

Policy and Resources Committee

Date: **Monday, 18 July 2016**

Time: **10 am**

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

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

Membership

Mr C Jordan (Chairman)

Mr M Baker
Mr M Castle
Mr T Coke
Mrs H Cox
Mr A Dearnley
Mrs J Leggett
Mr I Mackie
Mr I Monson

Mr S Morphew
Mr G Nobbs
Mr A Proctor
Mr D Roper
Mr B Spratt
Mr B Stone
Dr M Strong
Mrs A Thomas

**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 31 May 2016

3. Members to Declare any Interests

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

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

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

If you do not have a Disclosable Pecuniary Interest you may nevertheless have an Other Interest in a matter to be discussed if it affects

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

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

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

5. Public Question Time

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

Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk or 01603 223055) by **5pm on Wednesday 13 June 2016.**

6. Local Member Issues

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

Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk or 01603 223230) by **5pm on Wednesday 13 June 2016.**

Section A – Items for Discussion and Decision/Action

- | | | |
|-----------|--|--|
| 7 | Implications of EU Referendum Outcome
Report by Managing Director | (Page 22) |
| 8 | Finance Monitoring report P2 May 2016
Report by Executive Director of Finance | (Page 31) |
| 9 | Delivering Financial Savings 2016-17
Report by Executive Director of Finance | (Page 62) |
| 10 | Budget 2017-18 Planning and Efficiency Plan
Report by Executive Director of Finance | (Page 92) |
| 11 | Performance and Risk

1. Performance Management

a. Resources and Finance vital signs performance management report
Report by Executive Directors of Resources and Finance

b. Corporate vital signs performance management report
Report by Head of Business Intelligence and Corporate Planning

2. Risk Management Report
Report by Executive Director of Finance |

(To Follow)

(To Follow)

(Page 101) |
| 12 | Health, Safety and Wellbeing Annual report 2015/16 and Improvement Plan 2016/17
Report by Executive Director of Resources | (Page 133) |
| 13 | Disposal and Acquisition of Properties
Report by Executive Director of Finance | (Page 176) |
| 14 | Norse Consent – Appointment of Auditors
Report by Executive Director of Finance | (Page 190) |

Section B – Items for Report

- | | | |
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| 15 | Notifications of Exemptions Under Contract Standing Orders
Report by Executive Director of Resources | (Page 193) |
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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: 8 July 2016



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Policy and Resources Committee

Minutes of the Meeting Held on 31 May 2016
10:00am Edwards Room, County Hall, Norwich

Present:

Mr C Jordan (Chairman)

Mr S Agnew
Mr M Baker
Mr M Castle
Mrs H Cox
Mr A Dearnley
Mrs J Leggett
Mr I Mackie

Mr S Morpew
Mr G Nobbs
Mr A Proctor
Mr B Spratt
Mr B Stone
Dr M Strong
Mrs A Thomas

Substitute Member Present:

Mr M Kiddle-Morris for Mr I Monson
Mr J Timewell for Mr D Roper

Also Present:

Mr B Borrett
Mr S Clancy
Mr J Dobson
Mr T Jermy

Mr R Smith
Mrs M Stone
Ms S Whitaker
Mr A White

1.1 Apologies for Absence

1.2 Apologies for absence were received from Mr I Monson and Mr D Roper.

2A Minutes

2A.1 The minutes of the previous meeting held on 21 March 2016 were confirmed by the Committee and signed by the Chairman.

With reference to Paragraph 2B.2 of the previous minutes, Mr Spratt asked to be informed if a Member would be attending the final of the European "Business of the Year Award" event in Milan on 17 June 2016.

With reference to Paragraph 10.4 of the previous minutes, it was noted that a decision regarding a second enterprise zone was not expected before September 2016.

2B Chairman's Announcements

(A) The Chairman agreed that the Committee could receive a presentation from Norwich City Community Sports Foundation.

(B) Update on Devolution.

2B.1 Presentation from Norwich City Community Sports Foundation.

The Committee received a short presentation from Mr Steve Bramble and Mr Paul Knowles of the Norwich City Community Sports Foundation (NCCSF) about the work of the NCCSF in engaging with some 38,000 people in Norfolk and in providing excellence in sports coaching and in helping with sports education at some 220 Norfolk schools. During the presentation Mr Bramble and Mr Knowles spoke about the NCCSF's approach to Norfolk County Council and Norwich City Council to attempt to secure the Horsford Playing Fields and former Manor House as a site on which to coordinate NCCSF activities (details of which could be found at page 67 of the agenda).

2B.2 Devolution.

The Chairman said that there had been significant developments with regard to the devolution agenda since the Policy and Resources Committee had received a report on this matter in March 2016 and in particular since the change of Leader following the Council AGM on 9 May 2016.

2B.2 The Chairman reminded Members that in March 2016 the Committee had authorised the Leader, with key officers, to continue to represent Norfolk's best interests in the next stages of the process of designing a scheme of governance and a business plan. At Full Council in April 2016, despite concerns about the requirement for an elected Mayor, Members had voted, by 70 to seven, to continue negotiations with the Government. To assist with that process, Andy Wood, the former Head of the New Anglia LEP, had been appointed as the Independent Chair for the East Anglia Leaders' Group. Andy Wood was negotiating directly with the Government on the County Council's behalf on the detail of the deal, such as on the amount of money that would be made available.

2B.3 Since the time of change of Leader at the County Council, there had been a number of meetings with East Anglian Leaders and others and discussions had led to a proposal for delivery of the original deal on the basis of two combined authorities and two mayors – the so-called 'brother and sister' deals for Norfolk & Suffolk, and Cambridgeshire & Peterborough. This would mean all 23 councils and both LEPs would be involved in the process, while making sure decisions were brought closer to home than had previously been the case. There would still be an overarching structure to join up the two combined authority areas. Individual working groups were developing the functions – such as transport infrastructure, housing and so on - all of which had Norfolk input and representation.

2B.4 In reply to questions about the revised timetable for when the devolution proposals would be considered by Full Council, the Chairman and the officers involved in

these negotiations added that a special Council meeting was convened for 27th June 2016 when Members would be asked if they wished to endorse the deal document and the scheme of governance and to agree for the governance arrangements to go out to public consultation. The results would then be reported at the end of August 2016 and, following that, the Council would be expected to have a final debate on the subject at Full Council in October 2016 after which the Secretary of State could be asked to “sign off” on the order.

2B.5 The Chairman explained that he considered it very important that Members were fully briefed by officers on the proposals and, with that in mind, the Chairman said he would be writing later today to all Members offering a number of dates and times to attend briefing sessions. Details about these sessions would be included on Members’ Insight.

2B.6 Note: further details could be found on the devolution website: eastanglia.devo.co.uk which included the answers to a number of regularly asked questions about how the deal could work.

3 **Declarations of Interest**

3.1 There were no declarations of interest.

4. **Item of Urgent Business**

4.1 There were no items of urgent business.

5 **Public Question Time**

5.1 Two public questions (and supplementary questions) were received relating to the Syrian Refugee Crisis. The questions together with the answers that were provided during the meeting can be found as an appendix to these minutes.

6 **Local Member Issues—Great Massingham School**

6.1 Mr J Dobson said that Great Massingham School was no longer receiving an equitable deal regarding broadband provision. He wanted to see a system of subsidies introduced to restore the level of equity in broadband financing resources for schools such as Great Massingham that had existed previously. He said that this matter was examined by the Broadband for Schools Working Group, however, the Group had been unable to come up with a solution. He suggested that the Broadband for Schools Working Group should be reconstituted to re-examine the issue.

Please also see minute 15 regarding the outcome of the Broadband for Schools Working Group.

Section A – Items for Discussion and Decision/Action

- 7 **Revenue Budget 2016-17 – Proposals for Allocation of Transitional Funding and Rural Services Delivery Grant**
- 7.1 The annexed report (7) by the Executive Director of Finance was received.
- 7.2 The Committee received a report by the Executive Director of Finance that provided a summary of the proposals for the use of Transition Grant funding and additional Rural Services Delivery Grant held in the budget for 2016-17, in respect of the services which fell under its responsibility.
- 7.3 The Committee noted that at the next meeting Members would be able to consider the outcomes of all Service Committees' recommendations in order to consider and approve a balanced package of proposals to the County Council for approval in July 2016.
- 7.4 After considering the report in some detail Members asked for more information to be provided at the next meeting about how each of the proposals contained in the appendix to the report would result in significant financial savings and service improvements. In particular, the Committee wanted to receive further information about how the additional funding for the IT service would reduce the number of outstanding ICT incidents and improve overall ICT performance.
- 7.5 **RESOLVED:**
- That the Policy and Resources Committee:
1. Note the proposals, and proposed priority ranking, relating to services which fall under its responsibility;
2. Note the slightly amended timetable for the approval of proposals for the whole Council, in July.
- 8 **Queen's Speech - May 2016**
- 8.1 The annexed report (8) by the Head of Business Intelligence and Corporate Planning which provided an outline of some of the key Bill's announced in the Queen's Speech delivered on 18 May 2016 was received.
- 8.2 Dr M Strong drew the Committee's attention to the various aspects of the Digital Economy Bill. She said that it was importance Members were kept informed at future meetings about developments regarding the suite of measures that were contained in this Bill.
- 8.3 **RESOLVED:**
- That the Policy and Resources Committee note the report.
- 9 **Medium Term Financial and Service Planning 2017-18 to 2019-20**
- 9.1 The annexed report (9) (with the supplementary agenda) by the Executive Director

- of Finance and the Head of Business Intelligence and Corporate Planning was received. The report provided an update on the Council's budget process, and guidance to Service Committees on the actions required to support a balanced budget for 2017-18.
- 9.2 The report included the draft County Council Plan that provided strategic direction for the Council, to guide and shape choices about investments and priorities for the coming medium term period – 2016-2019. The report also established a framework for the Council to meet the Government's requirements for the adoption of an Efficiency Plan, which would ensure the Council was positioned to gain access to the funding guarantees offered by the Government for the period to 2019-20.
- 9.3 The Committee noted that the main aim of the Medium Term Financial Strategy was to ensure a four year balanced budget to aid forward planning and help mitigate financial risk.
- 9.4 Members drew attention to the assumptions regarding Council tax increases that were contained within the report and in particular the assumption in 2017-18 of a CPI increase in council tax above the 2% Adult Social Care precept. It was noted that a reduction in this increase would require additional savings to be found. It was pointed out that while the 2017-18 budget included £5.000m for wider social care pressures, there was a risk that this would not be sufficient for all of the pressures faced in these areas, adding to the £8.827m budget gap for 2017-18. In particular, local negotiations with Health partners in respect of the Council's share of the Better Care Fund had not yet been completed, with funding of £7.900m at risk. The Committee would be kept informed of developments regarding the Better Care Fund at future meetings.
- 9.5 **RESOLVED:**
- That the Policy and Resources Committee:
1. Confirm the priorities, measures and targets set out in the County Council Plan and recommend these to Full Council;
 2. Note the budget gap of £8.827m forecast in the Council's current Medium Term Financial Strategy for 2017-18;
 3. In order to help close the 2017-18 budget gap as set out in section 3 of this report, request for Service Committees to consider during the June / July Committee cycle:
 - a) which of their savings identified for 2018-19 have the capacity to be brought forward, and
 - b) to identify alternative new savings for 2017-18;
 4. Approve the proposed timetable and process for adoption of an Efficiency Plan.
- 10 **NORSE Group Business Plan 2016-2020**
- 10.1 The annexed report (10) report by the Managing Director of the Norse Group Ltd was received. The report included the Norse Group Business Plan for 2016-2020

- for sign-off by the Committee in accordance with the new governance arrangements.
- 10.2 In reply to questions, the Managing Director of Norse Group Ltd said that the Shareholder Committee received regular reports about the Norse Group's financial performance and business development opportunities and had arrangements in place to deal with the financial challenges to its operating costs such as the introduction of the Living Wage and the pension deficit.
- 10.3 **RESOLVED:**
- That the Committee confirm the Business Plan reflects the aspirations of the Shareholder.
- 11 **Disposals and leasing of properties**
- 11.1 The annexed report (11) by the Executive Director of Finance was received.
- 11.2 The Committee received a report by the Executive Director of Finance that recommended approval for the dispose of two land holdings by private treaty in pursuance of the Council's economic and social priorities. In addition, the report recommended that the Committee formally declare a further 80 properties surplus to Council requirements so that the Head of Property could continue with the assessment of options for development or immediate disposal for each asset. Final decisions on the method of disposal of each asset would be subject to a further decision process in accordance with Financial Regulations.
- 11.3 The Executive Director of Finance confirmed that the local Member protocol had been applied in respect of all of the parcels of land included in the report and that he would be happy to answer any local Member questions about the disposal of each of these assets if Members were to email him after the meeting.
- 11.4 The Committee was reminded of the presentation about the Horsford Playing Fields and former Manor House that they had received from Norwich City Community Sports Foundation at the start of the meeting. The Executive Director of Finance said that the Norwich Rugby Club and the parish councils in the surrounding area had also shown an interest in the site. Hellesdon Parish Council had drawn attention to a growing deficit of formal recreation spaces in the surrounding area and had indicated that they might be prepared to bid for the playing fields if they were offered on the open market.
- 11.5 It was moved by Mr G Nobbs, seconded by Mrs H Cox:
- "That the Committee approve the first of the two options set out in the report in respect of the Horsford Playing Fields and former Manor House (currently leased), namely, the sale of the land to Norwich City Community Sports Foundation, subject to final terms to be agreed by the Executive Director of Finance in consultation with the Chair of P&R."
- 11.6 On being put to the vote there were 8 votes in favour and 8 votes against the

motion and on the casting vote of the Chairman the motion **FELL**.

11.7 It was then:

RESOLVED (with 15 votes in favour and 2 votes against)

That the Policy and Resources Committee:

1. Formally declare Carrow House surplus to council requirements and instruct the Head of Property to bring forward options and recommendations for development or disposal to a future P&R Committee meeting.
2. Formally declare Kings Street Stores surplus to council requirements and instruct the Head of Property to bring forward options and recommendations for development or disposal to a future P&R Committee meeting.
3. Formally declare the 11 other service buildings and sundry land holdings (Appendix 1 to the report) surplus to council requirements and instruct the Head of Property to bring forward proposals for development or disposal at future P&R Committee meetings.
4. Formally declare the 67 former Highway landholdings (Appendix 2 to the report) surplus to council requirements and authorise the Head of Property to implement a programme of property disposals to maximise income for the council.
5. Approve disposal of a part or the whole of Land at London Road, Attleborough to Eastern Attachments Ltd. at full market value and terms to be approved by the Executive Director of Finance in consultation with the Chair of this Committee.
6. That in respect of the Horsford Playing Fields and former Manor House (currently leased): approve the marketing of the land for recreation use and invite financial bids with proposals for the development of facilities so that the decision can take account of community benefits.

12 **Potential Use of Cash Balances**

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

12.2 The Committee received a report by the Executive Director of Finance that explained the process whereby the Leader, in conjunction with the Executive Director of Communities and Environmental Services and the Executive Director of Finance, together with the LEP, had agreed in March 2016 on a conditional offer for the use of the County Council's cash balances that was presented to the Baxter Healthcare Board of Directors in March 2016.

12.3 The proposal (explained in detail in the report) for the use of cash balances offered a grant of up to £4m to support experimental development projects linked directly to Baxter Healthcare's Thetford operation.

12.4 It was pointed out that the offer would be subject to the provision of a satisfactory business case, demonstrating conclusively that the grant would not contravene EU

State Aids regulations.

- 12.5 The collective offer which had already received the agreement of the LEP met with the formal approval of the Committee at this meeting.

12.6 **RESOLVED:**

That the Policy and Resources Committee:

1 Endorse the conditional proposal made in February 2016, by the Leader, Executive Director of Communities and Environmental Services and the Executive Director of Finance, to provide a line of credit to the New Anglia LEP in order to fund the proposed £4m grant package to Baxter Healthcare. Any payments the Council make will be repayable within 5-10 years, with interest at a rate to be agreed:

- Initially to be ready to assist if required with the proposed £2.005m grant package towards the Research and Development element of the planned investments announced by the company.
- To be ready to assist, if required, with the provision of an additional £2m grant package to support further Research and Development activity that may emerge as part of future investments in the next 3 years, subject to a separate business case.

2 Recommend to full Council that this project is added to the capital programme.

3 Delegate to the Executive Director of Finance to agree the detail of the loan arrangement with the LEP.

13 **Internal and External Appointments**

- 13.1 The annexed report (13) by the Executive Director of resources was received.

13.2 **RESOLVED:**

That Policy and Resources Committee make appointments to those external bodies, internal bodies and Champions position as set out below.

Local Government Association

1. LGA General Assembly (4) – 2 Cons, 2 Lab

Cliff Jordan (4 votes)
Alison Thomas (1 vote)
George Nobbs (1 vote)
Mike Sands (1 vote)

2. County Council Network (4) 2 Cons, 1 Lab, 1 Lib Dem

Cliff Jordan
Alison Thomas
George Nobbs
Marie Strong

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

Cliff Jordan
George Nobbs (substitute)

4. LGA Coastal Issues Special Interest Group (1)

Michael Baker

Outside Bodies

1. Greater Norwich Growth Board (1)

Steve Morphew

Internal Committees/Boards/Panels etc

1. Joint Consultative Negotiating Committee (7)

Deputy Leader – Alison Thomas
3 Cons – Andrew Proctor, Tom FitzPatrick, Tony Adams
1 Lab – Emma Corlett
1 UKIP – Michael Baker
1 Lib Dem – John Timewell

2. Member Support & Development Advisory Group (10)

4 Cons – Colin Foulger, Judy Leggett, Tom Garrod, Tony White
2 Lab – David Collis, Julie Brociek-Coulton
2 UKIP – Jonathan Childs, Denis Crawford
1 Lib Dem – Eric Seward
1 Green – Richard Bearman

3. Norse (2)

Shareholder Representative – Barry Stone
Member Director – Ian Mackie (serves on Norse Group Board, NPS Board and NCS Board)

4. Norse Shareholder Committee (7)

Shareholder Representative – Barry Stone
3 Cons – Roger Smith, Bill Borrett, Wyndham Northam
1 Lab – Mick Castle
1 UKIP – Toby Coke
1 Lib Dem – John Timewell

5. Norse Care Liaison Board (2)

Member Director of Norse Board – Ian Mackie
Chairman of Adult Social Care Committee – Bill Borrett

6. Strategic Equalities Group (6)

Deputy Leader (and Chairman) – Alison Thomas

1 Cons – Martin Storey

1 UKIP – Jonathan Childs

1 Lib Dem – Tim East

1 Green – Elizabeth Morgan

Alexandra Kemp

7. Treasury Management Panel (9)

4 Cons – Ian Mackie, Brian Iles, Cliff Jordan, Andrew Proctor

2 Lab – Steve Morphew, Sue Whitaker

2 UKIP – Toby Coke, Michael Baker

1 Lib Dem – Brian Watkins

8. ESCO – Energy Saving Company (1)

Deputy Leader – Alison Thomas

9. Constitution Advisory Group (9)

5 Cons – Andrew Proctor, Alison Thomas, Shelagh Gurney, Bill Borrett, Roger Smith

1 Lab – Steve Morphew

1 UKIP – Toby Coke

1 Lib Dem – Marie Strong

1 Green – Richard Bearman

14 **Syrian Refugee Crisis-Norfolk Response**

- 14.1 The annexed report (14) (that formed part of the supplementary agenda) was received.
- 14.2 The Committee received a report by the Head of Business Intelligence and Corporate Planning that updated Members on the outcome of discussions with the Home Office on Norfolk's proposed Syrian Vulnerable Persons Resettlement (VPR) Scheme.
- 14.3 Members placed on record their thanks to Jo Richardson, the report author, for the work that she continued to put into the Council's actions to develop a robust Norfolk response to the Syrian refugee crisis.
- 14.4 The Committee considered the potential financial implications of participating in the VPR scheme. In particular, the Committee considered the importance of maintaining pressure on the Government for more sound estimates about the potential costs, the possibility of other organisations, including the Norfolk District Councils assisting the County Council in meeting a financial shortfall, and the need for a report to be taken to Children's Services Committee, setting out the

implications of the Minister for Immigration's recent update on new arrangements for unaccompanied asylum-seeking children, to enable Children's Services Committee to fully consider this matter and agree any appropriate actions.

- 14.5 Mr G Nobbs, duly seconded by Mr Morpew, moved the recommendations contained in the report with the additional words:

"That in the meantime the County Council urgently hold discussions with the various organisations involved, including the District Councils, to explore ways of meeting the financial shortfall of £400,000."

On being put to the vote this was **AGREED**, there being 15 in favour and 2 votes against. It was then:

- 14.6 **RESOLVED:**

That Policy & Resources Committee:

1. After taking into account the potential cost implications for Norfolk authorities recommend that a decision be made by Full Council about Norfolk County Council participation in the Syrian Vulnerable Person's Resettlement Scheme.
2. That in the meantime the County Council urgently hold discussions with the various organisations involved, including the District Councils, to explore ways of meeting the financial shortfall of £400,000.
3. That having noted the new arrangements for unaccompanied asylum-seeking children and the Child at risk programme announced by the Immigration Minister, to seek the advice of the Children's Services Committee on the County Council's response.

15 **Broadband for Schools Member Working Group**

- 15.1 The annexed report (15) of the Broadband for Schools Member Working Group was received.

- 15.2 The Committee was assured that each school had been advised as to what was considered to be the best deal for them under the County Council's Broadband for Schools contract and that the new arrangements meant that most schools were likely to see reduced costs and an improved service.

- 15.3 **RESOLVED:**

That the Policy and Resources Committee note:

That, after having carefully considered the motion approved by the County Council in April 2016 that relates to the broadband for schools contract, and having carefully considered the issues that it raises, the Broadband for Schools Working Group was unable to recommend to Policy and Resources Committee a workable, equitable and transparent solution.

Section B – Items for Report

16 Finance Monitoring 2015-16 Outturn

- 16.1 The annexed report (16) by the Executive Director of Finance was received.
- 16.2 The Committee received a report by the Executive Director of Finance that gave Members an overview of the overall financial position of the Council, including the budgets for which this Committee was directly responsible. The report also included the Annual Treasury Management Report which formed an important part of the overall management of the Council's financial affairs.

16.3 RESOLVED:

That the Policy and Resources Committee:

1. Note the Revenue outturn of an underspend of £0.052m on a net budget of £318.428m;
2. Note the General Balances of £19.252m at 31 March 2016, including the 2015-16 underspend of £0.052m;
3. Note the transfers to reserves of CES underspends set out in Appendix 1 paragraph 6.8 to the report, as reported to 11 May 2016 Communities Committee and 20 May 2016 EDT Committee;
4. Note the financial information in respect of Resources and Finance budgets which are the responsibility of this Committee, as set out in Appendix 2 to the report;
5. Note the expenditure and funding of the 2015-15 and future capital programmes as set out in Appendix 3 to the report;
6. **Endorse and recommend to County Council**, the Annual Treasury Management Report 2015-16 as set out in Appendix 4 to the report.

17 Delivering Financial Savings 2015/16

- 17.1 The annexed report (17) by the Executive Director of Finance was received.
- 17.2 The Committee received a report by the Executive Director of Finance that provided details of the outturn position in respect of the delivery of the 2015-16 savings agreed by the County Council at its meeting on 16 February 2015.

17.3 RESOLVED:

That the Policy and Resources Committee note:

- a) the final total shortfall of £13.676m in 2015-16, which has been addressed through actions taken within service budgets, as detailed in paragraph 2.8 of this report;
- b) the budgeted value of 2015-16 savings projects rated as RED of £18.865m, of which £5.023m were delivered;
- c) the savings shortfall on AMBER rated projects of £0.204m; and

- d) the over-delivery of GREEN and BLUE rated projects totalling £0.370m.
- 18 **Notifications of Exemptions under Contract Standing Orders**
- 18.1 The annexed report (18) by the Executive Director of Resources was received.
- 18.2 **RESOLVED:**
- That as required by paragraph 9.12 of the Council's Contract Standing Orders, Policy and Resources Committee note the exemptions that were granted under paragraph 9.11 of Contract Standing Orders by the Head of Procurement and Head of Law in consultation with the Chairman of Policy and Resources Committee that are over £250,000.
- 19 **Asset Management Plan**
- 19.1 The annexed report (19) by the Executive Director of Finance was received.
- 19.2 The Committee received a report by the Executive Director of Finance that summarised progress over the past year against the Asset Management Plan 2015-18 work plan and highlighted changes to service requirements as well as other developments in asset management that had implications for property priorities going forward.
- The Executive Director of Finance confirmed to the Committee meeting that the reference to the Kings Lynn incinerator on page 209 was an error and that the document would be amended accordingly.
- 19.3 **RESOLVED:**
- That the Policy and Resources Committee:
1. Agree the priority areas outlined in paragraph 7 of the report to form the basis of the new AMP Work Plan 2016-19.
2. Instruct the Head of Property to prepare and publish a new AMP document for 2016-19 incorporating the updated context, priorities and work plan.
- 20 **County Hall Programme**
- 20.1 The annexed report (20) by the Executive Director of Finance was received.
- 20.2 The Committee received a report by the Executive Director of Finance that provided details about the completion of the county hall programme, details of the challenges that remained and how these were being overcome. The report also highlighted the need for future ongoing investment in the maintenance of the building to ensure that the benefits of the major investment made by the County Hall Programme were delivered over the next 25 years.
- 20.3 **RESOLVED:**

- a. To note the completion of the County Hall Programme.
- b. To commission a further report on future planned maintenance at County Hall.

21 Decisions Taken Under Delegated Authority

21.1 The Committee received a report (21) by the Managing Director that set out decisions taken in relation to property matters by officers under the “hierarchy of decision making” since the report to the previous meeting.

21.2 RESOLVED:

To note the report.

The meeting concluded at 12.15 pm

Chair

Appendix A

Public Questions - Syrian Vulnerable Person’s Resettlement Scheme

Jim Elliott

Question to P&R committee:

Will the Leader and this committee agree that Norfolk as a compassionate county has failed to meet European and international humanitarian commitments to Syrian and other refugees and that by bringing 50 orphans to live in suitable accommodation for the next 5 years of their development prior to them returning home to a safe environment (if it was deemed to be safe by the United Nations) or having their permit to stay extended would show that we can act compassionately now that only an estimated £400,000 shortfall is needed over a 7 year period (it has taken since last September to get this report and it seems that it could be another 2 months possibly before Full Council is informed and debates this issue)

Response to question:

“No, Norfolk has not failed to meet any national, international or indeed moral commitments to refugees. We have engaged fully with Government in the design and costing of a scheme that will ensure any refugees, if or when they reach Norfolk, will be supported by a carefully tailored programme to meet their highly specialist needs.

Furthermore, the question is confused, as the resettlement of Syrian refugees is separate and distinct from initiatives recently announced by central Government to accommodate unaccompanied asylum-seeking children in the UK. The Minister for Immigration wrote to the Council on 13 May setting out preliminary details of these new initiatives. This Committee is therefore seeking the advice of Children's Services Committee on the County Council's response."

Supplementary Question

Will Norfolk today commit that by 1st August 2016 it will agree to take 50 unaccompanied children from Greece, Italy or France who were registered there before 20 March 2016 (paragraph 3.2.1 (v) on page 110 of the agenda refers).

Response to question:

No, will have to wait and see what the Committee decides about the Syrian refugee crisis later in the meeting.

Jean Thirtle

Question to P&R committee:

The council made a commitment to bring 50 Syrian refugees to Norfolk, subject to receiving appropriate funding from central government. You are now saying that you may have to reconsider this decision because what the government is prepared to pay falls short of your cost estimate by £400,000. Are you saying that if you feel unable to provide the ideal level of support, as set out and costed in your proposal to the Home Office, you think it is better to do nothing and leave these people - including children, pregnant women and the elderly - to spend another winter sleeping in fields, at railway stations and in squalid camps in Greece?"

Response to question:

"The Government scheme to resettle Syrian refugees will bring people from camps around the Syrian border – not from Greece. To date, the Government has sufficient pledges from councils to house the numbers of refugees that the UK is receiving. The Home Office remain keen that places like Norfolk retain the option of accepting refugees in future years of the programme – when the need for places may become more urgent."

Supplementary Question:

Other areas of the country have agreed to take more refugees than Norfolk: will Norfolk take similar numbers of refugees to those of other counties?

Response to question:

Will have to wait to see what commitment Norfolk County Council makes when it decides on this matter.

APPENDIX B

Two questions pertaining to the properties to be declared surplus were asked during the meeting:

1. Litcham car parking space; is the rent being received?

The rent is 20p a year, so the rent is not being invoiced. NCC's interest in the car parking space was transferred to the Parish Council. We can instruct NPS to terminate the licence, which would incur fees but provide final resolution.

2. Income generated from surplus properties; is this market rate?

The spreadsheet below answers this question.

Parish	Site Name	Notes	Occupied?	Occupation documented?	Rent - £/yr
Aylsham	Drill Hall	Current arrangement is ending	Y	Y	n/a
Belton	Land adjoining New Road	To neighbours as garden extensions	Y	Y	£1
Diss	Land at Church Street carpark	part of SNDC car park	Y	Y	£225
East Ruston	Meadow adjoining Weavers Way carpark	grazing	Y	Y	£79
King's Lynn	Land and gatehouse at Austin St	Of land only to KLWNBC	Y (part)	Y	n/a
Northrepps	Former Cromer High Station	For car parking	Y	Y	£2,210
Norwich	King Street Store	For car parking & storage	Y	Y	£9,900
Stibbard	Land at Fulmodeston Road (for village sign)	For Village sign by Parish Council	Y	Y	n/a
Thetford	Warehouse	For display/storage by local museum	Y	Y	£4,500
Trimingham	Campsite	For cabin by charity	Y (part)	Y	£600

For the most part the licences were entered into to protect NCC's interest, rather than generate an income, and they generally date back quite a few years.



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Policy and Resources Committee

Item No 7.....

Report title:	Implications of EU Referendum outcome
Date of meeting:	18th July 2016
Responsible Chief Officer:	Dr Wendy Thomson, Managing Director
Strategic impact The outcome of the EU Referendum will have consequences for many aspects of the Council's role and functions and for Norfolk as a whole.	

Executive summary

The result of the EU referendum on June 23rd 2016 will have implications for local government and for the nation as a whole. At this stage there are more questions than answers but this paper sets out some of the issues which will need to be considered and closely monitored over the coming months.

Recommendation: Members are asked to note this report and agree that as more information becomes available, further reports are brought before relevant Committees.

1. Background

- 1.1 The result of the EU referendum on June 23rd 2016 will have implications for local government and for the nation as a whole. This paper sets out some of the issues which will need to be considered and closely monitored over the coming months. The LGA has produced a briefing '[Leaving the European Union, 30 June 2016](#)' which is appended to this report at Appendix A. Members are invited to read this briefing for information about the process for exiting the EU, and the impact on local government's role in service provision and as leaders of place.

2. EU Programmes in Norfolk

- 2.1 This paper particularly focuses on existing EU programmes covering Norfolk, and those with which Norfolk County Council is directly involved in delivering.
- 2.2 Norfolk County Council and Norfolk plc has historically benefited from European programmes and has built up substantial expertise in designing, managing and delivering European projects and programmes.
- 2.3 European funding in Norfolk has been spent on a variety of activity
- Economic growth and regeneration (for example supporting small businesses to start and grow)
 - Skills, worklessness and employment support (for example, supporting unemployed people back into work)
 - Environmental protection (for example, support for landowners to create

- wildlife habitats)
 - Research and development (for example, support for universities to undertake research)
 - Agricultural support via the common agricultural policy (for example subsidies for farmers; grants for rural economic growth)
- 2.4 The main funding streams that the Council has benefited from are national programmes – such as European Regional Development Fund (ERDF) and European Social Fund (ESF) – and interregional programmes such as 2Seas, the North Sea programme and, more recently, the France (Channel) England programme. These funds have delivered employability and skills projects, job creation, business start-ups, rural growth and innovation.
- 2.5 In the current European programming period (2014-20) there is a national emphasis on job creation and economic growth, and a European emphasis on ensuring member states are able to compete on a global scale. Appendix 2 sets out an estimate of the value of EU funded programmes to Norfolk.
- 2.6 Currently the Council is involved in the management and delivery of a number of programmes in conjunction with the Local Enterprise Partnership (LEP) and Suffolk County Council (SCC). These include the national European Structural and Investment Funds which comprise ERDF, ESF and the European Agricultural Fund for Rural Development (EAFRD). The Council employs facilitators for these programmes to help develop a pipeline of projects for funding, and to support applicants to submit competitive bids. In addition, the Council is the accountable body contracted with Defra on behalf of 5 Local Action Groups who approve applications for LEADER funds. This programme provides grants to Norfolk's rural businesses to support growth and diversification.
- 2.7 In 2013 the Council bid for the management of an "Interreg" programme and became the first Local Authority to establish an Interreg programme Managing Authority in England. The France (Channel) England Programme (FCE) promotes cooperation between parts of France and the UK. The programme brings with it funding for programme staff, programme management and responsibility to meet spending targets. The FCE Programme has just approved its first project with a value of circa 8 million Euros. UEA is a key partner in this project.
- 2.8 As a Managing Authority we are privy to detailed national and European discussions around the impact of the referendum. This has raised the profile of the Council within Europe considerably and has brought with it increased expertise around project development, project appraisals and compliance systems.
- 2.9 A driver for the Council towards self-sufficiency has been to maximise external income to the Council. To this end a Corporate Bid Team has been established, working across the Council to maximise external funding into our services to help meet our priorities. EU funding was considered a key source of funding to deliver this change.

3. Implications on EU funded programmes

- 3.1 To date there is little information about how European funded programmes will be managed in the run up to Britain leaving Europe. Currently the message from most programmes is that "business as usual" will apply. The preferred scenario is that programmes that are currently underway continue to operate as normal and

run to their natural conclusions perhaps under a negotiated legacy arrangement once the UK has left the EU. This will allow the UK to continue to benefit from European investment it has already contributed to and will be the least costly way to end UK involvement in these programmes.

- 3.2 In practical terms, the Council's working assumption is that the current funding for programmes continues to be drawn down before exit happens – something which could be a minimum of two years away. In global terms, the Council employs approximately 35 FTE staff to manage and deliver the programmes we are responsible for, all fully funded by the relevant EU programme.
- 3.3 On a wider scale, the speculation risks creating uncertainty for the national and local economy. Many of the programmes delivered through EU funding support skills, enterprise, training, development and innovation – all of which remain high priorities for Norfolk.
- 3.4 Nationally, the Local Government Association is lobbying the Government to ensure local government has a seat at the table in discussions about any future regulations, and is calling for a guarantee that English councils will still receive the £5.3 billion allocated from EU funds. The LGA has said regeneration funding is vital to avoid growth-boosting projects stalling, and is seeking early discussions with Government about involvement in exit negotiations.

4. Implications for other council functions

- 4.1 EU legislation and regulations touch many aspects of council business. Brussels provides the regulatory framework for a range of services such as waste, employment, the environment, consumer protection, health and safety, public procurement and trading standards. This paper discusses the key areas of procurement and employment. As further information becomes available, there will be more clarity about regulatory impact across council services.
- 4.2 **Procurement** is governed by the Public Contracts Regulations 2015, which implement the EU Public Procurement Directive. EU directives will remain in force until repealed by Parliament, even when we leave the EU. If we remain in the single market, we will still be subject to the EU procurement regime. If we leave, it is likely that we will still have detailed regulations governing public procurement. However, more pressing will be the short-term risks associated with a lower exchange rate on goods and services we or our suppliers import.
- 4.3 **Employment** – the Council employs a number of EU nationals but as it has no reason to, does not automatically collect data on nationality; only their eligibility to work is checked. The right to work in the UK will form part of the UK's new trading relationship with the EU. Some EU nationals already employed in the UK may have already acquired rights, depending how long they have been here. There is no immediate change in anyone's right to work. In the longer term if movement from the EU is restricted, the Council will face labour shortages in areas where it has relied upon immigrant workers, such as highly technically skilled areas and the care sector. Any uncertainty about working status in the future could pose recruitment problems with a knock on effect on service provision.

5. Financial Implications

- 5.1 Medium term service and financial planning will take into account the implications as they become clear.

6. Risk implications

- 6.1 The main risks around exiting the EU are the uncertainty it creates. Over the course of the coming months, a clearer timescale will become apparent and greater clarity about specific implications should emerge. It is recommended to include the implications as a risk on the Corporate Risk Register to anticipate issues and put in place mitigation where this is possible.

7. Recommendation

- Members are asked to note this report and agree that as more information becomes available, further reports are brought before relevant committees

Officer Contact

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

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

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Local Government Association

Briefing, Leaving the European Union

30 June 2016



BACKGROUND

Many organisations have called for a period of reflection as we consider the next steps after the referendum result. This briefing offers a framework for local government's own discussions in order to help prioritise those issues that are most important to councils.

There was a diversity of views among local government about Britain's membership of the European Union (EU). To reflect this, the Local Government Association (LGA) remained neutral during the referendum campaign.

Immediately after the referendum result was known, the LGA made a public statement¹ emphasising councils' role in bringing communities together and asking for a guarantee for the £5 billion of local regeneration resources which are currently sourced from the EU. We have also pressed for local government to be part of the Government team, in both Brussels and Whitehall, which develops the exit plan.

EXITING THE EU

The process for withdrawal is established in Article 50 of the EU Treaty and this has never been tested. The next step for Government is to give the European Council formal notice of UK withdrawal. A two-year timescale for exit negotiations begins at this point. In his resignation speech, the Prime Minister indicated that his successor would initiate such an exit negotiation. By agreement with all Member States, the two year timescale can be extended. During the period of exit, the UK remains a member of the EU, EU regulations apply in the UK, and the UK will continue to send representatives to EU institutions and meetings.

There are likely to be three inter-linked, but formally separate, negotiations: the EU exit negotiations, redefining the UK's future relationship with the EU and its member states, and redefining trade relationships with the rest of the world.

The EU exit negotiations (Article 50) do not necessarily have to define future relationships with the EU or other nations. Only EU exit negotiations are confined by the two-year deadline. Trade deals in particular typically take many years to complete.

HOW THIS AFFECTS COUNCILS AS PROVIDERS OF SERVICES

EU regulation impacts on many council services. The regulatory framework for a range of services such as waste, employment, the environment, consumer protection, health and safety and trading standards originates in Brussels, as does

¹ For further information please read: http://www.local.gov.uk/web/guest/media-releases/-/journal_content/56/10180/7870973/NEWS

Briefing

the legal framework for public procurement. In the medium term, the UK has choices about how and where future rules are formulated. Substantial new legal arrangements will have to be drafted for public services which have to date been based on EU regulation. Any new framework would be influenced by the exit negotiations which could range from a Norwegian-style model based on a close association with the EU to a more detached Swiss-style model.

The LGA is currently mapping out those aspects of local government service delivery that have origins in EU law or regulation. We are focusing on the service area which are most likely to be covered by EU laws: environmental policy, air pollution, energy, waste, workforce and employment, procurement, state aids, regional policy, regulatory services, VAT and data protection. We are asking for your comments on where you would benefit from further focus.

Our understanding is that because EU Directives have become enshrined in our law, they could continue to apply even after we leave the EU, unless specifically repealed by the UK Parliament. However EU Regulations will cease to apply. We will be seeking further clarification on this point and will keep you updated.

FUTURE OF EU STRUCTURAL FUNDS

Immediately for councils, there will be a risk to local regeneration funding, worth £5 billion in England (2014-2020). It is important for the Government to guarantee it will protect this vital funding to avoid essential growth-boosting projects stalling and local economies across England being stifled.

The LGA has already registered this important issue with Ministers and our call has been reported widely by the media.²

Councils have also asked the LGA to look at how the framework covering state-aids for businesses could be developed in future in the absence of EU competition rules.

OUR ROLE IN THE NEGOTIATION PROCESS

Given the importance of the EU exit to most aspects of local government service provision, we have already asserted that local government must have a central role in exit negotiations. We were concerned Government's formal exit publication states that "the UK Parliament and three devolved administrations would consider how to replace EU laws, including how to maintain a robust legal and regulatory framework where they had previously depended on EU laws"³. There is no mention of England or local government

We have raised this issue and are seeking to establish some points of principle for local government as the framework for exit negotiation is developed. These could include:

- We would not support a simple transfer of powers from Brussels only to Whitehall.

² Further information available at: <http://www.bbc.co.uk/news/uk-politics-eu-referendum-36628906>

³ Further information available at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/504216/The_process_for_withdrawing_from_the_EU_print_ready.pdf

- The new legal and regulatory framework needs to be based upon the principle of subsidiarity. If services are delivered locally, we should assume that such powers should be framed at that level of government.
- There is an immediate “England and local government” gap in the Government’s negotiation plan. This needs to be highlighted and we could volunteer local leaders to be actively involved in formal negotiations as equals to colleagues from the three devolved nations, sitting alongside the national ministers.
- The sheer scale of the negotiations that need to be undertaken by Government calls into question whether it has the capacity and staffing to deliver. The civil service may need to focus on our international trade agreements and we could offer to lead the negotiations where services are delivered locally (for example on economic development and waste).

We understand that our call for a role for local government in negotiations has been registered and we are considering the priority issues of most importance to councils. We have agreed to work closely with civil servants in both Brussels and Whitehall over the next few months as exit negotiations are developed.

HOW THIS AFFECTS COUNCILS AS LEADERS OF PLACE

Councils, of course, have a much wider role in their communities and local government is going to be central in bringing communities together following this vote. The implications of exit are wide-ranging. Business will want to consider future international trade, universities will want to consider new sources of research funding and farming communities will need a response to promises to replace Common Agricultural Policy receipts with domestic funds. There will also be uncertainty for workers in jobs who were born outside the UK but within the EU and for UK citizens who have retired outside the UK to other EU nations.

The LGA has already made a public statement emphasising councils’ role in bringing communities together. The Prime Minister has raised concerns about the rise in hate crimes and “verbal abuse hurled against individuals because they are members of ethnic minorities”.⁴ The LGA will be bringing together national partners to ensure that we are prepared to support councils as leaders of place and community cohesion. Our website is currently being updated to include examples of good practice from councils around the country.

The referendum debate raised many local concerns about jobs, homes and the health service. Devolution deals offer the opportunity for more effective local public services and it will be important that the impetus on the devolution agenda be maintained.

This paper does not speculate on the medium and long-term market reactions or long-term trends in the housing market. However, the importance of councils as facilitators of local economic development and coordinators of place is likely to be of greater importance in the future. Councils have raised a number of issues for the LGA and Government departments to consider and we are keen that councils continue to any further raise issues for the LGA to table in discussions with Government.

The LGA will want to consider what support councils will need as convenors of place over the next few months as they work with businesses, residents and other

⁴ Further information available at: <http://www.bbc.co.uk/news/uk-politics-eu-referendum-36643213>

parts of the public sector to assess the impact on a whole place. Local government's formal position in the exit negotiations will be key and there may be an important role for the LGA to provide the channel for local concerns to both Government and other national organisations during national negotiations.

FURTHER INFORMATION

This briefing is intended to support councils' thinking as the nation prepares for formal exit negotiations from the EU.

