

Norfolk County Council

Date: Tuesday, 26 September 2023

Time: 10 am

Venue: Council Chamber, County Hall, Martineau Lane,
Norwich NR1 2DH

To: All members of the Council. You are hereby summoned to attend a meeting of the Council for the purpose of transacting the business set out in this agenda.

Advice for members of the public:

This meeting will be held in public and in person.

It will be live streamed on YouTube and members of the public may watch remotely by clicking on the following link: [Norfolk County Council YouTube](#)

We also welcome attendance in person, but public seating is limited, so if you wish to attend please indicate in advance by emailing committees@norfolk.gov.uk.

Current practice for respiratory infections requests that we still ask everyone attending to maintain good hand and respiratory hygiene and, at times of high prevalence and in busy areas, please consider wearing a face covering.

Please stay at home if you are unwell, have tested positive for COVID 19, have symptoms of a respiratory infection or if you are a close contact of a positive COVID 19 case. This will help make the event safe for attendees and limit the transmission of respiratory infections including COVID-19

Prayers

AGENDA

1 Apologies

2 Minutes

To confirm the minutes of the meeting held on 18 July 2023.

Page 6

3 To receive any announcements from the Chair, Leader or Chief Executive (maximum of 15 minutes)

4 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. It is recommended that you declare that interest but it is not a legal requirement. If you have a Disclosable Pecuniary Interest in a

matter to be considered at the meeting and that interest is not on your Register of Interests you must declare that interest at the meeting and not speak or vote on the matter.

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

If you do not have a Disclosable Pecuniary Interest you may nevertheless have an Other Interest in a matter to be discussed if it affects to a greater extent than others in your division:

- Your wellbeing or financial position, or
- that of your family or close friends
- Any body –
 - Exercising functions of a public nature.
 - Directed to charitable purposes; or
 - One of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union);

of which you are in a position of general control or management.

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

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|-----------|---|----------------|
| 5 | Petitions presented to Council: none | |
| 6 | Business (if any) remaining from the last Council meeting:
none | |
| 7 | Member questions to the Leader (a maximum of 15 minutes will be allowed for this item) | Page 49 |
| | Procedure Note attached. | |
| 8 | Recommendations from Cabinet | Page 51 |
| | 8.1 Meetings held on 4 September 2023 | |
| 9 | Cabinet Reports and questions to Cabinet Members | Page 52 |
| | 9.1 Report from the meetings held on 7 August and 4 September 2023 | |
| | Procedure Note attached | |
| 10 | Recommendations from the Scrutiny Committee and Norfolk Health Overview and Scrutiny Committee: None | |

11	Recommendations from Committees: None	
12	Report from Scrutiny Committee meetings held on 19 July	Page 61
13	Report from Health Overview and Scrutiny Committee meetings held on 14 September 2023	To follow
14	Reports from other Committees	
14.1	Audit and Governance Committee Meeting held on 25 July and 7 September 2023	To follow
14.2	Planning (Regulatory) Committee Meeting held on 21 July 2023	Page 63
14.3	Pensions Committee Meeting held on 12 September 2023	To follow
14.4	Employment Committee No meetings have been held since the last Council meeting.	
14.5	Health and Wellbeing Board No meetings have been held since the last Council meeting.	
15	Reports from Select Committees	
15.1	Corporate Select Committee Meetings held on 10 July and 11 September 2023.	Page 64
15.2	Infrastructure & Development Select Committee Meetings held on 12 July and 13 September 2023	Page 68
15.3	People and Communities Select Committee Meetings held on 14 July and 15 September 2023	To follow
16	Reports about the business of joint arrangements and external organisations	
16.1	Norfolk Joint Museums Committee Meeting held on 28 July 2023	Page 73
16.2	Norfolk Records Committee Meeting held on 28 July 2023	Page 77

17	Proportional Allocation of Places on Committees	Page 79
18	Pay Policy Statement 2023-24 Revisions	Page 81
19	Amendment to the Annual Investment and Treasury Management Strategy 2023-24	Page 89
	Appendix 1	Page 95
	Appendix 2	To follow
20	Notice of Motions	Page 141
21	Questions on notice under Rule 9.3: none	
22	Appointments to Committees, Sub-Committees and Joint Committees (Standard item):	
	<ul style="list-style-type: none"> • Cllr Mark Kiddle Morris to be replaced on People and Communities Select Committee. The replacement to be confirmed. • Cllr John Crofts replaces Cllr Tim Adams on People and Communities Select Committee. • Cllr Rob Colwell replaces Cllr Saul Penfold on Infrastructure and Development Select Committee. • Cllr Brian Watkins replaces Cllr Rob Colwell on Pensions Committee. • Subject to Council's approval at item 17.1; Cllr David Sayers on Corporate Select Committee to replace Cllr Lana Hempsall. • The political group allocations to the Police and Crime Panel are calculated with reference to the requirement for the Panel to be politically balanced based upon the overall political balance of Council seats in Norfolk. The 7 district councils each appoint 1 representative and the County Council makes its 3 appointments to ensure that the overall political balance is achieved. Following notification of District Council preferred appointments, the County Council group allocation has been changed to support the overall political balance and Cllr Stuart Dark has now been appointed to the third Conservative place on the Panel. 	

A handwritten signature in black ink, appearing to read 'McCabe'.

Tom McCabe
Chief Executive
County Hall
Martineau Lane
NORWICH
NR1 2DH

Agenda Published: 18 September 2023

**Norfolk County Council
Minutes of the Meeting Held at 10 am on
Tuesday 18 July 2023**

Present:		
	ADAMS Tony	KIDDIE Keith
	ANNISON Carl	KIDDLE-MORRIS Mark
	AQUARONE Steffan	LONG Brian
	ASKEW Stephen	MASON BILLIG Kay
	BAMBRIDGE Lesley	MAXFIELD Ed
	BENSLY James	MORPHEW Steve
	BILLS David	NEALE Paul
	BIRMINGHAM Alison	NUNN William
	BLUNDELL Sharon	OSBORN Jamie
	BORRETT Bill	PECK Greg
	BROCIEK-COULTON Julie	PENFOLD Saul
	CARPENTER Graham	PLANT Graham
	CARPENTER Penny	PRICE Ben
	CLANCY Stuart	RICHMOND Will
	COLWELL Robert	RILEY Steve
	CORLETT Emma	ROPER Dan
	DALBY Michael	ROWETT Catherine
	DARK Stuart	RUMSBY Chrissie
	DEWSBURY Margaret	SANDS Mike
	DIXON Nigel	SAVAGE Robert
	DUIGAN Phillip	SHIRES Lucy
	EAGLE Fabian	SMITH Carl
	ELMER Daniel	SMITH-CLARE Mike
	FITZPATRICK Tom	STONE Barry
	GURNEY Shelagh	STOREY Martin
	HEMPSALL Lana	THOMSON Vic
	HORSBRUGH Michael Chenery of	WARD John
	JAMES Jane	WATKINS Brian
	JERMY Terry	WEBB Maxine
	JONES , Brenda	WHITE Tony
	KEMP Alexandra	WHYMARK Fran

Present: 62

1A Apologies

Apologies for absence were received from Cllr Tim Adams, Cllr Claire Bowes, Cllr Ed Connolly, Cllr Chris Dawson, Cllr John Fisher, Cllr Andy Grant, Cllr Andrew Jamieson, Cllr Julian Kirk, Cllr Ian Mackie, Cllr Jim Moriarty, Cllr Judy Oliver, Cllr Rhodri Oliver, Cllr Richard Price, Cllr Andrew Proctor, Cllr Mathew Reilly, Cllr David Sayers, Cllr Alison Thomas, Cllr Eric Vardy, Cllr Karen Vincent, Cllr Colleen Walker and Cllr Martin Wilby.

1B Chair's Remarks—Cllr Nick Daubney

The Chair took this opportunity to mark the sad passing of County Councillor Nick Daubney who had sadly passed away following a long illness. Cllr Daubney was a very well respected and hard-working Member of the Council, actively representing Freebridge Lynn Division in West Norfolk since his election in May 2021. Cllr Daubney served as a Member of the Corporate Select Committee, the Joint Consultative & Negotiating Committee and was Member Champion for Sustainable Tourism.

Members of the Council held a minute's silence in his memory.

The Chair reminded Councillors that meetings of the Council would not normally extend beyond 3 hours unless this was extended in accordance with rule 11. 1 (n) of the Council Procedure Rules, however it was his intention to enact rule 4 (v) and rule 4 (vi) of the constitution once the meeting period had elapsed if any business remained. The practical application of this would be that the meeting continued on a vote only basis.

The Chair also said that he intended to adjourn the meeting after about 2 hours for a short comfort break.

2. Minutes

2.1 The minutes of the Council meeting held on 9 May 2023 were confirmed as an accurate record of the meeting.

2.2 In confirming the minutes, it was noted that Cllr Kemp awaited a response to a question she had asked about the nature recovery area for Harding's Pits in South Lynn.

3 To receive any announcements from the Chair, Leader or Chief Executive

3.1 The Chair welcomed Cllr Catherine Rowett to her first meeting of the County Council following her election as the new County Councillor for West Depwade Division at the bi-election held on Thursday 13 July 2023.

3.2 The Chair said that every year the new Chair had a theme for their year in office and this year's would be the vital role technology could play for generations to come, with a particular emphasis on promoting an awareness of the potential of degree level apprenticeships for 14- to 19-year-old students. The Chair had explained this theme in some detail at the Chair's summer reception which Members of the County

Council attended at the end of the previous week.

- 3.3 The Chief Executive said that Debbie Bartlett had taken on a new role of Interim Executive Director of Adult Social Services and Grahame Bygrave had been appointed to the position of Interim Director of Community and Environmental Services.
- 3.4 The Leader said that she had recently attended a function at the House of Committee where the future production of hydrogen gas at the Bacton Gas Terminal was discussed. This event was attended by representatives of North Norfolk District Council and of the oil and gas Industry and had examined how Norfolk should look to become a central European Hub for the production of green hydrogen.

4 Declarations of Interest

- 4.1 Cllr Michael Chenery declared an other interest related to the Norfolk Records Committee report as he was a member of the Norfolk Record Office.
- 4.2 Cllr John Ward declared an other interest related to the museums report as he was the Chairman and director of the Norfolk Museums Development Foundation

5 Petitions presented to Council

- 5.1 There were no items of petition for Council to consider within the timeframe for this meeting.

6. Business (if any) remaining from the last Council meeting

- 6.1 No business was outstanding since the meeting of the 9th May 2023.

7. Questions to the Leader

7.1 Question from Cllr Emma Corlett

Cllr Emma Corlett asked if the Leader agreed that there was no place in Norfolk for racism, homophobia and transphobia, and would she be attending Norwich Pride this month on behalf of the Council.

In reply, the Leader said that she agreed with this comment and that she would be attending Norwich Pride on behalf of the Council.

7.2 Question from Cllr Dan Roper

Cllr Dan Roper said that the Council was facing significant financial challenges and had recently announced a limit to its borrowing in forthcoming years which could impact the delivery of key capital projects. This came at a time when Local Authorities nationwide were facing a £3bn budget gap to keep up with current levels of service with high rates of inflation. Did the Leader have any red lines that she would not cross in terms of making cuts to services?

In reply, the Leader said that the Council was always looking for ways in which it could do things more efficiently because there was always room for improvement. The new Chief Executive was looking at areas of work where the Council could make efficiency savings and the Administration was doing its utmost to see that services were maintained.

7.3 Question from Cllr Catherine Roweltt

Cllr Catherine Rowett said that while some Conservative Councillors were enthusiastic about what a County Deal might mean for the development of Norfolk, Norfolk residents were more concerned about the lack of access to dentists, GPs and local schools. A County Deal for Norfolk did not address these issues and might make matters worse by promising new development without the necessary infrastructure and services that needed to go with it. Could the Leader explain what she and the Conservatives were doing to bring Norfolk up to speed on these services?

In reply, the Leader said that the lack of dentists and GPs was not particular to Norfolk; this national issue was outside the scope of a County Deal because these practices were independent of the Council. The Leader pointed out that plans were being made for a new surgery to be built in south Norfolk and for the site of the old Palmers Store in Great Yarmouth town centre to be redeveloped as a community hub which could include a dentistry school that helped attract new dentists to the county.

7.4 Question from Cllr Ed Maxfield

Cllr Ed Maxfield asked if the Leader would commit to reviewing the procedure whereby Councillors were appointed to Committees to make better use of Councillors talents or make the rules on appointments more transparent.

The Leader replied that the procedure on appointments to Committees was already transparent and she was not prepared to review it.

7.5 Question from Cllr Carl Smith

Cllr Carl Smith asked if the Leader could report back on the recent Local Government Conference held in Bournemouth.

The Leader replied that she had attended the conference with the Labour and Liberal Democrat Group Leaders. The event was a good opportunity to meet with Leaders from other Local Authorities. The conference had heard from Michael Gove MP on the issue of County Deals and had also provided an opportunity to ask questions of other speakers about hydrogen production and about the planting of trees.

7.6 Question from Cllr Alexandra Kemp

Cllr Alexandra Kemp said that in 1990 West Winch was promised a bypass that was never built to support 4,000 new houses in the area and the plans for this road were now in the Norfolk Record Office. Cllr Kemp asked if as an infrastructure first Council, the Leader would commit to writing to the Department of Transport to

seek support for the bid that the County Council had put together for funding this very much needed bypass to take the traffic out of West Winch?

The Leader replied that the West Winch bypass was now back on track and that the building of new homes in the area was the subject of discussions with the Borough Council. The bypass would provide a link road between the A10 and the A47 and take pressure off West Winch; the County Council would continue to work with the Borough Council regarding the building of the new road.

7.7 Question from Cllr Terry Jermy

Cllr Terry Jermy said that it was recently revealed that a Norfolk MP topped the league table for having the highest rate of pay of an MP from a second job and another Norfolk MP had also appeared on that list. Did the Leader not feel that the interests of Norfolk residents were best served by Norfolk MPs concentrating their work on their main job rather than their second, third or fourth jobs?

The Leader replied that she did not have an issue with MPs having a second job where they were doing a good job for their constituents. The Leader added that she had some sympathy for MPs who wanted to supplement their income from being an MP but she could not comment about individual MPs.

7.8 Question from Cllr Brian Watkins

Cllr Brian Watkins said that Michael Gove MP had recently announced plans to transform Cambridge into Europe's "Silicon Valley." The vision was for a centre of innovation, growth and an ambitious housebuilding scheme. If successful, Norfolk could benefit from the potential influx of talent and start-ups that could relocate to the area in search of property and housing. How did the Leader intend to harness the benefits of this unique opportunity for Norfolk?

The Leader replied that she considered this to be an important Government announcement and that she expected Norfolk to see some significant benefits as it looked forward to having a Norwich to Cambridge technology corridor. The Leader added that she had discussed this issue with the Leader of Cambridgeshire County Council and would not lose sight of opportunities to pursue the matter.

7.9 Question from Cllr Jamie Osborne

Cllr Jamie Osborn said that the Government's official climate advisers said last month that all new road building should be halted because more roads meant more carbon which included the Norwich Western Link. Did the Leader know more than the Government's official climate advisers on this matter?

The Leader replied that the County Council had undertaken its own investigation into how the Norwich Western Link would impact on the carbon footprint of the area. The new road would take "rat running" out of small villages to the west of Norwich and reduce the carbon going into the atmosphere around those villages.

7.10 Question from Cllr James Bensly

Cllr James Bensly asked if the Leader would join him in welcoming the reinstatement

of the important position of Chief Executive in delivering services for Norfolk residents.

The Leader replied that the reinstatement of the post of Chief Executive was one of her first tasks on becoming Leader; Tom McCabe would be able to take the lead on making improvements in the way in which departments communicated with each other and this appointment was a welcome step forward.

7.11 **Question from Cllr Mike Sands**

Cllr Mike Sands said that currently an anti- boycotting bill was making its way through parliament which could prevent Local Authorities and other bodies, even pension funds, from taking a position on issues that arose. Given that in the 1980's similar legislation would have prevented Local authorities from taking a view against apartheid in South Africa, did the Leader agree that this current legislation was misguided and unnecessary?

The Leader replied that this kind of legislation was necessary because of the disruption that was currently taking place in society at public events and on public roads as people went about their lawful business and that new legislation would not affect those who were protesting responsibly.

8 **Recommendations from Cabinet**

8.1 The Leader moved the recommendations from the Cabinet meetings held on 5 June 2023 and 3 July 2023 about the Finance Monitoring Report 2022-23 Outturn and the Finance monitoring report 2023-24 P2: May 2023.

8.2 Council **RESOLVED** on a show of hands

1. That the General Balances at 31 March 2023 be increased to **£24.410m** after a transfer of £0.570m from a contribution to General Balances and underspends in Finance General.
2. To agree the addition of **£26.895m** to the capital programme for the following new scheme as set out in Capital Appendix 3, paragraph 4.2-4.3 of the report as follows:
 - Approval of £26.895m King's Lynn Sustainable Transport and Regeneration Scheme (STARS) supported by £24.7m external funding and £2.025m NCC Borrowing as set out in Appendix 3 note 4.3
 - And, to note the inclusion of the £16.7m Corporate Property Retrofitting Plan approved at the 5th June 2023 Cabinet meeting, subject to Council approval.

9. **Cabinet Report (Questions to Cabinet Members)**

9.1.1 The Leader moved the report of the Cabinet meetings held on 3 April 2023, 10 May 2023, 5 June 2023 and 3 July 2023.

9.1.2 Council **RESOLVED** on a show of hands

To **AGREE** the report.

9.2 Question from Cllr Terry Jermy to the Leader in the absence of the Cabinet Member for Highways, Infrastructure and Transport

Cllr Terry Jermy said that residents in Norfolk had recently received some welcome news when they heard that the Government would be forcing Councils such as Norfolk to end charging for the disposal of DIY waste. Norfolk was always in the minority in having these charges and the County Labour Group and others had campaigned for some time for such charges to be dropped. With the Government's decision in mind, could the Leader confirm when charges for the disposal of DIY waste in Norfolk would end?

The Leader replied that a written answer to this question would be provided.

9.3 Question from Cllr Steffan Aquarone to the Deputy Cabinet Member for Adult Social Care

Cllr Steffan Aquarone said that recent PAMMS/CQC ratings showed that 65.9% of care settings in Norfolk were currently rated "Good" or Outstanding". This was woefully below the target figure of 85% the Council had set itself. How confident was the Deputy Cabinet Member for Adult Social Services that this target was attainable with challenges that the service faced, and did the MP for North Norfolk calling for a ban on visas for care workers help or hinder the Council's recruitment plans?

The Deputy Cabinet Member for Adult Social Care replied in the absence of the Cabinet Member for Adult Social Care (who had given apologies for the meeting) that the Council took the latest statistics and inspection reports on adult social care very seriously and that the Council's own inspection teams were working hard to improve the situation. The Deputy Cabinet Member added that she was unable to comment on visas for care workers but would respond on this matter in writing at a later date.

9.4 Question from Cllr Ben Price to the Cabinet Member for Communities and Partnerships

Cllr Ben Price said that as the local County Councillor for Wensum Lodge he had spoken with students at Wensum Lodge who were undertaking a range of adult education courses including print making, pottery and sculpture. All of the students he had spoken with were seriously concerned that if Wensum Lodge were to close that there would be no adequate provision for their specialist courses to continue, and no realistic solution proposed by this Council; it was not possible to hold a pottery class in the middle of a library. With the petition from the Green Party now standing at more than 5,000 signatures and a debate scheduled to take place when Council next met would the Cabinet Member take the necessary steps now to review the Cabinet's decision to withdraw adult education courses from Wensum Lodge?

The Cabinet Member for Communities and Partnerships replied that 24% of those attending courses at Wensum Lodge travelled more than 10 miles and another 25% travelled between 3 and 10 miles. Steps were being taken to make these types of courses more accessible by moving them out of the city centre so that people did not have to spend as much time and money on travel. It was not possible to announce the new venues for these courses until a final decision was

reached on the future of Wensum Lodge.

9.5 Question from Cllr Carl Annison to the Cabinet Member for Highways, Infrastructure and Transport

Cllr Carl Annison said that this Council was ambitious in wanting to deliver much needed transport improvement schemes for all Norfolk residents; would the Cabinet Member join him in welcoming the outcome of the recent judicial review of three road schemes that enabled them to be delivered for Norfolk?

The Cabinet Member for Highways, Infrastructure and Transport replied that he welcomed the recent judicial review decision which would enable vital road improvements to be made. The three transport projects in question allowed for a huge investment in the county's road transport network enabling Norfolk to tackle current problems with tragic congestion and delays and ensure that Norfolk could put in place the infrastructure to cope with population and business growth.

9.6 Question from Cllr Alexandra Kemp to the Cabinet Member for Communities and Partnerships

Cllr Alexandra Kemp said that the Carnegie Library in Kings Lynn had recently announced an important birthday, but this fact was not mentioned in a recent Council press release about birthdays of notable libraries. The Carnegie Library was situated in an historic part of the Town in a public building that was much loved by the people of King's Lynn; would the Cabinet Member review the decision to move the King's Lynn library into a concrete building elsewhere at a cost to the county of £5m.

The Cabinet Member for Communities and Partnerships replied that it was planned to move the King's Lynn library to a more accessible site in the centre of the town.

9.7 Question from Cllr Mike Smith Claire to the Cabinet Member for Highways, Infrastructure and Transport

Cllr Mike Smith Claire said that everyone in Great Yarmouth was extremely proud of the third river crossing; could the Cabinet Member confirm the opening date of this much needed asset?

The Cabinet Member for Highways, Infrastructure and Transport replied that the new river crossing should be opened in September 2023. The completion of the bridge was held up by finding a vole (a protected species) which had to be relocated to a new home.

9.8 Question from Cllr Rob Colwell to the Cabinet Member for Economic Growth

Cllr Rob Colwell asked if the Council agreed with George Eustice MP that it was time to open up negotiations with the EU immediately, to offer Europeans aged under 35 the right to two-year visas to work in this country in order to counter post-Brexit labour shortages especially in the care sector.

The Cabinet Member for Economic Growth said that while he could not speak for George Eustice MP, the cultural diversity of Norfolk was increasing and there was

plenty of social care work in the UK for anyone who wanted to do it.

9.9 Question from Cllr Ben Price to the Leader and Cabinet Member for Strategy and Governance

Cllr Ben Price said that he hoped that the Leader would extend future invitations to the LGA Conference to the Leader of the Green Group, however, because there was some concern about “green washing” in the future production of hydrogen at the Bacon Gas Terminal would the Leader agree that there should be a ban on the production of blue hydrogen (made from fossil fuels) and that only green hydrogen (made from renewable sources) was suitable to meet climate commitments.

The Leader and Cabinet Member for Strategy and Governance replied that to get a new plant at Bacton Gas Terminal up and running it would be necessary to include the production of blue hydrogen, otherwise it would not be possible to get the required high level of investment at the start of the project. The Leader added that it would be necessary to look at all forms of energy production including nuclear power to meet future energy needs. Norfolk had an opportunity to become a hub for hydrogen production and should look at building links with Hethel Engineering who were also looking at the issue. It might be possible to use hydrogen in agriculture and commercial use.

9.10 Question from Cllr Lesley Bambridge to the Cabinet Member for Children’s Services

Cllr Lesley Bambridge said that the portage service was an important part of SEND services to young people; would the Cabinet Member join her in welcoming the 98% of parents who had recently said that they would recommend the service to others and to thank the team concerned for all their hard work.

The Cabinet Member for Children’s Services replied that she was proud of the fact that people had written to the Council in support of the portage service which was very popular in Norfolk and celebrating its 40th birthday this year, it currently supported 318 children and families and had helped some 7,000 children and families since the early 1990s. The success of this service was largely due to the excellent staff who had shown that they were passionate about supported families with young children.

9.11 Question from Cllr Emma Corlett to the Cabinet Member for Adult Social Care (whom had given apologies for the meeting and would respond in writing)

Cllr Emma Corlett asked what action the Cabinet Member for Adult Social Care (who had given apologies for the meeting) had taken since the shocking news emerged that the mental health trust had lost count of deaths, how did this Council audit data to ensure that all mental health related deaths of people in contact with us and the wider mental health system were recorded, investigated and learned from and would the Cabinet Member agree to meet with me to discuss this further?

It was noted that an answer in writing would be given to this question after the meeting.

9.12 Question from Cllr Saul Penfold to the Leader and Cabinet Member for Strategy and Governance

Cllr Saul Penfold said that consultants were fast becoming the “go to tool” of this Administration. Recently, it was discovered that consultants were paid £6.5m to assist in transforming the Council’s Adult Social Care despite only achieving half of the desired savings. What should the council expect the consultants bill to be over the next financial year?

The Leader and Cabinet Member for Strategy and Governance replied that consultants had identified over £18m of savings and consultants’ fees were tied to consultants achieving the required level of savings. A fuller answer would be provided in writing after the meeting by the Deputy Leader and Cabinet Member for Finance (who had given his apologies for the meeting).

9.13 Question from Cllr Jamie Osborn to the Cabinet Member for Corporate Services and Innovation

Cllr Jamie Osborn said that the Government’s latest climate change Adaptation Plan was published today. This was a plan to prepare everyone for the worst of the effects of climate change including lethal heat waves, flooding, fires and disruptions to food supplies. Because many buildings were not fit for heat waves, when the Council implemented its £80m retrofitting programme would this take account of the need to cool buildings as well as to save energy?

The Cabinet Member for Corporate Services and Innovation said that as the Adaption Plan was only published today it was too early to provide a response, however, it was important for the Council to manage its buildings effectively and for the Council’s commitment to retrofitting to take account of climate change.

9.14 Question from Cllr Brian Long to the Cabinet Member for Highways, Infrastructure and Transport

Cllr Brian Long asked if the Cabinet Member agreed that the closure of railway ticket offices was detrimental to the interests of those living in Norfolk, especially for those with disabilities that made it difficult for them to use ticket machines and, as there was insufficient time for a meeting of the Norfolk Rail Group to put forward a formal response would the Leader explain the County Council’s response?

The Cabinet Member for Highways, Infrastructure and Transport replied that the Council had made its response on this issue; while the Council had welcomed the introduction of new technology, the Council was unhappy with the way in which the consultation had taken place and particularly the lack of detailed information about the impact the closure of ticket offices would have on the lives of all Norfolk residents. The Council had made it clear that any technological changes must not be at the expense of those who for one reason or another could not use such technology and for whom alternative solutions had to be found.

9.15 Question from Cllr Steve Morphew to the Leader and Cabinet Member for Strategy and Governance

Cllr Steve Morphew said that in a recent Eastern Daily Press article a Council

Spokesperson was quoted as having said that a large proportion of the Council's contribution for the Norwich Western Link was borrowed in previous years at a rate of 1.75% to be paid back over 50 years at a cost of approximately £670,000 a year. This was incorrect because the Council did not normally borrow money for specific schemes and it was not possible to attribute the Council's borrowing specifically to the Norwich Western Link. Cllr Morpew asked the Leader to correct the record and make sure that the public were not misled on the issue.

The Leader and Cabinet Member for Strategy and Governance replied that the Deputy Leader and Cabinet Member for Finance would be better placed to provide a written reply to this question after the meeting. The Leader added that the money which had been spent on progressing the scheme to where it was now was based on borrowing at these historically low rates.

9.16

Question from Cllr Brian Watkins to the Cabinet Member for Public Health and Wellbeing

Cllr Brian Watkins said that the Cabinet Member would be aware that the current chair of the Norfolk Integrated Care Board, Patricia Hewitt, had recently published an independent review in which one of the recommendations was to call on Government to increase the proportion of spending on prevention activities by 1%. Without resources specifically targeted on prevention it would be much harder to address the growing burden of ill health and long-term medical conditions across the NHS and social care sector. What was the Cabinet Member's response to the Government's rejection of this particular recommendation?

The Cabinet Member for Public Health and Wellbeing replied that he was pleased to hear that through the hard work of Patricia Hewitt Norfolk's voice was included in the independent review. The strategy of the Norfolk Health and Wellbeing Board had for many years been one of prevention. It would be wrong to say that the Government had entirely dismissed the outcome of the review which would be part of the Boards' discussions with the NHS going forward, and the involvement of local government in future reform of the NHS was to be welcomed. An aging population meant that the NHS would be unaffordable without the prevention agenda.

