Norfolk County Council

Policy and Resources Committee

Date: **Monday, 27 March 2017**

Time: **10 am**

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

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

Membership

Mr C Jordan (Chairman)

Mr M Baker
Mr R Bearman
Mr M Castle
Mr T Coke
Mrs H Cox
Mrs J Leggett
Mr I Mackie
Mr I Monson
Mr S Morphew
Mr G Nobbs
Mr A Proctor
Mr D Roper
Mr B Spratt
Mr B Stone
Dr M Strong
Mrs A Thomas

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Tim Shaw on 01603 222948
or email committees@norfolk.gov.uk

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A g e n d a

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

2. Minutes **(Page 7)**
To agree the minutes from the meeting held on 6 February 2017

3. Members to Declare any Interests

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

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

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

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

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

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

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

5. Public Question Time

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

Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk or 01603 223055) by **5pm on Wednesday 22 March 2017.** For guidance on submitting public question please view the Constitution at Part 4.2, Section 5.

6. Local Member Issues

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

Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk or 01603 223230) by **5pm on Wednesday 22 March 2017.** For guidance on submitting public question please view the Constitution at Part 4.2, Section 5.

Section A – Items for Discussion and Decision/Action

7	**Vital Signs and Performance Management Reports**	
7a (i)	**Resources and Finance**	**(Page 19)**
7a (ii)	**Corporately Significant**	**(Page 34)**
	Reports by Executive Director Finance and Commercial Services and Head of Business Intelligence and Performance Service and Corporate Planning and Partnership Service	
7b	**Risk Management Report** Report by Executive Director of Finance and Commercial Services	**(Page 47)**
8	**Finance Monitoring Report –Period 10 (January 2017)** Report by Executive Director of Finance and Commercial Services	**(Page 87)**
9	**Delivering Financial Savings 2016-17** Report by Executive Director of Finance and Commercial Services	**(Page 120)**
10	**Equality and Accessibility Objectives 2017-2020** Report by Executive Director, Community and Environmental Services	**(Page 155)**
11	**Industrial Strategy Green Paper – Norfolk County Council Response** Report by Executive Director of Community and Environmental Services	**(Page 164)**
12	**NORSE Governance Review - Update** Report by Executive Director of Finance and Chief Legal Officer	**(Page 176)**
13	**NORSE Consents** Report by Executive Director of Finance and Commercial Services	**(Page 187)**
14	**Approval to further investigate the financing of the Attleborough Link Road** Report by Executive Director of Finance and Commercial Services	**(Page 193)**
15	**Disposal and Acquisition of Properties** Report by Executive Director of Finance and Commercial Services	**(Page 196)**
16	**Norfolk & Waveney Sustainability & Transformation Plan Update** Report by Managing Director	**(Page 204)**

17 **Recommendations from the Constitution Advisory Group meetings held on 1 March 2017 and 16 March 2017.** **(Page 214)**
Report from the Constitution Advisory Group

18 **Six Monthly Procurement Update** **(Page 238)**
Report by Executive Director of Finance and Commercial Services

<u>Section B – Items for Report</u>

19 **Decisions Taken Under Delegated Authority** **(Page 243)**
Report by Managing Director

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

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

1. LGA General Assembly: Cliff Jordan, Alison Thomas, George Nobbs, Mike Sands

2. County Council Network: Cliff Jordan, Alison Thomas, George Nobbs Marie Strong

3. East of England Local Government Association: Cliff Jordan (George Nobbs substitute)

4. LGA Coastal Issues Special Interest Group: Michael Baker
Outside Bodies

5. Greater Norwich Growth Board: Steve Morphew

Group Meetings

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

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

Date Agenda Published: 17 March 2017

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Norfolk County Council

Policy and Resources Committee

Minutes of the Meeting Held on 6 February 2017
10:00am Edwards Room, County Hall, Norwich

Present:
Mr C Jordan (Chairman)

Mr M Castle
Mr T Coke
Mrs H Cox
Mr A Dearnley
Mrs J Leggett
Mr I Mackie
Mr I Monson
Mr S Morphew
Mr G Nobbs
Mr A Proctor
Mr D Roper
Mr B Spratt
Mr B Stone
Dr M Strong
Mrs A Thomas

Substitute Member Present:
Mr R Parkinson-Hare for Mr M Baker

Also Present:
Mr M Wilby
Mr R Smith

1. Apology for Absence

1.1 Apologies for absence were received from Mr M Baker.

2 **Minutes**

2.1 The minutes of the previous meeting held on 28 November 2017 were confirmed by the Committee and signed by the Chairman subject to the appointments listed in minute 17.5 (2) being "made by Members" rather than having "Member involvement".

3 **Declarations of Interest**

3.1 Mr I Mackie declared a personal interest in Item 12 (Norse Consents-NPS Infinity Ltd) as a Director of Norse and Norse Companies.

3.2 Mr B Stone declared a personal interest in Item 12 (Norse Consents-NPS Infinity Ltd) as the Norse member shareholder.

4 **Items of Urgent Business**

4.1 There were no items of urgent business.

5 **Public Question Time**

There were no public questions

6 **Local Member Issues**

6.1 There was one local Member question from Mr M Castle regarding the Children's Services site at Norman House on the Tar Works Road in Great Yarmouth. The question together with the answer can be found as an Appendix to these minutes.

Section A – Items for Discussion and Decision/Action

7 **Strategic and Financial Planning 2017/18 to 2019/20**

7.1 The Committee received a report by the Leader of the County Council that explained the context for the last revenue and capital budget of the County Council before the elections in May 2017 including the implications for Council Tax and for investing in the Council's priorities for the period to 2019/20. The Leader said the proposed budget placed the Council's responsibility to vulnerable people at its heart, with £25m of extra money for Adult Social Care and an extra £9m for Children's Services.

7.2 **RESOLVED**

That the Policy and Resources Committee:

Note the report.

8 Revenue and Capital Budget 2017-18

8.1 **Strategic and Financial Planning 2017-18 to 2019-20 and Revenue Budget 2017-18**

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

8.1.2 The Committee received a report by the Executive Director of Finance and Commercial Services that set out the overall direction of travel for strategic and financial planning for 2017-18 to 2019-20 and provided the detailed financial information to support the Committee's proposed Revenue Budget and Council Tax recommendations.

8.1.3 Mrs A Thomas commended the officers for their hard word in compiling a very comprehensive budget report that was rooted in strong financial management. She said the report set out a budget strategy that was built to last and put in place a strong foundation for savings in future years.

8.1.4 In the ensuing debate the following key points were made:

- Approximately half of the money received from second home council tax went directly into the County Council's general fund.
- The larger share of the Better Broadband Reserve (that stood at £500,000) was earmarked to be spent in future years on the staffing required to deliver the objectives of the Better Broadband programme but is now no longer required for that purpose.
- At the request of the Committee, public information regarding the business rate receipts in Norfolk would be collected from the City, Borough and District Councils. A briefing note on the matter would be made available to all Members of the County Council in due course.
- With specific reference to reference P&R077, it was pointed out that the revenue saving from the implementation of the Minimum Reserve Provision policy was likely to be fully achieved by the end of 2016/17.
- Capital funding was being used to deliver parts of the remaining DNA project (reference P&R 072) in the most cost effective manner, primarily around in-house data storage. There continued to be opportunities to integrate DNA and ICT infrastructure programmes.
- It was noted that more fuller explanations given in the meeting in answer to Members detailed questions about progress in achieving the planned implementation of the P&R budget savings (and in particular P&R 050, P&R 051 and P&R 064) would be included in future budget monitoring reports.
- Additional information about how it was planned to achieve some of the budget savings identified for Policy and Resources for 2017 to 2020 could also be found in the report on delivering financial savings (at page 291 of the agenda).
- With regard to saving CHL017, it was pointed out that there was a long term saving to be achieved from reducing the number of social workers used by the County Council who worked for employment agencies. The right mix of staff between agency social workers and permanent staff would be achieved with time as more social workers completed their social worker training courses and became qualified.
- Attention was drawn to reference ASC006 and the importance of the Promoting Independence- Customer Pathway to the social care budget in reducing the number of service users receiving care in a residential setting.
- Attention was also drawn to the implementation of the MRP policy which had started to have a very positive impact on the future annual revenue cost of prudential borrowing.
- It was pointed out that in future years an annual sum would be added to reserves to fund County Council elections. This would mean that the costs of elections were spread out evenly over the term of the next County Council.

8.1.5 Mrs A Thomas moved, duly seconded by Mr B Stone, that the following additional words be added to the end of recommendation 5 (a) in the report:

"…***subject to the delay of the proposed saving ASC021 (recommissioning of***

information advice and advocacy services) to transfer the planned saving of £0.063m from 2017-18 to 2018-19*. *The delay of this saving to be funded by reducing inflationary pressures within the Adult Social Care Committee's budget."

8.1.6 A minority of Members were of the view that the motion placed on the table should have come forward from the Adult Social Care Committee and that the Committee should look to delay making this saving for two years rather than one year. It was noted that the Chairman of the Adult Social Care Committee had given his apologies for absence for today's meeting.

8.1.7 The Executive Director of Finance and Commercial Services confirmed that the saving of £0.063m could be funded in the way described in the motion but stressed that it would not be financially prudent to look to fund other budget savings in a similar way.

8.1.8 On being put to the vote there were 14 votes in favour of the motion, 0 votes against and 3 abstentions whereupon it was **RESOLVED accordingly.**

8.1.9 **It was then RESOLVED**

That the Policy and Resources Committee:

1. **Note the specific recommendations for budgets and savings proposals relating to Policy and Resources Committee's own budgets as set out in Appendix F to the report.**
2. **Note the statements regarding the robustness of budget estimates, and risks to the 2017-18 budget, set out in section 6 of the report and the separate report on the Robustness of Estimates elsewhere on the agenda.**
3. **Note the feedback from Service Committees including the proposals for additional savings, and the further changes required to deliver a balanced budget as set out in the report.**
4. **Note the findings of equality and rural assessments, linked at Appendix H(ii) to the report, and in doing so, note the Council's duty under the Equality Act 2010 to have due regard to the need to:**
   • Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
   • Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
   • Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
5. **Agree to recommend to County Council:**
   (a) An overall County Council Net Revenue Budget of £358.812m for 2017-18, including budget increases of £93.741m and budget decreases of £73.889m as set out in Table 11 of the report, and the actions required to deliver the proposed savings subject to the delay of the proposed saving ASC021 (recommissioning of information advice and advocacy services) to transfer the planned saving of £0.063m from 2017-18 to 2018-19. The delay of this

saving to be funded by reducing inflationary pressures within the Adult Social Care Committee's budget.

(b) The budget proposals set out for 2018-19 to 2019-20, including authorising Chief Officers to take the action required to deliver budget savings for 2018-19 to 2019-20 as appropriate.

(c) With regard to the future years, that further plans to meet the remaining budget shortfalls in the period 2018-19 to 2019-20 are developed and brought back to Members during 2017-18.

(d) To note the advice of the Section 151 Officer, at paragraph 6.1, on the financial impact of an increase in Council Tax, as set out in section 8, and confirm the assumptions that:

- **I. the Council's 2017-18 budget will include a general Council Tax increase of 1.8% and a precept of 3% for Adult Social Care, and overall increase of 4.8% (shown at Appendix D to the report) as recommended by the Executive Director of Finance and Commercial Services.**
- **II. the Council's budget planning in future years will include Council Tax increases for CPI in line with Government assumptions as set out in the Spending Review 2015, plus an increase of 3% for Adult Social Care in 2018-19 but no increase in the Adult Social Care precept in 2019-20, based on the current discretions offered by Government.**

(e) That the Executive Director of Finance and Commercial Services be authorised to transfer from the County Fund to the Salaries and General Accounts all sums necessary in respect of revenue and capital expenditure provided in the 2017-18 Budget, to make payments, to raise and repay loans, and to invest funds.

(f) That allocations of Transition Grant and Rural Services Delivery Grant totalling £4.561m and held in the 2016-17 Budget to address business risk, be carried forward and used to help ameliorate the level of savings required in 2017-18 (as recommended by this Committee in October 2016).

(g) To agree the Medium Term Financial Strategy 2017-20 as set out in Appendix I, including the two policy objectives to be achieved:

- **I. Revenue: To identify further funding or savings for 2018-19 and 2019-20 to produce a balanced budget in all years 2017-20 in accordance with the timetable set out in the Revenue Budget report (Appendix E).**
- **II. Capital: To support the proposed long-term strategy to invest in the Council's assets while minimising the impact on the revenue budget.**

(h) The mitigating actions proposed in the equality and rural impact assessments (Appendix H (I) of the report).

8.2 **County Council Budget 2017-18 to 2019-20: Statement on the Adequacy of Provisions and Reserves 2017-20**

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

8.2.2 The Committee received a report by the Executive Director of Finance and Commercial Services that detailed the County Council's reserves and provisions, including an assessment of their purpose and expected usage during 2017-20. The report included an assessment of the Council's financial risks that should be taken into consideration in agreeing the minimum level of General Balances held by the Council.

8.2.3 **RESOLVED to recommend to County Council:**

a. **To note the planned reduction in non-schools earmarked and general reserves of 46.8% over three years, from £87.569m (March 2016) to £46.606m (March 2020) (paragraph 5.2 of the report);**
b. **To note the policy on reserves and provisions in Appendix C to the report;**
c. **To agree, based on current planning assumptions and risk forecasts set out in Appendix D to the report:**
   I. **for 2017-18, a minimum level of General Balances of £19.252m, and**
   II. **a forecast minimum level for planning purposes of • 2018-19, £22.978m; and • 2019-20, £23.568m.**
   as part of the consideration of the budget plans for 2017-20, reflecting the transfer of risk from Central to Local Government, and supporting recommendations;
d. **To agree the use of non-school Earmarked Reserves, as set out in Appendix E to the report;**
e. **To agree that the Executive Director of Finance and Commercial Services further reviews the level of the Council's Reserves and Provisions as part of closing the 2016-17 accounts in June 2017. This review will seek to identify £5.734m of earmarked reserves that can be released in 2017-18 to support the Children's Services budget. In the event that sufficient funding from reserves cannot be found, the Executive Director of Finance and Commercial Services will consider the need for additional in-year savings to be sought across the organisation to support the Children's budget.**

8.3 **County Council Budget 2017-18 to 2019-20: Robustness of Estimates**

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

8.3.2 The Committee received a report by the Executive Director of Finance and Commercial Services that provided an analysis of the robustness of the estimates used in the preparation of the County Council's budget which was reported elsewhere on the agenda.

8.3.3 **RESOLVED to recommend to County Council:**

To agree the level of risk and set of assumptions set out in the report, which underpin the revenue and capital budget decisions and planning for 2017-20.

8.4 **Capital Strategy and Programme 2017-20**

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

8.4.2 The Committee received a report by the Executive Director of Finance and Commercial Services that presented the proposed capital strategy and programme for 2017-20 including information on the funding available to support the programme.

8.4.3 The Committee's attention was drawn to Appendix B on page 175 of the agenda and the proposed change in the phasing of the expenditure for the delivery of the Children's Services Sufficiency Strategy (with the overall expenditure remaining unchanged) that would have to be reported back to the Children's Services Committee for their detailed consideration.

8.4.4 **RESOLVED:**

That the Policy and Resources Committee:

1. **agree the proposed 2017-20 capital programme of £361.888m;**
2. **refer the programme to the County Council for approval, including the new and extended capital schemes outlined in Appendix B to the report;**
3. **agree the Capital Strategy at Appendix D to the report as a framework for the prioritisation and continued development of the Council's capital programme;**
4. **agree to recommend to the County Council the Minimum Revenue Provision statement attached at Appendix E to the report;**
5. **agree to recommend to the County Council the Prudential Indicators in Appendix F to the report;**
6. **note capital grant settlements summarised in Section 4 of the report;**
7. **note the estimated capital receipts to be generated over the next three years and beyond to support those schemes not funded from other sources, as set out in Table 6 of the report.**

8.5 **Annual Investment and Treasury Strategy 2017-18**

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

8.5.2 The Committee received a report by the Executive Director of Finance and Commercial Services that in accordance with regulatory requirements, presented the Council's investment and borrowing strategies for 2017-18, including the criteria for choosing investment counterparties.

8.5.3 **RESOLVED to endorse and recommend to County Council:**

The Annual Investment and Treasury Strategy for 2017-18, including the treasury management Prudential Indicators detailed in Section 8 of the report.

9 **Finance Monitoring Report Period 8 November 2016**

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

9.2 The Committee received a report by the Executive Director of Finance and Commercial Services that provided details of the forecast position for the 2016-17 Revenue and Capital Budgets, General Balances, and the forecast Council's Reserves at 31 March 2017, together with related financial information. The report also provided a brief commentary on Resources and Finance budgets which were the responsibility of this Committee.

9.3 The Executive Director of Finance and Commercial Services pointed out that the reduction in the forecast overspend in period 8 was largely due to a change in the implementation of the Council's MRP policy and the use of reserves, subject to approval.

