to improve resilience
- Review our approach to change management with Organisational Development to ensure we are effectively equipping employees to meet the changing skill needs of NCC and improve personal resilience.

Delivery Strand 4

To continue to improve and develop the Health Safety and Well-being Service to ensure it is efficient and cost effective

Success Actions

- Evaluate and adapt as necessary the schools well-being offer following the first year of implementation
- Review the mechanisms employed to communicate health and safety messages, policy changes and alert managers of issues to ensure they are as effective as they can be
- Review our approach to premises and team monitoring to ensure it concentrates on the highest risk areas and considers new ways of working including partnership/integrated services issues and remote/flexible working
- Retender the NSL contract to ensure it continues to provide best value for the organisation

6. Recommendations

6.1 Members are asked to:

- Consider and comment on the Employee, Health, Safety and Well-being Annual Report for 2014/15
- Consider the actions outlined throughout the report and specifically the delivery strand detail in section 5.

7. Financial Implications

There are no specific financial implications to bring to the attention of members, although reference should be made to 8.3 risk implications.

8. Issues, risks and innovation

8.1 Equality Impact Assessment (EqIA)

An EqIA is undertaken when developing all new and updated health and safety strategies and policies. The HSW team work closely with Equalities colleagues to ensure a joined up approach to cross cutting issues.

8.2 **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.

8.3 **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. The indicators of health and safety performance show a mixed picture this year with some positive indicators such as the incident rate and some suggesting a slip in performance such as the risk profile. The improvement plan actions outlined in 5 aim to strengthen the system and keep the risks to NCC at an acceptable level.

Background and Officer Contact

Last year's annual report can be found [here](#) for reference.

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

Officer Name: Derryth Wright **Tel No:** 01603 222912

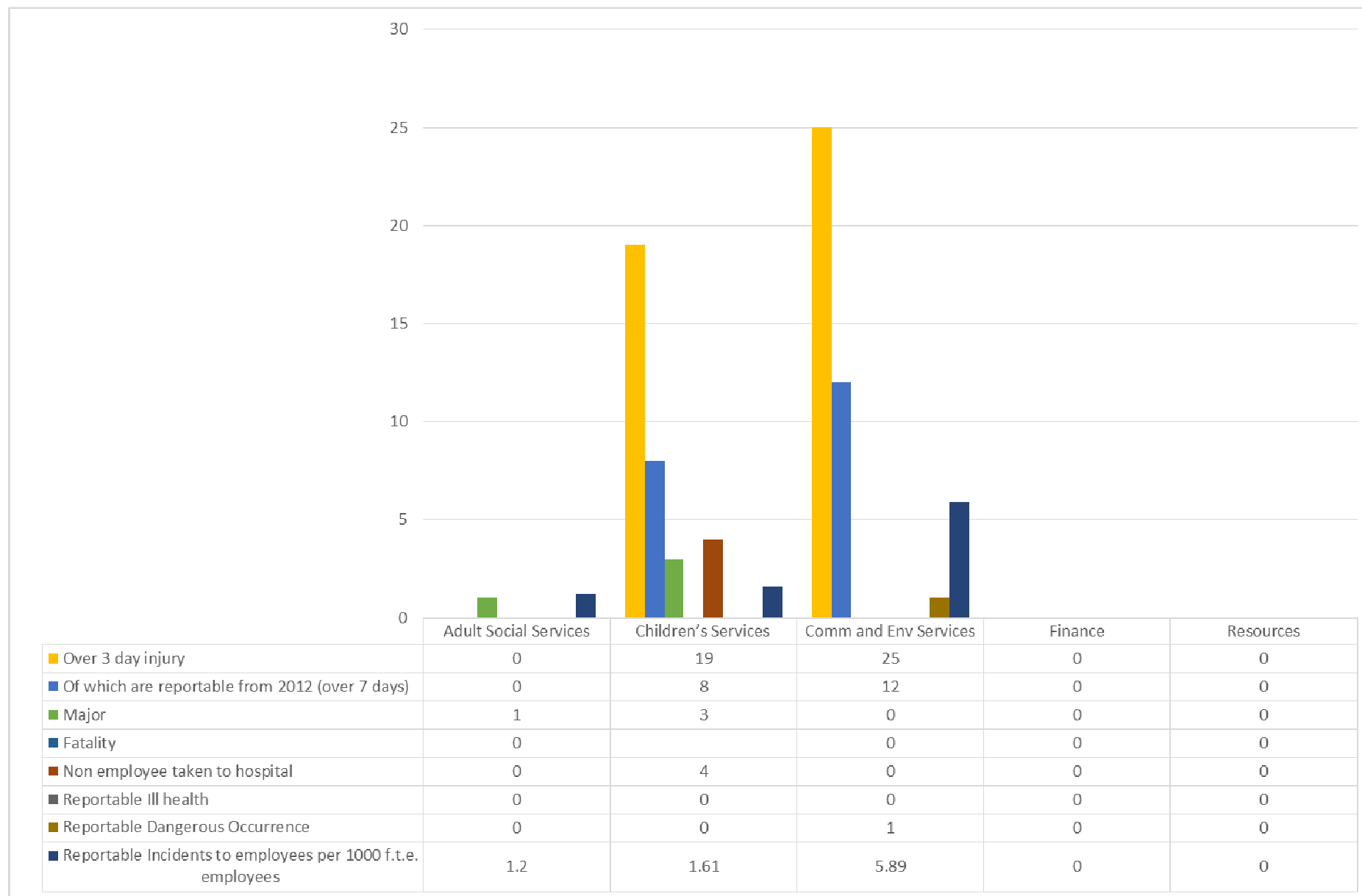
Email address: Derryth.Wright@norfolk.gov.uk