The LGA would be grateful for views from councils in order to help prioritise issues of importance to local government. Such responses will be of great importance to ensure that the voice of local communities is fed into formal exit negotiations.

The LGA is forming a unit to examine the implications on local government of the UK leaving the EU. This team will be led by Ian Hughes, Head of Policy (please send any queries to Lee Bruce, Public Affairs Manager, lee.bruce@local.gov.uk in the first instance).

Value of EU Programmes in Norfolk**Table 1**

Nationally distributed Programmes	Area	Value of ERDF	Apportionment to Norfolk on population figures
ERDF	New Anglia Local Enterprise Partnership Area	£39,296,113	£21,349,570
ESF	New Anglia Local Enterprise Partnership Area	£37,207,563	£20,214,869
EAFRD	New Anglia Local Enterprise Partnership Area	£13,216,058	£7,180,284
LEADER	5 LAG areas in Norfolk	-	£9,160,976
Interreg	Eligible Areas		
France (Channel) England	Parts of France and England	£179,268,293	£6,418,049
Two Seas	Parts of France, England, Belgium, Netherlands	£191,219,512	£5,724,822
North Sea	Parts of UK, Belgium, Netherlands, Germany, Denmark, Sweden, Norway	£133,739,837	£1,935,251
North West Europe	Parts of Ireland, UK, Belgium, Luxembourg, Switzerland, France, Germany, Netherlands	£316,097,560	£1,524,672
Interreg Europe	All European nations plus Switzerland and Norway	£291,869,919	£486,384
CAP	Funds farming, wildlife and rural businesses and the wider economy	Value to England £15 billion	Apportionment to Norfolk on land mass £601 million

Population statistics: Source EuroStat; Exchange rate at 1.23 (close on 24th June 2016)

Policy and Resources Committee

Item No...8...

Report title:	Finance monitoring report P2 May 2016
Date of meeting:	18 July 2016
Responsible Chief Officer:	Executive Director of Finance
Strategic impact The Annexes to this report summarise the Period 2 (May 2016) forecast financial outturn position for 2016-17, to assist members to 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 2016-17 Revenue and Capital Budgets, General Balances, and the forecast Council's Reserves at 31 March 2017, 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 £9.503m.
- note the forecast General Balances at 31 March 2017 of £19.252m, before taking into account any over/under spends;
- a) agree to the use of the Corporate Business Risk Reserve specifically to fund:
 - (i) £5.155m, to manage the identified additional budget pressures from the cost of care review and national living wage, and assumed in the forecasts contained within this report; and
 - (ii) £5m to protect social care due to a reduction in funding allocated within the Better Care Fund.
 as proposed in the Adult Social Care Finance Monitoring Report Period 2 (May) 2016-17 and agreed at 4 July 2016 Adult Social Care Committee.
- note the forecast financial information in respect of Resources and Finance budgets which are the responsibility of this Committee, as set out in Appendix 2;
- note the revised expenditure and funding of the 2016-20 capital programme as set out in Appendix 3.

1. Introduction

On 22 February 2016, the County Council agreed a net revenue budget of £338.960m. 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

Appendix 2 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.

Appendix 3 summarises the forecast capital outturn position, and includes

- Changes to the capital programme
- Future years capital programmes
- Capital programme funding
- Forecast and actual income from property sales

3. Financial Implications

As stated above, the forecast revenue outturn for 2016-17 is an overspend of £9.503m. Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. Chief Officers are responsible for taking measures to reduce or eliminate potential over-spends in-year.

In order to manage considerable cost pressure, the 4 July 2016 Adult Social Care Committee has proposed using the Corporate Business Risk Reserve to fund:

- a)** £5.155m, to manage the identified additional budget pressures from the cost of care review and national living wage, and assumed in the forecasts contained within this report; and
- b)** £5m to protect social care due to a reduction in funding allocated within the Better Care Fund.

Further details are in the Adult Social Care Finance Monitoring Report Period 2 (May) 2016-17 presented to 4 July 2016 Adult Social Care Committee.

The Council's capital programme incorporates new schemes approved by County Council on 22 February 2016, amounts brought forward from previous years' programmes, and any changes in periods 1 and 2 of this financial year.

4. Issues, risks and innovation

Risk implications

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

4.2 A copy of the latest Risk Register was presented to the Audit Committee on 21 April 2016 (agenda item 6, page 25).

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

5. Background

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

Officer Contact

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

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Norfolk County Council

Appendix 1: 2016-17 Revenue Finance Monitoring Report Month 2

Report by the Executive Director of Finance

1 Introduction

1.1 This report gives details of:

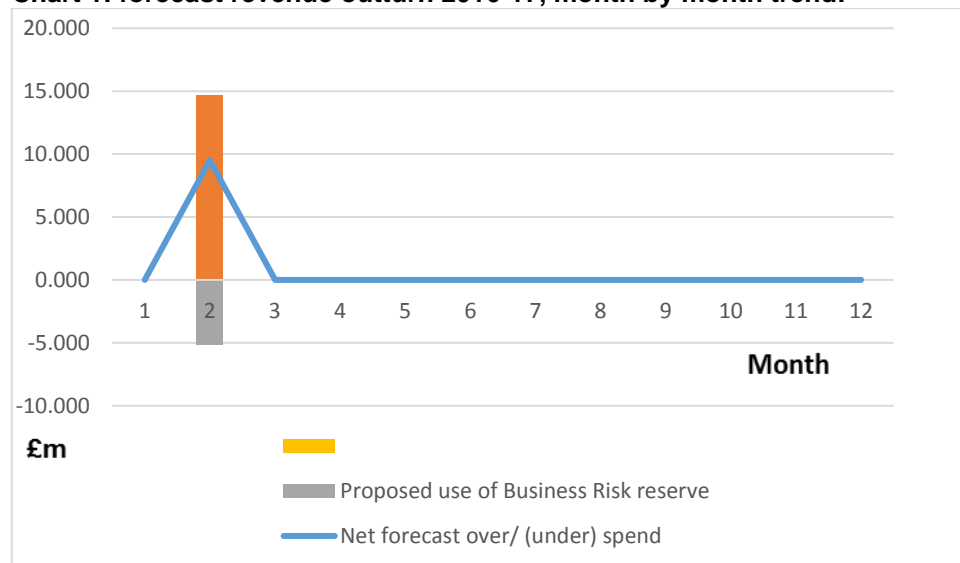
- the latest monitoring position for the 2016-17 Revenue Budget
- forecast General Balances and Reserves at 31 March 2017 and
- other key information relating to the overall financial position of the Council.

2 Summary of financial monitoring position

2.1 At the end of May 2016 (month 2):

An overspend of £9.503m is forecast on a net budget of £338.960m.

Chart 1: forecast revenue outturn 2016-17, month by month trend:



As in previous years, the main areas for the forecast overspend are as follows:

- Adult Social Services: the net cost of services to users (Purchase of Care and hired transport), and risks associated with the delivery of recurrent savings
- Children's Services: Looked After Children numbers remain higher than planned.

2.2 General Balances are forecast to be £19.252m at 31 March 2017, before taking into account any forecast under/overspends.

- 2.3 The Council has earmarked revenue reserves and provisions which are forecast to be £85m at 31 March 2017, anticipating net use of £20m of which £10m is proposed use of the Business Risk Reserve to support ASC cost pressures. Budget planning for 2016-17 anticipated net reserves use of approximately £11m, in addition to use of the Business Risk Reserve which could not be predicted at that time. The Council separately holds schools balances forecast to be £17.499m at 31 March 2017, a reduction of £6m due to forecast use and schools converting to academy status. A detailed summary of reserves balances is shown in section 5.

Agreed budget, changes and variations

- 2.4 The 2016-17 budget was agreed by Council on 22 February 2016 and is summarised in the Council's Budget Book 2016-19. A summary of the budget by service is as follows:

Table 1: 2016-17 original and revised net budget by service

Service	Approved net base budget	Changes to structure	Changes to P2	Revised budget P2
	£m		£m	£m
Adult Social Services	246.852	-	-0.002	246.850
Children's Services	167.290	-	-	167.290
Community and Environmental Services	199.650	-1.330	0.002	198.322
Resources	20.407	1.330	-	21.737
Finance and Property	16.050	-	-	16.050
Finance General	-311.289	-	-	-311.289
Total	338.960		-	338.960

- 2.5 The budget movements in period 2 reflect minor transfers between services. The Council's overall net budget has not changed during the year to date.
- 2.6 In June 2016 the Council's constitution was amended to reflect a change to the Corporate Management Structure, with Public Health moving from Resources into Community and Environmental Services. The budget impact of this change is reflected in the table above.

Control of growth, cost pressures and savings targets

- 2.7 **Planning assumptions:** The key cost pressures identified during the preparation of the 2016-17 budget are shown in the following table along with a brief narrative showing the status of each:

Table 2: 2016-17 key planning pressures

Key planning assumptions	Impact £m	Status
Pay and price inflation – over half the Council's spend is via third party contracts. Effective management of these contracts is critical.	7.886	The Consumer Prices Index (CPI) was 0.3% for the year to May 2016 (April 0.3%). Forecast CPI for 2016-17 at the time of budget setting was 1.2% and is broadly in line with the latest OBR CPI forecasts of 0.9%. Agreed pay increases (1% for most employees) are in line with budget assumptions.
Demand / Demographics – demand for services continues to rise, both through the age profile of the county and through changes to need.	6.324	Long term demographic pressures still apply.
Legislative requirements – including increased responsibilities that come with increased Better Care Fund funding and Public Health funding for 0-5 year olds, increased employers national insurance resulting from the national single tier pension and the impact of the new National Living Wage.	20.678	Financial pressures resulting directly and indirectly from legislative changes are expected to have the predicted impact on budgets.
NCC Policy – including one off investments in the new Social Care systems, a Road Maintenance Fund, supporting people into work and investment in Hethel Technology Park.	2.500	Cost pressures resulting from policy aspirations still apply.
Total 2016-17	37.388	

The figures above are in the context of total cost pressures of £276.595m in the 6 years to March 2017.

- 2.8 **Savings targets:** The key savings targets required for the delivery of a balanced 2016-17 budget are addressed in separate reports to P&R committee.

3 Revenue outturn – forecast over/underspends

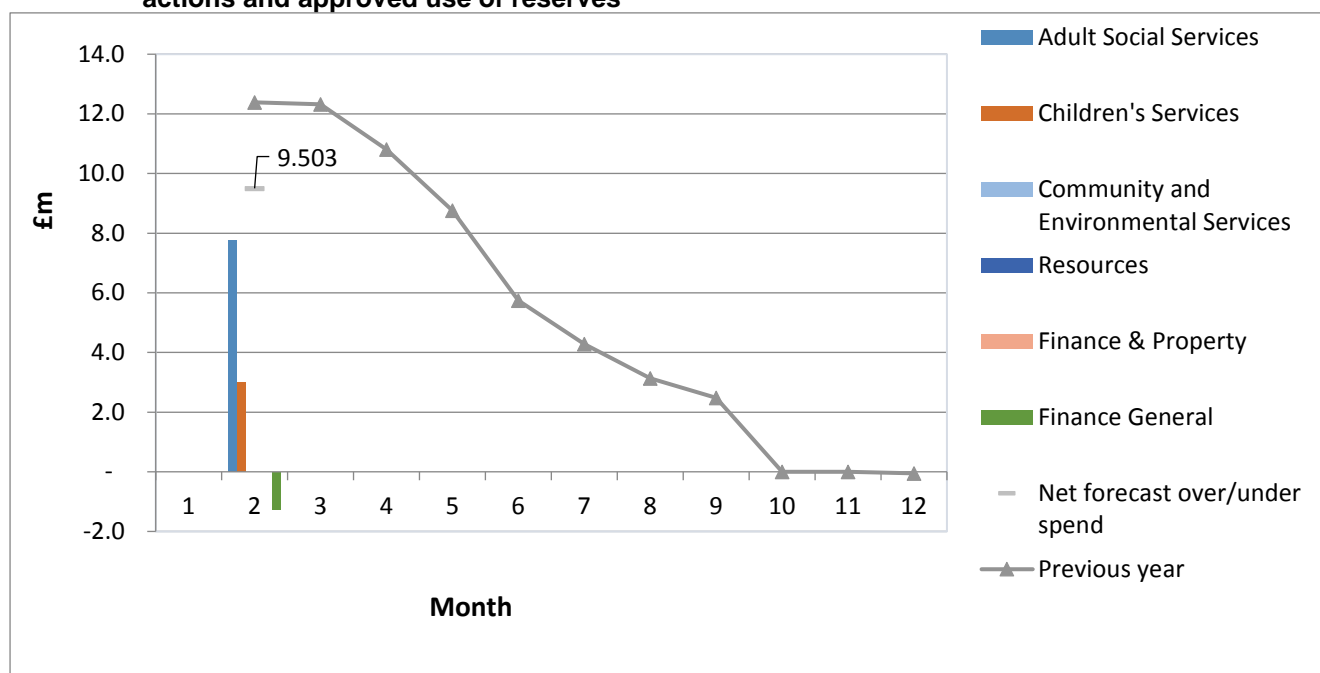
- 3.1 Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. They have been charged with reviewing all of their cost centres to ensure that, where an overspend is identified, action is taken to ensure that a balanced budget is achieved for the year.
- 3.2 Details of all projected under and over spends for each service, together with details 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: 2016-17 projected budget variations by service

Service	Revised Budget £m	Projected net (under)/ over spend after use of reserves £m	%	RAG
Adult Social Services	246.850	7.763	3.1%	R
Children's Services	167.290	3.000	1.8%	R
Community and Environmental Services	199.652	-	-	G
Resources	20.407	-	-	G
Finance and Property	16.050	-	-	G
Finance General	-311.289	-1.260	0.4%	G
Totals	338.960	9.503	2.8%	R

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

Chart 2: service revenue outturn projections 2016-17, by month, after recovery actions and approved use of reserves



The main reasons for the forecast service overspends are as follows:

- **Adult Social Services:** the forecast 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. Further details are given in the 4 July 2016 Adult Social Care Committee Finance Monitoring Report.
- **Children's Services:** The number of looked after children placements has not reduced as quickly as planned and (all other things being equal) this is likely to continue for the foreseeable future. Further details are given in the 28 June 2016 Children's Services Committee Integrated Performance and Finance Monitoring Report.

3.4 **Forecast underspends:** A detailed breakdown of the Finance General underspend is included in Appendix 2.

4 General balances and reserves

General balances

4.1 On 22 February 2016 Council agreed the recommendation from the Executive Director of Finance for a minimum level of General Balances of £19.2m through 2016-17. The balance at 1 April 2016 was £19.252m, and the forecast at 31 March 2017 is unchanged at £19.252m. This forecast assumes a balance budget will be achieved.

Earmarked reserves balances and forecasts

- 4.2 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 Council carries a number of reserves with forecasts as follows:

Table 4: actual and forecast revenue reserves and provisions by service

Reserves and provisions by service	Opening balance	Current Balance	Forecast closing balance
	£m	£m	£m
Children's Services	7.673	6.381	5.423
Children's Services (DSG)	7.222	7.222	2.470
Adult Social Care	5.975	5.192	4.771
Community and Environmental Services	41.878	41.818	40.610
Finance & Property	26.216	26.040	26.146
Resources	6.776	6.756	6.213
Business Risk reserve	10.678	10.678	0.000
	106.418	104.087	85.633
LMS balance	21.333	21.333	15.124
Other schools balances	2.375	2.375	2.375
	23.708	23.708	17.499
Total reserves and provisions	130.126	127.795	103.132

Table 5: actual and forecast revenue reserves and provisions by subjective

Reserves and provisions by subjective	Opening balance	Current Balance	Forecast closing balance
	£m	£m	£m
Repairs and Maintenance Reserves	12.472	12.373	12.207
Trading Reserves	0.522	0.522	0.406
Project Reserves	22.672	22.570	21.177
Insurance Reserves	4.561	4.561	3.288
IT Reserves	5.856	5.815	5.311
Grant Reserves	20.066	18.901	14.475
Finance Reserves	13.002	12.347	1.568
Pensions Reserves	0.248	0.248	0.248
	79.399	77.337	58.680
Revenue Provisions	27.019	26.750	26.951
Schools reserves, including LMS balances	23.708	23.708	17.499
Rounding	-	-	0.002
	50.727	50.458	44.452
Total reserves and provisions	130.126	127.795	103.132

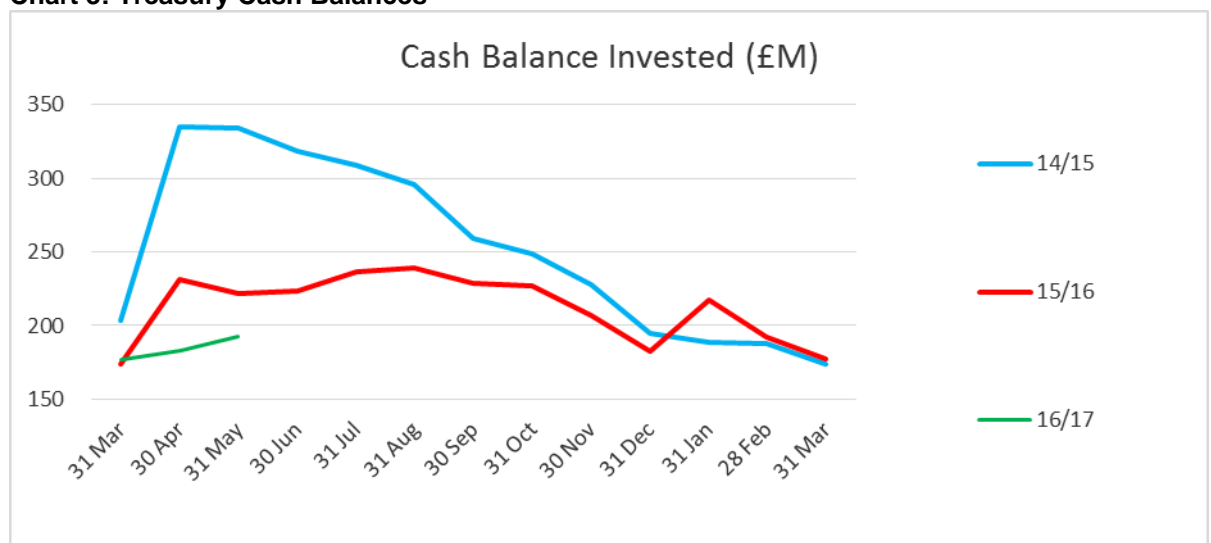
- 4.3 The largest forecast movement in reserves is full use of the Business Risk reserve if approved at this meeting. In order to manage considerable cost Adult Social Care cost pressures, the 4 July 2016 ASC Committee has asked this Committee to approve use the Corporate Business Risk Reserve to fund £5.155m, for additional budget pressures from the cost of care review and national living wage, and £5m to protect social care due to a reduction in funding allocated within the Better Care Fund. The Business Risk reserve was set up as part of the budget proposals agreed at 22 February 2016 County Council, resulting from a change in MRP policy.
- 4.4 LMS balances are forecast to reduce by over £6m, due to the impact of schools becoming academies, and general use of balances projected by schools.
- 4.5 Significant net withdrawals are anticipated from a number of project specific reserves, including the Strategic Ambitions reserve, the Waste Management Partnership and the Ofsted improvement fund. Significant net use of the Primary Schools Contingency reserves is forecast, in addition to net withdrawals from a large number of unspent grants and contributions brought forward across all services including full use of the Care Act Implementation reserve and a number of education related grants.
- 4.6 This month's report is the first to use data directly from a newly implemented "Budget Manager" reserves and provisions forecasting module. Data has been extracted in mid-June. As a result, the balances may not correspond exactly with balances shown in period 2 monitoring reports to other committees based on information at the end of May.

5 Treasury management summary

- 5.1 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 last 3 years. 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

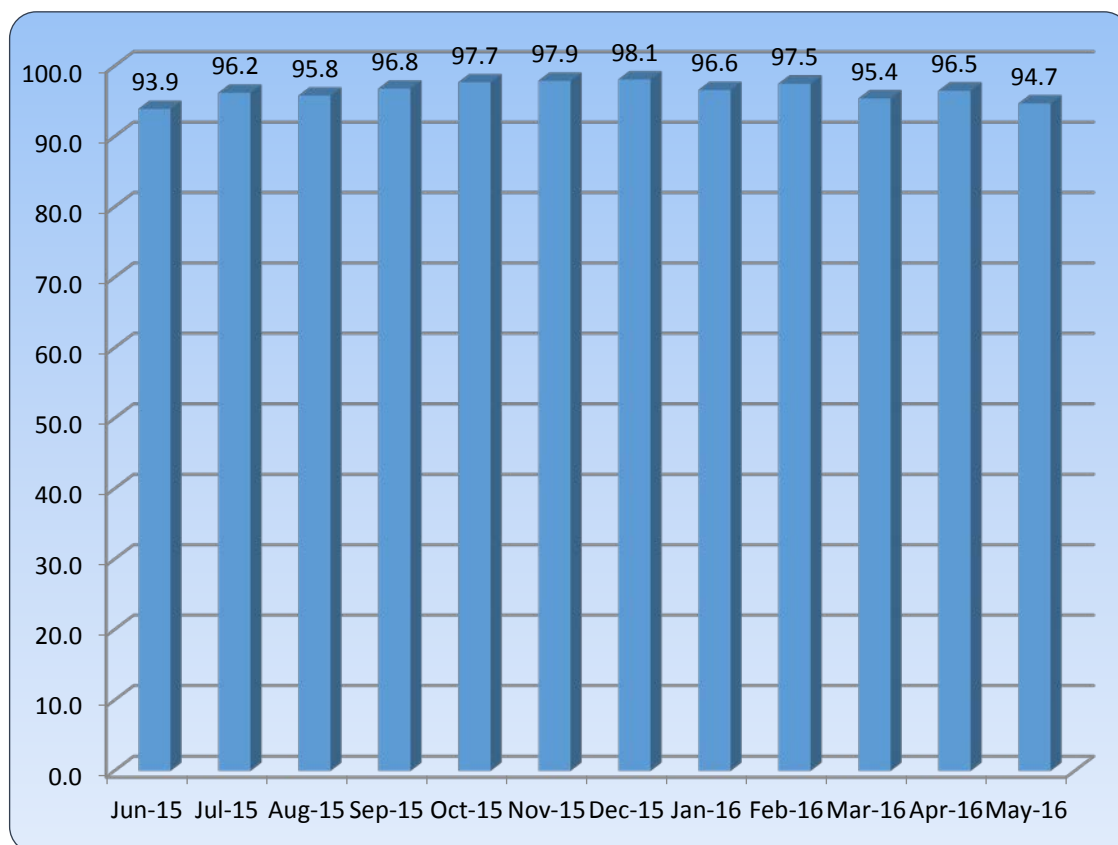


Gross interest earned for the period 1st April 2016 to 31st May 2016 is £0.308m.

In accordance with the approved 2016-17 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.

6 Payment performance

- 6.1 **Payment performance:** approximately 420,000 invoices are paid annually. In May 2016, 94.7 were paid within a target of 30 days from receipt, against a target of 90%. The percentage has not dropped below 93% in the last 12 months, as shown in the graph below.



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

7 Debt recovery

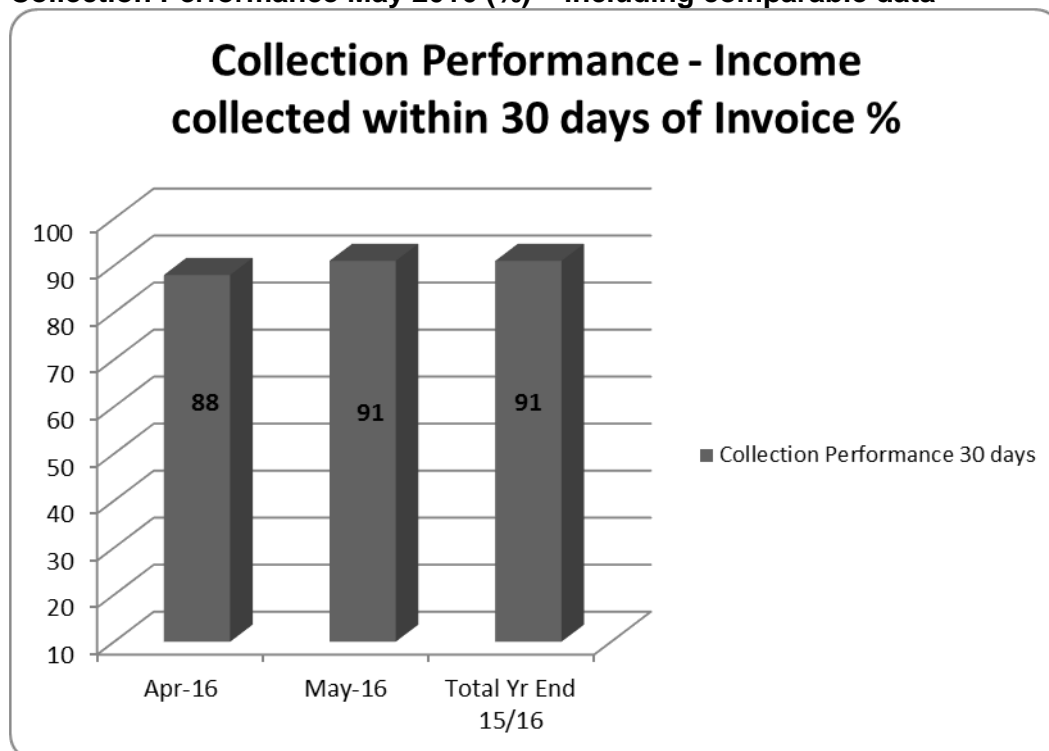
7.1 **Introduction:** Each year the County Council raises over 130,000 invoices for statutory and non-statutory services totalling over £762m. The value of outstanding debt is continuously monitored and recovery procedures are in place to ensure that action is taken to recover all money due to Norfolk County Council.

In 2015/16 91% of all invoiced income was collected within 30 days of issuing an invoice, and 96% was collected overall.

7.2 Debt collection performance measures

91% of invoiced income was collected within 30 days for the month of May 2016 (this is the percentage of income collected within 30 days for invoices raised in April 2016 – measured by value)

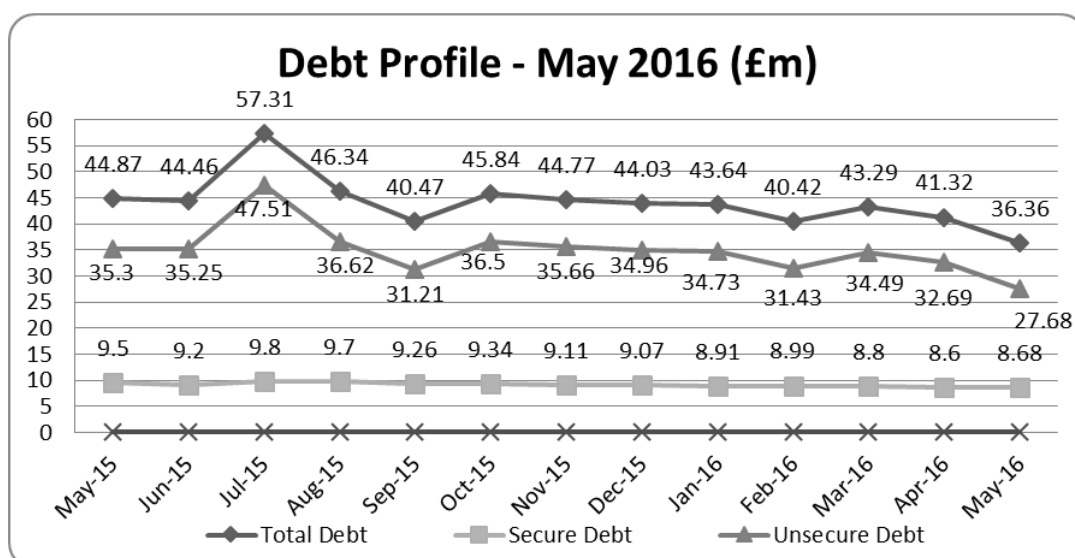
Collection Performance May 2016 (%) – including comparable data



- Collection performance for May 2016: 91% (April: 88%) of invoiced income, measured by value, was collected within 30 days.

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

Debt Profile (Total)



- 7.4 The “spike” in July 2015 related to amounts due from CCGs, the majority of which was for amounts since collected for shared care, continuing care, free nursing care and Better Care Pooled Fund.
- 7.5 **Debt write-offs:** In accordance with Financial Regulation and Financial Procedures, the Policy & Resources Committee is required to approve the write-off of debts over £10,000. The Executive Director of Finance approves the write off of all debts up to £10,000.
- 7.6 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. Further details of the recovery actions taken prior to any debt being written off were reported to the September 2015 meeting of this committee.
- 7.7 For the period 1 April to 31 May 2016, 101 debts less than £10,000 were approved to be written off following approval from the Executive Director of Finance. These debts totalled £49,872.54.
- 7.8 No debts over £10,000 have been written off.

Revenue Annex 1

Projected revenue outturn by service analysis

The latest projection for the 2016-17 revenue budget shows a net projected overall variance as follows:

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

Service	Revised Budget	Net total over / (under) spend	%	Forecast net spend
	£m	£m		
Adult Social Services	246.850	7.763	3.14%	254.613
Children's Services	167.290	3.000	1.79%	170.29
Community and Environmental Services	199.652	-		199.652
Resources	20.407	-		20.407
Finance and Property	16.050	-		16.05
Finance General	-311.289	-1.260	0.40%	-312.549
Totals current month	338.960	9.503	2.80%	348.463

Reconciliation between current and previously reported underspend

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

	£m
Movements in April / May 2016 - summary	
Adult Social Services	7.763
Children's Services	3.000
Community and Environmental Services	-
Resources	-
Finance and Property	-
Finance General	-1.260
Latest forecast over / (under) spend	9.503

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

Table A1c: Corporate resources spend as a proportion

Service	Budget	Forecast
	£m	£m
Total "front line" services	613.792	623.775
Total corporate resources	36.457	36.457
Corporate resources as %age	5.94%	5.84%
Corporate resources as ratio	16.8	17.1

For the purposes of this table, corporate resources totals combine Resources plus Finance and Property. "Front line" services are the total of Adult Social Services, Children's Services and Community and Environmental Services.

Revenue Annex 1 continued

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

Projected revenue budget outturn by service – detail

	Projected over spend	Projected under spend	Change
	£m	£m	£m
Adult Social Services			
Business Development		-0.179	-0.179
Commissioned Services	2.620		2.620
Early Help & Prevention		-0.481	-0.481
Services to Users (excluding income)	14.791		14.791
Income from Service users	0.336		0.336
Management, Finance & HR		-4.169	-4.169
Use of Corporate Business Risk Reserve to manage additional budget pressures for cost of care		-5.155	-5.155
Over / (under) spend before recovery actions	17.747	-9.984	7.763
	7.763		

	Projected over spend	Projected under spend	Change
Children's Services	£m	£m	£m
Spending increases and reductions			
LAC agency residential costs	3.502		3.502
LAC agency fostering	1.515		1.515
In-house LAC fostering	0.381		0.381
Staying-put fostering	0.265		0.265
Residence/kinship payments	0.070		0.070
Mainstream Home to School/College transport	0.500		0.500
Post 16 Home to School transport – reduced income	0.167		0.167
Social Care management actions		-1.800	-1.800
One off use of reserves		-1.600	-1.600
Dedicated schools grant			
Additional cost of Independent and non-maintained provision	1.479		1.479
Use of schools contingency fund reserve to fund above DSG variances		-1.479	-1.479
Forecast outturn for Children's Services	7.879	-4.879	3.000
	3.000		

Community and Environmental Services	Projected over spend	Projected under spend	Change
CES – no net forecast under/over spends			
Forecast out-turn for CES	-	-	-
		-	

Resources, Finance and Finance General	Projected over spend	Projected under spend	Change
	£m	£m	£m
Resources – no net forecast under/over spends			
Finance and Property – no net forecast under/over spends			
Finance General			
Adjustment to forecast interest on balances (see Appendix 2)		-0.750	-0.750
Adjustment to minimum revenue provision to reflect re-profiling of capital schemes to be funded from borrowing		-0.360	-0.360
Release of provision previously set aside to address the potential impact of employment legislation		-0.780	-0.780
Additional costs arising from Norse pension liabilities	0.630		0.630
Net forecast outturn for Finance General	0.630	- 1.890	- 1.260
		- 1.260	

Norfolk County Council

Appendix 2: 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, excluding Consultation unit and Public Health). This appendix is designed to give a brief overview of the financial performance of each of these service areas.

The table below summarises the forecast outturn position as at the end of May 2016 (Period 2).

2 Resources

2016 / 17	Current Budget Net Expenditure / (income) £m	Actual to date £m	Full Year Forecast £m	Overspend / (Underspend) £m
Managing Director's Office	0.424	0.068	0.424	-
Director of Resources	(0.594)	0.041	(0.594)	-
CIPPS & BPPS	1.388	0.253	1.388	-
Corporate Programme Office	0.740	0.202	0.740	-
Procurement	1.236	0.138	1.236	-
Human Resources	3.607	1.187	3.607	-
Communications	0.585	0.111	0.585	-
nplaw	(0.444)	(0.033)	(0.444)	-
Democratic Services	2.328	0.527	2.328	-
ICT	12.233	4.564	12.233	-
Total Resources – P&R	21.503	7.057	21.503	-
Communities Committee – Consultation and Community Relations			0.233	-
Rounding			0.001	-
Total Resources			21.737	-

Where expenditure year to date is in excess of the profiled net budget, it is generally accounted for by expenditure having been committed, where related income has not been received or re-charges have yet to be made.

Resources Reserves

At the start of the financial year, Resources provisions reserves were allocated as follows:

Resources Reserves	£m
ICT Services Management	2.755
Democratic Services	0.509
Corporate Programme Office	0.964
Procurement	0.299
Human Resources & Organisational Development	0.940
NPLaw	0.323
Customer Services & Communications	0.269
Business Intelligence & Performance Strategy	0.716
Total Resources	6.776

3 Finance and Property, and Finance General

2016 / 17	Current Budget	Expenditure Year to Date	Full Year Forecast	Reported Overspend / (Underspend)
	£m	£m	£m	£m
Finance	6.496	1.681	6.496	-
Property	9.554	0.614	9.554	-
Finance & Property	16.050	2.295	16.050	-
Finance General	-311.289		-312.549	-1.260
Total Finance	-295.239		-296.499	-1.260

At the end of month 2, there is no forecast net over or under-spend within either the Finance Service or Property function.

Finance and Finance General reserves and provision at 1 April 2016 totalled £36.9m. The majority are corporate in nature, being made up of the Business Risk reserve £10.7m, the Insurance provision and reserve totalling £15.9m, the Organisational Change and Redundancy reserves and provisions £7.2m, Building Maintenance £1.2m, the Norfolk Infrastructure Fund £1.1m, and other provisions and reserves totalling £0.8m.

In order to support ASC cost pressures, and subject to the decision of this committee, full use of the Business Risk reserve is anticipated, as well as a small net use of the building maintenance reserve.

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 £0.750m)

The 2016-17 interest payable/receivable budget was prepared on the basis of a number of assumptions at the time of budget preparation. Actual net borrowing costs to support the capital programme is likely to be lower than anticipated, resulting in a forecast underspend.

Forecast Minimum Revenue Provision to reflect re-profiling of capital schemes (forecast underspend £0.360m)

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 2015-16, but which is now forecast to be incurred in 2016-17 and beyond.

Release of provision (forecast underspend £0.780m)

Following a review, a large proportion of a provision previously set aside is no longer required. The provision related to potential costs of legislative changes in respect of retained fire fighters and part time workers. Releasing a proportion of the provision has resulted in a forecast net underspend of £0.780m.

Norse pension liabilities (forecast overspend £0.630m)

This adjustment relates to additional costs arising from a 2013-14 transfer of Norse Group pension liabilities to Norfolk County Council. The transfer has enabled the Norse Group to pay dividends to Norfolk County Council. A shortfall has arisen due primarily to a decrease in the number of NPS employees in the LGPS with a shortfall relating to the level of volume discount expected to be received from the Norse Group.

Norfolk County Council

Appendix 3: 2016-17 Capital Finance Monitoring Report

Report by the Executive Director of Finance

1 Capital Programme 2016-17

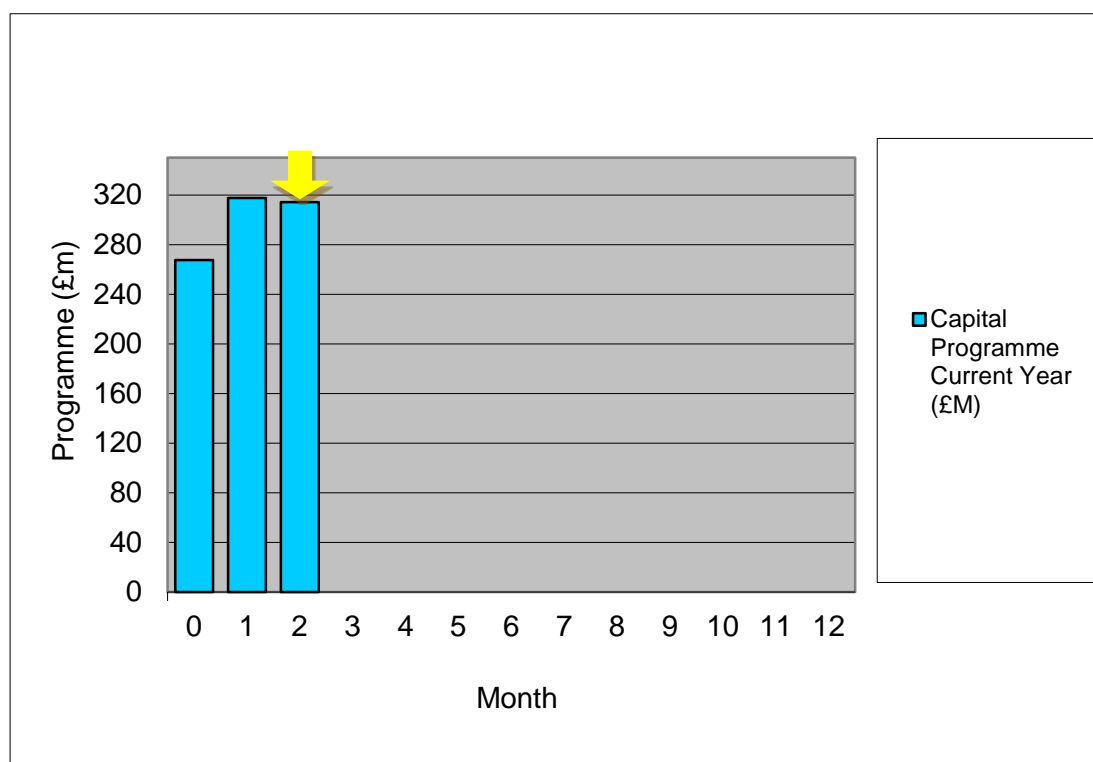
- 1.1 On 22 February 2016, the County Council agreed a 2016-17 capital programme of £237.549m with a further £166.627m allocated to future years', giving a total of £404.176m.
- 1.2 Slippage and re-profiling from 2015-16 increased the overall capital programme at 1 April 2016 to £497.616m, as shown in the 2015-16 finance outturn report presented to this committee.
- 1.3 Movements in the programme are set out in Capital Annex 1. Changes to the current year's programme are due mainly to the reprofiling of schemes into 2017-18.

Table 1: Capital Programme budget

	2016-17 budget	Future years
	£m	£m
New schemes approved February 2016	22.717	27.764
Previously approved schemes brought forward	244.774	139.863
Totals in 2016-20 Budget Book (total £434.118m)	267.491	166.627
Schemes re-profiled after budget setting	39.551	13.490
Other Adjustments, including additional grants and re-allocation of underspends	10.457	-
Capital Programme Opening Position (total £497.616m)	317.499	180.117
Re-profiling since start of year	-6.200	6.200
Other movements	2.779	1.094
Capital programme budget at end P2 (total £501.491m)	314.078	187.411

The following chart shows changes to the 2016-17 capital programme through the year.

Chart 1: Current year capital programme through 2016-17



1.4 Month "0" represents the approved capital programme, and month one the revised opening position after re-profiling of unspent budget from 2015-16. The arrow shows the latest position.

1.5 The capital budget for each service is set out in the table below:

Table 2a: Service capital budgets and movements 2016-17

Service	Opening Capital Programme 2016-17	Cumulative Changes To Date	Reprofiling since last report	Other Changes since last report	2016-17 Current Capital Budget
	£m	£m	£m	£m	£m
Children's Services	104.079	-	-6.200	1.266	99.146
Adult Social Care	16.354	-			16.353
Community & Environmental Services	166.145	-		0.917	167.062
Resources	1.500			0.596	2.096
Finance	29.420	-			29.420
Total	317.499	-	-6.200	2.779	314.078
		0		-3.421	

Note: this table and the tables below contain rounding differences

- 1.6 Reprofiting and other changes to schemes are identified in further detail in Capital Annex 1.
- 1.7 The forecasts will be used to ensure that budgets are more accurately allocated between years, and that changes are accurately reflected. This can be done at any time, but particular attention will be given to this in advance of the November monitoring report, which will form the basis of future years approved capital programmes.
- 1.8 The revised programme for future years (2017-18 to 2019-20) is as follows:

Table 3: Future years capital programme 2017-20

Service	Opening 2016-20 capital budget (see note) £m	April / May Reprofilng (from 2016-17 to future years) £m	Other Movements £m	Future years 2016-20 £m
Children's Services	55.432	6.200	2.014	63.646
Adult Social Care	8.119			8.119
Community & Environmental Services	96.267		-0.920	95.347
Resources	-			-
Finance & Property	20.300			20.300
Total	180.117	6.200	1.094	187.411

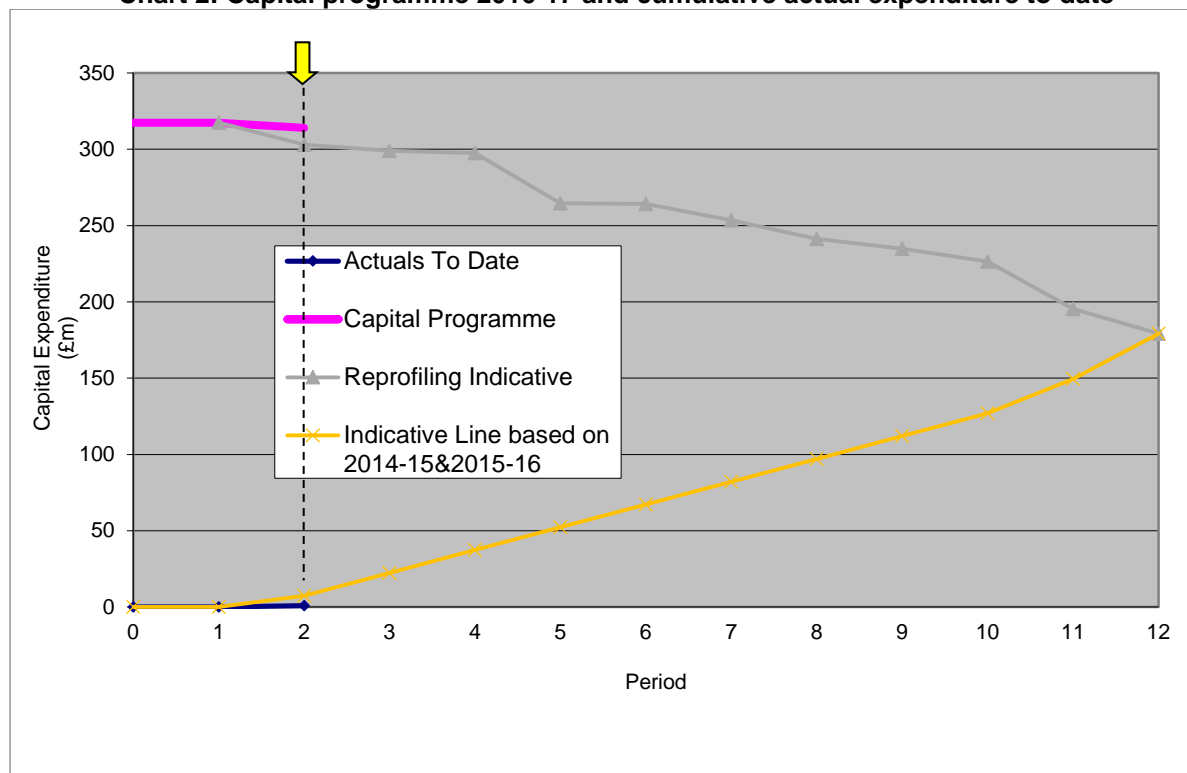
Notes:

- a) *this table may contain rounding differences.*
- b) *The ASC and CES lines have been adjusted for an IT project (social care IT systems replacement). In the 2015-16 outturn report these were allocated to ICT under CES, but are now allocated to the ASC capital programme. The total programme is unaffected.*

Actual Spend and Progress on Capital Programme

1.9 Progress on the overall capital programme is as follows:

Chart 2: Capital programme 2016-17 and cumulative actual expenditure to date



1.10 Total accounting expenditure on the 2016-17 capital programme to P2 is £0.865m, after deducting brought forward accruals. Although over £10m expenditure was incurred in period 2 alone, expenses accrued from 2015-16 accounted for the majority of this spend. This indicator is likely to show a significant increase from period 3.