9.4 **RESOLVED:**

That the Policy and Resources Committee:

1. **note the period 8 forecast Revenue overspend of £5.512m** (P7 21.426m, P6 £20.746m), **subject to approval of use of reserves;**
2. **endorse and recommend to County Council for approval of the use of grants and contributions from reserves in 2016-17 as follows:**
    - **Adult Social Services unspent grants and contributions £0.948m**
    - **School Sickness Insurance Scheme £1.019m**
    - **Other Children's Services reserves use £3.958m**

    as set out in Appendix 1 section 3;
3. **endorse and recommend to County Council for approval the use of £1.476m ICT reserves to fund the additional (one-off) costs of implementing the Voice and Data contract as explained in Appendix 1 section 3 of the report;**
4. **note the forecast General Balances at 31 March 2017 of £19.252m, before taking into account any over/under spends;**
5. **note the forecast financial information in respect of Policy and Resources and Finance budgets which are the responsibility of this Committee, as set out in Appendix 2;**
6. **approve three debt write-offs totalling £34,113.95 as set out in paragraph 5.3 of the report;**
7. **note the revised expenditure and funding of the current 2016-20 capital programme as set out in Appendix 3 of the report.**

10 **Delivering Financial Savings 2016-17**

10.1 The annexed report (10) by Executive Director of Finance and Commercial Services was received.

10.2 The Committee received a report by the Executive Director of Finance and Commercial Services that provided an overview of the progress in delivering the savings agreed by the County Council at its meeting on 22 February 2016.

10.3 The Committee was informed that 19% of the savings identified last year had either been reversed or delayed in current budget planning assumptions. The changes identified in the budget report were intended to ensure a deliverable savings programme for 2017-18 so that the forecast shortfalls did not arise.

10.4 **RESOLVED:**

That the Policy and Resources Committee note:

- **a. the forecast total shortfall of £7.903m in 2016-17, which amounts to 19% of total savings, and for which alternative savings need to be identified;**
- **b. the budgeted value of 2016-17 savings projects rated as RED of £10.233m, of which £1.985m are now forecast to be delivered;**
- **c. the forecast over delivery of £0.345m on GREEN and BLUE rated projects; and**
- **d. the forecast total shortfall of £13.325m of 2017-18 savings and £18.472m of 2018-19 savings reflecting planned delay and removal of savings as detailed more fully in the Budget report elsewhere on the agenda for this meeting.**

11 Disposal and Acquisition of Properties

11.1 The annexed report (11) by Executive Director of Finance and Commercial Services was received.

11.2 The Committee received a report by the Executive Director of Finance and Commercial Services that included proposals aimed at supporting County Council priorities by exploiting properties surplus to operational requirements, pro-actively releasing assets with latent value where the operational needs could be met from elsewhere and strategically acquiring property.

11.3 The Committee was informed that the proposals set out in the report were aimed at treating all potential occupiers of County Council owned assets in an even handed and transparent way. The proposals treated all leases and licenses, at full market value. Where service providers/ organisations were supporting County Council policies and strategies, the property costs could be supported by a grant provided by service committees. Each case would have to be considered by the appropriate service committee on its own merits.

11.4 In reply to questions, the Executive Director of Finance and Commercial Services pointed out that there were currently 721 agreements in place with occupiers of County Council owned assets and the Council received a rental income from approximately 40% of these Third Party organisations.

11.5 The majority of Members were of the view that there was a strong rationale for supporting a market rent policy where a formal lease or licence and full market fee/rent for third party use protected the County Council's asset base over the long term as the County Council retained a financial liability as landlord for these assets. The proposed policy limited the risk of the County Council appearing to act in a potentially discriminatory way and ensured the long term viability of buildings for other potential users in the future.

11.6 The minority of Members were of the view that for existing occupiers of County Council owned assets a change of policy on leases and licenses could lead to significant uncertainty. They said that this could lead to an inconsistency in the treatment of similar organisations who after paying a market rent might or might not then find that they were able or unable to continue to receive in the form of a grant some or all of the financial support that they had received previously and yet the change of policy would only achieve a minimal financial return to the County Council.

11.7 It was moved by Mr Roper, seconded by Mr Castle:

That the County Council should defer reaching a decision on whether to confirm that all leases and licences (including extension/renewal of a lease/license), were at full market value pending the Committee receiving a full impact assessment and a breakdown of the costs that would be incurred in administering such a scheme.

11.8 On being put to the vote the motion was **LOST** whereupon it was:

11.9 **RESOLVED (by 10 votes to 7):**

That the Policy and Resources Committee:

1. **Confirm that all leases out, or licences (including extension/renewal of a lease/license), are at full market value. Where service providers /organisations are supporting NCC policies and strategies the property costs may be supported by a grant provided by service committees.**
2. **Agree to the surrender of the lease to 26 Depwade Court, to approve the lease acquisition of the room adjacent to 1 Depwade Court and its subsequent sub-letting to Independence Matters.**
3. **Declare the former "Officer's Mess" and the former "Sergeant's Mess" areas at Scottow Enterprise Park surplus to NCC service use. The Council's Corporate Property Team are authorised to dispose of the property is accordance with policy or exploit the sites to maximise the receipt or revenue income.**
4. **Agree to the extension of the leases for part of Scottow Enterprise Park for an additional 5 years for the existing phase 1 lease and additional 4 years for the phase 2 leases all to expire in 2045 for a premium of £100,000 plus costs.**

12 **Norse Consents – NPS Infinity Ltd**

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

12.2 The Committee received a report by the Executive Director of Finance and Commercial Services that sought approval for the creation of NPS Infinity as a Ltd company.

12.3 **RESOLVED:**

That the Policy and Resources Committee:

Approve the creation of NPS Infinity as a Ltd company.

Section B – Items for Report

13 **Notifications of Exemptions Under Contract Standing Orders**

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

13.2 The Committee received a report by the Executive Director of Finance and Commercial Services that set out the exemptions that had been made up to 12 January 2017 under paragraph 9.11 of Contract Standing Orders and that were over £250,000 and therefore needed to be notified to the Policy and Resources Committee.

13.3 **RESOLVED:**

That, as required by paragraph 9.12 of the Council's Contract Standing Orders, Policy and Resources Committee note the exemptions set out in the report that have been granted under paragraph 9.11 of Contract Standing Orders by the Head of Procurement and Head of Law, in consultation with the Chairman of Policy and Resources Committee, that are over £250,000.

14 **Decisions taken under Delegated Authority**

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

14.2 The Committee received a report by the Managing Director that set out decisions taken in relation to property matters by officers under the scheme of delegation and "hierarchy of decision making" since the last report to the Committee.

14.3 **RESOLVED:**

To note the report.

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

15.1 No verbal update reports were received.

The meeting concluded at 11.30 am

Chairman

Appendix to Policy and Resources Committee minutes of 6 February 2017

<u>Local Member Question from Mr M Castle</u>

"What plans do the Council have for disposal or development of the redundant Children's Services site at Norman House on the Tar Works Road in Yarmouth? Has attention been given to its potential use for a Riverside Housing Development deploying a 3-storey Town House format with garages and utility rooms below given the vicinity to the Bure River?"

<u>Answer</u>

This property has yet to be declared surplus to service use. It has been confirmed the property is still in use by Children's Service's for Home Based Care and Supervised Contact services. .
Options to relocate Children Services have been considered however no conclusions have yet been reached and the building has not yet been declared surplus to their use. In the event Children's Services vacate the building there is an Officer process to consider use by other County Council Services. If the site is declared surplus to County Council service use the Corporate Property Team will consider options for disposal or redevelopment.

Mr Castle added that there did not appear to be sufficient activity to justify the continued use of this building by Children's Services.

Policy and Resources Committee

Item No. 7a (i)

Report title:	**Resources and Finance vital signs performance management report**
Date of meeting:	**27 March 2017**
Responsible Chief Officer:	**Simon George, Executive Director of Finance and Commercial Services, and Debbie Bartlett Head of Business Intelligence & Performance Service and Corporate Planning and Partnerships Service**

Strategic impact

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

Executive summary

This paper presents up to date performance management information for Resources and Finance. This is based on the 'vital signs' performance indicators agreed by the committee as part of the Council's revised performance management framework introduced in April 2016.

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

- Appendix 1 presents the full dashboard of Resources and Finance Vital Signs performance indicators
- Appendices 2A to 2C present the individual report cards for indicators that meet the exceptions criteria for detailed reporting to committee (off target; deteriorating performance; affecting the budget; or affecting corporate risks).

In summarising performance, the paper highlights those vital signs that are on or better than the target.

The paper then references the 'exceptions' vital signs that are reported in detail via Appendix 1.

Recommendation

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

1. Introduction

1.1. This paper presents up to date performance management information for Resources and Finance. This is based on the ‘vital signs’ performance indicators agreed by the committee as part of the Council’s revised performance management framework introduced in April 2016.

1.2. The dashboard at Appendix 1 shows the overall picture month by month of all the vital signs.

1.3. The report cards at appendices 2A – 2C give more detail on vital signs where:

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

2. Performance Commentary

2.1. Our strategy for services in Resources and Finance is to develop an efficient business infrastructure which aligns key corporate services, including ICT, human resources and finance – in the most cost-effective way to support members and staff to do their job.

2.2. Vital signs where there is a notable change this report include:

- February was a positive month for key areas of Information Management and Technology (IMT) service performance. A 13% reduction in the calls backlog was achieved and although this caused a narrow miss in terms of the service level agreement resolution target overall, Adults & Children's services were in target and all other targets were met. New starter setup time has now been reduced from 5 days to under 2 days and a new measure of customer satisfaction has been created. The first reported monthly score of 6.3 out of 7 is very encouraging.
- As reported on the whole council performance report, the council’s sickness rate has increased from this time last year. The context and background for this is covered in that report. Speed of recruitment is an important measure for productivity and efficiency. In January, the average time to recruit to vacant posts (both internal and external appointments) was 12.79 weeks from vacancy authorisation to the employee starting in post, above the target of 11 weeks. This compares to 10.40 weeks in December. January figures are always longer, reflecting starting dates delayed until the New Year.
- Once new people are in post, good quality induction can help new staff hit the ground running. Data shows that the online employee induction helps new starters settle into their role, with 98% of respondents rating it as effective. Since January 2017, the measure also included feedback from managers regarding the new manager toolkit which was introduced at the end of 2016. 68% of managers responding stated they found it effective giving a composite score of 83%. As yet this is at an early stage and the numbers are small.

2.3. Report cards with more detail on some key vital signs are attached.

3. Key actions being undertaken to address performance issues

3.1 The report cards presented in Appendices contain details of the actions being undertaken to address performance issues. Notably:

- Communications push on the self-serve for password re-sets
- Continued promotion to managers about the induction toolkit
- Implement changes to on-line recruitment site which will further speed up the time it takes to issue a written offer.

4. Recommendations

4.1 Committee Members are asked to:

- Review and comment on the performance data and recommended actions

5. Financial Implications

5.1 There are no significant financial implications arising from the development of the revised performance management system or the performance management report.

6. Issues, risks and innovation

6.1 There are no significant issues, risks and innovations arising from the development of the revised performance management system or the performance management report.

7. Officer contact

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

Debbie Bartlett	Tel No: 01603 22275	Email: debbie.bartlett@norfolk.gov.uk
Simon George	Tel No: 01603 222400	Email: simon.george@norfolk.gov.uk

IN TRAN communication for all

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

Appendix 1

Norfolk County Council

Policy and Resources Committee - Vital Signs Dashboard

NOTES:
In most cases the RAG colours are set as: Green being equal to or better than the target; Amber being within 5% (not percentage points) worse than the target; Red being more than 5% worse than target. 'White' spaces denote that data will become available; 'grey' spaces denote that no data is currently expected, typically because the indicator is being finalised. The target value is that which relates to the latest measure period result in order to allow comparison against the RAG colours. A target may also exist for the current and/or future periods.

Monthly	Bigger or Smaller is better	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Target
{Finance} Budget monitoring – forecast vs budget at a County level	On plan	£0.0m	-£0.05m		£9.5m	£11.1m	£21.4m	£21.39m	£20.75m	£21.75m	£5.51m	£5.51m	£5.22m		**£0.0m**
{Finance} Savings targets delivered - by committee	Bigger		£23.05m	£41.42m	£35.53m	£34.29m	£31.96m	£31.96m	£32.29m	£32.29m	£33.52m	£33.52m	£33.17m		**£41.42m**
{Finance} Capital programme tracker	Bigger						86.0%	95.0%	94.0%	96.0%	96.0%	99.0%	96.0%		**100.0%**
{Finance} Ratio of corporate net expenditure compared to frontline net expenditure	Smaller		7.1%		5.8%	6.1%	6.2%	6.5%	6.5%	6.5%	6.2%	6.2%	6.6%		**6%**
{Finance} Savings - support services compared to front line	Bigger		77.0%		81.0%	80.0%	81.0%	81.0%	82.0%	82.0%	82.0%	82.0%	82.0%		**81.0%**
{IM} Subject Access Requests (SAR) - % resolved within timescales	Bigger	83.0%	75.0%	95.0%	81.0%	75.0%	95.0%	93.0%	75.0%	100.0%	100.0%	78.0%	69.0%		**95.0%**
{IM} Freedom of Information (FOI) requests - % resolved within timescales	Bigger	97.0%	96.0%	93.0%	98.0%	86.0%	91.0%	92.0%	95.0%	97.0%	96.0%	89.0%	97.0%		**95.0%**
{IM} Number of DPA breaches categorised as Serious	Smaller	0	1	0	0	0	0	0	0	0	0				**0**
{ICT} Abandonment Rate - % of calls abandoned on the ICT Service Desk	Smaller	15.0%	16.0%	15.0%	11.0%	10.0%	8.0%	5.0%	12.0%	11.0%	8.0%	7.0%	11.0%	7.0%	**10.0%**
{ICT} ICT incidents per customer per month	Smaller	1.6	1.5	1.4	1.7	1.6	2.3	1.1	1.4	1.4	1.3	1.0	1.5	1.3	**1.5**
{ICT} First line fix	Bigger	25.0%	27.0%	27.0%	35.0%	39.0%	42.0%	38.0%	42.0%	41.0%	40.0%	43.0%	40.0%	36.0%	**28.0%**
{ICT} Incidents resolved within SLA	Bigger			67.0%	69.0%	70.0%	70.0%	69.0%	69.0%	72.0%	80.0%	73.0%	80.0%	75.0%	**80.0%**
{Procurement} % external spend on formal contracts	Bigger	89.0%	89.0%	89.0%	94.0%	95.0%	93.6%	96.7%	95.5%	95.1%	94.1%	95.1%	95.6%		**92.0%**
{ICT} Systems availability	Bigger								99.0%	99.0%	99.0%	98.0%	99.0%	99.0%	**99.0%**
{NPLaw} The number of successful legal challenges to the routes taken	Smaller			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			**0.0%**

{NPLaw} NPLaw charging model fully recoups the cost of providing the service (including all overheads)	Bigger		£510k				£658k	£638k	£712k	£740k	£800k	£742k	£743k		£512k
{HR} Sickness absence - percentage lost time	Smaller	3.16%	3.34%	3.34%	3.48%	3.48%	3.51%	3.50%	3.47%	3.52%	3.51%	3.51%	3.59%		3.00%
{HR} Time to recruit	Smaller			9.90	12.88	12.22	12.99	10.18	10.07	8.61	8.15	10.40	12.79		11.00
{HR} Mandatory Data Protection Act e-learning - % non-compliance	Smaller		4.9%			7.9%	5.4%	3.7%	2.7%	3.2%	2.9%	3.0%	3.3%		5.0%
{Customer Access} Complaints Efficiency	Smaller			9.7	14.0	13.2	15.2	16.6	17.2	24.0	31.0	30.5	20.6		10
Quarterly / Termly	**Bigger or Smaller is better**	**Mar 14**	**Jun 14**	**Sep 14**	**Dec 14**	**Mar 15**	**Jun 15**	**Sep 15**	**Dec 15**	**Mar 16**	**Jun 16**	**Sep 16**	**Dec 16**	**Mar 17**	**Target**
{Procurement} Proportion of top 50 contracts where a specified checklist of contract management practices is met	Bigger														Under Development
{Procurement} Proportion of significant suppliers that have an identified sponsor and supplier relationship plan that is delivered	Bigger														Under Development

{HR} Induction and onboarding first impression survey	Bigger									90.5%	95.0%	91.0%	83.0%		90.0%
{Dem.Services} Percentage of service committee reports marked “to follow”	Smaller							7.0%	8.5%	10.5%	12.0%	8.5%	1.5%	1.8%	6.0%
Annual (calendar)	**Bigger or Smaller is better**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**Target**
{NPLaw} File Reviews - show that options and risks have been presented and considered	Bigger										96.0%	98.0%	100.0%		100%
{HR} Appraisal completion rate	Bigger									33.2%	60.7%	54.3%	81.0%	89.0%	95%
Annual (financial / academic)	**Bigger or Smaller is better**	**2004/05**	**2005/06**	**2006/07**	**2007/08**	**2008/09**	**2009/10**	**2010/11**	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**Target**
{Finance} Capital receipts	Bigger											8.33	£1.87m	£2.58m	£6.98m
{Procurement} Bidder satisfaction with OJEU tenders	Bigger														Under Development
{Procurement} Proportion of OJEU tenders where market engagement took place before the contract notice was placed	Bigger											53.0%	78.0%		
{Procurement} Timeliness of tendering process (for larger tenders placed in the Official Journal) - median delay in days	Smaller														
{Procurement} Proportion of tenders for which there are at least three bids	Bigger														
{Procurement} Proportion of contracts valued over £5M where no significant disruption to service occurred on transition	Bigger														
{NPLaw} Client confidence in NPLaw - Client satisfaction surveys	Bigger														
{Comms} Reputation	Bigger														
{HR} Agency and contract staffing spend as a percentage of pay bill	Smaller														
{Dem.Services} Member Satisfaction with Support provided by Democratic Services	Bigger														