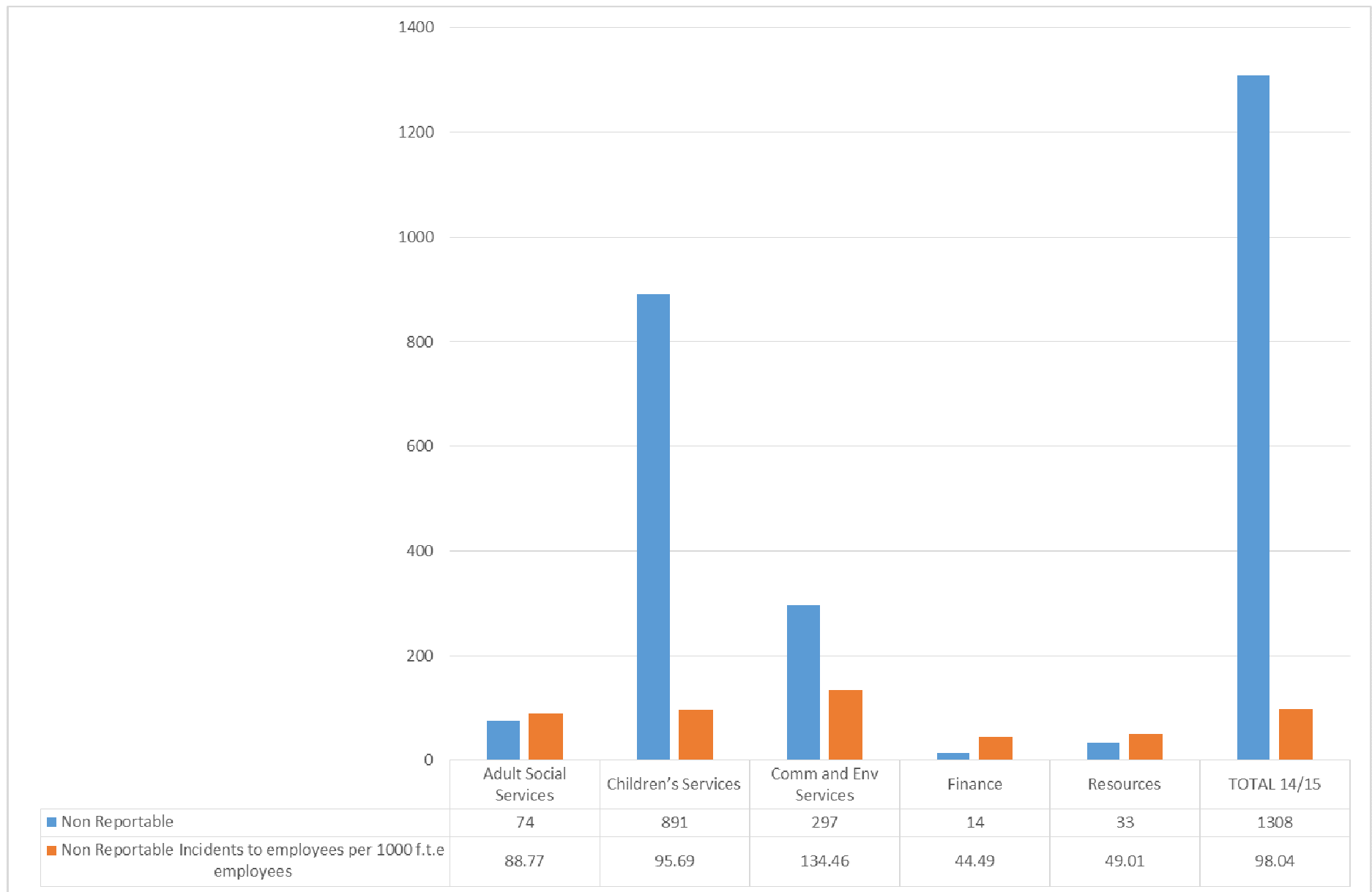
If you need this Agenda in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

APPENDIX 1.