9.17

Question from Cllr Jamie Osborn to the Leader and Cabinet Member for Strategy and Governance

Cllr Jamie Osborn said that he was pleased to see that the Council's climate change strategy now included asking officers to take forward a target for reducing Scope 3 and countywide emissions. Cllr Osborn asked what the Council's timescale would be for developing the funding for the blueprint given the urgency of the climate crisis.

The Leader said that the Cabinet Member for Environment and Waste, who had given his apologies for this meeting, would provide a written answer to this question.

10.

Recommendations from the Scrutiny Committee and Norfolk Health Overview and Scrutiny Committee

- 10.1 There were no recommendations from the Scrutiny Committee and the Norfolk Health Overview and Scrutiny Committee.
- 11. **Recommendations from Committees**
- 11.1 There were no recommendations from Committees.
- 12. **Scrutiny Committee meetings held on 20 April 2023, 18 May 2023 and 21 June 2023**
- 12.1 Cllr Steve Morpew, Chair, moved the report. Council **RESOLVED** to note the report.
- 13. **Health Overview and Scrutiny Committee meetings held on 23 March 2023, 1 June 2023 and 6 July 2023**
- 13.1 Cllr Fran Whymark, Chair, moved the report. Council **RESOLVED** to note the report.
- 14. **Reports from other Committees**
- 14.1 **Audit and Governance Committee**
- 14.1.1 There had not been an Audit and Governance Committee held since the last County Council meeting.
- 14.2 **Planning Regulatory Committee held on 30 June 2023**
- 14.2.1 Council **RESOLVED** to note the report.
- 14.3 **Pensions Committee held on 21 March 2023 and 13 June 2023**
- 14.3.1 Council **RESOLVED** to note the report.
- 14.4 **Employment Committee held on 31 May 2023 and on 12 July 2023**
- 14.4.1 Council **RESOLVED** to note the reports (with the main and supplementary agendas)
- 14.5 **Health and Wellbeing Board held on 21 June 2023**
- 14.5.1 Council **RESOLVED** to note the report.
- 15. **Reports from Select Committees**
- 15.1 **Corporate Select Committee**
- 15.1.1 There had not been a meeting of the Corporate Select Committee since the last County Council meeting.
- 15.2 **Infrastructure and Development Select Committee held on 17 May 2023**
- 15.2.1 Council **RESOLVED** to note the report.

- 15.3 **People and Communities Select Committee held on 19 May 2023**
- 15.3.1 Council **RESOLVED** to note the report.
16. **Reports about the business of joint arrangements and external organisations**
- 16.1 **Norfolk Joint Museums Committee held on 14 April 2023**
- 16.1.2 Council **RESOLVED** to note the report
- 16.2 **Norfolk Records Committee held on 14 April 2023.**
- 16.2.1 Council **RESOLVED** to note the report.
- 17 **Specific Business Items**
- 17.1 **Report from the Independent Remuneration Panel - Review of Members' Allowances Scheme**
- 17.1.1 Cllr Kay Mason Billig, seconded by Cllr Bill Borrett, moved the report on the understanding that recommendations 2 and 5 (contained in paragraph 4 of report) would be voted on separately.
- 17.1.2 The Chair placed on record Council's thanks to all those who had given their time to contribute to the work of the Independent Review Panel which was greatly welcomed by all Councillors.
- 17.1.3 Cllr Dan Roper said while he applauded the work of the Independent Review Panel, he wanted Council to take a separate vote on recommendation 2 because it could appear to the outside world that Councillors were awarding themselves both an increase in allowances and a second increase in line with the staff award.
- 17.1.4 The Leader said by way of clarification that the proposed increase in Councillors allowances (at recommendation 2) was to take account of a broadband allowance for Councillors mobile phones.
- 17.1.5 Following debate, recommendation 2 was put to a non-recorded electronic vote and (with 45 votes in favour 18 votes against and 1 abstention) this recommendation was **AGREED**.
- 17.1.6 The Council then considered recommendation 5. The Leader said that she supported the retention of the SRA for the Chair of Norfolk Records Committee and Chair of Norfolk Joint Museums Committee, although she would ask the Independent Review Panel to review the job descriptions for these positions.
- 17.1.7 Following debate, the Council then took a non-recorded vote on recommendation 5 (that the SRA for the Chair of Norfolk Records Committee and Chair of Norfolk Joint Museums Committee be removed from the Members' Allowances Scheme as from 1 May 2024) which with 14 votes in favour 42 votes against and 1 Abstention was **LOST**.

17.1.8 The remaining recommendations in paragraph 4 of the report were then put to a non-recorded vote and (with 56 votes in favour) Council **RESOLVED** as follows:

1. That the basic allowance for County Councillors be set at £12,010 per annum as from 1st August 2023.
2. That any increase in allowances for 2023/24 should be taken in line with the same percentage agreed for employees or in the event of employees being awarded a lump sum, the same formula (median pay of grades included) be used and applied as in December 2022.
3. That the Panel review the indexing arrangements for allowances on an annual basis.
4. That the SRA for members of the Norfolk Adoption Panel and Foster Panel be set at 15% of the Leader's SRA in the Members' Allowances Scheme as from 1st August 2023.
5. That there is no change to SRAs for group leaders in the Members' Allowances Scheme.
6. That the SRA for the role of Leader of the Council should be set at three times the rate of the basic allowance for Councillors as from 1st August 2023.
7. That the travel allowances made payable to Councillors continue to be linked to any allowance for County Council employees.
8. That the subsistence allowances made payable to Councillors continue to be linked to any allowance for County Council employees.
9. That the provision of a broadband allowance for Councillors be removed from the scheme as from 1st August 2023.
10. That the County Council retains the provision within the scheme for a carers' allowance and that this remains payable at the hourly rate of the National Living Wage plus 20%.
11. That the carers' allowance for Councillors be set at an upper limit per Councillor, per annum, (currently £3,297) using the formula outlined in the report as from 1st August 2023.
12. That the County Council considers a review mechanism within the scheme to help flexibility for those Councillors with dependants with more complex needs.
13. That Parent Governor representatives be entitled to remuneration of £70 per Scrutiny Committee meeting, plus travel expenses, in accordance with the Council's travel allowances scheme as from 1st August 2023.
14. That there be no change to the co-optees' allowance of £1,082 per annum in the Members' Allowances Scheme payable to the Independent Members of the Norfolk Police and Crime Panel. From 1st May 2024 the co-optees allowance should be set at 3% of the Leader's allowance.

17.2. **Request for Dispensation under Section 85(1) of the Local Government Act 1972**

17.2.2 Cllr Kay Mason Billig moved, duly seconded, the recommendation in the report.

17.2.3 Council **RESOLVED**

That the reason provided for non-attendance at Council meetings by Cllr Andrew Proctor is approved pursuant to Section 85(1) of the Local Government Act 1972, on the basis that the resolution is applied to take effect on 6th September 2023 and Council approves an extension of the time limit until 29th February 2024.

17.3 **Proportional Allocation of Places on Committees**

17.3.1 The Leader moved, duly seconded, the recommendation contained in the report.

17.3.2 Council **RESOLVED**

To approve the revised allocation of committee places and note that the Conservative Group would give up one place on the Infrastructure and Development Select Committee to the Green Group.

Council took a break at this point in the proceedings of 30 minutes.

18 **Notice of Motions**

18.1 **Motion 1-National Grid's Norwich to Tilbury Project**

18.1.1 The following motion was proposed by Cllr Keith Kiddie and seconded by Cllr Daniel Elmer

National Grid's Norwich to Tilbury Project proposes to reinforce the electricity transmission network between Norwich Main substation and Tilbury substation in Essex. This will comprise the construction of 183 km of 50m tall pylons carrying 400kV cables through South Norfolk (as well as through our neighbours, Suffolk and Essex). The proposed reinforcement is needed according to National Grid to increase capacity into the existing network to cater for additional electricity which will be going into the network principally from the offshore wind energy sector.

This Council has already expressed its ambition to be net zero by 2030 and the plans for renewable wind farms off the East Anglian coast have generally been welcomed. The Council recognises in its Climate Strategy that there are pressures for new onshore transmission infrastructure associated with the offshore wind energy sector making landfall and grid connection in Norfolk. However, this Council has serious concerns, about the nature and short period of the current second round non-statutory consultation (27 June – 21 August 2023) and in particular the preferred draft alignment showing the positions of the overhead lines and associated pylons.

This Council feels strongly, in line with its Climate Strategy, that:

- An Offshore transmission network solution needs further investigation by both National Grid and the Department for Energy Security and

Net Zero; and;

- Where onshore solutions are taken forward:
 - (1) every opportunity is taken for burying new transmission lines to reduce visual impact across the County; and
 - (2) National Grid and UK Power Networks need to work together to deliver clean energy to local residents and businesses to enable sustainable growth.

This Council therefore calls upon:

- Both the Department of Energy Security and Net Zero and National Grid to refocus the Norwich to Tilbury Proposals on an offshore solution and engage in discussions with Norfolk and its neighbouring County Councils to achieve this.
- National Grid to:
 1. Consider fully the detailed County Council comments which will be sent in response to the current second round consultation pending the decision of the Planning and Highways Delegations Committee on 8 September 2023.
 2. Make publicly available full, open and transparent information on all options, including offshore and undergrounding, to enable evaluation and comparisons to be made by Norfolk residents, businesses, Councils and other stakeholders. This information should be publicly available for a period of at least 6 months before National Grid begin the formal planning stages in the Development Control Order (DCO) application process.

18.1.2 During debate, Cllr Catherine Rowett moved an amendment seconded by Cllr Ben Price (which was not accepted by the mover of the motion) which read as follows:

National Grid's Norwich to Tilbury Project proposes to reinforce the electricity transmission network between Norwich Main substation and Tilbury substation in Essex. This will comprise the construction of 183 km of 50m tall pylons carrying 400kV cables through South Norfolk (as well as through our neighbours, Suffolk and Essex). The proposed reinforcement is needed according to National Grid to increase capacity into the existing network to cater for additional electricity which will be going into the network principally from the offshore wind energy sector.

This Council has already expressed its ambition to be net zero by 2030 and the plans for renewable wind farms off the East Anglian coast have generally been welcomed. The Council recognises in its Climate Strategy that there are pressures for new onshore transmission infrastructure associated with the offshore wind energy sector making landfall and grid connection in Norfolk. However, this Council has serious concerns, about the nature and

short period of the current second round non-statutory consultation (27 June – 21 August 2023) and in particular the preferred draft alignment showing the positions of the overhead lines and associated pylons.

This Council feels strongly, ~~in line with its Climate Strategy~~, that:

- ~~• An Offshore transmission network solution needs further investigation by both National Grid and the Department for Energy Security and Net Zero; and;~~
 - ~~• Where onshore solutions are taken forward:
 - (1) every opportunity is taken for burying new transmission lines to reduce visual impact across the County; and
 - (2) National Grid and UK Power Networks need to work together to deliver clean energy to local residents and businesses to enable sustainable growth.~~
- Long distance transmission of power that is generated offshore for use in other regions should standardly be carried in undersea cables, not overland.
 - A priority should be placed on reducing demand for energy, to minimise the repeated demand for new infrastructure and installations to meet ever rising demand.
 - Major investment should also be focused on increasing local community onshore renewable energy schemes, including off grid schemes that support local needs within the region where they are located.
 - Infrastructure that is essential for national security should be fit for purpose, with investment that anticipates future capacity requirements, without cost-cutting that is costly to the natural environment.

This Council therefore calls upon:

- ~~• Both the Department of Energy Security and Net Zero and National Grid to refocus the Norwich to Tilbury Proposals on an offshore solution and engage in discussions with Norfolk and its neighbouring County Councils to achieve this.~~
- The Dept of Energy Security and Net Zero to engage in serious consultation with County Councils to secure adequate planning for reductions in demand and local onshore renewable schemes to ensure that regions become more self-sufficient and to reduce pressure on the national grid.
- Both the Dept of Energy Security & Net Zero and National Grid to withdraw the plans for the onshore delivery route, and replace it with an offshore solution, **for power destined for Tilbury.**

- National Grid to:
 1. Consider fully the detailed County Council comments which will be sent in response to the current second round consultation pending the decision of the Planning and Highways Delegations Committee on 8 September 2023.
 2. Make publicly available full, open and transparent information on all options, including offshore and undergrounding, to enable evaluation and comparisons to be made by Norfolk residents, businesses, Councils and other stakeholders. This information should be publicly available for a period of at least 6 months before National Grid begin the formal planning stages in the Development Control Order (DCO) application process.

18.1.3 Following debate, the amendment was put to a recorded vote (Appendix A) and with 24 votes in favour 36 votes against and 0 abstentions this was **LOST**.

18.1.4 Council then returned to the original motion and following debate Cllr Daniel Elmer, in seconding the motion, said that he wished to place on record that residents in his division were extremely disquiet about the way in which National Grid were willing to bury electricity cables in the ground in natural beauty spots elsewhere in the country but not in natural beauty spots in south Norfolk.

18.1.5 On being put to a recorded vote (Appendix B) there were 60 votes in favour of the motion, 0 votes against and 0 abstentions whereupon Council

RESOLVED

National Grid's Norwich to Tilbury Project proposes to reinforce the electricity transmission network between Norwich Main substation and Tilbury substation in Essex. This will comprise the construction of 183 km of 50m tall pylons carrying 400kV cables through South Norfolk (as well as through our neighbours, Suffolk and Essex). The proposed reinforcement is needed according to National Grid to increase capacity into the existing network to cater for additional electricity which will be going into the network principally from the offshore wind energy sector.

This Council has already expressed its ambition to be net zero by 2030 and the plans for renewable wind farms off the East Anglian coast have generally been welcomed. The Council recognises in its Climate Strategy that there are pressures for new onshore transmission infrastructure associated with the offshore wind energy sector making landfall and grid connection in Norfolk. However, this Council has serious concerns, about the nature and short period of the current second round non-statutory consultation (27 June – 21 August 2023) and in particular the preferred draft alignment showing the positions of the overhead lines and associated pylons.

This Council feels strongly, in line with its Climate Strategy, that:

- **An Offshore transmission network solution needs further investigation by both National Grid and the Department for Energy Security and Net Zero; and;**
- **Where onshore solutions are taken forward:**
 - (1) every opportunity is taken for burying new transmission lines to reduce visual impact across the County; and**
 - (2) National Grid and UK Power Networks need to work together to deliver clean energy to local residents and businesses to enable sustainable growth.**

This Council therefore calls upon:

- **Both the Department of Energy Security and Net Zero and National Grid to refocus the Norwich to Tilbury Proposals on an offshore solution and engage in discussions with Norfolk and its neighbouring County Councils to achieve this.**
- **National Grid to:**
 - 1. Consider fully the detailed County Council comments which will be sent in response to the current second round consultation pending the decision of the Planning and Highways Delegations Committee on 8 September 2023.**
 - 2. Make publicly available full, open and transparent information on all options, including offshore and undergrounding, to enable evaluation and comparisons to be made by Norfolk residents, businesses, Councils and other stakeholders. This information should be publicly available for a period of at least 6 months before National Grid begin the formal planning stages in the Development Control Order (DCO) application process**

18.2 Motion 2- A Local Voice on Road Schemes

18.2.1 The following motion was proposed by Cllr Terry Jermy and seconded by Cllr Steve Morphew:

Council believes devolving greater influence over decisions made by the County Council as the Highways Authority on local traffic schemes and road maintenance to joint committees made up of district and County Councillors would

1. Help with democratic renewal and rebuilding trust in politicians by bringing decision making on local traffic schemes and road maintenance priorities closer to those directly affected by them.

2. Enable better alignment with local and neighbourhood plans and integrate in other initiatives for the benefit of community.
3. Improve targeting of scarce County resources to local priorities rather than what the County Council think people want.
4. Improve consultation exercises and encourage the use of wider and different ways of consulting that involve local people, business, town and parish Councils, and community interest groups to make them more responsive and effective.
5. Better inform the County Council's strategic transport decisions and enable the County Council to focus on strategic priorities better informed by local priorities.
6. Reduce misplaced spending, improve the evidence base for bids to government funding pots and reduce resources spent on managing controversy that could be avoided through better engagement with the public and stakeholders.

Council therefore resolves to request the Executive Director of Community and Environmental Services (CES) to bring to Cabinet in September 2023 a report with options for governance and budgeting arrangements that would establish joint bodies with district Councils that best achieve the benefits listed including the potential for joint arrangements under the 1972 Local Government Act.

Council further requests the Cabinet Member for Highways and Executive Director to initiate discussions with district Councils and others in Norfolk to assess their willingness to become involved in such joint arrangements.

Council requests Cabinet and the Executive Director of CES to progress discussions with a view to including provision for new joint arrangements from April 2024 and including any budgetary implications in the 2024/5 budget proposals to Council in February 2024.

18.2.2 **Three Hour Meeting Time Elapses**

During debate of the motion, the Chair pointed out that the 3 hours for the meeting had elapsed and Council had not agreed to extend the meeting.

18.2.3 The motion which was on the table was put to a recorded vote (Appendix C) and with 23 votes in favour 35 votes against and 0 abstentions this was **LOST**.

18.2.4 As a result of the three-hour meeting having elapsed, Council agreed to move to the part of the meeting where all remaining business be they motions or amendments to motions would be considered moved and seconded in line with procedure rule 4 (iv).

18.2.5 The Chair said that he would deal with each motion in turn. Initially he would ask the proposer of the motion if they wanted the motion to go ahead or be withdrawn. If the motion was withdrawn Council would continue through the motions in the order they appeared on the agenda, which was by reference to the size of the group. If the motion was not withdrawn, the Chair would consider if there were amendments. If there were, then Council would vote

on those first and then, when those were completed, Council would vote on the substantive motion.

18.3 **Motion 3- End Fuel Poverty**

This motion was **WITHDRAWN**

18.4 **Motion 4 -Frequent Flyer Levy**

18.4.1 The following motion proposed by Cllr Jamie Osborn was deemed moved and seconded.

18.4.2 Aviation is one of the fastest-growing sources of polluting greenhouse gases in the UK, having grown by 88% since 1990. It is also one of the most unequal, as 15% of people take 70% of all flights - taking more than 60 flights per year - while nearly 50% of the population in the UK do not fly at all in a given year. There is a strong correlation between income and the number of flights taken - ie: the richer people are, the more likely they are to fly disproportionately. This means that a small fraction of the population are taking up a disproportionate amount of the carbon budget available for aviation through frequent flying.

If the current trend of growth in aviation continues unabated, this will put the UK's ability to meet climate change targets at risk.

The fairest way to slow growth in aviation emissions is through a frequent flyer levy (FFL). This could start at zero for one flight per year, and ratchet up for each subsequent flight. This is a progressive way of taxing the richest excess consumers who are disproportionately responsible for the vast majority of emissions from flying. While some recent migrants to the UK generally fly more than average, they do not tend to fall into the excess consumer category of very frequent flyers, and a FFL policy can be designed to not discriminate against them.

The revenue raised from a FFL could be used to reinvest in decarbonisation. Certain exemptions could also be introduced in order not to.

A FFL option is very popular among the public and across the political spectrum. The UK Climate Assembly found 70% support for a frequent flyer levy, and polls by YouGov and a study by CAST have found 60% and 68% support respectively.

It is important to stress that a FFL would have no impact on the majority of people - the 50% who do not fly at all, and others who only fly once a year. In general, the public do not support policies that will increase costs for individuals, but the FFL is a notable outlier in having overwhelming public support.

The FFL exemplifies important principles which characterise popular climate change policies that are favoured by the public, including fairness and the polluter pays principle. The introduction of a FFL would also send a strong signal that high-income groups will have to change their behaviours to meet

climate change targets.

Norwich Airport expects to expand its number of flights by nearly 300% by 2045, an increase that is totally incompatible with climate change targets. The very most that aviation can increase by is 25% according to the Climate Change Committee's balanced pathway for net zero, and even that is contingent on all other targets for emissions reductions being met. It is extremely unlikely that aviation will be able to significantly reduce emissions through technology or efficiencies, and therefore demand management is the only viable way of reducing aviation emissions.

Norfolk County Council's Local Transport Plan 4 states that the council will work with "Norwich Airport to make Norfolk an attractive place to live, work and run a business" but does not detail at all how the council intends to work with Norwich airport to reduce emissions. The LTP4 also does not take into account the projected growth in aviation emissions from the expected 300% growth in flights from Norwich Airport.

Council resolves to:

1. Write to the Treasury, Department for Transport, Department for Energy Security and Net Zero, and all of Norfolk's MPs expressing support for the principle of a frequent flyer levy.

2. Use the council's position as a consultee on the Norwich Airport Masterplan and as a significant stakeholder in the airport to call for a revision of the masterplan to bring it into line with realistic carbon budgets.

3. Working with Norwich Airport, bring a report to an appropriate committee detailing how aviation emissions from Norwich Airport will be reduced,

18.4.3 After being put to the recorded vote (Appendix D), with 4 votes in favour, 31 votes against and 18 abstentions, the motion was **LOST**.

18.5. **Motion 5- School Uniforms**

18.5.1 The following motion proposed by Cllr MikeSmith-Claire was deemed moved and seconded.

18.5.2 Following the publication of the Education (Guidance about Costs of School Uniforms) Act 2021 and associated statutory guidance for school governing boards, there appeared to be a positive move towards reducing the overall cost of purchasing school uniforms for children across the country.

A survey conducted by the Children's Society in May 2023 found that the average school uniform has increased in cost since last year, with parents of secondary pupils paying on average £422 per year for uniform and £287 on average for primary pupils.

As we approach the beginning of a new school year, it is disappointing to see that the approach from schools across Norfolk to school uniform policies varies so vastly- those that meet all the requirements of the guidance, to some who meet very few.

Key concerns are:

- Lack of information available on school websites about where to acquire second hand uniform items, despite it being a requirement;
- Schools operating “cash-back” arrangements with uniform suppliers, which the guidance states should not be entered into;
- Some academy chains in Norfolk have inconsistent approaches across their sites, despite having an overarching policy in place.
- The continued requirement for extensive branded items, with plain alternatives not accepted;
- Policies requiring additional Winter items such as sweatshirts and cardigans to be branded, with plain alternatives not accepted;
- Policies requiring different items depending on the school year of the pupil;

During a cost-of-living crisis there can be no justification for school uniform policies to not adhere with the guidance. This continues to have a detrimental impact on children from low-income families – households having to forego basic items to meet their school’s uniform requirements, or pupils being punished for not wearing the correct clothes, will naturally affect a child’s school experience.

Council therefore resolves to:

1. Update the Norfolk County Council website to accurately reflect the legislation and statutory guidance on school uniforms.
2. Instruct the Director of Children’s Services to write to all school governing boards, reminding them of their responsibility to implement the statutory guidance, paying particular attention to reducing the number of branded items and providing information about where to purchase second hand items.
3. Contact schools directly where it is found that a school uniform policy does not meet the statutory guidance.
- 4 Instruct officers to prepare an annual report for the People and Communities Select Committee detailing compliance with the guidance and the average uniform cost for each school in Norfolk.

18.5.3 After being put to the recorded vote (Appendix E), with 23 votes in favour, 33 votes against and 1 abstention, the motion was **LOST**.

18.6 **Motion 6- Heatware Extreme Temperatures**

18.6.1 Cllr Brian Watkins said that he accepted the following amendment from Cllr Steve Morpew which was deemed moved and seconded.

18.6.2 Recently, the Met Office has suggested that there is an increasing chance that the high temperature of 40C reached last year could be surpassed this

summer, and there is confidence of yet another heatwave this month.

Last year's heatwave exposed a worrying situation in Norfolk, suggesting that the County's infrastructure is not prepared for the likely extreme temperatures. Vital roads melted due to the heat, 20 homes across the county were destroyed, and finally, Norfolk's natural landscapes and wildlife were harmed.

To add to the pressure, a concerning outage resulting in residents being unable to make calls to 999 occurred last month with the Council advising residents, via its Twitter page, to attend a local fire station to report emergencies. Such an outage combined with extreme temperatures would create a dangerous situation putting residents in harm's way.

This council **resolves to:** **instructs the appropriate Select Committee to:**

1. Review last year's damage to highways caused by extreme heat and to ensure that these areas are prepared for this summer.
2. Review its contingency plans and community resilience in relation to the 999 outage last month.
3. Continue working with organisations such as NFRS to educate residents on the dangers of extreme heat and house/field fires, and how to avoid accidental blazes.

18.6.3 The amendment which was on the table was put to a recorded vote (Appendix F) and with 23 votes in favour, 34 votes against and 0 abstentions this was **LOST**.

18.7 **Motion 7 -Climate Change Risks and Emergency Planning**

18.7.1 Cllr Jamie Osborn said that he accepted the following amendment from Cllr Steve Morpew which was deemed moved and seconded.

18.7.2 July 2022 saw record wildfires in Norfolk and the destruction of homes and businesses and severe risk to lives. There are predictions that wildfires will occur again this year, and that such fires will become a regular part of Norfolk's summer as the climate heats up. The Wildfire Lead on the National Fire Chiefs Council warned last month that wildfire risk is growing in the UK, and some firefighters plan to set up special units in a similar way to Mediterranean countries to try and battle wildfires this year.

Without drastic action to reduce water use and improve water management, the East of England will run out of water within the next decade.

At the same time, the risk from flooding and extreme weather is increasing. The Climate Change Committee report on climate change adaptation published in the spring of 2023 warned that all of the highest-risk areas for flooding, once vulnerability due to deprivation is taken into account, are in the East of England, notably Great Yarmouth.

The Climate Change Committee's adaptation progress report warns that out of 45 indicators for climate change preparedness, there are none where

there is sufficient evidence that reductions in climate exposure and vulnerability are happening at the rates required to manage risks appropriately.

A significant amount of climate preparedness needs to take place at county council level, as county and district councils have responsibility for emergency planning. In Part 1 of the Civil Contingencies Act 2004 (CCA), an emergency is recognised as a threat of serious damage to human welfare or the environment of a “place” in the United Kingdom. This reflects the fact that Part 1 is designed to deal with preparations by local responders for localised emergencies. It sets out clear expectations and responsibilities for front line responders at the local level to ensure that they are prepared to deal effectively with the full range of emergencies from localised incidents through to catastrophic emergencies.

There is an urgent need for Norfolk County Council to step up capacity for responding to emergencies, in light of increasing threats due to climate change. The Norfolk Resilience Forum is a body established under the CCA that requires greater political will to improve planning for and responses to emergencies in light of growing climate risks.

This motion focuses primarily on climate change risks and emergency planning, rather than resilience, but there is a need for greater planning for climate resilience as well.

Council ~~resolves to~~ instructs the appropriate Select Committee to:

1. Review emergency planning for natural disaster preparedness in light of increasing risk due to climate change, including:
 - a. Working others in the Norfolk Resilience Forum, reassessing the hazards from climate change, reviewing vulnerabilities in terms of impact and likelihood of an event, and re-prioritising risks.
 - b. Reviewing training needs for Fire and Rescue Services to ensure workers are adequately trained for the new threats posed by wildfires of greater intensity, spread and frequency, and ensuring that the Fire and Rescue Service has the capacity to respond to emerging climate change threats
 - c. Reviewing the Norfolk Community Risk Register, which currently includes “Heatwave” on its risk matrix but does not specifically include wildfires
 - d. Reviewing workforce preparedness for natural disasters and emergencies, including whether there is sufficient capacity and whether there are training needs within each directorate
 - e. Reviewing the collection of data for the purposes of risk monitoring and emergency planning, in line with the warning from the Climate Change Committee that there is currently inadequate data on climate risks at all levels
2. Work with Water Resources East, Internal Drainage Boards, the Broads Authority and others to review emergency planning for drought in light of

rapidly depleting water security. 3. Review public communication relating to natural disaster preparedness, especially for residents in areas of high deprivation that are more vulnerable.

4. Ensure climate change risks are adequately reflected in financial planning, including by testing assumptions in the Medium-Term Financial Strategy (MTFS) against the predicted impacts of climate change.