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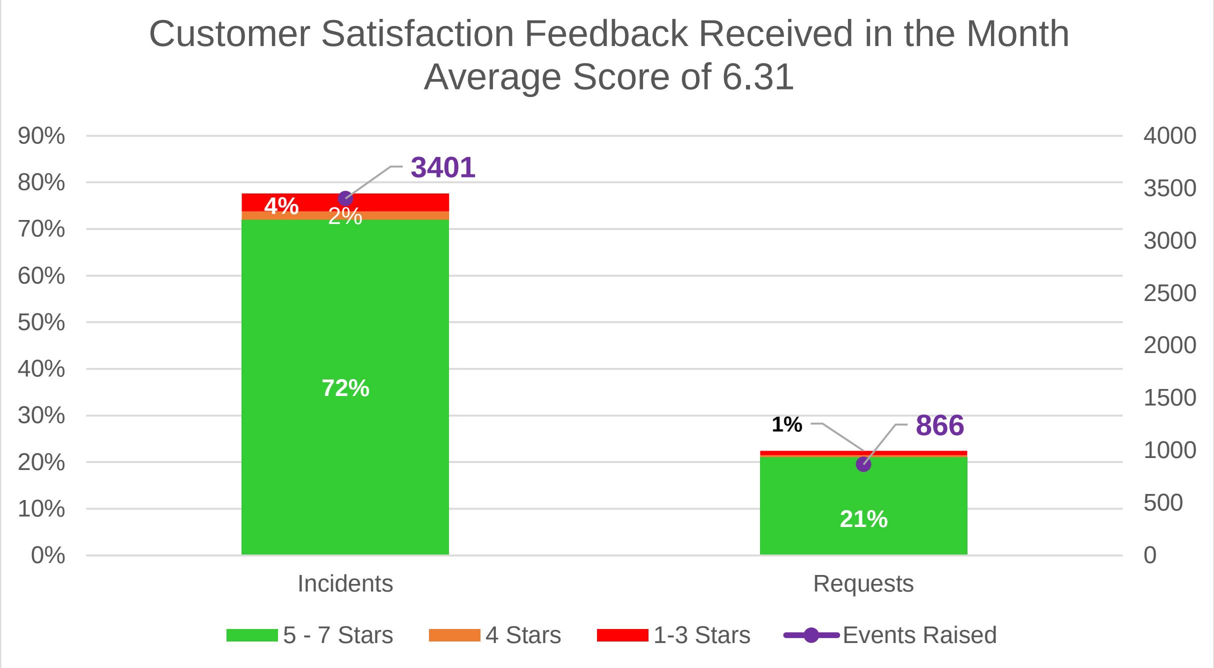
15/03/2017

Smaller											8.0	14.0		10.0
											87.0%	87.0%		80.0%
														Under Development
										98%	99%	100%		100%
														Under Development
Smaller									2.5%	3.0%	3.4%	4.2%		10.0%
											98%			98%

IMT: Customer satisfaction (new) **Appendix 2A**

Why is this important?
Every customer deserves to feel valued and experience an excellent journey through the IMT process

Performance:



What is the background to current performance?

- 12% of our customers returned our survey with an average score of 6.31
- 93% of our customers have awarded IMT 5 to 7 stars
- 5% of our customers have awarded IMT 1 to 3 Stars

What will success look like?

- Score between 1 – 7 stars with a target to be confirmed

Action required:

- To continue to review the low rated feedback
- Customer feedback around our low scores relates to IMT improving our communication. Service Delivery Manager to build these improvements into our Service Improvement Plans

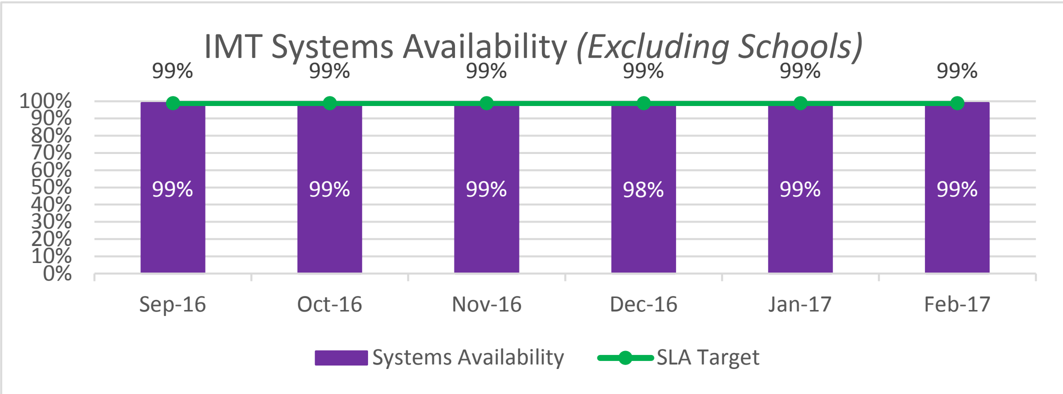
Responsible Officers:	Lead: Rob Price, Service Delivery Manager Data: Jo Carey, Service Delivery Analyst

IMT: Systems availability (new)

Why is this important?

Users expect systems (Care First, Oracle, Tribal, Spydus, Email, Internet Access, Intranet Access and Telephony) to be available and reliable when they want to use it, within the agreed service level agreement

Performance:



What is the background to current performance?

- Services availability during this period was 99%.
- Out of the possible 86,400 minutes for the above systems the IMT service was unavailable for just 1,129 minutes this month
- Storm Doris impacted the Service on 23 & 24 Feb, as this was outside of IMT control this has not been included

What will success look like?

- Systems to be available to users 99% of the time

Action required:

- To identify and add more business-critical systems to the measure, and to review resilience and maintainability for those already measured
- To include the Information Management website availability statistics
- Updata to provide Availability Reports following transition of all infrastructure, expected March 2017

Responsible Officers:	Lead: Rob Price, Service Delivery Manager Data: Jo Carey, Service Delivery Analyst

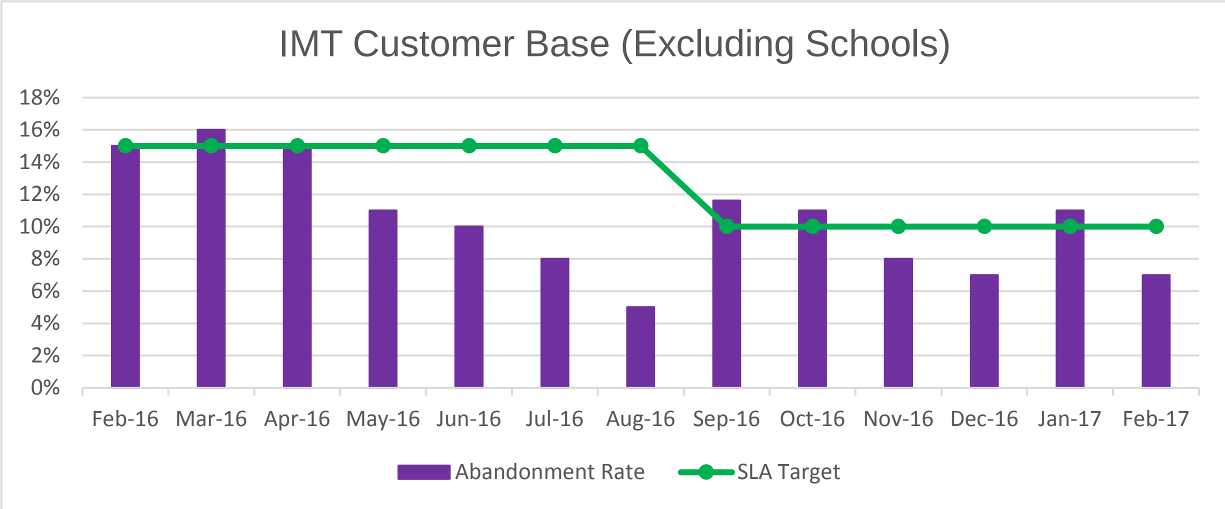
IMT: Abandonment Rate – Percentage of calls abandoned on the IMT Service Desk

Why is this important?

The inability for an IMT Customer to progress with an incident or service request hinders the Customer and the Council from working effectively and efficiently.

Performance:

The Percentage of Customers (excluding Schools) that abandon their call to IMT service desk



What is the background to current performance?

- 4% improvement in this month's abandonment rate, 3% above target

What will success look like?

- IMT Service Desk call abandonment rate to fall below the target of 10%
- Users routinely using the new Assyst IMT Service Desk system self-service functionality rather than calling or emailing the Service Desk.

Action required:

- To promote the self-service facility
- IMT Self Service Catalogue to be introduced as per the IMT Service Improvement Plan, delivered Q2 17 to bring extra value to the IMT Self-Service Portal

Responsible Officers:	Lead: Rob Price, Service Delivery Manager Data: Jo Carey, Service Delivery Analyst

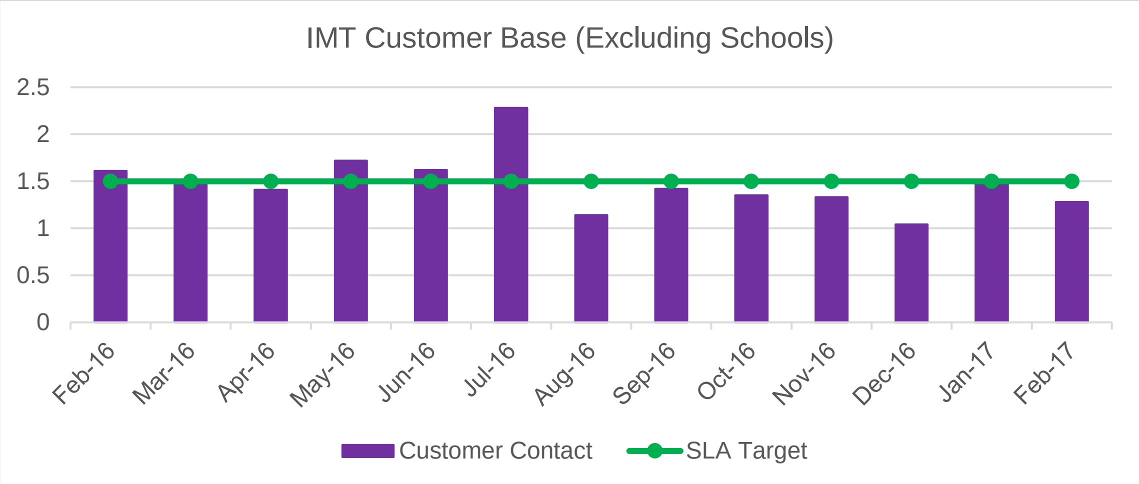
IMT: IMT incidents per customer per month

Why is this important?

Excessive Customer Contacts to the IMT Service Desk indicates a high level of day-to-day IMT problems being experienced by IMT users, which hinders the Council from working effectively and efficiently.

Performance:

How many times within a month the customers contact the Service desk, (by any method)



What is the background to current performance?

- 1.28 contacts per user back within target of 1.5

What will success look like?

- The contacts per user per month to align with an industry (Gartner) best practice baseline of 1.5 or below
- Fewer Priority 1 Incidents (i.e. significant IMT problems affecting multiple users).

Action required:

- Password Incidents are the second highest categories logged, consistently, each month. This supports the review of the Password strategy for NCC. Which would remove a number of these calls

Responsible Officers:	Lead: Rob Price, Service Delivery Manager Data: Jo Carey, Service Delivery Analyst

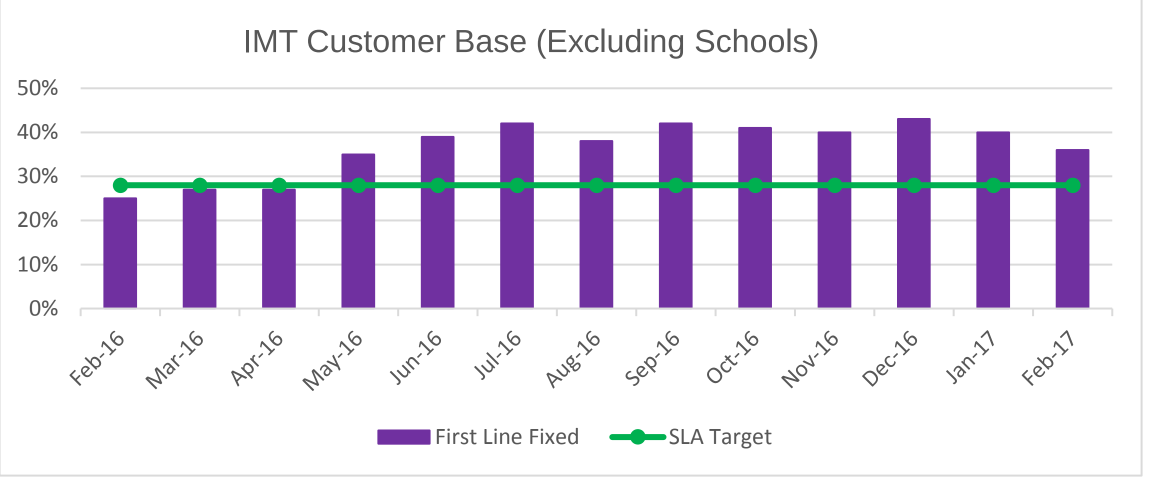
IMT: First Line Fix

Why is this important?

The inability to address the customer's incident on *first* time contact with IMT (so called “one and done”) can impact the Council in working effectively and efficiently.

Performance:

The percentage of customers that have their incidents resolved by the First Line support (Service Desk)



This graph shows the first line fixed performance and target of 28%.

What is the background to current performance?

- Performance was unexpectedly impacted during February due to New Device Build issues which resulted in the Line & Half engineer being diverted to work through the issues.

What will success look like?

- A first time fix rate of over 50% and improved IMT Customer Satisfaction.

Action required:

- New Device Build issues has now been taken on my the Problem Manager
- Review resourcing to establish if Line & Half can be maintained

Responsible Officers:	Lead: Rob Price Service, Delivery Manager Data: Jo Carey Service, Delivery Analyst

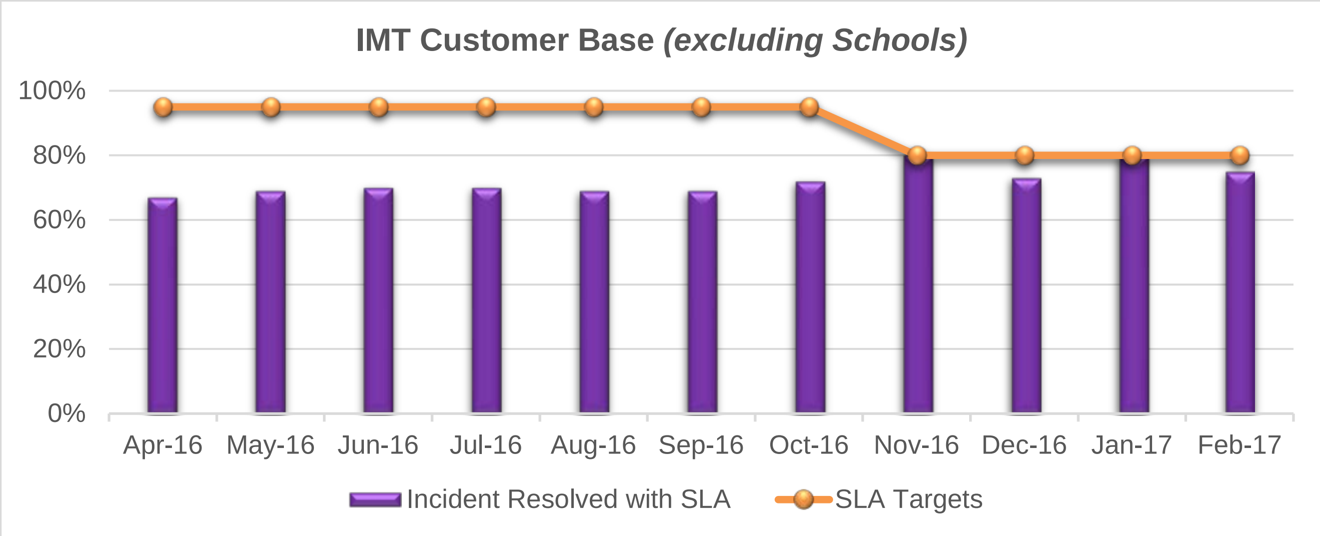
IMT: Incidents resolved within Service Level Agreement

Why is this important?

This measures our ability to achieve and manage IMT customer expectations for the resolution of an incident they have experienced to an agreed standard.