1.11 The graph above indicates that additional re-profiling is likely to occur. As this is the first period of using a new “Budget Manager” monitoring and forecasting system, the priority has been to ensure all budgets are on the system. Once done, budgets will be re-profiled into future years as necessary to reflect anticipated progress on specific projects.

2 Progress during 2016-17

More details of completed schemes will be given later in the year, including schools projects which will have seen extensive work over the summer holiday period.

Apart from a small number of remedial issues, work on refurbishment of the County Hall tower is complete. Project planning is underway in relation to upgrading accommodation in the North and South wings.

The major project is the Norwich Northern Distributor Road. The budget and forecasts have not changed since the 2015-16 outturn report presented to the May 2016 meeting of this committee:

Table 4a: NDR funding

Project funding	£m	Project costs	£m
DfT Postwick Hub specific funding	19.00		
DfT NDR specific funding	77.49	Postwick Hub	27.70
LEP	10.00	NDR	
Growth point funding	1.71	Construction cost	104.20
CIL Supported Borrowing	40.00	Statutory undertakers	8.30
Deferral of Bridge maintenance projects	1.00	Land costs	17.20
Highways Services reserves	2.00	Preparation, risk and contingency	20.25
Highways capital programme 2016-20	7.40	Supervision cost	1.30
NDR Reserve	2.50		151.25
Capital receipts	17.85		
Total	178.95	Total	178.95

Table 4b: NDR spend and indicative forecast

Spend profile		2012-15	2015-16	2016-17	2017-18	2018-19	2019-20
(estimate)	Total	Actual	Actual	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m	£m	
Postwick Hub	27.70	20.10	7.40	0.20			
NDR	151.25	13.77	17.83	55.50	56.62	6.93	0.60
Totals	178.95	33.87	25.23	55.70	56.62	6.93	0.60
Cumulative		33.87	59.10	114.80	171.42	178.35	178.95

Note: the funding and spend tables above exclude a proportion of the costs associated with the Airport Radar which will be supported by a loan between NCC and the Airport.

3 Financing The Programme

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

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

Table 5: Financing of the capital programme

Funding Stream	Outturn 2015-16	Changes since last report – all years	2016-17 Programme	Future Years Forecast
	£m	£m	£m	£m
Prudential Borrowing	123.775	-9.572	87.368	26.835
Capital Receipts	15.368	5.399	3.372	17.395
Revenue & Reserves	8.905	-1.573	7.332	
Grants and Contributions:	349.568	9.621		143.182
DfE			78.180	
DfT			67.480	
DoH			14.410	
DCLG			2.509	
DCMS			6.093	
Developer Contributions			36.887	
Other Local Authorities			5.500	
Other			4.948	
Total	497.616	3.875	314.078	187.412

Note: this table may contain rounding differences

3.3 The table above shows that additional grants and contributions have been received to support the capital programme. Additional funding from capital receipts has been anticipated over the 4 years of the programme, which if realised will reduce the call on prudential borrowing. The suspension of the Open+ project from the programme has also reduced the call on prudential borrowing, together with assumptions relating to the future generation and use of capital receipts.

4 Capital Receipts

- 4.1 The Council's property portfolio has latent value and the estate needs to be challenged rigorously to ensure assets are only held where necessary so that capital release or liability reduction is maximised. This in turn will reduce revenue costs of the operational property portfolio.
- 4.2 The capital programme, approved in February 2016, demonstrated how asset management would support capital expenditure through generating capital receipts through property disposals, in the context of a longer term disposals programme.
- 4.3 Since then, there have been a significant number of changes to the draft disposal schedule, in particular relating to the timing of projected receipts relating to development land within the County Farms and general estate.
- 4.4 The current revised schedule for disposals is:

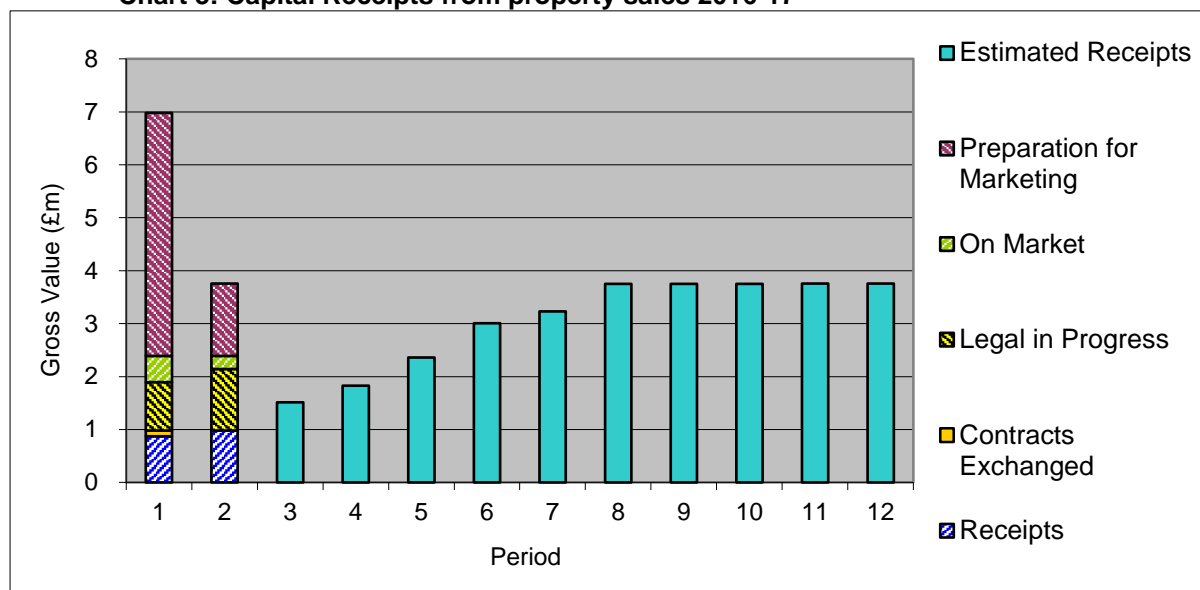
Table 6: Revised disposal schedule £m

	2016-17 Approved £m	Latest forecast £m	Movement in forecast £m
General Capital Receipts	2.825	2.121	-0.704
County Farms Capital Receipts	4.153	1.633	-2.520
Estimated Total Capital Receipts	6.978	3.754	-3.224

- 4.5 Expected capital receipts have reduced as a predicted sales dates have been put back or a decision has been made to delay sale, for example where planning permission could increase the value of a property.
- 4.6 The main reasons for the decrease in expected receipts for the current year is the putting back to 2017-18 of a number of sales, including fringe land at Sprowston included under General Capital Receipts, and farm land with development potential at Lingwood and Attleborough. The expected completion date for the sale of 5 farm barns has been put back to 2017-18, with one brought forward to reflect market conditions and interest.

- 4.7 The chart below shows the progress on realisation of the forecast capital receipts for 2016-17. The total in period 1 show potential 2016-17 sales identified at the time of budget setting.

Chart 3: Capital Receipts from property sales 2016-17



- 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 7: Capital receipts reserve 2016-17

	General	Financial Packages	County Farms	Total
	£m	£m	£m	£m
Opening Balance	0.000	1.059	0.517	1.576
Receipts from sales of properties	2.121	0.000	1.633	3.754
Receipts from sales of assets to leasing companies	0.000	0.000	0.000	0.000
Other capital receipts	0.000	0.000	0.000	0.000
Receipts generated in year	2.122	0.000	1.633	3.755
Sales expenses	-0.300	0.000	0.000	-0.300
Receipts repayable to third parties	0.000	0.000	0.000	0.000
Net receipts available for funding	1.822	1.059	2.150	5.031
Use to fund incomplete leases	0.000	0.000	0.000	0.000
Use to fund programme and reduce borrowing	-1.821	-0.090	-1.461	-3.372
Closing Balance	0.001	0.968	0.690	1.659

Note: this table contains rounding differences

- 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 The opening balance relates to residual monies from sales of Highway's Depots, ASC receipts reserved for Housing with Care schemes, and a balance of £0.7m remaining from approximately £3m sales of former school properties. Financial package funding for specific schemes no longer takes place, with schemes justified against a broader set of priorities. The outstanding balances relate to previously agreed arrangements.
- 4.11 Other capital receipts include loan repayments from subsidiary companies.

Capital Annex 1

Reprofiling and Other Changes to the 2016-17 Capital Programme

Service	Project	Funding Type	Change (£m)	REPROFILE	Change (£m)	REPROFILE	Reason
Children's Services							
	Condition Funding	External	-0.511		-0.511		EFA funding lower than previously indicated
	DFC	External	1.777				16/17 DFC allocation from EFA
	Basic need	External			2.525		18/19 Funding allocation from EFA
	Trowse Primary	External		-1.980		1.980	Moved to future years, pending land arrangements
	Brooke	External		-4.128		4.128	Moved to future years, pending land arrangements
	Other schemes	External		-0.092		0.092	Allocation for access improvements moved to 2017-18
Total Children's services			1.266	-6.200	2.014	6.200	
CES							
	Library - Open+ projecct	Borrowing & Capital Receipts			-0.920		
	Fire		0.482				Additional Revenue Contributions received end 2015-16
	ETD - Highways	NCC	-0.096				overspend brought forward
	LPSA - Waste Minimisation	External	0.527				LPSA funding now allocated to specific projects.
	Other small changes Library		0.004				
			0.917		-0.920		
Resources							
	Matthew Project Recovery Centre and Café	External	0.596				New DOH grant
Total Resources			0.596				
Total			2.779	-6.200	1.094	6.200	

Policy and Resources Committee

Item No 9

Report title:	Delivering Financial Savings 2016-17
Date of meeting:	18 July 2016
Responsible Chief Officer:	Simon George – Executive Director of Finance
Strategic impact This report to Policy and Resources Committee provides details of the forecast outturn position in respect of the delivery of the 2016-17 savings agreed by the County Council at its meeting 22 February 2016.	

Executive summary

County Council agreed savings of £41.419m as part of the 2016-17 budget setting process. This report provides details of the outturn position in delivering these savings, in respect of 2016-17.

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 £5.889m in 2016-17, which amounts to 14% of total savings, and for which alternative savings need to be identified;
- b) the budgeted value of 2016-17 savings projects rated as RED of £7.050m, of which £1.496m are now forecast to be delivered; and
- c) the forecast savings shortfall on AMBER rated projects of £0.335.

1. Savings Overview

- 1.1. The County Council, as part of setting its budget for 2016-17, agreed net 2016-17 savings of £41.419m. The agreed net savings of £41.419m in 2016-17, include one-off items and use of reserves totalling £3.110m as set out in Appendix 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 Appendix 1.

2. RAG Ratings

2.1. The definition of 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 (100% forecast)
Blue	Saving already delivered and reversal of previous year savings

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 Appendix 3. The decision to rate a project as RED is based on the criteria shown above. 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 Appendix 3 have been applied. A number of new 2016-17 savings have been categorised as BLUE where the actions are certain to be delivered. These include items such as decisions to reduce grant payments and the change in MRP policy.

2.4. Seven savings projects have been rated as RED, representing a budgeted total saving value of £7.050m. Only £1.496m of this saving is expected to be delivered as set out in the following table. This represents a shortfall of £5.554m (13% of total budgeted savings), which relates to RED rated projects.

2.5. AMBER rated projects include a shortfall of £0.335m (1% of total budgeted savings). This results in a total projected shortfall of £5.889m.

Table 1: 2016-17 Savings by RAG Status

RAG Status	Budgeted Value of Savings 2016-17 (a)	Previous Forecast Savings 2016-17 (b)	Savings Forecast 2016-17 (c)	Savings Shortfall 2016-17 (a)-(c)	Latest Forecast Savings 2016-17 (c) analysed by Committee				
					Children's Services	Adults	EDT	Communities	Policy & Resources
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Red	-7.050	-	-1.496	-5.554	-0.000	-0.732	-	-	-0.764
Amber	-1.070	-	-0.735	-0.335	-	-	-	-	-0.735
Green	-28.856	-	-28.856	-	-2.886	-8.926	-7.900	-1.275	-7.869
Blue	-4.443	-	-4.443	-	-	3.891	0.750	-	-9.084
Total	-41.419	-	-35.530	-5.889	-2.886	-5.767	-7.150	-1.275	-18.452

2.6. Table 2 below sets out the current categorisation of 2016-17 savings based on the updated RAG rating assessment and the latest forecast variance position, which includes the replacement savings of £5.889m to be identified for the three years.

2.7. The monitoring report elsewhere on this agenda sets out details of the forecast outturn for 2016-17. Actions will be taken within Service budgets to seek to deliver a balanced outturn position, which will include identifying offsetting savings to mitigate the non-delivery of savings set out in this report. The non-delivery of savings in 2015-16, and a detailed review of the deliverability of 2016-17 savings was taken into account during the preparation of the 2016-17 Budget. However, there remains a need for Service Committees and Executive Directors to maintain their focus on the effective delivery of both the previous years' agreed savings and the current savings for 2016-17 onwards. Achievement of the planned savings will help to minimise risks within the 2016-17 Budget.

2.8. Wider actions being taken to deliver savings are as follows:

- **Adult Social Services:** The department has an overspend action plan and is taking recovery action to reduce in year spending as far as possible. There is continued focus on many of the action areas within 2015-16 and inclusion of new actions. The revised areas of focus within the action plan will be embedded into the service's Finance and Performance Board to provide a framework for regular monitoring and assurance. Further details of actions being taken are set out in the Finance Monitoring Report presented to Adult Social Care Committee.
- **Children's Services:** The department is currently working to identify plans to achieve the strategic and operational objectives at a sustainable lower cost with the aim of bringing the projected in-year

overspend nearer to a balanced budget position. Updates will be provided in the Children's Services Integrated Performance and Finance Monitoring Report presented to the Children's Services Committee.

Table 2: Categorisation of Savings 2016-20 (as approved at County Council February 2016)

	2016-17	2017-18	2018-19	2019-20	Total
Savings	£m	£m	£m	£m	£m
Org Change - Staffing	-1.496	-3.863	-5.955	0.000	-11.314
Org Change - Systems	-9.939	-18.331	-24.832	0.000	-53.102
Capital	0.273	0.000	0.000	0.000	0.273
Terms & Conditions	0.303	0.000	0.000	0.000	0.303
Procurement	-2.770	-0.135	-6.357	0.000	-9.262
Shared Services	-0.205	0.000	0.000	0.000	-0.205
Income and Rates of Return	-16.652	-7.846	-3.431	-1.000	-28.929
Assumptions under Risk Review	1.796	3.060	-0.100	0.000	4.756
Back office subtotal	-28.690	-27.115	-40.675	-1.000	-97.480
Reducing Standards, including eligibility	-4.210	-2.642	-1.831	0.000	-8.683
Ceasing Service	-2.630	-0.500	0.000	0.000	-3.130
Front line subtotal	-6.840	-3.142	-1.831	0.000	-11.813
Shortfall	-5.889	0.000	0.000	0.000	-5.889
Total	-41.419	-30.257	-42.506	-1.000	-115.182

2.9. The breakdown of savings by Committee, for 2016-17 is shown in Table 3 below. The position for all three years is set out at Appendix 2.

2.10. A definition of savings categories is provided in Appendix 4.

Table 3: Savings by Committee 2016-17

	Children's Services	Adults	EDT	Communities	Policy & Resources	TOTAL
Savings 2016-17	£m	£m	£m	£m	£m	£m
1a Organisation	0.000	0.000	-0.450	-0.161	-0.885	-1.496
1b Lean	-0.025	-4.033	-3.705	-0.515	-1.661	-9.939
1c Capital	0.000	0.000	0.500	-0.227	0.000	0.273
1d Terms & Conditions	0.000	-0.090	-0.031	0.000	0.424	0.303
2a Procurement	-0.235	-0.750	-2.700	0.000	0.915	-2.770
2b Shared Services	0.000	0.000	-0.005	-0.200	0.000	-0.205
3a Income and Rates of Return	-0.150	0.000	-0.345	-0.105	-16.052	-16.652
4a Change standards	-2.226	-1.550	-0.084	-0.267	-0.083	-4.210
4b Stop doing things	0.000	-2.500	-0.130	0.000	0.000	-2.630
4c Change assumptions	-0.250	3.156	0.000	0.000	-1.110	1.796
Shortfall	-3.500	-1.268	0.000	0.000	-1.121	-5.889
Total	-6.386	-7.035	-6.95	-1.475	-19.573	-41.419

3. Commentary on savings rated RED

3.1. At the end of period two, seven savings have been rated as RED in respect of 2016-17 to reflect a significant shortfall in the saving being delivered, and a savings shortfall of £5.554m within RED rated projects has been identified. Commentary on the RED rated savings is provided below.

Adults

3.1.1. COM034 – Care for Learning Disabilities or Physical Disabilities – shortfall £1.000m: The project to review packages of care for people with learning disabilities and physical disabilities is being reassessed to review both process and capacity for managing transition and implementation. It is anticipated that there will be a delay in delivery of savings. Alternative ways to deliver the savings are being explored.

3.1.2. ASC009 – Promoting Independence - Integrated Community Equipment Service - expand service so through increased availability and access to equipment care costs will be reduced – shortfall £0.268m: The focus for this work is to increase the review and recall of equipment and review plans so improved access to equipment reduces the need for

some service users to require two care workers (known as double-ups). Feasibility plans have identified that these savings will need to be re-profiled due to the time needed to set up new teams and processes. In order to address the savings gap, a bid has been made for investment from the rural transition money to increase the availability of equipment to more people at a preventative stage, to reduce the requirement for formal packages of care.

Children's

- 3.1.3. 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 – shortfall £3.000m: The number of Looked After Children and the cost of agency placements related to placement mix is not reducing as quickly as originally planned and only £1.936m of the £8.140m saving was delivered in 2015-16. Part of the savings target was removed in the 2016-17 budget process, however Looked After Children numbers are still not reducing as planned.
- 3.1.4. CHI012 – Reduce the cost of transport for children with Special Educational Needs – shortfall £0.500m: Detailed plans are currently being worked on for this saving, however there is thus a risk that it will not be achieved as this is an area of overspending. As the financial year and academic year do not match, there is also a risk that there could be a phasing issue in the first year of implementation.

Policy and Resources

- 3.1.5. P&R018 – Org Change: reduced ICT spend through single device convergence - shortfall £0.313m: The deliverability of this target requires review due to the impact of the mixed estate of devices in use across the organisation (Windows 7 and 8.1 devices).
- 3.1.6. P&R050 – Cutting costs through zero based review of services – establishing base requirement and shape of Resources – shortfall £0.313m: Resources has appointed a business lead to carry out this review and the savings amounts have been provisionally allocated across Resources. However the ability to deliver HR cost reductions may be impacted by the transfer of income and costs to Educator Solutions.
- 3.1.7. P&R062 – Raising revenue through recharging the full costs of our services to external customers – ensuring that ICT services to schools, and other external clients, fully reflect both the direct and indirect costs incurred – shortfall £0.160m: The HR share of this total saving (£0.070m) is at risk due to proposal for schools income to be accounted for through

Educator Solutions. The ICT share of this total saving (£0.180m) is at risk particularly due to schools' decisions following academisation.

4. Commentary on savings rated AMBER

4.1. At the end of period two, five savings rated as AMBER show a forecast shortfall of £0.335m. Commentary on these AMBER rated savings is provided below.

Policy and Resources

4.1.1. P&R004 – Accelerate "self-service" for employees / managers across HR/Finance/ICT services – shortfall £0.050m: Further investment in self-service technology will be required to enable full delivery of this saving.

4.1.2. P&R022 – New Multi-Functional Devices contract 2016 – shortfall £0.035m: The current contract has been extended for a year. Savings will be achieved following reprocurement.

4.1.3. P&R024 – Rationalise applications and centralise all applications spend – shortfall £0.050m: A review of applications and licensing is in progress.

4.1.4. P&R063 – Cutting costs through efficiencies by menu based pricing – shortfall £0.125m: The projected shortfall on this saving is to be accommodated in the wider review of Resources.

4.1.5. P&R064 – Cutting costs through efficiencies by reducing unit costs – shortfall £0.075m: The projected shortfall on this saving is to be accommodated in the wider review of Resources.

5. Summary

5.1. The forecast position indicates that shortfalls totalling £3.500m, £1.268m, and £1.121m have been identified within the Children's, Adults, and Policy & Resources budgets respectively in 2016-17. Service Committees maintaining a strong focus on the delivery of savings in 2016-17 remains critical to supporting the achievement of the Council's budget plans in both the current and future years.

Background Papers

County Council Budget 2016-17 to 2019-20: Revenue Budget 2016-17 (Item 4a, Annexe 5, County Council 22 February 2016)

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Appendix 1

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

One-off savings 2016-17 budget round

	2016-17	2017-18
	£m	£m
Insurance Fund	-2.000	2.000
Organisational Change Reserve	-0.132	0.132
Business Risk Reserve to fund reprofile of COM033	-0.500	0.500
Organisational Change Reserve for Social Care System Replacement	-0.478	0.478
Total use of reserves and one-off items	-3.110	3.110

Categorisation of Budget Savings 2016-19 budget round

	2016-17	2017-18	2018-19	2019-20	Total
	£m	£m	£m	£m	£m
Organisational Change – Staffing	-1.859	-3.863	-5.955	0.000	-11.677
Organisational Change – Systems	-13.720	-18.331	-24.832	0.000	-56.883
Capital	-0.227	0.000	0.000	0.000	-0.227
Terms & Conditions of employees	0.303	0.000	0.000	0.000	0.303
Procurement	-2.855	-0.135	-6.357	0.000	-9.347
Shared Services	-0.205	0.000	0.000	0.000	-0.205
Income and Rates of Return	-16.812	-7.846	-3.431	-1.000	-29.089
Assumptions under Risk Review	1.796	3.060	-0.100	0.000	4.756
Back office savings sub total	-33.579	-27.115	-40.675	-1.000	-102.369
Reducing Standards	-5.210	-2.642	-1.831	0.000	-9.683
Cease Service	-2.630	-0.500	0.000	0.000	-3.130
Front line savings sub total	-7.840	-3.142	-1.831	0.000	-12.813
Total	-41.419	-30.257	-42.506	-1.000	-115.182

Appendix 2

Savings by Committee 2016-20 budget round

	Children's Services	Adults	EDT	Communities	Policy & Resources	TOTAL
Savings 2016-17	£m	£m	£m	£m	£m	£m
1a Organisation	0.000	0.000	-0.450	-0.161	-0.885	-1.496
1b Lean	-0.025	-4.033	-3.705	-0.515	-1.661	-9.939
1c Capital	0.000	0.000	0.500	-0.227	0.000	0.273
1d Terms & Conditions	0.000	-0.090	-0.031	0.000	0.424	0.303
2a Procurement	-0.235	-0.750	-2.700	0.000	0.915	-2.770
2b Shared Services	0.000	0.000	-0.005	-0.200	0.000	-0.205
3a Income and Rates of Return	-0.150	0.000	-0.345	-0.105	-16.052	-16.652
4a Change standards	-2.226	-1.550	-0.084	-0.267	-0.083	-4.210
4b Stop doing things	0.000	-2.500	-0.130	0.000	0.000	-2.630
4c Change assumptions	-0.250	3.156	0.000	0.000	-1.110	1.796
Shortfall	-3.500	-1.268	0.000	0.000	-1.121	-5.889
Total	-6.386	-7.035	-6.950	-1.475	-19.573	-41.419
Savings 2017-18						
1a Organisation	0.000	0.000	-2.638	-0.100	-1.125	-3.863
1b Lean	-1.208	-16.595	-0.383	0.655	-0.800	-18.331
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	0.000	0.000
3a Income and Rates of Return	0.000	0.000	-0.050	0.100	-7.896	-7.846
4a Change standards	-1.616	-0.800	0.000	-0.226	0.000	-2.642
4b Stop doing things	0.000	-0.500	0.000	0.000	0.000	-0.500
4c Change assumptions	-0.050	0.000	0.000	0.000	3.110	3.060
Shortfall	0.000	0.000	0.000	0.000	0.000	0.000
Total	-2.874	-17.895	-3.071	0.429	-6.846	-30.257
Savings 2018-19						
1a Organisation	0.000	0.000	-5.355	-0.100	-0.500	-5.955
1b Lean	-0.535	-21.012	-2.285	0.000	-1.000	-24.832
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	-5.000	-1.357	0.000	-6.357
2b Shared Services	0.000	0.000	0.000	0.000	0.000	0.000
3a Income and Rates of Return	0.000	0.000	-0.051	-0.080	-3.300	-3.431

4a Change standards	-0.609	0.000	0.000	-1.222	0.000	-1.831
4b Stop doing things	0.000	0.000	0.000	0.000	0.000	0.000
4c Change assumptions	-0.100	0.000	0.000	0.000	0.000	-0.100
Shortfall	0.000	0.000	0.000	0.000	0.000	0.000
Total	-1.244	-21.012	-12.691	-2.759	-4.800	-42.506
Savings 2019-20						
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	0.000	0.000
2b Shared Services	0.000	0.000	0.000	0.000	0.000	0.000
3a Income and Rates of Return	0.000	0.000	0.000	0.000	-1.000	-1.000
4a Change standards	0.000	0.000	0.000	0.000	0.000	0.000
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	0.000	0.000	0.000	-1.000	-1.000

Appendix 3

2016-17 Savings and RAG Status Detail (2016-20 budget round)

Ref	Adult Social Care	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
	REMOVAL OF 2015-16 SAVINGS AND ONE-OFF ITEMS						
	1b - Organisational Change - Systems						
COM018	Review Care Arranging Service	0.140				0.140	Blue
COM026	Change the type of social care support that people receive to help them live at home	0.200				0.200	Blue
ASC002	Redesign Adult Social Care pathway. Work with Procurement on areas of the pathway to drive out further efficiencies	0.395				0.395	Blue
	4c - Assumptions under Risk Review						
ASC005	One Off: Use of Earmarked Reserves in 2015/16	3.156				3.156	Blue
		3.891	0.000	0.000	0.000	3.891	
	SAVINGS						
	1b - Organisational Change - Systems						
ASC006	Promoting Independence - Customer Pathway - where the focus will be on connecting people with ways to maintain their wellbeing and independence thereby reducing the numbers of service users receiving care in a residential setting	-1.258	-11.983	-13.628		-1.258	Green
ASC007	Promoting Independence - Reablement - net reduction - expand Reablement Service to deal with 100% of demand and develop service for working age adults	-3.158	-1.500	-0.500		-3.158	Green
ASC008	Promoting Independence - Housing with Care - develop non-residential community based care solutions		-0.500	-0.500		0.000	Green

Ref	Adult Social Care	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
ASC009	Promoting Independence - Integrated Community Equipment Service - expand service so through increased availability and access to equipment care costs will be reduced	-0.500	-0.250	-0.250		-0.232	Red
ASC010	Reduce Training & Development spend following implementation of Promoting Independence		-0.200			0.000	Green
ASC011	Move service mix to average of comparator family group or target - all specialisms	-0.120	-0.962	-1.444		-0.120	Green
ASC013	Radical review of daycare services		-1.000	-2.500		0.000	Red
ASC015	Move service mix to lowest of comparator family group - all specialisms		-0.200	-2.190		0.000	Red
	1d - Terms and Conditions						
GET016	Reducing the cost of business travel	-0.090				-0.090	Green
	2a Procurement						
COM042	Review of Norse Care agreement for the provision of residential care	-0.750				-0.750	Amber
	4a Reducing Standards						
COM034	Changing how we provide care for people with learning disabilities or physical disabilities	-1.500				-0.500	Red
COM040	Reduce the number of adult service users we provide transport for	-0.150				-0.150	Amber
ASC003	Service users to pay for transport out of personal budgets, reducing any subsidy paid by the Council	-0.900	-0.800			-0.900	Amber
	4b Ceasing Service						
COM033	Reduce funding for wellbeing activities for people receiving support from Adult Social Care through a personal budget	-2.500	-0.500			-2.500	Amber
		-10.926	-17.895	-21.012	0.000	-9.658	
	Total	-7.035	-17.895	-21.012	0.000	-5.767	

Ref	Children's Services	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
	SAVINGS						
	1b - Organisational Change - Systems						
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	-3.000				0.000	Red
CHL009	End Children's Services funding for Homestart - this is a charity who supports families with young children who are struggling to cope		-0.158			0.000	Green
CHL015	Update our budget because of reforms that give schools control over some funding for getting children involved in sport - we contribute to the University of East Anglia as part of a scheme to get children involved in sport and allow schools access to the athletics track. There have been some reforms which mean that all funding for such activities will be delegated to schools to choose how to spend	-0.025				-0.025	Green
CHL016	Reduce the cost of transport for children who are educated in alternative provision – by providing local services to ensure children are educated in their local school we will reduce the need to transport children to other educational provision		-0.250			0.000	Amber
CHL017	Reduce the number of social workers we use who work for employment agencies - we are giving more support to families at an earlier stage so that the challenges they face are resolved quicker and before they turn into more serious problems. As a result the number of families we are working with that need support from a social worker is reducing. We therefore won't need to use as many agency social workers		-0.450	-0.535		0.000	Amber
CHL019	Review of educational services		-0.350			0.000	Green

Ref	Children's Services	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
	1c - Capital						
CHI012	Reduce the cost of transport for children with Special Educational Needs	-0.500				0.000	Red
	2a - Procurement						
CHL020	Update the budget for short breaks for children with disabilities to reflect how much we are now spending on the service - short break services give disabled children and young people an opportunity to meet new people and enjoy different experiences. They also give their families a break from their caring responsibilities. We have contracts in place with organisations to provide short breaks which offer the same level of service but for a lower price. We will change the budget to reflect how much the new service costs	-0.235				-0.235	Green
	3a - Income and Rates of Return						
CHL014	Review the income targets for the support services we sell to schools and other educational establishments - some of the services we trade are generating more income than we anticipated and others less. We need to make sure that the budget accurately reflects the levels of income that we can generate from selling support services to education providers	-0.150				-0.150	Green
	4a - Reducing Standards						
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				-0.250	Amber
CHI015	Reduce funding for school crossing patrols	-0.150				-0.150	Amber
CHL010	Change how we provide parenting support - we have contracts with four organisations to provide parenting support programmes, they offer advice and one-to one support. We are proposing to end these contracts. Targeted family support activities will continue to be provided by Early Help staff and other commissioned providers		-0.427			0.000	Green

Ref	Children's Services	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
CHL012	Change how we provide support to families who are struggling to cope with the challenges they face - we have contracts with two organisations to deliver Family Intervention Projects with families who are struggling to cope with the challenges they face. We are proposing to not renew these contracts when they end. Our 'Troubled Families' team will continue to provide support to these families		-0.580			0.000	Green
CHL026	Keep all children's centres open and focus their work on supporting the families that need them most	-1.826	-0.609	-0.609		-1.826	Green
	4c - Assumptions under Risk Review						
CHL013	Update our budget for retirement costs for teachers to reflect how much we are now spending on this - we are not responsible for paying redundancy and retirements costs for teachers that work for the growing number of academy schools	-0.250	-0.050	-0.100		-0.250	Green
		-6.386	-2.874	-1.244	0.000	-2.886	
	Total	-6.386	-2.874	-1.244	0.000	-2.886	

Ref	Environment, Development and Transport	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
	REMOVAL OF 2015-16 SAVINGS AND ONE-OFF ITEMS						
	1c Capital						
EDT007	Use of earmarked reserves	0.500				0.500	Blue
	3a Income and Rates of Return						
CMM007	Income generation (external hire replacement, fire testing, highways clearance, grants from Europe)	0.250				0.250	Blue
		0.750	0.000	0.000	0.000	0.750	
	SAVINGS						
	1a - Organisational Change - Staffing						
EDT018	Highways street works delivery re-design - re-design the delivery model for the area based street works service	-0.050				-0.050	Green
EDT021	Highways asset laboratory - remove the highway asset team budget for technical highways laboratory advice and, instead, ensure any charges are included within relevant scheme/project costs	-0.067				-0.067	Green
EDT022	Highway design – bridges teams - re-design the highways bridges teams	-0.100				-0.100	Green
EDT023	Developer services – service re-design - redesign the Developer Services Team to reduce reliance on recharged work and simplify the planning appeals function	-0.100				-0.100	Green
EDT024	Business Support – vacancy management - remove vacant posts in business support	-0.133				-0.133	Green
EDT036	Service re-design - introduce a locality based structure for the Community and Environmental Services directorate		-2.638	-5.355		0.000	Green

Ref	Environment, Development and Transport	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
	1b - Organisational Change - Systems						
ETD26	Use of alternative existing technology to provide transport monitoring data and changes to how the council procures traffic surveys	-0.135				-0.135	Green
GET07	Cut the cost of providing school transport (allocate more children to public transport contracts)	-0.020				-0.020	Green
EDT005	Introduce LED street lighting	-0.750				-0.750	Green
EDT016	Highways laboratory - reduce volume of core testing sampling carried out by Highways laboratory	-0.015				-0.015	Green
EDT027	Environment service - redesign the environment service so that it operates at 75% of current budget and increases use of volunteers and interns			-0.200		0.000	Green
EDT028	Intelligent transport systems - put new technology and models in place for delivery of the intelligent transport systems approaching the end of their economic life, including replacing rising bollard technologies at bus gates with camera enforcement and co-locating the control room with another public service provider	0.215	-0.383	-0.085		0.215	Green
EDT031	Highways maintenance capitalisation - capitalise funding for some highway maintenance activities and realise a revenue saving as a result	-3.000				-3.000	Green
EDT032	Waste strategy - implementing a new waste strategy focussed on waste reduction and minimisation with a target to reduce the residual waste each household produces by at least one kilogram per week			-2.000		0.000	Green
	1d Terms and Conditions						
GET16	Reducing the costs of business travel	-0.031				-0.031	Green
	2a Procurement						
ETD018	Renegotiate concessionary travel schemes with bus operators	-0.350				-0.350	Green

Ref	Environment, Development and Transport	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
EDT029	Waste disposal contracts - savings from the planned re-procurement of waste contracts	-2.000				-2.000	Green
EDT025	Bus Station and Park and Ride contracts - redesign and new contract arrangements for the Norwich Park and Ride bus service and site management at Norwich bus station	-0.350				-0.350	Green
EDT033	Agency and contracted spend - 25% savings from agency and contracted spend across a number of teams			-2.074		0.000	Green
EDT034	Transport costs - 15% saving on transport costs, including highways vehicle fleet costs, through procurement, reducing use and better journey planning			-0.458		0.000	Green
EDT035	Supplies and services - further 20% saving on supplies and services spend across all teams in Community and Environmental Services			-2.468		0.000	Green
	2b Shared Services						Green
ETD008	Collaboration with peer authorities for delivery of specialist minerals and waste services	-0.005				-0.005	Green
	3a Income and Rates of Return						
ETD010	Attract and generate new income for environment services with a view to service becoming cost neutral in the long term	-0.072				-0.072	Green
ETD011	Attract and generate new income for Historic Environment services with a view to service becoming cost neutral in the long term	-0.046				-0.046	Green
ETD013	Full cost recovery for delivery of travel plans with developers	-0.052				-0.052	Green
ETD014	Charge people for the advice they receive from us prior to submitting a planning application - pre-application services	-0.150				-0.150	Green
ETD017	Reduce NCC subsidy for park and ride service by ongoing commercialisation	-0.075				-0.075	Green
ETD025	Increased income from delivery of specialist highway services to third parties	-0.100				-0.100	Green

Ref	Environment, Development and Transport	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
ETD028	Generation of external funding and grant programme management efficiencies	-0.100				-0.100	Green
EDT019	Economic development sector grants funding - Cease the direct funding to support economic development projects, and work with others to identify alternative ways to secure funding		-0.050			0.000	Green
EDT020	Economic development match funding - cease providing match funding to Hethel Innovation for European funding bids and seek alternative match funding opportunities			-0.051		0.000	Green
	4a - Reducing Standards						
EDT030	Highways maintenance standards - Reduce/revise some non-safety critical highway maintenance standards	-0.084				-0.084	Green
	4b Ceasing Service						
ETD27	Review budget allocations for economic development projects	-0.090				-0.090	Green
EDT017	Highway network analysis and safety procurement - reduce spend on external network analysis and safety activities, including deployment of Traffic Marshalls in Norwich City centre	-0.040				-0.040	Green
		-7.700	-3.071	-12.691	0.000	-7.700	
	Total	-6.950	-3.071	-12.691	0.000	-6.950	

Ref	Communities	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
	REMOVAL OF 2015-16 SAVINGS AND ONE-OFF ITEMS						
	3a - Income and Rates of Return						
CMM004	One-off sale of some antiquarian and collectible library books that do not relate to Norfolk or its history		0.100			0.000	Red
		0.000	0.100	0.000	0.000	0.000	
	SAVINGS						
	1a - Organisational Change - Staffing						
RES079	Review and reduce staffing in Customer Services and Communications to reflect changes in communication practices and the business requirements of the organisation	-0.042				-0.042	Green
COM002	Reductions in staff and increased income from car parking & ancient house museum (Thetford)	-0.010				-0.010	Green
CMM017	Customer Service teams - re-shape some customer service delivery teams	-0.059				-0.059	Green
CMM018	Customer Service delivery re-design - further re-shaping and re-design of some customer service teams		-0.100	-0.100		0.000	Green
CMM025	Registration service staffing structure - review and re-shape some teams	-0.050				-0.050	Green
	1b - Organisational Change - Systems						
	Reduced cost of ICT refresh	-0.100				-0.100	Green
RES082	Efficiency savings arising from utilising Public Health skills and resources to remove duplication	-0.350	0.805			-0.350	Green
P&R011	Review mail operations	-0.065				-0.065	Green
CMM013	Healthwatch - reduce the Healthwatch grant		-0.150			0.000	Green
	1c Capital						
FR001	Purchase different, cost effective fire vehicles for some stations	-0.227				-0.227	Green

Ref	Communities	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
	2a - Procurement						
CMM031	Transport costs - 15% saving on transport costs, including fire service fleet costs, through procurement, reducing use and better journey planning			-0.187		0.000	Green
CMM032	Supplies and services - further 20% saving on supplies and services spend across all teams in Community and Environmental Services directorate			-1.170		0.000	Green
	2b Shared Services						
ETD024	Changes to the delivery of road safety education and evaluation to make greater use of community resources	-0.200				-0.200	Green
	3a - Income and Rates of Return						
COM015	Norfolk Record Office - increased income generation	-0.010				-0.010	Green
ETD002	Charge for advice to business from our Trading Standards service	-0.020				-0.020	Green
RES039	Increase charges for registration services	-0.050				-0.050	Green
P&R031	Portal for "Norfolk Weddings" registrars additional income	-0.025				-0.025	Green
CMM036	Registration service income generation - develop business opportunities within the service to generate additional income			-0.080		0.000	Green
	4a - Reducing Standards						
CMM016	Norfolk and Norwich Millennium Library opening times - Reduce the opening times for Norfolk and Norwich Millennium Library but install Open Plus technology to enable the ground floor to be open longer via self service	0.078	-0.138			0.078	Green
CMM022	Libraries self-service - introduce technology (Open Plus) to enable libraries to open with self-service machines			-0.622		0.000	Green
CMM024	Registration service accommodation costs - close four part-time registration offices at Downham Market, Fakenham, Watton and Swaffham and find alternatives for provision in public buildings at no cost	-0.025				-0.025	Green

Ref	Communities	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
CMM026	Special service mobile library service - change the mobile library service for people in residential care, by encouraging care homes to pay for the service or using volunteers to provide books for individual people	-0.010	-0.044			-0.010	Green
CMM027	Public mobile libraries - reduce the public mobile library mobile fleet from 9 to 8 vehicles, reduce the frequency of some visits and stop Saturday routes	-0.010	-0.044			-0.010	Green
CMM023	Fire service operational support reductions and redeployment of WDS staff - re-design the operational support structures to rationalise and remove some teams, and reduce the operational training budget. Re-design of some operational activities and redeployment of associated resource to other community focussed activities	-0.300		-0.600		-0.300	Green
		-1.475	0.329	-2.759	0.000	-1.475	
	Total	-1.475	0.429	-2.759	0.000	-1.475	

Ref	Policy and Resources	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
	REMOVAL OF 2015-16 SAVINGS AND ONE-OFF ITEMS						
	1a - Organisational Change - Staffing						
P&R043	Reverse Resources saving delivered by use of one-off reserves and shared services recharging in 2015-16	0.200				0.200	Blue
	2a - Procurement						
P&R041	Insurance	1.000				1.000	Blue
	1d - Terms and Conditions						
GET15	Reducing the costs of employment	0.440				0.440	Blue
	4c - Assumptions under Risk Review						
P&R044	County Farms funding (one-off reversal)	2.000				2.000	Blue
		3.640	0.000	0.000	0.000	3.640	
	SAVINGS						
	1a - Organisational Change - Staffing						
RES068	Reduce staff in the HR Reward team	-0.018				-0.018	Blue
RES071	Restructure and reduce staff across HR	-0.155				-0.155	Blue
P&R004	Accelerate "self service" for employees/mgrs. - HR/Finance/ICT	-0.100				-0.050	Amber
P&R005	Automate more information and performance reports	-0.050				-0.050	Green
P&R050	Cutting costs through efficiencies by a zero based review of our services - working with services to establish the base requirement and shape of Resources to support the future needs of the organisation	-0.625	-0.625			-0.312	Red