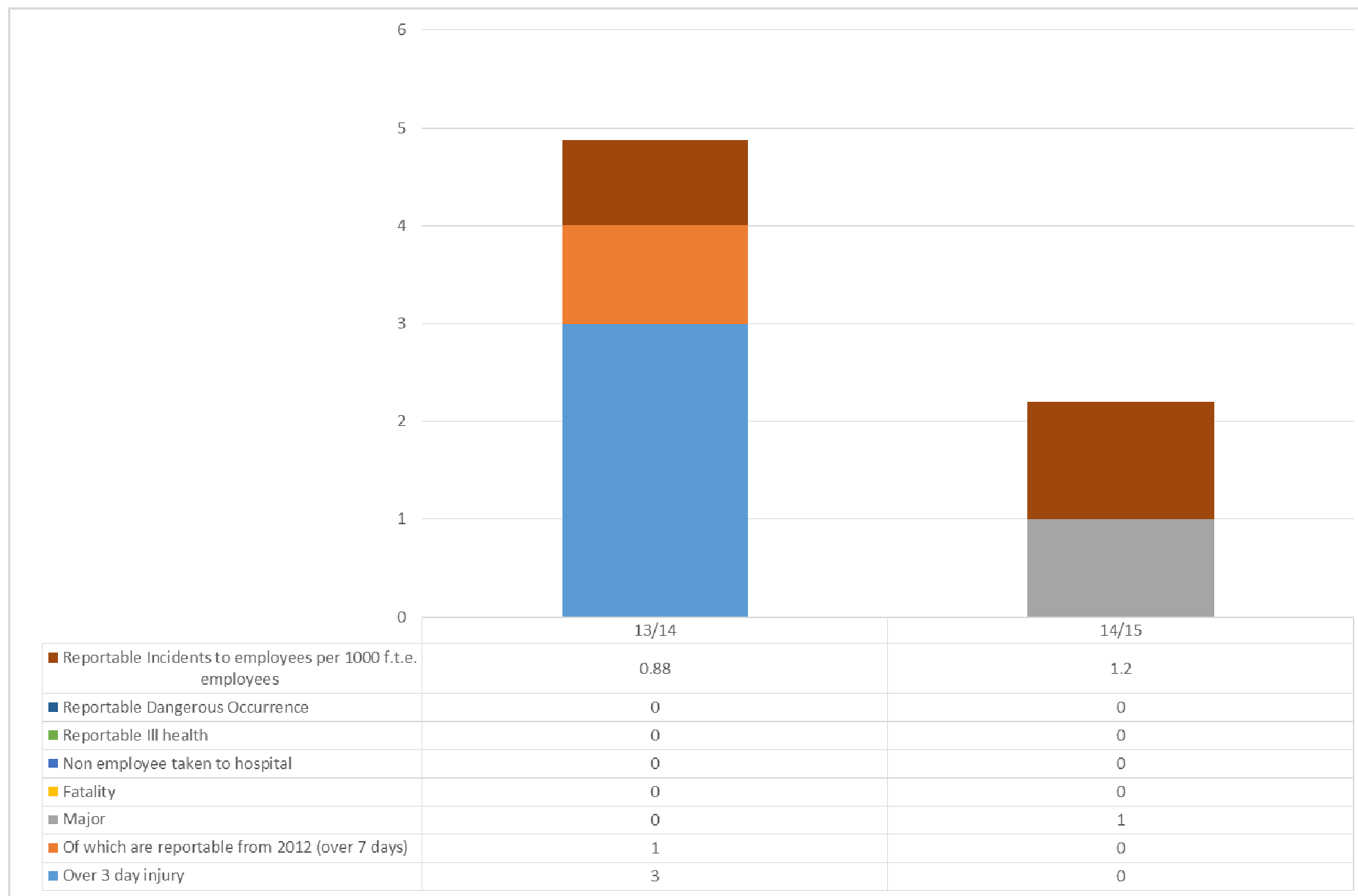
HEALTH AND SAFETY STATISTICS 2014-15



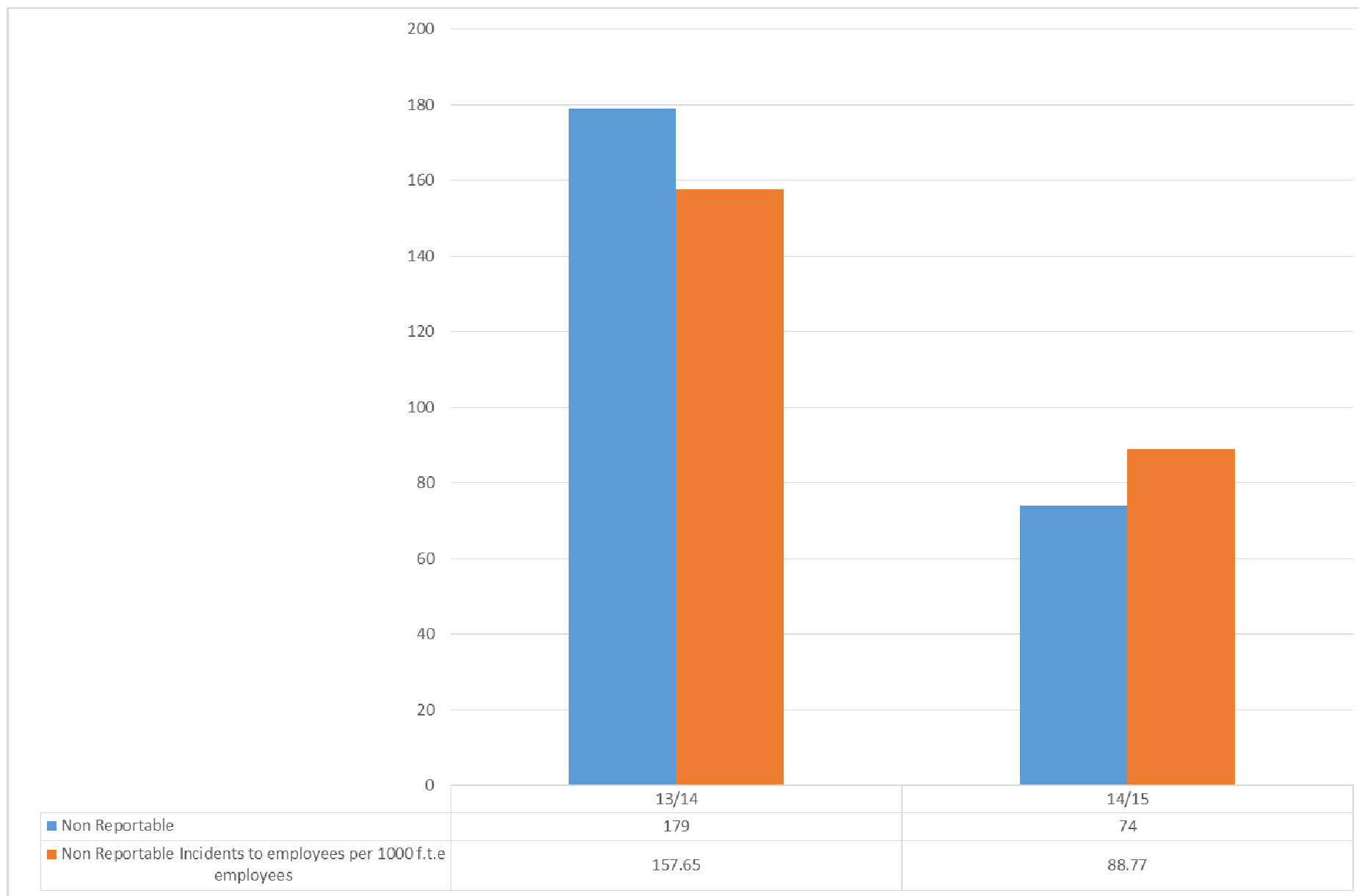
NUMBER OF REPORTABLE INCIDENTS (RIDDOR) FOR 2014/15 BY DEPARTMENT



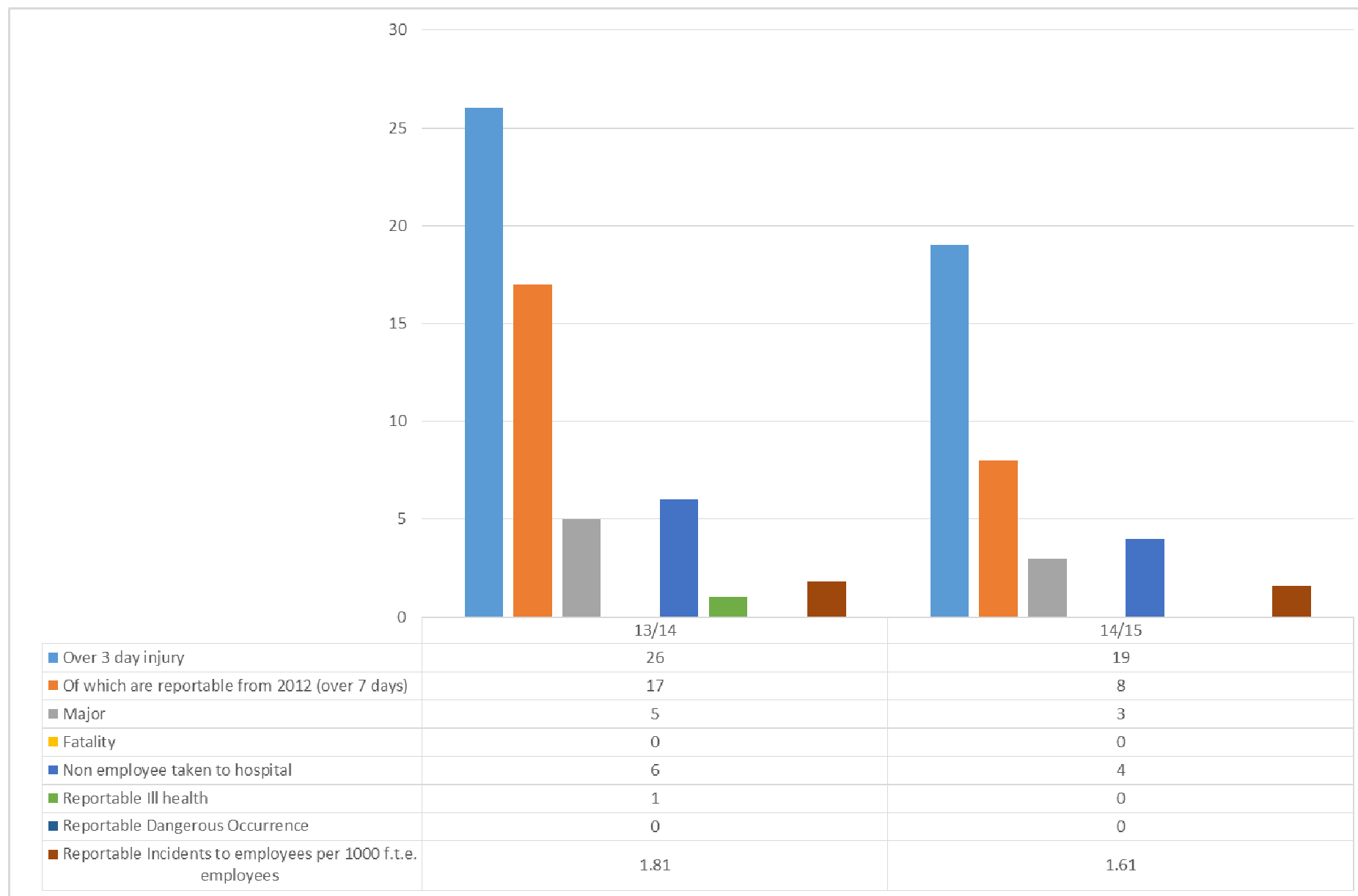