Performance:

The Incident Resolution Performance and Target



What is the background to current performance?

- Performance impacted due to Field Operation resource being diverted to work on issues with New Starter Device Builds

What will success look like?

- Reduction in our outstanding calls in the short term.
- In the longer term, the achievement of the revised service level agreement resolution rate of 80%

Action required:

- New Device Build issues has now been taken on my the Problem Manager
- Review resourcing to establish if Line & Half can be maintained
- Review of internal Processes to identify time saving and increase throughput

Responsible Officers:	Lead: Rob Price, Service Delivery Manager Data: Jo Carey, Service Delivery Analyst

Why is this important?	
It is important that when an employee leaves that they are replaced as quickly as possible to maintain productivity.	

Performance

Time to recruit

Time to recruit varies between just under 10 weeks to just under 13 weeks. The average period is just over 11 weeks, slightly above target.

What is the background to current performance?

The Resource Management System was introduced in 2014 which coordinates and manages manager requests to HR to recruit to vacancies/new posts. A report has been developed to report on how long the recruitment process takes in weeks. Some vacancies, e.g. adverts for multiple posts such as Social Workers are still not in scope of the RMS system and are not included in the data. It is now possible to report retrospectively on all recruitment activity, and data on closed cases has been included for the first time to give a complete picture for 2016. The data includes internal and external appointments.

The time to recruit is broken down into 3 stages, from the date the vacancy was approved to the:

- Manager issuing the Appointment Notification Form (ANF) (average = 8.03 weeks);
- HR sending the conditional offer (average = 18.18 weeks)
- Employee starting (average = 11.71 weeks).

During January, a total of 132 appointments were processed and the overall time to recruit was 12.79 weeks.

A target has been set of 11 weeks for the entire recruitment process, from the vacancy being approved for advertising to the new employee starting in post. A survey has been conducted with other Authorities in the Eastern Region, however only limited responses were received. Our data compares well to data provided by Suffolk County Council who average 13.4 weeks from advert to appointment compared to the NCC average of 11.71 weeks.

The data shows that most new employees have started employment within the 11 week target, however in many cases they had not received their written offer/contract. During 2016 there has been a significant improvement in the time taken to issue an offer, reducing from 16 weeks in January 2016 to less than 6 weeks in November. During 2016, an average 127 appointments were processed each month.

What will success look like?

- Time to recruit is below target and is comparable with other employers in the public and private sector.

Action required

- New functionality being implemented within the recruitment website and administrative processes will also be reviewed to enable further improvements to the time taken for a written offer to be issued (target within 1 week)
- Integrate RMS data with other recruitment data sources e.g. source of successful applicant, appointment made first time
- Increased use of RMS system for all recruitment to improve data quality

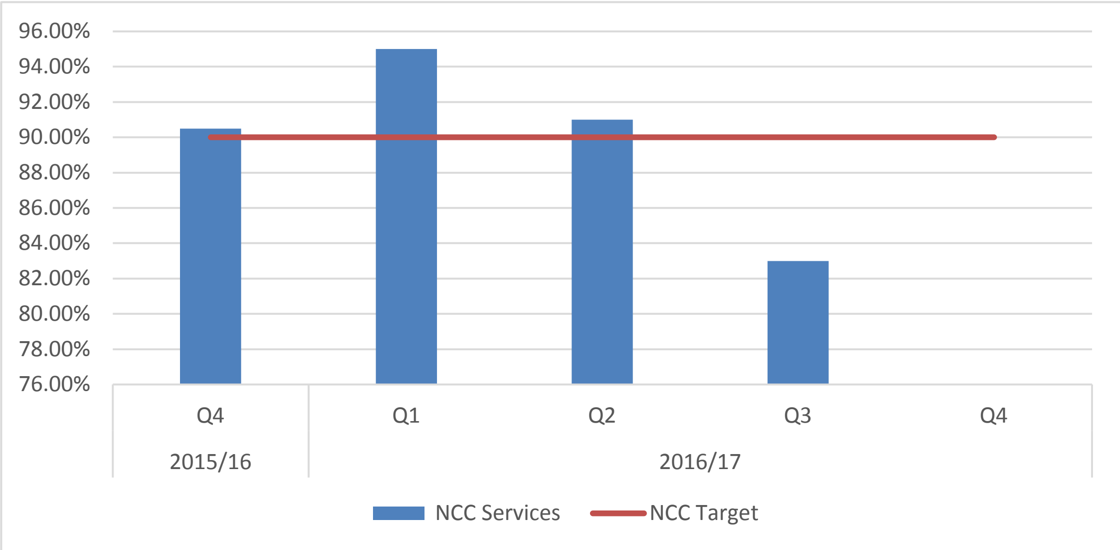
Responsible Officers	Lead: Audrey Sharp, Acting Head of HR	Data: Lesley Macdonald, HR Consultant

Why is this important?

A good induction is critical to enable new employees to be quickly integrated into their new team, workplace and service from day one, supporting them to become an effective and motivated employee as soon as possible, developing the skills and knowledge needed to do the job and understand the behaviours and performance expected of them.

Performance:

Satisfaction with new Online Induction



This is a new measure, however the target of satisfaction rates of 90% and above has been met consistently for the employee induction, but performance has dropped following the introduction of the new manager toolkit which is not yet widely in use across NCC.

What is the background to current performance?

- The new employee induction e-learning course was introduced in 2014 and the manager starter kit, an on-line resource for new managers was launched in mid October 2016. All new starters are automatically enrolled onto the course and their manager can monitor progress through the Learning Hub. In addition to the corporate induction, employees also have a Departmental induction.
- A short survey is sent to all employees who enrolled on either of the two courses and how effective they have found it. In Q3 2016/17 98% of those surveyed said that they considered the online induction had been effective in helping them to settle into their new role at NCC, up from 91% in the previous quarter. Of those, 67% had completed the full course. Additionally 78% found their departmental induction effective however 14% said that they had not had a departmental induction. 68% of managers said that they found the manager toolkit an effective resource however the numbers accessing the toolkit are low. The composite performance of both is 83%.

What will success look like?

- Participants satisfaction rate for the new employee induction and new manager starter kit above 90%.

Action required:

- New employees to be contacted to ask for feedback about the online induction.
- Continue to promote the new manager toolkit to increase usage levels.

Responsible Officers:	Lead: Audrey Sharp, Acting Head of HR Data: Lesley Macdonald, HR Consultant

Policy and Resources Committee

Item No 7a (ii)

Report title:	**Corporately significant vital signs performance management report**
Date of meeting:	**27 March 2017**
Responsible Chief Officer:	**Debbie Bartlett, Head of Business Intelligence & Performance Service and Corporate Planning & Partnerships Service**

Strategic impact

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

Executive summary

This paper presents up to date performance management information for corporately significant vital signs. This is based on the corporately significant 'vital signs' performance indicators agreed by the committee as part of the Council's revised performance management framework introduced in April 2016.

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

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

Recommendation

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

1.	**Introduction**
1.1	This paper presents up to date performance management information for those 'vital signs' performance indicators that are 'corporately significant'. These were agreed by the committee as part of the Council's revised performance management framework introduced in April 2016.
1.2	This covering paper highlights key issues for Members to note with more in the report cards.
1.3	The report cards at appendix 2A – 2F give more detail on performance indicators where: • Performance is off-target (Red RAG rating or variance of 5% or more); and/or • Performance has deteriorated for three periods (months/quarters/years); and/or • Performance is adversely affecting the council's ability to achieve its budget; and/or • Performance is adversely affecting one of the council's corporate risks.
2.	**Performance Commentary – vital signs**
2.1	The Council is redesigning services to ensure they meet the needs of a growing population, provide a higher standard of customer care, reflect the priorities of residents and represent good value for money. To do this, the focus is on: • Being relentless on efficiency and waste • Being more commercial and business-like • Managing demand through a shift to early help and prevention • Creating opportunities to raise revenue and maximise income.
3.	**Vital Signs**
3.1	Individual service committees consider in detail performance of services within their remit. This report analyses some specific vital signs to help assess progress against the council's overall strategy. Some performance areas to note are: • **Delayed transfers of care** - The vital sign measuring the number of people who cannot be moved out of hospital because of delays in organising their care by social services continues to be rated red. Delayed transfers of care attributable to adult social services have doubled in the last six months – indicative of the well-documented pressures on health and social care system, and a feature of nearly all social care systems. Norfolk's performance, whilst below our target, still compares well with other equivalent authorities. 'Discharge to assess' is making a difference; this sees patients moved out of hospital beds into other care settings, still funded by the NHS, where therapeutic care can begin and the right decisions made about the longer term type of care the patient needs. • **Permanent admissions to residential care** – have been consistently reducing for the last three years in both 18-64 and 65+ age groups, and reductions had accelerated in the last year in response to the provisions put in place in response to Promoting Independence. However, over quarter three, the downward trend has stalled; the reasons for this are a combination of increased pressure from hospital discharge and a number of previous self-funders that had dropped below the threshold for self-funding. Better timeliness of recording has also meant an increase in this quarter.

	Longer term, it is expected that the measures from Promoting Independence will continue to support more people to stay in their own homes for longer or for housing alternatives to residential care to be provided. For people aged 18-64 there is a clear progress towards fewer people being admitted to permanent residential care. In April 2015, the rate was 33 people per 100,000 and by November 2016 this had almost halved to 17 per 100,000 population. • **Looked after children** – vital signs measuring aspects of our care for looked after children show a mixed picture. Overall, the number of looked after children has increased by 68 over the last year. Audits we have carried out show that the right decisions about taking children into care are being taken, but we need to understand which earlier intervention work with children on the edge of care would make a difference. 88% of LAC have an up to date health assessment in place. Whilst there is still more to do, this is a 12% increase over the past year and is the result of a focused effort to improve. Whilst not featuring on this corporate dashboard, the percentage of schools judged to be good or outstanding continues to increase and now stands at 88%. • **Complaints** – the vital sign measures the % of complaints that are resolved informally – instead of going on to be a formal complaint. The figures suggest a dramatic decrease in this, but in practice, it reflects a new way of dealing with them. A change in practice means that a bigger proportion of contacts are now being dealt with by the customer service centre, leaving the complaints team to focus on those more complex issues, fewer of which can be resolved informally – a trend which is common to many other councils. Going forward we will review the measure to ensure it is the right way of measuring the new process. • **Sickness absence** - among Council staff continues to be an issue in relation to the very challenging target set of 3%. Absence levels in January were 3.59%, an increase of 0.08% compared with December up 0.08%. This spike is likely to be as a result of normal seasonal factors and an increase overall in Children and Adults Services during 2016/17. The forecast for the end of the year is 3.59%, an average per full time employee of 8.23 days. This compares with 3.25% or 7.66 days per fte for 2015/16. Analysis of data in the 12 months up to 31 Dec shows that the proportion of sickness which is long term sickness remains static at 69%. The final outcome at the end of 15/16 was 3.25% (7.66 days per fte). Our performance at the end of January 16 was 3.33% (7.67 days) so we are 0.26% or 0.56 days per fte higher this year compared to the same period last year. • **Winter gritting** – whilst not highlighted on the vital signs dashboard, a report card is included because of the opportunity to review the performance as the season comes to an end. Gritters have been out 55 times across the county and 42 times in Norwich – a similar number of runs to last year. The service set a stretching target for all gritting runs to be completed in three hours; in practice a number of factors can influence this and for January the figure was 83.26%, which is still a strong performance. Monitoring shows that when the three hour window was missed, often this was only by less than five minutes. Routes will be reviewed over the summer months. (This will include adding the NDR).
3.2	**Key actions being undertaken to address performance issues**

3.3	Actions to address performance issues include: • Continue to strengthen Norfolk's Early Help offer and social work practice to ensure families receive help as soon as it is required. Alongside this to establish a targeted service to reduce the numbers of adolescents entering our care. • Continue daily monitoring of delayed discharges of care to ensure swift response with NHS partners; this to include trialing discharges while decisions on free nursing care are ratified and processed, instead of waiting for completion when the patient is still in hospital. • Proactive support being offered by HR to social care managers for long term sickness cases and other absence "hot spots" where managers have not already accessed this. • Commissioning activity around accommodation to focus on effective preventative interventions such as reablement, sustainable domiciliary care provision, and improved Housing With Care options for those aged 65+.
4.	**Recommendations**
	Committee Members are asked to: • Review and comment on the performance data and recommended actions.
5.	**Financial Implications**
5.1	There are no significant financial implications arising from the development of the revised performance management system or the performance management report.
6.	**Issues, risks and innovation**
6.1	There are no significant issues, risks and innovations arising from the development of the revised performance management system or the performance management report.
7.	**Officer contact**
	If you have any questions about matters contained please get in touch with: Debbie Bartlett Tel No: 01603 222475 Email: debbie.bartlett@norfolk.gov.uk

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

Appendix 1

Norfolk County Council

Policy and Resources Committee (corporately significant measures) - Vital Signs Dashboard

NOTES:
In most cases the RAG colours are set as: Green being equal to or better than the target; Amber being within 5% (not percentage points) worse than the target; Red being more than 5% worse than target. 'White' spaces denote that data will become available; 'grey' spaces denote that no data is currently expected, typically because the indicator is being finalised. The target value is that which relates to the latest measure period result in order to allow comparison against the RAG colours. A target may also exist for the current and/or future periods.

Monthly	Bigger or Smaller is better	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Target
{ASC} Decreasing the rate of admissions of people to residential and nursing care per 100,000 population (18-64 years)	Smaller	22.5	21.7	21.1	19.7	18.7	17.7	18.3	17.0	16.6	16.6	16.4			17.8
{ASC} Decreasing the rate of admissions of people to residential and nursing care per 100,000 population (65+ years)	Smaller	617	623	616	622	614	613	613	621	630	637	628			586
{ASC} % of people still at home 91 days after completing reablement	Bigger	91.7%	90.7%	92.2%	91.9%	93.3%	94.3%	93.2%	94.5%	94.1%	93.0%	93.1%			90.0%
{ASC} Number of days delay in transfers of care per 100,000 population (attributable to social care)	Smaller	1.5	1.5	2.9	2.6	2.4	2.6	3.0	3.1	3.1	3.1	3.2			1.5
{Public Safety} Performance against our Emergency Response Standards	Bigger	78.1%	79.4%	78.6%	79.4%	80.5%	72.3%	72.8%	78.6%	76.1%	76.6%	81.5%	80.6%		80.0%
{ChS} Percentage of Referrals into Early Help Services who have had a referral to EH in the previous 12 months	Smaller						8.2%	7.9%	14.1%	13.3%	18.0%	11.1%	11.3%		20.0%
{ChS} Percentage of Referrals into Section 17 CIN Services who have had a referral to S.17 CIN in the previous 12 months	Smaller	23.1%	27.0%	28.2%	28.2%	28.2%	24.6%	23.5%	27.2%	25.9%	26.4%	20.0%	23.8%		<20%
{ChS} Percentage of Children Starting a Child Protection Plan who have previously been subject to a Child Protection Plan (in the last 2 years)	Smaller	9.7%	9.2%	9.3%	9.9%	9.6%	8.7%	8.6%	9.5%	14.3%	7.8%	12.7%	4.2%		<15%
{ChS} Percentage of Children Starting to be looked-after who have previously been looked-after	Smaller	21.1%	31.4%	17.4%	17.9%	17.8%	17.5%	17.7%	17.5%	17.4%	20.4%	20.6%	20.7%		<15%
{ChS} LAC with up to date Care Plan	Bigger	94.3%	95.2%	96.6%	94.7%	94.2%	94.8%	97.6%	97.7%	97.8%	97.1%	98.5%	98.6%		100%
{ChS} LAC with up to date Health Assessment (HA)	Bigger	81.9%	81.9%	84.9%	84.6%	87.7%	88.8%	87.6%	88.7%	89.3%	91.1%	88.4%	87.8%		100%
{ChS} Eligible Care Leavers with up to date Pathway Plan	Bigger	85.9%	84.9%	86.0%	84.5%	85.8%	83.2%	84.4%	88.3%	86.6%	87.6%	91.5%	89.9%		100%

{Finance} Budget monitoring – forecast vs budget at a County level	On plan	£0.0m	-£0.05m		£9.5m	£11.1m	£21.4m	£21.39m	£20.75m	£21.75m	£5.51m	£5.51m	£5.22m		**£0.0m**
{Finance} Savings targets delivered - by committee	Bigger		£23.05m	£41.42m	£35.53m	£34.29m	£31.96m	£31.96m	£32.29m	£32.29m	£33.52m	£33.52m	£33.17m		**£41.42m**
{IM} Number of DPA breaches categorised as Serious	Smaller	0	1	0	0	0	0	0	0	0	0				**0**
{ICT} ICT incidents per customer per month	Smaller	1.6	1.5	1.4	1.7	1.6	2.3	1.1	1.4	1.4	1.3	1.0	1.5	1.3	**1.5**
{HR} Sickness absence - percentage lost time	Smaller	3.16%	3.34%	3.34%	3.48%	3.48%	3.51%	3.50%	3.47%	3.52%	3.51%	3.51%	3.59%		**3.00%**
{HR} Time to recruit	Smaller			9.90	12.88	12.22	12.99	10.18	10.07	8.61	8.15	10.40	12.79		**11.00**