Ref	Policy and Resources	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
P&R052	Cutting costs through efficiencies: staffing - the proposal is to work across Teams to deliver reductions in cost and headcount over two years via various work streams - delayering, critical review of all activities to ensure either we are helping to deliver council outcomes or we are working at a statutory minimum, reduce failure demand, automation wherever possible	-0.500	-0.500	-0.500		-0.500	Green
	1b - Organisational Change - Systems						
RES034	Restructure the Planning, Performance & Partnerships service, creating a new Business Intelligence function	-0.115				-0.115	Blue
RES063	Reduce spend on properties with third parties	-0.100				-0.100	Green
RES081	Reduce printed marketing materials	-0.054				-0.054	Green
P&R014	Courier savings - enforce, bring forward, digitise HR process	-0.030				-0.030	Green
P&R018	Org Change: reduced ICT spend through single device convergence	-0.625				-0.312	Red
P&R046	Cutting costs through efficiencies: subscriptions - assess value for money of corporate subscriptions and cancel as appropriate - use online access only to trade subscriptions	-0.050				-0.050	Green
P&R047	Customer services channel shift - utilise the council's customer service strategy to further reduce face-to-face customer contact	-0.200				-0.200	Green
P&R060	Property assets: reducing the costs of running the estate - explore what further opportunities we have for further reducing core facilities management standards across the estate, e.g. opening hours, security levels. It should be noted that there is already a significant level of property savings already included in the MTFS, c£7m			-0.200		0.000	Green

Ref	Policy and Resources	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
P&R061	Aligning budgets to actual expenditure: Norfolk Local Assistance Scheme - the NLAS replaced parts of the Discretionary Social Fund from 2013 onwards. These funds are not ring-fenced and offer a more flexible response to unavoidable need aligning to a wide range of local support local authorities can offer. Historically the fund has not been fully called upon, the saving is based upon the forecast spend for 2015-16	-0.200				-0.200	Green
P&R063	Cutting costs through efficiencies by menu based pricing - the services provided by Resources have evolved since the formation of Shared Services in 2010, services have had little visibility of costs or the ability to control them. A full review of the prices of services and equipment would offer visibility and choice to services - alternatives may include self service	-0.500	-0.500	-0.500		-0.375	Amber
P&R064	Cutting costs through efficiencies by reducing unit costs - the menu based proposition above offers the opportunity to reduce costs by reduced demand, this proposition offers the opportunity to reduce unit costs, e.g. by benchmarking and taking any appropriate resulting actions	-0.300	-0.300	-0.300		-0.225	Amber
	1d Terms and Conditions						
GET16	Reducing the cost of business travel	-0.016				-0.016	Green
	2a - Procurement						
P&R021	Pay per use ERP		-0.100			0.000	Amber
P&R022	New Multi Functional Devices contract 2016	-0.070				-0.035	Amber
P&R024	Rationalise applications and centralise all applications spend	-0.100				-0.050	Amber
P&R025	Corporate Banking project - move to Barclays		-0.035			0.000	Green
	3a - Income and Rates of Return						
RES064	Increase income from Nplaw	-0.051				-0.051	Green
P&R027	County Hall refurbishment savings	-0.751				-0.751	Green

Ref	Policy and Resources	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
	Reduced cost of borrowing	-0.825				-0.825	Green
	New Homes Bonus	-1.529				-1.529	Green
P&R033	Interest rate increases	-0.990				-0.990	Green
P&R027	Reduce property costs through reducing area occupied and reducing cost per square metre	-0.570	-1.430	-1.000	-1.000	-0.570	Green
P&R027	Removal of Property saving	0.600				0.600	Green
P&R028	Stop all trading that doesn't cover costs or bring in higher revenue	-0.050				-0.050	Green
P&R030	Corporate Property Team approach to sponsorship & advertising		-0.100			0.000	Green
P&R048	Cost recovery: charging for the use of credit cards - charging service users who wish to pay bills using a credit card, thereby offsetting the costs to the council	-0.020				-0.020	Green
P&R049	Review of accounting treatment for notional debt repayment	-9.326	-5.216			-9.326	Blue
P&R051	Raising revenue by an increased ESPO dividend - ESPO is a Joint Committee of which Norfolk is the largest member, buying on behalf of schools, councils and others. ESPO plans to reduce its costs and increase its market presence outside of its traditional operating area, resulting in an increased dividend	-0.100	-0.100	-0.100		-0.100	Green
P&R053	Raising revenue: a business strategy treasury management - our average return on investments is currently 0.75%, a modest increase in risk, e.g. 0.25% on £100m of cash, would produce a saving. The breadth of organisations we lend to and for how long can be reviewed. The average cash balance in 2015-16 was £215m	-0.750	-0.500			-0.750	Green

Ref	Policy and Resources	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
P&R054	Raising revenue: NCC company borrowings - Council owned companies borrow from banks and other institutions, this presents an opportunity to arbitrage the high level of cash holdings the authority currently has and eliminate a profit margin - typically 1.3% - 2.0% on £30m - £40m of borrowings	-0.700				-0.700	Green
P&R056	Reduction in external audit costs	-0.100				-0.100	Green
P&R057	Raising revenue: commercialisation investment fund - investment in a range of commercial activities, in particular the council's wholly owned companies, e.g. NORSE have a pipeline of energy related projects for a mix of public sector and private clients	-0.750				-0.750	Green
P&R058	Raising revenue: property development - to explore options for the authority regarding direct property development. The Council owns a significant land and building bank for which sale for capital receipt may not be the best option for the authority. Generating a higher capital receipt would reduce future borrowing costs			-0.500		0.000	Green
P&R059	Raising revenue: fraud error and debt - use of data analytical tools to collect debts otherwise considered unrecoverable, largely uncollected council tax, working with district councils. The work would be performed by specialist companies		-0.050			0.000	Green
P&R062	Raising revenue through recharging the full costs of our services to external customers - ensuring that ICT services to schools, and other external clients, fully reflect both the direct and indirect costs incurred	-0.300	-0.500	-0.500		-0.140	Red
P&R066	Second Homes income			-1.200		0.000	Green
	4a Reducing Standards						
RES011	Continued efficiencies in tendering and contract management in Procurement	-0.083				-0.083	Green

Ref	Policy and Resources	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
	4c - Assumptions under Risk Review						
P&R068	Insurance Fund saving	-2.000	2.000			-2.000	Blue
P&R069	Use of Organisational Change Reserve to fund Social Care system in 2016-17	-0.478	0.478			-0.478	Blue
P&R070	Use of Business Risk Reserve to fund reprofiling of COM033 Adults saving in 2016-17	-0.500	0.500			-0.500	Blue
P&R071	Use of Organisational Change Reserve in 2016-17	-0.132	0.132			-0.132	Blue
		-23.213	-6.846	-4.800	-1.000	-22.092	
	Total	-19.573	-6.846	-4.800	-1.000	-18.452	

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.

Policy and Resources Committee

Item No 10

Report title:	Budget 2017-18 Planning and Efficiency Plan
Date of meeting:	18 July 2016
Responsible Chief Officer:	Executive Director of Finance – Simon George
Strategic impact This report provides an update on various elements of the Council's budget process for 2017-18. In particular, the report sets out details of the draft Efficiency Plan which will be required to enable the Council to access the guaranteed minimum funding allocations up to 2019-20 as set out in the Local Government Finance Settlement 2016-17.	

Executive summary

This report forms part of the strategic and financial planning process for the Council, and provides an update on the Council's budget setting process.

Policy and Resources Committee is recommended to:

- 1. Recommend that County Council accepts the Government's offer of a four year funding allocation by submitting an Efficiency Plan to the Department for Communities and Local Government before 14 October 2016;**
- 2. Recommend the draft Efficiency Plan 2016-17 to 2019-20 to County Council for approval, noting that the Plan will be updated to reflect Full Council's decisions about the County Council Plan and then communicated to the Department for Communities and Local Government;**
- 3. Note the latest position in respect of the allocation of Transitional Funding held in the 2016-17 Budget; and**
- 4. Note the progress in developing further savings proposals for 2017-18 and the proposed next steps in the budget setting process.**

1. Background

- 1.1.** In May, Policy and Resources Committee received a paper setting out details of the Council's approach to developing the budget for 2017-18, which included a framework for Service Committees to begin to develop their proposals to support the preparation of a balanced budget. The report provided details of the requirement to produce an Efficiency Plan, a draft of which is appended to this report for consideration and recommendation to County Council.
- 1.2.** This paper also provides an update on the progress of the council's budget setting work and proposes an amended timetable for Service Committees to consider their budget proposals for 2017-18. The paper also sets out details of the progress in determining allocations of Transitional Grant funding in 2016-17.

2. Efficiency Plan 2016-17 to 2019-20

- 2.1. The Final Local Government Finance Settlement 2016-17, included an offer of four-year allocations of funding for Local Authorities. The Government has therefore provided a greater degree of certainty about future funding levels for local authorities through the offer of a four-year settlement for those councils making long-term financial plans. However, it is important to note that these 'certainty allocations' relate to only a limited number of funding streams (Revenue Support Grant, Transitional Grant, and Rural Services Delivery Grant). The offer therefore does not provide certainty about the funding available through Business Rates.
- 2.2. The guaranteed funding allocations were reflected in the Council's 2016-17 budget-setting. On 10 March the Government provided further details about the criteria for Local Authorities wishing to secure this four year funding allocation. This includes a requirement for the preparation of an "Efficiency Plan". The Government has not provided detailed guidance on the content of an Efficiency Plan, although CIPFA and the LGA have facilitated the development of some common principles through the production of (sector-led) guidance.
- 2.3. In response to the Government's offer, a draft Efficiency Plan has been developed and is appended to this report for the Committee to consider and recommend to County Council. The Efficiency Plan covers the following areas, which all form part of the Council's strategic and financial planning framework:
- Planning Context, including the County Council Plan
 - Medium Term Financial Strategy
 - Capital Strategy
 - Budget strategy
 - Partnership working opportunities
- 2.4. The Committee's comments on the draft Efficiency Plan are sought.

3. Transitional Funding

- 3.1. As part of the Budget 2016-17, County Council set aside additional funding made up of Transition Grant and Rural Services Delivery Grant as transitional funding to manage business risk. It was noted that the late provision of the additional funding had made it inappropriate to propose the allocation of the funding in the time available, and that Service Committees would wish to have the opportunity to comment on priorities for its use.
- 3.2. Service Committees brought forward proposals for the use of this budget in the May 2016 committee round. Details of all proposals were set out in Service Committee reports, and a summary of the total amounts requested is shown in the following table.

Table 1: Service Committee proposals

Committee	Requested £m
Adults	2.240
Children's	4.750
Communities	0.585
EDT	3.637
P&R	0.570
Grand Total	11.782

3.3. Having considered the proposals brought forward by Service Committees, the Administration is minded to propose using some of the available budget to support additional investment in ICT and the remainder to deliver service committee invest to save proposals. However, it is also recognised that it may be prudent to retain some flexibility to address emerging budget pressures in 2016-17 and 2017-18 and as a result it is proposed that a decision on the use of this funding is made during the September / October Committee cycle.

4. The Council's budget setting process

4.1. In May 2016, Policy and Resources Committee recommended that plans for savings totalling £10.000m be developed for 2017-18. At present further savings or additional revenue funding need to be identified to meet the budget shortfall in 2017-18. Work is currently being undertaken by Services to identify:

- what opportunities there may be to bring forward some of the savings identified for 2018-19, in order to deliver a balanced budget position in 2017-18;
- what previously removed savings it might be appropriate to reinstate; and
- what new savings can be proposed in order to close any remaining budget gap.

4.2. As a result of the need for further time to develop robust and deliverable budget proposals, the following timetable is proposed for the presentation of proposals to Committees:

- Services develop detailed savings proposals – Summer
- Savings proposals considered by Service Committees – October
 - Adults 10th, EDT 14th, Children's 18th, and Communities 19th
- Consultation commences (if required) – 30th September (following publication of papers for Adults Committee)
- Savings proposals presented to P&R – 31st October
- Full Council Budget approval and Council Tax setting – February 2017

5. Financial Implications

5.1. The process set out in this report will support the Council in setting a robust Budget for 2017-18.

5.2. Failure to agree an Efficiency Plan would have significant financial consequences for the Council in that it would not be possible to gain access to

the four year funding allocations offered by Government for the period up to 2019-20, leaving the Council vulnerable to annual changes in funding.

- 5.3. In the March 2016 Budget, the Chancellor confirmed that the Government still has to find savings of £3.5bn in the course of this parliament. Unprotected areas, which include local government, should therefore anticipate further cuts in their funding during this period. The Chancellor's recent announcement that plans to achieve a surplus by the end of the parliament will not now be delivered, is not expected to result in a relaxation in the level of financial savings required from Local Government.

6. Issues, risks and innovation

- 6.1. There are no significant risks or implications beyond those set out in the financial implications section of the report.

7. Background Papers

County Council Budget 2016-17 to 2019-20: Medium Term Financial Strategy 2016-20, County Council, 22 February 2016, Item 4, Annexe 9:

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/438/Committee/2/SelectedTab/Documents/Default.aspx>

Revenue Budget 2016-17 – Proposals for Allocation of Transitional Funding and Rural Services Delivery Grant, Policy and Resources Committee, 31 May 2016, Item 7:

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/498/Committee/21/SelectedTab/Documents/Default.aspx>

Medium Term Service and Financial Planning 2017-18 to 2019-20, Policy and Resources Committee, 31 May 2016, Item 9:

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/498/Committee/21/SelectedTab/Documents/Default.aspx>

Officer Contact

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Budget and Service Planning Timetable 2017-18

Activity/Milestone	Time frame
Develop service planning options for 2017-20	Summer 2016
Policy and Resources Committee to consider Efficiency Plan 2016-17 to 2019-20	18 July 2016
County Council to approve Efficiency Plan 2016-17 to 2019-20	25 July 2016
Consultation on any new proposals and Council Tax 2017-20 (<i>if required</i>)	Late September / October to December 2016 / January 2017
County Council to approve use of transition funding 2016-17	17 October 2016
Service reporting to Members of service and budget planning – review of progress against three year plan and planning options	October / November 2016 <i>as required</i>
Chancellor's Autumn Statement and Provisional Finance Settlement	TBC December 2016
Service reporting to Members of service and financial planning and consultation feedback (<i>if required</i>)	January 2017
Committees agree revenue budget and capital programme recommendations to Policy and Resources Committee	Late January 2017
Policy and Resources Committee agree revenue budget and capital programme recommendations to County Council	Late January / Early February 2017
County Council agree Medium Term Financial Strategy 2017-18 to 2019-20, revenue budget, capital programme and level of Council Tax for 2017-18	Mid-February 2017

Norfolk County Council – Efficiency Plan 2016-17 to 2019-20

1. Introduction

1.1. The Final Local Government Finance Settlement for 2016-17 set out an offer from Government to Local Authorities to enable them to access four year allocations of funding. Norfolk County Council recognises and welcomes this opportunity to gain a greater degree of certainty about future funding levels. The certainty allocations relate to the following funding streams, which amount to £299.347m for the Council over the four years of the offer:

Table 1: Certainty funding allocations for Norfolk County Council

	2016-17	2017-18	2018-19	2019-20
	£m	£m	£m	£m
Revenue Support Grant	108.511	77.926	58.035	38.810
Transitional Grant	1.602	1.657	-	-
Rural Services Delivery Grant	3.957	3.195	2.458	3.195
Total	114.070	82.779	60.493	42.005

1.2. The Department for Communities and Local Government (DCLG) has confirmed¹ that submission of an Efficiency Plan is a prerequisite for access to the certainty funding offer. This Efficiency Plan for Norfolk County Council therefore responds to the Government's offer and sets out details of the following, which all contribute to the Council's strategic and financial planning activity:

- Planning Context, including the County Council Plan
- Medium Term Financial Strategy
- Capital Strategy
- Budget strategy
- Partnership working opportunities

2. The Council's planning context

2.1. Norfolk County Council is operating in a period of significant and fundamental change in both the scope and scale of public services, and associated sustained reductions in the levels of funding to local government. This pressure on resources has come at a time of increasing levels of demand for the services we provide.

2.2. Within this context, the 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.

¹ Letter from the Secretary of State to Council Leaders, 10 March 2016

2.3. The Council's four priorities are core commitments to our local community which go beyond our statutory responsibilities and avoid retreating to minimum levels of service. We aim for:

- A well-**educated** and skilled population
- With '**real**' **jobs** which pay well and have prospects
- **Improved infrastructure** - air, sea, road, rail, broadband and mobile network coverage
- Vulnerable people **supported** – more living independently and safely in their communities

2.4. The County Council Plan 2016-19 includes a set of whole-council improvements which will be critical to the overall strategic direction of the Council and delivery of the four priorities. The Plan is due to be considered by Full Council on 25 July 2016 and can be found [here](#)².

2.5. The Council is focussed on meeting these twin challenges of increasing demand and reducing central government funding, whilst minimising the impact on the front line delivery of services. Further details about the Council's budget planning approach are set out elsewhere in this plan document.

3. Medium Term Financial Strategy

3.1. The Council has an established and sound approach to medium term service and financial planning. This includes a rolling Medium Term Financial Strategy (MTFS), with an annually agreed budget.

3.2. The Council's current MTFS was adopted in February 2016, and can be found on the Council's website at the following [link](#)³. The MTFS sets out details of the national and local context and framework for budget planning and brings together all of the elements that are considered as part of the robust planning process for a sustainable and prudent future for the services that Norfolk County Council provides or commissions. The MTFS also shows how the Council intends to manage anticipated funding reductions, to make transformative changes, and plan new initiatives, while meeting its statutory responsibilities.

3.3. The MTFS agreed in February identifies that further savings or additional revenue funding need to be found to meet shortfalls in 2017-18 and 2019-20. A key aim of the MTFS is to ensure a balanced budget over the medium term to support forward planning activity and help mitigate financial risk. The Government's announcement of four year funding allocations provides a welcome degree of additional certainty for the Council's medium term financial planning. Nevertheless, significant uncertainty remains around those

²<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/441/Committee/2/SelectedTab/Documents/Default.aspx> County Council 25 July 2016, Item **TBC**.

³<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/438/Committee/2/SelectedTab/Documents/Default.aspx> County Council 22 February 2016, Item 4b, Annexe 9.

areas of funding not included in the offer, and the impact of the localisation of business rates by the end of this parliament. In addition, the settlement continues to anticipate significant reductions in local government funding up to 2019-20.

Table 2: MTFS Budget surplus / deficit to 2019-20

	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m
Additional cost pressures and forecast reduction in Government grant funding	77.475	51.353	49.354	42.454
Council Tax base increase	-20.532	-10.300	-15.265	-16.266
Identified saving proposals and funding increases	-56.943	-32.226	-56.449	-14.473
Budget gap (Surplus) / Deficit	0.000	8.827	-22.360	11.715

3.4. The Council's MTFS is based on a balanced budget for 2016-17, but a deficit will remain of £8.827m in 2017-18, a surplus of £22.360m in 2018-19 and a deficit of £11.715m in 2019-20 (a small cumulative surplus of £1.818m). The Council is currently working to identify options to close this remaining budget gap and to refine estimates of future year budget pressures as part of the annual budget setting process for 2017-18.

4. Capital Strategy

4.1. The Council's Capital Strategy is an integral part of the Council's MTFS and provides a framework for the allocation of resources to support the Council's objectives. The key aims of the strategy are to identify and prioritise capital projects and programmes, and to maximise funding for capital expenditure whilst minimising the impact on future revenue budgets. The Council's current Capital Strategy and Programme was adopted in February 2016, and can be found on the Council's website at the following [link](#)⁴.

5. Budget strategy

5.1. In developing the 2016-17 Budget and Medium Term Financial Strategy, Norfolk County Council's approach to meeting its budget challenge for future years involved identifying proposals under the following categories:

- Cutting costs through efficiencies
- Better value for money through procurement and commissioning
- Enabling communities and working locally
- Service Redesign: Early help and prevention
- Customer Services: Channel shift
- Raising Revenue: a business strategy

⁴<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/438/Committee/2/SelectedTab/Documents/Default.aspx> County Council 22 February 2016, Item 4b, Annex 8.

- Maximising property assets

5.2. This approach includes seeking new ways of generating income, expanding the scope and scale of trading activity, and raising our fees and charges where appropriate. A key focus has been on developing services which promote independence and introduce preventative approaches to minimise the demand for Council services.

5.3. The Council has identified a number of strategies for closing the remaining budget gap, which will include bringing forward future year savings from 2018-19, reinstating savings where appropriate, and working to identify new savings to be implemented in 2017-18.

6. Partnership working

6.1. The County Council works closely with a wide range of partners in the public sector and beyond. These joint working arrangements are central to the Council's future sustainability and include:

- Working with the **health sector** to develop a Sustainability and Transformation Plan which will help ensure that health and care services are planned by place rather than around individual institutions;
- Working with **District and neighbouring Councils** to collaborate and deliver services in the most effective way, including progressing the implementation of the East Anglia devolution agreement for Norfolk and Suffolk;
- Working with the **New Anglia LEP** and private sector **businesses** to deliver economic growth, maximising income from business rates; and
- Working with **voluntary organisations** to deliver services closer to communities more effectively and at lower cost.

7. Summary

7.1. The additional certainty of four year funding allocations provides the Council with the opportunity to plan service delivery and changes to services with a greater degree of confidence. Nonetheless, the anticipated overall reductions in the Council's Settlement Funding Assessment set out in the four year settlement remain extremely challenging, with the most significant reductions occurring in the first two years (2016-17 and 2017-18), and considerable savings to be delivered in all years of the MTFS.

7.2. This Plan is due to be approved by Norfolk County Council at its meeting 25 July 2016 and will be signed by the Leader of the Council and Managing Director.

Cliff Jordan
Leader of Norfolk County Council

Dr Wendy Thomson CBE
Managing Director

Policy and Resources Committee

Item No. 11.2

Report title:	Risk Management Report
Date of meeting:	18th July 2016
Responsible Chief Officer:	Executive Director of Finance
Strategic impact The Policy and Resources Committee's role is to own, and set expectations for, the Council's corporate risk management. Strong risk management is key to ensuring that the organisation continues to achieve its' strategic objectives, and continues to manage the risks to the effective and efficient delivery of the Council's priorities, and services.	

Executive summary

This report provides the Committee with the corporate risk register as it stands at the end of June 2016, along with an update on the Risk Management Strategy 2016-19, and other related matters, following the latest review conducted during June 2016.

The Committee sets the risk appetite for the Council's Corporate Risks and those of Resources and Finance. It oversees the risk management framework to satisfy itself that the framework is sound. It is the role of the County Leadership Team to design and implement that framework and to ensure that the Council operates within the risk appetite set by the Committee.

Risk Management is reported in its own right but the reporting is aligned with and complements the Performance and Financial reporting to the Committee.

The Corporate Risk Register was last reported to the Policy and Resources Committee in March 2016, prior to being refreshed in May and June 2016 to show the latest developments, and presented to the Audit Committee in June 2016 for risk management assurance. Officers are working on suggestions from that Committee. The latest developments since March 2016 are shown in **Appendix A** (the risk register report). A reconciliation of corporate risks from March 2016 is shown at **Appendix B**.

Recommendations:

Committee Members are asked to:

- Consider:
 - a. The progress with Risk Management since the last presentation of the Risk Management report to the Policy and Resources Committee meeting
 - b. The changes to the corporate risk register (**Appendices A and B**), and the progress with mitigating the risks; and
 - c. The Council's corporate risk appetite and tolerances, as described in this report and the corporate risk register are acceptable and sound, and

- d. That, while the Council's 'Risk Management Framework' has been fit for purpose, it is due to be refreshed and will be presented to a future committee meeting.
- e. if any further action is required.

1. Proposal (or options)

1.1. The recommendations are in the Executive Summary above.

1.2. The County Leadership Team has been consulted in the preparation of the corporate risk register.

2. Evidence

2.1 Direction

The Council's Medium Term Strategy and Financial Plan, adopted in July 2015, provides council-wide priorities, and these have been developed into some clear outcomes and measures by officers and members. Considering 'being the organisation we need to be', the Council is leading on, and delivering, these changes, and is becoming more strategic with the right attitudes and skills, able to change at pace while shedding cost. The Council is continuing to strengthen governance and performance management, which include effective risk management arrangements. The overall direction should move towards a reduction in corporate risk scores, wherever possible.

Since August 2015 when the responsibility for Strategic Risk Management passed over to the Chief Internal Auditor, a Medium Term Risk Management Strategy 2016-19 has been initiated, and is currently being developed by the Risk Management Officer.

Work is taking place to further develop the performance pyramid. Risk Management continues to be reviewed and strengthened. The Council's Management of Risk Framework was last revised in 2014 and, whilst it has been fit for purpose, it is due for a refresh to reflect governance, organisational and developments in best practice. That work is now underway. Key areas to be strengthened are setting out clearly how the Council's 'Risk Appetite' and 'Risk Tolerance' are governed and these are explained below.

Risk Appetite is strategic and directly related to the achievement of the Council's objectives, including the allocation of resources. The risk appetite set by each Committee explicitly articulates the attitudes to and boundaries of risk that the Committee expects Executive Directors to take. Through the Constitution, specific delegations, Financial Regulations and Standing Orders the Council enables Executive Directors to act in particular ways or implement particular decisions that align with these attitudes. Executive Directors then, in turn, set in place a further series of delegations, responsibilities, procedures and risk mitigation plans that cascade the risk appetite through the Council. This aligns decision making at all levels with the attitudes to risk set by the Council and its committees.

Risk Tolerance is the tactical and operational boundaries and values which enable the Council to control its risk appetite in line with the organisational strategic objectives. The tolerance sets the level of risk that can be borne in the context of specific transactions or activities, as described in each Committee's risk register.

2.2.

Progress

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

The latest corporate risk register details 20 risks. Corporate risks are where the occurrence of an event may have an impact on the County Council achieving its objectives or missing opportunities. Each risk has been allocated to the appropriate Executive Director along with a risk owner and actionee who are able to influence the mitigation and regularly report on progress so that all reports contain the most current information relating to the risk. It is the nature of corporate risks that every Executive Director has a responsibility to contribute, support and progress the tasks to mitigate the risks, through the County Leadership Team and their Departmental Management Teams.

Explanations for the various scores and terminology can be found in a 'Bite Sized Guide to Risk Management' previously presented in an Audit Committee meeting agenda paper, pages 368-378. Risk scores are based on the scoring model found in the Norfolk County Council "Well Managed Risk - Management of Risk Framework".

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

The criteria for Corporate and Departmental risks are described at Note 1.

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

There is one risk with a 'current' red rated risk score:

1. RM020a – Failure to meet the long term needs of older people.

Risk owners have considered whether the risks will meet the target tolerance score by the target date. Eleven risks are assessed as "Amber– some concerns" that targets may not be met, and six are assessed as "Green - on schedule" to meet their target, and one risk having already met its' target score by the target date.

There are two risks currently with a 'prospects' target red risk score:

1. RM014a - The amount spent on home to school transport at significant variance to predicted best estimates.
2. RM014b – The savings to be made on Adult Social Services transport are not achieved.

A description of target scores is shown at Note 2.

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

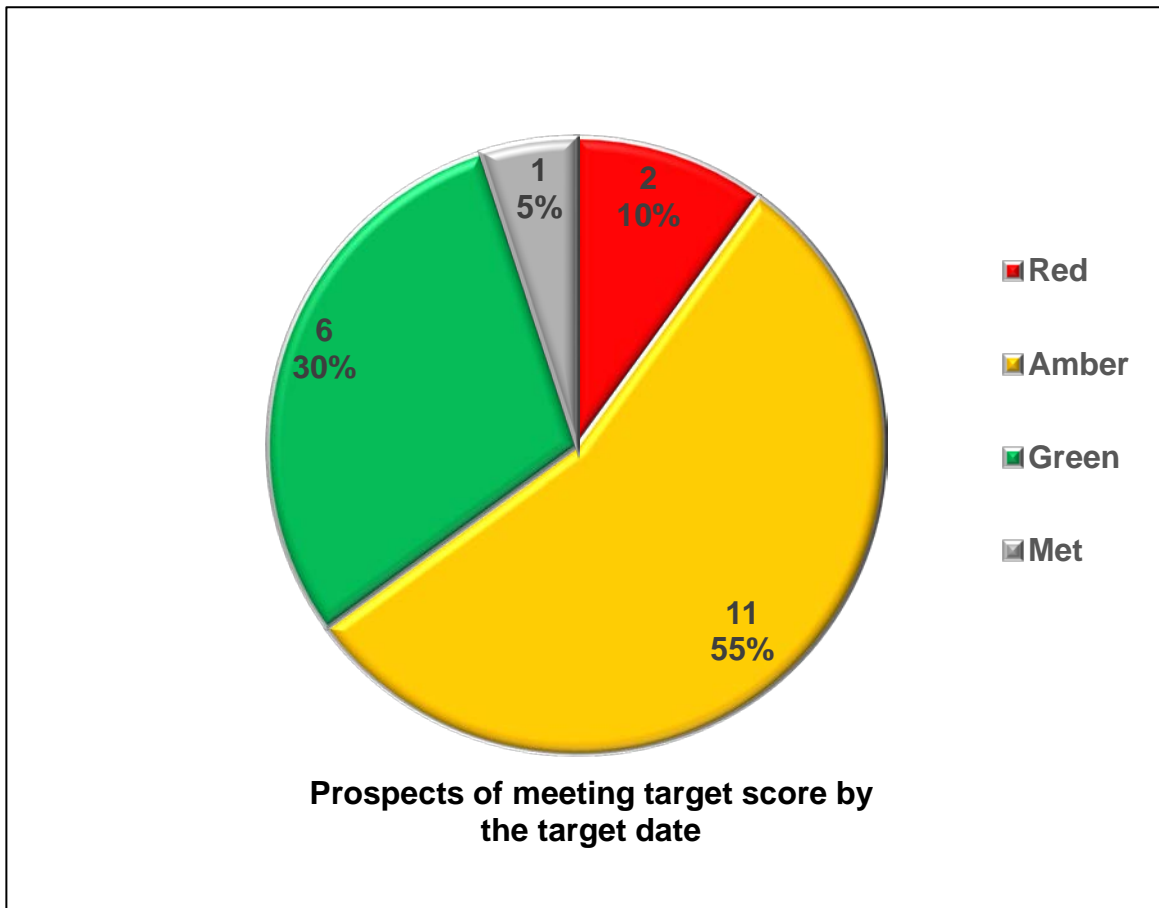


Fig. 1 – A chart to show the RAG rating percentages of meeting target scores.

2.3 Changes to the corporate risk register

Following the recent review there is now:

One new corporate risk to report: RM021 – Failure of Estate Management

One closed corporate risk to report: RM009 - The potential risk of failure of corporate governance and leadership. This has been closed due to the Council continuing to strengthen its corporate governance and leadership.

No upgraded or downgraded risks to report.

Risk management reporting to Committees

3.

- 3.1 Since the last Policy and Resources Risk Management report in March 2016, reported jointly with Performance Management, Risk Management is reported separately here, although there continue to be close links between performance and risk such that the reports complement each other. The departmental reporting continues to be by exception, including full information for risks with a current risk score of 12 and above where the prospects of meeting the target score by the target date is reported as amber or red. A risk report is presented to each Committee on a quarterly basis, at the same time as the Performance Report.

4. Financial Implications

- 4.1 There are no financial implications other than those identified within the risk register. The financial implications of corporate risks are reported to the Policy and Resources Committee.

5. Issues, risks and innovation

- 5.1 There are no further corporate risks than those described elsewhere in this report. The Risk Management Strategy 2016-19 will include best practice. The intention is to promote the benchmarking of the function from 'Highly rated against peers' to 'world class'.

6. Background

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

Officer Contact

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

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Note 1:

A Corporate Risk is one that:

- requires strong management at a corporate level thus the Council Leadership Team should direct any action to be taken
- requires input or responsibility from more than one Executive Director for mitigating tasks; and
- If not managed appropriately, it could potentially result in the County Council failing to achieve one or more of its key corporate objectives and/or suffer a significant financial loss or reputational damage.

The criteria for a Departmental Risk Register is that:

- It requires strong management at a departmental level thus the Departmental Management Team should direct any action to be taken.
- If not managed appropriately, it could potentially result in the County Council failing to achieve one or more of its key departmental objectives and/or suffer a significant financial loss or reputational damage.

Note 2:

The prospects of meeting target tolerance scores by the target dates are a reflection of how well mitigation tasks are controlling the risk. The contents of this cell act as an early warning indicator that there may be concerns when the prospect is shown as amber or red. In these cases, further investigation may be required to determine the factors that have caused the risk owner to consider that the target may not be met. It is also an early indication that additional resources and tasks or escalation may be required to ensure that the risk can meet the target tolerance score by the target date. The position is visually displayed for ease in the "Prospects of meeting the target score by the target date" cell as follows:

- Green – the mitigation tasks are on schedule and the risk owner considers that the target score is achievable by the target date
- Amber – one or more of the mitigation tasks are falling behind and there are some concerns that the target score may not be achievable by the target date unless the shortcomings are addressed
- Red – significant mitigation tasks are falling behind and there are serious concerns that the target score will not be achieved by the target date and the shortcomings must be addressed and/or new tasks introduced.

Risk Number		RM001		Date of update		21 June 2016				
Risk Name		The potential risk that County Infrastructure is not delivered at the required rate to support existing and future needs.								
Risk Owner		Tom McCabe		Date entered on risk register		01 July 2015				
Risk Description										
There is a risk that the necessary infrastructure (including but not limited to transportation, community, school and green infrastructure) will be not be delivered at the required level and/or rate to support the existing population and to support and stimulate future growth, as set out in Local Plans.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	5	15	3	4	12	3	2	6	Apr-17	Amber
Tasks to mitigate the risk										
1) Ensure appropriate infrastructure planning is undertaken and documented 2) Continue to investigate all possible funding sources including UK government, European Union and developer 3) Maintain and improve lobbying of government 4) Work in partnership with the district councils who have a Community Infrastructure Levy (CIL) in place to ensure the most effective use of the income 5) Ensure appropriate arrangements are in place for the collection of developer contributions 6) Ensure all the Local Growth Fund allocations from the New Anglia Local Enterprise Partnership, and other funding sources, are spent on appropriate infrastructure and to the agreed timescales 7) Continue to work with Highways England to ensure the Road Investment Strategy is delivered to the agreed timetables										
Progress update										
1) Infrastructure planning is carried out in conjunction with the seven Local Planning Authorities and via the Greater Norwich Growth Board in terms of devising appropriate Local Plans. In addition, this is complemented by strategic transport planning carried out by NCC. 2) Close working with the New Anglia Local Enterprise Partnership, Department for Transport, colleagues in EDS (European funding) and Developer Services. Submitted a bid for Major Scheme development funding to prepare and Outline Business Case (OBC) for the Great Yarmouth Third River Crossing. A government announcement is awaited. 3) A campaign is currently underway to raise the profile of the Great Yarmouth Third River Crossing using Brandon Lewis MP as the focus. 4) CIL is only currently in place in Norwich, Broadland and South Norfolk and we are working through the Greater Norwich Growth Board (GNGB) to influence the priorities. 5) NCC ensures that development contributions are maximised within the extent of the planning framework. 6) Feasibility and scheme development work continues for the various projects. Some are well advanced for delivery to the Local Growth Fund timescales but others are still at the scheme identification stage and could face delays particularly if land acquisition is needed. An increasing reliance will need to be put on resources from the Mouchel partnership. 7) Regular progress meetings are held with Highways England in addition to scheme specific meetings. Highways England presented options for the Norfolk schemes on 4 May and we provided feedback and comments.										

Risk Number	RM002		Date of update		08 June 2016					
Risk Name	The potential risk of failure to manage significant reductions in local and national income streams									
Risk Owner	Simon George		Date entered on risk register		01 July 2015					
Risk Description										
This may arise from global or local economic circumstances, government policy on public sector budgets and funding. As a result there is a risk that the Medium Term Financial Plan savings required for 2016/17-2019/20 are not delivered because of uncertainty as to the scale of savings resulting in significant budget overspends, unsustainable drawing on reserves, and severe emergency savings measures needing to be taken. The financial implications are set out in the Council's Budget Book, available on the Council's website.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	5	15	3	5	15	3	4	12	Feb-17	Green
Tasks to mitigate the risk										
Medium term financial strategy and robust budget setting within available resources. No surprises through effective budget management for both revenue and capital. Budget owners accountable for managing within set resources. Determine and prioritise commissioning outcomes against available resources and delivery of value for money. Regular and robust monitoring and tracking of in-year budget savings by CLT and members. Regular finance monitoring reports to Committees. Close monitoring of central government grant terms and conditions to ensure that these are met to receive grants. Plans to be adjusted accordingly once the most up to date data has been received.										
Overall risk treatment: reduce										
Progress update										
Re-Imagining Norfolk - Service and Financial Planning 2016-19 for Policy Resources reported to Policy and Resources Committee on 8 February 2016 and County Council on 22 February 2016 (in conjunction with progress update in RM006 below). 2015/16 Financial Savings and Monitoring reports reported to the February Policy and Resources Committee and where necessary adjustments included in the 2016/17 budget. Government's 2016-17 local government finance settlement reflected in the 2016/17 budget and Medium term Financial Strategy. Policy and Resources Committee on 31 May 2016 considered the latest position and agreed a timetable to consider 2017/18 budget and future Medium Term Financial Strategy.										

Risk Number		RM003				Date of update		06 May 2016		
Risk Name		Potential reputational and financial risk to NCC caused by failure to comply with statutory and/(or) national/local codes of practice.								
Risk Owner		Anne Gibson				Date entered on risk register		30 September 2011		
Risk Description										
There is a risk of failing to comply with statutory and/(or) national/local codes of practices in relation to Information Compliance. This could lead to significant reputational and financial risk for NCC.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	5	15	3	5	15	2	4	8	Oct-16	Amber
Tasks to mitigate the risk										
1) Implementation of SIRO (Senior Information Risk Officer) , CIO (Chief Information Officer), Corporate Information Management Team encompassing Information Management, Information Governance, Records Management, policies confirming responsibilities.										
2) Ensure that information and data held in systems (electronic and paper) is accurate, up to date, comprehensive and fit for purpose to enable managers to make confident and informed decisions.										
3) Ensure that all staff and managers are provided with training, skills, systems and tools to enable them to meet the statutory standards for information management.										
The target likelihood score has increased from 1 to 2 to take into account the current climate around the corporate reliance on data and its interpretation/meaning.										
The target date has been changed to take into account the delivery and timescales in the IM Maturity Readiness Plan.										
Overall risk treatment: reduce										
Progress update										
The Corporate Information Management Strategy and IM Maturity Readiness Plan was signed off by CLT on the 11th March 2016. The strategy and plan have been developed around the 7 National Archive Information Principles.										
The IM Maturity Readiness plan has objectives and outcomes around the key information management tasks identified within the risk. The plan is initially focussed on the first three information principles as the foundation layers, Information is a valued asset, information is managed and information is fit for purpose.										
Data cleansing has started in relation to Children's and Adult's social care information pre -procurement. The Fit for Purpose principle will initially deliver the below by Oct 2016:-										
* Develop processes and governance to monitor and assure information quality										
* Identify the quality characteristics required for each dataset from Line of Business systems										
* Develop a consistent approach for describing, recording, and communicating information throughout Line of Business Systems										
The Maturity Readiness Plan is being monitored by the BI/IM Programme Board on a monthly basis with highlight reports. The scrutiny will also be provided by regular updates to CLT.										

Risk Number	RM004					Date of update			06 July 2016		
Risk Name	The potential risk of failure to deliver effective and robust contract management for commissioned services.										
Risk Owner	Anne Gibson					Date entered on risk register			01 July 2015		
Risk Description											
Ineffective contract management leads to wasted expenditure, poor quality, unanticipated supplier default or contractual or legal disputes The council spends some £600m on contracted goods and services each year.											
Original			Current			Tolerance Target					
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date	
3	4	12	3	4	12	2	3	6	Sep-16	Amber	
Tasks to mitigate the risk											
1) Agree a standard corporate approach to the management of significant contracts.											
2) Conduct a gap analysis, initially focused on the top fifty contracts.											
3) Put in place an action plan based on the gap analysis											
Overall risk treatment: reduce											
Progress update											
1) CLT agreed the standard approach on 30 June 2016.											
2) An initial gap analysis is under way on five pilot contracts. This will be used to refine the approach.											
3) Subsequently, the gap analysis will be extended to the remainder of the top fifty contracts, then to a further tranche of some 45 contracts.											

Risk Number	RM005					Date of update		22 June 2016		
Risk Name	The risk that we cannot provide laptops that are configured and maintained to be modern, reliable and fit for purpose.									
Risk Owner	Anne Gibson					Date entered on risk register		01 July 2015		
Risk Description										
Failure to provide laptops that are configured and maintained to be modern, reliable and fit for purpose, resulting in poor staff productivity, poor morale, ineffective working practices and/or poor information security.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	4	16	3	4	12	2	4	8	Sep-16	Amber
Tasks to mitigate the risk										
1) Replace all Windows XP devices by 30 November 2015 to retain PSN compliance. 2) Roll out modern laptops running a modern operating system (Windows 7 or Windows 8.1), with alternative devices (eg power laptops) available where required. 3) Keep the new devices up to date through regular patching and software update. 4) Resolve reliability and usability issues with the new devices.										
Overall risk treatment: reduce										
Progress update										
1) XP switch-off took place as planned. A very small number of devices are still running, with mitigations agreed with the Cabinet Office. 2) All staff now have a modern laptop running either Windows 7 or Windows 8.1. 3) A regular patching and software upgrade regime is in place. 4) A formal joint review by Norfolk County Council and Hewlett Packard of laptop device reliability and usability issues is underway, with the aim of fixing these issues within six weeks in June 2016. An upgrade to the corporate wifi is planned as part of the Council's Updata contract.										