NUMBER OF NON REPORTABLE (RIDDOR) INCIDENTS FOR 2014/15 BY DEPARTMENT



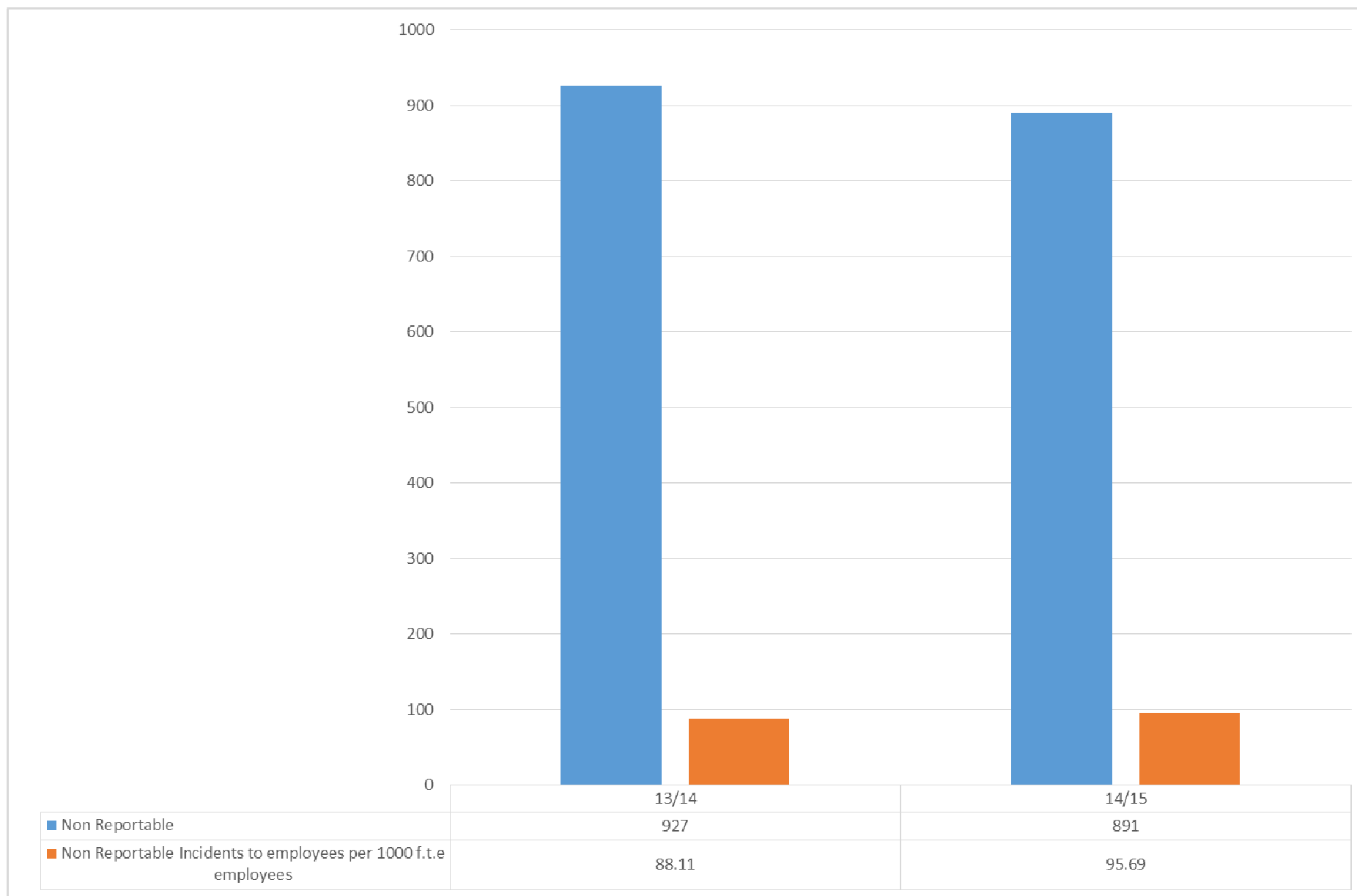
NUMBER OF REPORTABLE INCIDENTS (RIDDOR) PER YEAR FOR ADULT SOCIAL SERVICES



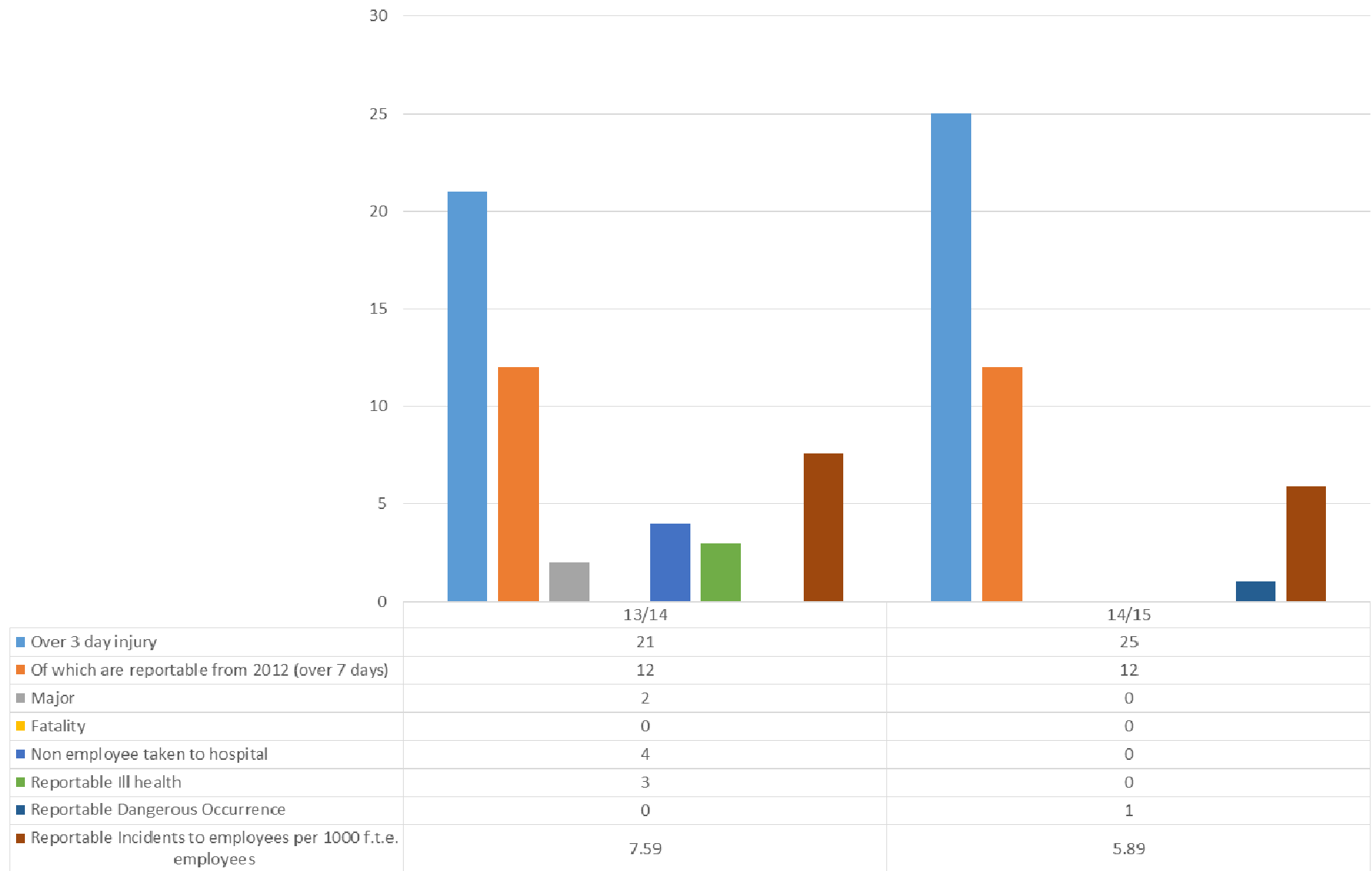