Quarterly / Termly	**Bigger or Smaller is better**	**Mar 14**	**Jun 14**	**Sep 14**	**Dec 14**	**Mar 15**	**Jun 15**	**Sep 15**	**Dec 15**	**Mar 16**	**Jun 16**	**Sep 16**	**Dec 16**	**Mar 17**	**Target**
{BBfN} % of Norfolk homes with superfast Broadband coverage	Bigger							83.0%		84.0%			86.0%		**86.0%**
{H&T} % of rural population able to access a market town or key employment location within 60 minutes by public transport	Bigger	75.7%	74.8%	75.0%	75.1%	75.5%	74.6%	74.1%	71.4%	71.4%	72.0%	72.0%	68.4%		**75%**
{E&P} Kilograms of residual household waste per household per week	Smaller	10.3				10.4				10.0					**10.4**
{ChS} LAC with up to date Personal Education Plan (PEP)	Bigger		75.5%	80.7%	84.6%	86.5%	76.7%	63.5%		73.5%	88.9%	81.2%	82.5%		**100%**
{ChS} Rate of Looked-After Children per 10,000 of the overall 0-17 population	Smaller		68.4	66.5	64.5	64.1	64.0	63.6	63.1	62.5	62.6	62.8	65.5		**<55**
{Procurement} Proportion of top 50 contracts where a specified checklist of contract management practices is met	Bigger														**Under Development**

Annual (calendar)	**Bigger or Smaller is better**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**Target**
{EDS} Median full time weekly pay – comparison between Norfolk and the national average	Bigger										91.0%	89.0%	90.0%	90.0%	**90%**
{EDS} % of ESA claimants who claim benefits for more than one year	Smaller										65.0%	62.0%	71.0%	78.0%	**77.0%**

Annual (financial / academic)	Bigger or Smaller is better	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Target
{ASC} Average spend per person in long term services (18-64; 65+) - UNDER DEVELOPMENT	Smaller														Under Development
{ChS} Percentage of children working at or exceeding the expected standard in Reading, Writing & Maths at KS2	Bigger														Awaiting new Gov't measure
{ChS} GCSE attainment	Bigger														Under Development
{HR} Agency and contract staffing spend as a percentage of pay bill	Smaller									2.5%	3.0%	3.4%	4.2%		10.0%

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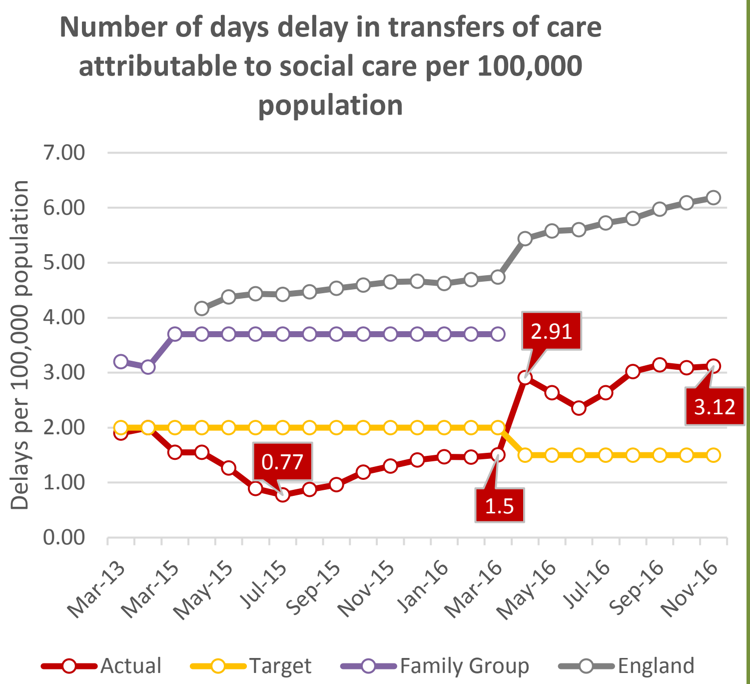
Delayed transfers of care

Why is this important?

Staying unnecessarily long in acute hospital can have a detrimental effect on people's health and their experience of care. Delayed transfers of care attributable to adult social services impact on the pressures in hospital capacity, and nationally are attributed to significant additional health services costs. Hospital discharges also place particular demands on social care, and pressures to quickly arrange care for people can increase the risk of inappropriate admissions to residential care, particularly when care in other settings is not available. Continuing Norfolk's low level of delayed transfers of care into appropriate settings is vital to maintaining good outcomes for individuals and is critical to the overall performance of the health and social care system. This measure will be reviewed as part of Better Care Fund monitoring.

Performance



What explains current performance?

- In April 2016 the number of delays per 100,000 of population nearly doubled when compared to the previous month, dropping off slightly in the subsequent months and then rising to a record high in September 2016 (3.14) before levelling off.
- The increase appears to have largely been driven by a sharp jump in delays attributable to social care from the Norfolk & Norwich University Hospital – from a baseline of zero prior to April, to over 200 in April, May and July. June delays from the NNUH returned to zero before rising to 261 in September, dropping to 139 in November.
- Since April 16 the NNUHFT has been conducting significant changes to its internal pathways to reduce pressure on their A&E department and to recover the '4 hour target'. These changes have increased the pace of discharge resulting in an increase in referrals to social services.
- The NNUHFT has increased its number of Continuing Health Care Nurses to increase the number of CHC reviews completed and reduce CHC related delays. Due to this, the number of CHC cases requiring support from a Social Worker has increased and has placed increased pressure on the social work team based at the NNUHFT and may be contributing to higher DTOC.
- The NNUHFT regularly, but unpredictably, escalates to BLACK alert in response to pressure within the hospital. This results in a spike of referrals to the social services discharge team. This spike can take a short while to reduce and can cause some patients to be delayed.
- The NNUHFT has set up a discharge hub and employed a new team to support their discharge process. It has taken a short while for this team to learn the process and has resulted in recording errors. A daily process to validate delays is now in place.
- The NNUHFT has conducted a quality improvement programme known as Red2Green which aims to improve patient flow through the hospital. As a result, the hospital is identifying patients suitable for discharge at a higher rate than before.

What will success look like?

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

Action required

- Continue priority actions in partnership with health services to ensure timely discharges from hospitals into appropriate care settings through integrated discharge arrangements: whilst ensuring cost effective and appropriate solutions are found.
- Trialling a change in practice where discharges can happen while the Free Nursing Care (FNC) decision is ratified and processed, rather than current process which is to wait until afterwards. This should have a positive impact on DTOC.
- ICT changes and upgrades at inpatient units allow Social Workers to complete records and paperwork on site, making the inpatient units fully integrated sites and help staff to be fully mobile. ICT upgrade to connection has happened with full access expected by December 2016.this assists overall flow and capacity.
- Review and re-enforce re-enablement first following acute care pathways and no permanent placements from hospital.

Lead: Lorrayne Barrett, Director of Integrated Care Data: Business Intelligence & Performance Team

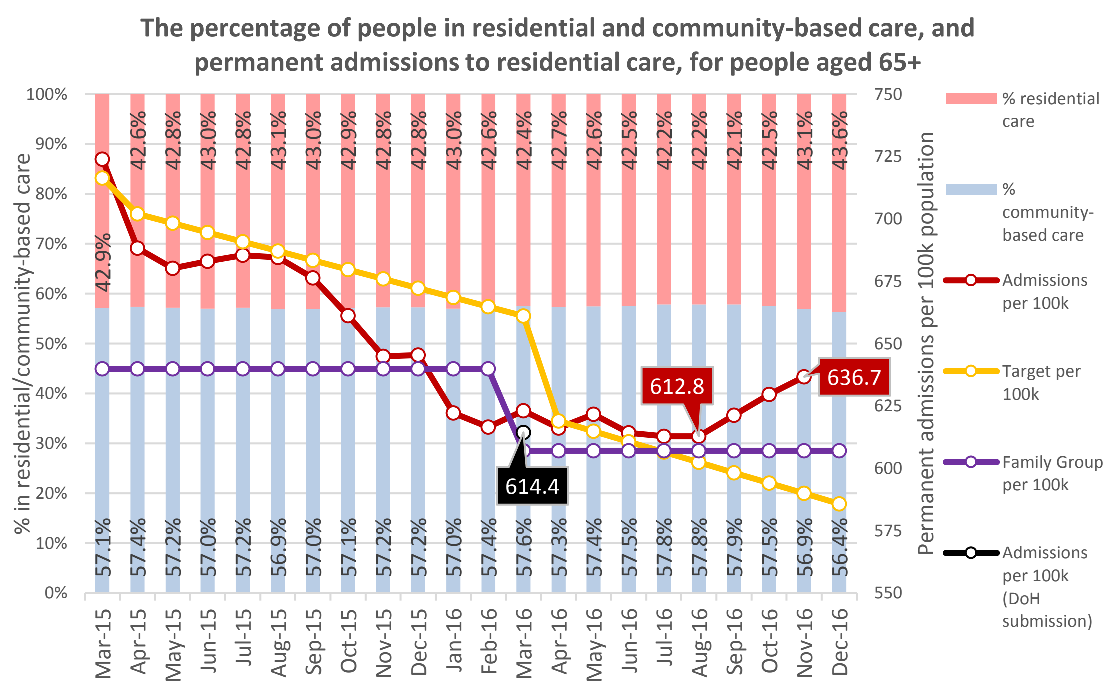
More people aged 65+ live in their own homes for as long as possible

Appendix 2B

Why is this important?

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

Performance



What is the background to current performance?

- Historically admissions to residential care have been higher than Norfolk's family group average, however we are expecting to be more in line based on improved year-on-year reductions.
- Significant improvements in the last four years has seen the rate of admissions per 100k reduce from 823 in 2012/13 to a low of 613 (August 2016). The subsequent increase took admissions per 100k to the highest point (636.7) since December 2015 and has diverged from the target, which is moving downwards.
- Increases in admissions per 100k are driven by pressures on acute hospitals, particularly regarding delayed transfers of care.
- This has had an impact on overall placements, with the residential care population increasing from 42.1% in September 2016 to 43.6% now (December 2016).
- Reductions had been driven by improvements to:
  - Reablement services
  - Improvements to the hospital discharge pathway
  - Improved 'strength based' social care assessments
- Reductions in placements don't keep pace with admissions because the average length of stay of someone aged 65+ is around 2.3 years.

What will success look like?

- Admissions to be sustained below the family group benchmarking average
- Subsequent sustained reductions in overall placements
- Sustainable reductions in service usage elsewhere in the social care system (see 'Reduced service use' Vital Signs Report Card)

Action required

- Reductions in admissions for 65+ must be sustained through good social care practice
- Commissioning activity around accommodation to focus on effective preventative interventions such as reablement, sustainable domiciliary care provision, and improved Housing With Care options for those aged 65+
- Monitor admission levels to identify if the recent increase becomes a trend
- Review use of Planning beds and implement actions to reduce conversion to long term placement
- Re-enforce reablement and therapy first processes to prevent unnecessary admission to long term residential care

Responsible Officers	Lead: Lorrayne Barrett, Director of Integrated Care, and Lorna Bright, Assistant Director Social Work	Data: Business Intelligence & Performance

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

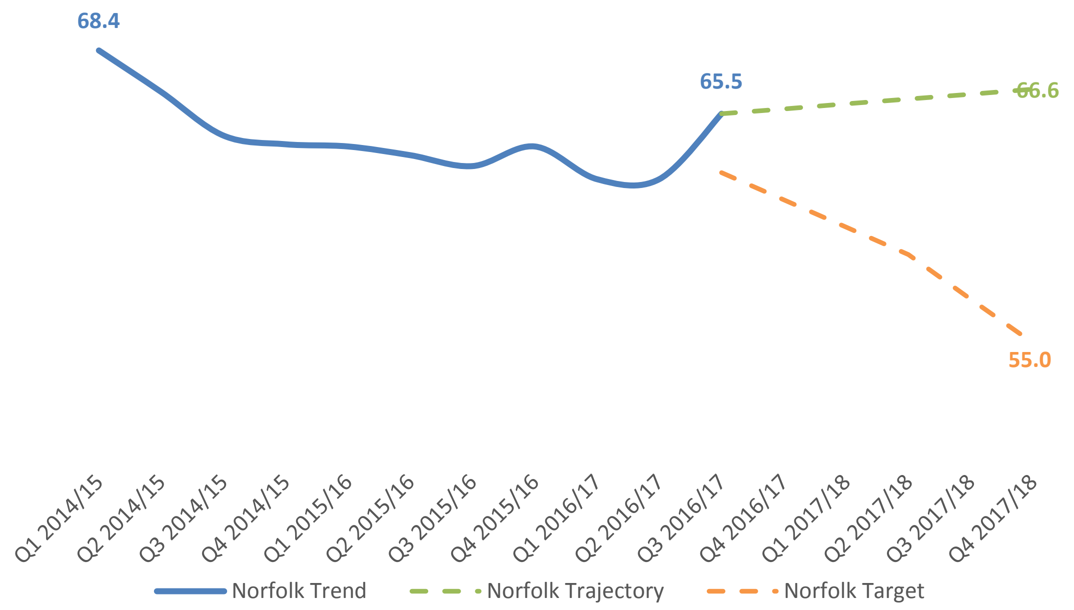
Appendix 2C

Why is this important?

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

Performance

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



What is the background to current performance?

- Historically Norfolk has had a high rate of LAC, peaking at around 69 per 10k under-18s in 2014.
- Focussed intervention from summer 2014 saw the LAC rate fall consistently to a low point of 62.5.
- A significant increase in LAC numbers over a number of months has seen the rate rise to 65.5.

What will success look like?

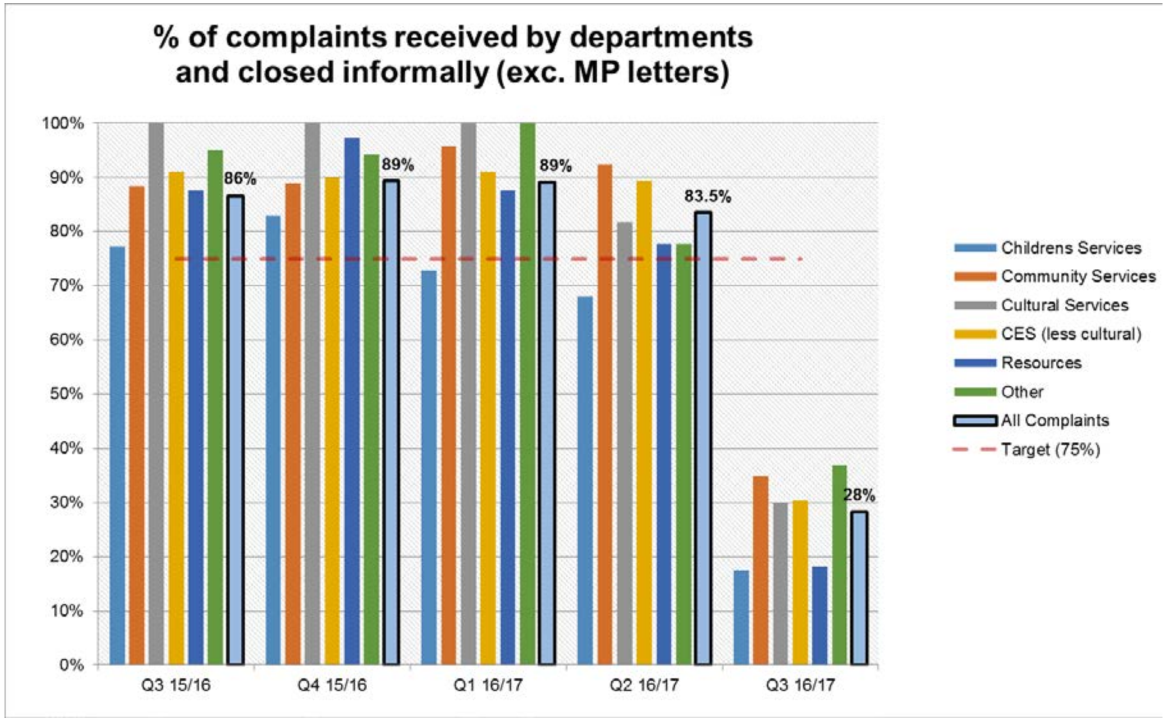
- The rate of Looked-After Children per 10k 0-17s is in line with rates in other similar local authorities within England (around 53 as at March 2015 and recent trends have shown that LAC rates among similar authorities are rising, from around 48 in 2013).

Action required

- Establish a targeted service to reduce the numbers of adolescents entering our care.
- Continue to strengthen Norfolk's Early Help offer and social work practice to ensure families receive help as soon as it is required, working to enhance their strengths & overcome issues so they can remain together.
- Where appropriate and desired, work with current LAC and their families to enable them to have the skills & understanding to live together again.
- Focus at all times on permanence for children by robustly exploring alternatives to care for all children.

Responsible Officers Lead: Cathy Mouser Data: Don Evans

Why is this important?	
Early resolution of complaints indicates the organisation's ability to identify and address customer complaints and dissatisfaction quickly and effectively. Complaints which are escalated to a more formal process involve significantly more NCC resource and can be more stressful for customers.	