5. Review preparedness for climate risks and extreme weather in relation to the local roads network, including establishment of indicators for and monitoring of:

- a. Local roads at risk of flooding
- b. Embankment and bridge conditions on the highways network
- c. Weather-related delays and incidents affecting highways

6. Review the inclusion of climate change risks in the corporate risk register, including physical, transition and liability risks, and begin reporting on climate change risks, in line with the Climate Change Committee's recommendations.

18.7.3 The amendment which was on the table was put to a recorded vote (Appendix G) and with 23 votes in favour, 34 votes against and 0 abstentions this was **LOST**.

18.8 **Motion 8- Artificial Intelligence**

18.8.1 The following motion proposed by Cllr Alison Birmingham was deemed moved and seconded.

18.8.2 Council believes Artificial Intelligence (AI) offers great potential for the way NCC operates, delivers services and works with partners. Council also recognises the threats such a powerful tool could pose if used inappropriately, maliciously or without due care.

Council therefore requests Corporate Select Committee to develop

- 1. a policy for Norfolk County Council,
- 2. guidance and code of practice for NCC councillors and staff,
- 3. a protocol for AI usage with partners, contractors and suppliers

for consideration by Cabinet and Council for inclusion within our Constitution.

Because this is such a fast-moving field with such potential, Council requests Cabinet to ensure the results of the Corporate Select Committee work are brought to Council for consideration by May 2024, with appropriate Constitution changes to include an annual monitoring review to keep up with developments.

18.8.3 The motion which was on the table was put to a recorded vote (Appendix H) and with 23 votes in favour, 26 votes against and 0 abstentions this was

LOST.

19 Questions on notice under rule 9.3

There were no such questions

20 Appointments to Committees, sub-Committees and Joint Committees

There were no such appointments to note

21 Chairman Announcement: Tim Shaw, Committee Officer

Councillors stood in thanks to Tim Shaw, whom was retiring from the County Council before its next meeting, in appreciation of his 41 years of work for the Council.

The meeting concluded at 1.35 pm

Chair



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Norfolk County Council - Date: 18 July 2023 Appendix A

**RECORDED VOTE – ITEM NUMBER: Motion 1 National Grid’s Norwich to Tilbury Project
(Green Amendment)**

	For	Against	Abstain
ADAMS Timothy	Absent		
ADAMS Tony		x	
ANNISON Carl		x	
AQUARONE Steffan	x		
ASKEW Stephen		x	
BAMBRIDGE Lesley		x	
BENSLY James		x	
BILLS David		x	
BIRMINGHAM Alison	x		
BLUNDELL Sharon	x		
BORRETT Bill		x	
BOWES Claire	Absent		
BROCIEK-COULTON Julie	x		
CARPENTER Graham		x	
CARPENTER Penny		x	
CLANCY Stuart		x	
COLWELL Robert	x		
CONNOLLY Ed	Absent		
CORLETT Emma	x		
DALBY Michael	Absent		
DARK Stuart		x	
DAWSON Christopher	Absent		
DEWSBURY Margaret		x	
DIXON Nigel	Absent		
DUIGAN Phillip		x	
EAGLE Fabian		x	
ELMER Daniel		x	
FISHER John	Absent		
FITZPATRICK Tom		x	
GRANT Andy	Absent		
GURNEY Shelagh		x	
HEMPSALL Lana		x	
HORSBRUGH Michael Chenery of		x	
JAMES Jane		x	
JAMIESON Andrew	Absent		
JERMY Terry	x		
JONES Brenda	x		
KEMP Alexandra	x		
KIDDIE Keith		x	
KIDDLE-MORRIS Mark		x	
KIRK Julian	Absent		
LONG Brian		x	

	For	Against	Abstain
MACKIE Ian	Absent		
MASON BILLIG Kay		x	
MAXFIELD Ed	x		
MORIARTY Jim	Absent		
MORPHEW Steve	x		
NEALE Paul	x		
NUNN William		x	
OLIVER Judy	Absent		
OLIVER Rhodri	Absent		
OSBORN Jamie	x		
PECK Greg		x	
PENFOLD Saul	x		
PLANT Graham		x	
PRICE Ben	x		
PRICE Richard	Absent		
PROCTOR Andrew	Absent		
RICHMOND Will		x	
Reilly Matthew	Absent		
RILEY Steve	x		
ROPER Dan	x		
ROWETT Catherine	x		
Rumsby Chrissie	x		
SANDS Mike	x		
SAVAGE Robert		x	
SAYERS David	Absent		
SHIRES Lucy	x		
SMITH Carl		x	
SMITH-CLARE Mike	x		
STONE Barry		x	
STOREY Martin		x	
THOMAS Alison	Absent		
THOMSON Vic		x	
VARDY Eric	Absent		
VINCENT Karen	Absent		
WALKER Colleen	Absent		
WARD John		x	
WATKINS Brian	x		
WEBB Maxine	x		
WHITE Tony		x	
WHYMARK Fran		x	
WILBY Martin	Absent		

Sub-Total			
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Sub-Total			
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For	24
Against	36
Abstentions	0

Norfolk County Council - Date: 18 July 2023 Appendix B

**RECORDED VOTE – ITEM NUMBER: Motion 1 National Grid’s Norwich to Tilbury Project
(Conservative Motion)**

	For	Against	Abstain			For	Against	Abstain
ADAMS Timothy	Absent				MACKIE Ian	Absent		
ADAMS Tony		x			MASON BILLIG Kay		x	
ANNISON Carl		x			MAXFIELD Ed		x	
AQUARONE Steffan		x			MORIARTY Jim	Absent		
ASKEW Stephen		x			MORPHEW Steve		x	
BAMBRIDGE Lesley		x			NEALE Paul		x	
BENSLY James		x			NUNN William		x	
BILLS David		x			OLIVER Judy	Absent		
BIRMINGHAM Alison		x			OLIVER Rhodri	Absent		
BLUNDELL Sharon		x			OSBORN Jamie		x	
BORRETT Bill		x			PECK Greg		x	
BOWES Claire	Absent				PENFOLD Saul		x	
BRODIEK-COULTON Julie		x			PLANT Graham		x	
CARPENTER Graham		x			PRICE Ben		x	
CARPENTER Penny		x			PRICE Richard	Absent		
CLANCY Stuart		x			PROCTOR Andrew	Absent		
COLWELL Robert		x			RICHMOND Will		x	
CONNOLLY Ed	Absent				Reilly Matthew	Absent		
CORLETT Emma		x			RILEY Steve		x	
DALBY Michael	Absent				ROPER Dan		x	
DARK Stuart		x			ROWETT Catherine		x	
DAWSON Christopher	Absent				Rumsby Chrissie		x	
DEWSBURY Margaret		x			SANDS Mike		x	
DIXON Nigel	Absent				SAVAGE Robert		x	
DUGAN Phillip		x			SAYERS David	Absent		
EAGLE Fabian		x			SHIRES Lucy		x	
ELMER Daniel		x			SMITH Carl		x	
FISHER John	Absent				SMITH-CLARE Mike		x	
FITZPATRICK Tom		x			STONE Barry		x	
GRANT Andy	Absent				STOREY Martin		x	
GURNEY Shelagh		x			THOMAS Alison	Absent		
HEMPSALL Lana		x			THOMSON Vic		x	
HORSBRUGH Michael Chenery of		x			VARDY Eric	Absent		
JAMES Jane		x			VINCENT Karen	Absent		
JAMIESON Andrew	Absent				WALKER Colleen	Absent		
JERMY Terry		x			WARD John		x	
JONES Brenda		x			WATKINS Brian		x	
KEMP Alexandra		x			WEBB Maxine		x	
KIDDIE Keith		x			WHITE Tony		x	
KIDDLE-MORRIS Mark		x			WHYMARK Fran		x	
KIRK Julian	Absent				WILBY Martin	Absent		
LONG Brian		x						
Sub-Total					Sub-Total			

For	60
Against	0
Abstentions	0

Norfolk County Council - Date: 18 July 2023 Appendix C

RECORDED VOTE – ITEM NUMBER: Motion 2 A Local Voice on Road Schemes (Labour Motion)

	For	Against	Abstain			For	Against	Abstain
ADAMS Timothy	Absent				MACKIE Ian	Absent		
ADAMS Tony		x			MASON BILLIG Kay		x	
ANNISON Carl		x			MAXFIELD Ed	x		
AQUARONE Steffan	Absent				MORIARTY Jim	Absent		
ASKEW Stephen	Absent				MORPHEW Steve	x		
BAMBRIDGE Lesley		x			NEALE Paul	x		
BENSLY James		x			NUNN William		x	
BILLS David		x			OLIVER Judy	Absent		
BIRMINGHAM Alison	x				OLIVER Rhodri	Absent		
BLUNDELL Sharon	x				OSBORN Jamie	x		
BORRETT Bill		x			PECK Greg		x	
BOWES Claire	Absent				PENFOLD Saul	x		
BRODIEK-COULTON Julie	x				PLANT Graham		x	
CARPENTER Graham		x			PRICE Ben	x		
CARPENTER Penny		x			PRICE Richard	Absent		
CLANCY Stuart		x			PROCTOR Andrew	Absent		
COLWELL Robert	x				RICHMOND Will		x	
CONNOLLY Ed	Absent				Reilly Matthew	Absent		
CORLETT Emma	x				RILEY Steve	x		
DALBY Michael	Absent				ROPER Dan	x		
DARK Stuart		x			ROWETT Catherine	x		
DAWSON Christopher	Absent				Rumsby Chrissie	x		
DEWSBURY Margaret		x			SANDS Mike	x		
DIXON Nigel	Absent				SAVAGE Robert		x	
DUGAN Phillip		x			SAYERS David	Absent		
EAGLE Fabian		x			SHIRES Lucy	x		
ELMER Daniel		x			SMITH Carl		x	
FISHER John	Absent				SMITH-CLARE Mike	x		
FITZPATRICK Tom		x			STONE Barry		x	
GRANT Andy	Absent				STOREY Martin		x	
GURNEY Shelagh		x			THOMAS Alison	Absent		
HEMPSALL Lana		x			THOMSON Vic		x	
HORSBRUGH Michael Chenery of		x			VARDY Eric	Absent		
JAMES Jane		x			VINCENT Karen	Absent		
JAMIESON Andrew	Absent				WALKER Colleen	Absent		
JERMY Terry	x				WARD John		x	
JONES Brenda	x				WATKINS Brian	x		
KEMP Alexandra	x				WEBB Maxine	x		
KIDDIE Keith		x			WHITE Tony		x	
KIDDLE-MORRIS Mark		x			WHYMARK Fran		x	
KIRK Julian	Absent				WILBY Martin	Absent		
LONG Brian		x						

For	23
Against	35
Abstentions	0

Norfolk County Council - Date: 18 July 2023 Appendix D

RECORDED VOTE – ITEM NUMBER: Motion 4 Frequent Flyer Levy (Green Motion)

	For	Against	Abstain
ADAMS Timothy	Absent		
ADAMS Tony		x	
ANNISON Carl		x	
AQUARONE Steffan	Absent		
ASKEW Stephen	Absent		
BAMBRIDGE Lesley			x
BENSLY James	Absent		
BILLS David		x	
BIRMINGHAM Alison			x
BLUNDELL Sharon			x
BORRETT Bill		x	
BOWES Claire	Absent		
BROCIEK-COULTON Julie			x
CARPENTER Graham		x	
CARPENTER Penny		x	
CLANCY Stuart		x	
COLWELL Robert			x
CONNOLLY Ed	Absent		
CORLETT Emma			x
DALBY Michael	Absent		
DARK Stuart		x	
DAWSON Christopher	Absent		
DEWSBURY Margaret	Absent		
DIXON Nigel	Absent		
DUIGAN Phillip		x	
EAGLE Fabian		x	
ELMER Daniel		x	
FISHER John	Absent		
FITZPATRICK Tom		x	
GRANT Andy	Absent		
GURNEY Shelagh		x	
HEMPSALL Lana		x	
HORSBRUGH Michael Chenery of		x	
JAMES Jane		x	
JAMIESON Andrew	Absent		
JERMY Terry			x
JONES Brenda			x
KEMP Alexandra	Absent		
KIDDIE Keith		x	
KIDDLE-MORRIS Mark		x	
KIRK Julian	Absent		
LONG Brian		x	

	For	Against	Abstain
MACKIE Ian	Absent		
MASON BILLIG Kay		x	
MAXFIELD Ed			x
MORIARTY Jim	Absent		
MORPHEW Steve	Absent		
NEALE Paul	x		
NUNN William		x	
OLIVER Judy	Absent		
OLIVER Rhodri	Absent		
OSBORN Jamie	x		
PECK Greg		x	
PENFOLD Saul			x
PLANT Graham		x	
PRICE Ben	x		
PRICE Richard	Absent		
PROCTOR Andrew	Absent		
RICHMOND Will		x	
Reilly Matthew	Absent		
RILEY Steve			x
ROPER Dan			x
ROWETT Catherine	x		
Rumsby Chrissie			x
SANDS Mike			x
SAVAGE Robert		x	
SAYERS David	Absent		
SHIRES Lucy			x
SMITH Carl		x	
SMITH-CLARE Mike			x
STONE Barry		x	
STOREY Martin		x	
THOMAS Alison	Absent		
THOMSON Vic		x	
VARDY Eric	Absent		
VINCENT Karen	Absent		
WALKER Colleen	Absent		
WARD John		x	
WATKINS Brian			x
WEBB Maxine			x
WHITE Tony	Absent		
WHYMARK Fran		x	
WILBY Martin	Absent		

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For	4
Against	31
Abstentions	18

Norfolk County Council - Date: 18 July 2023 Appendix E

RECORDED VOTE – ITEM NUMBER: Motion 5 School Uniforms (Labour Motion)

	For	Against	Abstain
ADAMS Timothy	Absent		
ADAMS Tony		x	
ANNISON Carl		x	
AQUARONE Steffan	Absent		
ASKEW Stephen	Absent		
BAMBRIDGE Lesley		x	
BENSLY James		x	
BILLS David		x	
BIRMINGHAM Alison	x		
BLUNDELL Sharon	x		
BORRETT Bill		x	
BOWES Claire	Absent		
BROCIEK-COULTON Julie	x		
CARPENTER Graham		x	
CARPENTER Penny		x	
CLANCY Stuart			x
COLWELL Robert	x		
CONNOLLY Ed	Absent		
CORLETT Emma	x		
DALBY Michael	Absent		
DARK Stuart		x	
DAWSON Christopher	Absent		
DEWSBURY Margaret		x	
DIXON Nigel	Absent		
DUIGAN Phillip		x	
EAGLE Fabian		x	
ELMER Daniel		x	
FISHER John	Absent		
FITZPATRICK Tom		x	
GRANT Andy	Absent		
GURNEY Shelagh		x	
HEMPSALL Lana		x	
HORSBRUGH Michael Chenery of		x	
JAMES Jane		x	
JAMIESON Andrew	Absent		
JERMY Terry	x		
JONES Brenda	x		
KEMP Alexandra	x		
KIDDIE Keith		x	
KIDDLE-MORRIS Mark		x	
KIRK Julian	Absent		
LONG Brian		x	

	For	Against	Abstain
MACKIE Ian	Absent		
MASON BILLIG Kay		x	
MAXFIELD Ed	x		
MORIARTY Jim	Absent		
MORPHEW Steve	x		
NEALE Paul	x		
NUNN William		x	
OLIVER Judy	Absent		
OLIVER Rhodri	Absent		
OSBORN Jamie	x		
PECK Greg		x	
PENFOLD Saul	x		
PLANT Graham		x	
PRICE Ben	x		
PRICE Richard	Absent		
PROCTOR Andrew	Absent		
RICHMOND Will		x	
Reilly Matthew	Absent		
RILEY Steve	x		
ROPER Dan	x		
ROWETT Catherine	x		
Rumsby Chrissie	x		
SANDS Mike	x		
SAVAGE Robert		x	
SAYERS David	Absent		
SHIRES Lucy	x		
SMITH Carl		x	
SMITH-CLARE Mike	x		
STONE Barry		x	
STOREY Martin		x	
THOMAS Alison	Absent		
THOMSON Vic		x	
VARDY Eric	Absent		
VINCENT Karen	Absent		
WALKER Colleen	Absent		
WARD John		x	
WATKINS Brian	x		
WEBB Maxine	x		
WHITE Tony	Absent		
WHYMARK Fran		x	
WILBY Martin	Absent		

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For	23
Against	33
Abstentions	1

Norfolk County Council - Date: 18 July 2023 Appendix F

RECORDED VOTE – ITEM NUMBER: Motion 6 Heatwave Extreme Temperatures (Liberal Democrat Motion amended)

	For	Against	Abstain			For	Against	Abstain
ADAMS Timothy	Absent			MACKIE Ian	Absent			
ADAMS Tony		x		MASON BILLIG Kay		x		
ANNISON Carl		x		MAXFIELD Ed	x			
AQUARONE Steffan	Absent			MORIARTY Jim	Absent			
ASKEW Stephen	Absent			MORPHEW Steve	x			
BAMBRIDGE Lesley		x		NEALE Paul	x			
BENSLY James		x		NUNN William		x		
BILLS David		x		OLIVER Judy	Absent			
BIRMINGHAM Alison	x			OLIVER Rhodri	Absent			
BLUNDELL Sharon	x			OSBORN Jamie	x			
BORRETT Bill		x		PECK Greg		x		
BOWES Claire	Absent			PENFOLD Saul	x			
BRODIEK-COULTON Julie	x			PLANT Graham		x		
CARPENTER Graham		x		PRICE Ben	x			
CARPENTER Penny		x		PRICE Richard	Absent			
CLANCY Stuart		x		PROCTOR Andrew	Absent			
COLWELL Robert	x			RICHMOND Will		x		
CONNOLLY Ed	Absent			Reilly Matthew	Absent			
CORLETT Emma	x			RILEY Steve	x			
DALBY Michael	Absent			ROPER Dan	x			
DARK Stuart		x		ROWETT Catherine	x			
DAWSON Christopher	Absent			Rumsby Chrissie	x			
DEWSBURY Margaret		x		SANDS Mike	x			
DIXON Nigel	Absent			SAVAGE Robert		x		
DUGAN Phillip		x		SAYERS David	Absent			
EAGLE Fabian		x		SHIRES Lucy	x			
ELMER Daniel		x		SMITH Carl		x		
FISHER John	Absent			SMITH-CLARE Mike	x			
FITZPATRICK Tom		x		STONE Barry		x		
GRANT Andy	Absent			STOREY Martin		x		
GURNEY Shelagh		x		THOMAS Alison	Absent			
HEMPSALL Lana		x		THOMSON Vic		x		
HORSBRUGH Michael Chenery of		x		VARDY Eric	Absent			
JAMES Jane		x		VINCENT Karen	Absent			
JAMIESON Andrew	Absent			WALKER Colleen	Absent			
JERMY Terry	x			WARD John		x		
JONES Brenda	x			WATKINS Brian	x			
KEMP Alexandra	x			WEBB Maxine	x			
KIDDIE Keith		x		WHITE Tony	Absent			
KIDDLE-MORRIS Mark		x		WHYMARK Fran		x		
KIRK Julian	Absent			WILBY Martin	Absent			
LONG Brian		x						

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For	23
Against	34
Abstentions	0

Norfolk County Council - Date: 18 July 2023 Appendix G

RECORDED VOTE – ITEM NUMBER: Motion 7 Climate Change Risks and Emergency Planning (Green Motion amended)

	For	Against	Abstain			For	Against	Abstain
ADAMS Timothy	Absent				MACKIE Ian	Absent		
ADAMS Tony		x			MASON BILLIG Kay		x	
ANNISON Carl		x			MAXFIELD Ed	x		
AQUARONE Steffan	Absent				MORIARTY Jim	Absent		
ASKEW Stephen	Absent				MORPHEW Steve	x		
BAMBRIDGE Lesley		x			NEALE Paul	x		
BENSLY James		x			NUNN William		x	
BILLS David		x			OLIVER Judy	Absent		
BIRMINGHAM Alison	x				OLIVER Rhodri	Absent		
BLUNDELL Sharon	x				OSBORN Jamie	x		
BORRETT Bill		x			PECK Greg		x	
BOWES Claire	Absent				PENFOLD Saul	x		
BRODIEK-COULTON Julie	x				PLANT Graham		x	
CARPENTER Graham		x			PRICE Ben	x		
CARPENTER Penny		x			PRICE Richard	Absent		
CLANCY Stuart			x		PROCTOR Andrew	Absent		
COLWELL Robert	x				RICHMOND Will		x	
CONNOLLY Ed	Absent				Reilly Matthew	Absent		
CORLETT Emma	x				RILEY Steve	x		
DALBY Michael	Absent				ROPER Dan	x		
DARK Stuart		x			ROWETT Catherine	x		
DAWSON Christopher	Absent				Rumsby Chrissie	x		
DEWSBURY Margaret		x			SANDS Mike	x		
DIXON Nigel	Absent				SAVAGE Robert		x	
DUGAN Phillip		x			SAYERS David	Absent		
EAGLE Fabian		x			SHIRES Lucy	x		
ELMER Daniel		x			SMITH Carl		x	
FISHER John	Absent				SMITH-CLARE Mike	x		
FITZPATRICK Tom		x			STONE Barry		x	
GRANT Andy	Absent				STOREY Martin		x	
GURNEY Shelagh		x			THOMAS Alison	Absent		
HEMPSALL Lana		x			THOMSON Vic		x	
HORSBRUGH Michael Chenery of		x			VARDY Eric	Absent		
JAMES Jane		x			VINCENT Karen	Absent		
JAMIESON Andrew	Absent				WALKER Colleen	Absent		
JERMY Terry	x				WARD John		x	
JONES Brenda	x				WATKINS Brian	x		
KEMP Alexandra	x				WEBB Maxine	x		
KIDDIE Keith		x			WHITE Tony	Absent		
KIDDLE-MORRIS Mark		x			WHYMARK Fran		x	
KIRK Julian	Absent				WILBY Martin	Absent		
LONG Brian		x						

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For	23
Against	34
Abstentions	0

Norfolk County Council - Date: 18 July 2023 Appendix H

RECORDED VOTE – ITEM NUMBER: Motion 8 Artificial Intelligence (Labour Motion)

	For	Against	Abstain
ADAMS Timothy	Absent		
ADAMS Tony		x	
ANNISON Carl		x	
AQUARONE Steffan	Absent		
ASKEW Stephen	Absent		
BAMBRIDGE Lesley		x	
BENSLY James		x	
BILLS David		x	
BIRMINGHAM Alison	x		
BLUNDELL Sharon	x		
BORRETT Bill		x	
BOWES Claire	Absent		
BROCIEK-COULTON Julie	x		
CARPENTER Graham	x		
CARPENTER Penny		x	
CLANCY Stuart	x		
COLWELL Robert	x		
CONNOLLY Ed	Absent		
CORLETT Emma	x		
DALBY Michael	Absent		
DARK Stuart	Absent		
DAWSON Christopher	Absent		
DEWSBURY Margaret		x	
DIXON Nigel	Absent		
DUIGAN Phillip		x	
EAGLE Fabian		x	
ELMER Daniel		x	
FISHER John	Absent		
FITZPATRICK Tom		x	
GRANT Andy	Absent		
GURNEY Shelagh		x	
HEMPSALL Lana	Absent		
HORSBRUGH Michael Chenery of		x	
JAMES Jane		x	
JAMIESON Andrew	Absent		
JERMY Terry	x		
JONES Brenda	x		
KEMP Alexandra	Absent		
KIDDIE Keith	Absent		
KIDDLE-MORRIS Mark		x	
KIRK Julian	Absent		
LONG Brian		x	

	For	Against	Abstain
MACKIE Ian	Absent		
MASON BILLIG Kay		x	
MAXFIELD Ed		x	
MORIARTY Jim	Absent		
MORPHEW Steve	x		
NEALE Paul	x		
NUNN William		x	
OLIVER Judy	Absent		
OLIVER Rhodri	Absent		
OSBORN Jamie	x		
PECK Greg		x	
PENFOLD Saul	x		
PLANT Graham		x	
PRICE Ben	x		
PRICE Richard	Absent		
PROCTOR Andrew	Absent		
RICHMOND Will	Absent		
Reilly Matthew	Absent		
RILEY Steve	x		
ROPER Dan	x		
ROWETT Catherine	x		
Rumsby Chrissie	x		
SANDS Mike	x		
SAVAGE Robert	Absent		
SAYERS David	Absent		
SHIRES Lucy	x		
SMITH Carl		x	
SMITH-CLARE Mike	x		
STONE Barry	Absent		
STOREY Martin		x	
THOMAS Alison	Absent		
THOMSON Vic	Absent		
VARDY Eric	Absent		
VINCENT Karen	Absent		
WALKER Colleen	Absent		
WARD John		x	
WATKINS Brian	x		
WEBB Maxine	x		
WHITE Tony	Absent		
WHYMARK Fran		x	
WILBY Martin	Absent		

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For	23
Against	26
Abstentions	0

Procedure for Leader's Question Time

In order to give as many people as possible the opportunity to put a question to the Leader, questions should be asked succinctly and in a business-like manner. They should not be preceded by lengthy preambles. Similarly, answers should be given succinctly, to make sure there is sufficient time for a reasonable number of questions to be dealt with. The Chair will be prepared to intervene if they consider this principle is not being adhered to.

Agenda Item 7 – Questions to the Leader of the Council

Questions to the Leader will be a 15-minute session for questions relating only to the role of Leader.

1. Questions to the Leader must be relevant to matters for which the Council has powers or duties. Members do not need to give prior notice of what they plan to ask and the Chair's ruling as to relevance of questions will be final. If the Leader cannot give an immediate answer or feels that a written answer would be more helpful or appropriate, then the questioner will receive a written reply and this will be published to all members and to the public via the minutes. The Leader may ask Cabinet Members to answer questions where appropriate.
2. The Chair will begin Leader's Question Time by inviting the Leader of the Labour Group to ask the first question. All Group Leaders may delegate the asking of their question to another member of their Group. There is no right to ask a supplementary question.
3. After the first question has been answered, the Chair will invite the Leader of the Liberal Democrat Group to ask a question.
4. When the second question has been answered the Chair will invite the Leader of the Green Group to ask a question.
5. When the third question has been answered, the Chair will invite and select a member of the Independent Group to ask a question.
6. When the fourth question has been answered, the Chair will invite a Member of the Conservative Group to ask a question.
7. When the fifth question has been answered, the Chair will invite Cllr Alexandra Kemp (Non-aligned Member) to ask a question.
8. If the 15 minutes has not expired, the Chair will then invite questions from Group Members in the following order:

Labour Group
Liberal Democrat Group
Green Group
Independent Group

Conservative Group

Following round:

Labour Group

Liberal Democrat Group

Green Group

Conservative Group

9. The session will be timed by Democratic Services officers. If a question is being asked at the point time is up, the Chair will allow the question to be completed and the answer to be given.

Recommendations from the Cabinet Meeting held on 4 September 2023

1 Finance Monitoring Report 2022-23 Outturn

1.1 Cabinet received the report setting out a summary of the outturn position for the 2022-23 Revenue and Capital Budgets, General Balances, and the Council's Reserves at 31 March 2023, together with related financial information.

1.2 Cabinet **RESOLVED**:

1. To recommend that the Council approves the addition of a net £8.94m to the P6 capital programme on 26 September 2023 for the following schemes as set out in Capital Appendix 3, paragraph 4.2-4.4 as follows:
 - £10m new capital loan for the Norse Group Project One replacement and integration of its HR and Finance systems as set out in Appendix 3, note 4.2
 - £3.4m uplift to the Great Yarmouth O & M Campus project to fund the cost pressures identified in the latest forecast including inflationary cost pressures and additional drainage, decontamination and remedial works identified as set out in Appendix 3, note 4.3.
 - £1.05m temporary uplift to the NCC Borrowing contribution to fund the West Winch Housing Access Road project up to the end of November 2023, as set out elsewhere in the agenda
 - Offset by £5.515m reduction in the Adult Learning capital programme following the decision to pursue alternative more accessible venues for the delivery of the Adult Learning programme and dispose of the Wensum Lodge site.
2. To recommend to Full Council the amendment to the Annual Investment and Treasury Management Strategy 2023-24 adopted by Full Council on 21 February 2023 to increase the treasury management investment limit for Norse Group to £25.000m in order to maintain the existing level of cash flow facility available to the company. (See also Appendix 2, paragraph 1.12)

Recommendation 2 concerns a change to the policy framework and is covered under item 19.