Risk Number	RM006					Date of update		09 May 2016		
Risk Name	The potential risk of failure to effectively plan how the Council will deliver services over the next 3 years commencing 2015/16									
Risk Owner	Wendy Thomson					Date entered on risk register		01 July 2015		
Risk Description										
The failure in strategic planning meaning the Council lacks clear direction for resource use and either over-spends, requiring the need for reactive savings during the life of the plan, or spends limited resources unwisely, to the detriment of local communities.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	5	15	3	5	15	1	5	5	Jul-16	Green
Tasks to mitigate the risk										
<ul style="list-style-type: none">• Clear robust planning framework in place which sets the overall vision and priority outcomes.• Strategic service and financial planning process which translates the vision and priorities into achievable, measurable objectives, with clear targets.• A robust annual process to provide evidence for Members to make decisions about spending priorities.• Sound engagement and consultation with stakeholders and the public.• A performance management system which ensures resources are used to best effect, and that the Council delivers against its objectives and targets.										
Overall risk treatment: reduce										
Progress update										
<ul style="list-style-type: none">• Full Council agreed a three-year medium term financial and service strategy, including the budget for 2016/17, at its meeting on February 22nd 2016. In making their decisions, Councillors had the benefit of extensive feedback from public consultation, which had been considered in some detail by all Committees.• A new County Council Plan was considered by Policy and Resources and was recommended to Full Council, although is awaiting sign-off.• The Plan outlines the strategic context for the Council, providing direction and guide strategic and resource choices. It will then translate into delivery at a service committee level, setting out actions to address the four priority outcomes, objectives for the Department's core business; spending plans - what the money will be spent on and what it will deliver/achieve; performance, risk and accountability framework• A new performance management framework was agreed in October 2015, and regular performance reporting to committees is focusing attention on poorly performing areas and highlighting areas of good performance. Dashboards are used, providing a summary of key performance indicators (KPIs) which focus on key areas agreed by Members and Chief Officers, together with the red, amber, green rating (RAG) ratings and direction of travel (DoT).• The Policy and Resources Committee is reviewing the medium term financial and service strategy to ensure robust plans for 16/17 and 17/18.										

Risk Number	RM007					Date of update		06 May 2016		
Risk Name	Potential risk of organisational failure due to data quality issues.									
Risk Owner	Anne Gibson					Date entered on risk register		01 July 2015		
Risk Description										
Failure to manage the data quality will prevent us from ensuring that data relating to key Council priorities is robust and valid. This places the Council at risk of making decisions using data that is not always as robust as it should be. This may lead to poor or ineffective commissioning, flawed decision making and increased vulnerability of clients, service users and staff.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	5	15	3	5	15	2	4	8	Oct-16	Amber
Tasks to mitigate the risk										
1) Implementation of the Information Management Strategy, Information Governance Framework, Data Protection, Information Sharing, Freedom of Information, Records Management, Managing Information Risk, and Information Security. 2) Information Compliance Group (ICG) has the remit to ensure the overarching Information Governance Framework is embedded within business services and NCC and elements of the IM Maturity Readiness Plan. 3) Ensuring that all staff and managers are provided with training, skills, systems and tools to enable them to meet the statutory/NCC standards for information management. 4) Ensuring the Mandated E-Learning Data Protection 3 year refresher data - Information sent to CLT and CLG on a monthly basis for review and action 5) NCC is PSN accredited 6) NCC is NHS Information Governance Toolkit compliant to Level 2 7) The implementation of a corporate Records Management solution 8) The implementation of a corporate Identity and Access Management solution										
The target likelihood score has increased from 1 to 2 to take into account the current climate around corporate information compliance, and the amount of work required to mitigate the risk. The target date has been changed to take into account the delivery and timescales in the IM Maturity Readiness Plan.										
Overall risk treatment: reduce										
Progress update										
The Corporate Information Management Strategy and IM Maturity Readiness Plan was signed off by CLT on the 11th March 2016. The strategy and plan have been developed around the 7 National Archive Information Principles. The IM Maturity Readiness plan has objectives and outcomes around the key information management tasks identified within the risk. The plan is initially focussed on the first three information principles as the foundation layers, Information is a valued asset, information is managed and information is fit for purpose. The Maturity Readiness Plan is being monitored by the BI/IM Programme Board on a monthly basis with highlight reports. The scrutiny will also be provided by regular updates to CLT. Norfolk County Council has now been NHS IG toolkit accredited for 2016/17 Norfolk County Council has now gained PSN accreditation for 15/16, with re-accreditation due in September 16. A delivery plan is in place to work through for September 2016.										

Risk Number	RM008					Date of update		06 July 2016		
Risk Name	The potential risk of failure to deliver effective procurement processes.									
Risk Owner	Anne Gibson					Date entered on risk register		01 July 2015		
Risk Description										
Failure (a) to engage members or senior officers effectively at an early stage in tendering or contract extension, or to maintain engagement, or (b) to deliver a robust procurement process, leads to commissioned services which are politically unacceptable, poor value for money, undeliverable or a poor fit with our strategic direction, or leaves us open to legal challenge and a risk of substantial damages. The council spends some £600m on contracted goods and services each year.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	4	12	2	3	6	2	3	6	Jul-16	Met
Tasks to mitigate the risk										
1) Significant procurements routinely brought to CLT at an early stage to review strategic fit and political implications; 2) Effective corporate contract register in place and regularly reviewed; 3) Clarification re: ownership of each category of spend following recent restructures in service departments.										
Overall risk treatment: reduce										
Progress update										
CLT has agreed to 'own' the pipeline of procurements and to review it quarterly to ensure that forthcoming procurements are properly considered before they proceed, and that strategic fit, reputational and other issues are considered appropriately. The pipeline is driven by the corporate contract register. 94% of expenditure is against contracts listed on the register. Recent meetings with CLT and with departmental management teams have clarified ownership of categories.										

Risk Number	RM010					Date of update			22 June 2016	
Risk Name	The risk of the loss of key ICT systems including: - internet connection; - telephony; - communications with cloud-provided services; or - the Windows and Solaris hosting platforms.									
Risk Owner	Anne Gibson					Date entered on risk register			02 September 2015	
Risk Description										
Loss of core / key ICT systems, communications or utilities for a significant period - as a result of physical failure, fire or flood, supplier failure, misconfiguration or loss of PSN accreditation - would result in a failure to deliver IT based services leading to disruption to critical service delivery, a loss of reputation, and additional costs. Overall risk treatment: reduce.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	4	12	3	4	12	1	3	3	Jun-17	Amber
Tasks to mitigate the risk										
1) Full power down in June 2015, completion of electrical works and test of ability to restore service. 2) Catalogue key ICT systems by 30th Sept 2015 - determine Recovery Time Objectives ("How long to restore") and Recovery Point Objectives ("acceptable amount of data loss") with business owners by 31st Oct. 3) Develop rolling Disaster Recovery test schedule by 30th Nov. 4) Determine target location for Highways Management System, CareFirst, Oracle e-Business Suite and Windows servers 5) Complete voice and data network re-procurement by 31st Dec to mitigate resilience issues, including with telephony, the data network, remote access, mobile devices and schools services. 6) Take necessary steps to retain PSN accreditation.										
Overall risk treatment: reduce										
Progress update										
1) Full power down completed and procedures updated from lessons learned. 2) Recovery Time Objectives now documented. 3) Initial set of Disaster Recovery tests will be undertaken, associated with testing failover of the new network. A rolling programme will follow. 4) cloud-based highways management system has been implemented; procurement starting for CareFirst replacement (will be resiliently hosted by April 2018 - work is in progress); review of Oracle hosting has been commenced in light of this (timescales to be confirmed); review of Windows hosting still to be completed. This will be included within the scope of the formal joint review by Norfolk County Council and Hewlett Packard of the DNA contract during June 2016. Work is in progress. 5) Voice and Data network procurement completed and once implemented will improve resilience by April 2017. 6) PSN re-accreditation has been achieved, and a programme of works to retain accreditation put in place.										

Risk Number	RM011					Date of update		23 June 2016		
Risk Name	The potential risk of failure to implement and adhere to an effective and robust performance management framework.									
Risk Owner	Anne Gibson					Date entered on risk register		02 September 2015		
Risk Description										
The failure of leadership to adhere to robust corporate performance practice / guidance, resulting in organisational / service performance issues not being identified and addressed. This will have a detrimental impact on future improvement plans and overall performance and reputation of the Council.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	4	12	3	4	12	1	3	3	Mar-17	Amber
Tasks to mitigate the risk										
A review of the tasks to mitigate and to reduce this risk has been undertaken in April 2016 and the following actions for 2016/17 have been identified:-										
1) CLT/CLG developing a new performance management framework to better align priorities, resources and managerial accountability for delivering results. This includes better linking of the new set of performance indicators (vital signs & organisational health measures) with senior manager individual performance appraisal ratings. To implement a new set of common leadership objectives (for the second year).										
2) For CLT to regularly review the quality and robustness of our people performance management framework and ensure consistent adherence across NCC. To undertake a review and audit in August/September 17 against agreed criteria. To track appraisal completions of the 2016 end of year appraisals and to ensure an improvement on the 2015 81% completion rates.										
3) To evaluate the Performance Conversations skills workshops that 500 managers attended - and follow up to ensure that this learning is embedded across the organisation.										
4) CLT to agree focus for further performance management skills development - following assessment of gaps.										
Overall risk treatment: reduce.										
Progress update										
Whilst progress has been made on implementing key actions the risk scores are assessed as remaining the same; given the criticality of this area. It is essential that this work continues with managers to achieve a major shift in the day to day performance routines of all levels of managers. Set out below is progress in the last 12 months:										
1) New performance framework in place and a number of briefings and development work has been undertaken with CLT/CLG.										
2) Appraisal completion rates 81% (variation of 57% to 95% in different parts of the Council) in 2015 - County Leadership Team agreed to track & improve on this for 2016.										
3) In the last year, we have started to achieve a greater understanding in our management population of the gaps in our performance framework and their role in addressing the changes needed.										
4) In 2015/16 the sickness levels improved and we exceeded the Council's target for NCC services. Average sickness per fte reduced to 7.66 days 15/16 from 8.35 in 14/15 (Target 7.81).										

Risk Number	RM013					Date of update		23 June 2016		
Risk Name	The potential risk of failure of the governance protocols for entities controlled by the Council, either their internal governance or the Council's governance as owner. The failure of entities controlled by the Council to follow relevant guidance or share the Council's ambitions.									
Risk Owner	Wendy Thomson					Date entered on risk register		02 September 2015		
Risk Description										
The failure of governance leading to controlled entities: Non Compliance with relevant laws (Companies Act or other) Incurring Significant Losses or losing asset value Taking reputational damage from service failures Being mis-aligned with the goals of the Council The financial implications are described in the Council's Annual Statement of Accounts 2014-15, from page 88, covering Group Accounts available on the Council's website at http://www.norfolk.gov.uk/view/NCC167254										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
1	4	4	1	4	4	1	4	4	Sep-16	Green
Tasks to mitigate the risk										
<p>1) All controlled entities and subsidiary companies have a system of governance which is the responsibility of their Board of Directors.</p> <p>The Council needs to ensure that it has given clear direction of it's policy, ambitions and expectations of the controlled entities.</p> <p>The NORSE Group objectives are for Business Growth and Diversification of business to spread risks. Risks need to be recorded on the Group's risk register.</p> <p>2) The NORSE board includes a Council Member and is currently chaired by the Executive Director of Resources of the Council. There is a shareholder committee comprised of six Members. The shareholder committee should meet quarterly and monitor the performance of NORSE. A member of the shareholder board, the shareholder representative, should also attend the NORSE board.</p> <p>3) The Council holds control of the Group of Companies by way of its shareholding, restrictions in the NORSE articles of association and the voting rights of the Directors. The mission, vision and value statements of the individual NORSE companies should be reviewed regularly and included in the annual business plan approved by the Board. NORSE should have its own Memorandum and Articles of Association outlining its powers and procedures, as well as an overarching agreement with the Council which outlines the controls that the Council exercises over NORSE and the actions which require prior approval of the Council.</p> <p>The Executive Director of CES should undertake a strategic relationship role on behalf of CLT checking there is a consistency in the client side management.</p>										
Overall risk treatment: reduce										
Progress update										
<p>1) There are regular Board meetings, share holder meetings and reporting as required. Risks are recorded on the NORSE group risk register.</p> <p>2) The Norse Group follows the guidance issued by the Institute of Directors for Unlisted Companies where appropriate for a wholly owned local authority company. The shareholder committee meets quarterly and monitors the performance of NORSE. A member of the shareholder board, the shareholder representative, also attends the NORSE board.</p> <p>3) The Council has reviewed its framework of controls to ensure it is meeting its Teckel requirements in terms of governance and control, and a series of actions has been agreed by the Policy and Resources Committee.</p>										

Risk Number	RM014a					Date of update		24 June 2016		
Risk Name	The amount spent on home to school transport at significant variance to predicted best estimates									
Risk Owner	Gordon Boyd					Date entered on risk register		04 November 2015		
Risk Description										
There is a risk that the amount spent on home to school transport is at significant variance (overspend) to predicted best estimates. Cause: Home to school transport being a demand led service. Event: The amount spent on home to school transport is at significant variance with the predicted best estimates. Effect: Significant overspend on home to school transport than has been estimated for. Rising transport costs, the nature of the demand-led service (particularly for students with special needs) and the inability to reduce the need for transport or the distance travelled will result in a continued overspend on the home to school transport budgets and an inability to reduce costs.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	3	9	4	3	12	2	3	6	Mar-17	Red
Tasks to mitigate the risk										
Continue to enforce education transport policy, and work with commissioners re school placements. Continually review the transport networks, to look for integration and efficiency opportunities. Work with Norse to reduce transport costs and ensure the fleet is used efficiently and effectively. Look for further, more innovative, ways to plan, procure and integrate transport.										
Overall risk treatment: reduce										
Progress update										
Conversations with SEN commissioners in Children's Services ongoing. A consultant was 'recruited' to help with delivery of a new Inclusion strategy, including SEN transport savings. New School Inclusion Strategy should help to reduce the number of children accessing alternative specialist provision, but this will not really kick in until 2016/17.										
The LA has now fully engaged the Chairs of the Headteacher Associations and the Chair of the Schools' Forum / Governor Association to ensure that the strategy is jointly developed, owned and implemented. SEN budget has been split down to lower levels and regular data is being sent to decision-makers in Children's Services to enable further transparency and better budget monitoring.										
While student numbers continue to decrease in secondary and Post 16 education, spend is reducing.										

Risk Number		RM014b			Date of update			08 June 2016		
Risk Name		The savings to be made on Adult Social Services transport are not achieved.								
Risk Owner		Janice Dane			Date entered on risk register			04 November 2015		
Risk Description										
The risk that the budgeted savings of £3.8m to be delivered by 31 March 2017 will not be achieved.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	3	9	4	3	12	2	3	6	Mar-17	Red
Tasks to mitigate the risk										
As part of reviews and reassessments identify the potential to reduce transport costs, eg by using local services that meet needs, using mobility allowance/motability vehicles - and work with individuals to achieve this.										
Travel and Transport continually review the transport networks, to look for integration and efficiency opportunities, and reprocure transport.										
Work with Norse to reduce transport costs and ensure the fleet is used efficiently and effectively.										
Progress update										
Project set up in ASSD. One FTE in Travel and Transport now dedicated to helping ASSD transport savings programme. Regular data and costs are being sent to ASSD managers. Promoting Titan (Travel Independent Training Across the Nation) training eg so that people can use public transport by themselves. Corporate approval to refurbish a centre in Thetford to provide day services for younger people with complex Learning Difficulties in that area rather than them having to travel long distances which will result in savings. Engagement events being held to encourage transport providers to sign up to Trusted Traders for Transport so that where people are able they can arrange and pay for transport themselves.										
Data has been analysed by the project team and potential savings identified, but the teams haven't got the capacity to do the reassessments of service users at pace and people haven't applied for additional posts that have been created.										
Part of regular report to ASSD SMT and Promoting Independence Programme Board.										

Risk Number		RM016		Date of update		23 June 2016				
Risk Name		Failure to adequately embed Business Continuity into the organisation.								
Risk Owner		Tom McCabe		Date entered on risk register		10 December 2015				
Risk Description										
To ensure disruption is minimised and ensure that we are able to maintain services and respond appropriately to a significant incident (Major or Moderate) both within and out of core office hours (N.B. this risk will be scored differently for different departments due to different levels of preparedness).										
Original			Current			Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
2	5	10	2	4	8	2	3	6	Sep-16	Green
Tasks to mitigate the risk					Progress update					
1) All corporately agreed critical activities must have comprehensive Business Continuity plans. Plans to be agreed at Senior Management meetings.					1) 73% of BC plans completed across the organisation and 76% of critical plans. Adult Social Services are impacting the figures as only 39% of their plans are completed but progress is being made. The Resilience Management Board (RMB) asked for the importance of completing BC plans to be raised with Department Directors and this has been done. The list of critical activities included in an updated Corporate BC plan have been agreed by the RMB and CLT. The Resilience Team audits and records the quality of plans and provides additional support where required.					
					2) Most departments are represented at meetings regularly. ICT Services have not been attending the Management board regularly - progress is being made on developing stronger relationships between Resilience and ICT. Resilience Managers arranged a meeting with the Interim Head of ICT on 06/06/16. As a result, corrective actions have been identified, with follow-up meetings scheduled at monthly intervals to monitor progress of ICT Business Continuity. Training and exercising has begun but a full programme of training and exercising needs to be developed for 2016.					
					3) A recent visit at the Work Area Recovery site confirmed that a test with the CSC can be organised in the next 6 months. Once this has been completed an assessment will be carried out on how other services could use the site and document invocation procedures if the site needed to be used both in and out of hours. CLT have had a number of briefings from the Resilience Team as well as an exercise on the impact of pandemic flu.					
					4) This has been completed and 93% of BIAs were returned. The Resilience Board has confirmed the critical activities as a result of this process. Resilience representatives completed a session on the risks to critical activities and ICT was identified as a high risk area that services were concerned about.					
2) That departments are represented at Resilience Management Board meetings, that training is completed and that departments complete exercises/tests.										
3) No notice exercise with Customer Service Centre at work area recovery (WAR) site. Also, an exercise with the Resilience Management Board and CLT.										
4) Complete a Business Impact Analysis every two years and review risks which could affect critical activities.										

Tasks to mitigate the risk	Progress update
5) To review Business Continuity E-Learning Course, relaunch, monitor uptake.	5) The online BC e-learning is available. We will promote the current e-learning module and monitor uptake.

Risk Number	RM017					Date of update		01 June 2016		
Risk Name	Failure to construct and deliver Norwich Northern Distributor Route (NDR) within agreed budget (£178.55m)									
Risk Owner	Tom McCabe					Date entered on risk register		26 November 2015		
Risk Description										
There is a risk that the NDR will not be constructed and delivered within budget. Cause: environmental / building contractor factors affecting construction progress. Event: The NDR is completed at a cost greater than the agreed budget. Effect: Failure to construct and deliver the NDR within budget would result in the inability to deliver other elements proposed in the Norwich Area Transport Strategy (NATS) Implementation Plan. It would also result in a reduction in delivering economic development and negatively impact on Norfolk County Council's reputation. Exceeding the budget will also potentially impact wider NCC budgets and its ability to deliver other highway projects or wider services (depending on the scale of any overspend).										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	3	9	3	3	9	2	2	4	Feb-18	Green
Tasks to mitigate the risk										
The total project cost, not including the Postwick junction which has already been delivered, is £151.25m. 1) A project Board and associated governance mechanisms to be put in place. Monthly reporting will be provided to the Board (Chaired by Tom McCabe). 2) A project team is to be developed to include sufficient client commercial scrutiny throughout the works by Balfour Beatty, which will include a commercial project manager. 3) Main clearance works, archaeological investigation and utility diversions planned for start on 4 January 2016. This will enable main construction to meet start planned for March 2016 to keep programme as short as possible. 4) Project controls and client team to be assembled to ensure sufficient systems and staffing in place to monitor costs throughout delivery of project. 5) Cost reduction opportunity meetings will be held throughout the duration of the construction.										
Overall risk treatment: reduce										
Progress update										
1) A project Board and associated governance mechanisms are in place and monthly reporting is being provided to the Board (Chaired by Tom McCabe). 2) The project team is developed and includes sufficient client commercial scrutiny throughout the works by Balfour Beatty, including a commercial project manager. The contract includes significant incentivisation with the intention for the whole delivery team to stay within the available budget. 3) Works start delayed, but some clearance and environmental mitigation able to be started in December 2015. Main clearance works, archaeological investigation and utility diversions started on 4 January 2016 and have been delivered on programme (the potential for bird nesting and other environmental constraints have been managed and the risk of environmental constraints restricting progress has now diminished). 4) Project controls and client team are in place to ensure sufficient systems and staffing to monitor costs throughout delivery of project. 5) All team focussed on reducing costs and further cost reduction opportunity meeting already held with further meetings ongoing.										

Risk Number	RM018					Date of update		21 June 2016		
Risk Name	Potential failure to meet the needs of children in Norfolk.									
Risk Owner	Michael Rosen					Date entered on risk register		01 December 2013		
Risk Description										
CS Teams do not show the improved performance at the speed which is acceptable to DfE and Ofsted.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
2	5	10	2	5	10	1	5	5	Mar-17	Amber
Tasks to mitigate the risk										
Recruit the right people with the right skills into posts. Train and support managers to improve their performance.										
Ensure the Ofsted Action Plan is fully delivered through robust scrutiny and affirmative action to quickly address any deviation from the plan.										
Additional capacity has been secured via the Reimagining Norfolk (RN) team.										
Progress update										
The NIPE programme continues to attract new social workers but we continue to struggle to attract suitably experienced workers.										
The Ofsted Action Plan is being delivered at pace and the impact of those actions will be scrutinised by Ofsted as part of their improvement offer.										
The RN team continue to support us on the areas of greatest concern i.e Health Assessments, Personal Education Plans and Permanence.										

Risk Number	RM019		Date of update		08 June 2016					
Risk Name	Failure to deliver a new fit for purpose social care system on time and to budget									
Risk Owner	Harold Bodmer		Date entered on risk register		24 February 2016					
Risk Description										
Major risks include: 1) Being unable to resource the project to meet the April 2018 deadline 2) Setting a scope that is either too ambitious or not challenging enough 3) The market may not provide an affordable solution 4) It may be difficult to establish costs and fund the project 5) National and local agendas may cause our requirements to change radically between procuring and implementing the system 6) Corporate governance may be challenging to establish standard requirements for a complex project involving users from 5 council departments and 3 committees.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	5	20	3	5	15	1	4	4	Jun-18	Green
Tasks to mitigate the risk										
1) Create and cost a resource and preliminary staffing structure profiled across years, and recruit to posts 2) Ensure scope is effectively challenged through staff, management and member consultation 3) Ensure the procurement route and SoR is clearly specified to appeal to the widest group of contractors that have a developed product that delivers Adults, Childrens and Finance 4) Ensure costs and resource plans are challenged reviewed by an external expert 5) Consult effectively with partners and stakeholders to ensure intelligence is captured and fed into the procurement requirements and within the implementation phases 6) Develop and review effective corporate governance to ensure service requirements are fed into the scope and Statement of Requirements.										
Progress update										
1) Staffing and non-staffing estimates were calculated and profiled and approved by Adults, Children's and policy and Resources Committees February 2016. Initial key posts will be advertised in the next two weeks. 2) The project scope has been reviewed by the SCS Management Board and by CLT. 3) The Statement of Requirements has been signed-off by the Joint Leadership Advisory Group (JLAG) and the County Leadership Team (CLT). The Invitation to Tender (ItT) was placed w/c 9 May 2016. Deadline for bids was 10 June. 4) Cost, resource plans and the Statement of Requirements have been challenged and reviewed by an external ICT consultant and changes have been made to take these into account. 5) The Project Team is consulting with management groups, stakeholders and OLAs and is maintaining a watching brief on the development of Government and professional body agendas 6) Governance models developed in the preliminary stages have been reviewed in consultation with the Managing Director and Corporate Leadership Team and those changes are being implemented. 7) Data migration approach has been agreed by JLAG and CLT.										

Risk Number	RM020a					Date of update			08 June 2016	
Risk Name	Failure to meet the long term needs of older people									
Risk Owner	Harold Bodmer					Date entered on risk register			23 March 2016	
Risk Description										
If the Council is unable to invest sufficiently to meet the increased demand for services arising from the increase in the population of older people in Norfolk it could result in worsening outcomes for service users, promote legal challenges and negatively impact on our reputation. With regard to the long term risk, bearing in mind the current demographic pressures and budgetary restraints, the Local Government Association modelling shows a projection suggesting local authorities may only have sufficient funding for Adult's and Children's care.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
5	5	25	4	5	20	2	4	8	Mar-30	Amber
Tasks to mitigate the risk										
<ul style="list-style-type: none">• Invest in appropriate prevention and reablement services• Integrate social care and health services to ensure maximum efficiency for delivery of health and social care• The Building Better Futures Programme will realign and develop residential and social care facilities• Ensure budget planning process enables sufficient investment in adult social care• Adult Social Services is implementing a new more cost effective model for meeting peoples' needs based on Promoting Independence.										
Progress update										
The Adult Social Care mitigating tasks are relatively short term measures compared to the long term risk, i.e. 2030, but long term measures are outside NCC's control, for example Central Government policy. The department is implementing Promoting Independence which will radically change Adult Social Services in Norfolk. The overall objective is: improving when and how people can get information and advice locally; helping people to meet their needs locally; helping people to be independent and live safely at home; a strengths based approach; and in turn reducing the number of social care assessments that Norfolk carries out and the amount of funded services provided. Strengths based training was rolled out to all social care practitioners in Adult Social Services by the end of April 2016. Preventative Assessments have been piloted and are being evaluated. The Customer Clinics/Links are starting to be rolled out.										

Risk Number	RM020b					Date of update			08 June 2016	
Risk Name	Failure to meet the needs of older people									
Risk Owner	Harold Bodmer					Date entered on risk register			01 April 2011	
Risk Description										
If the Council is unable to invest sufficiently to meet the increased demand for services arising from the increase in the population of older people in Norfolk it could result in worsening outcomes for service users, promote legal challenges and negatively impact on our reputation.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	4	12	3	4	12	2	4	8	Mar-17	Amber
Tasks to mitigate the risk										
<ul style="list-style-type: none">Invest in appropriate prevention and reablement servicesIntegrate social care and health services to ensure maximum efficiency for delivery of health and social careThe Building Better Futures Programme will realign and develop residential and social care facilities. Adult Social Services has a new more cost effective model for meeting peoples' needs based on Promoting Independence.										
Progress update										
<ul style="list-style-type: none">The Norsecare development at Bowthorpe opened in April 2016.The department is delivering Promoting Independence, the new strategy for Adult Social Services: keeping people independent in their homes, meeting their needs in the local community and reducing the need for paid services.The department has invested in more reablement staff so that additional people can be reabled, needing either no home care or smaller packages of care.Some of the CCGs have stated that they will not be putting as much money into the Better Care Fund in 2016-17.										

Risk Number	RM021		Date of update		21 June 2016					
Risk Name	Failure of Estate Management									
Risk Owner	Simon George		Date entered on risk register		21 June 2016					
Risk Description										
There is a risk that the Council does not have a clear policy around estate management, is not acting in line with the expectations of a landlord, and does not have sound tenancy agreements in place. New risk proposal by the Chief Internal Auditor following the Audit report on the estate management of County Farms.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	3	12	4	3	12	1	3	3	Mar-17	Amber
Tasks to mitigate the risk										
1) County Farms Improvement Board to be established and attended by officers. 2) Recommendations from the County Farms audit report to be implemented with progress to be noted at the County Farms Improvement Board meetings.										
Progress update										
1) The County Farms Improvement Board has been established and officers have met to consider improvements to estate management. 2) Recommendations are currently being considered and implemented, and progress monitored at the County Farms Improvement Board meetings.										

**Reconciliation of the March 2016 Corporate Risk Register
Reporting to the July 2016 Policy and Resources Committee**

New risks on the Corporate Risk Register since the last report

There is one new corporate risk to report – RM021 – Failure of Estate Management

Upgraded risks from Departmental risk registers since the last report

There are no upgraded risks from Departmental risk registers.

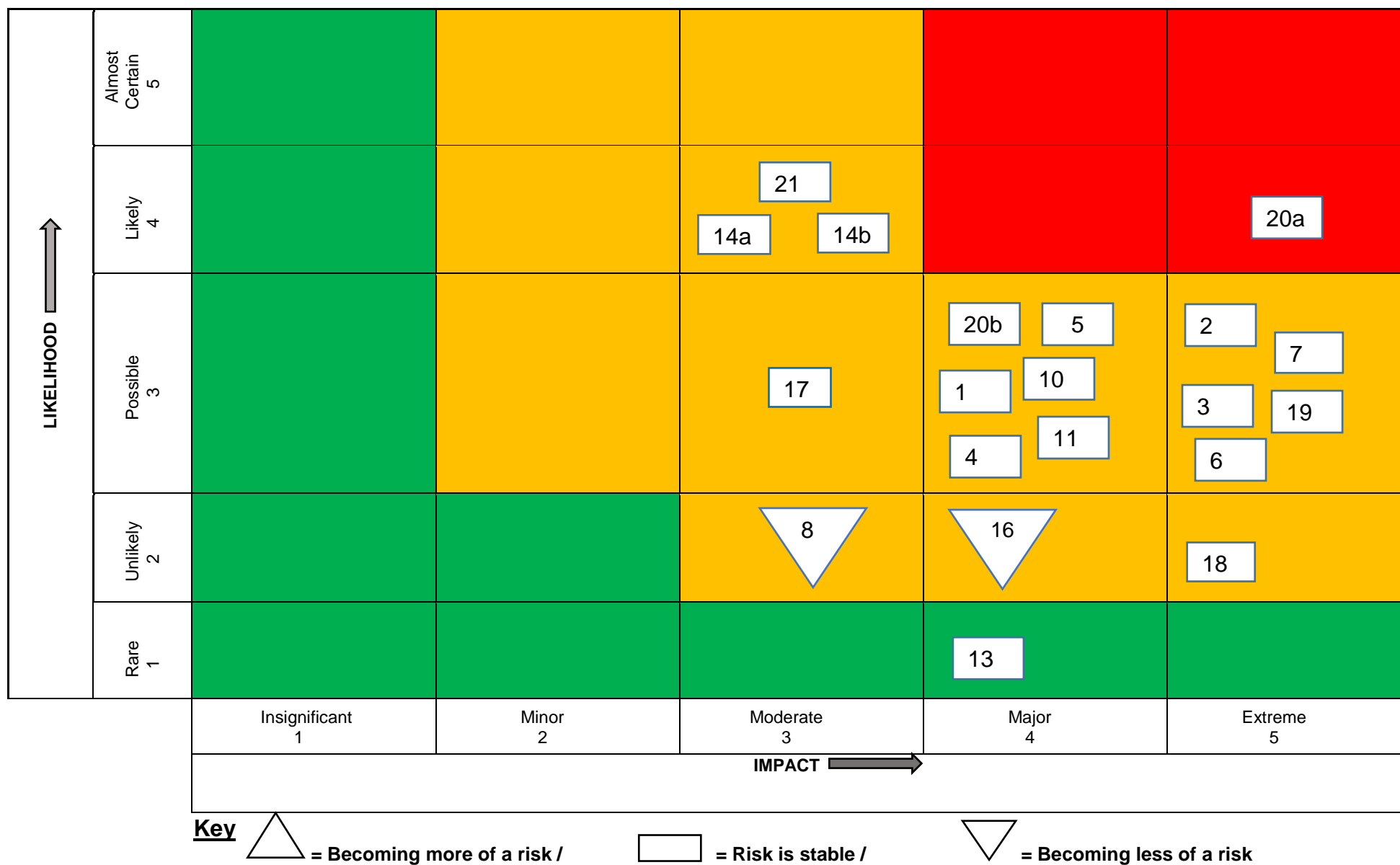
Downgraded risks from the Corporate Risk Register since the last report

There are no downgraded risks from the Corporate Risk Register.

Closed risks from the Corporate Risk Register since the last report

There is one closed corporate risk to report: RM009 - The potential risk of failure of corporate governance and leadership. This has been closed due to the Council continuing to strengthen its corporate governance and leadership.

Corporate Strategic Risks Heat Map – Current Risk Scores



No.	Risk description	No.	Risk Description
1	The potential risk that County Infrastructure is not delivered at the required rate to support existing and future needs.	10	The risk of the loss of key ICT systems including: - internet connection; - telephony; - communications with cloud-provided services; or - the Windows and Solaris hosting platforms.
2	The potential risk of failure to manage significant reductions in local and national income streams	11	The potential risk of failure to implement and adhere to an effective and robust performance management framework.
3	Potential reputational and financial risk to NCC caused by failure to comply with statutory and/or national/local codes of practice.	13	The potential risk of failure of the governance protocols for entities controlled by the Council, either their internal governance or the Council's governance as owner. The failure of entities controlled by the Council to follow relevant guidance or share the Council's ambitions.
4	The potential risk of failure to deliver effective and robust contract management for commissioned services.	14a	The amount spent on home to school transport at significant variance to predicted best estimates.
5	The risk that we cannot provide laptops that are configured and maintained to be modern, reliable, and fit for purpose.	14b	The savings to be made on Adult Social Services transport are not achieved.
6	The potential risk of failure to effectively plan how the Council will deliver services over the next 3 years commencing 2015/16.	16	Failure to adequately embed Business Continuity into the organisation.
7	Potential risk of organisational failure due to data quality issues.	17	Failure to construct and deliver Norwich Northern Distributor Route (NDR) within agreed budget (£178.55m).
8	The potential risk of failure to deliver effective procurement processes.	18	Potential failure to meet the needs of children in Norfolk.
		19	Failure to deliver a new fit for purpose social care system on time and to budget.
		20a	Failure to meet the long term needs of older people.
		20b	Failure to meet the needs of older people.
		21	Failure of Estate Management

P&R Committee

Item No 12

Report title:	Health, Safety and Wellbeing Annual report 2015/16 and Improvement Plan 2016/17
Date of meeting:	18 July 2016
Responsible Chief Officer:	Anne Gibson
Strategic impact	
<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) such as 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. The law allows us consider risk versus cost when making judgements on what measures are 'reasonably practicable'.</p> <p>The Health, Safety and Well-Being (HSW) Team provides the authority with expert support and advice on the law and its limits, managing and maintaining a framework for a sensible approach to health and safety. This enables everyone in the authority to carry out their legal responsibilities, making proportionate decisions that support us to meet our key 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 County Leadership Team 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. This year the report is provided by the Health and Safety (Support Team) Manager and the Occupational Health and Well-being Manager as the HSWM is currently seconded to another role.</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 work of the HSW team during 2015/16.

During 2015/16 the suite of HSW policies and supporting documents were reviewed in order to rationalise the content and ensure a user friendly approach without compromising the quality and strength of the management system framework. This resulted in a 20% reduction in published documents.

Following significant local and national incidents involving social workers, and a national campaign by Unison, guidance has been produced to alert staff to the risks associated with publishing personal data on social media. Specific information was also created for teams faced with individual high risk cases and serious threats to the safety of their staff.

Our training offer has been reviewed and as a result we have begun to carry out focused bespoke sessions targeted towards services with high risk work activities.

We have worked with Children's Services and Adult Social Services to make the health and safety checks of potential suppliers more robust during procurement and ensure adequate monitoring of health and safety within contracts once they have been awarded.

Our monitoring program has been reviewed to ensure it continues to concentrate on our highest risk teams and premises. We have also piloted proactive interventions with new head teachers to provide them with additional support in order to ensure the schools management system remains robust and stable.

The Norfolk Support Line contract was successfully retendered this year resulting in a reduction in the cost of the service by 12%. This service continues to support our staff's well-being helping to ensure they remain at work or return to work more quickly.

During 2015/16, 766 employees were referred for treatment through the Musculoskeletal Injuries Rehabilitation Scheme. It is estimated that 6,280 days absence has been prevented through the use of this scheme, equating to an estimated cost avoidance of £565,000.

16 health check sessions were carried out at 7 NCC sites, 8 Schools and 1 Academy. 198 employees received health checks with 60% advised to make a lifestyle change to improve their health and well-being following the results of their check.

The number of incidents requiring reporting to the Health and Safety Executive remained broadly consistent with 2014/15 at 2.02 incidents per 1000 FTE, continuing the positive trend that has been established in NCC since 2009

197 Monitoring visits were carried out in 2015/16, with only 5% of those premises visited in 15/16 being given an 'A' rating (highest risk) the same as in 14/15. The percentages of premises given the lower risk ratings B3, B4 and C also show a consistent result with that achieved in 14/15. This data supports the continuing positive health of the health and safety management system.

Recommendations:

Members are asked to:

- **Consider and comment on the Employee, Health, Safety and Well-being Annual Report for 2015/16 and Improvement Plan for 2016/17**
- **Consider the actions outlined throughout the report and specifically the delivery strand detail in section 8.**

1. Financial Implications

There are no specific financial implications to bring to the attention of members, although reference should be made to section 2, Issues, risks and innovation.

2. Issues, risks and innovation

Section 17 – Crime and Disorder Act

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

Risk Implications/Assessment

If the Authority does not have a robust and proactive health and safety management system there are legal, reputational and financial risk implications, for example, there is a risk that the Authority will be exposed to enforcement action and ultimately prosecution. There is also a risk of an increase in successful civil claims made against the authority. It should be noted that as the legal employer in NCC schools this risk also applies to schools, unless their status means we are not the employer e.g. academies. The indicators of health and safety performance are positive this year with similar low incident rates to those recorded last year, and an improvement in the risk profile. The improvement plan actions outlined in section 9 of the main report (Appendix 1)

Officer Contact

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

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

Health, Safety & Wellbeing (HSW)

Annual report 2015/16 and 2016/17 work plan

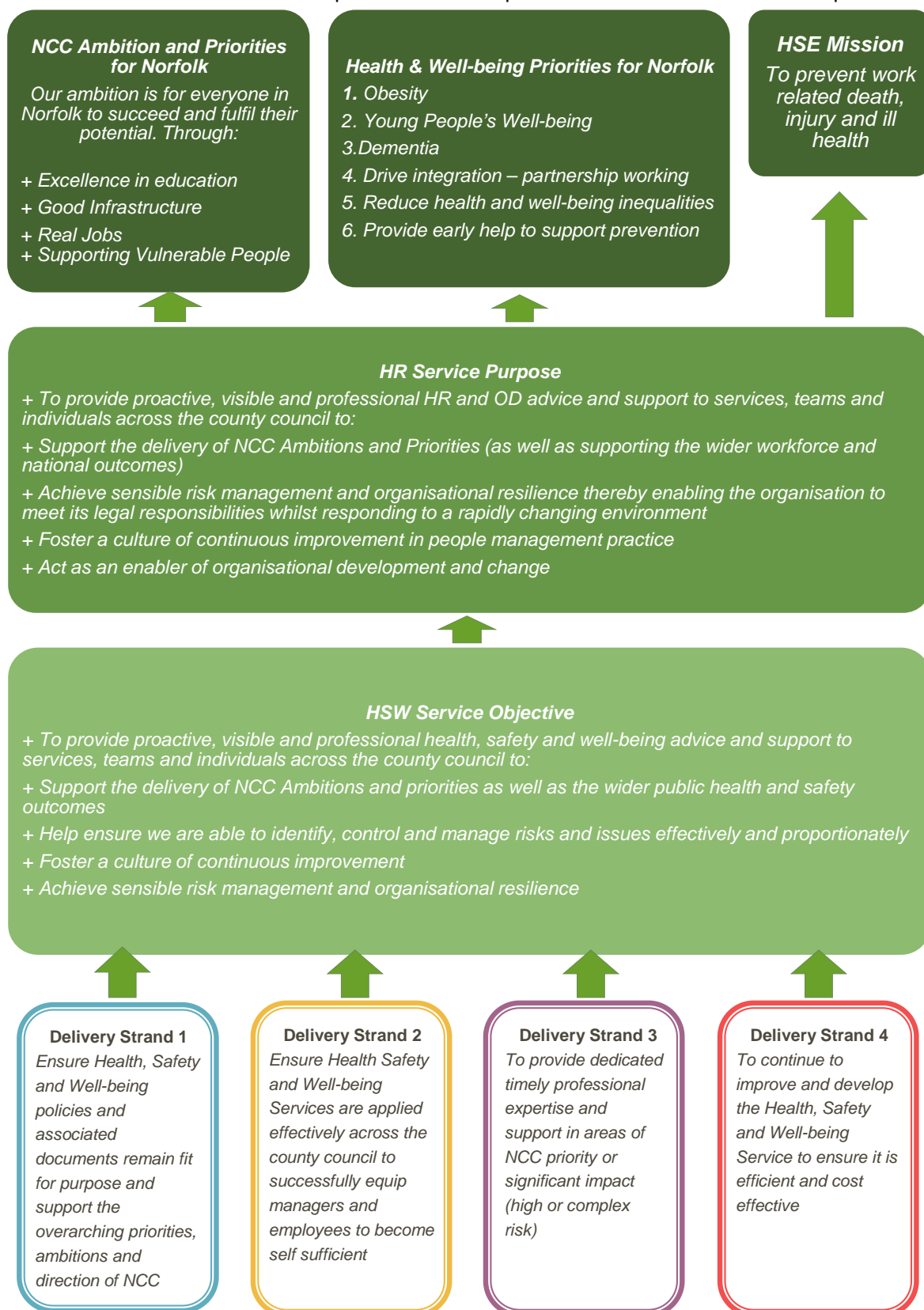
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1. Overview of the HSW Service

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

Details of how the service intends to deliver specific areas of improvements under each strand are provided in section 8.



2. Key activities undertaken by HSW during 2015 / 2016

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 With increased demand on manager's time there is a need for them to have access to concise and relevant information. During 2015/16 the suite of Health, Safety and Wellbeing policies on Peoplenet were reviewed to ensure they met this criteria. This process has seen a 20% reduction in the number of documents. The improvements made should not only reduce the amount of time managers spend finding the guidance they need but also the frequency that they feel the need to call HR direct or the HSW team for further support.
- 2.1.2 Changes in statutory guidance, case law and trend analysis have been considered during these reviews, all supporting and complementing NCC's overarching health and safety policy. An example of where the review incorporated key changes was to the Construction Design and Management Compliance Code. Following recent legislative changes this document was updated to reflect new and significantly changed responsibilities and construction considerations for Premises Managers.
- 2.1.3 Following significant local and national incidents involving social workers, and a national campaign by Unison, good practice guidance relating to personal safety and social media use has been developed and promoted. The guidance, produced in collaboration with Communications and ICT, highlights the importance of safe (and appropriate) use of social media and restricting the disclosure of personal information, both of which have been identified as a significant contributor in a number of incidents.
- 2.1.4 Guidance has also been produced to support managers whose teams are dealing with high risk cases and serious threats to their staff. This provides advice on issues such as when it is appropriate to involve the police and escalate concerns. It was identified that some departments had concerns over reporting to the police for fear of criminalising the very people they were supporting. Both of these guides support and inform the lone working risk assessments carried out by NCC teams. A review of the effectiveness of these guides will be carried out in 2016/17.