NUMBER OF NON REPORTABLE (RIDDOR) INCIDENTS PER YEAR FOR ADULT SOCIAL SERVICES



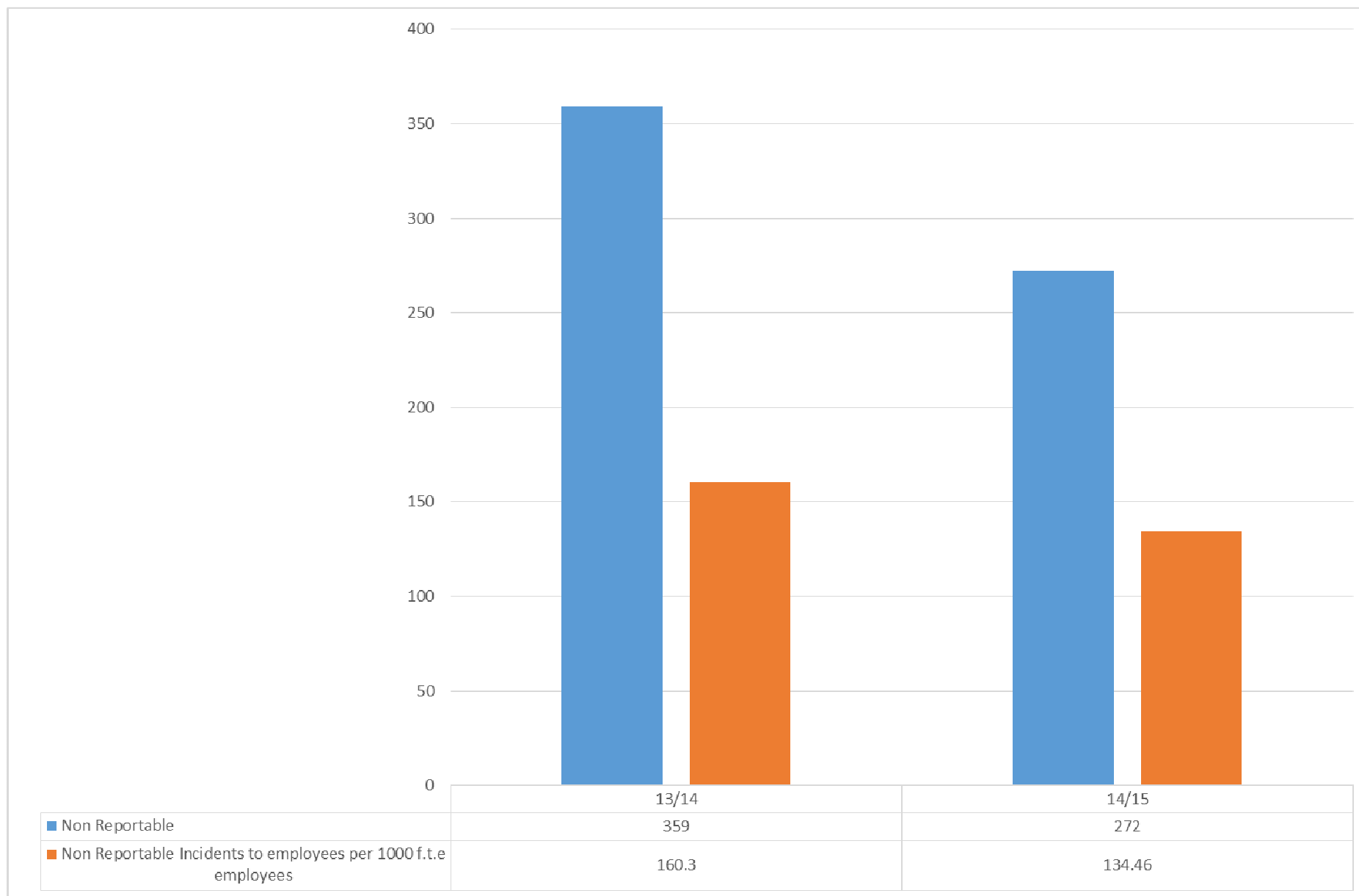
NUMBER OF REPORTABLE INCIDENTS (RIDDOR) PER YEAR FOR CHILDREN'S SERVICES (inc schools)