[Please click here to view the reports considered by Cabinet at its meeting on 4 September 2023 and the minutes of that meeting](#)

Cllr Kay Mason Billig
Chair, Cabinet

Report from the Cabinet meetings held on 7 August and 4 September 2023.

A: Meeting held on 7 August 2023

1. Update from the Chair/Cabinet Members

- 1.1 The Cabinet Member for Economic Growth updated Cabinet that last month he had attended a meeting with representatives from Lviv Greater Region in Ukraine to create a Memorandum of Understanding of cultural and economic union. The Cabinet Member for Economic Growth noted that Lviv were continuing with industries and economic activities despite recent attacks on the city. The Council had extended an invitation for the representatives from Lviv Greater Region to visit Norfolk, and representatives of Norfolk County Council had been invited to visit Lviv.

2. Hunstanton Independent Living

- 2.1 Cabinet received the report summarising the business case for approving £2,958,500 capital funding from the existing Independent Living capital programme to Places for People Living Plus to support the development and secure nomination rights for NCC for 61 apartments in a new Independent Living scheme for older people in Hunstanton, King's Lynn and West Norfolk district.
- 2.2 Cabinet **RESOLVED**:
- a) To approve £2,958,500 of capital contribution funding from the existing £29m Independent Living capital programme to Places for People Living Plus to support the development and secure nominations rights for 61 apartments in a new Independent Living scheme for older people in Hunstanton, King's Lynn and West Norfolk
 - b) To approve an exemption under paragraph 10(a)(iii) of contract standing orders
 - c) To delegate the responsibility to the Director of Commissioning to complete the relevant contract(s) with Places for People Living Plus

3. Norfolk Fire and Rescue Service Statement of Assurance 2022/23

- 3.1 Cabinet received the draft Norfolk Fire and Rescue Statement of Assurance for 2022-23.
- 3.2 Cabinet **RESOLVED** to:
- 1. Note the assurances that financial, governance and operational management of Norfolk Fire and Rescue Service meet statutory requirements.
 - 2. Consider and approve the Norfolk Fire and Rescue Service Statement of Assurance 2022/23. (Appendix A of the report).

4. Norfolk Fire and Rescue Service – HMICFRS (His Majesty's Inspectorate of Constabulary and Fire & Rescue Services) Improvement Plan Update

4.1 Cabinet received the report providing an update on the progress of Norfolk Fire and Rescue Service in addressing the elements of the previous HMICFRS (His Majesty's Inspectorate of Constabulary and Fire & Rescue Services) inspection, where it was rated as "Requires Improvement" across three key areas, with a cause for concern around prevention activities.

4.2 Cabinet **RESOLVED** to:

1. Note the progress already made, and the further actions and priorities for the service
2. Adopt in full the recommendations outlined in the HMICFRS Values and Culture Spotlight report and task the Chief Fire Officer to implement these
3. Acknowledge the work already undertaken to strengthen the mental health and wellbeing approach of the service

5. Finance Monitoring Report 2023-24 P3: June 2023

5.1 Cabinet received the report giving a summary of the forecast financial position for the 2023-24 Revenue and Capital Budgets, General Balances, and the Council's Reserves at 31 March 2024, together with related financial information.

5.2 Cabinet **RESOLVED**:

1. To approve the addition of **£15.536m** to the capital programme to address capital funding requirements funded mostly from various external sources as set out in detail in capital Appendix 3, paragraph 1.4 of the report as follows:
 - £9.158m grant funding received for the Disabled Facilities Grant from the Department of Health
 - £1m recognition of flexible use of capital receipts to fund the Adult Social Care Transformation programme
 - £5.861m Conditional Grant funding received from the Department of Education for Children's Services schemes in schools
 - £0.696m additional S106 developer contributions for the Children's Services schemes
 - (£0.466m) reduction in NCC Borrowing and other external funding for various completed Children's Services projects
 - £0.538m increase in Museums external funding received from 3rd parties
 - £0.118m increase in Libraries funded through NCC Borrowing following a swap of funding sources
 - (£1.249m) adjustment to the Kings Lynn Library budget following an adjustment of funding sources and revised forecast
 - (£0.120m) reduction in various other schemes
2. To note that the Council approved the addition of £43.495m to the P4 capital programme on 18 July 2023 for the following new schemes as set out in Capital Appendix 3, paragraph 4.2-4.3 of the report as follows:
 - £26.795m King's Lynn Sustainable Transport and Regeneration Scheme (STARS) supported by £24.77m external funding and £2.025m NCC Borrowing as set out in Appendix 3 note 4.3 of the report and approved by Cabinet on 3rd July 2023

- £16.7m Corporate Property Retrofitting Plan approved at the 5th June 2023 Cabinet meeting as set out in Appendix 3 note 4.2 of the report.
3. Subject to Cabinet approval of recommendation 1 and following Council approval of recommendation 2 to delegate:
 - 2.1) To the Director of Procurement authority to undertake the necessary procurement processes including the determination of the minimum standards and selection criteria (if any) and the award criteria; to shortlist bidders; to make provisional award decisions (in consultation with the Chief Officer responsible for each scheme); to award contracts; to negotiate where the procurement procedure so permits; and to terminate award procedures if necessary.
 - 2.2) To the Director of Property authority (notwithstanding the limits set out at 5.13.6 and 5.13.7 of Financial Regulations) to negotiate or tender for or otherwise acquire the required land to deliver the schemes (including temporary land required for delivery of the works) and to dispose of land so acquired that is no longer required upon completion of the scheme;
 - 2.3) To each responsible chief officer authority to:
 - (in the case of two-stage design and build contracts) agree the price for the works upon completion of the design stage and direct that the works proceed; or alternatively direct that the works be recompleted
 - approve purchase orders, employer's instructions, compensation events or other contractual instructions necessary to effect changes in contracts that are necessitated by discoveries, unexpected ground conditions, planning conditions, requirements arising from detailed design or minor changes in scope
 - subject always to the forecast cost including works, land, fees and disbursements remaining within the agreed scheme or programme budget.
 - That the officers exercising the delegated authorities set out above shall do so in accordance with the council's Policy Framework, with the approach to Social Value in Procurement endorsed by Cabinet at its meeting of 6 July 2020, and with the approach set out in the paper entitled "Sourcing strategy for council services" approved by Policy & Resources Committee at its meeting of 16 July 2018.
 4. To recognise the period 3 general fund forecast revenue **of a balanced position**, noting also that Executive Directors will take measures to reduce or eliminate potential over-spends where these occur within services;
 5. To recognise the period 3 forecast of 99.5% savings delivery in 2023-24, noting also that Executive Directors will continue to take measures to mitigate potential savings shortfalls through alternative savings or underspends;
 6. To note the forecast General Balances at 31 March 2024 of **£25.410m**.
 7. To note the expenditure and funding of the revised current and future 2023-28 capital programmes including the significant reprofiling of £29.073m since May 2023 and the increase in the capital programmes of £15.536m.

8. To approve the appointment of directors to Norfolk County Council owned companies as set out in paragraph 2.2 of the report, as required by the Council's Financial Regulations.

B: Meeting held on 4 September 2023

1. Update from the Chair/Cabinet Members

- 1.1 Cllr Penny Carpenter, Cabinet Member for Children's Services read the following statement in response to recent media coverage of Reinforced Autoclaved Aerated Concrete (RAAC) and Schools:

I thought it was important to make a statement today, as I recognise and share the concerns of parents and teachers about the issue of RAAC concrete in schools.

We were made aware of this issue in 2018 and proactively worked with all of the county council's maintained schools to identify if RAAC was present and if there were any problems. Structural engineers from NPS carried out surveys of 83 buildings and found no concerns.

As you would expect, we are keeping up to date with the changes and updates in DFE guidance and other information on RAAC as it comes through, in case any additional assessment is required to ensure the health and safety of pupils.

As you know, most schools are academies, which are independent of the council and they are responsible for their own buildings. We have contacted academies three times since 2018 to flag the potential issues with RAAC and reminded them to complete the Department for Education's survey in June this year.

On Friday (1 September), we were contacted by the Thomas Bullock academy school in Shipdham, where RAAC was found in the school hall. The start of term has been delayed by a day to enable checks to take place.

We are awaiting further results from a number of other academy schools and the schools will inform parents and staff if any issues are found. We are, as always, ready to assist.

I would encourage parents to speak to their schools if they have any concerns. I look forward to receiving further details about how the Government intends to deal with the issue of RAAC in schools.

The Leader added that it was pleasing to see that the Council had undertaken the investigations and were taking the issue very seriously. The position would continue to be monitored closely.

2. Strategic Tourism: Supporting Visit East of England's Local Visitor Economy Partnership application

- 2.1 Cabinet received the report which detailed how Visit East of England (VEE), the top-tier Destination Management Organisation (DMO) for the area was proposing to submit an application to become a Local Visitor Economy Partnership (LVEP)

covering Norfolk and Suffolk. The new LVEP structure in England has been put in place this year by the national tourism authority, Visit England, to better coordinate resources and activity relating to the visitor economy across the country. The application requirements requested a £120,000 annual contribution from the Council.

2.2 Cabinet **RESOLVED:**

That Norfolk County Council supports the Visit East of England's application to become an LVEP covering Norfolk and Suffolk. This would include contributing an additional £110,000 per annum towards VEE's core costs, ending after five years.

3. **Modern Slavery Statement 2022-23**

3.1 Cabinet received the report which provided details of how it would provide appropriate arrangements which would be establish the delivery of cross cutting/cross departmental functions to include statements and procedures to tackle Modern Slavery risks. The proposed 22/23 statement provided at appendix A of the report explains the steps that the Council has undertaken to help ensure there is no slavery or human trafficking within the organisation, sub contractors, partners or supply chains.

3.2 Cabinet **RESOLVED:**

To agree:

The Modern Slavery Statement for the year 2022/2023 (in Appendix A of the report) including the approach to the action plan; and

To note the Equality Impact Assessment (EqIA) at Appendix B of the report.

To review the Action Plan (at 4.5 of the report) and the progress on modern slavery activity, that there is adequate governance, management of risks and effective communication on this topic with its residents and stakeholders.

4. **West Winch Housing Access Road – Project Update**

4.1 Cabinet received the report which provided an update on the project to provide the West Winch Housing Access Road (WWHAR) which includes improvements to the Hardwick Interchange, dualling of a section of the A47 and a new road between the A47, just east of Hardwick Interchange and the A10 to the south of the village of West Winch. The report included a project update, outlined the next key stages including revisions to the budget and delivery programmes.

4.2 Cabinet **RESOLVED:**

1. To note the details presented in this report, including the results of the public consultation, and approve the continued delivery of the WWHAR project;
2. Delegate to the Executive Director of Community and Environmental Services (CES), in consultation with the Cabinet Member for Highways, Infrastructure & Transport, the authority to agree the finalised OBC and submit it to the DfT.
3. Agree to continue the development of the Planning Application and Side Roads Order and to note that a further report will be presented to Cabinet to seek agreement to submit the applications and will also include details regarding the procurement strategy for the project;

4. To note the proposals for Land Acquisition;
5. To agree to temporarily increase the Council's contribution by £1.05m until this is reimbursed when DfT (and Homes England) funding is approved.

5. Disposal, acquisition and exploitation of property: West Winch Landowner Collaboration Agreement

5.1 Cabinet received the report which outlined the approval required for the Council to enter into this collaboration agreement and work with the Borough Council in supporting the delivery of the West Winch Growth Area.

5.2 Cabinet RESOLVED

1. For the land at North Runcton / West Winch – Mill Farm Lane, PE33 0LT (2054/100), to delegate authority to the Director of Property and subject to the agreement of final terms to:

1.1 To enter into the Landowner's collaboration agreement as set out in Appendix A of the report

1.2 To enter into the promotion agreement as set out in Appendix A of the report

1.3 To enter into the S106 agreement as set out in Appendix A of the report

2. To delegate to the Director of Property authority to act on behalf of the County Council in meeting the obligations of the landowner and related agreements.

Finance Monitoring Report 2023-24 P4: July 2023

Cabinet received the report which provided a summary of the forecast financial position for the 2023-24 Revenue and Capital Budgets, General Balances, and the Council's Reserves at 31 March 2024, together with related financial information.

Cabinet RESOLVED:

1. To note the addition of **£90.724m** to the capital programme to address capital funding requirements funded mostly from various external sources as set out in detail in capital Appendix 3, paragraph 1.4 as follows:

- £26.474m King's Lynn Sustainable Transport and Regeneration Scheme (STARS) supported by £24.480m external funding and £1.994m NCC Borrowing recommended at Cabinet on 3 July 2023 and approved at Full Council on 18 July 2023
- £16.7m Corporate Property Retrofitting Plan recommended at the 5 June 2023 Cabinet meeting and approved at Full Council on 18 July 2023
- £1.8m external funding allocated to the Estates Decarbonisation programme
- £1.250m uplift to the flexible use of capital receipts to fund the Adult Social Care Transformation programme, bringing the total ASC Transformation Programme funded through capital receipts to £2.250m
- £0.139m DEFRA funding received for the eCargo Bike Library scheme
- £44.452m DfT funding allocated to various Highways improvement and maintenance schemes including £4.6m for the West Winch Bypass, £3.5m for the Norwich Heartsease Fiveways Junction, £3m for the Costessey – Bowthorpe Mobility Hub. Further details of the various Highways projects budgets impacted are listed in Appendix A.
- (£0.092m) net reduction in various other schemes

For recommendation 2, please refer to “recommendations from Cabinet” report

3. Subject to Cabinet approval of recommendation 1, and following Council approval of recommendation 2 (*see recommendation to Council report*), to delegate:

- 3.1. To the Director of Procurement authority to undertake the necessary procurement processes including the determination of the minimum standards and selection criteria (if any) and the award criteria; to shortlist bidders; to make provisional award decisions (in consultation with the Chief Officer responsible for each scheme); to award contracts; to negotiate where the procurement procedure so permits; and to terminate award procedures if necessary.
- 3.2. To the Director of Property authority (notwithstanding the limits set out at 5.13.6 and 5.13.7 of Financial Regulations) to negotiate or tender for or otherwise acquire the required land to deliver the schemes (including temporary land required for delivery of the works) and to dispose of land so acquired that is no longer required upon completion of the scheme.
- 3.3. To each responsible chief officer authority to:
 - (In the case of two-stage design and build contracts) agree the price for the works upon completion of the design stage and direct that the works proceed; or alternatively direct that the works be recompeted.
 - approve purchase orders, employer’s instructions, compensation events or other contractual instructions necessary to effect changes in contracts that are necessitated by discoveries, unexpected ground conditions, planning conditions, requirements arising from detailed design or minor changes in scope.
 - subject always to the forecast cost including works, land, fees, and disbursements remaining within the agreed scheme or programme budget.
 - That the officers exercising the delegated authorities set out above shall do so in accordance with the council’s Policy Framework, with the approach to Social Value in Procurement endorsed by Cabinet at its meeting of 6 July 2020, and with the approach set out in the paper entitled “Sourcing strategy for council services” approved by Policy & Resources Committee at its meeting of 16 July 2018.

4. To recognise the period 4 general fund forecast revenue of a **balanced position**, noting also that Executive Directors will take measures to reduce or eliminate potential over-spends where these occur within services.

5. To recognise the period 4 forecast of 95% savings delivery in 2023-24, noting also that Executive Directors will continue to take measures to mitigate potential savings shortfalls through alternative savings or underspends.

6. To note the forecast General Balances at 31 March 2024 of **£25.410m**.

7. To note the expenditure and funding of the revised current and future 2023-28 capital programmes including the significant reprofiling undertaken to date and the increase in the capital programmes of £90.724m in P4.

8. To approve the appointment of directors to Norfolk County Council owned companies and joint ventures as set out in section 2.3, as required by the Council's Financial Regulations.

9. To note the update regarding financial arrangements in place with the Norse Group as set out in Appendix 3 – section 4.2 and to:

For recommendation 9.1, please refer to “recommendations from Cabinet” report

9.2. Approve the timetable for adoption of amendments to the Annual investment and Treasury Management Strategy 2023-24 as set out paragraph 2.4.3 below.

9.3. Delegate to the Director of Strategic Finance to agree the details of the £10.000m capital loan to the Norse Group for the implementation of a Finance and HR system (Project One) subject to the provision of appropriate security, the completion of financial and legal due diligence, and compliance with subsidy control requirements.

10. To approve the recommended NHS Norfolk and Waveney Integrated Care Board (ICB) and Norfolk County Council receivables and payables outstanding balances resolution arrangement described in Appendix 5.

**Cllr Kay Mason Billig
Chair, Cabinet**

Procedure for Questions to Cabinet Members

Questions to the Cabinet Members for:

- Strategy & Governance
- Finance
- Public Health and Wellbeing
- Children's Services
- Communities and Partnerships
- Economic Growth
- Corporate Services and Innovation
- Highways, Infrastructure and Transport
- Adult Social Care
- Environment and Waste

A maximum overall period of 30 minutes shall be allowed for questions to Cabinet Members, with a maximum of 5 minutes for questions to an individual Cabinet Member, both periods to be extendable at the discretion of the Chair. Questions to Cabinet Members can relate to anything within the remit of the Cabinet Member's portfolio and are not limited to items in the Cabinet reports.

1. The Chair will begin Questions by inviting members to indicate if they wish to ask a question.
2. The Chair will select a member to ask their question and all other members wait until the Chair next invites questions. Questions will not be taken in a prescribed portfolio order and can be to any Cabinet Member.
3. For the first round, the Chair will follow the principle of selecting the first questioner from the Labour Group, followed by the Liberal Democrat Group, the Green Group, the Independent Group, the Conservative Group, then the Non-aligned Member. For the second round, the Chair will then revert to the Labour Group, the Liberal Democrat Group, the Green Group, the Independent Group and the Conservative Group. For the third round, the Chair will revert to the Labour Group, the Liberal Democrat Group, the Green Group and the Conservative Group, etc. For the fourth round, the Chair will revert to the Labour Group, the Liberal Democrat Group, the Green Group and then the Conservative Group.
4. The session will be timed by Democratic Services officers, who will notify the Chair if questions to an individual Cabinet Member has in total exceeded 5 minutes or that the overall time is up. If a question is being asked at the point at which time is up, the Chair will allow the question to be completed and the answer to be given.
5. Questions should be asked succinctly and in a business-like manner. They should not be preceded by lengthy preambles. Similarly, answers should be given succinctly, so that there is sufficient time for a reasonable number of questions to be dealt with. The Chair of the Council will be prepared to intervene if they consider this principle is not being adhered to.

Report of the Scrutiny Committee meetings Held on 19 July 2023

1 Implementation of the Climate Strategy

- 1.1 Scrutiny Committee received a report setting out the Council's Climate Strategy, which set a framework for how the council would meet its commitments set out in its Environmental Policy to reach net zero carbon emissions on its estate by 2030, and to work with partners towards county-wide carbon neutrality which had been considered by Cabinet in May 2023
- 1.2 The Committee **considered** the plans for taking the climate strategy forward and for monitoring and reporting

2 Call-In: Norwich Airport Industrial Estate Link, and Call-In: Norwich Heartsease Fiveways Junction

- 2.1 Scrutiny Committee received the reports setting out details of a call-in of the Cabinet Member delegated decision "Norwich Airport Industrial Estate Link" and "Norwich Heartsease Fiveways Junction". Scrutiny Committee agreed to take discussion of both of these call-ins together, and take a separate vote on each.
- 2.2 The Committee heard from Cllr Emma Corlett, Cllr Alison Birmingham, Cllr Maxine Webb and Cllr Julie Brociek-Coulton as the Councillors who had called in the two decisions. They outlined their reasons for having done so and asked questions of Cllr Graham Plant, the Cabinet Member for Highways, Infrastructure and Transport and of the officers that were present for the consideration of these two items.

2.3 Resolution of Call-In: Norwich Airport Industrial Estate Link

With 9 votes for, 3 against and 1 abstention, Scrutiny Committee **RESOLVED** to note the call-in but take no further action, and suggest that the Cabinet Member reviews the Terms of Reference of Transport for Norwich Advisory Committee

2.4 Resolution of Call-In: Norwich Heartsease Fiveways Junction

With 10 votes for and 3 against, Scrutiny Committee **RESOLVED** to note the call-in but take no further action, and suggest that the Cabinet Member reviews the Terms of Reference of Transport for Norwich Advisory Committee

3 Call In: Adult Learning –Community Delivery

- 3.1 Scrutiny Committee received the reports setting out details of a call-in of the Cabinet Member delegated decision "Adult Learning – Community Delivery"
- 3.2 The Committee heard from Cllr Emma Corlett, Cllr Alison Birmingham, Cllr Maxine Webb and Cllr Julie Brociek-Coulton as the Councillors who had called in the two

decisions. They outlined their reasons for having done so and asked questions of Cllr Margaret Dewsbury, the Cabinet Member of Communities and Partnership, and of the officers that were present for the consideration of this item.

- 3.3 With 9 votes for and 3 against, Scrutiny Committee **RESOLVED** to note the call-in but take no further action

4. Call In: Disposal, Acquisition and Exploitation of Property

- 4.1 Scrutiny Committee received the reports setting out details of a call-in of the Cabinet Member delegated decision “Disposal, Acquisition and Exploitation of Property”, relating to the disposal of Wensum Lodge in Norwich.
- 4.2 The Committee heard from Cllr Emma Corlett, Cllr Alison Birmingham, Cllr Maxine Webb and Cllr Julie Brociek-Coulton as the Councillors who had called in the decision. They outlined their reasons for having done so and asked questions of Cllr Jane James, the Cabinet Member of Corporate Services and Innovation, and of the officers that were present for the consideration of this item.
- 4.3 With 10 votes for and 3 against, Scrutiny Committee **RESOLVED** to note the call-in but take no further action.

Steve Morphew
Chair

Report of the Planning (Regulatory) Committee Meeting held on 21 July 2023

1. **FUL/2022/0055 - Land East of Plantation Road, Blofield**
 - 1.1 The Committee received the report setting out a proposal for a new 420 place (2FE) Primary School with associated works including parking, hard play/hard standing and school playing field - Executive Director, Children's Services, Norfolk County Council.
 - 1.2 With 10 votes for and 1 against, the Committee **AGREED** that the Executive Director of Community and Environmental Services be authorised to:
 1. Grant planning permission subject to the conditions outlined in section 11;
 2. Discharge conditions where those detailed above require the submission and implementation of a scheme, or further details, either before development commences, or within a specified date of planning permission being granted;
 3. Delegate powers to officers to deal with any non-material amendments to the application that may be submitted.
2. **FUL/2021/0007: Land at Oak Field, Watlington Road, Nr Tottenhill Row, Nr Watlington, Kings Lynn, Norfolk: Extraction of sand, gravel and clay and subsequent importation of inert material to achieve a beneficial restoration of the site, together with operation of an inert waste recycling facility and continued use of the plant site; Construction of additional silt lagoon and subsequent removal of sand and gravel (part retrospective) amended description of proposal: Mick George Ltd**
 - 2.1 The Committee received the report setting out a proposal for extraction of sand, gravel and clay and subsequent importation of inert material to achieve a beneficial restoration of the site, together with operation of an inert waste recycling facility and continued use of the plant site, construction of additional silt lagoon and subsequent removal of sand and gravel (part retrospective).
 - 2.2 The Committee **AGREED** that the Executive Director of Community and Environmental Services be authorised to:
 1. Grant planning permission subject to a legal agreement in respect of off-site groundwater monitoring and mitigation, and the conditions outlined in section 11;
 2. Discharge conditions where those detailed above require the submission and implementation of a scheme, or further details, either before development commences, or within a specified date of planning permission being granted;
 3. Delegate powers to officers to deal with any non-material amendments to the application that may be submitted.

Brian Long
Chair, Planning (Regulatory) Committee

Report of the Corporate Select Committee meetings held On the 10 July 2023 and 11 September 2023.

A Items from the meeting on 10 July 2023

1. Upcoming Constitutional Changes

- 1.1 The committee received, and was introduced to, the report by Kat Hulatt, the Director of Legal Services (nplaw) and Monitoring officer.
- 1.2 The Select Committee **agreed** to **endorse** to the future workplan and the approach to constitutional changes as proposed.

A recorded vote was requested.

<u>Cllr Oliver</u>	<u>For</u>
<u>Cllr Thomson</u>	<u>For</u>
<u>Cllr White</u>	<u>For</u>
<u>Cllr Fisher</u>	<u>For</u>
<u>Cllr Bills</u>	<u>For</u>
<u>Cllr Nunn</u>	<u>For</u>
<u>Cllr Roper</u>	<u>For</u>
<u>Cllr Bambridge</u>	<u>For</u>
<u>Cllr Morphew</u>	<u>Against</u>
<u>Cllr Birmingham</u>	<u>Against</u>
<u>Cllr Price</u>	<u>Against</u>

The motion was **carried**.

- 1.3 The committee also **agreed** to request more information to confirm the cost and funding of the third-party resource.

2. Norfolk's Digital Inclusion Strategy and "Tech Skills for Life" Pilot in West Norfolk Update

- 2.1 The committee received, and was introduced to, the report by Geoff Connell, Director of Digital Services.
- 2.2 Gail Harvey, Digital Inclusion Strategy Programme Manager, presented the presentation to the committee highlighting partnership working, the Digital Inclusion Strategy and how the Tech Skills for Life pilot in West Norfolk was operating.

- 2.3 Having reviewed and commented on the progress on delivering the Digital Inclusion Strategy and the Tech Skills for Life pilot in West Norfolk, the Select Committee **resolved** to **note** the information.

3. **Modern Slavery Statement 2022-23 and approach to the action plan**

- 3.1 The committee received, and was introduced to, the report by Adrian Thompson, Assistant Director of Finance (Audit).
- 3.2 Having reviewed the Action Plan on modern slavery activity, the Modern Slavery Statement, and the Equality Impact Assessment, the Select Committee **resolved** to **note** the information.

4. **Workplace Wellbeing Strategy 2023 -2026**

- 4.1 The committee received, and was introduced to, the report by Derryth Wright, Assistant Director of HR.
- 4.2 Cllr Ben Price proposed a motion that the committee should recommended that a four-day week be explored.

The motion was seconded by Cllr Nunn.

The motion was **agreed** on a show of hands

- 4.3 Having reviewed and commented on the proposed strategy, the Select Committee **resolved** to:

- **Endorse** the proposal that update reports should be presented to Corporate Select Committee annually.
- **Endorse** the proposal that recommend that a 4-day week be explored.

5. **Strategic and Financial Planning 2024-25**

- 5.1 The committee received, and was introduced to, the report by Cllr Andrew Jamieson, Cabinet member for Finance.
- 5.2 Cllr Price raised that the committee has not yet received a report that was recommended during the meeting on the 11 July 2022, noted at 10.3 of the minutes.

The Chair and the Executive Director for Strategy and Transformation apologised to the committee for not having received this report and noted that the recommendation would be looked into.

- 5.3 Having reviewed the Budget and Medium-Term Financial Strategy position, the Select Committee **resolved** to:

- **note** in particular:
 - a.) the budget gap for 2024-25 and the Medium-Term Financial Strategy (MTFS) period.
 - b.) The Departmental saving targets.
 - c.) The overall timetable and approach to developing the 2024-25 Budget.
- **endorse**:
 - a.) The overall service strategies as set out within the 2023-24 Budget Book.
 - b.) The budget setting principles set out in Section 3 of the appended Cabinet report, which will provide the broad framework for savings development for services within the Select Committee's remit.
- **Agree** that the Committee will provide input to the 2024-25 Budget process in July (this meeting) and in November, with the latter (November) report providing an opportunity to comment on the detailed savings proposals being taken to public consultation.
- There were no specific areas of activity that the Select Committee would recommend exploring for savings development, in order to provide input to the 2024-25 budget process and inform the saving proposals put forward to Cabinet later in the year.

6. Forward Work Plan 2023

- 6.1 The committee resolved to **agree** the forward work programme.