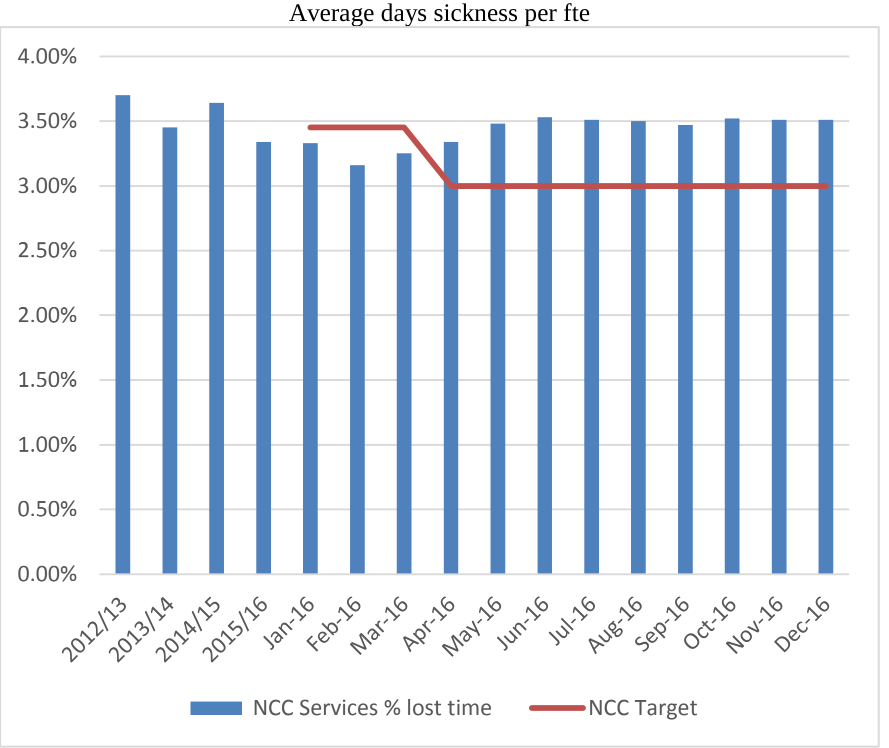
Performance	What is the background to current performance?
	• During Q3 FY 16/17 there has been a dramatic decreases in the proportion of cases resolved informally than in previous quarters. The overall volume of complaints closed (516) is consistent with the same period last year (510) and Q2 (504). • This change is the result of changes in the process used to log complaints. Customers are raising complaints that incorporate complex issues. These are being opened at Stage 1 as a matter of course. Recent experience shows they are likely to progress to the next stage of the complaints process (sometimes the LGO) as customers do not accept the outcome.
What will success look like?	**Action required**
• Early resolution of complaints (over 75%) – for social care areas it is difficult to achieve this figure due to complexity of cases	• Monitor the suitability and impact of the re-profiling of the "pre-stage" complaints.
Responsible Officers	Lead: Kim Arnall – Customer Service Complaints Manager; Data: Amy Hanner – Customer Insight and Reporting Officer

HR: Sickness absence - % lost time

Why is this important?

Maintaining staff wellbeing and reducing the number of days lost to staff sickness is important to the efficient running of the organisation, and in particular its running costs and ability to deliver key services. Staff sickness is also indicative of the health of the organisation.

Performance



The previous downward trend is likely to reverse based on the direction of travel during the first 6 months of 2016/17.

What is the background to current performance?

	2015/16 outcome	As at 31 Jan 17	DOT fm Dec
CES	2.51% (5.74)	2.72% (6.23)	↑
Resources	2.70% (6.18)	2.37% (5.43)	↓
Finance	3.26% (7.46)	3.20% (7.33)	→
Child's	3.69% (8.46)	4.12% (9.43)	→
Adults	4.50% (10.30)	4.87% (11.16)	↑
NCC Ave	3.34% (7.66)	3.59% (8.23)	↑

- Managers are responsible for the day to day management of sickness absence, accessing support as required. As at 31 Jan 2017, managers across NCC were addressing a total of 75 absence and attendance management cases with some level of HR support, (39 cases were via HR Direct and 36 with ER).
- 92 employees were referred to IPRS and 111 accessed Norfolk Support Line in Q3
- 80% Managers accessing ER support report higher levels of confidence to address future performance and absence cases.
- Analysis of data in the 12 months up to 31 Dec shows that the proportion of sickness which is long term sickness remains static at 69% (519 episodes in 12 months) of all sickness compared to 68% as at 30 Sept, but still higher than at the end of 15/16 (56%). Sickness reduces by 0.20% when historic absence for leavers is taken out of scope.
- The predicted outcome for 16/17 is currently 3.59% (8.23 days), which is higher than at the same period in 15/16 3.33% (7.67 days) and. This is the biggest increase in absence levels since Q1 this year and is likely as a result of seasonal absences which occur at this time of year.
- Benchmarking data shows that overall there has been a marginal decrease in absence levels for all employers from 3.0% to 2.8%. NCC continues to compare well to other local government employers who saw an increase in absence from 3.5% to 4.3% and also organisations 5,000+ employees where average absence levels are 4.1% – CIPD Annual report 2016

What will success look like?

- Continuing to achieve our sickness absence target. The target is 3.00%
- It should be noted that we have set a stretch target in this area to support the continuing drive to reduce absence and to bring NCC absence levels in line with the average absence rates of all employers as published in the 2015 CIPD Annual report

Action required

- Increased promotion to employees and managers of available tools to prevent absence and encourage early take up eg stress action plans, Norfolk Support Line, IPRS MOT days.
- L&D currently inviting tenders for the delivery of a variety of bitesize courses, including one on resilience to be implemented during 2017.
- HR to explore increased collaboration with Public Health colleagues around health promotion and prevention.
- Proactive support being offered by HR to social care managers for long term sickness cases and other absence "hot spots" where managers have not already accessed this.
- People performance dashboard provides managers with monthly absence data by Department and Service and data on absence hotspots will be shared with DMTs.

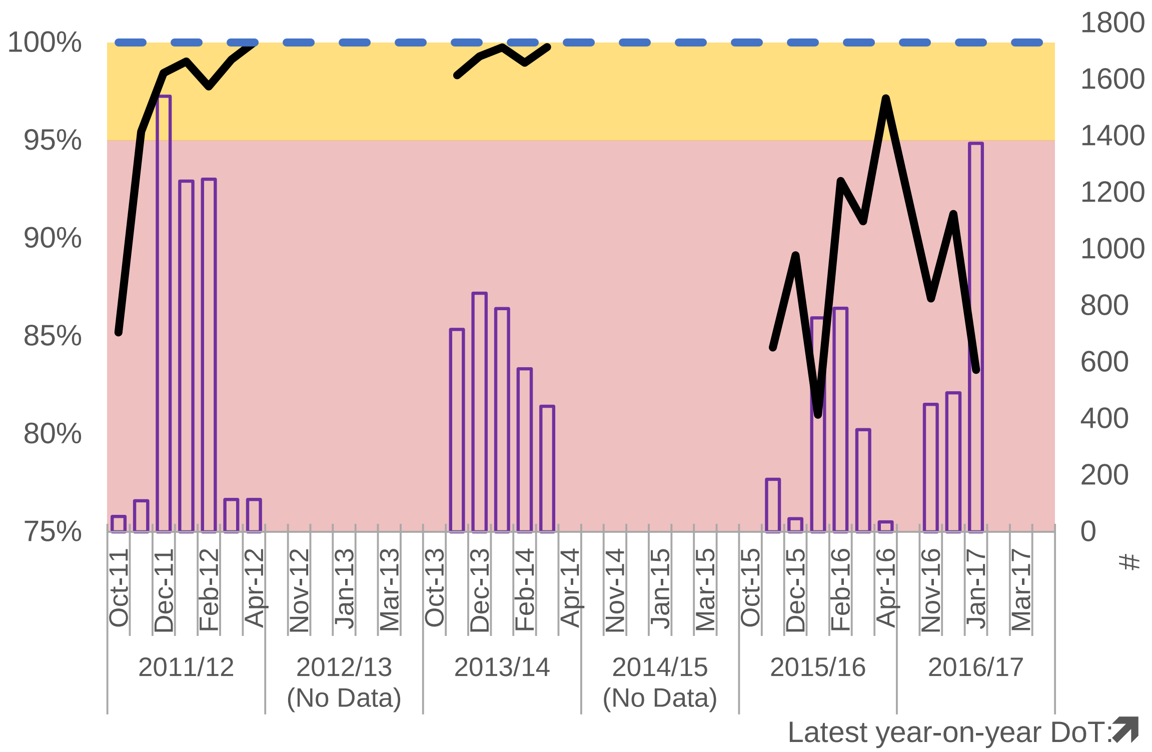
Responsible Officers Lead: Audrey Sharp, Acting Head of HR Data: Lesley Macdonald, HR Consultant

Winter Gritting - % of actions completed within 3 hours

Appendix 2F

Why is this important?
All roads should be treated within the prescribed 3 hour window to ensure the safety of road users

Performance



What is the background to current performance?

- Reasons for lateness reported;
  - Designed route length – 42%
  - Congestion due to timing of action – 32%
    - NCFC match days – 2%
  - Route diversions due to roadworks/RTAs – 21%
  - Heavy rain/salt capacity/new drivers – 5%
- Number of Actions this season to end Dec = 55.35 (less in the City = 42)
- 3400km gritted per action (35% of NCC network).
- Delivered using 49 gritters and drivers
- County stock holding of 17,000t treated salt
- PFI salt supply and storage contract with Compass Minerals until 2020.
- Average annual costs £3.4m. (Fixed costs ~£2m)
- Winter Service Plan in effect mid-October to mid-April.

What will success look like?

- Continue to reduce the cost of delivering our service while continuing to meet our statutory duty.
- Internal audit – target accurate treatment of 80% or more.
- Positive media response
- Deployment of local farmers for snow clearing on local roads if necessary
- Ensuring salt stocks are maintained in accordance with the Salt Supply PFI contract

Action required

- Continue to monitor individual route timing and re-balance route schedules if necessary.

Responsible Officers	Lead: Nick Tupper – Head of Highways Data: Alex Cliff – Project Support Engineer

Policy and Resources Committee

Item No. 7b

Report title:	**Risk Management Report**
Date of meeting:	**27th March 2017**
Responsible Chief Officer:	**Executive Director, Finance and Commercial Services**

Strategic impact

The Policy and Resources Committee's role includes to own, and set expectations for, the Council's corporate risk management. Strong risk management is key to ensuring that the organisation continues to achieve its' strategic objectives, and continues to manage the risks to the effective and efficient delivery of the Council's priorities, and services.

Executive summary

This report provides the Committee with the corporate risk register as it stands in March 2017, along with an update on the Risk Management Strategy 2016-19, and other related matters, following the latest review conducted during February 2017.

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

The Corporate Risk Register was last reported to the Audit Committee (for risk management assurance) in January 2017, prior to being refreshed in February 2017 to show the latest developments. Officers are working on suggestions from that Committee. The latest developments since the last P&R Committee (where Risk Management was reported) in November 2016 are shown in **Appendix A** (the risk register report). A reconciliation of corporate risks from November 2016 is shown at **Appendix B.**

Recommendations:

Committee Members are asked to consider:

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

1. Proposal (or options)

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

2. Evidence

2.1. Direction

2.1.1. The Council's Medium Term Strategy and Financial Plan, adopted in February 2017, provides council-wide priorities, and these have been developed into some clear outcomes and measures by officers and members. Considering 'being the organisation we need to be', the Council is leading on, and delivering, these changes, and is becoming more strategic with the right attitudes and skills, able to change at pace while shedding cost. The Council is continuing to strengthen governance and performance management, which include effective risk management arrangements. The overall direction should move towards a reduction in corporate risk scores, wherever possible.

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

2.1.3. Work is taking place to further develop performance management. Risk Management continues to be reviewed and strengthened. The Council's Management of Risk Framework, including the Risk Management policy was last revised in 2014 and, whilst it has been fit for purpose, it is due for a refresh to reflect governance, organisational and developments in best practice. That work is now in progress. Key areas to be strengthened are setting out clearly how the Council's 'Risk Appetite' and 'Risk Tolerance' are governed. Developments also include benchmarking the Risk Management function against our peers.

2.2 Progress

2.2.1 Overall, corporate risk scores continue to be generally stable. Since the last report to the Policy and Resources Committee, further work has been carried out developing risk mitigations and progress reports that are more specific, measurable, achievable, realistic and timed, and aligning the plans and progress reporting more closely with each other. The Risk Management Officer has met with four Risk Reviewers to consider risk reporting as part of a plan of scrutiny. Progress against mitigations set can be better identified, moving towards a reduction in risk scores, wherever possible. The goal is to better reflect the significant risks to Norfolk County

Council, and the actions required to mitigate them, managed by the County Leadership Team, and owned by the Policy and Resources Committee.

2.2.2. The corporate risk register is now joined up with the Council's 2017-18 Internal Audit Plan, with separate risk scrutiny applied by the Risk Management Officer to corporate risks where audits have not been identified.

2.2.3. The latest corporate risk register details 19 risks presented at **Appendix A**. Corporate risks are where the occurrence of an event may have an impact on the County Council achieving its objectives or missing opportunities. Each risk has been allocated to the appropriate Executive Director along with a risk owner and reviewer who are able to influence the mitigation and regularly report on progress so that all reports contain the most current information relating to the risk. It is the nature of corporate risks that every Executive Director has a responsibility to contribute, support and progress the tasks to mitigate the risks, through the County Leadership Team and their Departmental Management Teams.

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

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

1. RM020a – Failure to meet the long term needs of Norfolk citizens.

2.2.6. Risk owners have considered whether the risks will meet the target score by the target date, shown as a prospects score. Twelve risks are assessed as "Amber– some concerns" that targets may not be met, and four are assessed as "Green - on schedule" to meet their target by the target date.

2.2.7. There are three risks with a 'prospects' target red risk score (see note 2 for the definition):

1. RM014b - The savings to be made on Adult Social Services transport are not achieved.
2. RM017 - Failure to construct and deliver the Norwich Northern Distributor Route (NDR) within agreed budget (£179.5m)
3. RM022 - Potential changes in laws, regulations, government policy or funding arising from the UK leaving the European Union, which may impact on Council objectives, financial resilience and affected staff.

   For each of these three risks, additional mitigations have been introduced to ensure that the risk is managed as effectively as possible.

2.2.8. A reconciliation to the November 2016 report is presented at **Appendix B,** detailing the significant changes to corporate risks since the November 2016 report.

2.2.9. As part of the overall development of the performance and risk management framework for the Council, a new approach to corporate and departmental risk management is being adopted. This new approach involves the development of corporate and departmental level risks that are: outcome focussed; linked to strategic priorities; business critical, identifying areas where failure places the organisation in jeopardy; linked to financial and performance metrics. It is dependent upon a shared understanding of the risk appetite of the council.

2.2.10. A key element of this work is cultural change and absolute clarity of roles, responsibilities and process. Specifically, clarity of what these risks are, who is responsible for them, what they are doing to actively manage the risks and what measures are in place to hold people to account. These principles have been considered during consultations by the Risk Management Officer with Risk Reviewers, mentioned at paragraph 2.2.1.

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

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

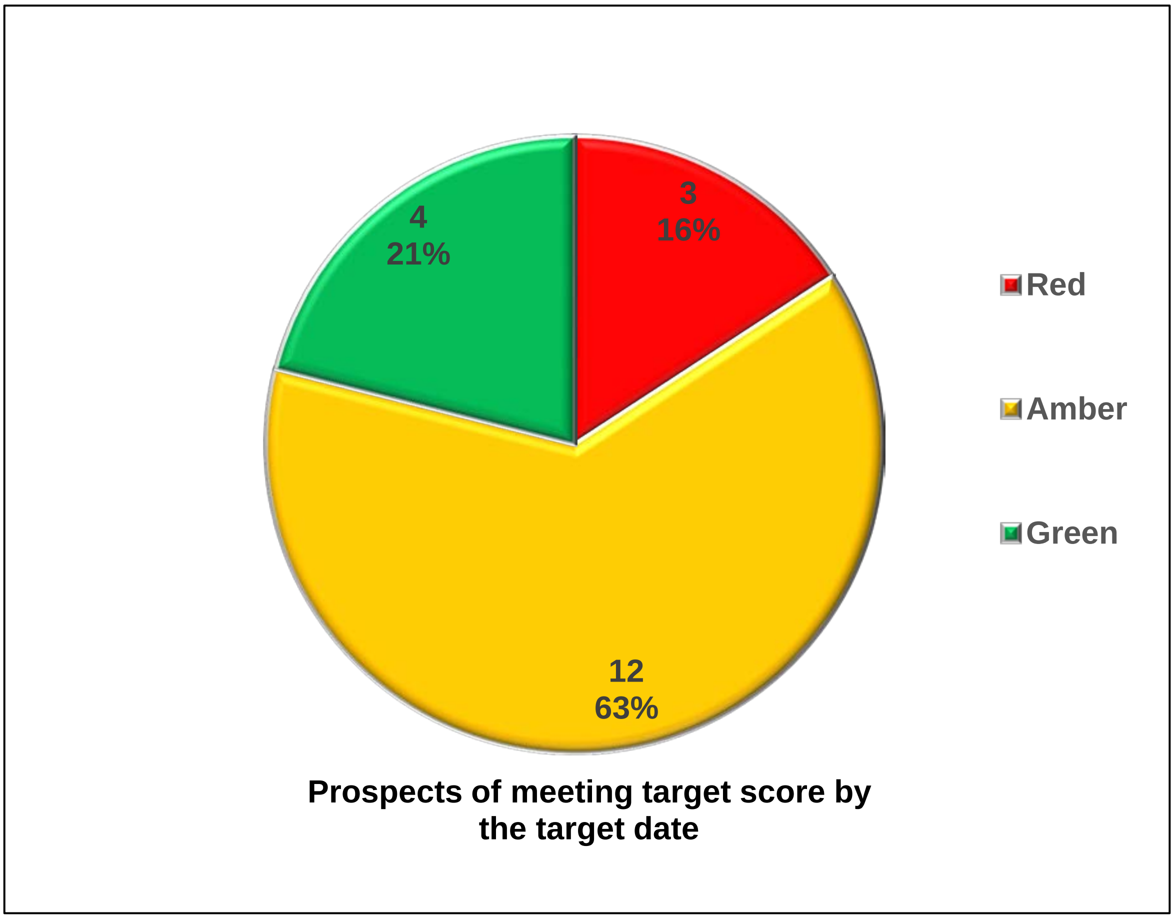
2.2.13. For ease of reference the risks have been plotted on a heat map, in **Appendix D**, to illustrate each risk’s relative position measured by likelihood and impact for their current risk score.