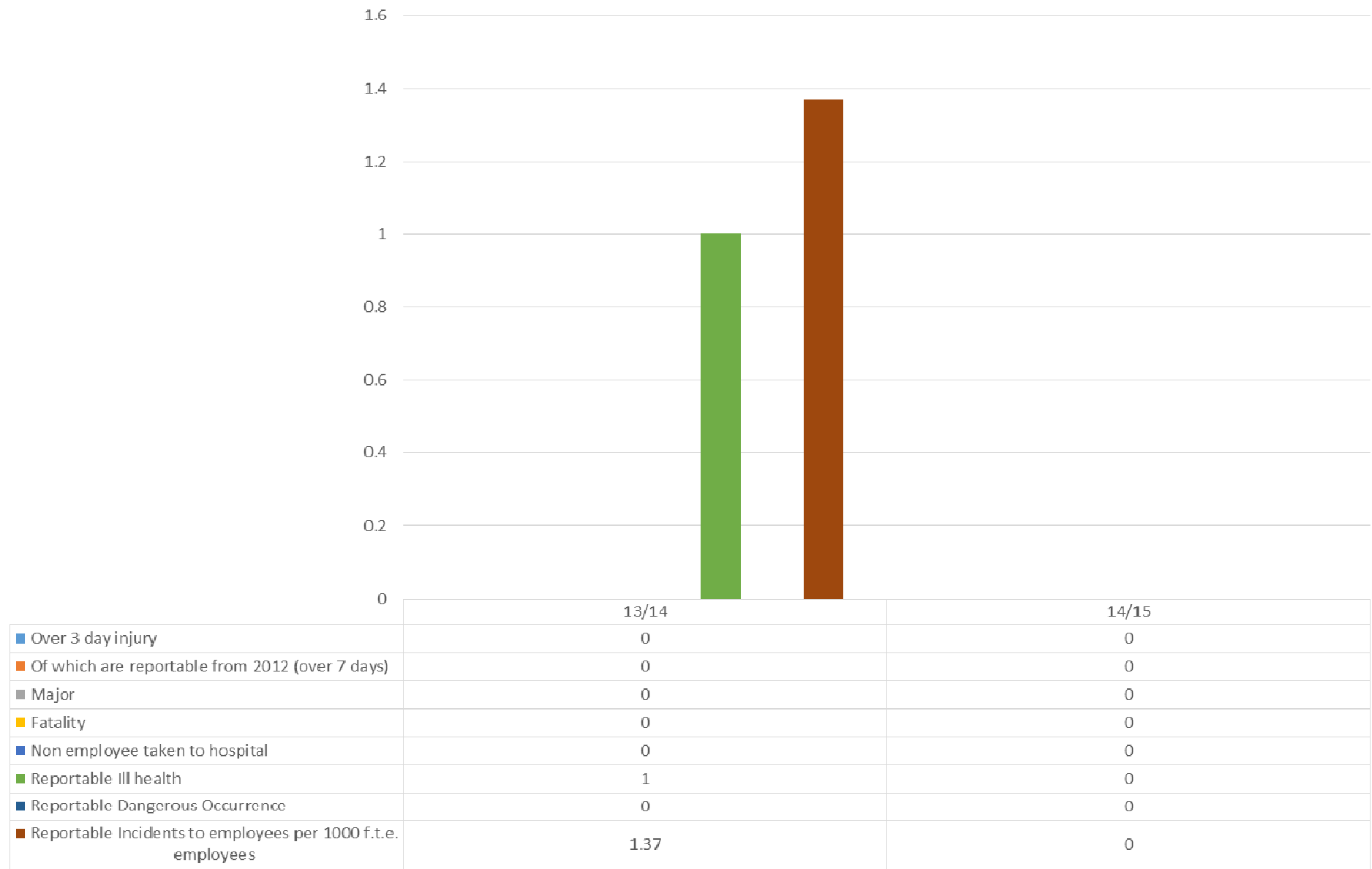
NUMBER OF NON REPORTABLE (RIDDOR) INCIDENTS PER YEAR FOR CHILDREN'S SERVICES (inc schools)