B Items from the meeting on 11 September 2023

1. Smarter Working

- 1.1 The committee received, and was introduced to, the report by Cllr Jane James, Cabinet Member for Corporate Services, and Innovation.
- 1.2 Deborah Carr, Discovery Lead, Strategy and Performance, presented an overview of the report to the committee. They highlighted that the programme of work looked at how the improvement, efficiency, and delivery of services can be achieved and identified the four programmes of work. These included Hybrid Working, County Hall carpark, County Hall Ground Floor Space, and Business Mileage.

- 1.3 Cllr Oliver proposed a recommendation that the committee receive the number of full-time staff (not including teachers and teaching staff) at all future committee meetings so members could see month-by-month staff numbers and any emerging trends. This was seconded by Cllr Clancy, and following a vote, the recommendation was **agreed**.
- 1.4 Cllr Hemsall proposed the recommendations noted in the Smarter Working report. This was seconded by Cllr White, and following a vote, the Select Committee **agreed** to:

- **Approve** the strategic roadmap,
- **Approve** the 4 programmes.

2. Norfolk County Council Procurement Strategy 2023- 2026

- 2.1 The committee received, and was introduced to, the report by Cllr Gregg Peck, Deputy Cabinet Member for Finance.
- 2.2 Al Collier, Director of Procurement and Sustainability, provided members with a presentation. They highlighted the goals, priorities, and enablers of the Procurement Strategy, offering examples of best practices.
- 2.3 Cllr Clancy proposed a motion that the committee receive a list of the gold contacts, their strategy, performance, and durations in the November 2023 meeting. This was seconded by Cllr Price, and following a vote was **agreed**.
- 2.4 Cllr Oliver proposed the recommendations noted in the Procurement Strategy report. This was seconded by Cllr Hemsall, and following a vote, the Select Committee **agreed** to **endorse** Procurement Strategy's progression for Cabinet's consideration.

3. Forward Work Plan 2023

- 3.1 The committee resolved to **agree** the forward work programme.
- 3.2 Members of the committee **agreed** to request that the following items be added to the Forward Work Plan:
- Review of arm's length companies,
 - Net zero updates to include complete costing,
 - KPIs and productivity metrics on a sector-by-sector basis.

Chair, Corporate Select Committee

Report of the Infrastructure and Development Select Committee Meeting held on 12 July 2023 and 13 September 2023

A. Meeting held on 12 July 2023

1. Strategic and Financial Planning 2024-25

- 1.1 The committee received the report which formed an important part of the process of developing the 2024-25 Budget, representing a key opportunity for the Select Committee to provide its views on priorities and the approach to preparing budget proposals for the services within its remit.

1.2 RESOLVED

1. To consider the Budget and Medium Term Financial Strategy position as reported to Cabinet in June 2023 (Appendix 1), noting in particular the following elements as set out in the appended report, which form the context for 2024-25 budget setting:
 - a. the budget gap for 2024-25 and the Medium Term Financial Strategy (MTFS) period.
 - b. The Departmental saving targets.
 - c. The overall timetable and approach to developing the 2024-25 Budget.
2. Agree that the Committee will provide input to the 2024-25 Budget process in July (this meeting) and in November, with the latter (November) report providing an opportunity to comment on the detailed savings proposals being taken to public consultation.
3. Consider the key issues for 2024-25 budget setting as they pertain to the services within the Select Committee's remit (as set out in this paper, the appended Cabinet report, and the 2023-24 Budget Book), and in particular to endorse:
 - a. The overall service strategies as set out within the 2023-24 Budget Book.
 - b. The budget setting principles set out in Section 3 of the appended Cabinet report, which will provide the broad framework for savings development for services within the Select Committee's remit.
4. Consider whether there are any specific areas of activity that the Select Committee would recommend exploring for savings development, in order to provide input to the 2024-25 budget process and inform the saving proposals put forward to Cabinet later in the year.

2. A County Deal for Norfolk

- 2.1 The Committee received the report which detailed activity to date regarding the devolution deal which were part of Government's levelling up agenda as set out in the 2022 Levelling Up White Paper. The report explained the proposed next steps and offered a chance for the committee to feedback.

2.2 RESOLVED

1. To offer thoughts and feedback on activity to date and proposed next steps, as summarised in this report
2. To agree that further progress reports are presented to the committee as appropriate.

3 Integration of the New Anglia Local Enterprise Partnership (LEP) Functions

- 3.1 The committee received the report which outlined the LEP integration into upper tier local authorities as announced in the Chancellor's March 2023 budget statement. The report updated the committee with how this was progressing and the proposed next steps and offered the committee the chance to feedback.

3.2 RESOLVED

1. Consider the changes in policy for the integration of the LEP functions nationally and the role upper tier authorities were asked to undertake
2. Consider the approach proposed to integrate the LEP functions into Norfolk County Council
3. Provide feedback on the proposed approach

4. Performance of Key Highway Contracts

- 4.1 The Committee received the report which summarised the active contracts the Council's Highways Service has procured in terms of services provided, performance and value for money. The Highway Service Contracts reviewed in the report were Tarmac, Norse Highways, WSP, Swarco (formerly Dynniq), Amey and Eastern Highways Alliance (EHA).

4.2 RESOLVED

To review and to comment on key highway contract performance and arrangements.

5. Highway and Transport Network Performance

- 5.1 The Committee received the report which provided an annual summary of how we are managing our highway assets and the highway network overall. It did not include the A11 and A47 which were the responsibility of National Highways.

5.2 RESOLVED

1. To note the progress against the Asset Management Strategy Performance framework (Appendix C).
2. To note the progress in the development of congestion and reliability indicators.

6. CES Policy and Strategy Framework – Annual Report

- 6.1 The committee received the report which sets out information on the policies and strategies aligned to the work of this Select Committee, in the form of a Policy and Strategy framework. This framework was brought to the Select Committee annually to enable Members the opportunity to consider the full picture of aligned policies and

strategies.

6.2 RESOLVED

1. To note the work carried out by the select committee over the last year to develop and advise on policies and strategies.
2. Review the policy and strategy framework set out in Appendix A and identify any appropriate items for inclusion on the Forward Work Programme (where not already included).

7. Forward Work Programme

- 7.1 The committee received the report by the Interim Executive Director of Community and Environmental Services which set out the Forward Work Programme for the committee to enable the Committee to review and shape.

7.2 RESOLVED

1. To agree the Forward Work Programme set out in Appendix A with the addition of a report on road safety around schools.
2. To agree to task officers to bring an update report back to a future select committee with information to support the committee in considering the Rights of Rivers Motion set out in Appendix B.

8. France (Channel) England Programme Update

- 8.1 The committee received the report which gave an update on the NCC delivered France (Channel) England Programme. The last formal update was submitted to the Business and Property Committee meeting in January 2019

8.2 RESOLVED

1. To comment on and note the programme update

B. Meeting held on 13 September 2023

1. Norfolk Coast Area of Outstanding Natural Beauty (AONB) Management Plan (2019-24)

- 1.1 The Committee received the revised management plan which had been updated through collaborative working with all local authority partners for endorsement.

1.2 RESOLVED

To endorse the Norfolk Coast AONB Management Plan (2019-24)
(Appendix A)

2. Climate Action Plans, Tranche 1

- 2.1 The Committee received the report which reported that now the climate strategy was in place, action plans were needed to help translate the vision and priorities of the strategy into practical implementation. These action plans would be reported and refreshed annually to provide accountability for the delivery of the Climate Strategy. The report proposed that action plans were brought to the Select Committee in three tranches, and the first tranche of actions are provided for the committee's review.
- 2.2 **RESOLVED**
1. To review and comment on the proposed approach to climate action planning
 2. To review and comment on the first tranche of actions
 3. To endorse the approach and actions to progress to Cabinet.
3. **NCC Apprenticeship Strategy**
- 3.1 The Committee received the NCC Apprenticeship Strategy 2023-2025 which set out a strategic vision, aims and objectives and an operational delivery plan for apprenticeships across all areas of Norfolk County Council [NCC], cohesively bringing together the three strategic priorities from three directorates (as identified by the 2018 Local Government Association [LGA] review); Children's Services, Growth & Investment and Human Resources.
- 3.2 **RESOLVED**
- To review, consider and offer feedback on the proposed Norfolk County Council [NCC] Apprenticeship Strategy (and Operational Delivery Plan) – updated for 2023-2025.
4. **Draft Norfolk Walking, Wheeling and Cycling Strategy Consultation 2023**
- 4.1 The Committee received the report which contained the draft strategy consultation in appendix A. Comments will be taken into account ahead of obtaining an Individual Cabinet Member Decision to launch a public consultation on the draft strategy. Following the consultation, the responses will be analysed, necessary amendments to the strategy document made and the updated strategy will return to Infrastructure and Development Select Committee for comment and go to Cabinet for final approval and adoption in 2024.
- 4.2 **RESOLVED**
- To provide views on the Draft Norfolk Walking, Wheeling and Cycling Strategy 2023 before public consultation.
5. **Forward Work Programme**
- 5.1 The Committee received the report which sets out the Forward Work Programme for the Select Committee, to enable the Select Committee to review and shape it.
- 5.2 **RESOLVED**
1. To review and agree the Forward Work Programme for the Select Committee, as set out in Appendix A.
 2. To agree that the motion set out in Appendix B should be considered by Scrutiny

Committee and to identify any key lines of enquiry the Select Committee may wish to suggest are explored.

**Cllr James Bensly, Chair
Infrastructure and Development Select Committee**

Report of the Norfolk Joint Museums Committee meeting held on 28 July 2023

1. Election of Chair

- 1.1 **Cllr John Ward was duly elected as Chair for the ensuing Council year.**

2 Election of Vice-Chair

- 2.1 **Cllr Robert Kybird was duly elected as Vice-Chairman for the ensuing Council year**

3 Area Museums Committees

- 3.1 The Joint Committee received updates about NMS activities in Breckland, Great Yarmouth and Norwich. The Joint Committee's attention was drawn to numerous new and exciting exhibitions at museums across the county, special event days, Norfolk school holiday activities, ticketed events and Kick the Dust: Norfolk project activities.

4 Norfolk Museums Service - Finance Monitoring Report for 2023/24

- 4.1 The Joint Committee received a report that covered the Norfolk Museums Service (NMS) forecast budget out-turn for 2023/24 and details about the latest monitoring position of the revenue budget, capital programme, reserves and provisions.
- 4.2 The Committee's attention was drawn to the following issues:
- The Service was projecting an over-spend for 2023/24. This was attributed to significant uncertainty in relation to the main income streams following a slower than hoped return to normal, pre-pandemic visitor numbers and patterns. The cost-of-living pressures and reduced visitor offer in place at Norwich Castle Museum because of the ongoing work for the Keep re-development were also key factors.
 - It was noted, however, that that the first two-months of admissions income for 2023 was 24% higher than this time last year, along with secondary spend over double. It was hoped this very strong start to the year would be maintained to ensure any over-spend was minimised before Norwich Castle Museum fully reopened at Easter 2024.
 - NMS continued to closely monitor all spend on utilities, given the continuing price increases by energy companies and the significant impact that this had on the operation of Service, especially over the winter period.
 - The roll out of events and activities associated with *The Last Voyage of the Gloucester* exhibition at the Castle Museum, the *Bare Bones* touring exhibition at Time and Tide in Great Yarmouth and the exhibitions and the events programme for Gressenhall Rural Life Museum were having a positive impact on visitor numbers and on NMS income.

4.3 The Joint Committee resolved:

To note the latest monitoring position of the revenue budget, capital programme, reserves and provisions and forecast out-turn for 2023/24.

5 Norfolk Museums Service - Risk Management Report

5.1 The Joint Committee received a report that provided Members with the latest Norfolk Museums Service Risk Register as at July 2023.

5.2 The Committee's attention was drawn to the following issues:

- There were no considerable changes to existing risks in the risk register since this matter was last reported to the Committee.
- Management of the NMS risk register complied with the way in which the risk register was managed for other services across the County Council.
- The risk register contained seven risks. Of these, five risks were actively being managed, with the remaining two risks maintained on the risk register as low and continuous risks in their nature.

5.3 **The Joint Committee resolved:**

To agree the active and dormant risks and the key changes to risks as set out in the report.

6 Norfolk Museums Service – Performance & Strategic Update Report

6.1 The Joint Committee received a report that provided progress with performance of Norfolk Museums Service over the current financial year 2023/24 including the Service's award-winning learning programmes and the Service's work with groups including Looked After Children, carers and foster families, and vulnerable older residents across the county. The report also provided an update on all major projects, including the National Lottery Heritage Fund supported *Norwich Castle: Gateway to Medieval England* project and youth development programme, *Kick the Dust Norfolk*.

6.2 In response to Members questions, the following points were discussed and noted:

- Members were encouraged to explore the links in the periodic performance report to museum blogs and museum activities that were designed to be of interest to a wide range of NMS audiences.
- The strong start to the season was attributed to good numbers visiting the Gloucester exhibition, plus good figures to the other NMS sites, including Gressenhall and Time and Tide.
- By the time that the Gloucester exhibition, created in partnership with the UEA, had seen around 50,000 visitors by the start of the summer holidays, with many thousands of additional visitors expected by the time the exhibition closes on 10 September 2023.
- The Joint Committee's attention was also drawn to partnership working with Broadland and South Norfolk particularly in relation to development programmes linked to Market Towns, and a digital learning programme around Robert Kett. The Museums Service had delivered a range of partnership activities at Harleston at a special event on Saturday 11 March 2023, and a similar range of activities were planned to be held at Wymondham on 17 September 2023.

- The Joint Committees attention was also drawn to the superb painting '*Panoramic Landscape with Cornfields and Dunes Beside the Sea*' by the most influential Dutch landscape painter of the seventeenth century Jacob van Ruisdael that had taken pride of place in Norwich Castle Museum & Art Gallery. The acquisition was made possible thanks to a hybrid of the Government's Acceptance in Lieu scheme, together with generous support from the National Heritage Memorial Fund, Art Fund and the Rought Fund, The Arts Council England/V&A Purchase Grant Fund and the Friends of the Norwich Museums.
- The Assistant Head of Museums gave an oral update on the *Norwich Castle: Royal Palace Reborn Project*. Details regarding the latest construction work and interpretation work were as set out in the periodic report and were regularly updated on the project website which outlined the latest position. The next stage in the development of the project would be the completion of the new visitor entrance, café and shop. Members would be provided with an opportunity to visit the site before the next meeting of the Joint Committee.
- The Head of Development gave an oral update on the work of the NMS as an Arts Council England (ACE) National Portfolio Organisation (NPO) which in future would be presented to the Joint Committee on a regular basis. The NMS was awarded £1,375,308 per year for 2023-26 for activity that contributed to ACE's 10 Year Strategy *Let's Create* which had 3 outcomes and 4 investment principles. The NMS was considered a minor risk in terms of ACE clients. The Head of Development said that she would be happy to provide details about any of work in the NPO to members on request.
- The NMS 5-year strategy was due to conclude at the end of this calendar year. Members of the Joint Committee would be invited to attend engagement activities with other stakeholders and partners about the content of the replacement strategy which was planned to be created by Easter 2024.
- The NMS had participated with other Norfolk arts organisations in Creativity and Wellbeing Week a national festival celebrating the power of creativity and culture to transform our health and wellbeing, promoted by the London Arts and Health Forum and the Culture, Health & Wellbeing Alliance and now had more events than anywhere else in the country.

6.3 The Joint Committee resolved:

1. To receive an update on the 2023/24 Service position to date
2. To note progress regarding development of the Norwich Castle: Gateway to Medieval England project
3. To note progress in terms of our key Arts Council England and National Lottery Heritage Fund programmes for 2022/23 and the Service's delivery of its Arts Council England National Portfolio Organisation programme for 2023-26.

7 The Teaching Museum and the Kick the Dust Project

- 7.1 At the end of the formal part of the meeting the Joint Committee received two presentations. The first of these was from Sarah Gore, the Teaching Museum Manager, and could be found on the County Council's Committee Website. The trainees were present at the meeting, together with fellows from the British Museum's International Training Programme. This was followed by a second presentation from

Dr Robin Hanley, the Assistant Head of Museums, and outlined the latest position regarding the Kick the Dust Project. This presentation could also be found on the County Council's Committee pages website.

John Ward
Chair

Report of the Norfolk Records Committee Meeting held on 28 July 2023

1 Election of Chair

Cllr Michael Chenery of Horsburgh was elected Chair for the ensuing Council year.

2 Election of Vice-Chair

Cllr Robert Kybird was elected Vice-Chair for the ensuing Council year.

3 Finance and Risk

3.1 The Committee received a report that covered the Norwich Record Office revenue budget for 2023/24, capital programme and reserves and provisions and gave an update on the service risk register.

3.2 The following points were discussed and noted:

- The Record Office was currently forecast to achieve a balanced budget position.
- The Risk Register contained six key risks: one had a risk rating of red, four were amber and one was green.
- The County Archivist reported regularly to the Records Committee and the Director of Culture and Heritage on the risks that were included in the Risk Register.

3.3 The Committee **CONSIDERED** and **COMMENTED** on:

1. Forecast position of the revenue budget, capital programme, reserves and provisions.

2. Management of risk for 2023/24.

4 Norfolk Record Office Service Plan

4.1 The Committee received a report that introduced the mission of the Norfolk Record Office (NRO) and how it sets out to advance these through a set of long-term aims. The report also provided details of the 2023-24 NRO Service Plan.

4.2 The following points were discussed and noted:

- It was pointed out that the NRO had greatly increased its income generation in recent years. The NRO generated around a third of its running costs through the charges it provided for its services. This income came from the issue of certified copies of birth death and marriage certificates, with additional income coming from licencing of images for online use, sale of conservation services, archival boxes, archival storage and project work.
- The County Archivist explained the wide range of work that continued to be

- done to make the Norfolk Record Office more accessible to new audiences.
- Educational outreach activities were run for adults, and activities were run for schools where funding allowed.
- The Norfolk Record Office continued to develop the Change Minds project across the UK in conjunction with the Restoration Trust. The Change Minds project had been shown to have a qualitative impact on mental wellbeing.

4.3 The Committee CONSIDERED and COMMENTED on the contents of the report and the proposed service plans and APPROVED the adoption of the Service Plan for 2023/24.

**Michael Chenery of Horsbrugh, Chair,
Norfolk Records Committee**

PROPORTIONAL ALLOCATION OF PLACES ON COMMITTEES

Report by the Director of Democratic and Regulatory Services

1. Introduction

1.1 A by election was held on 4th August 2023 for the Freebridge Lynn Division following the sad death of Cllr Nick Daubney. The political balance on the Council changed following the by election making it necessary to review the overall allocations of main committee places to political groups.

1.2 Following the by election the overall composition of the County Council is:

54	Conservative Group
12	Labour Group
11	Liberal Democrat Group (+1)
04	Green Group
02	Independent Group
01	Non-aligned Member
84	Total

2. Allocations

2.1 The table below shows the 92 main committee places as currently distributed.

Table 1: Committee	Total no. of places	Cons	Lab	Lib Dem	Green	Inde
Planning (Regulatory) Committee	13	8	2	2	1	0
People & Communities Select Committee	13	8	2	2	1	0
Infrastructure & Development Select Committee	13	8	2	1	1	1
Corporate Select Committee	13	9	2	1	1	0
Scrutiny Committee	13	9	1	1	1	1
Health Overview & Scrutiny	8	6	1	1	0	0
Audit and Governance Committee	7	5	1	1	0	0
Pensions Committee	5	3	1	1	0	0
Employment Committee	7	5	1	1	0	0
Number of places allocated to each group based on the political balance.	92	61	13	11	5	2

- 2.2 Based on the changed Council composition shown under 1.2 above, when the proportionality formula is applied the allocation of the 92 main committee places to political groups should be as follows:

Conservative	60
Labour	13
Liberal Democrats	12
Green Group	05
Independent Group	02
TOTAL	92

- 2.3 Table 1 shows that currently the Conservative Group has one place more than its revised entitlement (61 instead of 60). The Liberal Democrat Group has one place fewer than its entitlement. Consequently, one Conservative Group place should be allocated to the Liberal Democrat Group.
- 2.4 The proportionality calculations recommend revised committee place distribution as shown in Table 2 below.

Table 2: Committee	Total no. of places	Cons	Lab	Lib Dem	Green	Inde
Planning (Regulatory) Committee	13	8	2	2	1	0
People & Communities Select Committee	13	8	2	2	1	0
Infrastructure & Development Select Committee	13	8	2	1	1	1
Corporate Select Committee	13	8	2	2	1	0
Scrutiny Committee	13	9	1	1	1	1
Health Overview & Scrutiny	8	6	1	1	0	0
Audit and Governance Committee	7	5	1	1	0	0
Pensions Committee	5	3	1	1	0	0
Employment Committee	7	5	1	1	0	0
Number of places allocated to each group based on the political balance	92	60 -1	13	12 +1	5	2

3. Recommendation

- 3.1 Council is asked to approve the revised allocation of committee places and note that the Conservative Group will give up one place on the Corporate Select Committee to the Liberal Democrat Group.

Pay Policy Statement 2023-24 Revisions

Recommendation from the Chief Executive

1. Pay Policy Statement updates 2023-24

1.1 Under the Localism Act 2011 each Local Authority is required to publish a Pay Policy Statement at the beginning of each financial year. The present statement was approved by Council in March 2023.

1.2 An in-year amendment is required to:

- a) Add reference to the newly created Chief Executive role
- b) Bring Fire and Rescue Service employees in scope (see paragraph 1.3).
- c) Add a reference to Norfolk Schools publishing their own Pay Policies as this is not clear in the existing Statement.
- d) Add a few minor points of clarity.

Fire and Rescue Service

1.3 Fire and Rescue Service employees were previously out of scope of the Pay Policy Statement as their terms and conditions are determined nationally, but the County Council also has in place several locally agreed pay arrangements. These remunerate employees for things like additional requirements to cover work outside normal hours. These arrangements are being documented in an agreed Pay Policy.

1.4 There are no financial or legal implications as a result of these changes.

1.5 RECOMMENDATIONS

The Chief Executive (Head of Paid Service) has reviewed the draft revised statement and recommends the Pay Policy Statement 2023-24 (attached at Appendix A with changes tracked) to Council for approval.

Norfolk County Council

Pay Policy Statement 2023 to 2024

Approved by County Council on 26 September 2023

1. Introduction and Scope

1.1. Norfolk County Council is committed to accountability, transparency, equity and fairness in pay, reward, and remuneration. This Pay Policy Statement outlines the Council's pay and reward policies for 2023-2024. These ensure that pay and reward policies are appropriate for the Council's aims, are appropriate to attract and retain key skills, and are consistently and equitably applied.

1.2. The Pay Policy Statement fulfils the Council's statutory requirements under Chapter 8 of the Localism Act 2011 and will be updated annually.

1.3. The policies referred to in this Statement are relevant to Council employees generally, including Chief Officers. However, the scope of this Statement does not include all pay policies relating to certain categories of employees whose pay arrangements are determined nationally, including:

1.3.1. Firefighters (covered by the National Conditions for Local Authorities' Fire Brigades), except where additional terms and conditions have been set locally, as permitted under the national frameworks.

1.3.2. Teachers (covered by statutory School Teachers' Pay and Conditions)

1.3.3. Employees paid on national pay rates determined by the Soulbury Committee covering Education Improvement Professionals and Educational Psychologists

1.3.4. Employees in Public Health on NHS conditions of employment.

1.4. Maintained schools are not covered by this policy but are separately required to produce an annual pay policy setting out the terms on which the remuneration of their staff is based.

2. Definitions

2.1. The Council defines the total employment package as consisting of both tangible and intangible elements. The pay policy statement focuses on the tangible pay and reward and recognition elements, including salary, allowances, benefits in kind, pension enhancement and payments relating to the ceasing of employment.

2.2. The Council defines "lowest paid employees" as staff paid on the first salary point of the County Council's pay grades for National Joint Council (NJC) for Local Government Services staff, as this is the lowest pay rate generally applied to NCC roles.

2.3. Apprentices are generally paid according to the rate for the job as described in section 6.1, but the Council may in exceptional circumstances employ some apprentices under the national Apprenticeship framework, and people on similar learning programmes who are paid at less than the Council's minimum salary point, in line with the National Minimum Wage (NMW). For instance, if stepping in to host an apprentice when the host business closes until a new provider is located we would continue the existing rate of pay which could be NMW, or for schemes like Kickstart, designed

to give people work experience and funded at NMW rate. The rates from April 2023 are from £5.28 to £10.42 per hour depending on age, (equivalent to £10,187 to £20,103 per annum for a 37 hour week).

3. The Council's Pay and Rewards Strategy

3.1. The Council's overall approach to pay and reward is set out in its Pay and Rewards Strategy. The objectives set out in that document are to:

- Attract and retain people with the skills and talent the County Council needs to deliver excellent services in Norfolk.
- Encourage and reward high levels of contribution, flexibility, innovative ways of working, and relevant skills acquisition through experience and development, by employees at all levels.
- Provide a fair system of reward and recognition for employees.
- Enable the organisation to quickly adapt to changes in priority and deploy resources where they are most needed.

3.2. The Council's pay policies are designed to achieve those objectives within the Principles and Core Standards set out in the strategy. Pay policies, and strategy, are kept under review and updated from time to time as necessary.

4. Governance Arrangements

4.1. The Pay Policy is approved by council and the Officer Employment Procedure Rules provides the delivery mechanism.

4.2. The Officer Employment Procedure Rules of the Council's Constitution provide for designated Senior Officers to take certain delegated decisions in relation to employment matters, within the policy framework approved by Council.

5. Publication of and access to information relating to pay

5.1. The Council publishes information about pay in accordance with statutory requirements, and the guidance of the Information Commissioner's Office and the Department for Levelling Up, Housing and Communities. Information is published on the Council's website and in the Council's Statement of Accounts.

6. Basic Pay Determination

Pay levels for all employees are determined by the following:

6.1. The Council uses the Korn Ferry Job Evaluation Scheme to establish the relative "sizes" of jobs within the organisation. The job evaluation ('JE') process is applied to all jobs in the Council unless the salary rates are determined nationally (eg firefighters, teachers and Soulbury Officers). An evaluation results in an overall job evaluation score, which is used to rank jobs within the organisation. The overall job evaluation score for a job is used to allocate that job to the appropriate pay grade of the Council's grade structure.

The design and standardisation of job descriptions by a “professional” group supports consistency across professions and the organisation. For new or changed roles which would attract Grade P or above, external evaluation specialists may be commissioned to independently review and validate the job evaluation rationale and this will be signed off by the Director for People and aligned to the organisational design across senior posts of the Council. Roles which are defined in Part 10 – Officers Norfolk County Council Constitution are also subject to general oversight by the Employment Committee.

6.2. Appointment

The incremental point an individual will be appointed to within the grade will normally be the minimum of the scale. However, an appointment may be at a higher point within the scale where necessary to appoint the best candidate. In the case of the defined Chief Officers listed within the Constitution, views of Members of the Appointments Panel will inform the decision.

6.3. Pay awards and progression

6.4 The chief executive post is paid a spot salary. The Council applies the pay award agreed by the Joint Negotiating Committee for Chief Executives – national Salary Framework and Conditions of Service Handbook.

6.5 For employees covered by national Fire, Teacher (Centrally Employed), Soulbury and NHS terms and conditions, pay awards and pay progression is based on national standards or terms and conditions. Decisions taken locally are detailed below:

6.6 Employees paid on Norfolk grades are eligible to receive annual incremental increases within the grade structure until they reach the top increment of the grade. There is no further base pay progression once the employee reaches the maximum salary point, or maximum of the grade range, for the role. Incremental progression may be withheld from an individual who has an action plan under the Council’s policy for dealing with unsatisfactory performance. New starters must complete a satisfactory 6-month period before becoming eligible for incremental increases.

6.7. The Council’s pay scale values are subject to annual review. For Norfolk grades from Scale A to Scale S, the Council applies the annual pay award agreed by the National Joint Council for Local Government Services (Green Book).

6.8 For Scales P and above, (deemed Senior Officers) the Council may exceptionally, in addition, review pay levels locally from time to time, having regard to national settlements covering local government and local affordability.