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 The Well-Being Strategy introduced and established NCC's approach to the management of employee well-being within the organisation including our statutory obligation to manage work related stress. The strategy has suitably raised the profile of staff Well-being and therefore this year we have incorporated it into the Health and Safety Policy "Our Commitments". This signifies the integrated approach advocated by the team in tackling health, safety and well-being risks and issues across NCC.
- 2.2.2 In order to demonstrate NCC's support for Public Health and their objective of rolling out a workplace health offer, the Well-being Team provided NHS Health Checks for 177 NCC employees and 21 academy employees. We also provided staff for Public Health's Fishwell project, co-presented a paper at the annual NHS Health Check conference as a demonstration of best practice and worked jointly on flu vaccinations for employees. Further information on our health clinics is provided in 3.4.
- 2.2.3 Well-being facilitators are a key influence in the effectiveness of the well-being questionnaire, NCC's preferred method of assessing and reducing the risk of work-related stress. A review and change to the training provided for the facilitators has resulted in a greater involvement in employees completing their team well-being questionnaire. As a consequence, assessment of the issues causing work-related stress within a team is more accurate, and issues are identified before they impact on delivery of front-line services.
- 2.2.4 Training sessions relating to mindfulness and reducing work-related stress were trialed in partnership with MIND and Hope Academy. Evaluation of these sessions, indicated those offered by MIND had the greatest impact and will be offered more widely.
- 2.2.5 Historically, a programme of core health and safety training courses was offered to services and the number run each year was based on NCC's perceived need. In 2014/15 a steady decline in attendance was identified, initiating a review of the offer. Consequently, the following changes have been implemented:
- The splitting of management training into schools and non-schools so content is more appropriate to the delegates and risks in the different environments.
 - Removal of Display Screen Equipment (DSE) assessor and manual handling courses as they were receiving the wrong audience and not efficiently reducing risk. These have

been replaced with more streamlined and relevant guidance on Peoplenet, a more appropriate approach given the low-level of risk posed by these hazards.

- Delivery of more bespoke training such as personal safety workshops for Accredited Mental Health Practitioners. These have been very successful and this model will be built upon with all services.
- Running courses at alternate locations to County Hall to make them more accessible and therefore increase the uptake.

Further information on the training service provided is detailed in 6.6

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 Due to the high risk nature of the work carried out by a number of teams within NCC it is important that robust lone working practices are in place and this continues to be a key area of focus for the HSW team. Awareness has been raised to this issue through articles in internal NCC publications and direct contact with high risk teams. 25 personal safety devices have been purchased and are now in use within the organisation with more orders in prospect. These devices ensure that users have direct contact with a manned incident centre, in the event of an alarm being raised their need for assistance and location are available instantly. Ongoing support and targeted publicity are being provided to high risk teams, which has included bespoke training for 19 Accredited Mental Health Practitioners.
- 2.3.2 The Care Act 2014 brought a number of health and safety implications for NCC, for example the requirement to assess care needs and provision of care in prisons. This environment poses risks to employees that they had not been exposed to previously. HSW supported the development of safe working practices and procedures whilst working in these sites which enables the member of staff to carry out the care assessment, and therefore meet the requirements of the Act without putting themselves at risk.
- 2.3.3 Many NCC services are no longer provided in the traditional way. Provision of services through third parties does not remove NCC's statutory obligations. It is therefore important that departments that commission service provision in this way have a clear understanding of the health and safety requirements that remain our responsibility. A Compliance Code addressing health and safety in commissioned services has been created this year to clearly set the standards to be achieved by NCC managers contracting out work to other organisations. Several different approaches are detailed which can be used interchangeably by contract managers depending on the level of risk posed by the contract.

- 2.3.4 Following the publication of this code HSW assisted the new Children's Services Contract Monitoring Team in establishing the systems required to meet these standards. This included developing the skills within the team to carry out the health and safety monitoring themselves. Having initially focused on their higher risk areas (e.g. residential settings) it has been rolled out for the lower risk commissioned services.
- 2.3.5 Monitoring of health and safety compliance within Norsecare commissioned services has also continued to develop over 2015/16 in collaboration with the Integrated Commissioning and QA teams in Adult Social Care.
- 2.3.6 These interventions will increase health and safety awareness and compliance within organisations providing services on our behalf, improving the quality of these services and ensure commissioned service providers are working to the same standards as NCC.
- 2.3.7 As a result of closer working with other public bodies a number of NCC staff are being co-located at buildings not owned and/or managed by NCC. This can lead to a lack of clarity regarding the responsibilities for health and safety between the staff of the different organisations. Discussions were held with East Coast Community Healthcare (ECCH) to agree joint health and safety management arrangements for teams based at Northgate Hospital. This collaboration produced successful arrangements that we will now use as the baseline for future integrated or co-location arrangements. Work has begun to identify further integration projects, notably with Norfolk Community Health and Care NHS Trust (NCH&C). These arrangements will ensure that all NCC staff work in a healthy and safe environment.
- 2.3.8 NPS manage the contract for assessing Legionella risk within NCC premises. HSW were consulted on the standard of these reports following the appointment of a new contractor and feedback provided identifying improvements which needed to be made in order to satisfy NCC's legionella strategy. The team will continue to work with NPS to ensure this feedback is implemented by the new contractor providers.
- 2.3.9 With limited resources, it is essential that NCC's well-being support is provided to high risk areas of the organisation. In 2015/16, 14 teams across NCC were shortlisted for and received well-being support following a review of stress related absence data and consultation with directorates. There were also 4 requests for critical incident support and support for specific individuals who were involved in work potentially damaging to their mental health. Further information on the well-being support provided is outlined in 3.5

2.4 Improvement Strand 4

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

- 2.4.1 The Well-Being Team introduced a traded service to schools and academies to replace the service which had previously been centrally funded. The positive response, which saw 81 schools and academies purchase the service, implies it is viable and perceived as valuable to the establishments, particularly in relation to OFSTED inspections. Further information on the well-being service provided is detailed in 3.5.
- 2.4.2 There are also a number of ad hoc services (e.g. 1-2-1 support for employees, dispute resolution) available through our traded offer. Although there was a lower than expected uptake, these services have been received positively. Therefore we will continue to offer them but review the method of marketing.
- 2.4.3 To ensure HSW resources concentrate on the highest risk areas and to account for the changes in how NCC works (e.g. remote, flexible and partnership working) we reviewed our monitoring programme and a number of changes have been made. For example, through supporting teams to gain the skills necessary to self-monitor the contracts they are responsible for the HSW team has been able to concentrate resource on working proactively with higher risk areas of NCC.
- 2.4.4 Last year we reported on an emerging trend regarding the increased risk score in schools with new Headteachers. Concerns had also been raised by union representatives about new Headteachers ability to implement our health and safety management system in their school. In order to support new Headteachers proactively, an approach was piloted which involved contacting them at the start of their appointment to offer one-to-one support and coaching alongside a training course specifically designed with their needs in mind. All 12 new Headteachers offered support took part in the pilot. The feedback and results so far are very promising and indicate that it will be a successful project, potentially reducing the need for intervention by the HSW team in the future and the frequency of our monitoring visits. We will therefore incorporate this offer into our approach more formally from next year.

3. Additional Occupational Health and Well-being Activity

3.1 Occupational Health

- 3.1.1 During 2015/16 the occupational health provider, PAMS Ltd, had a number of staff and structural changes. The staffing changes affected the delivery of appointments and some fell outside of the KPI, although contractual arrangements ensured NCC was reimbursed £3563.13

as a result. The provider is currently adequately staffed, and the number of appointments outside KPI is reducing from 32 in Quarter 1 to 16 in Quarter 4.

- 3.1.1 The occupational health service introduced driver medicals and a needlestick injury assessment service to their provision for NCC this year. The driver medicals provide a consistent price and, in some cases, a more cost effective alternative to GPs. Although needlestick injuries are rare within NCC, with none being reported in 2015/16, the assessment service will enable easily accessible professional support when an employee is exposed to blood at work that may put them at risk of blood-borne viruses
- 3.1.2 The occupational health service for Independence Matters (IM) was originally provided through NCC as part of the HR package. From 1st April IM introduced in-house HR service who also manage their OH provision directly. Although they have decided to continue to buy their OH services from PAMS under NCC's framework agreement, NCC have no direct management responsibilities. Under the framework agreement, NCC receive a commission of £250 per annum.

3.2 Musculoskeletal Injury Rehabilitation Scheme (MIRS)

- 3.2.1 2015/16 was the first year of the newly awarded contract for this well-established scheme. The key change was a move from a set annual fee, based on the expected number of referrals, to a pay per item service. The change was written into the contract when retendering to reflect the ongoing reduction in the number of employees within NCC and to ensure we continued to gain best value for money. Consequently the cost of the treatment service has reduced by 35%. The service was tendered under a framework agreement enabling other organisations to contract in the service as well. At present 3 organisations have done so providing NCC with a modest commission of £1000 per annum.
- 3.2.1 During 2015/16, 766 employees were referred for treatment under the scheme. It is estimated 6,280 days absence has been prevented, equating to a possible cost avoidance of around £565,000.

Table 3.2.2 Referrals made to MIRS during 2014/15 and 2015/16.

	2014/15	2015/16
Local Authority Schools	365	285
Academies	30	99
Children's Services – non schools	106	128
Adult Social Care	113	86
CES	76	81
Resources	74	61
Total	764	766

- 3.2.2 150 workstation assessments were undertaken during 2015/16 with a significant number of them relating to staff moving into the refurbished floors at County Hall. IPRS provided support prior to staff moving to the floor by assessing a specific seating or desk requirement for identified staff and visiting the floors to advise all employees as they moved in. This

demonstrates good flexibility in the scheme.

- 3.2.3 A survey is made available to all employees referred through the scheme to provide qualitative feedback. The service met or exceeded expectations for 95% of respondents. 55% of respondents stated the treatment was a significant factor in helping them remain at work or (where absent) to return. The following feedback from an employee sums up all that the service aims to achieve:

“The service given and the treatment I received has helped me considerably with my work day and life in general. The physio exercises recommended have enabled me to know more ways of helping myself, not only to recover from the initial 'injury' and operation, but also giving me information to continue to help prevent more problems and recognise symptoms before they get worse.”

- 3.2.4 Eleven “MOT days” were delivered under the contract, where employees can request an assessment with a physiotherapist regarding any concerns they have about their musculoskeletal health. The sessions took place at various NCC locations, 9 of which were schools. The table below shows the outcome of the assessments, indicating the majority of employees were given the means to self-manage their health, before their health problem became chronic, debilitating or required treatment.

Table 3.2.5 Outcome of MOT assessments

Recommendation	
Given exercises/advice and no further treatment required	74
Given exercises/advice along with a “timescale” to monitor improvements	16
Advised to seek a referral for IPRS Hands' On Treatment	27
Advised to undertake a workstation assessment	3
Requires immediate onwards referral to GP/Hospital/Walk in Centre	0

3.3 Norfolk Support Line (NSL)

- 3.3.1 The service was retendered due to the current contract having run its course. 4 organisations submitted bids which were evaluated on quality (70%) and price (30%). The contract was awarded to the current provider, Validium Ltd, whose bid gave both best quality and price. The new contract will reduce the cost of the service by 12.4% compared to 2015/16 and by 21.9% compared to 2014/15. The service has been made available to other local government organisations. Five organisations are currently participating, providing a commission of £900 per annum.
- 3.3.1 Use of the service remained consistent with previous years, at 4% of eligible staff. The balance between personal and work issues as the primary presenting problem changed slightly from 75:25 in 2014/15 to 72:28 in 2015/16. The providers of the service, Validium, report work-related primary issues account for 38% of calls across all their customers. Work-related issues

within NCC therefore have a significantly lower presentation.

- 3.3.2 Whilst the work issues as the primary presenting issue has increased slightly, there are usually multiple issues that have instigated the call. The table below shows the top issues that employees mentioned when contacting NSL. This indicates that, overall, work-related issues were less prevalent in 2015/16 than 2014/15.

Table 3.3.3. Top reasons for referral to NSL during 2014/15 and 2015/16

Personal Issues	2014-15	2015-16
Health – Mental	138	134
Family / Child / Maternity	94	89
Relationships	77	83
Divorce / Separation	37	34
Health – physical	42	32
Work related Issues		
Stress related to work role	86	53
Work – Life Balance	52	49
Occupational Health	20	45
Stress related to workplace support	45	38
Stress related to relationships in the workplace	38	30
Work Overload	24	25
Stress related to change in the workplace	21	23
Stress related to control in the workplace	24	14
Legal issues	115	124
Debt/Finance issue	16	7
Manager Consultations	13	16

- 3.3.4 During 2015/16, 144 employees were referred for face to face counselling an increase from 109 in 2014/15. Despite the increase in referrals, only 18% of employees provided feedback once treatment was complete. However, these employees reported positively on the service. 70% stated the counselling reduced their stress levels, 65% that it improved their productivity, and 73% that improved their concentration and focus. One employee stated

“My counselling was of great support to me. I had taken sick leave, but returned to work and then began counselling. Talking things through enabled me to continue working, but get stronger, start feeling happier and also more able to do my job.”

3.4 NHS Health Checks for Employees

- 3.4.1 During 2015/16 16 NHS Health Check Clinics took place, 7 at NCC sites, 8 at schools and 1 at an academy, with 198 employees seen. The well-being team also supported Public Health in their Fishwell campaign by undertaking health checks for 55 fishermen in Cromer, Wells and

Kings Lynn.

- 3.4.1 Feedback from employees indicated that, whilst there were no results that caused them concern (i.e. that they were advised to see their GP about) 60% had made a lifestyle change to improve their health and reduce their risk in the future.
- 3.4.2 The well-being team have been providing NHS Health Checks for NCC employees since 2010. We were therefore able to invite 174 employees back for their 5 year review from the start of 2016, with over 70 taking up the offer. In collaboration with Public Health, the results of the checks are being compared with their initial results to identify if a change in the participants health has occurred. Early results indicate the employees attending for a review have lowered their risk of developing cardiovascular disease, discounting increase due to age. It is intended to continue gathering data until a statistically significant number of employees have had their reviews, which is expected to be at the end of 2016.

3.5 Well-being Programme

- 3.5.1 During 2015/16 The well-being team started providing a traded well-being service to schools. 81 schools and academies bought the service and a part-time well-being officer was employed to increase the team's capacity accordingly (funded by the income generated). Over the year, the number of teams completing their well-being questionnaire increased, and the number of employees seeking individual support decreased.
- 3.5.2 More teams completed wellbeing questionnaires in 15/16 than in 14/15, additionally on average more employees participated in the surveys. Overall, there has been a slight reduction in the number of teams at medium risk from 76.6% to 72.9% of those participating, even though those teams at highest risk were targeted by the programme. Completing the questionnaire enables the teams to reflect on things that work well, and develop areas for improvement, thus helping to prevent issues from escalating and impacting on team cohesiveness and productivity as well as individual health.
- 3.5.3 Due to the significant restructure and focus on service improvement within Children's Services there was a reduction in teams participating from that service. This is expected to increase in 2016/17.

Table 3.5.2. NCC Well-being questionnaires results during 2014/15 and 2015/16

	2014/15	2015/16
Children's Services	11	4
Adult Social Services	1	8
CES	11	11
Resources	7	14
Total Teams	30	37
Response percentage rate:	78%	82%
Response range:	63%-100%	67% - 100%
Average team scores:		
1.0-2.6 = High Risk	0	0
2.7-4.3 = Medium Risk	23	27
4.4-6.0 = Low Risk	7	10

- 3.5.4 81 schools and academies purchased the service for a 2 year contract. At the end of the first year, 59% had completed their well-being questionnaire, and all schools and academies in the scheme had been sent frequent reminders. Although the risk was lower overall compared to NCC teams, the response rate from employees varied significantly, with some schools only getting a 24% response rate. Over the next year, the well-being team will introduce measures to improve the response rate so that the results and subsequent improvement actions are relevant to all staff.

Table 3.5.4. Schools Well-being questionnaire results 2015/16

Type of school/academy	2015/16
Federation	4
High	1
Infant	7
Junior	7
Nursery	0
Primary	29
Total:	48
Average response rate:	70%
Response range:	24% - 100%
Average team scores:	
1.0-2.6 = High Risk	0
2.7-4.3 = Medium Risk	23
4.4-6.0 = Low Risk	25

- 3.5.5 All employees who complete the well-being questionnaire have the opportunity to identify the 3 key areas of improvement, irrespective of how the issue scored in the questionnaire. The common improvements for NCC and schools/academies was improving team morale, and

improving people's sense of feeling valued. However, schools and academies identified improving communication in the school the most significant issue that needed addressing, which in NCC was the 11th most identified issue. During 2016/17 the well-being team will be providing all NCC teams and participating schools with examples of measures to address the 3 key areas identified.

- 3.5.6 Individual support reduced significantly, particularly in relation to Stress Action Plans, which are used where an employee believes work is causing stress. This reflects the use of Norfolk Support Line during 2015/16, where employees did not cite work issues being a factor as frequently as in 2014/15.
- 3.5.7 The support for employees involved in suspensions has been for both suspended employees and employees providing witness statements. The support has been primarily within CES, which reflects their awareness of the support on offer. The support is reported to have made a difference to employees. One manager stated the support provided for a key witness, who was extremely anxious about appearing before the panel, enabled the disciplinary process to proceed.
- 3.5.8 The mediation cases, 2 of which were for school employees as a traded service, decreased significantly. Although this fits in with the reduction in work-related issues having an impact on employees' health, during 2016/17 it is intended to increase awareness of the service, particularly to schools and academies, to establish whether there is an unrealised need.

Table 3.5.6. Individual cases supported by Well-being Officers during 2014/15 and 2015/16

Type of case:	2014/15	2015/16
Wellness Recovery Action Plan	30	25
Stress Action Plans	27	10
Mediation	31	9
Suspension	1	9
Stress Action Plan & Wellness Recovery Action Plan	11	4
Bullying & Harassment support	7	2
Other	21	9
Total cases:	127	68

- 3.5.9 All employees who have individual support, excluding those who receive mediation or support in relation to a suspension, are asked for feedback on the service. Of those that replied when asked about the impact of the support, 62.5% felt it improved their productivity, 66.6% felt it had improved their job satisfaction, 77.7% improved their working relationships, and 88.8% their self-confidence. All employees, bar one, felt the support had either prevented absence, or enabled them to return to work sooner.

4. Other significant work carried out by the HSW team

4.1 Norfolk Audit Service (NAS) Audit

- 4.1.1 Norfolk Audit Service commissioned an audit of the driving at work practices within NCC. On the whole the audit was positive, finding numerous areas of good practice such as access to competent advice (the HSW team), the quality of policies and procedures and the culture within the organisation. However, key issues were also identified as needing to be resolved. These included isolated incidents of non-compliance with NCC policy (and therefore legislation) with regard to training and risk assessment as well as control of some external contractors. Measures have been put in place which directly impact on these observations, such as increased promotion of the need for driving license checks of applicable staff, ensuring team based monitoring visits include reviewing driving at work risk assessments and a review of driver training requirements. The driving at work policy and arrangements have also been reviewed following the audit.

4.2 Major Investigations

4.2.1 Norwich Castle Mound

This investigation took place after it was identified that the mound to one side of the castle was suffering from surface movement which had the potential to affect a number of surrounding structures. HSW worked with Norwich City Council, which owns the mound, to ensure temporary improvements were implemented which would prevent any adverse effects on the Castle Keep an important cultural NCC premises. More permanent corrective actions are being developed.

4.2.2 Violent Incident to Social Worker

An incident occurred when an outreach worker was transporting a young person. The young person attacked the worker causing significant and multiple injuries. An investigation identified future actions to improve communication with workers, and ensure that circumstances that may affect a client's behaviour are risk-assessed and controls put in place.

4.2.3 School Asbestos Release

During a routine visit in May 2015 a NPS Asbestos Surveyor identified damage to an asbestos containing material (ACM) in a store cupboard in a school. Action was immediately taken to secure and prohibit access to the area. A significant investigation was undertaken by the team which resulted in the incident being reported to the Health and Safety Executive (HSE). In incidents such as this the duty holder (NCC) is required to contact anyone at the site who could potentially been exposed and therefore a number of pupils, staff and others were so notified. The ACMs were removed during the school holidays. The release was investigated by HSE and NCC's processes found to be robust with a few site specific improvements required which

were addressed promptly. HSE did not take any formal action in this case. The school was supported throughout the investigation by the HSW team.

4.3 Traded Services

- 4.3.1 The HSW team operates a traded service, primarily to schools which are converting to academies but also with other Local Government organisations. Following feedback from customers, we have developed our traded service to enable bespoke provision, whilst ensuring the full cost of the service is recovered.
- 4.3.2 The number of converting academies that purchase the traded health and safety service remains high at 70% - 86 out of 122 at April 16; 88% - 36 out of 41 high school academies and 3 additional independent schools have bought the health and safety in school science service. 81 Schools also bought the Well-being service.
- 4.3.3 Independence Matters and Great Yarmouth Borough Council (GYBC) have renewed their service contracts with us and it is anticipated that Eastern Inshore Fisheries and Conservation Authority (EIFCA) will follow suit. Additional outside contract work has also been carried out for these organisations including GYBC senior management training as well as risk and behaviour training for EIFCA.

4.4 County Hall Refurbishment

- 4.4.1 HSW have continued to provide significant dedicated support to the County Hall Refurbishment Project this year. This included an input into designs, ensuring the contractor is delivering a safe project, advising on the impact of the construction works in an occupied building and incident investigation where required. This support will continue to the conclusion of the project, anticipated this summer. For more information on the County Hall Project please see the County Hall Programme report that went to Policy and Resources Committee on 31 May 2016 ([here](#)). This document discusses in more detail the scope and successes of the scheme.

5. Norfolk Fire and Rescue Service (NFRS)

Report prepared by *Station Manager David Brett, Health & Safety Manager*

- 5.1 The key focus during 2015/16 has been to secure the effective implementation and monitoring of the Service's health and safety management system. The H&S culture across the Service is strong and the active engagement with teams and functions continues to promote and support improved local ownership of health and safety management across all activities.

- NFRS achieved re certification of ISO 9001 Quality Systems accreditation in Fleet. The audit reporting that the Service is performing well with one minor non conformity which has subsequently been addressed.
- Just over half the injuries sustained result from training activities. Slips, trips and falls and physical exertion represent the highest primary cause of injury.

5.2 Fire-fighters are most at risk when dealing with fires in buildings whilst wearing breathing apparatus. Nationally a number of fire-fighters have lost their lives during building fire operations. Therefore two specific pieces of work are to be carried out during 2016/17 which seek to establish robust risk controls during operations:

- The design and construction of realistic live fire training unit at the old RAF site at Coltishall – currently fire-fighters training in simulated fire conditions using cosmetic smoke and artificial heat.
- The development and delivery of Incident Command Breathing Apparatus course (ICBA) which requires incident commanders responsible for the deployment and the safety of fire-fighters to demonstrate relevant competencies via assessment.

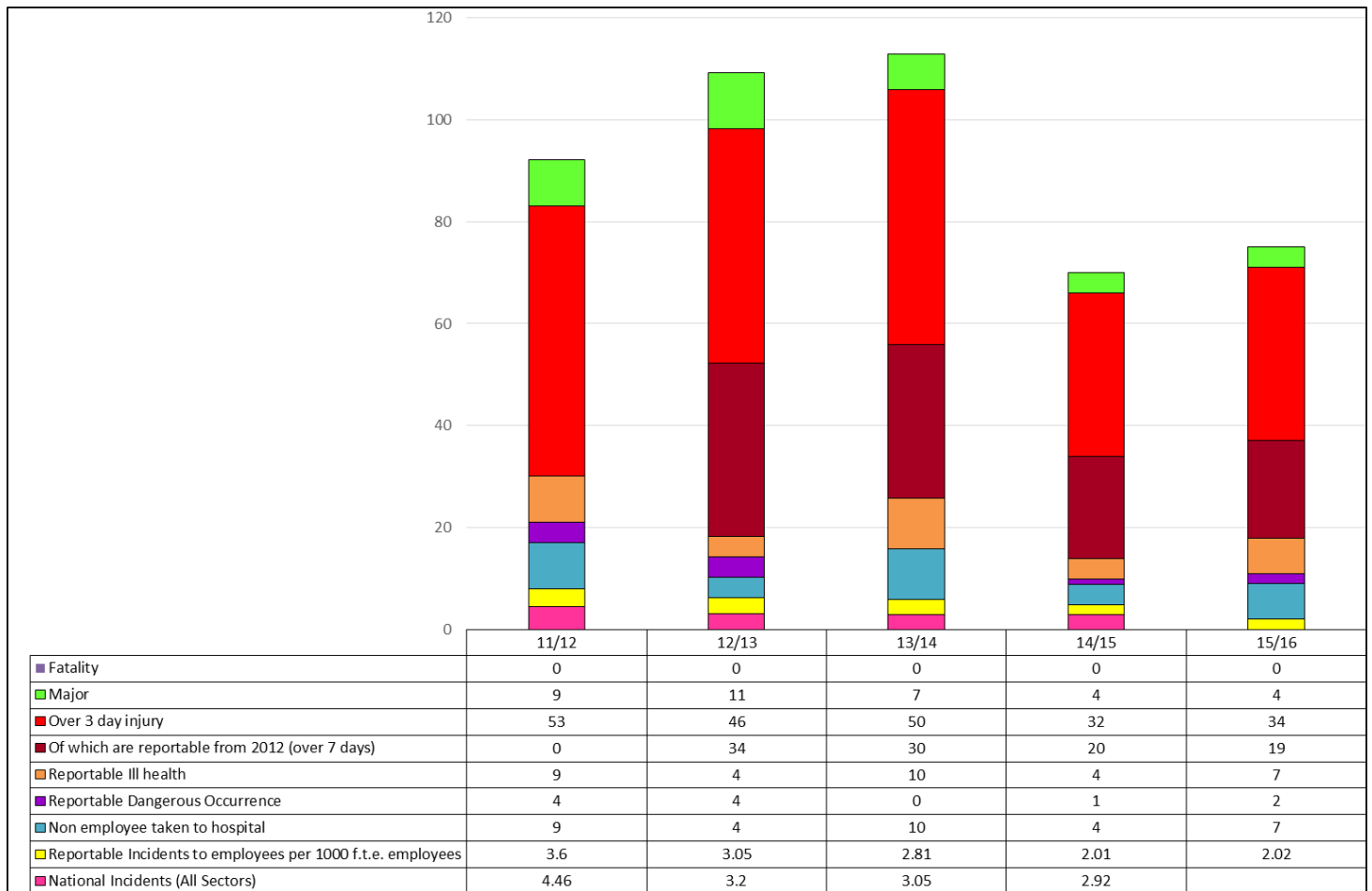
6. NCC Health and Safety Performance in Numbers

Note: 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 (FTE) numbers are estimated which may impact the figures provided. FTE figures are used to ensure consistency of comparison year on year and also when comparing against national averages.

The following 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.

6.1 Reportable Incidents

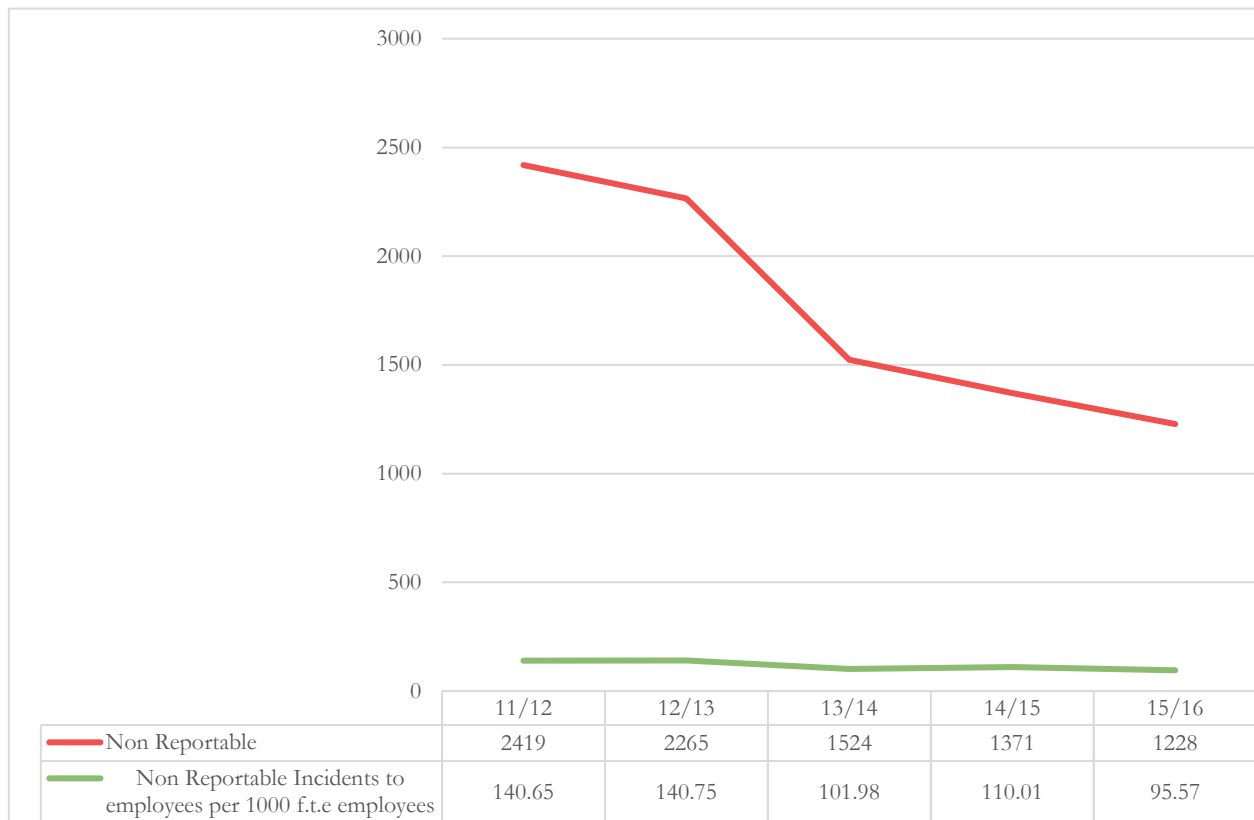
Fig. 6.1. Number of reportable incidents by year



- 6.1.1 Although the figures in the table above show a slight rise in reportable incidents overall they are broadly consistent with those reported last year. Although the HSE do not release the national incident statistics until October we can see that last year's reportable incident rate is well below the national average for 14/15 (all sectors).
- 6.1.2 There were no enforcement notices issued this year despite investigations and enquiries by the HSE into some of our reported incidents. This is a positive reflection of our robust health and safety management framework.

6.2 Non reportable incidents

Fig. 6.2. Number of non-reportable injuries per FTE



6.2.1 Figure 6.2 shows that the number of non-reportable incidents has reduced by 10%. When taking account of FTE the reduction is 13%.

6.2.2 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.

6.3 Incident Causes

Table 6.3. Top 5 causes of incidents during 2015/16

Cause	Number
Violence	440
Ill Health	140
Slip Trip or Fall	112
Other	104
Manual Handling	85

6.3.1 There are a significant number of incidents yet to be reviewed and signed off by managers and

therefore these incidents have not been categorised – this may affect the results in the table. The following measures were introduced during 2015/16 to improve the rate at which incident reviews were carried out:

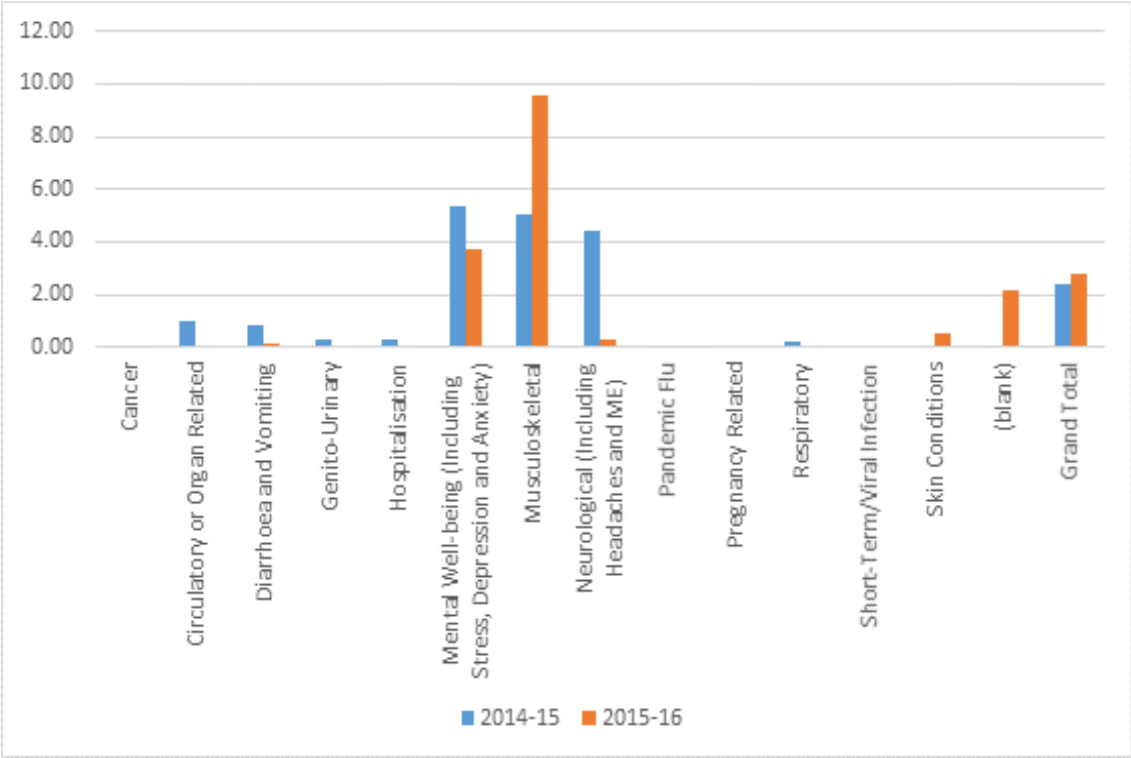
- introduction of automatic notification emails to managers
- New ‘quick start’ guidance (for managers and employees) released
- Support targeted at those with a high number of outstanding incidents
- Increasing manager awareness of the incident reporting system through inclusion of outstanding reviews in the quarterly HSW reports, specific discussions at monitoring visits, raising the profile with senior management teams and calling managers with high numbers of outstanding reviews.

These measures saw the number of un-reviewed incidents fall from over 1300 at its peak to approximately 750 at the time of this report. Further targeted support to individuals and teams will be provided during 2016/17.

6.4 Work related sickness

6.4.1 The graph below shows 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.

Graph 6.4.1. Percentage of work-related sickness absence, as attributed by employees, during 2014/15 and 2015/16



6.4.2 As can clearly be seen from the chart the top reported causes of work related sickness absence within NCC are musculoskeletal problems and mental well-being. This is consistent with other public sector organisations nationally. Adverse cases of mental well-being has reduced from last year, however the number of absences attributed to musculoskeletal injuries has increased. Whilst difficult to identify the exact cause, the most significant change in working practices over the past year has been a move towards hot-desking at a number of NCC sites. During 2016/17 improvements are planned to the display screen equipment e-learning and assessment process, which will better equip people for working in a hot-desking environment.

6.5 Monitoring Visits

6.5.1 161 of the 206 monitoring visits due were completed in NCC premises/teams in 2015/16. Priority was given to the higher risk teams/premises with a plan in place to complete the lower risk visits during 2016/17. Thirty-six visits were carried out as part of the traded service offer.

6.5.2 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. The risk profile of the organisation is shown in the table below profile.

Table 6.5.2. Risk profile of premises inspected

Risk Band	2011/12	2012/13	2013/14	2014/15	2015/16
A	27	28	21	35	16
B¹	82	54	42	35	29
B²	115	123	123	82	62
B³	72	195	219	236	243
B⁴	103	104	111	98	106
C	79	78	68	58	54
Total	478	582	584	544	510

6.5.3 Of the 161 total monitoring visits carried out there was no difference in the percentage of those falling into category A, the highest risk rating. The bulk of the premise monitoring visits in 15/16 fell in the lower risk groups B3, B4 and C. When adding these three lower risk groups together we can see that there was a similar percentage of 15/16 premises accounted for in the lower

risk bracket (71%) compared to 69% carried out in 14/15. This again provides evidence that health and safety is being managed consistently and is a good indicator of our positive overall organisational health and safety management.

Table 6.5.3. Risk categories of premises/team monitoring visits carried out in 2015/16 compared with 2014/15

Category	Number of visits 14/15	% of total for year 14/15	Number of visits 15/16	% of total for year 15/16
A	8	5	8	5
B1	9	6	19	12
B2	29	20	19	12
B3	69	46	71	44
B4	23	16	34	21
C	10	7	10	6
Grand Total	148	100	161	100

6.6 Health and Safety Training

- 6.6.1 As discussed in section 2.2.4, this year we have continued to focus our training on our most prominent risks. In order to achieve this we have worked proactively with the services to identify where they feel the biggest risks to their staff are and, where training can reduce the risk we have conducted bespoke sessions. This approach is an attempt to move the emphasis from numbers trained to risk reduction achieved.
- 6.6.2 Violence at work is the most common cause of incidents reported to us by NCC staff. We have offered a course: *Personal Safety at Work* for several years but we have now begun to tailor this offering for employees who are at particular personal safety risks, as well as their managers so they can understand the issues and undertake appropriate risk assessments in this area. Examples of this are the bespoke personal safety series of courses we have run for the Approved Mental Health Practitioners.
- 6.6.3 Senior management commitment is crucial to a positive safety culture and when incidents occur this is one area the HSE will focus on. We have therefore sought ways of accessing senior managers to provide appropriate training. This year we have introduced a new course: *Health and Safety Management for Head teachers*. This has been very well-received by heads and is well attended. Head teachers are the top-managers in schools and each head directly (and indirectly) sets the safety culture of their own school. It is vital, therefore that we do all we can to engage with heads to see that they are best-equipped to manage safety.
- 6.6.4 We have also conducted more training in the localities this year. This makes our training more accessible for staff but is also more financially efficient as we travel to the delegates rather than asking them to travel to us. As an example we have run some of our regular courses as one off events in various parts of the county and regularly run *Health and Safety Management for Head teachers* in King's Lynn. The course for AMHPs referred to above has been run at four localities around the county.

- 6.6.5 We have stopped running face-to-face training in some areas where we now feel that tutor-led sessions add little to what can be achieved by eLearning, for example Manual Handling and DSE risk assessment. This has freed up resource to pursue the previously mentioned training initiatives.

Table 6.6.4. Uptake of health and safety training.

Training Course	No. trained					
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Premises Managers Pt 1	177	146	132	130	90	84
Premises Managers Pt 2	128	99	101	72	58	62
Premises Managers Pt 3	51	93	117	85	77	78
Premises Manager Refresher	N/A	19	28	30	27	41
H & S Management for Headteachers						63
Line Managers	91	40	81	82	24	7
H&S for Managers Refresher					5	6
Personal Safety	74	108	165	188	27	11
H&S in procurement & commissioning					10	4
Introduction to CDM	N/A	7	41	25	20	25
Risk Assessment	147	53	34	29	20	77
Kinetic Handling	96	35	98	39	34	2
DSE Assessor	44	27	101	18	9	6
* Well-being facilitator training						64
* MIRS Referral Manager training						43
** Personal Safety for AMHPs						19
** Premises management refresher for Sedgeford area schools						10
** Premises management for Independence Matters staff						30
** Personal Safety for Linked Families Team						12
** Personal safety for Contact team						16
* H&S for School Governors						60
Sub Total	866	646	898	698	439	720

The data shows an overall increase in people attending H&S training courses. Year to year variation is not possible to measure for a number of the courses as it is the first year they have

been run

* = First year data has been available ** = bespoke course

Table 6.6.5. Uptake of health and safety E-learning courses

e-Introduction to H&S	553	309	408	2673	988	456
e-Risk Assessment	293	194	220	163	68	43
e-Manual Handling	516	249	320	169	116	89
e-DSE	590	543	776	413	283	225
e-Hazardous Substances	206	180	134	113	66	39
e-Fire Safety	517	368	488	2885	911	575
e-Slips and Trips	386	139	162	92	67	48
e-Personal Safety	N/A	156	114	298	204	68
e-understanding mental health	N/A	278	304	286	145	96
Driving for Work						672
* Asbestos awareness						29
Sub Total	3061	2416	2926	7092	2848	2340
Total	3927	3062	3824	7790	3287	3000

* = First year course has been run.

7. New Legislation and Forthcoming Challenges

7.1 Health and Safety Legislation

- 7.1.1 As a result of the ongoing government reviews of 'red tape' there is a drive to reduce health and safety legislation. Proposals for amendments are published twice yearly, in April and October. Although a number of changes have been made and items of legislation repealed there is little that will have significant impact on the activities carried out by NCC. The next batch of consultations will be released in October 2016.
- 7.1.2 On 01 February 2016 Health and safety sentencing guidelines came into force and apply to any case sentenced in courts in England and Wales after that date. The guidelines have been introduced to give courts comprehensive guidance for offences under the Health and Safety at Work etc. Act (1974). The Guidelines are based on the concept that 'culpability' and 'harm' are used to determine the level of fine, cross-referenced against the size of the defendant organisation. This means NCC, as a large organisation, is at risk of significantly increased fines in the event of being found guilty for a health and safety breach.

7.2 The Health and Safety Executive Priorities

7.2.1 The HSE have recently released their business plan for 2016/2017. The areas of focus this year which have an impact on NCC are:

- Legionella
- Silica dust
- Carcinogens and asthmagens in woodworking

7.2.2 To help achieve these aims they have released a strategy called 'make GB work well' which has key themes to improving the way risk is managed to ensure it is proportionate and effective whilst supporting innovation and productivity. The themes are:

- Acting together – promoting ownership of health and safety
- Tackling ill health
- Managing risk well – simplifying risk management
- Supporting small employers
- Keeping pace with change
- Sharing success

Both of these work streams will be considered and incorporated into our future work plans.

8. Improvement Plan for 2016 / 2017

Delivery Strand 1

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

- Continue the policy and guidance review started this year to ensure all documents are up to date, concise, easy to understand and user friendly.
- To review the way topics, policies and guidance are structured on Peoplenet, making it more user friendly and relevant for users.
- Review the Legionella strategy and, with NPS, monitor the performance of the new Legionella contractor and ensure they meet the targets set in the contract specification.
- Identify co-located NCC teams (teams that share office accommodation and therefore premises management arrangements with other organisations such as the NHS) and use the learning from work undertaken in 15/16 to produce guidance and support around how to manage health and safety at these sites.
- Carry out a review of NCC's risk assessment compliance code (and associated guidance).

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

- Work with Adult Social Services & Children's Services to ensure recently published guidance on contract/commissioned service monitoring is being implemented and best practice carried out.
- Review existing DSE training and assessment process to incorporate NCC agile working practices. Identification of new online means of assessment and management to create a simpler process for managers and more relevant and effective provision of information for users.
- Continue to develop the targeted, risk based and tailored training offering to services, working with them to identify training needs and priorities. Ensure manager training includes a well-being element, and that managers have a clear understanding of how their actions and behaviour impact on the well-being of their employees.
- Carry out a sample of visits to school construction projects in order to monitor compliance with recent updates to the Construction (Design and Management) Regulations
- Better promote the use of Wellness Recovery Action Plans, Stress Action Plans and other tools and support services to reduce the impact of stress and chronic health issues on employees and NCC's business.