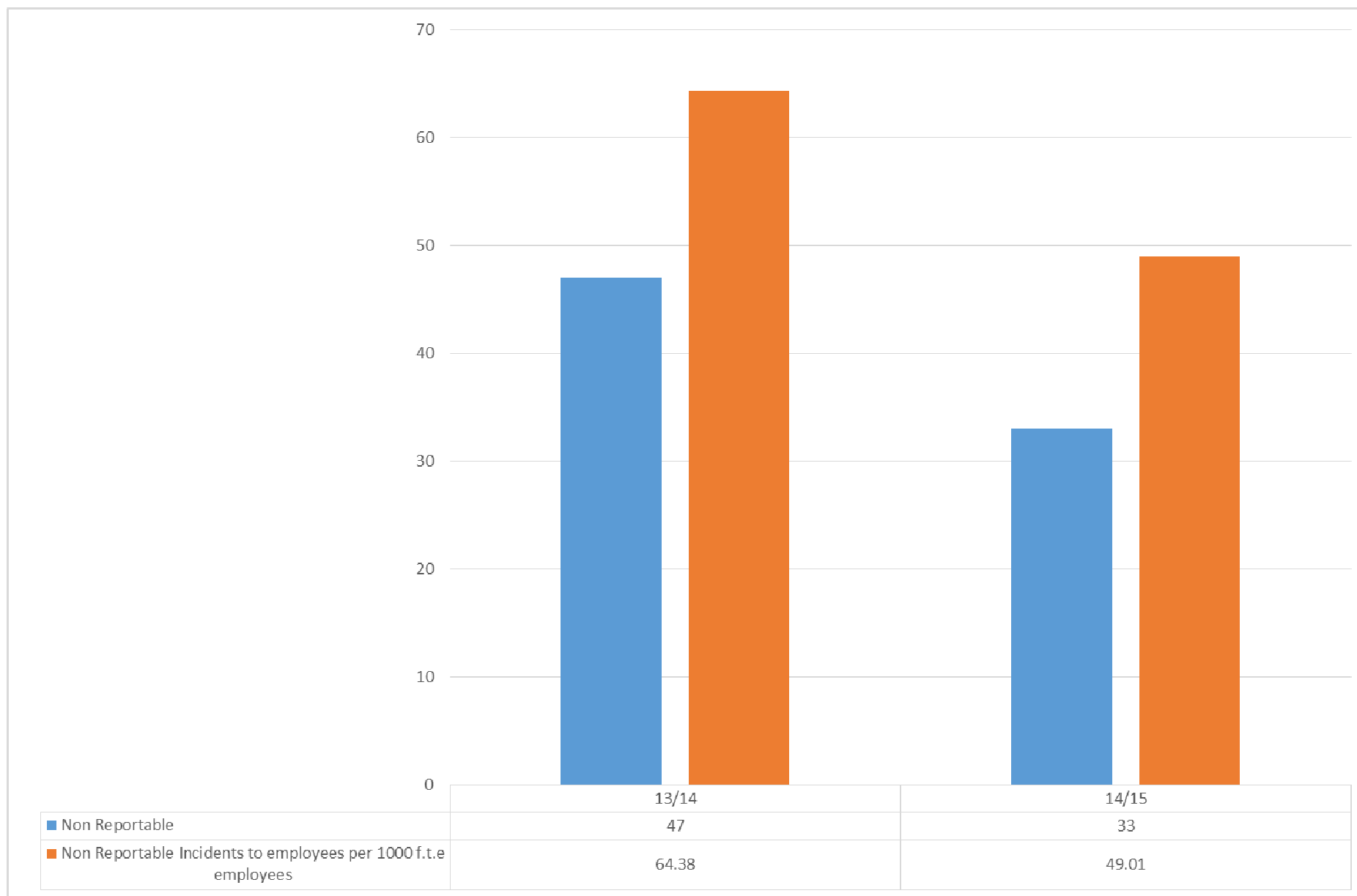
NUMBER OF REPORTABLE INCIDENTS (RIDDOR) PER YEAR FOR CES



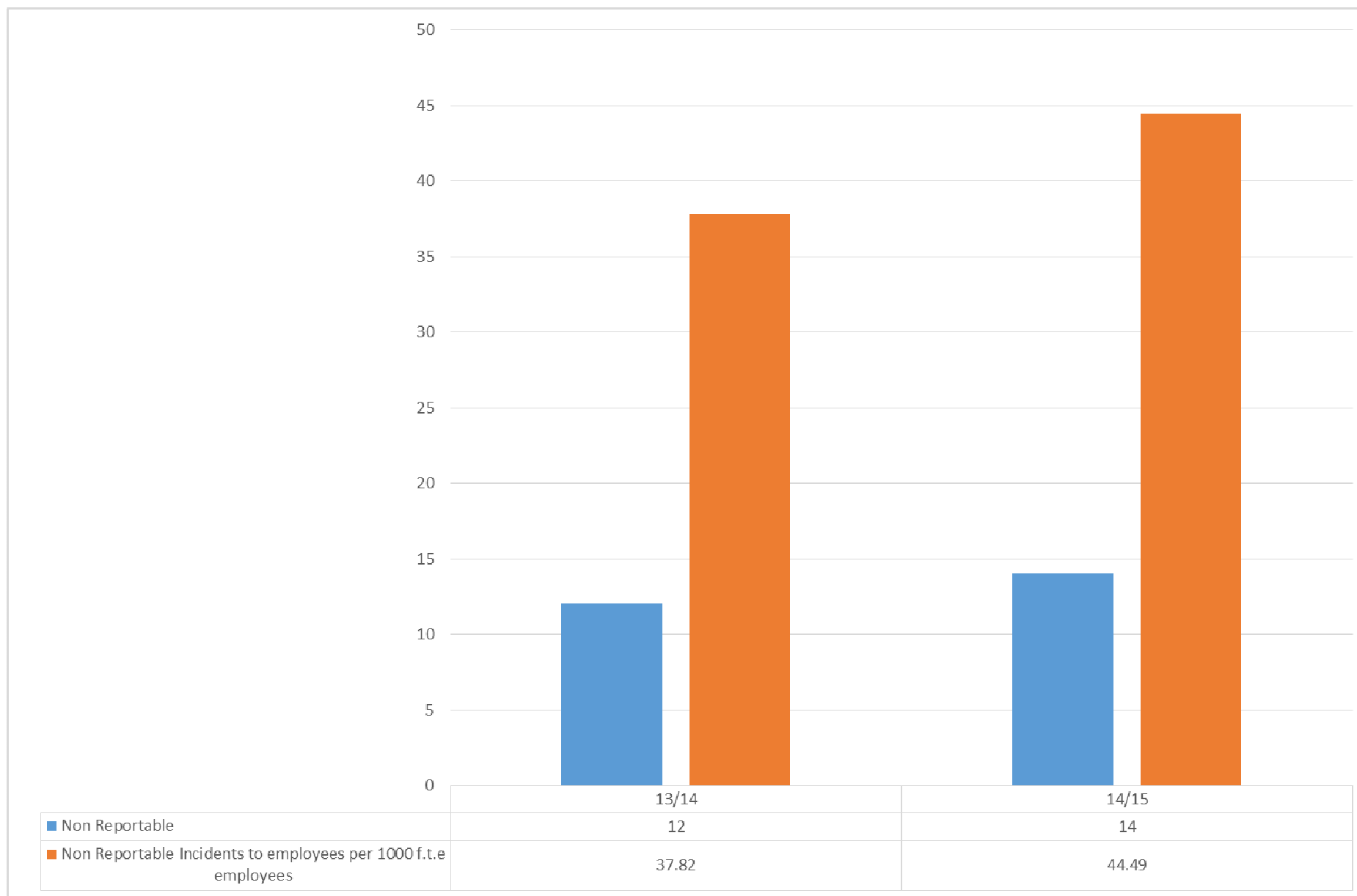
NUMBER OF NON REPORTABLE (RIDDOR) INCIDENTS PER YEAR FOR CES



NUMBER OF REPORTABLE INCIDENTS (RIDDOR) PER YEAR FOR RESOURCES

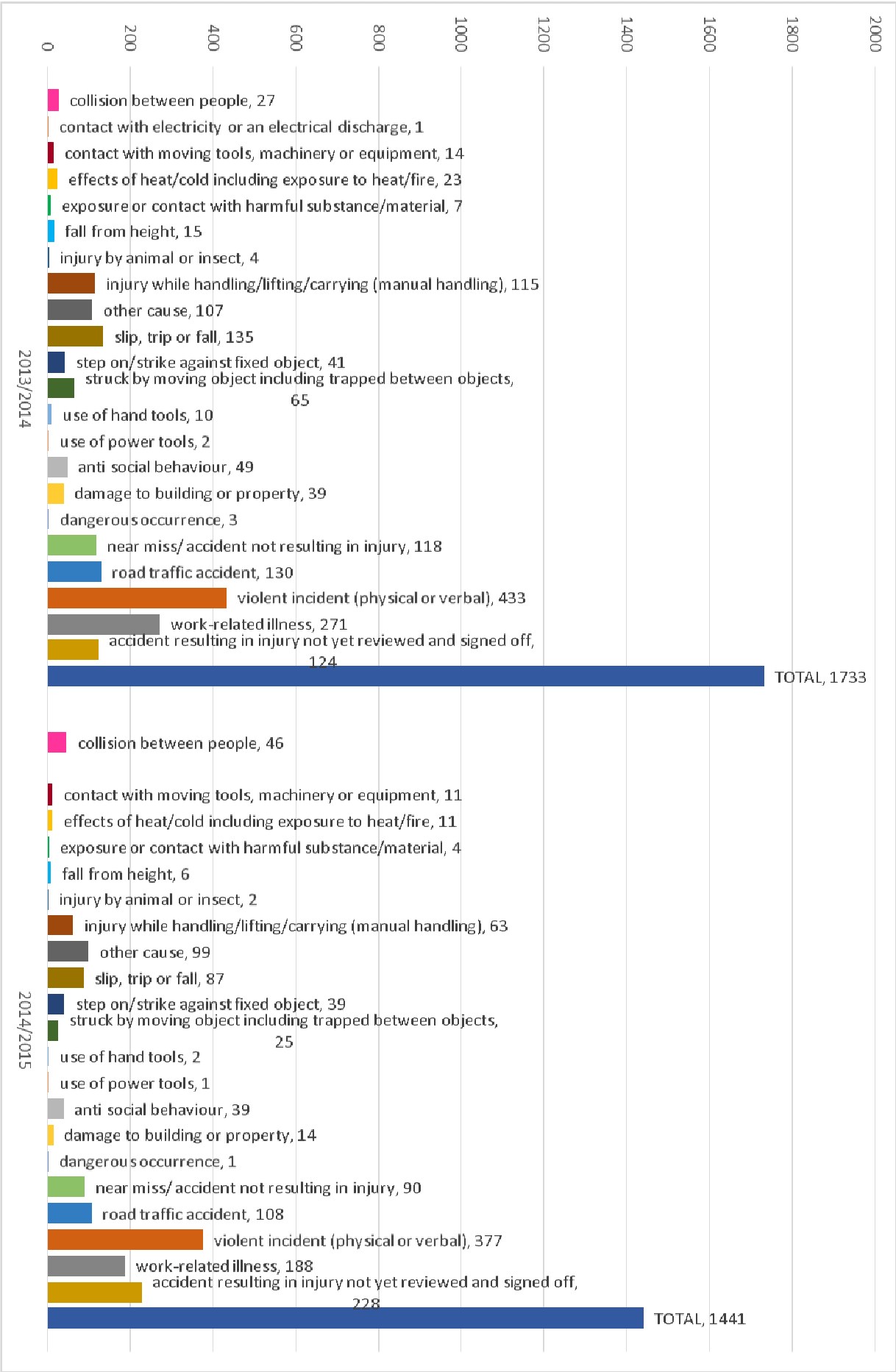


NUMBER OF NON REPORTABLE (RIDDOR) INCIDENTS PER YEAR FOR RESOURCES



NUMBER OF NON REPORTABLE (RIDDOR) INCIDENTS PER YEAR FOR FINANCE

* Please note no data is provided for RIDDOR incidents for Finance as the reporting figure is null for the data periods



ALL INCIDENTS BY CAUSE PER YEAR

	Adult Social Services		Children's Services inc schools		Community and Environmental Services		Finance		Resources		Totals	
CAUSE / YEAR	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
collision between people	0	0	27	46	0	0	0	0	0	0	27	46
contact with electricity or an electrical discharge	0	0	0	0	1	0	0	0	0	0	1	0
contact with moving tools, machinery or equipment	2	0	9	11	3	0	0	0	0	0	14	11
effects of heat/cold including exposure to heat/fire	1	0	9	4	13	7	0	0	0	0	23	11
exposure or contact with harmful substance/material	1	0	4	1	1	3	0	0	1	0	7	4
injury by animal or insect	1	0	2	0	1	2	0	0	0	0	4	2
manual handling	16	0	65	37	34	26	0	0	0	0	115	63
fall from height		0	13	5	2	1	0	0	0	0	15	6
slip, trip or fall on a level	7	1	103	60	21	23	2	1	2	2	135	87
step on/strike against fixed object	1	0	20	17	19	22		0	1	0	41	39
struck by moving object	4	0	48	16	12	9	1	0	0	0	65	25
use of hand tools	0	0	9	2	1	0	0	0	0	0	10	2
use of power tools	0	0	1	1	1	0	0	0	0	0	2	1
work-related illness	46	40	109	77	77	44	6	10	33	17	271	188
dangerous occurrence	0	0	0	0	3	1	0	0	0	0	3	1
road traffic accident	7	4	7	6	115	97	1	1	0	0	130	108
violent incident (physical or verbal)	60	8	352	352	21	17	0	0	0	0	433	377
anti social behaviour	8	0	10	12	31	27	0	0	0	0	49	39
damage to building or property	2	0	4	5	33	9	0	0	0	0	39	14
near miss/ accident not resulting in injury	9	5	44	45	62	38	2	1	1	1	118	90
other cause	13	1	87	82	6	13			1	3	107	99