6.9 Under National terms, Brigade Manager roles are subject to a two-track approach for determining levels of pay. In addition to nationally determined pay awards, the Council’s Employment Committee will undertake a further review of salary where this is deemed necessary in order to maintain adequate differentials between Brigade Manager pay and the pay of other Fire and Rescue Service roles, and/or to make sure the County Council can attract to and retain people in senior fire roles. The Employment Committee review will also include a review of the Director of Fire (Chief Fire Officer) pay level.

6.10. General Review Pay levels are set with reference to a number of internal and external factors and market forces. Where a need is identified to review the levels of basic pay at all or some pay grades (for example in the light of sustained recruitment and retention difficulties), the Council will

commission research into market levels. Any decision on changes as a result of this research would be considered by the Employment Committee, taking account of affordability.

7. Additional Pay Determination

7.1. In addition to basic pay, the Council's reward package may include additional pay elements.

7.2. The Council will consider the payment of salary supplements in the event of external market pressures for recruitment and retention. Payments must be based on genuine objective grounds and driven by business requirements and not individual circumstances. Payments must be applied consistently based on sound, recognised and robust pay data in accordance with Equal Pay legislation and the Equalities in Employment Policy. Market supplements are applied, reviewed, and withdrawn in accordance with the Council's Market Pay Supplement policy.

7.3. There will be occasions where, due to the service needs, employees will temporarily be required to undertake work or perform beyond the normal remit of their substantive role (for example, working to a higher-level role or undertaking additional responsibilities). Payment for these extra duties will be made in accordance with the Recognition Payments Policy. All payments are regularly monitored and reviewed as outlined in the policy.

7.4. The County Council's recognition payment scheme, which allows a flat rate payment of up to £1000 in recognition of an exceptional "one-off" contribution or a substantially increased workload, or up to two accelerated increments where the exceptional contribution is sustained, applies to all staff, including Senior Officers. The decision to award a recognition payment to a Senior Officer would be taken by the Executive Director in consultation with the Director for People or designated deputy. Employees on nationally set terms and conditions of employment are not covered by this recognition payment scheme.

7.5. The County Council does not operate a performance pay or bonus scheme outside the incremental grading structure that determines basic pay and, therefore, there are no performance payments paid to employees of the Council.

7.6. Employees that are redeployed, due to redundancy or disability, to a post at a lower grade may be eligible for a redeployment compensation payment in accordance with the Redeployment Policy.

7.7. The Council employs the use of a number of additional allowances and enhancements to reflect and recompense for additional responsibilities, duties and working patterns. The eligibility to these enhancements varies depending upon the nature of the allowance or enhancement. The applicable principles, scope, eligibility, process and rates are detailed in the respective policy documents. These are kept under review and changes, or additional policies would be approved by the Chief Executive and Director for People.

7.8. The Council operates a Car lease Scheme, which provides lease cars to employees on a contributory basis.

8. Termination of Employment

8.1. The Council's policy on redundancy is contained within the Staffing Adjustment Policy, which details the conditions under which redundancy payments can be made. Where an employee is made redundant, severance benefits will be based on the number of weeks in the statutory Redundancy

Pay Table based on actual weekly earnings. Where full time weekly earnings are less than the statutory cap, employees will receive a rate equivalent to the statutory cap per week, pro rata for part time staff.

8.2. Membership of a pension scheme is determined by the relevant conditions of service and is subject to the rules of the specific scheme. The Council operates the Local Government Pension Scheme (LGPS) for most employees within the scope of this statement. Some employees may be members of the Teachers' Pension Scheme (TPS) and the Firefighters' Pension Scheme (FPS).

8.3. The Council's practice for early termination of Local Government Pension Scheme members' employment arrangements (for reasons other than redundancy) are detailed in the Retirement policy and procedure; and any additional discretions under the pensions regulations for the LGPS are detailed in the "Local Government Pension Scheme - NCC's discretion policy".

8.4. Only in very exceptional circumstances and where the business case supports it might the Council agree to any arrangements in relation to termination of employment outside those referred to above, to avoid or settle a legal claim and reduce risk of costs. In these exceptional circumstances, the Director of Legal Services (Monitoring Officer), Director of Strategic Finance and Director for People will sign off any arrangements.

8.5. The Council's policy on the employment of people retired on redundancy grounds from Norfolk County Council, or on ill-health or efficiency grounds from any local authority employment, is that any such case must show clear organisational and financial benefits to the Authority. Each case must be considered by the Director for People. The remuneration on employment would be determined in the same way as for any other appointment.

8.6 Decisions on discretionary elements of the FPS are made by the Scheme Manager (Director of Norfolk Fire and Rescue), including those relating to initiated early retirement.

8.6. Where severance payments costing the County Council £100,000 or more are due, (including pension strain costs) these will be approved by the Chief Executive in consultation with the Leader and the Employment Committee will be advised. In addition, any statutory requirements for additional levels of authorisation will be followed.

9. Remuneration of staff on a Contract for Services

9.1. In common with any large organisation in the public or private sector, from time to time and on a temporary basis the Council needs to use interim staff who are not directly employed. In such cases, the Council would not incur the costs of pension contributions, annual leave or sick pay.

9.2. This happens where we have a short term need for particular skills or where we are experiencing recruitment and retention difficulties. When we use interim staff, they are usually sourced through specialist agencies.

9.3. In line with the Agency Workers Directive, the Council will aim to pay staff on a Contract for Services at a rate consistent with the pay and reward of the Council's directly employed staff performing a role of comparable responsibility. However, as with the employed workforce the Council retains the discretion to consider market factors in determining the appropriate pay level, whilst demonstrating value for money for the remuneration offered.

9.4. The Council's guidance on temporary and agency workers outlines the actions required when there is a requirement for interims or consultants. This confirms the threshold at which a business case will need to be submitted for Chief Officer approval and Member endorsement, prior to any contractual commitment.

9.5. Workers employed directly by the Council will be assessed to establish whether they fall within scope of the IR35 legislation using the HMRC employment status tool. Workers that fall within scope will have Income Tax and National Insurance contributions deducted and paid over to HMRC.

10. Fairness in pay

10.1. As already stated, the Council recognises the importance of fairness in pay and utilises the following approaches to maintain this:

10.1.1. the Council's pay and reward policies are applied equally to all employees, except where there are good reasons reflecting genuine factors which apply only to certain employee categories.

10.1.2. the Council's Employment Committee is responsible for setting the pay and conditions policies of all employees within the scope of this statement.

10.1.3. the Council involves the workforce and recognised trades unions in any proposals to change pay and rewards policies and practices. Regular consultation and negotiation take place on all employment matters, including pay and reward; Local collective agreements are in place which set out locally determined arrangements which differ to the nationally negotiated National Joint Council for Local Government Services "Green Book", or other nationally negotiated arrangements.

10.1.4. all categories of employees are covered by recognised trade unions.

10.1.5. the Council's approach to publishing information on pay is set out in paragraph 5.1 to ensure that pay policies are open to scrutiny.

10.2. The current ratio of the highest paid Officer's pay to the median pay in the organisation is published as set out in paragraph 5.1.

11. Review

The Pay Policy Statement this year is reviewed by the Chief Executive (Head of Paid Service) and is recommended to Full Council for approval. The statement for 2023-2024 was submitted to Full Council for approval in March 2023.

Policies and procedures referred to in this document are available on request. For queries contact hrstrategy@norfolk.gov.uk.

County Council

Item No: 19

Report Title: Amendment to the Annual Investment and Treasury Management Strategy 2023-24

Date of Meeting: 26 September 2023

Responsible Cabinet Member: Cllr Andrew Jamieson (Deputy Leader and Cabinet Member for Finance)

Responsible Director: Harvey Bullen, Director of Strategic Finance

Executive Summary

This report sets out details of a proposal to amend the Treasury Management and Investment Strategy for 2023-24 to increase the treasury management investment limit for the Norse Group.

The Treasury Management and Investment Strategy for 2023-24 forms part of the Council's Policy Framework and this amendment therefore has been considered by Cabinet (4 September) and by Scrutiny Committee (20 September) to provide advice and recommendations to Full Council. Any comments from Scrutiny Committee were not available at the time of publishing this report and will therefore be provided to follow.

Recommendations

To:

1. Approve the amendment to the Annual Investment and Treasury Management Strategy 2023-24 (as appended) to increase the treasury management investment limit for Norse Group to £25.000m in order to maintain the existing level of cash flow facility available to the company.

1. Background and Purpose

- 1.1. This report proposes an amendment to the [Annual Investment and Treasury Management Strategy 2023-24 as adopted by the Full Council in February 2023](#). As a policy framework item, any refresh or revision to the strategy would require both further Full Council approval, as well as a pre-scrutiny process held in accordance with the procedures and guidance set out in part 11b of the NCC Constitution.

- 1.2. Due to the technical nature of the proposed change, and the required timescale for decision-making in this instance, at its meeting of 4 September 2023, Cabinet has approved a governance route as set out below:

Date	Meeting
Monday 4 th September	Cabinet – endorsement of proposed amendments to the Annual Investment and Treasury Management Strategy 2023-24, and referral to Full Council via the Scrutiny Committee
Wednesday 20 th September	Scrutiny Committee – scrutiny of proposed amendments, with the committee receiving a full draft of the updated Investment and Treasury Management Strategy 2023-24, alongside a covering paper outlining key changes and associated implications.
Tuesday 26 th September	Full Council – the revised strategy to be put to Full Council for debate and approval. Full Council will also receive a report from the Scrutiny Committee detailing discussions and associated recommendations.

2. Proposal

- 2.1. The proposal is to amend the Annual Investment and Treasury Management Strategy 2023-24 (as appended) to increase the treasury management investment limit for Norse Group to £25.000m in order to maintain the existing level of cash flow facility available to the company.
- 2.2. In accordance with the recommendation to Full Council made by Cabinet on 4 September 2023, and subject to any comments by Scrutiny Committee on 20 September 2023, Full Council is asked to approve the following policy framework amendment, which requires Full Council approval and pre-scrutiny process as set out within this report. This recommendation proposes to increase the Treasury Management Investment counterparty limit for the Norse Group to £25.000m (from £15.000m). This revised limit is forecast to provide adequate headroom for the Group's short-term working capital requirements. This recommendation will change Appendix 4 of the Annual Investment and Treasury Management Strategy for 2023-24 as set out below:

Revised Appendix 4: Time and monetary limits applying to investments

The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

COUNTERPARTY	NCC LENDING LIMIT (£m)	OTHER BODIES LENDING LIMIT	TIME LIMIT
UK Banks	£60m	£30m	Up to 3 Years (see notes below)
Non-UK Banks	£30m	£20m	1 Year
Royal Bank of Scotland / Nat. West. Group	£60m	£30m	2 Years
Building Societies	£30m	£20m	1 Year
MMFs – CNAV	£60m (per Fund)	£30m (per Fund)	Instant Access
MMFs – LNVAV			Instant Access
MMFs – VNAV			Instant Access
Debt Management Account Deposit Facility	Unlimited	Unlimited	6 Months (being max period available)
Sterling Treasury Bills	Unlimited	Unlimited	6 Months (being max period available)
Local Authorities	Unlimited (individual authority limit)	Unlimited (individual authority limit £10m)	3 Years
The Norse Group	£25m [previously £15m]	Nil	1 Year
Hethel Innovation Limited	£1.25m	Nil	1 Year
Repton Property Developments Limited	£1.0m	Nil	1 Year
Independence Matters CIC	£1.0m	Nil	1 Year
Property Funds	£10m in total	Nil	Not fixed
Ultra short dated bond funds	£5m in total	Nil	3 years
Corporate bonds	£5m in total	Nil	3 years
Corporate bond funds	£5m in total	Nil	3 years
UK Government Gilts / Gilt Funds	£5m in total	Nil	3 years

2.3. The full updated Annual Investment and Treasury Management Policy 2023-24 is appended to this report and includes the notes to the table above (which are unchanged from the version approved by Full Council in February 2023).

3. Impact of the Proposal

- 3.1. Norfolk County Council has lending and cash flow facility arrangements in place with the Norse Group, including a short term lending facility as part of the Council's overall [Annual Investment and Treasury Strategy 2023-24 approved as part of 2023-24 budget-setting by Full Council in February 2023.](#)
- 3.2. Within the Annual Investment and Treasury Management Strategy 2023-24, there is a treasury investments counterparty list setting out the time and monetary limits which the Council applies to its treasury investments. This Policy Framework item includes a Treasury Management Monetary Limit of £15.000m and a time limit of 1 year for the Norse Group. Historically, this has only been called upon for short term purposes to support the Group's overall cash flow position. As a result of the increased cashflow demands within the group, as set out below, a recommendation is being proposed to increase the Norse Group treasury management investment limit to £25.000m. This revised limit is forecast to provide adequate headroom for the Norse Group's short-term borrowing and working capital requirements.

4. Evidence and Reasons for Decision

- 4.1. Norse Group is a wholly owned subsidiary of Norfolk County Council.
- 4.2. In December 2015, the County Council provided Norse Energy with a £10.000m capital loan, following a recommendation by Policy and Resources Committee 30 November 2015. The £10.000m seven-year capital loan was repaid in December 2022, at which point it was refinanced in accordance with the Annual Investment and Treasury Strategy 2022-23, in the form of a 12-month fixed term investment deposit (until December 2023).
- 4.3. The impact of this refinancing has been to convert the previous capital loan into a treasury management fixed deposit, which counts against the Norse Group's treasury management limit, effectively reducing the available cash flow facility to £5.000m. In order to maintain the Norse Group headroom at the previous level of £15.000m, it is therefore proposed that Full Council (following the recommendations from Cabinet 4 September 2023 and subject to any comments from Scrutiny Committee 20 September 2023) approve an amendment to the Annual Investment and Treasury Management Strategy for 2023-24 to increase the Norse Group Treasury Management Investment limit to £25.000m. This revised limit is forecast to provide adequate headroom for the Group's short term working capital requirements.
- 4.4. As noted above, the Norse Group generally only uses this working capital facility occasionally, and for short term borrowing. This reflects the Group's cash flow requirements and in particular is driven by the uneven timing of receipts from 3rd party customers (predominantly other local authorities).

Excluding the £10m 12-month fixed term investment, the Norse Group has used the facility on 10 occasions since January 2022 with the following characteristics:

Average value	£2,575,000
Average % interest rate	6.15%
Average duration	15.4 days

4.5. The Norse Group Short Term Working Capital Facility specifies a Bank of England Base plus 2.6% interest rate for Treasury Management (cash flow) borrowing. This ensures a market comparable rate of return for the County Council on the provision of this facility to the Norse Group. The current facility draw down totals £12.750m and has earned £0.41m interest receivable in 2023-24.

5. Alternative Options

5.1. None identified.

6. Financial Implications

6.1. As set out within the report. The proposed amendment to the limits within the Annual Investment and Treasury Management Strategy 2023-24 ensure that there is adequate headroom for the Norse Group's short term working capital requirements, which is appropriate for the size of the Group and its turnover.

6.2. Once the revised Treasury Management Limit is established, it is proposed that a further review of the Norse Group's overall funding requirements, including the treasury management and capital loan limits, should be undertaken by the Director of Strategic Finance as part of the Council's ongoing governance of its largest company. Any further changes required as a result will be reported to Cabinet within the capital programme and Annual Investment and Treasury Management Policy as part of the annual budget-setting process for 2024-25.

7. Resource Implications

7.1. **Staff:** None identified.

7.2. **Property:** None identified.

7.3. **IT:** None identified.

8. Other Implications

8.1. Legal Implications: None identified.

8.2. Human Rights Implications: None identified.

8.3. Equality Impact Assessment (EqIA) (this must be included): None identified.

8.4. Data Protection Impact Assessments (DPIA): None identified.

8.5. Health and Safety implications (where appropriate): None identified.

8.6. Sustainability implications (where appropriate): None identified.

8.7. Any Other Implications: None identified.

9. Risk Implications / Assessment

9.1. Risks are as set out in the report and the Finance Monitoring Report 2023-24 P4: July 2023 to Cabinet in September 2023.

10. Scrutiny Committee Comments

10.1 Scrutiny Committee comments to follow at Appendix 2

11. Recommendations

To:

1. Approve the amendment to the Annual Investment and Treasury Management Strategy 2023-24 (as appended) to increase the treasury management investment limit for Norse Group to £25.000m in order to maintain the existing level of cash flow facility available to the company.

12. Background Papers

- 12.1. [Finance Monitoring Report 2023-24 P4: July 2023](#), Agenda Item 12, Cabinet, 4 September 2023

Officer Contact

If you have any questions about matters contained within 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.

Treasury Management Strategy

including
Minimum Revenue Provision Policy Statement and
Annual Investment Strategy

2023-24

Note: Appendix 4 in this report has been amended to reflect the proposed change to the Counterparty Treasury Management Limits for Norse Group

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1 Introduction

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

1.2 Reporting requirements

1.2.1 Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability.

The aim of the Capital Strategy is to ensure that all elected members understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

The Capital Strategy is reported separately from this Treasury Management Strategy Statement. Non-treasury investments including loans to companies are reported through the Capital Strategy and Finance Monitoring Report, with summary information included in Treasury Management reports. This is to ensure separation of the core treasury function under security, liquidity and yield principles, and other investments, including loans to subsidiary and other companies which are usually driven by expenditure on assets for service delivery and related purposes.

Depending on the nature of any particular project, the capital strategy will cover:

- Strategic context
- Corporate priorities
- Capital investment ambition
- Available resources
- Affordability
- Capacity to deliver
- Risk appetite
- Risk management; and
- Determining the appropriate split between non-financial and treasury management investment, in the context of ensuring the long-term financial sustainability of the authority

Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the DLUHC Investment Guidance and CIPFA Prudential Code have not been adhered to.

Norfolk County Council does not hold any non-treasury and/or non-financial investments which are designed purely to generate a financial return: all non-treasury investments, for, example loans to subsidiaries and companies for Norfolk based projects and/or to support subsidiary companies fund their capital investment plans, and all have been approved as part of the capital strategy and programme.

To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown in this report.

1.2.2 Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals:

- a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
 - the capital plans (including prudential indicators);
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
 - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an Annual Investment Strategy, (the parameters on how investments are to be managed).
- b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition the Council will receive quarterly update reports.
- c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Council's Treasury Management Panel and Cabinet.

Quarterly reports – In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council/Board but do require to be adequately scrutinised. This role is undertaken by the Cabinet.

Scheme of Delegation

A summary of the Treasury Management Scheme of Delegation is at Appendix 8, with the Treasury Management role of the Section 151 Officer at Appendix 9.

1.3 Treasury Management Strategy for 2023-24

The strategy covers two main areas:

Capital issues

- capital expenditure plans and the associated prudential indicators;
- minimum revenue provision (MRP) policy (paragraph 2.4 and Appendix 1).

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training has been provided to members at the December 2022 Treasury Management Panel, and further training will be arranged as required.

In accordance with the CIPFA Code, the Council

- records and monitors attendance at Link training webinars
- prepares tailored learning plans for treasury management officers and board/council members where necessary.
- requires treasury management officers and board/council members to undertake self-assessment against the required competencies using the CIPFA “Assessment of Effective Scrutiny” self assessment tool 2022
- has regular communication with officers and board/council members through the Treasury Management Panel, encouraging them to highlight training needs on an ongoing basis.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function and members of the Treasury Management Panel will be maintained by the Treasury and Banking Accountant.

1.5 Treasury management consultants

The Council uses Link Group, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. Through a competitive tender in 2019, the Council has ensured that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subject to regular review.

2 The Capital Prudential Indicators 2023-24 – 2025-26

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

Members are asked to approve the capital expenditure forecasts:

Capital expenditure £m	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Services	241.536	249.139	342.254	231.134	211.196
Capital loans to group and other companies	11.178	4.000	8.800	1.800	0.000
Infrastructure loans to third parties	2.155	0.000	0.000	0.000	0.000
Total	254.869	253.139	351.054	232.934	211.196

Other long-term liabilities - The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding/borrowing need.

Financing of capital expenditure £m	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Capital grants	131.832	178.013	153.217	106.943	140.268
Revenue and reserves	2.840	0.199			
Capital receipts	8.993	24.000	20.000	10.000	10.000
Prudential borrowing	111.204	50.927	177.837	115.991	60.928
Capital programme	254.869	253.139	351.054	232.934	211.196
Estimated slippage			(100.000)	(55.000)	(30.000)
Cumulative slippage	0.000	0.000	(100.000)	(155.000)	(185.000)
New borrowing requirement after slippage	111.204	50.927	77.837	60.991	30.928
Net financing need for the year	254.869	253.139	251.054	177.934	181.196

Slippage has been incorporated into the calculations in line with historic patterns of capital spend and the Q3 Capital Programme Review undertaken by the Capital Review Board. Although members approve capital programmes based on annual expenditure, it is not uncommon for projects to be delayed due to, for example, planning issues. In addition, where grants become available, these will be used ahead of borrowing to fund projects.

To better reflect actual likely expenditure, and to help avoid the risk of borrowing in advance of need, an adjustment for slippage has been incorporated into the calculations shown in this strategy.

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure shown in paragraph 2.1 above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £43.6m of such schemes within the CFR.

The Council is asked to approve the CFR projections below:

£m	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Opening CFR	887.047	969.763	987.695	1,029.268	1,051.161
Other Financing Adjustments	(0.042)				
Net financing need for the year (above)	111.204	50.927	77.837	60.991	30.928
Less MRP and other financing movements	(28.446)	(32.995)	(36.264)	(39.098)	(40.677)
Movement in CFR	82.716	17.932	41.573	21.893	(9.749)
Closing CFR	969.763	987.695	1,029.268	1,051.161	1,041.412

A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the authority's overall financial position.

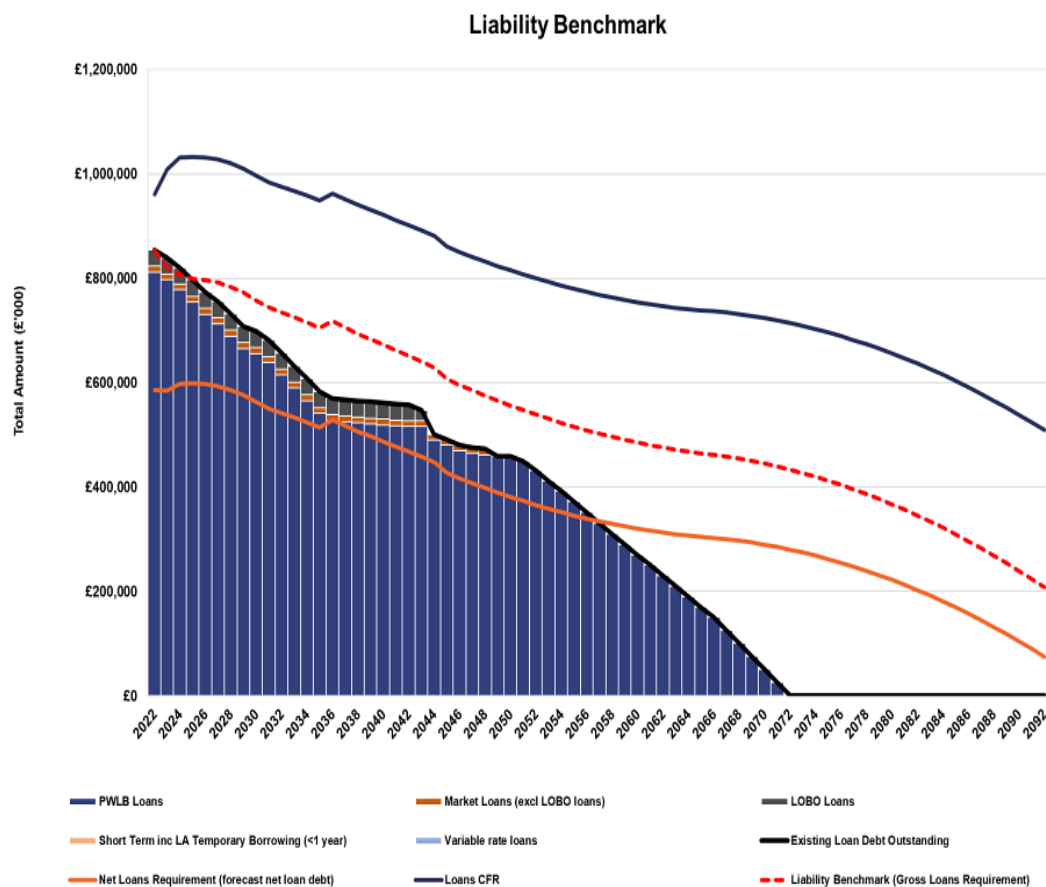
The capital expenditure figures shown in 2.1 and the details above demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Authority's remaining activity.

In line with the Capital Strategy, the external borrowing requirement planned in conformance with the new DLUHC requirements for applying for certainty rate borrowing from the PWLB is:

External borrowing £m	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Service spend	97.871	46.927	69.037	59.191	30.928
Housing	11.178	4.000	8.800	1.800	0.000
Regeneration	2.155	0.000	0.000	0.000	0.000
Preventative action					
Treasury Management					
TOTAL	111.204	50.927	77.837	60.991	30.928

2.3 Liability Benchmark

A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.



There are four components to the LB: -

1. **Existing loan debt outstanding**: the Authority's existing loans that are still outstanding in future years.
2. **Loans CFR**: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement**: this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

2.4 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the

year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources £m	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Opening investments	210.940	267.973	241.039	218.203	202.212
Net (use) of reserves, capital grants, working capital etc.	58.237	(26.007)	(10.000)	(5.000)	(5.000)
Capital expenditure funded through prudential borrowing	(111.204)	(50.927)	(77.837)	(60.991)	(30.928)
New Borrowing	110.000	50.000	65.000	50.000	20.000
Closing investments	267.973	241.039	218.203	202.212	186.283

2.5 Minimum revenue provision (MRP) policy statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP). It is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

DLUHC regulations have been issued which require the full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision.

For expenditure incurred before 1 April 2008 which forms part of supported capital expenditure, the MRP policy will be:

- **4% reducing balance (CFR method)** – MRP will be calculated as 4% of the opening GF CFR balance;

From 1 April 2008 for all unsupported borrowing the MRP policy will be:

- **Asset life method (straight line)** – MRP will be based on the estimated life of the assets;

Capital expenditure incurred during 2022/23 will not be subject to an MRP charge until 2023/24, or in the year after the asset becomes operational

The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

MRP in respect of assets acquired under Finance Leases or PFI will be charged at an amount equal to the principal element of the annual repayment;

For capital expenditure on loans to third parties where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan.

MRP Overpayments - Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

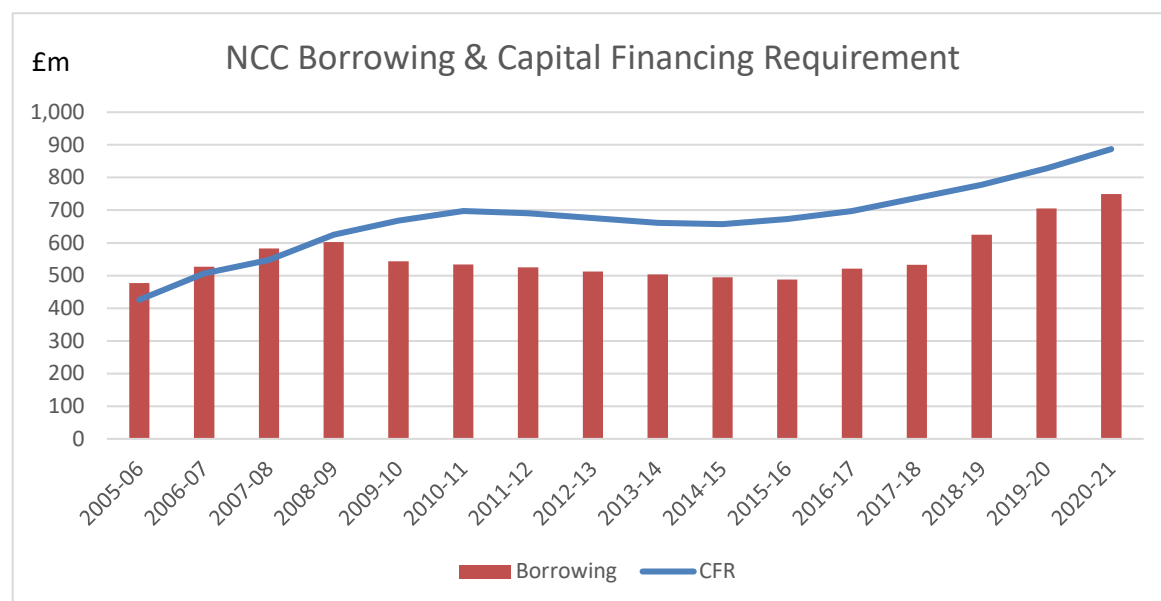
Cumulative VRP overpayments made to date are £1.173m.