Delivery Strand 3

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

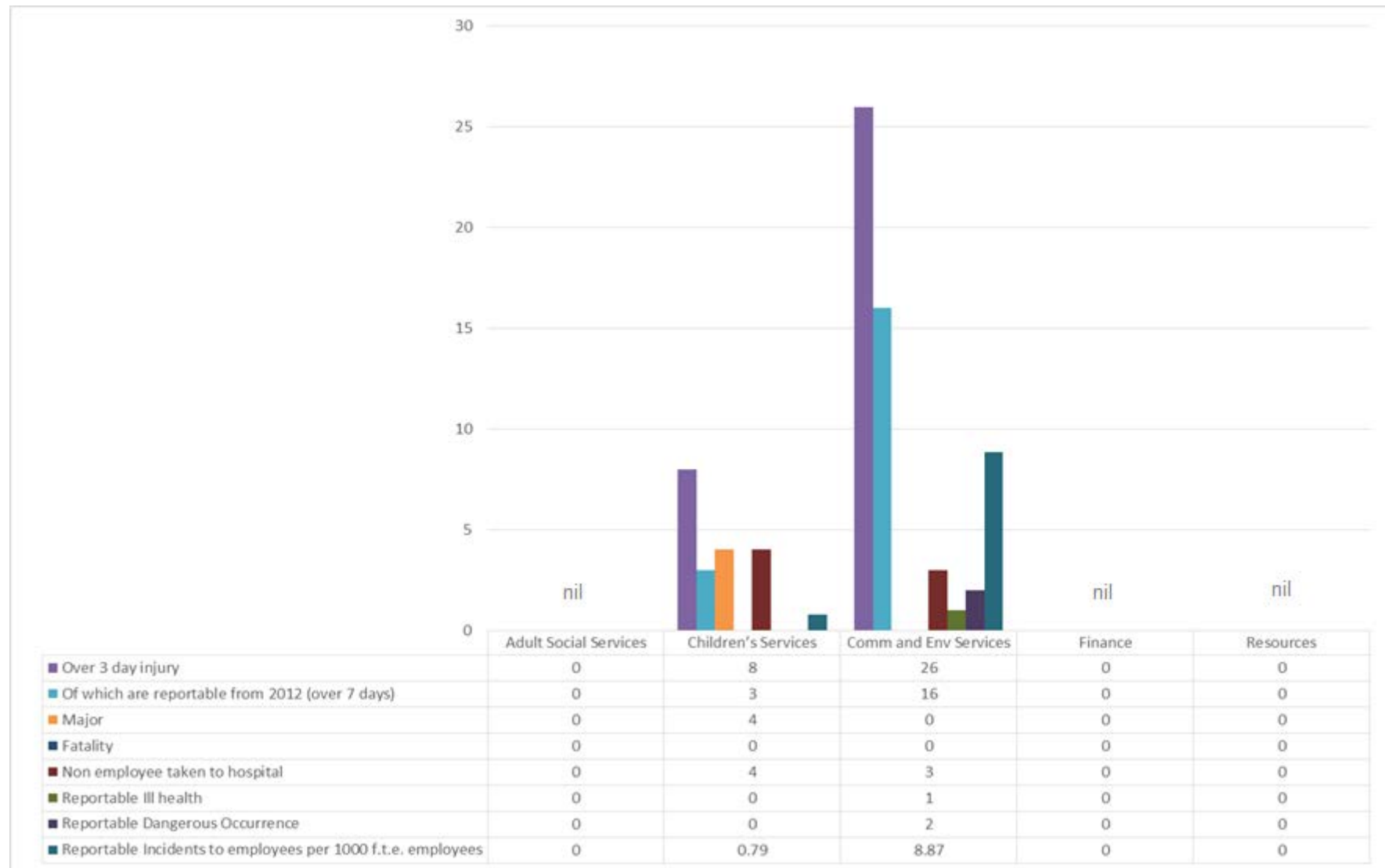
- Continue to identify and work with high risk lone workers to ensure lone working arrangements are appropriate. Promote use of the existing Skyguard lone working safety system and provide support to services in its implementation and use
- Work with Highways team to identify levels of silica exposure to staff, support the implementation of best practice and identification of health surveillance requirements.
- Develop the health, safety and well-being offer to traded customers to ensure the service continues to be of leading standard and takes account of feedback and opportunities to continually improve. To increase uptake of ad hoc well-being services - dispute resolution and one-to-one support - within schools and academies by promotion of the service through Educator Solutions, health & safety inspections and word of mouth.
- To support a reduction in reported incidents of violence in schools through provision of training and assistance in creating a good behaviour management policy, and how to produce and implement behaviour management plans.

- Assist schools to enable caretakers to carry out their activities safely, through the identification of hazards and their controls and provision of effective advice, information and training.
- To work with CES/the management team at Norwich Castle to ensure health and safety management is incorporated appropriately when planning and designing the works to improve and preserve the Castle Keep.
- Work with Public Health to support the aims of their strategic framework specifically in relation to workplace health by identifying, trialling and evaluating initiatives that can be rolled out to the wider Norfolk workforce.
- To work with HR Business Partners to identify areas of potential high work related stress risk and undertake well-being questionnaires to enable teams to identify practical steps, through a plan of action, that protects and promote their well-being.
- Work with Highways team to further review the adequate rest policy so as to ensure suitable/adequate working time arrangements whilst being flexible enough to allow for emergency/unforeseen call outs.

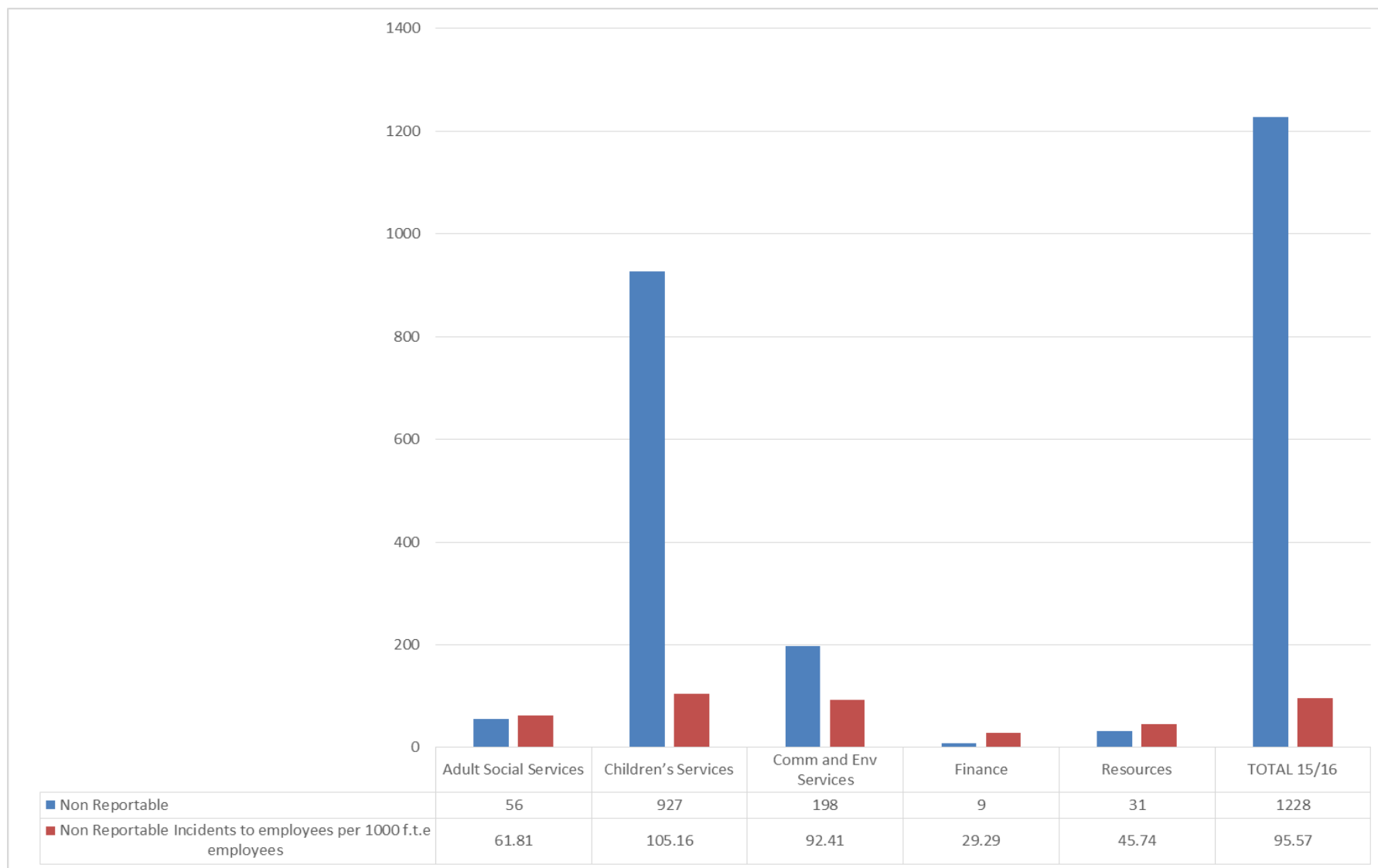
Delivery Strand 4

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

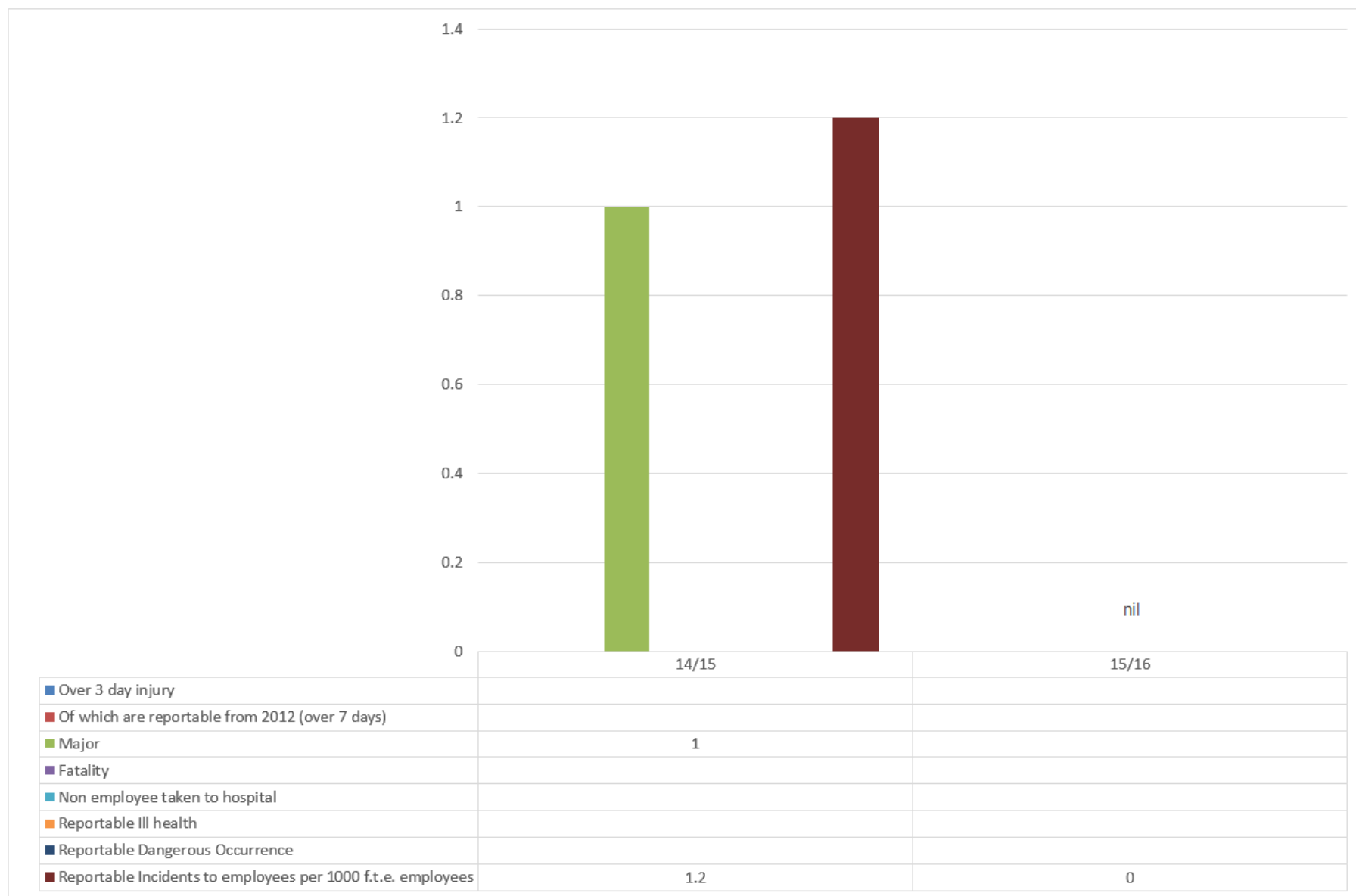
- Implement a customer interactions system to improve record keeping, service offered to customer, premises monitoring arrangements and general efficiency in the traded service offer.
- Review the 2015/16 NAS Audit findings and ensure that areas for improvement have been addressed.
- Identify and work towards implementing a new, easy to use incident reporting and investigation system which compliments other NCC IT systems.



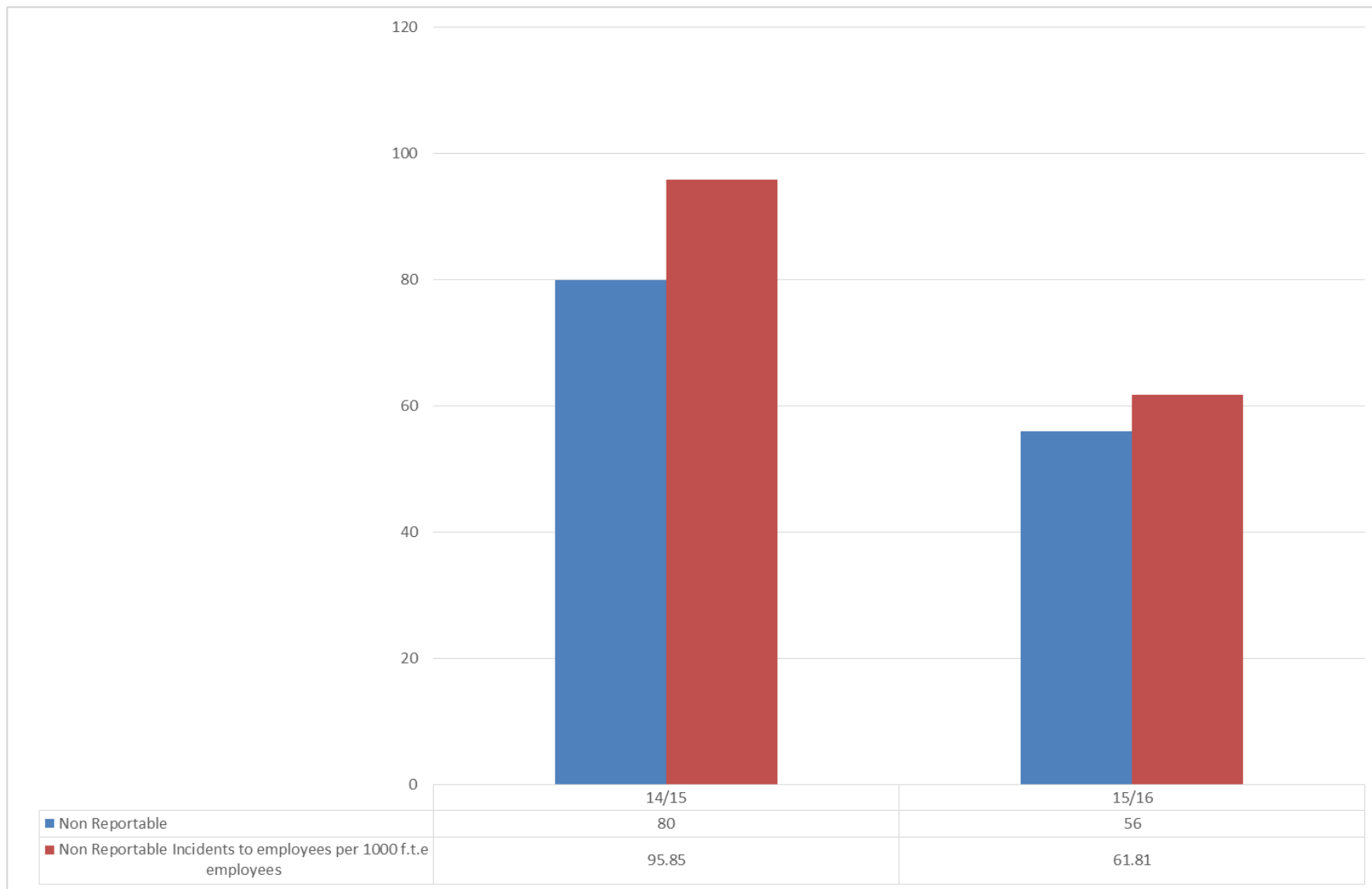
NUMBER OF REPORTABLE INCIDENTS (RIDDOR) FOR 2015/16 BY DEPARTMENT



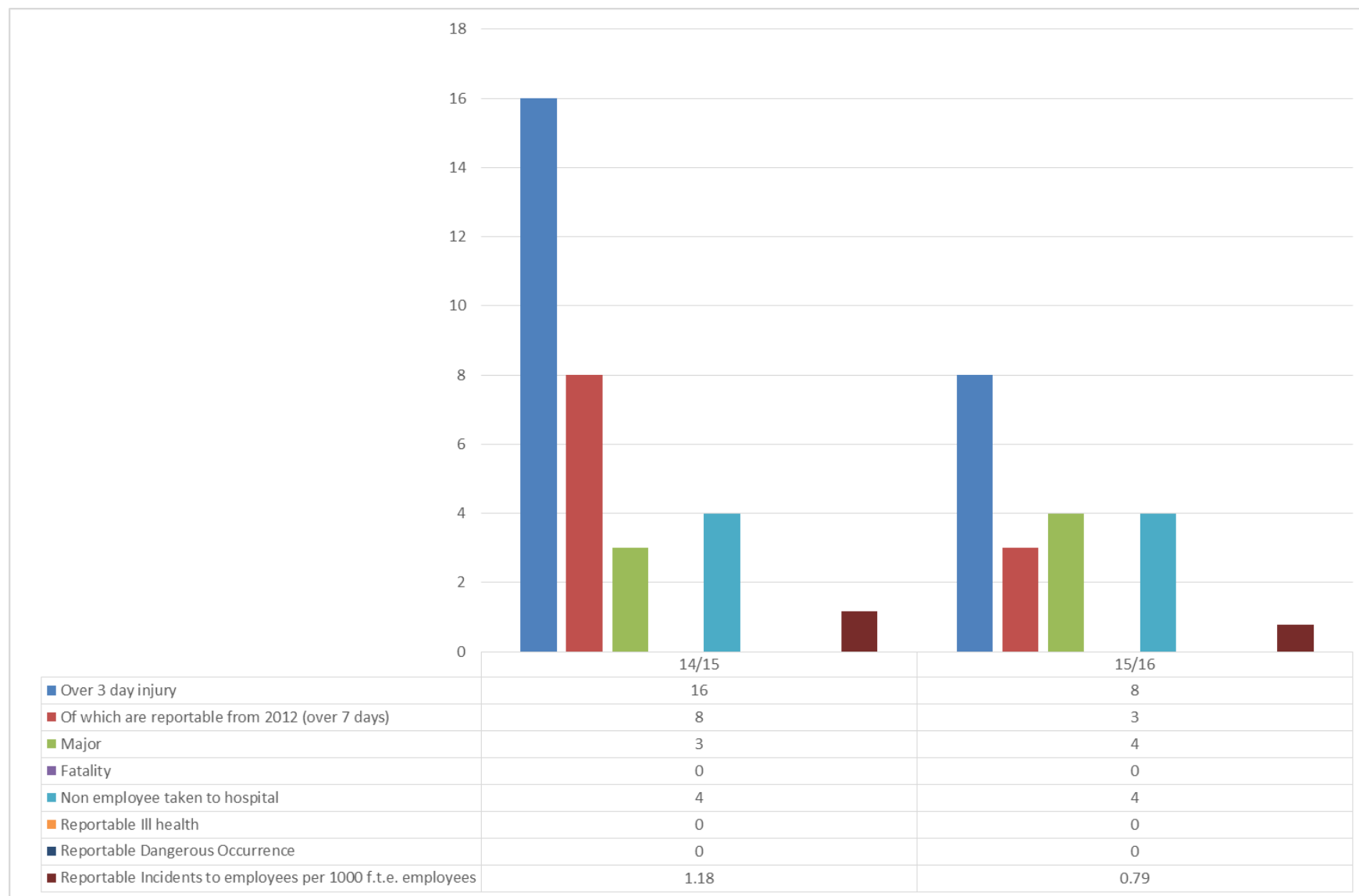
NUMBER OF NON-REPORTABLE (RIDDOR) INCIDENTS FOR 2015/16 BY DEPARTMENT



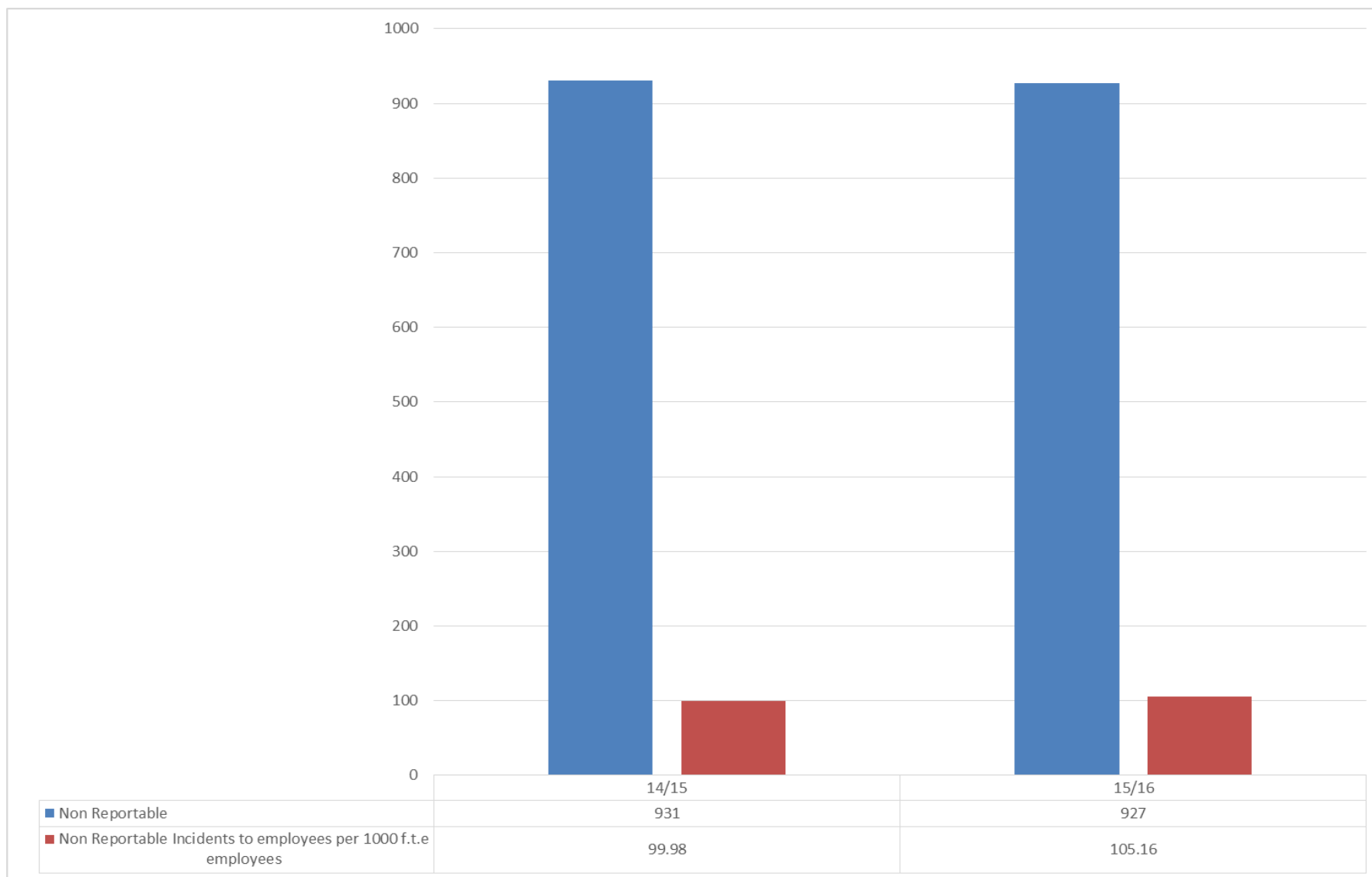
NUMBER OF REPORTABLE INCIDENTS (RIDDOR) PER YEAR FOR ADULT SOCIAL SERVICES



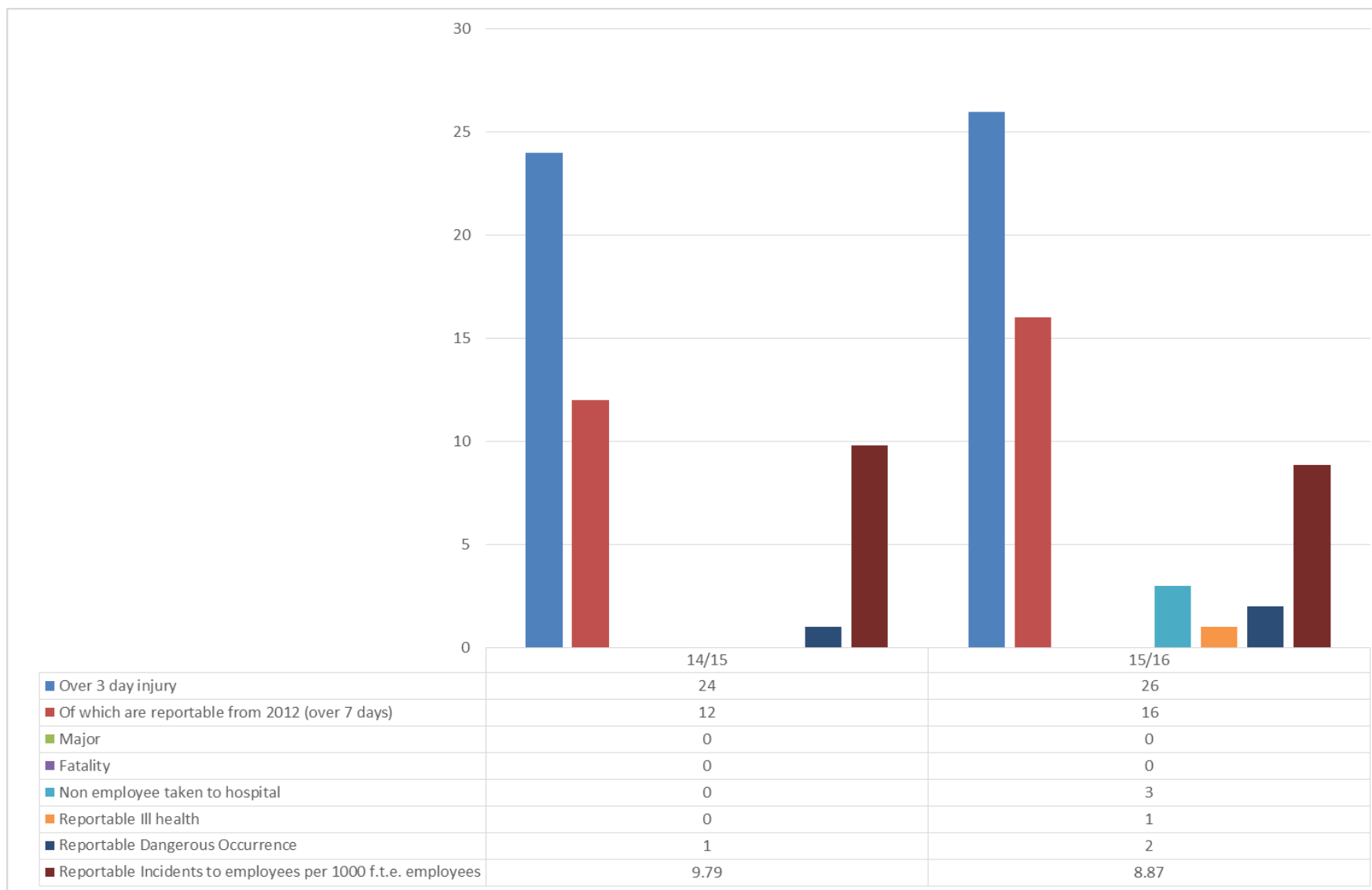
NUMBER OF NON-REPORTABLE (RIDDOR) INCIDENTS PER YEAR FOR ADULT SOCIAL SERVICES



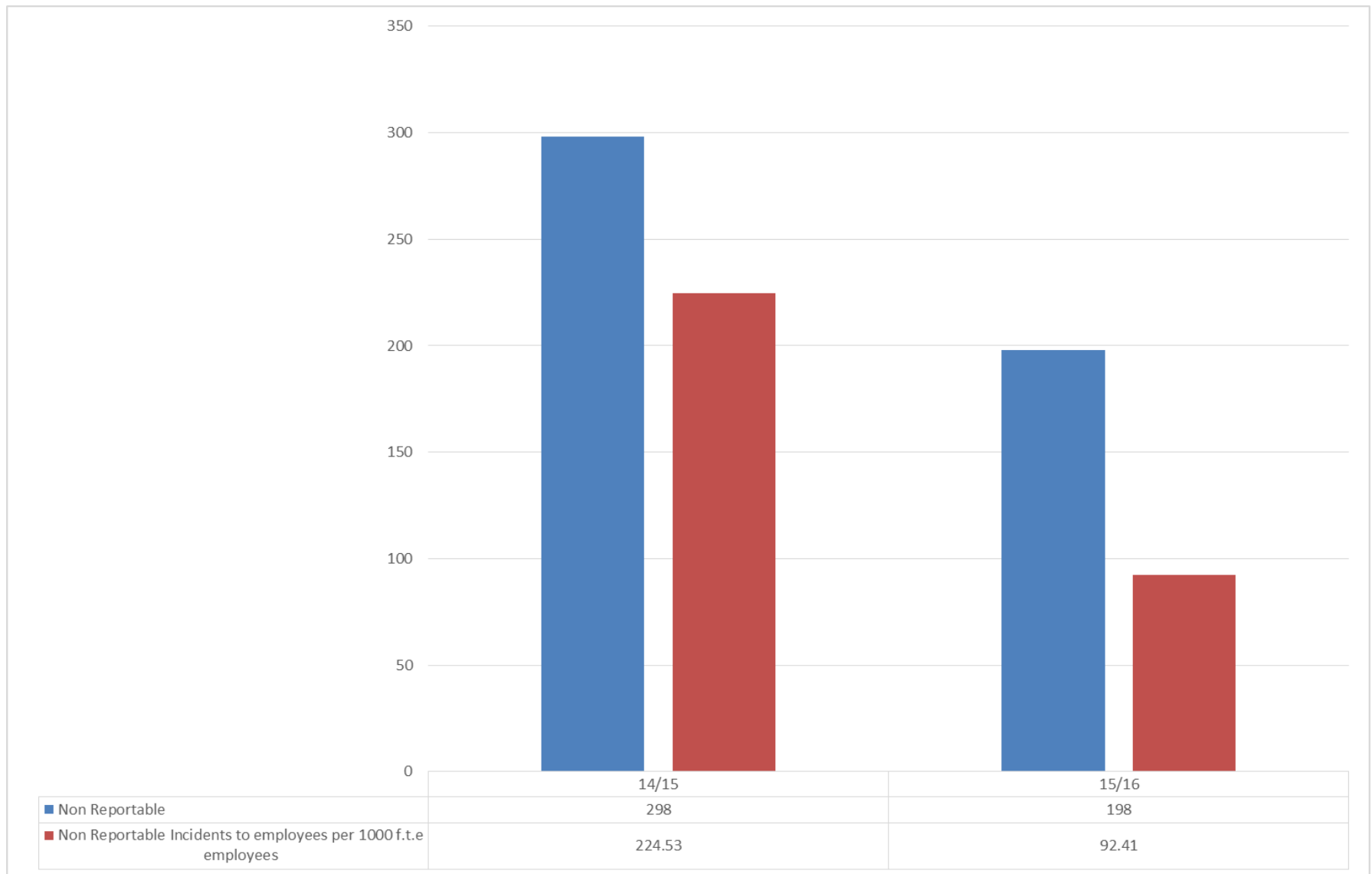
NUMBER OF REPORTABLE INCIDENTS (RIDDOR) PER YEAR FOR CHILDREN'S SERVICES (inc schools)



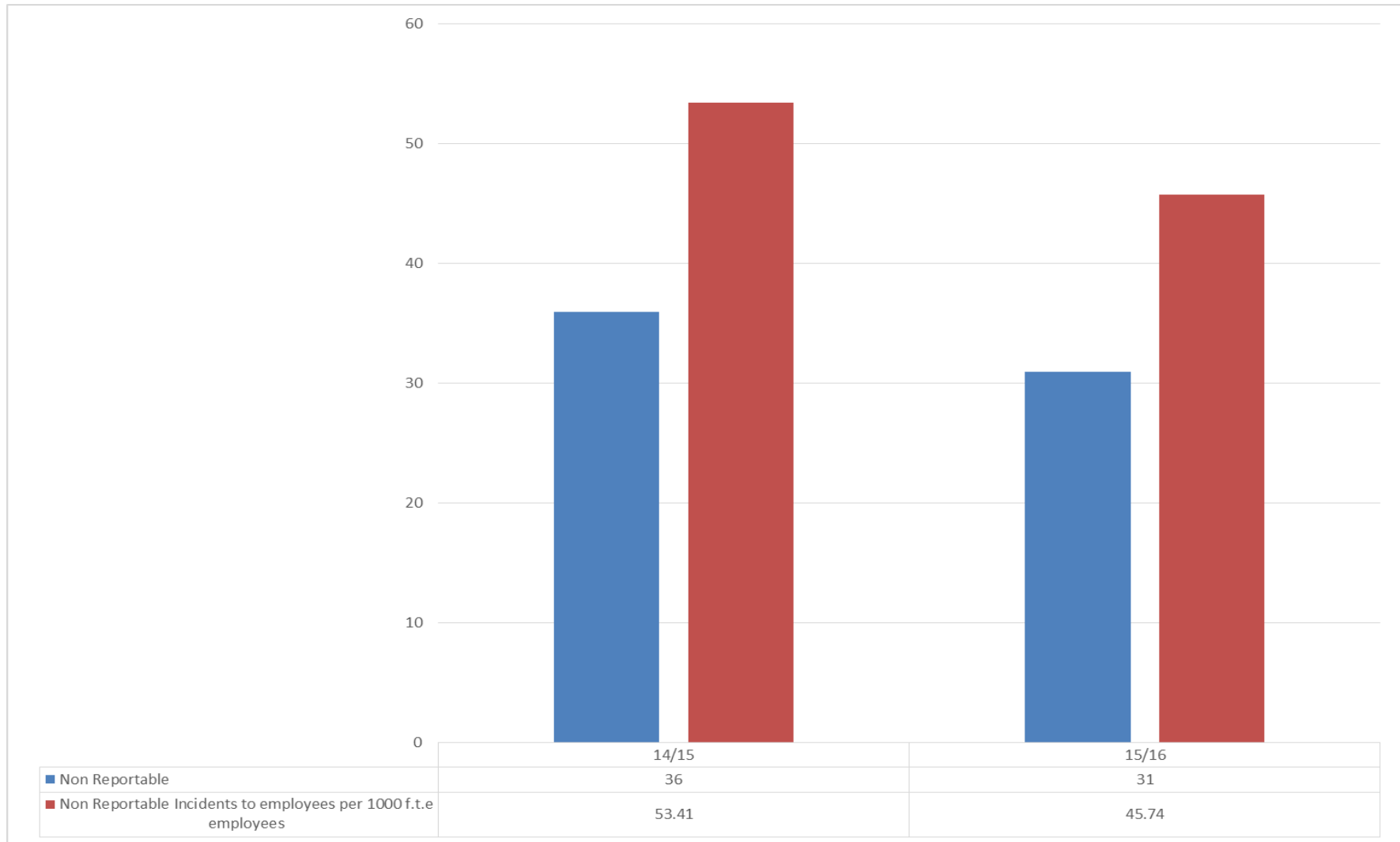
NUMBER OF NON-REPORTABLE (RIDDOR) INCIDENTS PER YEAR FOR CHILDREN'S SERVICES (inc schools)



NUMBER OF REPORTABLE INCIDENTS (RIDDOR) PER YEAR FOR CES

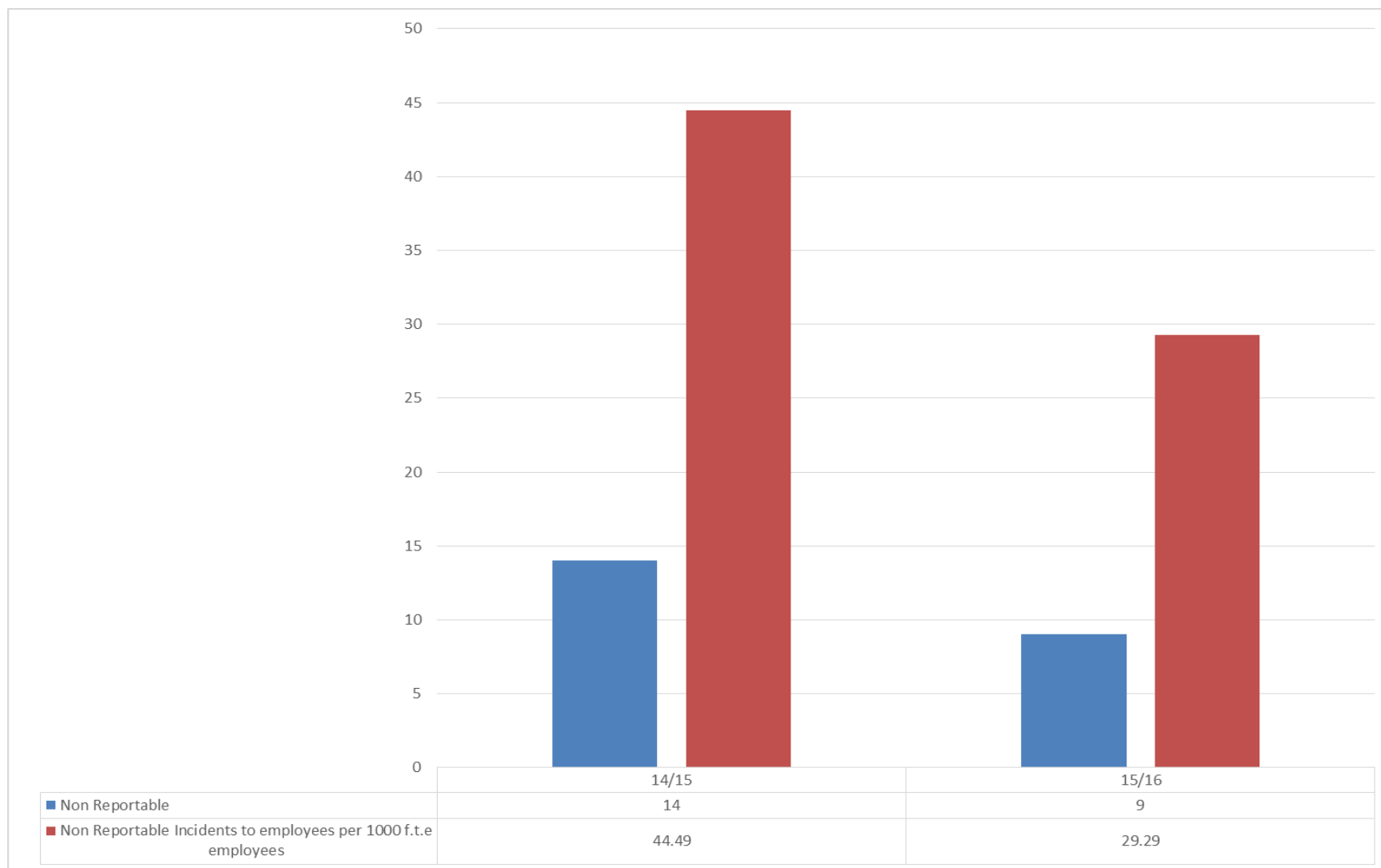


NUMBER OF NON-REPORTABLE (RIDDOR) INCIDENTS PER YEAR FOR CES



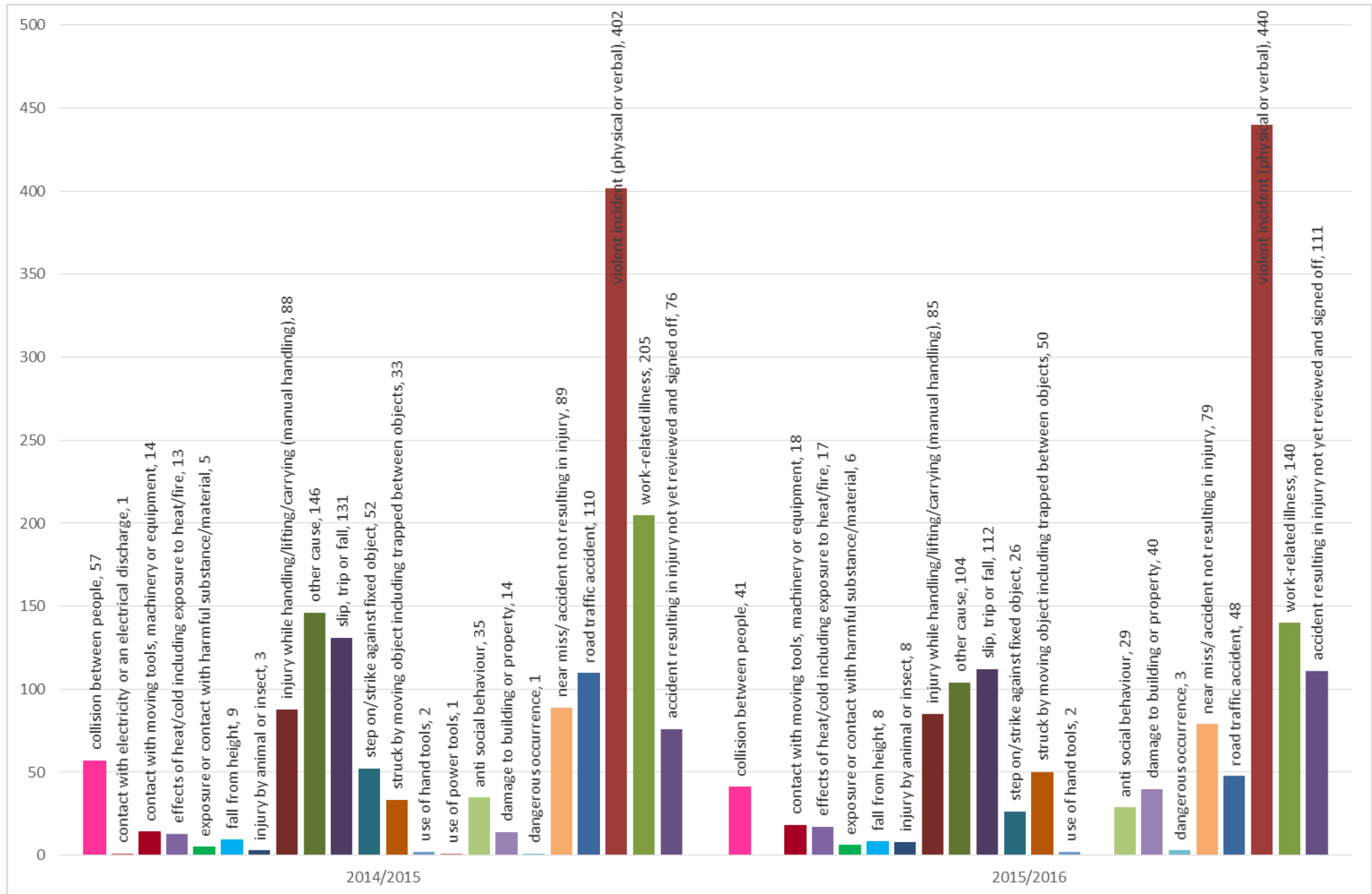
NUMBER OF NON-REPORTABLE (RIDDOR) INCIDENTS PER YEAR FOR RESOURCES

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



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		Community and Environmental Services		Finance		Resources		Totals	
YEAR	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
collision between people	1		55	41	1						57	41
contact with electricity or an electrical discharge			1								1	
contact with moving tools, machinery or equipment		1	13	17	1						14	18
effects of heat/cold including exposure to heat/fire			6	8	7	9					13	17
exposure or contact with harmful substance/material			2	3	3	3					5	6
fall from height			8	5	1	1		2			9	8
injury by animal or insect			1	4	2	4					3	8
injury while handling/lifting/carrying (manual handling)	2	2	55	49	30	32			1	2	88	85
other cause	4	3	119	85	16	11	2		5	5	146	104
slip, trip or fall	3	4	99	87	26	19	1		2	2	131	112
step on/strike against fixed object	1		26	16	23	10			2		52	26
struck by moving object including trapped between objects		1	24	40	9	9					33	50
use of hand tools			2	1		1					2	2
use of power tools			1								1	
anti social behaviour			9	14	26	14				1	35	29
damage to building or property		1	5	9	9	29				1	14	40
dangerous occurrence					1	2				1	1	3
near miss/ accident not resulting in injury	5	6	43	30	38	41	2		1	2	89	79
road traffic accident	4	5	8	2	97	40	1	1			110	48
violent incident (physical or verbal)	8	4	377	416	17	17		2		1	402	440
work-related illness	44	25	85	57	48	41	10	4	18	13	205	140
accident resulting in injury not yet reviewed and signed off	14	11	51	89	3	4			8	7	76	111
TOTAL	86	63	990	973	358	287	16	9	37	35	1487	1367

INCIDENTS BY TYPE BY DEPARTMENT 14/15 and 15/16

	Work related		Non Work Related		Grand Total		% Work Related		% of all sickness		wr per 1000 fte		total per 1000 fte	
Absence Reason	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
Cancer	0	0	3289.4	2455.9	3289.4	2455.9	0	0	3.43	2.79	0	0	246.53	191.14
Circulatory or Organ Related	36.3	0	3758.2	2222.5	3794.5	2222.5	0.96	0	3.96	2.53	2.72	0	284.39	172.97
Diarrhoea and Vomiting	34.68	4	3940.4	2567.5	3975.1	2571.5	0.87	0.16	4.14	2.92	2.6	0.31	297.93	200.13
Genito-Urinary	2	0	680.57	642.06	682.57	642.06	0.29	0	0.71	0.73	0.15	0	51.16	49.97
Hospitalisation	20.6	0.6	7110.1	7344.8	7130.7	7345.4	0.29	0.01	7.44	8.35	1.54	0.05	534.44	571.67
Mental Well-being (Including Stress, Depression and Anxiety)	1164.6	753.13	20684	19521	21849	20274	5.33	3.71	22.78	23.05	87.29	58.61	1637.6	1577.9
Musculoskeletal	846.89	1603.1	15903	15099	16750	16702	5.06	9.6	17.47	18.99	63.44	124.77	1255.4	1299.9
Neurological (Including Headaches and ME)	169.07	10.82	3673.2	3688.8	3842.3	3699.6	4.4	0.29	4.01	4.21	12.67	0.84	287.97	287.93
Pandemic Flu	0	0	23.94	7.02	23.94	7.02	0	0	0.02	0.01	0	0	1.79	0.55
Pregnancy Related	0	0	758.31	771.38	758.31	771.38	0	0	0.79	0.88	0	0	56.83	60.03
Respiratory	5	0	2714.6	2332.4	2719.6	2332.4	0.18	0	2.84	2.65	4.35	0	203.83	181.52
Short-Term/Viral Infection	19.2	25	26493	26828	26512	26853	0.07	0.09	27.64	30.52	1.44	1.95	1987	2089.9
Skin Conditions	0	2.7	243.14	536.8	243.14	539.5	0	0.5	0.25	0.61	0	0.21	18.22	41.99
(blank)	0	33.8	4337	1521.4	4337	1555.2	0	2.17	4.52	1.77	0	2.63	325.06	121.04
Grand Total	2298.4	2433.1	93609	85538	95908	87972	2.4	2.77	100	100	172.26	189.37	7188.2	6846.6

SICKNESS ABSENCE IDENTIFIED BY EMPLOYEES AS BEING RELATED TO WORK

Policy and Resources Committee

Item No 13

Report title:	Disposal and Acquisition of Properties
Date of meeting:	18 July 2016
Responsible Chief Officer:	Executive Director of Finance
Strategic impact Proposals in this report are aimed at supporting County Council priorities by exploiting properties surplus to operational requirements, pro-actively releasing assets with latent value where the operational needs can be met from elsewhere and strategically acquiring property. The ongoing property disposals programme is one of the key strategic actions within the Asset Management Plan with a sharp focus on maximising income through adoption of a more commercial approach to property.	