accident resulting in injury not yet reviewed and signed off	13	21	81	177	18	17	2	2	10	11	124	228
TOTAL	191	80	1004	956	475	356	14	15	49	34	1733	1441

INCIDENTS BY TYPE BY DEPARTMENT OVER TIME

	Work related		Non Work Related		Grand Total		% Work Related		% of all sickness		wr per 1000 fte		total per 1000 fte	
Absence Reason	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
Cancer	0.00	0.00	3981.99	3289.37	3981.99	3289.37	0.00%	0.00%	4%	3%	0.00	0.00	266.47	246.53
Circulatory or Organ Related	365.00	36.30	4402.18	3758.16	4767.18	3794.46	7.66%	0.96%	4%	4%	24.43	2.72	319.01	284.39
Diarrhoea and Vomiting	2.00	34.68	4744.04	3940.38	4746.04	3975.06	0.04%	0.87%	4%	4%	0.13	2.60	317.60	297.93
Genito-Urinary	0.00	2.00	819.71	680.57	819.71	682.57	0.00%	0.29%	1%	1%	0.00	0.15	54.85	51.16
Hospitalisation	1.14	20.60	7667.20	7110.14	7668.33	7130.74	0.01%	0.29%	7%	7%	0.08	1.54	513.15	534.44
Mental Well-being (Including Stress, Depression and Anxiety)	1704.48	1164.64	22612.60	20684.29	24317.08	21848.94	7.01%	5.33%	23%	23%	114.06	87.29	1627.25	1637.56
Musculoskeletal	922.91	846.89	18196.72	15903.41	19119.64	16750.30	4.83%	5.06%	18%	17%	61.76	63.44	1279.45	1255.42
Neurological (Including Headaches and ME)	48.71	169.07	4004.64	3673.18	4053.35	3842.25	1.20%	4.40%	4%	4%	3.26	12.67	271.24	287.97
Pandemic Flu	0.00	0.00	49.59	23.94	49.59	23.94	0.00%	0.00%	0%	0%	0.00	0.00	3.32	1.79
Pregnancy Related	0.00	0.00	910.36	758.31	910.36	758.31	0.00%	0.00%	1%	1%	0.00	0.00	60.92	56.83
Respiratory	0.00	5.00	2982.48	2714.56	2982.48	2719.56	0.00%	0.18%	3%	3%	0.00	4.35	199.58	203.83
Short-Term/Viral Infection	54.50	19.20	27265.31	26492.73	27319.81	26511.93	0.20%	0.07%	26%	28%	3.65	1.44	1828.19	1987.04
Skin Conditions	15.00	0.00	449.01	243.14	464.01	243.14	3.23%	0.00%	0%	0%	1.00	0.00	31.05	18.22
(blank)	0.00	0.00	5109.21	4337.03	5109.21	4337.03	0.00%	0.00%	5%	5%	0.00	0.00	341.90	325.06
Grand Total	3113.74	2298.37	103195.03	93609.20	106308.77	95907.58	2.93%	2.40%	100%	100%	208.36	172.26	7113.97	7188.18

SICKNESS ABSENCE IDENTIFIED AS BEING RELATED TO WORK