The Council's MRP Statement has been updated after having regard to the MRP Guidance and takes into account the addition of right-of-use assets which will result from the impact of IFRS16 which will affect the Council's accounts in 2023-24.

3 Borrowing

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

The table below summarises the Council's historic capital financing requirement and borrowing:



3.1 Current portfolio position

The overall treasury management portfolio as at 31 March 2022 and for 30 November 2022 is shown below for both borrowing and investments.

	31 March 2022	30 November 2022
Treasury Investments		
Banks	230.0	205.0
Local authorities	0.1	0.2
Money Market funds	37.5	94.1
	267.6	299.3
Treasury external borrowing		
PWLB	811.9	804.2
Commercial (including LOBOs)	42.3	42.3
	854.2	846.5
Net-treasury borrowing	586.6	547.2

Note: the 31 March column above is reconciled to the Council's Statement of Accounts by adjusting for uncleared BACS payments on balances, and accrued interest on loans.

At the end of November 2022 the bank deposits were with Barclays, Natwest, Close

Brothers, Goldmans Sachs, Australia New Zealand Bank, Toronto-Dominion Bank, DBS Bank and Landesbank Baden-Wuerttemberg and the Money Market Funds with Aberdeen, Federated and Aviva. At 30 November there is £120m invested in non-uk banks.

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£m	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Debt at 1 April	749.274	854.243	888.917	935.045	961.626
Expected change in Debt - repayments	(5.031)	(15.326)	(18.872)	(23.419)	(23.466)
Expected change in Debt – new borrowing	110.000	50.000	65.000	50.000	20.000
Debt at 31 March	854.243	888.917	935.045	961.626	958.160
Other long-term liabilities (OLTL) 1 April	48.170	46.962	43.601	40.073	36.212
Expected change in OLTL	(1.208)	(3.361)	(3.528)	(3.861)	(4.181)
OLTL forecast	46.962	43.601	40.073	36.212	32.031
Gross debt at 31 March	901.205	932.518	975.118	997.838	990.191
The Capital Financing Requirement	969.763	987.695	1,029.268	1,051.161	1,041.412
Under / (over) borrowing	68.558	55.177	54.150	53.323	51.221

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022-23 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Executive Director of Finance and Commercial Services reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: limits to borrowing activity

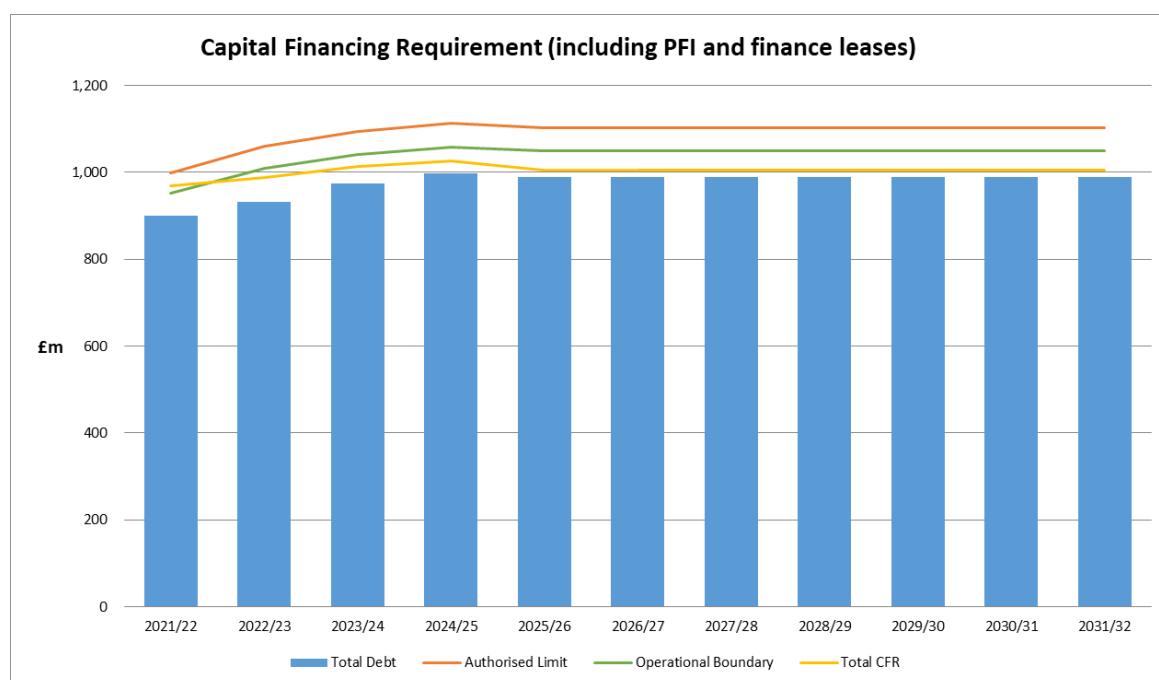
The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary £m	2021-22 Target	2022-23 Target	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Debt	905.340	964.195	989.195	1,014.949	1,009.381
Other long-term liabilities	45.965	44.476	40.073	36.212	32.031
Total CFR	951.305	1008.671	1,029.268	1,051.161	1,041.412

The authorised limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which reflects the total approved capital expenditure, plus an allowance for schemes which may be approved in-year:

1. This is the statutory limit determined under section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

Authorised limit £m	2021-22 Target	2022-23 Target	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Debt	950.607	1012.405	1,038.654	1,065.696	1,059.850
Other long-term liabilities	48.263	48.923	44.080	39.833	35.234
Total	998.870	1,061.328	1,082.735	1,105.529	1,095.084



3.3 Prospects for interest rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 8th November 2022. These are forecasts for certainty rates, gilt yields plus 80 bps:

Link Group Interest Rate View	08.11.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.30	4.30	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.50	4.50	4.40	4.30	4.20	4.00	3.90	3.70	3.60	3.50	3.40	3.30	3.20
25 yr PWLB	4.70	4.70	4.60	4.50	4.40	4.30	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.40	3.30	3.20	3.20

Additional notes by Link on this forecast table: -

- The Link forecast reflects a view that the MPC will be keen to demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened throughout 2022, but the new Government's policy of emphasising fiscal rectitude will probably mean Bank Rate does not now need to increase to further than 4.5%.
- Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures have lessened – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- The CPI measure of inflation will peak at close to 11% in Q4 2022. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market. Wage increases, excluding bonuses, are currently running at 5.7%.
- Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started but will focus on the short to medium end of the curve for the present. This approach will prevent any further disruption to the longer end of the curve following on from the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy.

In the upcoming months, Link's forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine and the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

Yield curve movements have become less volatile under the Sunak/Hunt government. PWLB 5 to 50 years Certainty Rates are, generally, in the range of 3.75% to 4.50%. The medium to longer part of the yield curve is currently inverted (yields are lower at the longer end of the yield curve compared to the short to medium end).

Link views the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook but markets are volatile and further whipsawing of gilt yields across the whole spectrum of the curve is possible.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is to the downside. Indeed, the Bank of England projected two years of negative growth in their November Quarterly Monetary Policy Report.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).
- **The Bank of England** acts too quickly, or too far, over the next two years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates an even more rapid series of increases in Bank Rate faster than we currently expect.
- **The Government** acts too slowly to increase taxes and/or cut expenditure to balance the public finances, in the light of the cost-of-living squeeze.
- **The pound weakens** because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term **US treasury yields** rise strongly, if inflation numbers disappoint on the upside, and pull gilt yields up higher than currently forecast.

Borrowing advice: Link's long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are now above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

Link suggested budgeted earnings rates for investments up to about three months' duration in each financial year are as follows: -

Average earnings in each year	
2022/23 (remainder)	3.95%
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%
Years 6 to 10	2.80%
Years 10+	2.80%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

3.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate increases over the remainder of 2022 and the first half of 2023.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Executive Director of Finance and Commercial Services will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

3.5 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Debt rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a very large difference between premature redemption rates and new borrowing rates.

If rescheduling is to be undertaken, it will be reported to the Cabinet at the earliest meeting following its action.

The portfolio will continue to be kept under review for opportunities and if circumstances change, any rescheduling will be reported to Cabinet at the earliest opportunity.

3.7 New Financial Institutions as a Source of Borrowing and Types of Borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

3.8 Approved Sources of Long and Short-term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
UK Municipal Bond Agency	●	●
Local Authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance Companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock Issues	●	●
Local Temporary	●	●
Local Bonds	●	
Local Authority Bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance Leases	●	●

4 Annual investment strategy

4.1 Investment policy – management of risk

The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This section deals solely with treasury (financial) investments as managed by the treasury management team. Non-financial investments, essentially loans made for capital purposes, are covered in the Capital Strategy.

The Council's investment policy has regard to the following: -

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Council's investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite.

In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions.

The above guidance from the DLUHC and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings. A comparative analysis of ratings from different agencies is shown as Appendix 2, and an indicative list of approved counterparties as Appendix 3.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "**credit default swaps**" and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use including 'specified' and 'non-specified' investments.
 - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally, they were classified as being non-specified investments solely due to the maturity period exceeding one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
5. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in Appendix 4.
6. **Transaction limits** are set for each type of investment in 4.2.
7. This authority will set a limit for its investments which are invested for **longer than 365 days**, (see paragraph 4.4).
8. The Council will only use non-UK banks from countries with a minimum sovereign rating of AA+ (Appendix 7). The **sovereign rating of AA+** must be assigned by one of the three credit rating agencies. No more than £30m will be placed with any individual non-UK country at any time.
9. This authority has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
10. All cash invested by the County Council will be either Sterling or Euro deposits (including Sterling certificates of deposit) or Sterling Treasury Bills invested with banks and other institutions in accordance with the Approved Authorised Counterparty List. The inclusion of Euro deposits enables the County Council to effectively manage (subject to European Central Bank deposit rates) Euro cash balances held for schemes such as the France-Channel-England Project.
11. As a result of the change in accounting standards for 2022-23 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund.
12. In November 2018, the Ministry of Housing, Communities and Local Government ("MHCLG"), concluded a consultation for a temporary IFRS9 override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years to 31 March 2023. At the time of writing the Council has no pooled investments of this kind.

This authority will pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year.

The above criteria are *unchanged* from last year.

4.2 Creditworthiness policy

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Executive Director of Finance and Commercial Services will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Link Group, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur, and this information is considered before dealing. For instance, a negative rating Watch applying to counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

The criteria for providing a pool of high-quality investment counterparties, (both specified and non-specified investments) is:

- **Banks:**
 - (i) **UK Banks** requires both the short and long-term ratings issued by at least one of the three rating agencies (Fitch, S&P or Moody's) to remain at or above the minimum credit rating criteria.

UK Banks	Fitch	Standard & Poors	Moody's
Short Term Ratings	F1	A-1	P-1
Long Term Ratings	A-	A-	A3

- (ii) **Non-UK Banks** requires both the short and long term ratings issued by at least one of the three rating agencies (Fitch, S&P or Moody's) to remain at or above the minimum credit rating criteria and a sovereign rating of AA+ assigned by one of the three credit rating agencies.

Non-UK Banks	Fitch	Standard & Poors	Moody's
Short Term Ratings	F1+	A-1+	P-1
Long Term Ratings	AA-	AA-	Aa3

- **Part Nationalised UK Bank:** Royal Bank of Scotland Group. This bank is included while it continues to be part nationalised or it meets the ratings for UK Banks above.
- **The County Council's Corporate Banker:** if the rating for the Council's corporate banker (currently Barclays) falls below the above criteria, sufficient balances will be retained to fulfil transactional requirements. Other than this, balances will be minimised in both monetary size and time invested.
- **Building Societies:** The County Council will use Building Societies which meet the ratings for UK Banks outlined above.
- **Money Market Funds (MMFs):** which are rated AAA by at least two of the three major rating agencies. MMF's are 'pooled funds' investing in high-quality, high-liquidity, short-term securities such as treasury bills, repurchase agreements and certificate of deposits. Funds offer a high degree of counterparty diversification that include both UK and Overseas Banks. Following money market reforms, MMFs will be allocated to sub-categories (CNAV, LNAV and VNAV) to meet more stringent liquidity regulations. However, the Council will continue to apply the same minimum rating criteria.
- **UK Government:** including the Debt Management Account Deposit Facility & Sterling Treasury Bills. Sterling Treasury Bills are short-term (up to six months) 'paper' issued by the UK Government. In the same way that the Government issues Gilts to meet long term funding requirements, Treasury Bills are used by Government to meet short term revenue obligations. They have the security of being issued by the UK Government.
- **Local Authorities, Parish Councils etc.:** Includes those in England and Wales (as defined in Section 23 of the Local Government Act 2003) or a similar body in Scotland or Northern Ireland.

- **Wholly owned companies: The Norse Group, Hethel Innovation Limited and Repton Property Developments Limited, Independence Matters CIC:** short-term loan arrangements made in accordance with approved service level agreements and the monetary and duration limits detailed below in Appendix 4.
- **Property funds (where not classed as capital expenditure):** these are long term, and relatively illiquid funds, expected to yield both rental income and capital gains. The use of certain property funds can be deemed capital expenditure, and as such would be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using. Appropriate due diligence will also be undertaken before investment of this type is undertaken.
- **Ultra-Short Dated Bond Funds** will use funds that are AAA rated and only after due diligence has been undertaken.
- **Corporate Bonds:** These are bonds issued by companies to raise long term funding other than via issuing equity. Investing in corporate bonds offers a fixed stream of income, paid at half yearly intervals. Appropriate due diligence will also be undertaken before investment of this type is undertaken.
- **Corporate bond funds:** Pooled funds investing in a diversified portfolio of corporate bonds, so provide an alternative to investing directly in individual corporate bonds. Minimum long-term rating of A- to be used consistent with criteria for UK banks. Appropriate due diligence will also be undertaken before investment of this type is undertaken.
- **UK Government Gilt funds:** A gilt is a UK Government liability in sterling, issued by HM Treasury and listed on the London Stock Exchange. They can be either “conventional” or index linked. Using a fund can mitigate some of the risk of potential large movements in value.

Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

Time and monetary limits applying to investments. The time and monetary limits for institutions on the Council's counterparty list are set out in Appendix 4. The proposed criteria for specified and non-specified investments are shown in Appendix 6.

Creditworthiness

Significant levels of downgrades to short- and long-term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the

wake of the Truss/Kwarteng unfunded tax-cuts policy. Although the Sunak/Hunt government has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

CDS prices

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link-provided Passport portal..

4.3 Other limits

Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

- a) **Non-specified investment limit.** The Council has set limits for non-specified investments in accordance with the criteria set out in Appendix 6. For example, they are bound by the limits for investments set out in Appendix 4 and the upper limit for principal sums invested for longer than 365 days shown in paragraph 4.4. This ensures that non-specified investments are only made within appropriate quality and monetary limits.
- b) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA+.
- c) **Other limits.** In addition:
 - no more than £30m will be placed with any non-UK country at any time;
 - limits in place above will apply to a group of companies.

4.4 Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

Investment returns expectations.

The current forecast shown in paragraph 3.3 includes a forecast for Bank Rate to reach 4.5% in Q2 2023.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

Average earnings in each year	Previously	Now
2022/23	0.50%	3.95%
2023/24	0.75%	4.40%
2024/25	1.00%	3.30%
2025/26	1.25%	2.60%
2026/27	2.00%	2.50%
Years 6 to 10	2.00%	2.80%
Years 10+	2.00%	2.80%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit:

Upper limit for principal sums invested for longer than 365 days			
£m	2023/24	2024/25	2025/26
Principal sums invested for longer than 365 days	£100m	£100m	£100m
Current investments >365 days as at 31 December 2022	£0m	£0m	-

4.5 Investment risk benchmarking

This Authority will use an investment benchmark to assess the investment performance of its investment portfolio of overnight, 7 day, 1, 3, 6 or 12 month compounded / SONIA.

4.6 Non-treasury investments

Although this section of the report does not specifically cover non-treasury investments, a summary of non-treasury loans is included at Appendix 10. This appendix shows that the impact of these loans on the Council's revenue budget is not material in comparison to its turnover.

4.7 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Outturn Report.

5 Appendices

Appendix 1 - Minimum Revenue Provision Statement

Appendix 2 - Ratings comparative analysis

Appendix 3 - Indicative List of Approved Counterparties for Lending

Appendix 4: Time and monetary limits applying to investments

Appendix 5: The Capital and Treasury Prudential Indicators

Appendix 6: Credit and counterparty risk management

Appendix 7: Approved Countries for Investments

Appendix 8: Treasury Management Scheme of Delegation

Appendix 9: The Treasury Management Role of the Section 151 Officer

Appendix 10: Non-treasury investments

Appendix 1 - Minimum Revenue Provision Statement 2023-24

- A1 Regulations issued by the Department of Communities and Local Government in 2008 require the Council to approve a Minimum Revenue Provision (MRP) statement in advance of each year.
- A2 Members are asked to approve the MRP statement annually to confirm that the means by which the Council plans to provide for repayment of debt are satisfactory. Any revisions to the original statement must also be issued. Proposals to vary the terms of the original statement during the year should also be approved.
- A3 MRP is the provision made in the Council's revenue budget for the repayment of borrowing used to fund capital expenditure - the Council has a statutory duty to determine an amount of MRP which it considers to be prudent, having regard to guidance issued by the Secretary of State.
- A4 In 2023-24:
- For capital expenditure incurred before 1 April 2007 which is supported by Formula Grant (supported borrowing), the MRP policy will be to provide the amount to set aside calculated in equal instalments over 50 years.
 - For all capital expenditure since that date which is supported by Formula Grant (supported borrowing), the MRP policy will be to provide the amount to set aside calculated in equal instalments over 50 years from the year set aside is first due.
 - In calculating the amounts on which set aside is to be made pre 1 April 2007 Adjustment A will be applied.
 - Any charges made over the statutory minimum revenue provision, voluntary revenue provision or overpayments can, if needed, be reclaimed in future years if deemed necessary or prudent, and cumulative overpayments disclosed. At 31 March 2021 the cumulative amount over-provided was £3.26m. The over-provision was fully released in 2021-22.
 - For expenditure since 1 April 2008, the MRP policy for schemes funded through borrowing will be to base the minimum provision on the estimated life of the assets in accordance with the guidance issued by the Secretary of State.
 - Re-payments included in annual PFI and finance lease/right of use asset arrangements are applied as MRP.
 - Having identified the total amount to be set aside for previously unfunded capital expenditure the Council will then decide how much of that to fund from capital receipts with the residual amount being the MRP for that year.
- A5 Where loans are made to third parties for capital purposes, the capital receipt received as a result of each repayment of principal, under the terms of the loan, will be set aside in order to re-pay NCC borrowing and to reduce the Capital Financing Requirement accordingly. MRP will only be accounted for if an accounting provision has been made for non-repayment of the loan or if there is a high degree of uncertainty regarding the repayment. This arrangement will also be applied where a third party has committed to underwrite the debt costs of a specific project through amounts reserved for capital purposes.
- A6 The Council will continue to make provision at least equal to the amount required to ensure that each debt maturity is met.

Appendix 2 - Ratings comparative analysis

Moody's		S&P		Fitch		
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	
Aaa	P-1	AAA	A-1+	AAA	F1+	Prime
Aa1		AA+		AA+		High grade
Aa2		AA		AA		
Aa3		AA-		AA-		
A1		A+	A-1	A+	F1	Upper medium grade
A2	A			A		
A3	P-2	A-	A-2	A-	F2	
Baa1		BBB+		BBB+		
Baa2	P-3	BBB	A-3	BBB	F3	Lower medium grade
Baa3		BBB-		BBB-		
Ba1	Not prime	BB+	B	BB+	B	
Ba2		BB		BB		
Ba3		BB-		BB-		
B1		B+		B+		Highly speculative
B2		B		B		
B3		B-		B-		
Caa1		CCC+	C	CCC	C	Substantial risks
Caa2		CCC				Extremely speculative
Caa3		CCC-				In default with little prospect for recovery
Ca		CC				
		C				
C		D	/	DDD	/	In default
/				DD		
/				D		
/						

Appendix 3 - Indicative List of Approved Counterparties for Lending

UK Banks

Barclays Bank	Santander UK
Bank of Scotland Plc (*)	Lloyds Bank (*)
Close Brothers	HSBC Bank Group
Goldman Sachs	

Non-UK Banks

Australia:

Australia & New Zealand Banking Group
Commonwealth Bank of Australia
National Australia Bank Limited

Canada:

Bank of Montreal
National Bank of Canada
Toronto-Dominion Bank

Germany:

DZ Bank AG
Landesbank Baden-Wuerttemberg
Landesbank Hessen-Thueringen Girozentrale

Singapore:

DBS Bank Ltd
Oversea-Chinese Banking Corp
United Overseas Bank Limited

Sweden:

Svenska Handelsbanken

Part Nationalised UK Banks

Royal Bank of Scotland(#)	National Westminster(#)
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UK Building Societies

Coventry BS	Nationwide BS
Leeds BS	Yorkshire BS

Money Market Funds

Aberdeen Investments	Aviva
Federated Investors	Northern Trust

UK Government

Debt Management Account Deposit Facility
Sterling Treasury Bills
Local Authorities, Parish Councils

Other – Group companies (non-capital)

The Norse Group	Independence Matters CIC
Hethel Innovation Limited	
Repton Property Developments	

Note: (*) (#) A 'Group Limit is operated whereby the collective investment exposure of individual banks within the same banking group is restricted to a group total.

Appendix 4: Time and monetary limits applying to investments

The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

COUNTERPARTY	NCC LENDING LIMIT (£m)	OTHER BODIES LENDING LIMIT (£m)	TIME LIMIT
UK Banks	£60m	£30m	Up to 3 Years (see notes below)
Non-UK Banks	£30m	£20m	1 Year
Royal Bank of Scotland / Nat. West. Group	£60m	£30m	2 Years
Building Societies	£30m	£20m	1 Year
MMFs – CNAV	£60m (per Fund)	£30m (per Fund)	Instant Access
MMFs – LNAV			Instant Access
MMFs – VNAV			Instant Access
Debt Management Account Deposit Facility	Unlimited	Unlimited	6 Months (being max period available)
Sterling Treasury Bills	Unlimited	Unlimited	6 Months (being max period available)
Local Authorities	Unlimited (individual authority limit £20m)	Unlimited (individual authority limit £10m)	3 Years
The Norse Group	£25m	Nil	1 Year
Hethel Innovation Limited	£1.25m	Nil	1 Year
Repton Property Developments Limited	£1.0m	Nil	1 Year
Independence Matters CIC	£1.0m	Nil	1 Year
Property Funds	£10m in total	Nil	Not fixed
Ultra short dated bond funds	£5m in total	Nil	3 years
Corporate bonds	£5m in total	Nil	3 years
Corporate bond funds	£5m in total	Nil	3 years
UK Government Gilts / Gilt Funds	£5m in total	Nil	3 years

Notes:

- In addition to individual institutional lending limits, 'Group Limits' are used whereby the collective investment exposure of individual banks within the same banking group is restricted to a group total lending limit. For example, in the case of Lloyds Bank and Bank of Scotland, the group lending limit for the Lloyds Banking Group is £60M.
- The maximum deposit period for UK Banks is based on the following tiered credit rating structure:

Long Term Credit Rating (Fitch or equivalent) assigned by at least one of the three credit rating agencies	Maximum Duration
AA-	Up to 3 years
A	Up to 2 years
A-	Up to 1 year

Deposits may be placed with the Royal Bank of Scotland as a UK Part Nationalised Bank and Local Authorities may be made for periods of 2 and 3 years respectively.

- The Council will only use non-UK banks from countries with a minimum sovereign rating of AA+. The sovereign rating of AA+ must be assigned by one of the three credit rating agencies. No more than £30m will be placed with any individual non-UK country at any time. Approved countries for investments are shown at Appendix 7.
- For monies invested on behalf of the Norse Group, Independence Matters and Norfolk Pension Fund there is a maximum monetary limit of £10m per counterparty. Operationally funds are diversified further as agreed with the individual bodies.
- Long-term loans to the Norse Group and other subsidiary companies are approved as part of the Council's capital programme.
- The use of property funds, bonds and bond funds, gilts and gilt funds will be subject to appropriate due diligence.
- Certain property funds may be classed as a capital investment. If this is the case then they will be approved via the capital programme. If the fund is classed as revenue, then the IFRS 9 implications will be fully considered: unless the DCLG specifies otherwise, any surpluses or losses will become chargeable to the Council's general fund on an annual basis.

Appendix 5: The Capital and Treasury Prudential Indicators

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

5.1 Capital Expenditure

Capital expenditure £m	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Adult Social Care	14.817	14.196	12.473	22.482	15.401
Children's Services	52.379	29.707	118.296	61.323	21.325
CES Highways	103.564	153.172	107.926	105.658	153.090
CES Other	22.901	23.825	58.706	23.483	1.200
Finance and Comm. Servs	61.208	32.156	53.654	19.989	20.180
Strategy and Governance	0.000	0.083	0.000	0.000	0.000
Total	254.869	253.139	351.054	232.934	211.196
Loans to companies included in Finance and Comm Servs above	11.178	4.000	8.800	1.800	0.000
GNGB supported borrowing to developers	2.155	0.000	0.000	0.000	0.000
<i>Loans as a percentage</i>	<i>5%</i>	<i>2%</i>	<i>3%</i>	<i>1%</i>	<i>0%</i>

Non-treasury investments – proportionality

The table above demonstrates that loans to companies and developers, as a percentage of all capital expenditure, are a relatively low proportion and therefore do not present undue risk in the context of the programme overall.

5.2 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream.

%	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Financing costs (net)	59.351	64.599	71.851	75.162	79.685
Net revenue costs	733.818	784.689	788.209	808.189	828.301
Percentage	8.09%	8.23%	9.12%	9.30%	9.62%

The estimates of financing costs include current commitments and budget proposals.

The Prudential Code 2013 acknowledged that the "Financing Costs to Net Revenue Stream" indicator may be more problematic for some authorities regarding the level of government support for capital spends. In these instances, it is suggested that a narrative explaining the indicator may be helpful. At this stage, it is considered that the table above can provide useful information.

5.3 Maturity structure of borrowing

Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits. The Council is asked to approve the following treasury indicators and limits:

Maturity structure of fixed & variable interest rate borrowing 2022-23		
	Lower	Upper
Under 12 months	0%	10%
12 months to 2 years	0%	10%
2 years to 5 years	0%	10%
5 years to 10 years	0%	20%
10 years to 20 years	0%	30%
20 years to 30 years	10%	30%
30 years to 40 years	10%	30%
40 years to 50 years	10%	40%

The percentages shown in the table above are proportions of total borrowing.

5.4 Control of interest rate exposure:

The table above indicates how the authority manages its interest rate exposure to ensure a degree of alignment between asset lives and appropriate interest rates and spreading the time over which any debt re-financing may need to happen.

Only £42.250m out of total borrowing of over £849m (less than 5% of total borrowing) is potentially variable, and the rate will only vary if borrowing rates rise to above 4.75%. Forecast borrowing rates suggest that that this threshold will not be exceeded in the foreseeable future. Planned borrowing is expected to be at fixed rates to take advantage of low interest rates as they arise, and to limit long term exposure to variable rates.

With positive cash balances, the Council has maintained an under-borrowed position which avoids short term exposure to interest rate movements on investments. The Council will continue to balance the risks of borrowing while cash balances are available, against the long-term benefits of locking into low borrowing rates

5.5 Interest Rate Forecasts 2022-2025

Link Group Interest Rate View 08.11.22													
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.30	4.30	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.50	4.50	4.40	4.30	4.20	4.00	3.90	3.70	3.60	3.50	3.40	3.30	3.20
25 yr PWLB	4.70	4.70	4.60	4.50	4.40	4.30	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.40	3.30	3.20	3.20

PWLB forecasts are based on PWLB certainty rates.