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

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

A description of target scores is shown at Note 2.

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



2.3 Development

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

- Strategy into Action / Accountability
- Commerciality / Business like
- Data Analytics / Evidence Based
- Collaboration / Influencing

The following strands are identified for taking forward;

2.4. Strategy into Action / Accountability

- Formalising a strategy to deliver the new RM Policy
- Developing a more Enterprise Risk Management (ERM) approach for NCC
- Being a 'Centre of excellence' for Risk Management

2.5. Commerciality – Business Like

- Developing traded Risk Management Service to other public sector bodies
- A Service Level Agreement approach for the function.

2.6. Data Analytics – Evidence based

- Develop Risk Management data measures and sources
- Quality Assurance the risk register content

2.7. Influencing – Collaborative

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

3. Risk Management reporting to Committees

3.1. Risk Management is reported separately to Financial and Performance Management at Committees, although there continue to be close links between financial, performance, and risk reporting. The departmental reporting continues to be by exception, including full information for risks with a current risk score of 12 and above where the prospects of meeting the target score by the target date is reported as amber or red. A risk report is presented to each Committee on a quarterly basis, at the same time as the Finance and Performance Reports.

3.2. At the January 2017 Audit Committee, it was noted that corporate risks RM018 and RM020a and RM020b should be developed with the Executive Directors for Children's and Adults Services respectively. The development of these risks is underway.

4. Financial Implications

4.1 The financial implications of corporate risks are reported to this Committee. There are no financial implications other than:

- those identified within the corporate risk register (Appendix A); and

- DCLG confirming in November 2016 that it had accepted the Council's Efficiency Plan which results in a multi-year settlement and provides more certainty over the level of future Government funding.

5. Issues, risks and innovation

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

6. Background

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

Officer Contact

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

Officer name :	**Adrian Thompson**	**Tel No. :**	01603 222784
Email address :	adrian.thompson@norfolk.gov.uk		

IN TRAN communication for all

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

Note 1:

A Corporate Risk is one that:

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

The criteria for a Departmental Risk Register is that:

- It requires strong management at a departmental level thus the Departmental Management Team should direct any action to be taken.

- If not managed appropriately, it could potentially result in the County Council failing to achieve one or more of its key departmental objectives and/or suffer a significant financial loss or reputational damage.

Note 2:

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

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

Appendix A

Risk Number	RM001	**Date of update**	28 February 2017
Risk Name	Infrastructure is not delivered at the required rate to support existing needs and the planned growth of Norfolk		
Risk Owner	Tom McCabe	**Date entered on risk register**	01 July 2015

Risk Description

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

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	5	**15**	3	4	**12**	3	2	**6**	Mar-18	**Amber**

Tasks to mitigate the risk

1.1) County and District Council staff to complete draft Local Growth Fund 3 (LGF3) business cases by LEP deadline (March 2017/) to maximise the chance of success. Funding will be announced in Autumn Statement, and the Local Enterprise Partnership will make a decision anticipated to be spring 2017.
1.2) Respond to Highways England Network Strategies to be published in March 2017.
1.3) Actively promote and lobby to secure funding for the Great Yarmouth Third River Crossing. Submit Third River Crossing Outline Business Case to the Department for Transport by April 2017 to ensure we have a chance of being considered for funding.
1.4) Review Planning Obligations Standards annually to ensure we are seeking the maximum possible contributions from developers. Officer review December 2016. Member adoption March/April 2017.

2.1) Manage and oversee development and delivery of individual Local Growth Fund schemes bringing forward spend on some to offset lag on others and targeting the highest priority schemes and those that have the greatest impact. All the LGF schemes have been deemed worthy of funding by the Local Enterprise Partnership as they address the identified needs. Determine a revised programme for Norfolk schemes that still meets overall profile and agree with Local Enterprise Partnership by autumn 2016.
2.2) Periodically review timescales for S106 funding to ensure it is spent before the end date and take action as required. Review by end of March 2017.

Progress update

Progress update
1.1) Continuing to work through business cases for all schemes to meet deadlines for New Anglia Local Enterprise Partnership (NALEP) decision making and further submissions to be made in March 2017. Discussed LEP pipeline schemes at last IEG Transport and Infrastructure Programmes meeting and agreed to assign the most appropriate person to each business case. This could include non IEG staff being responsible for some business cases. 1.2) Commissioned Mouchel to produce business cases and drafts have been prepared. These will be finalised to feed into Highways England's consultation on Network Strategies. 1.3) Mouchel and NCC staff currently working to a tight timetable to have a robust OBC for submission in March 2017. Recently met with DfT and agreed the modelling and appraisal technique for the March 2017 submission. The most robust methodology that fully utilised the newly collected survey data was unacceptable to DfT as it would not be completed until June 2017. Agreed to revert to original methodology but to investigate additional assurance aspects which will now comprise utilising newly collected origin and destination data on the existing bridges 1.4) Reviewed Planning Obligations Standards in December 2016 and as changes are limited we intend to use delegated chief officer powers to adopt new standards rather than a formal member committee. 2.1) Spend to date and forecast spend to end of March 2017 data has been collated and slippage identified which has been and will be reported to LTB for agreement in March 2017. 2.2) Various S106 for improvements to the Longwater interchange have been programmed and dovetailed with the Local Growth Fund funding to ensure they are spent before any deadline dates.

Appendix A

Risk Number	RM002	**Date of update**	21 February 2017
Risk Name	The potential risk of failure to manage significant reductions in local and national income streams		
Risk Owner	Simon George	**Date entered on risk register**	01 July 2015

Risk Description

This may arise from global or local economic circumstances (i.e. Brexit), government policy on public sector budgets and funding. As a result there is a risk that the Medium Term Financial Plan savings required for 2016/17- 2019/20 are not delivered because of uncertainty as to the scale of savings resulting in significant budget overspends, unsustainable drawing on reserves, and severe emergency savings measures needing to be taken. The financial implications are set out in the Council's Budget Book, available on the Council's website.

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	5	**20**	3	4	**12**	3	4	**12**	Feb-18	**Amber**

Tasks to mitigate the risk

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

Overall risk treatment: reduce

Progress update

Government's 2016-17 local government finance settlement reflected in the 2016/17 budget and Medium Term Financial Strategy.
Policy and Resources Committee on 18 July 2016 considered the latest position and agreed a timetable to consider 2017/18 budget and future Medium Term Financial Strategy.
The October and November Policy and Resources Committee meetings considered the budget position for 2017/18 including the implications from the Autumn statement. Further updates were provided to the 6th February Policy and Resources Committee before a medium term financial strategy was considered for approval at Full Council in February 2017. This included details of the provisional 2017-18 Local Government Finance Settlement.
DCLG confirmed on 16th November 2016 that it had accepted the Council's Efficiency Plan which results in a multi year settlement and provides more certainty over the level of future Government funding. The risk impact score has been lowered from 5 to 4 to reflect this.

Risk Number	RM003						**Date of update**			21 February 2017		
Risk Name	Potential reputational and financial risk to NCC caused by failure to comply with statutory and/(or) national/local codes of practice.											
Risk Owner	Simon George						**Date entered on risk register**			30 September 2011		
Risk Description												
There is a risk of failing to comply with statutory and/(or) national/local codes of practices in relation to Information Compliance. This could lead to significant reputational and financial risk for NCC.												
Original			**Current**			**Tolerance Target**						
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date		
3	5	**15**	3	4	**12**	2	4	**8**	Dec-17	**Amber**		

Tasks to mitigate the risk

1) Implementation of SIRO (Senior Information Risk Owner) , CIO (Chief Information Officer), Corporate Information Management Team encompassing Information Management, Information Governance, Records Management, policies confirming responsibilities.
2) Ensure that information and data held in systems (electronic and paper) is accurate, up to date, comprehensive, secure against security breaches, and fit for purpose to enable managers to make confident and informed decisions.
3) Ensure that all staff and managers are provided with training, skills, systems and tools to enable them to meet the statutory standards for information management.

The current impact score is at 4 to take into account the increase in corporate tools to manage and ensure compliance - Information Asset Register, Policies and Procedures, Training and Awareness Strategy and Business buy-in.
The target date has been changed to take into account recommendations to be undertaken as a result of the ICO Audit.

Overall risk treatment: reduce

Progress update

The IM Maturity Readiness plan has objectives and outcomes around the key information management tasks identified within the risk. The plan is initially focussed on the first three information principles as the foundation layers, Information is a valued asset, information is managed and information is fit for purpose.
Data cleansing has started in relation to Children's and Adult's social care information pre-procurement.
The council now has a corporate Information Asset Register in line with industry best practice, which all services have added their key information assets and these have idenitified Information Asset Owners (IAOs) associated with them. The SIRO will recieve quarterly exception reports from the IAO's and the IAO's will on a regular basis update these assets and any risks associated with them. The governance of the monitoring of the register and the assets themselves has been agreed with the SIRO and identified to the Caldicott

Progress update

Guardians.

Six new Corporate Information Management policies signed off by Business Leads, the Caldicott Guardians and the SIRO, have been implemented within the council along with 30+ Corporate procedures signed off by business leads. In tandem, a communications strategy has been implemented along with a robust Training and Awareness strategy including action and implementation plans.

The Information Commissioner's Office (ICO) audited the Council on the 11th to the 13th October 2016 and the Council has received the final report. The ICO found that there is a reasonable level of assurance that processes and procedures are in place and delivering data protection compliance. The Executive Summary of this audit has been published.

The Maturity Readiness Plan is being monitored by the Business Intelligence/Information Management Programme Board on a monthly basis with highlight reports. The scrutiny will also be provided by regular updates to CLT.

Appendix A

Risk Number	RM004	**Date of update**	21 February 2017
Risk Name	The potential risk of failure to deliver effective and robust contract management for commissioned services.		
Risk Owner	Simon George	**Date entered on risk register**	01 July 2015

Risk Description

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

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	4	**12**	3	4	**12**	2	3	**6**	31/06/2017	**Amber**

Tasks to mitigate the risk

1) Agree a standard corporate approach to the management of significant contracts.

2) Conduct a gap analysis, initially focused on the top fifty contracts.

3) Put in place an action plan based on the gap analysis

4) The March 2017 Policy & Resources report should update Members on the procurement procedure.

5) Procurement pipeline to go to all Committees with each Committee to have their own procurement pipeline summary.

6) Appoint a Senior Commissioning Officer for Norse services.

Overall risk treatment: reduce

Progress update

1) CLT agreed the standard approach on 30 June 2016.

2) An initial pilot was undertaken on ten contracts to assess the useability of the contract management standards and associated templates. This was used to refine the templates.

3) A gap analysis is now being undertaken of the top fifty contracts and associated categories, to identify themes and trends in contract management performance. This will be completed by end March 2017.

4) The March 2017 Policy & Resources report updated Members on procurement procedure.

5) The procurement pipeline goes to all Committees and is being tailored to each Committee to show their procurement.

6) A Senior Commissioning Officer has been appointed for Norse services.

Appendix A

Risk Number	RM006	**Date of update**	28 February 2017
Risk Name	The potential risk of failure to effectively plan how the Council will deliver services over the next 3 years commencing 2015/16.		
Risk Owner	Wendy Thomson	**Date entered on risk register**	01 July 2015

Risk Description

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

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	5	**15**	3	5	**15**	2	5	**10**	Aug-17	**Green**

Tasks to mitigate the risk

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

Overall risk treatment: reduce

Progress update

1) Full Council agreed a three-year medium term financial and service strategy, including the budget for 2017/18, at its meeting on February 20th 2017. In making their decisions, Councillors had the benefit of a cycle of robust committee discussions about priorities and pressures on services. In addition, public consultation took place on specific proposals for savings and the feedback was considered in detail by councillors.
2) In agreeing the budget, a detailed review of the deliverability of previously agreed savings was undertaken. As a result, a number of savings were reversed or delayed to ensure sustainability going forward.
3) The County Plan continues to provide the strategic context for the Council, providing direction and guiding strategic and resource choices.
4) Regular performance reporting to committees is focusing attention on poorly performing areas and highlighting areas of good performance. Dashboards are used, providing a summary of key performance indicators (KPIs) which focus on key areas agreed by Members and Chief Officers, together with the red, amber, green rating (RAG) ratings and direction of travel (DoT).
5) Re-shaping the corporate centre of the council will strengthen corporate oversight, horizon scanning, and strategic planning to marshal evidence and intelligence to support prioritisation and decision making.

Appendix A

Risk Number	RM007				**Date of update**				21 February 2017	
Risk Name	Potential risk of organisational failure due to data quality issues.									
Risk Owner	Simon George				**Date entered on risk register**				01 July 2015	
Risk Description										
Failure to manage the data quality will prevent us from ensuring that data relating to key Council priorities is robust and valid. This places the Council at risk of making decisions using data that is not always as robust as it should be. This may lead to poor or ineffective commissioning, flawed decision making and increased vulnerability of clients, service users and staff.										
Original			**Current**			**Tolerance Target**				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	5	**15**	3	5	**15**	2	4	**8**	Jun-17	**Amber**

Tasks to mitigate the risk

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

The target date has been changed to take into account any recommendations to be undertaken as a result of the ICO Audit.

Overall risk treatment: reduce

Progress update

Progress update
The IM Maturity Readiness plan has objectives and outcomes around the key information management tasks identified within the risk. The plan is initially focussed on the first three information principles as the foundation layers, Information is a valued asset, information is managed and information is fit for purpose. October 16 compliance rate for 3 Yr Refresher is 98.2% - 3.2% higher than the target for the vital sign of 95%. A pilot training programme has been initated concerning increasing data accuracy skills. The pilot is for 32 staff accross all services. The Council now has a corporate Information Asset Register in line with industry best practice, which all services have added their key information assets and these have idenitified Information Asset Owners(IAOs) associated with them. The SIRO will receive quarterly exception reports from the IAO's and the IAO's will regularly update their assets and any risks associated with them. The governance of the monitoring of the register and the assets themselves has been agreed with the SIRO and identified to the Caldicott Guardians. The Information Commissioner's Office (ICO) audited the Council on the 11th to the 13th October 2016 and the Council has received the final report. The ICO found that there is a reasonable level of assurance that processes and procedures are in place and delivering data protection compliance. The Executive Summary of this audit has been published. The Maturity Readiness Plan is being monitored by the BI/IM Programme Board on a monthly basis with highlight reports. The scrutiny will also be provided by regular updates to CLT. Norfolk County Council is NHS IG toolkit accredited for 2016/17, and the council is preparing for the re-accreditation in March 2017. There is a data quality audit planned for Q1 of 2017/18, particularly focussing on information asset owners.

Risk Number	RM010				**Date of update**				21 February 2017		
Risk Name	The risk of the loss of key ICT systems including: - internet connection; - telephony; - communications with cloud-provided services; or - the Windows and Solaris hosting platforms.										
Risk Owner	Simon George				**Date entered on risk register**				02 September 2015		
Risk Description											
Loss of core / key ICT systems, communications or utilities for a significant period - as a result of physical failure, fire or flood, supplier failure, misconfiguration or loss of PSN accreditation - would result in a failure to deliver IT based services leading to disruption to critical service delivery, a loss of reputation, and additional costs. Overall risk treatment: reduce.											
Original			**Current**			**Tolerance Target**					
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date	
3	4	**12**	3	4	**12**	1	3	**3**	Jun-17	**Amber**	

Tasks to mitigate the risk

1) Full power down in June 2015, completion of electrical works and test of ability to restore service.
2) Catalogue key ICT systems by 30th Sept 2015 - determine Recovery Time Objectives ("How long to restore") and Recovery Point Objectives ("acceptable amount of data loss") with business owners by 31st Oct.
3) Develop rolling Disaster Recovery test schedule by 30th Nov.
4) Determine target location for Highways Management System, CareFirst, Oracle e-Business Suite and Windows servers
5) Complete voice and data network re-procurement by 31st Dec to mitigate resilience issues, including with telephony, the data network, remote access, mobile devices and schools services.
6) Take necessary steps to retain PSN accreditation.