Executive summary

As part of corporate management of property and a systematic approach to reviewing the use and future needs of assets for service delivery there is now more emphasis on minimising the extent of the property estate retained for operational purpose. However on occasion there will be the requirement to acquire a particular property to support a service to delivers its aims.

By adopting a “single estate” approach internally, and sharing assets with public sector partners through the One Public Estate programme, the Council is aiming to reduce net annual property expenditure by a further £5 million during 2016-2020.

Consideration is also given to suitability of surplus assets for use or redevelopment to meet specific service needs that could improve quality of services for users and/or improve financial efficiency for the Council e.g. facilitating the supply of assisted living accommodation and other housing solutions for people requiring care.

This means that as well as continuing with the rationalisation of the operational property estate to reduce the number of buildings used by the Council, a more commercial approach is being adopted over the sale or redeployment of surplus assets generated.

As part of this commercialisation there is now a presumption for undertaking property development on surplus land and buildings to maximise value generated where this is assessed to be viable. Consideration will also be given to retaining assets to form part of the commercial estate to generate income streams to fund delivery of public services.

The asset management plan also allows for property to be strategically exploited/acquired to obtain additional benefits.

Recommendations:

- 1. P&R is asked to confirm the grant by Norfolk County Council of a standard 125 year lease based on the DfE template for a peppercorn rent in respect of the following schools:**
 - (i) East Rudham CE VC Primary School:**
Lease in respect of the playing fields at the School with effect from 1st June 2016 to the Diocese of Norwich Multi Academy Trust.
 - (ii) Valley Primary School:**
Lease in respect of the school site with effect from 1st June 2016 to the Heart Education Trust.
- 2. P&R are asked to delegate to the Executive Director of Finance the granting of standard leases based on the DfE template in respect of academy conversions in accordance with the Academies Act 2010.**
- 3. P&R is asked to grant an annual licence to the British Red Cross Fire and Emergency Support Service for part of Sprowston Fire Station at £0pa.**
- 4. P&R is asked to grant a lease to South Norfolk District Council of part of the Long Stratton High School Playing Field for 25 years at £1.00pa.**
- 5. P&R is asked to grant a lease to Eastern Power networks for a parcel of land in the car park at Alderman Peel High School for 99 years at £1.00pa.**
- 6. P&R is asked to approve disposal of Horsford Playing Fields and Former Manor House on terms to be agreed by Head of Property in consultation with the Executive Director of Finance, Managing Director and Chair of P&R Committee.**
- 7. P&R are asked to approve the purchase of 59-61 St Peter's Road, Great Yarmouth NR30 3BQ on terms agreed by the Head of property in consultation with the Executive Director of Finance, Managing Director and Chair of this committee.**

1.0 Introduction

- 1.1** The Council actively manages its property portfolio in accordance with the adopted Asset Management Plan. Property is held principally to support direct service delivery, held for administrative purposes or to generate income. Property is acquired or disposed of as a reaction to changing service requirements, changing council policies or to improve the efficiency of the overall portfolio.
- 1.2** In the event of a property becoming surplus to a particular service need there are internal officer processes to ascertain whether other service areas have an unmet need that could be addressed by transferring the asset to that service.
- 1.3** This process has also been extended to ascertain if surplus properties would be of beneficial use by a public sector partner. Any proposals for retention or transfer to another organisation are only agreed if supported by a robust business case showing service benefits and are funded from approved budgets.
- 1.4** The above assessments are carried out by the Corporate Property Officer (the Head of Property) in consultation with the Corporate Property Strategy Group

(CPSG). Once it is confirmed there is no further council requirement the Policy & Resources Committee is asked to formally declare sites surplus.

- 1.5 The Head of Property reviews options for maximising income from surplus properties. These will range from selling immediately on the open market (to the bidder making the best offer overall), through to direct development of the land and buildings and selling the completed assets, in the expectation of enhanced income for the Council.
- 1.6 For properties to be sold immediately there is sometimes a need to consider selling directly to a specific purchaser instead of going to the open market. This may be justified where the third party is in a special purchaser situation and is willing to offer more than the assessed market value. Conversely this might be to a purchaser who is in a unique position of control for the unlocking of the full latent value of the Council site (ransom situation). A direct sale without going to market can also be justified if there are specific service benefits or a special partnership relationship which is of strategic value with service/community benefits.
- 1.7 In making recommendations for direct sale without going to market, or direct property development, the Head of Property will consider risks, opportunities, service objectives, financial requirements and community benefits.

2.0 Proposals

Granting of 125 year leases to schools converting to academies.

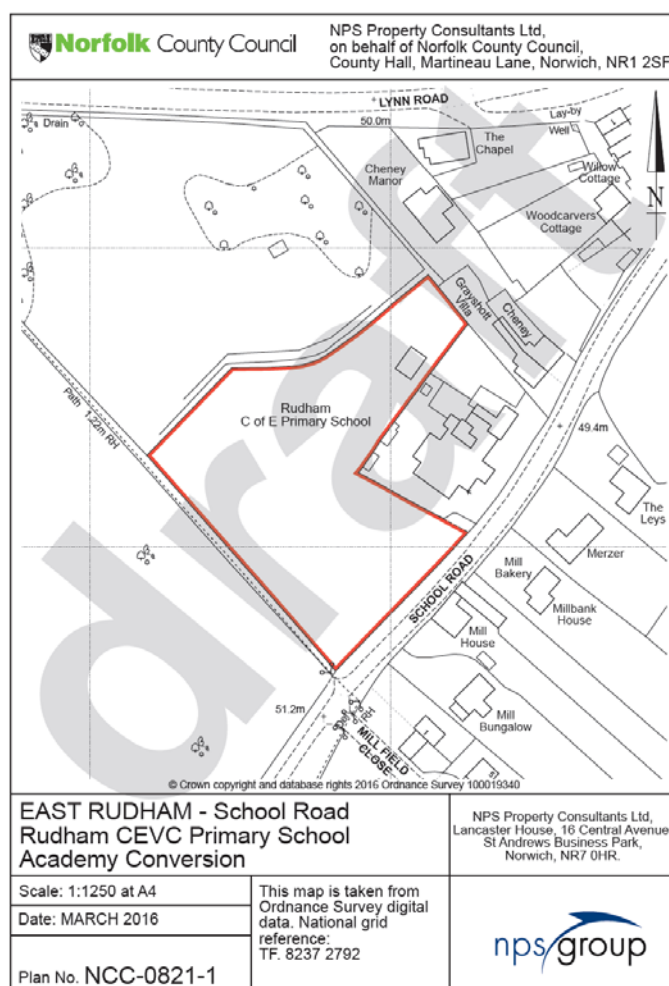
- 2.1 The Academies Act 2010 determines the way local authority maintained schools can convert to become academies. Academies are funded by the Secretary of State and are fully autonomous in governance. To carry out their statutory duties they require full control of the sites and premises.
- 2.2 This control (in respect of NCC owned properties) is effected by means of a 125 year lease to the academy at a nominal peppercorn rental imposed by the Department for Education (DfE). These and the other terms in the lease are standardised by the DfE for Academy conversions
- 2.3 If the LA does not agree to the voluntary transfer, the Act makes provision for the Secretary of State for Education to make a scheme in requiring a local authority to transfer land for the purposes of running an Academy on the same terms as the standard lease.
- 2.4 The County Council Cabinet considered a report setting out proposals for its policy for a revised Academy Strategy for Norfolk at the meeting on 14 November 2011. Cabinet resolved to recommend to Council the overall approach set out in the Report to adhere to the Government's policy in relation to the development of Academies in support of the Council's wider strategy to raise standards of achievement.

2.5 Norfolk County Council has been notified that an Academy Order has been issued by the Secretary of State for the following schools:

- (i) East Rudham Church of England Voluntary Control Primary School, School Road, East Rudham, PE31 8RF.
- (ii) Valley Primary School, Gentry Place, Norwich NR5 8XZ.

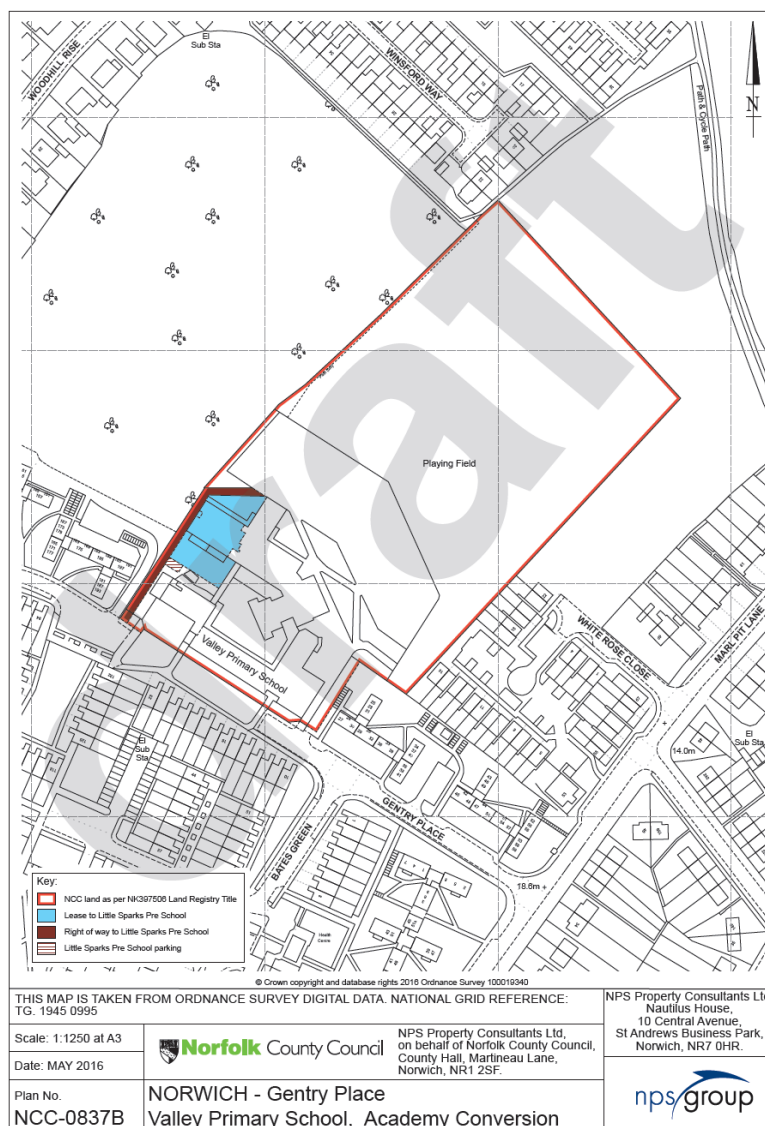
2.6 Norfolk County Council will grant standard 125 year leases based on the DfE template, and where noted rights, as follows:

- (i) East Rudham CE VC Primary School:
Lease in respect of the playing fields at the School with effect from 1st June 2016 to the Diocese of Norwich Multi Academy Trust.
Any other specific site-related terms have been agreed with the prospective Academy converter body, the Diocese of Norwich Multi Academy Trust.



- (ii) Valley Primary School:
Lease in respect of the school site with effect from 1st June 2016 to the Heart Education Trust. The lease will be subject to the existing under-lease between NCC and the Little Sparks Pre-School dated 3rd August 2015, which is for a 20 year term expiring on 2nd August 2035.

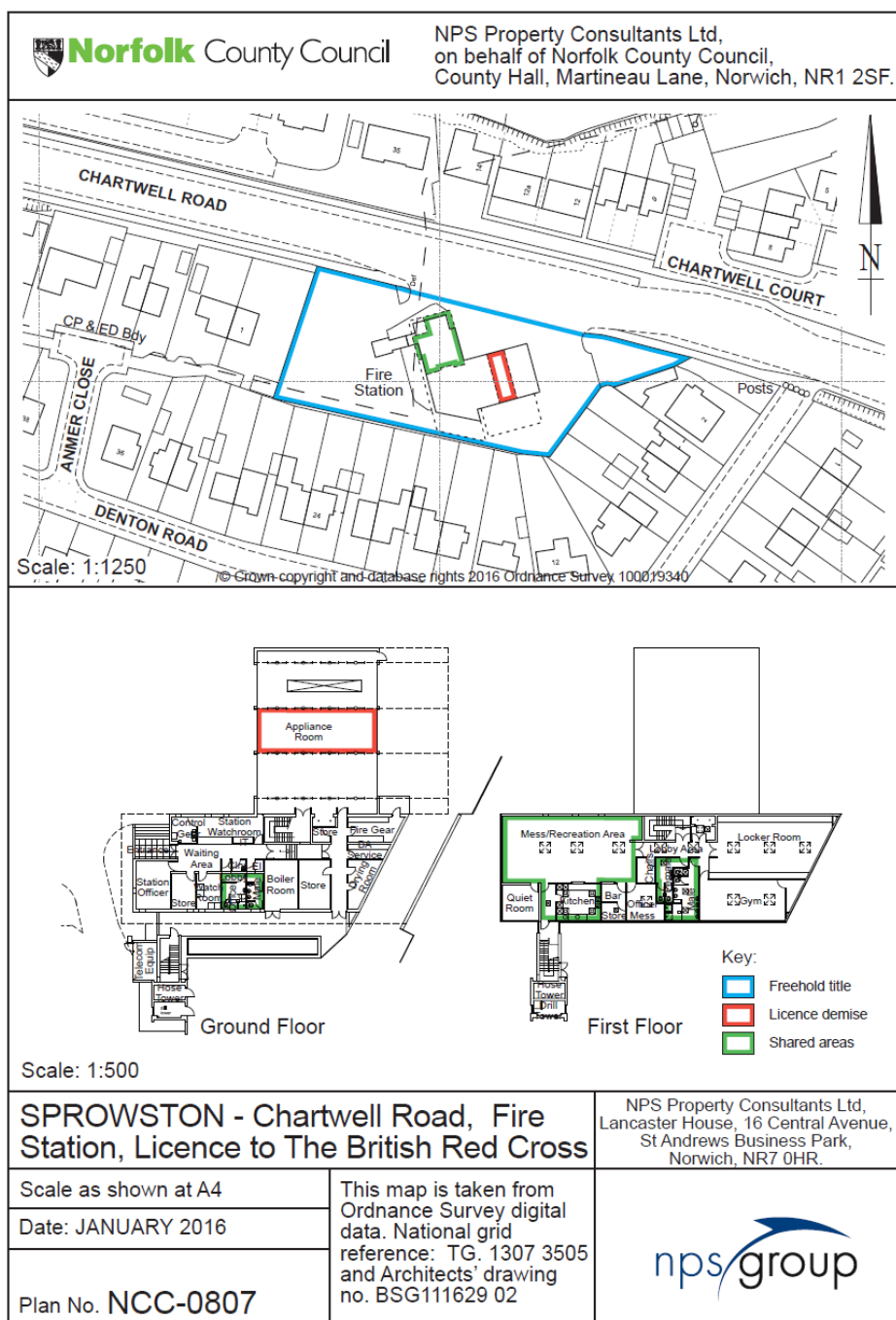
Any other specific site-related terms have been agreed with the prospective Academy converter body, the Heart Education Trust.



- 2.7 Moving forward it has been estimated there will be, on average, 7 academy conversions per month for the next few years. Under the current arrangements a report to this committee will be required in a similar format as noted above. This will take up committee time for what is a statutory process which is supported by the Council to support its wider strategy to raise standards of achievement. Therefore, it is proposed that the granting of standard leases based on the DfE template in accordance with the Act is delegated to the Executive Director of Finance. These delegated decisions are reported to a subsequent P&R Committee meeting as part of the delegated decisions report.
- 2.8 P&R are asked to delegate to the Executive Director of Finance the granting of standard leases based on the DfE template in respect of academy conversions in accordance with the Academies Act 2010.

Granting a new licence to The British Red Cross Fire and Emergency Support Service to occupy part of the appliance bay at Sprowston Fire Station.

- 2.9 The British Red Cross have been working alongside the Fire Service offering their Fire and Emergency Support Service (FESS) for approximately 10 years from Sprowston Fire Station under a Memorandum of Understanding. The County Council now wish to formally document their use of the station.
- 2.10 FESS was established in 1993, before being approved by the British Red Cross in 1995. There are currently only 30 Fire and Emergency Support Service (FESS) Vehicles based around the UK. FESS provides practical help and emotional support to vulnerable people affected by a domestic fire or similar incident anywhere across Norfolk, this is at no cost to the fire service. They work directly with the Fire Service and are called upon by the Fire Service via their Fire Control centre.
- 2.11 The British Red Cross will use 402 ft² (approximately 19%) of the appliance bay at Sprowston Fire Station to store their FESS Vehicle. They will also have the right under licence to use the mess / recreation room if required. The licence will run from year to year and may be terminated by either party with three months' notice.
- 2.12 FESS is a resource the Fire Service heavily rely on and is one of the few Counties to benefit from the service. As there are no costs incurred to the Fire Service, P&R is asked to approve a grant of a licence and confirm no fee is to be charged for this licence.



Long Stratton High School – Lease of Land for All Weather Pitch

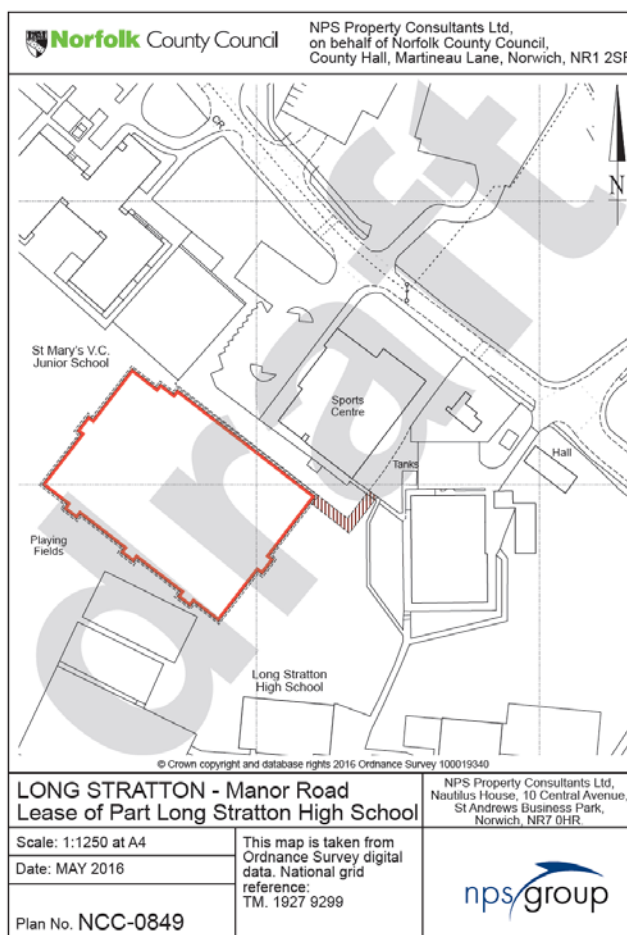
- 2.13 South Norfolk District Council (SNDC) have been offered an opportunity by the Football Foundation to secure funding towards an all-weather pitch (AWP) and approached NCC regarding locating the pitch on Long Stratton High School site. The total cost of constructing the facility is just over £500,000.

2.14 The contributions to capital costs are broken down as follows:-

- SNDC £235,000
- Long Stratton High School £25,000
- Long Stratton Football Club £2,000

The balance of £239,000 has been grant funded by the Football Foundation.

2.15 The proposed site is adjacent to SNDC's sport centre. The site will be leased to SNDC (outlined red with pedestrian access rights hatched brown). These rights will enable users to access the site from the adjoining SNDC owned sports centre. SNDC will have the right to construct an all-weather pitch on the land in accordance with plans and specifications approved by Norfolk County Council.



2.16 Long Stratton High School will manage bookings for other organisations and schools using the facility.

2.17 The terms of the lease are a 25 year term at a rent of £1 p.a. with SNDC being responsible for maintenance, insurance and all other outgoings on the property. NCC will have the right to use the AWP from Monday to Friday between the hours of 0900 to 1700 during academic term times. The length of lease term and the rent of £1 p.a. reflects the capital contribution to the scheme made by SNDC, the Football Foundation grant and the use of the facility that is being afforded to NCC.

2.18 P&R is asked to grant a lease on terms as outlined above.

Alderman Peel High School, Wells Next The Sea – Lease of Land for Electricity Sub Station to Eastern Power Networks PLC

2.19 Children's Services has commissioned a capital project to upgrade the electrical supply at Alderman Peel High School, Wells Next The Sea. Owing to the increases in power supply, part of the works include the installation of an on-site transformer by UK Power Networks.

2.20 To accommodate the new equipment it is necessary to grant a lease of part of the site to Eastern Power Networks and the area shown coloured pink on the

attached plan is the proposed site. The plan also shows cable and access rights and the school site outlined black. The attached photograph shows the redundant square area of land in the car park where the substation will be sited.

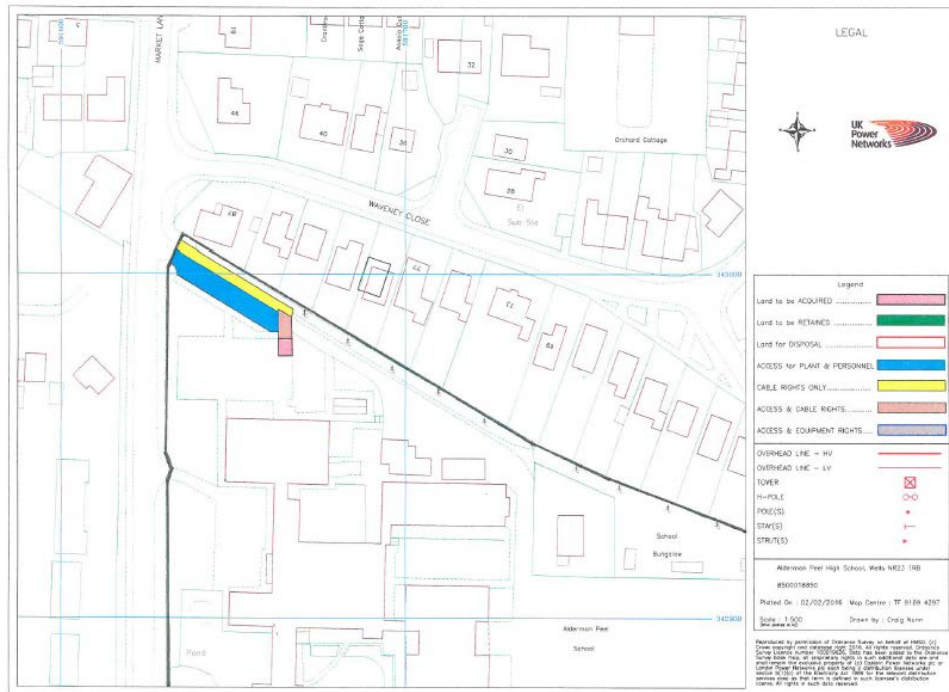


Figure 1: Area of land where substation will be sited

- 2.21 It is proposed the lease is for a 99 year term with the right for the tenant to break the lease with three months' notice if at any time it ceases permanently to require the property for use as an electrical transformer substation.
- 2.22 Eastern Power Networks will not commence work on site until a completed lease is in place and require a 12 week lead in time after the lease is signed. It is proposed to carry out the works during the school summer holidays.
- 2.23 P&R is asked to approve the disposal by way of a lease for the rent of £1 p.a. as the substation is being constructed as a direct requirement of the upgrade

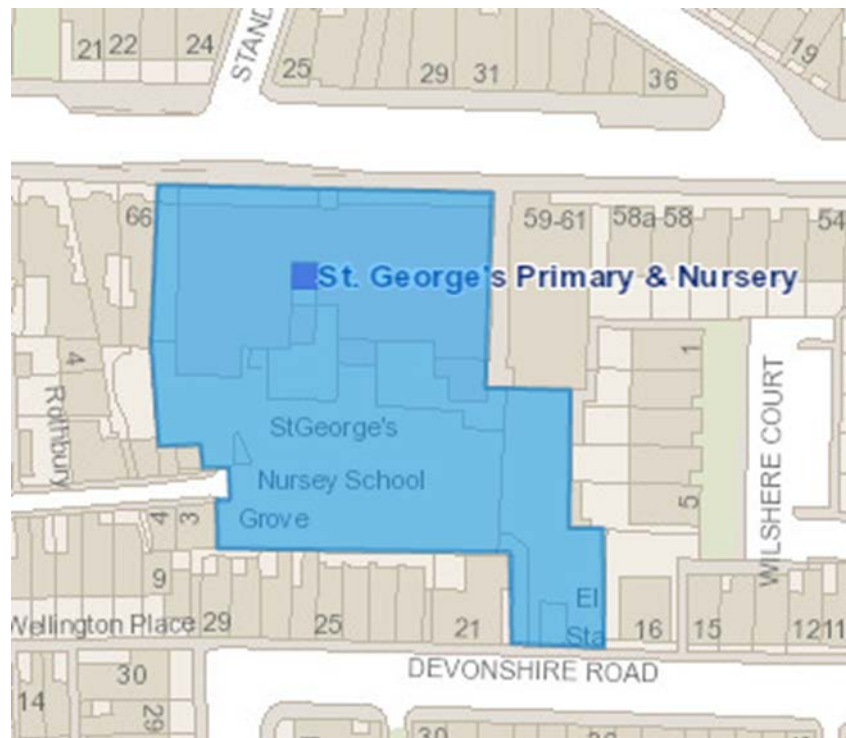
to the school's electricity supply. The tenant will insure and pay all outgoings on the property.

Horsford Playing Fields and Former Manor House

- 2.24 P&R Committee at the meeting 31 May 2016, resolved to approve an option to "Market the land for recreation use and invite financial bids with proposals for the development of facilities so that the decision can take account of community benefits".
- 2.25 The Head of Property has arranged with Norwich City Council in conjunction with the lessee for the property to be marketed for recreation use and invited bids with proposals for the development of facilities so that a further decision can take account of community benefits.
- 2.26 A closing date for bids was set at 29 July 2016 to allow interested parties reasonable time to co-ordinate a proposal. A detailed report will follow after the expiry of the deadline.
- 2.27 In order to progress matters as expeditiously as possible and to retain the existing interest from the NCC Sports Foundation, approval is sought from the committee for the Head of Property to agree a disposal at market value and terms taking in to account community benefits in consultation with the Executive Director of Finance, Managing Director and the Chair of this committee.

Proposed purchase of building at 59-61 St Peter's Road, Great Yarmouth NR30 3BQ for the use of St George's Primary and Nursery School

- 2.28 In response to the rising pressure in the growth of pupil numbers throughout Norfolk, Children's Services has prepared a Local Growth & Investment Plan which it took to Children's Services Overview and Scrutiny Panel in November 2013. It has been revised annually and approved by Children's Services Committee each year
- 2.29 In addition to planning for growth, NCC has implemented policies for area school reorganisation to increase the number of schools serving the full 5-11 primary age range.
- 2.30 As part of this programme, NPS Property Consultants were commissioned to undertake a specific strategic review in respect of Primary school provision within Great Yarmouth focussing on the sites and buildings opportunities to support reorganisation of the infant/junior structure to primary. The Great Yarmouth programme was incorporated within a report on the overall Capital Programme approved by the Children's Services Committee in May 2015.



- 2.31 St. George's Primary & Nursery School was formerly a 2-form entry Infant and Nursery School, with 180 pupils on roll. It was reorganised to a 210 place Primary School as part of town-wide reorganisation in September 2015. Consideration was given to options for relocation of the School to a new site within the existing catchment area, but no realistically deliverable alternative sites could be identified as a consequence of the intensively developed local urban environment.
- 2.32 With its town centre location, this school is oversubscribed year on year. It lacks hall and external play space. The Borough Council planning policies are focused on encouraging sustainable housing and development, concentrated on the main town centres to make use of existing infrastructure and facilities. This will continue to put pressure on the town centre schools, with little opportunity to enhance provision by means of a step change in accommodation.
- 2.33 Minor works have been carried out to support the accommodation of the full primary age range and improved accessibility to the upper storey. However, the overall external site area comprises only some 0.27 hectares, which compares to an indicative guideline range for schools of this size, under the current Department for Education area guidelines within Building Bulletin 103, of between 0.65 and 0.96 hectares. Thus the outdoor space comprises only about one third of the indicative required site area for a school with this number of pupils.
- 2.34 The site is bounded by St Peter's Road to the north, with housing on all further boundaries with the only potential for expansion provided by the site of 59-61 St Peter's Road in the north-western corner of the School site. This has

previously been used for a restaurant premises and is now offered for sale. Opportunities to expand the existing school site are minimal due to its land locked location. Realistically this building provides the only option potentially available to expand the school site. It is of sufficient size to make a difference to the facilities for the children, it is detached and being on the east side of the school provides the most opportunities in the longer term to add buildings to link in with the existing school layout.

- 2.35 The Childrens Services Committee at their meeting on 10th may 2016 confirmed their support and resolved to approve “The inclusion of funding for the land acquisition of St George’s Primary school in the capital programme land acquisition block fund at Appendix 1 of the report.”
- 2.36 NPS Property Consultants, on behalf of the County Council, have reached provisional agreement with the vendor to purchase the site.
- 2.37 P&R are asked to approve the purchase of 59-61 St Peter’s Road, Great Yarmouth NR30 3BQ on terms agreed by the Head of Property in consultation with the Executive Director of Finance, Managing Director and Chair of this committee.

3. Financial Implications

- 3.1 Decisions in this report will ultimately result in sale proceeds which will support funding of the Capital Programme or the repayment of debt. Other financial implications include:
- Reduction in property expenditure and financial efficiency through reduction in the number of buildings retained. Each proposal gives an indication of property savings that will be achieved or loss of rent income that will have budgetary implications.
 - Generating revenue income/capital receipts from the exploitation of surplus assets.
 - Disposal and development costs to fund planning and assessment work. The cost of these will be funded from future receipts.
- 3.2 In respect of the acquisition of 59-61 St Peter’s Road, Great Yarmouth NR30 3BQ, the 2014-17 Capital Programme was approved by NCC Cabinet in April 2014 and committed approximately £13 million of growth and condition funding to deliver reorganisation of all primary phase schools in Great Yarmouth. All funding is Government capital grant and there are no financial revenue consequences to the County Council.

4. Issues, risks and innovation

- 4.1 For disposals and acquisitions in the usual way the legal implications are around the parties agreeing to the terms of the agreement for each disposal and entering a contract.

5. Background

5.1 There are several strands forming the strategic background to these proposals, namely:

- The overall Councils priorities of **Excellence in Education, Real Jobs, Good Infrastructure** and **Supporting Vulnerable People**.
- The adoption by the Council on 1st June 2015 of a new Asset Management Plan 2015-18 (AMP) and subsequent approval by Policy & Resources Committee on 31 May 2016 of a new prioritised work plan for 2016-19 as part of a refreshed AMP.
- The adoption of an updated property savings plan, that calls for £5.1m of savings for 2016-19.
- Re-imagining Norfolk that anticipates improving property and assets, through a more innovative and commercial approach.
- The Norfolk One Public Estate Programme that is supporting the joint strategic exploitation of the combined public sector property estate.
- The Devolution offer anticipates working with government to identify new settlements and accelerate housing delivery.
- The medium term financial strategy includes commercialisation of NCC property assets as a priority to help diversify the Council's funding.
- Report to Childrens Services Committee 10 may 2016

5.2 Strategic asset management is focussed on:

- Releasing properties that are costly, not delivering services efficiently or in the wrong location.
- Exploiting the latent value of the property estate with an emphasis on using the retained estate more intensively or identifying opportunities to generate revenue income or increasing the capital value.
- Reducing future maintenance liabilities and reducing the overall carbon footprint.
- Directing spend on "core" assets that are to be retained over the long term.

5.3 There are several key targets in the new prioritised work plan in the refreshed AMP that support these proposals:

- Ongoing implementation of the property savings plan.
- Continued focus on office rationalisation.
- Ongoing implementation of a 5-year disposals programme, allied with seeking opportunities for development.
- Surplus Highways land – implement disposals of packages of land parcels no longer required for road schemes.
- Develop options for "top 5" sites with development potential.
- Deliver strategy to promote surplus/fringe sites for housing.

5.4 Furthermore the County Council is undergoing major service redesign aimed at early intervention and self-help. To this end the council is developing proposals around "Housing with Care" with the objective of keeping people in their own homes for longer.

Officer Contact

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Policy and Resources Committee

Item No **14**

Report title:	Norse Consent – Appointment of Auditors
Date of meeting:	18 July 2016
Responsible Chief Officer:	Executive Director of Finance – Simon George
Strategic impact Norse requires the consent of the County Council before it can make certain decisions. The appointment of external auditors is one such decision. This report will enable Norse to complete the procurement of external audit services in line with the company's governance arrangements.	

Executive summary

The Norse Group Board has undertaken a fully compliant OJEU process to procure a new Norse Group Auditor.

The Council's governance arrangements in relation to the Norse Group of Companies require it to provide consent to the appointment of auditors.

Policy and Resources Committee is recommended to:

- 1. Give delegated authority to the Executive Director of Finance to approve the appointment of NORSE Auditors in consultation with the Council's Shareholder representative.**

1. Background

- 1.1. The Norse Group Articles of Association require County Council approval to remove or vary any of the terms of appointment of the company's auditors.

8.8 The Company shall not without the prior written approval of Norfolk County Council do any of the following:-

8.8.12 remove or vary any of the terms of appointment of the Company's auditors;

- 1.2. Following advice from the Norse Group's Audit Advisory Group (AAG), the company has undertaken a fully compliant OJEU process to procure a new Norse Group Auditor.

2. Procurement Process

- 2.1. An OJEU notice was published on 19 January 2016 seeking expressions of interest. The PQQ (Pre-Qualification Questionnaire) stated that five organisations would be taken forward to the Invitation to Tender (ITT).

- 2.2. Nine organisations registered an interest and downloaded the PQQ document for this opportunity. Six organisations returned a completed and compliant PQQ, which were marked in accordance with the pre-determined criteria. This resulted in the lowest-scoring organisation being eliminated. Detailed feedback was provided to them.
- 2.3. Meetings were held with the remaining five firms on 8 March and 9 March 2016 to enable them to gather additional information about the Norse Group prior to submission of their ITT.
- 2.4. Four firms ultimately submitted a compliant ITT, with one firm declining to submit an ITT. These have been scored in accordance with a predetermined criteria, which set out that quality should comprise 80% of the tender evaluation score and price should comprise 20% of the tender evaluation score. The quality assessment comprised both consideration of written submissions and interviews with the firms.
- 2.5. Following completion of the ITT process, a recommendation will be taken to the Norse Group Board on 20 July 2016 to appoint the successful Tenderer as Norse Group auditors for an initial period of 5 years with an option to extend for a further 5 years.
- 2.6. Delegated authority is sought for the Executive Director of Finance to approve the appointment of Norse Group Auditors following the recommendation of the Norse Group Board on 20 July 2016, in consultation with the Council's Shareholder representative.

3. Financial Implications

- 3.1. External audit provides assurance over the financial position of the Norse Group and as such represents a key part of the Council's financial and governance arrangements in respect of the Norse Group.
- 3.2. It is considered best practice to rotate auditors regularly and a procurement process offers the opportunity to both test the market and ensure an appropriate and value for money service is in place.
- 3.3. Failure to approve the appointment of the Norse Group's external auditors could potentially result in the Council being exposed to increased levels of financial risk, and the Norse Group being in breach of its statutory duties under the Companies Act.

4. Issues, risks and innovation

- 4.1. There are no significant risks or implications beyond those set out in the financial implications section of the report.

5. Background Papers

Norse Governance Review, 21 March 2016, Item 9:

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/497/Committee/21/SelectedTab/Documents/Default.aspx>

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Policy and Resources Committee

Item No 15

Report title:	Notifications of Exemptions Under Contract Standing Orders
Date of meeting:	18 July 2016
Responsible Chief Officer:	Anne Gibson, Executive Director of Resources

Brief outline of the paper:

Under the Council's Contract Standing Orders, paragraph 9.11, the Head of Procurement and the Head of Law have the authority to approve the letting of a contract without competition or the negotiation of a contract with one or more suppliers without prior advertisement, subject to the relevant law. Exemptions resulting in the letting of contracts valued at more than £100,000 must be made in consultation with the Chairman of Policy and Resources Committee.

Under paragraph 9.12 an exemption under 9.11 outlined above, relating to the award of a contract valued in excess of £250,000 is to be notified to the Policy and Resources Committee.

The report sets out the exemptions that have been made since 17th June 2016 under paragraph 9.11 of Contract Standing Orders and that are over £250,000 and therefore need to be notified to the Policy and Resources Committee.

Key decisions/recommendations that Committee need to make:

Recommendations:

Policy and Resources Committee is asked to note the exemptions that have been granted under paragraph 9.11 of Contract Standing Orders by the Head of Procurement and Head of Law in consultation with the Chairman of Policy and Resources Committee that are over £250,000.

Supplier	Value, term and ref	Short description of Contract and Reason for Extension	Date seen by the Chairman of Policy and Resources Committee
Great Yarmouth Port Company	£700,000 – 1 August 2016 to 21 July 2021 (EX145-16).	Haven Bridge, Great Yarmouth maintenance works and services. Routine maintenance, electrical and mechanical operating equipment of the Norfolk County	23 May 2016

		<p>Council owned Haven Bridge. Replacement of the timber block surfacing. Repainting of structural steel work.</p> <p>It is considered that the lowest risk approach to maintenance of this bridge is to use the port company's contractors.</p>	
UK ROEd Ltd	£1,118,240 – 1 June 2016 to 31 May 2017 (EX204-16)	<p>Driver training database</p> <p>This supplier provides the single national database used to record attendance at speed awareness courses. This is paid by for by driver offenders and not NCC budgets.</p>	1 June 2016

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