5.6 ECONOMIC BACKGROUND

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	Eurozone	US
Bank Rate	3.0%	1.5%	3.75%-4.00%
GDP	-0.2%q/q Q3 (2.4%y/y)	+0.2%q/q Q3 (2.1%y/y)	2.6% Q3 Annualised
Inflation	11.1%y/y (Oct)	10.0%y/y (Nov)	7.7%y/y (Oct)
Unemployment Rate	3.6% (Sep)	6.6% (Sep)	3.7% (Aug)

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at 5.5% - 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

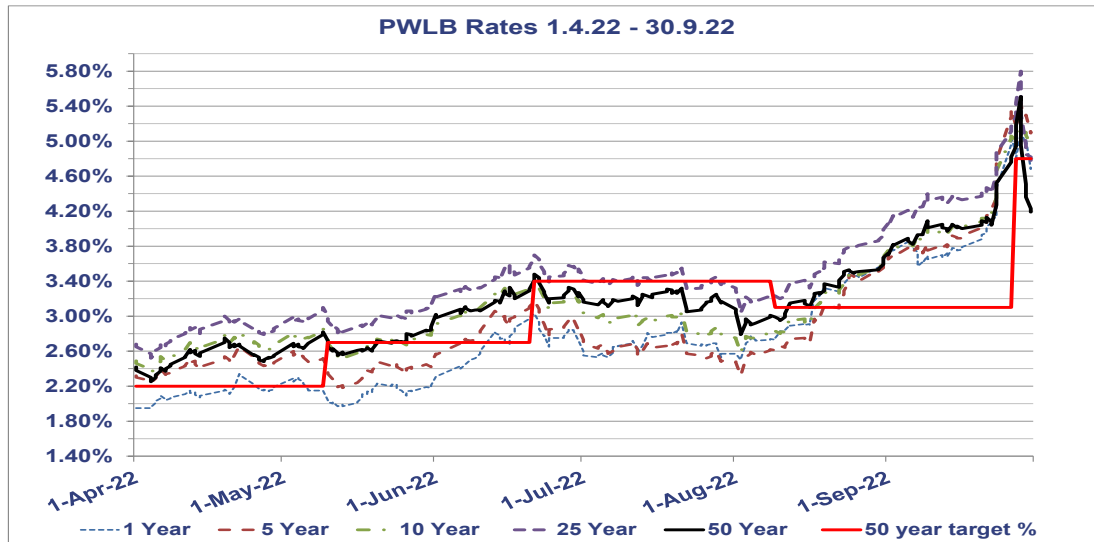
Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3% in November and the market expects Bank Rate to hit 4.5% by May 2023.

Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and December. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17th November gave rise to a net £55bn fiscal tightening, although much of the "heavy lifting" has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have completely reversed the increases seen under the previous tenants of No10/11 Downing Street.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one if not more quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of \$1.035, on the Monday following the Truss government's "fiscal event", to \$1.20. Notwithstanding the £'s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28th September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting ever lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.95%	2.18%	2.36%	2.52%	2.25%
Date	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
High	5.11%	5.44%	5.35%	5.80%	5.51%
Date	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
Average	2.81%	2.92%	3.13%	3.44%	3.17%
Spread	3.16%	3.26%	2.99%	3.28%	3.26%

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

CENTRAL BANK CONCERNS – NOVEMBER 2022

At the start of November, the Fed decided to push up US rates by 0.75% to a range of 3.75% - 4%, whilst the MPC followed a day later by raising Bank Rate from 2.25% to 3%, in line with market expectations. EZ rates have also increased to 1.5% with further tightening in the pipeline.

Having said that, the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.

Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.

In addition, the Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Will the £160bn excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

Appendix 6: Treasury Management Practice (TMP1) - Credit and counterparty risk management

The DLUHC issued Investment Guidance in 2018, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council has adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Executive Director of Finance and Commercial Services has produced its treasury management practices (TMPs). This part, covering investment counterparty policy requires approval each year.

Annual investment strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months, once the remaining period to maturity falls to under twelve months.

These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, housing association, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency e.g., Standard and Poor's, Moody's and/or Fitch rating agencies.
5. A body that is considered of a high credit quality (such as a bank or building society). This category covers bodies with a minimum Short-Term rating of AAA (or the equivalent) as rated by Standard and Poor's, Moody's and Fitch rating agencies.

In accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. These criteria are shown in detail in Appendix 4.

Non-specified investments –are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

	Non Specified Investment Category	Limit (£ or %)
a.	<p>Supranational bonds greater than 1 year to maturity</p> <p>(a) Multilateral development bank bonds - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Reconstruction and Development Bank etc.).</p> <p>(b) A financial institution that is guaranteed by the United Kingdom Government (e.g. National Rail, the Guaranteed Export Finance Company {GEFCO})</p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	Not currently included as approved investment
b.	<p>Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	Ref Appendix 4
c.	<p>The Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.</p>	Ref Appendix 4
d.	<p>Building societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings.</p>	Not currently included as approved investment
e.	<p>Any bank or building society that meets minimum long-term credit ratings, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).</p>	Ref Appendix 4
f.	<p>Share capital in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. This Authority would seek further advice on the appropriateness and associated risks with investments in these categories.</p>	Not currently included as approved treasury investment.
g.	<p>Loan capital in a body corporate. The use of these loans to subsidiaries and other companies will normally be deemed to be capital expenditure. However, working capital loans are dealt with under Treasury Management arrangements. This Authority would seek further advice on the appropriateness and associated risks with investments in these categories.</p>	Ref Appendix 4
h.	<p>Bond funds. These are specialist products, and the Authority will seek guidance on the status of any fund it may consider using.</p>	Ref Appendix 4

i.	Property funds – The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using.	Ref Appendix 4
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The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link Group as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Executive Director of Finance and Commercial Services, and if required new counterparties which meet the criteria will be added to the list.

Use of external fund managers – at the time of writing the Council does not use or plan to use external fund managers.

Appendix 7: Approved Countries for Investments (as at 2 December 2022)

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Qatar
- U.K.

Appendix 8: Treasury Management Scheme of Delegation

(i) Full Council

- approve the Policy Framework and the strategies and policies that sit within it (Source: Council constitution);
- Note: the Policy Framework includes “Annual investment and treasury management strategy”.

(ii) Cabinet terms of reference

- to prepare, for adoption by the Council, the budget and the plans which fall within the policy framework).

(iii) Audit and Governance Committee

- Consider the effectiveness of the governance, control and risk management arrangements for Treasury Management and ensure that they meet best practice. (Source: Audit Committee Terms of Reference)

(iv) Treasury Management Panel

The Panel’s terms of reference are to:

- consider and comment on the draft Annual Investment and Treasury Strategy prior to its submission to Cabinet and full Council
- receive detailed reports on the Council’s treasury management activity, including reports on any proposed changes to the criteria for “high” credit rated institutions in which investments are made and the lending limits assigned to different counterparties
- receive presentations and reports from the Council’s Treasury Management advisers, Link Asset Services
- consider the draft Treasury Management Annual Report prior to its submission to Cabinet and full Council.

(v) Executive Director of Finance and Commercial Services

- “responsible for the proper administration of the financial affairs of the Council including ... investments, bonds, loans, guarantees, leasing, borrowing (including methods of borrowing)...”

(Source: Scheme of delegated powers to officers)

See Appendix 9 for detailed responsibilities.

Appendix 9: The Treasury Management Role of the Section 151 Officer

The S151 (responsible) officer is the Executive Director of Finance and Commercial Services. Responsibilities include:

Constitution – officer roles

- Have responsibility for the administration of the financial affairs of the Council and be the Section 151 Officer.
- Statutory responsibilities of the Chief Finance Officer (Section 151 officer) Budgeting and Financial Management, Exchequer Services, Pensions, Investment and Treasury Management, Risk & Insurance, Property, Audit, ICT and Procurement and Transactional Services.

Financial Regulations

- execution and administration of treasury management decisions, including decisions on borrowing, investment, financing (including leasing) and maintenance of the counter party list.
- prepare for County Council an annual strategy and plan in advance of the year, a mid-year review and an annual report.
- regularly report to the Treasury Management Panel and the Cabinet on treasury management policies, practices, activities and performance monitoring information.
- monitoring performance against prudential indicators, including reporting significant deviations to the Cabinet and County Council as appropriate.
- ensuring all borrowing and investment decisions, both long and short term, are based on cash flow monitoring and projections.
- ensuring that any leasing financing decisions are based on full options appraisal and represent best value for the County Council, in accordance with the County Council's leasing guidance.
- the provision and management of all banking services and facilities to the County Council.
- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities

- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following (*TM Code p54*): -
 - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
 - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
 - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
 - *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
 - *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

Appendix 10: Non-treasury investments

Existing non- treasury investments (loans) at 31 March 2022

Loans	£m
NORSE Energy (capital investment)	10.000
Norse Group (capital investment)	2.687
Norse Group (Aviation Academy)	5.867
NEWS	0.318
NorseCare	2.844
Hethel Innovation Ltd (Hethel Engineering Centre)	7.011
Norwich Airport Radar (relocation due to NDR)	2.194
Repton Property Developments Limited	12.550
LIF loans to developers in Norfolk	6.766
Total loans to companies	50.238
NDR Loan – underwritten by CIL receipts	34.501
Total long-term debtors in balance sheet	84.739

In addition to the loans listed above, equity of £3.5m has been invested in Repton Property Developments Limited, a wholly owned housing development company.

A more detailed schedule of the above loans, showing objectives and explanations of each investment are detailed in Appendix 3 to the Mid-Year Treasury Management Monitoring Report 2022-23 presented to 5 December 2022 Cabinet.

Potential future non-treasury capital investments

Non-treasury investments: The following schemes if approved will result in loans to wholly owned companies or third parties. These loans will be for capital purposes, are Norfolk based, and are designed to further the Council's objectives. None of the loans listed are purely for the purpose of income generation.

Scheme	Background	Approximate value
Capital equity in, and loans to wholly owned companies	<p>Repton Property Developments The company is developing land north of Norwich Road Acle surplus to County Council, as well as other appropriate surplus land holdings.</p> <p>Other projects From time to time the Council's wholly owned companies further the Council's objectives through capital investments. This facility is included in the capital programme.</p>	£23m included in capital programme

Proportionality of non-treasury investments:

The total value of loans (including CIL supported debt) is not likely to exceed £100m. At an indicative interest rate of 4.2% (giving a margin of approximately 1% over current PWLB borrowing rate) this would mean interest of £4.2m pa. This approximates to less than 20% of the Council's general reserves, 2% of the Council's net expenditure, and 0.5% of departmental gross expenditure. As a result, reliance on income from non-treasury is therefore considered to be proportionate and manageable.

Notice of Motions

Notice of the following motions has been given in accordance with the Council Procedure Rules:

**1. Conservative Group Motion
Norfolk's Coastal Communities
Proposer: Cllr James Bensley
Seconder: Cllr Carl Smith**

In the Parliamentary Select Committee 'The Future of Seaside Towns' report (2019), VisitBritain found that tourism was worth £127 billion to the British economy, of which domestic tourism was £86 billion, and tourism remains a crucial cornerstone of the local economy in many parts of Norfolk. In places this economic arrangement is potentially jeopardised by coastal erosion.

In Norfolk our soft eroding coast is already very vulnerable. Erosion impacts wider community and society as it undermines livelihoods, investment and accessibility and areas of our coast become blighted. We are seeing an unprecedented pace of coastal change and we can no longer afford to react. We must plan now if we want options that are resilient for the near and far future.

However, erosion is also an integral part of a dynamic healthy coastal system. Cliffs erode and feed beaches with sand, which in turn provide a natural defence against further erosion, as well as creating habitats for nature to flourish.

The Government's Levelling up agenda aspires to target areas most in need, which will include our coastal communities, and the council welcomes the strong advocacy of local Members of Parliament for their communities.

This Council welcomes the Flood and Coastal Resilience Innovation Fund, managed by the Environment Agency, allocating vital funding to support against the negative impacts of coastal erosion through innovative programs such as Coastwise and Resilience Coasts. However, the council does feel that further options should be considered to provide support to these valued communities.

This Council resolves to write to the Secretary of State for Environment, Food and Rural Affairs, asking them to consider the following options to help provide further support to Coastal Communities:

- Amendments to be made to the Defra Partnership Funding Calculator – acknowledging and providing more weighting to the value and importance of tourism in coastal areas.
- Legislation relating to income derived from offshore dredging and wind energy companies to allow a greater percentage to remain with local authorities for use on the coast.

- The Government to urgently make provision for an emergency fund for coastal areas impacted by erosion before the Flood and Coastal Innovation Programme completes. This would be for Risk Management Authorities to access and could be time limited until 2027.
- Dedicated resource to establish a National Coastal Adaptation Framework - as recommended by the Climate Change Risk Assessment in 2021.

2. Labour Group Motion
Nutrient Neutrality
Proposer: Cllr Terry Jermy
Seconder: Cllr Maxine Webb

Council welcomes the House of Lords' rejection of Government proposals to abandon nutrient neutrality rules that force developers to mitigate pollution from new developments.

Council recognises the collaboration between councils in Norfolk to develop mitigation schemes to enable new developments that are compliant with nutrient neutrality rules and supports the acceleration of those efforts.

Council urges developers to take responsibility for the pollution derived from housebuilding, to build out existing consents rather than hide behind nutrient neutrality as an excuse to avoid building and drive the cost of properties higher to improve their profits.

Council further calls upon government to urgently bring together housebuilders and environmental groups to find a workable solution to enable sustainable development and nature protection to proceed hand in hand.

3. Liberal Democrat Group Motion
Benjamin Court
Proposer: Cllr Steffan Aquarone
Seconder: TBC

Convalescent care settings are a vital component in any well-functioning and patient-centred health service. They offer an important steppingstone on the path to rehabilitation for residents who require more time to rest and recover before returning home, but who have surpassed the need for hospital supervision.

The benefits of convalescent care include improved health outcomes, enhanced recovery, and a reduced rate of hospital readmission. The level of support, advice and rehabilitation offered in these settings is not something that can be realistically or easily replicated in the home.

Earlier this year, this council made the naïve decision to close the reablement centre at Benjamin Court and is considering a further closure of the reablement centre at Grays Fair Court which provide 18 and 20 beds respectively for convalescent care. Norfolk's residents are being stripped of a vital service provided by these centres under the guise of reinvestment in care services and the emergence of 'virtual wards' making such settings allegedly less necessary. Although such advances in the care system are welcome, they do not offer the bespoke care that convalescent settings can provide.

Benjamin Court and the services it provided, from a resident's perspective, was valued resource. Its closure was not without protest or controversy. Indeed, the campaign against its closure is still ongoing and the petition protesting its fate has nearly reached 1000 signatures with more being added each day.

The Liberal Democrat Group recognise the commendable and dedicated work undertaken by colleagues in the adult social care directorate, healthcare providers across the county, care givers and all those involved within the healthcare system. Even more so, given the disjointed system in which they must work with multiple, often conflicting sources of funding and complicated bureaucracy. These closures serve to make their jobs even more difficult and remove a valuable tool in their arsenal to provide a bespoke and effective service.

This Council resolves to:

1. Recognise the importance of 'convalescence' and its many benefits as outlined above as a way of supporting people between leaving hospital and returning home.
2. Recognise the current system for health and social care is disjointed due to the separate funding sources that exist within the system, and that from the citizen's perspective this falls short on delivering a seamless, dignified, and supportive service that meets the individual's needs.
3. [Through the Executive], protect and serve all existing adult social care convalescence facilities and prevent them from transferring out of the remit of control of adult social care.
4. Work further with partners to improve upon the disjointed chasm that exists between public health, preventative measures, acute treatment, hospital services and adult social care.

4. Green Group Motion
Protecting Important Centres of Learning
Proposer: Cllr Ben Price
Seconded: Cllr Paul Neale

In 2019, before the Covid pandemic, Norfolk County Council unveiled proposals to transform Wensum Lodge into a creative hub, commissioning Hudson Architects. Plans were made for upgraded rooms for adult education courses, along with rental space for start-up creative and arts organisations to bring in money to help pay the centre's running costs. The vision included a café and business support to help start-up companies.

In June 2023, the county council announced its plan to close Wensum Lodge as a centre for adult learning and sell off the building. This decision was announced without consultation with the Adult Learning Steering Group or with tutors or learners at Wensum Lodge. The decision was also announced even though there is no available space for some popular courses, including ceramics and other courses where there is

a requirement for specialist equipment. The decision to close Wensum Lodge means the times of day that some courses are offered will need to change.

Nearly 6,000 people (of which nearly 5,000 live in Norfolk) signed a petition against the closure of Wensum Lodge in the space of 5 weeks.

The selling off of Wensum Lodge threatens to undo years of effort by the local community to build up a space that is well-used and well-loved.

There is a similar threat to the Angel Road school site. The local community fears that the site, which is an important community asset and has been a vital location for education, will be sold off without consultation. As with Wensum Lodge, there has been a lack of information provided to the local community whose children went to school there as to what alternative provision there will be. This speaks of a county council that is out of touch and seems reluctant to engage with local communities regarding the future of essential services.

The closure of Wensum Lodge and the lack of action to bring Angel Road back into use is reflective of a trend within the county council of closing physical hubs where local communities can access services.

Council resolves to request the Cabinet to:

- 1) Immediately review the decision to close the only physical hub dedicated to adult learning in Norwich.
- 2) Initiate a consultation regarding the closure of Wensum Lodge, to run for an appropriate amount of time to gather significant responses and provide a transparent process for how community responses regarding the site will be considered.
- 3) Establish a consultation process ahead of selling off of any other assets that are used to provide public-facing council services, to ensure that decisions are made with full and proper consideration of their impacts.
- 4) Review the process and criteria by which the county council decides whether to de-prioritise physical hubs for service provision.

5. Non-Aligned Motion
Voice Over Internet Provision
Proposer: Cllr Alexandra Kemp
Seconder: TBC

This Council opposes the planned switch-off of analogue landlines, because it will put resident's safety at risk. Internet phones are less reliable and do not work in a power cut. Forcing residents to switch to a worse service is unacceptable. Poor broadband speeds in rural communities would increase isolation for older residents, who do not have mobile phones. If the internet goes down, the phone goes down. The Council will write to the Government to ask it to halt the change, until a more resilient, better solution is possible.

**6. Labour Group Motion
Devolution Deal
Proposer: Cllr Steve Morphew
Seconder: Cllr Emma Corlett**

Council requests the Chair to summon an additional meeting of Council on a convenient date around the end of October to consider a report from the Leader updating Council on progress on the substance of the county deal in advance of the deliberations by council on future governance arrangements in December.

Council recognises that decisions related to the substance of the county deal are reserved to Cabinet but seeks an additional meeting to debate the elements of the deal not covered by constitutional arrangements so comments can be considered by Cabinet prior to the Council meeting in December.

**7. Liberal Democrat Group Motion
End Fuel Poverty
Proposer: Cllr Saul Penfold
Seconder: Cllr Brian Watkins**

This Council acknowledges that all Norfolk residents deserve to live in a warm, dry home which they can afford to heat and power. More than 30pc of households in various neighbourhoods across Norfolk were living in fuel poverty in 2022, a number which is estimated to rise due to rising energy costs, inflation and the worsening cost of living situation.

This council recognises the work carried out to end fuel poverty in Norfolk, but acknowledges that thousands of households are estimated to fall into fuel poverty within the next decade. Additionally, it is recognised that more can be done to end fuel poverty by 2030.

This council acknowledges the findings of a British Medical Journal report on the detrimental impact on children growing up in cold, damp, and mouldy homes due to fuel poverty. It is recognised in the report that these children have “higher than average rates of respiratory infections, asthma, chronic ill health, and disability. They are also more likely to experience depression, anxiety, and slower physical growth and cognitive development.”

This council resolves to:

1. Request Cabinet to create a strategy with the aim of helping to end fuel poverty in Norfolk by 2030
2. To ask the Executive/Cabinet/Leader to report on progress with the strategy every six months
3. Work with partners such as the Health and Wellbeing Board, Integrated Care Board and advice services to develop effective referral systems to reduce fuel poverty and cold-related health

4. Develop a strategic approach to improve energy efficiency to create jobs and prosperity in our local communities
5. Explore ways of reducing fuel poverty that involve the whole community, including district and parish councils and community organisations
6. To become a member of the End Fuel Poverty Coalition.

8. Green Group Motion
Green Finance
Proposer: Cllr Catherine Rowett
Seconder: Cllr Ben Price

One of the most effective ways for a person of working age to reduce their carbon footprint is to switch out of any pension investments they hold in fossil fuel industries. A bank recently calculated that doing this one thing is 27 times more effective than a lifetime of cutting back on meat, water use, cars and planes.

But there is also, of course, an overwhelming financial argument for any institution or public body to divest from fossil fuels with immediate effect. The UK Government said in 2016 that “70-75 percent of known fossil fuels would have to be left unused in order to have a 50% chance of limiting global temperature rise to two degrees”. Since then the situation has got substantially worse as global emissions continue to rise, not fall.

The Governor of the Bank of England has confirmed that this “would render the vast majority of [existing] reserves “stranded” – oil, gas and coal that will be literally unburnable”.

When those stranded assets come home to roost, Norfolk tax payers do not want to be on the hook for a £100m hole in the county’s pension fund.

When will it happen? To quote Donald MacDonald, chair of the Institutional Investors Group on Climate Change, and trustee director of BT Pension Scheme: “Change is likely to be swift as pension funds recognise their fiduciary duty to address climate risk in all parts of their portfolios and, where necessary, to reallocate investment away from high carbon-related activity likely to destroy substantial shareholder value in a remarkably short time.”

In 2020, BlackRock – the world’s biggest asset manager – warned that it now plans to lower its exposure to fossil fuels. JP Morgan issued a report highlighting the growing concern on Wall Street about the reputational risks of continued funding of fossil fuel industries. The Church of England has now completed divestment from all its remaining oil and gas majors, and will be divesting itself of all oil and gas exploration, production and refining companies by the end of 2023.

Pension fund trustees who fail to heed these warnings and take due account of climate risk, and the associated risk to assets that will no longer be viable in the near future, could also be exposing themselves to legal challenge.

In addition, those who do take swift action to position themselves ahead of the curve are likely to outperform investors who continue to hold risky investments up to the point when the drop in value becomes acute. It is therefore prudent to move sooner and more quickly than others in this urgent situation.

Council resolves to:

1. Within the funding blueprint that will be brought forward under the council's Climate Change Strategy, set out ways that the council's MTFs and treasury management strategy can support the mobilisation of green finance to support decarbonisation and the creation of good green jobs.
2. Request that the Council representatives on the pension committee, in line with their fiduciary duties, give due consideration to reviewing the Responsible Investment Policy to:
 - Exclude, with immediate effect, any new investments in companies engaged in fossil fuel exploration, extraction, supply, or distribution.
 - Freeze new investment in the top 200 publicly-traded fossil fuel companies.
 - Divest from direct ownership and any commingled funds that include fossil fuel public equities and corporate bonds.
 - Actively seek to invest in companies whose activities as a whole are focused on reducing greenhouse gas emissions and minimising climate risk.
3. Council further instructs the chief executive to write to the Leaders and Chief Executives of all other councils that use the Norfolk Pension Fund, outlining this position and asking for their support to adopt the same policies.
4. Update the corporate risk register to reflect financial and liability risks associated with the effects of climate change and set out an approach to quantify and address climate change risks affecting all other investments.

9. Labour Group Motion
Carer Parking Permits
Proposer: Cllr Julie Brociek-Coulton
Seconder: Cllr Colleen Walker

Council recognises the vital role played by those visiting people's homes to provide care. Keeping people independent in their homes is a shared vision for care and requires those receiving care to be able to receive timely, trusted and high-quality care. Council also recognises care staff are not highly paid for their skills and our stretched budget means we need to ensure every minute of their time is productively used.

Council therefore is concerned at reports carers may be arriving late for scheduled visits because of time spent looking for places to park. We also regret the potential for carers to become liable for parking fines where they choose to risk parking in restricted spaces such as those with permit parking or loading bays. Council further notes that other professions such as window cleaners and chimney sweeps are allowed to park in such areas whilst delivering a service in people's homes.

Council therefore believes it would be cost effective to introduce a parking permit system for care workers based on the scheme currently operated by Dorset to allow carers access limited to the time they are visiting people's homes for care delivery. Allowing limited access in residential parking zones, loading bays and other places which would usually be permitted to tradespersons delivery domestic services would also support delivery of high quality, timely care and alleviate care workers concerns about facing parking fines.

Council therefore requests the Cabinet Member for Highways, Transport and Infrastructure to develop proposals for a Norfolk parking scheme for care workers for consideration by Cabinet via the People and Communities Select Committee.

10. Liberal Democrat Motion
Protecting Local Pharmacies
Proposer: Cllr Lucy Shires
Seconded: Cllr David Sayers

This Council notes with deep concern the unprecedented pressures facing community pharmacies in England. In the past 2 years alone the number of pharmacies in England has fallen by over 160. There are now just 11,000 community chemists operating in England – the lowest number since 2015.

Millions of people and families rely on their local pharmacies for over-the-counter everyday medicines, regular prescriptions and reassuring advice on a walk-in basis. For those with especially busy or difficult lives, pharmacies are often the closest and most accessible place to get health advice. For those who may struggle to engage with appointment-only services, a chance pop-in can save lives.

Community pharmacies in **Norfolk** are a vital part of our local health services and our high streets. Community pharmacies can improve people's health and reduce pressure on NHS hospitals and GPs. With many local residents finding it more difficult to get face to face GP appointments, and other health services stretched beyond breaking point, it is more important than ever that the Government supports community pharmacies to ensure medicines, clinical services and medical advice can be accessed locally.

The most recent data for **Norfolk** shows that every month community pharmacies process **1,305,178** prescriptions for local people. However, since 2016, **9** pharmacies have been closed in **Norfolk with more at risk** putting immense pressure on pharmacies that are already stretched with increased patient demand, rising operational costs and reduced Government support.

This Council therefore instructs the Chief Executive to write to the Secretary of State for Health and Social Care to;

- Request urgent emergency funding to keep pharmacies in **Norfolk** open, and reverse closures where they are needed.
- Empower local fully qualified pharmacists with greater prescribing rights and public health advisory responsibilities, to prevent costly and avoidable hospital admissions and free up GP time to focus on more urgent requests.
- Develop a long-term plan for pharmacy services to put them on a sustainable financial footing, building on the 'Pharmacy First' approach in Scotland.
- Conduct a Government review of the pressures facing pharmacies in England to assess the impact of pharmacy closures under this Conservative Government.

11. Green Group Motion
Nutrient Neutrality
Proposer: Cllr Catherine Rowett
Seconded: Cllr Paul Neale

Council notes the statement from Secretary of State Michael Gove that the government plans to remove the 'Nutrient Neutrality' requirement for Natural England to advise councils not to approve housing schemes that will add to nutrient pollution in already damaged rivers and waterways.

Council believes this would be a retrograde step which will further damage our already struggling waterways. The associated £280m 'offsetting' funding is an open acknowledgement that scrapping these rules will increase pollution. This tiny amount provided for offsetting is a drop in the ocean and, as Feargal Sharkey has pointed out, 'you can't offset a dead river'. Further, this plan transfers the responsibility and costs of dealing with pollution away from developers to the public purse. The consequences for Norfolk could be particularly disastrous, given how important the precious Norfolk Broads habitats are for the county, for its prosperity, its tourist industry, and for endangered and protected species and biodiversity.

Council believes that instead of allowing housebuilders to pollute, Government should require water companies and housebuilders to invest in upgrading the required infrastructure, as a prerequisite to development, whilst continuing to enforce mitigation schemes. We further believe that with the right investment, and appropriate regulation of all sources of pollution to our waterways, from treatment works to agriculture, communities can have both high-quality affordable homes and healthy waterways.

Council resolves to:

- 1) Call on the Leader of the Council to write publicly to the Secretary of State and to our MPs to express the Norfolk County Council's view that scrapping nutrient neutrality rules and leaving our rivers and waterways with lessened protection from pollution is unacceptable.
- 2) Work with district councils to develop mitigation measures that can be included in forthcoming local plans.