Overall risk treatment: reduce

Progress update

1) Full power down completed periodically and procedures updated from lessons learned.
2) Recovery Time Objectives drafted - to be reviewed by the business to ensure that they meet business continuity requirements.
3) Initial set of Disaster Recovery tests have been successfully undertaken, a rolling programme of further tests in being conducted. The proximity of Carrow as a DR facility is not ideal.
4) Cloud-based highways management system has been implemented; CareFirst replacement will be remotely hosted and live by April 2018 with resilient network connections ordered; review of Oracle hosting has been commenced (options to be considered in March 2017); Windows will remain with HPE for the next 2 years but some elements such as eMail will be removed from the arrangements during Q1 2017.
5) Voice and Data network procurement completed January 2016, with the migration to the new service commencing from this date. Key drivers behind the procurement was; to improve performance, improve resilience, reduce the reliance on single points of failure such as County Hall

As of Febuary 2017:
a. Migration of WAN sites is 95% complete. Each WAN site connects to the new resilient core

Progress update

WAN. The core WAN is comprised of 33 nodes distributed across the County, arranged in a multiple ring based topology. The failure of a single node, or associated core WAN circuit, will not cause loss of service to other parts of the WAN.

b. Key services, such as Internet connectivity, internet proxy services, and DNS services are now hosted within the two resilient Updata data centres.

c. Improved security and segregation of the core WAN allows connections to third parties and cloud providers to be hosted from locations other than County Hall. Several third party connections have already been migrated to the resilient Updata Data Centres, with more planned over the next month. New connections to key partners, such as Liquidlogic, are planned to be installed at multiple geographically diverse locations across the County Hall core WAN.

Planned from 1st April 2017:

a. Replacement of NCC’s contact centre service. With implementation due to be completed by Summer 2017

b. Phased replacement of NCC’s voice service

6) The Council received re-accreditation for PSN compliance on 14/12/16. An audit of the Council's Cyber security arrangements is underway and due to complete in March 2017.

Risk Number	RM011	**Date of update**	02 March 2017
Risk Name	The potential risk of failure to implement and adhere to an effective and robust performance management framework.		
Risk Owner	Wendy Thomson	**Date entered on risk register**	02 September 2015

Risk Description

The failure of leadership to adhere to robust corporate performance practice / guidance, resulting in organisational / service performance issues not being identified and addressed. This will have a detrimental impact on future improvement plans and overall performance and reputation of the Council.

Original			**Current**			**Tolerance Target**				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	4	**12**	3	4	**12**	1	3	**3**	Mar-18	**Amber**

Tasks to mitigate the risk

A review of the tasks to mitigate and to reduce this risk was undertaken in April 2016(further review planned in Spring 2017) and the following actions for 2016/17 were identified:-
1) CLT/CLG developing a new performance management framework to better align priorities, resources and managerial accountability for delivering results. This includes better linking of the new set of performance indicators (vital signs & organisational health measures) with senior manager individual performance appraisal ratings. To implement a new set of common leadership objectives (for the second year).
2) For CLT to regularly review the quality and robustness of our people performance management framework and ensure consistent adherence across NCC. To undertake a review and audit in August/September 17 against agreed criteria. To track appraisal completions for end of year appraisals - to ensure year on year improvements at the end of year appraisals - 2015 81% completion rates.
3) CLT to agree focus for further performance management skills development - following assessment of gaps.

Overall risk treatment: reduce.

Progress update

Whilst progress has been made on implementing key actions the risk scores are assessed as remaining the same; given the criticality of this area. It is essential that this work continues with managers to achieve a major shift in the day to day performance routines of all levels of managers. Set out below is progress in the last 12 months:
1) New performance framework in place and a number of briefings and development work has been undertaken with CLT/CLG.
2) Appraisal completion rates overall for NCC for 2016 were 89% - improvement from 81% in 2015 (variation of 74% Children Services, Adults 94%, Finance & Resources 96%, CES 97% for 2017. In the last year, we have started to achieve a greater understanding in our management population of the gaps in our performance framework and their role in addressing the changes needed.
3) An external managerial Assessment and Development of our Leadership population against four priority leadership criteria was completed between November and December. Managers were provided individual feedback on their performance. CLT considered the collective organisational feedback which has informed the directed development areas for this group.

Appendix A

Risk Number	RM013	**Date of update**	21 February 2017
Risk Name	The potential risk of failure of the governance protocols for entities controlled by the Council, either their internal governance or the Council's governance as owner. The failure of entities controlled by the Council to follow relevant guidance or share the Council's ambitions.		
Risk Owner	Wendy Thomson	**Date entered on risk register**	02 September 2015

Risk Description

The failure of governance leading to controlled entities: Non Compliance with relevant laws (Companies Act or other) Incuring Significant Losses or losing asset value Taking reputational damage from service failures Being mis-aligned with the goals of the Council The financial implications are described in the Council's Annual Statement of Accounts 2015-16, from page 88, covering Group Accounts available on the Council's website at http://bit.ly/2f0MLP3.

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
1	4	**4**	1	4	**4**	1	4	**4**	Sep-17	**Green**

Tasks to mitigate the risk

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

Overall risk treatment: reduce

Progress update

Progress update
1) There are regular Board meetings, share holder meetings and reporting as required. Risks are recorded on the NORSE group risk register. 2) The Norse Group follows the guidance issued by the Institute of Directors for Unlisted Companies where appropriate for a wholly owned local authority company. The shareholder committee meets quarterly and monitors the performance of Norse. A member of the shareholder board, the shareholder representative, also attends the Norse board. 3) The Council has reviewed its framework of controls to ensure it is meeting its Teckal requirements in terms of governance and control, and a series of actions has been agreed by the Policy and Resources Committee. The Executive Director of Finance is responsible for reviewing the ongoing viability of wholly owned entities and regularly reporting the performance of their activities, with a view to ensuring that the County Council’s interests are being protected. The Norse "Consents" backlog has been cleared via reporting to the P&R Committee. All County Council subsiduary limited company Directors have been approved by full council. New Chair of Norse and new Senior Commissioner appointed. Updated report on Norse governance went to P&R in November 2016.

Risk Number	RM014a	**Date of update**	04 March 2017
Risk Name	The amount spent on home to school transport at significant variance to predicted best estimates		
Risk Owner	Chris Snudden	**Date entered on risk register**	04 November 2015

Risk Description

There is a risk that the amount spent on home to school transport is at significant variance (overspend) to predicted best estimates. Cause: Home to school transport being a demand led service. Event: The amount spent on home to school transport is at significant variance with the predicted best estimates. Effect: Significant overspend on home to school transport than has been estimated for. Rising transport costs, the nature of the demand-led service (particularly for students with special needs) and the complexities involved in sustaining reductions in the need for transport or the distance travelled could result in a continued overspend on the home to school transport budgets and costs not being reduced by the required amount.

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	3	**9**	4	3	**12**	2	3	**6**	Dec-17	**Amber**

Tasks to mitigate the risk

Continue to enforce education transport policy, and work with commissioners re school placements.
Continually review the transport networks, to look for integration and efficiency opportunities.
Work with Norse to reduce transport costs and ensure the fleet is used efficiently and effectively.
Look for further, more innovative, ways to plan, procure and integrate transport.
There is the potential to sign up to the Hackney Community Transport (HCT) 'payment by results' initiative, which has seen successful results in implementing independent travel training for pupils who have SEN transport requirements, and delivering clear budget savings.

Overall risk treatment: reduce.

Progress update

Norfolk County Council have now progressed to the contract 'sign-up' stage with Hackney Community Transport to formally start the ‘payment by results’ initiative. The plan over the next 5 years, is for a cohort of 100 pupils per year to be targeted for this intensive work via Hackney Community Transport (HCT). There was a 'start up' meeting on 2 March between the Passenger Transport Unit, Education Inclusion Service, Special School Headteachers and HCT. We anticipate first cohorts being identified throughout the 2nd half of the spring term and into the summer term which is reflected in the revised timescale of 31.12.17 for evidence of budget impact. All other activity, as reported within previous update is ongoing, and has been reflected in parallel reporting to the Children's Services Committee on 24 January 2017 where the outcomes of the High Needs Block budget plan were agreed for implementation; including specific targets to return pupils to state-funded specialist provision with targets for reduced placement and transport costs. The impact of the HCT initiative and ongoing work to move children to placements closer to home would likely impact on the budget during the autumn term 2017 which is the reason for the revised target date of December 2017. The recent budget setting process for FY2017/18 has also confirmed that the budget will be increased and, therefore, the risk to achieving a balanced budget has reduced for this reason also.

Appendix A

Risk Number	RM014b	**Date of update**	22 February 2017
Risk Name	The savings to be made on Adult Social Services transport are not achieved.		
Risk Owner	Janice Dane	**Date entered on risk register**	04 November 2015

Risk Description

The risk that the budgeted savings of £3.8m to be delivered by 31 March 2020 will not be achieved.

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	3	**9**	4	3	**12**	2	3	**6**	Mar-20	**Red**

Tasks to mitigate the risk

1) Whilst we have managed to achieve £0.487m of the budgeted savings, as we were unable to achieve the savings in full, the savings have been reprofiled to future years (2017/18 and 2019/20).
2) A review of transport is also taking place.

Progress update

1) P&R agreed to the reprofiling of savings to future years (2017/18 and 2019/20). The target date of the risk has been amended accordingly.
2) An update on the Transport review was given to ASC Committee on 23 January 2017.

Risk Number	RM016	**Date of update**	03 March 2017
Risk Name	Failure to adequately embed Business Continuity into the organisation.		
Risk Owner	Tom McCabe	**Date entered on risk register**	10 December 2015

Risk Description

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

Original			Current			Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
2	5	**10**	2	5	**10**	2	3	**6**	Oct-17	**Green**

Tasks to mitigate the risk	Progress update
1) All corporately agreed critical activities must have comprehensive Business Continuity plans. Plans to be agreed at Senior Management meetings.	1) 78% of critical services have plans which are up-to-date. This is an excellent improvement. The Resilience Team audits all plans as they are received and provides feedback to service managers where changes are required. The annual audit completed on 10% of plans is due to take place during the first quarter of 2017.
2) That departments are represented at Resilience Management Board meetings, that training is completed and that departments complete exercises/tests.	2) Most departments are represented at meetings regularly, including ICT and Procurement. Further work is required on Supplier Continuity. Resilience managers and Procurement managers have met to agree a plan of action. Training and exercising has begun but a full programme of training and exercising needs to be developed. NCC Corporate exercise with Resilience representatives completed December 2016.
3) First stage is a planned exercise to take place with the Customer Service Centre at the Corporate work area recovery (WAR) site, the second step is to complete an exercise with the Resilience represenatives at the Professional Development Centre (WAR site). Also, an exercise with the Resilience Management Board and CLT.	3) Work Area Recovery test - stage 1 was completed 27.01.17. This was successful. The exercise tested several elements of the CSC Business Continuity plan, and involved Adult's and Children's services departments. This exercise tested "loss of access to County Hall" not loss of infrastructure at County Hall. The next stage is to assess how other services could use the site, completing invocation documentation, and look at an exercise in the summer to look at the scenario "loss of infrastructure at County Hall" CLT have had a number of briefings from the Resilience Team as well as an exercise on the impact of pandemic flu. Recently they agreed the Corporate Business Continuity plan. The target date has been amended to the 31/10/17 to take into account resource requirements within ICT.

Tasks to mitigate the risk	Progress update
4) Complete a Business Impact Analysis every two years and review risks which could affect critical activities.	4) This has been completed and 93% of BIAs were returned. The Resilience Board has confirmed the critical activites as a result of this process. Resilience representatives completed a session on the risks to critical activities some of which are highly dependent on ICT. Significant risks to critical activities were noted. The next BIA will be completed in September 2017.
5) To review Business Continuity E-Learning Course, relaunch, monitor uptake.	5) The online BC e-learning is available. We are reviewing what alternatives we could use and will look to relaunch e-learning across the organisation.

Risk Number	RM017	**Date of update**	28 February 2017
Risk Name	Failure to construct and deliver the Norwich Northern Distributor Route (NDR) within agreed budget (£179.5m)		
Risk Owner	Tom McCabe	**Date entered on risk register**	26 November 2015

Risk Description

There is a risk that the NDR will not be constructed and delivered within budget. Cause: environmental and/or contractor factors affecting construction progress. Event: The NDR is completed at a cost greater than the agreed budget. Effect: Failure to construct and deliver the NDR within budget could result in the inability to deliver other elements proposed in the Norwich Area Transport Strategy (NATS) Implementation Plan. It could also result in a reduction in delivering economic development and negatively impact on Norfolk County Council's reputation. Exceeding the budget will also potentially impact wider NCC budgets and its ability to deliver other highway projects or wider services (depending on the scale of any overspend).

Original			**Current**			**Tolerance Target**				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	3	**9**	4	3	**12**	2	2	**4**	Feb-18	**Red**

Tasks to mitigate the risk

The total project budget agreed by Full Council (November 2015) is £179.5m.
1) Put in place a project Board and associated governance mechanisms . Monthly reporting to be provided to the Board (Chaired by Tom McCabe).
2) Develop a project team to include sufficient client commercial scrutiny throughout the works by Balfour Beatty, which includes a commercial project manager.
3) Main clearance works, archaelogical investigation and utility diversions to start on 4 January 2016. This is to enable main construction to meet start in March 2016 to keep programme as short as possible.
4) Assemble project controls and client team to ensure sufficient systems and staffing in place to monitor costs throughout delivery of project.
5) Cost reduction opportunity meetings to be held throughout the duration of the construction.
6) Provide assurance of budget management governance through audits.
Overall risk treatment: reduce

Progress update

Progress update
1) The project Board is in place and monthly reporting on progress, cost and risk is being provided to the Board. 2) The project team is developed and includes client construction and commercial project managers who will provide scrutiny throughout the works. The contract is incentivised to focus the whole delivery team (client & contractor) to stay within the agreed budget. 3) Main clearance works, archaeology and early utility diversions have been delivered on programme (with the risks of environmental and archaeology constraints restricting progress now passed). However, whilst progress is good, there remained some pressures on programme, with Network Rail approvals taking longer than planned for the Rackheath Bridge. Poor weather in June 16 also slowed progress, but this has largely been recovered. The impacts on budget (including land costs) are being continually reviewed and monitored and reported, but there is a risk to the overall budget. 4) Project administration controls and client commercial team are in place to ensure sufficient systems and staffing to monitor costs and contract information throughout delivery of project. This includes reviewing allowable costs and checking all payments and invoicing. 5) Entire team are focussed on reducing costs and this is reviewed regularly, particularly in relation to any necessary contract changes and programme management. A Special Projects Support Manager has been assigned to the NDR project to provide additional capacity on our commercial side. 6) A governance (delegated purchasing of land) audit and a contract variations audit to be carried out in the first half of 2017/18.

Appendix A

Risk Number	RM018	**Date of update**	03 March 2017
Risk Name	Potential failure to meet the needs of children in Norfolk.		
Risk Owner	Matt Dunkley	**Date entered on risk register**	01 December 2013

Risk Description

CS Teams do not show the improved performance at the speed which is acceptable to DfE and Ofsted and subsequently, children and families do not receive a good/outstanding service.

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
2	5	**10**	2	5	**10**	1	5	**5**	Mar-17	**Amber**

Tasks to mitigate the risk

Action plans are being designed and delivered following each Ofsted monitoring visit.
Strategic partnership arrangement is being developed with Barnardo's to focus on LAC and Care Leavers.
Essex CC have been commissioned by the DfE to support our improvement activity.

Progress update

Feedback from the first monitoring visit was generally positive. All areas for development identified by Ofsted in that visit have been captured in the action plan.
A joint innovations fund bid has been submitted with Barnardo's to assist in funding the partnership approach. Governance arrangements are being discussed.
Colleagues from Essex have visited and we have provided them with a locality-level stocktake in order to inform them of current performance and to help identify where their support would be most beneficial.

Appendix A

Risk Number	RM019				**Date of update**				27 February 2017	
Risk Name	Failure to deliver a new fit for purpose social care system on time and to budget.									
Risk Owner	James Bullion				**Date entered on risk register**				24 February 2016	
Risk Description										
A new Social Care system is critical to the delivery and efficiency of Adults and Children's Social Services. This is a complex project and the risk is the ability to deliver on time along with the restriction on making any system changes to the existing system (Carefirst)										
Original			**Current**			**Tolerance Target**				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	5	**20**	3	5	**15**	1	4	**4**	Jun-18	**Green**

Tasks to mitigate the risk

1) Set up a project team to manage the project.
2) Determine go live dates for Adults Services, Childrens Services, and Finance.
3) Deliver implementation of the new system.

Progress update

1) A core Project Team has been up and running since January 2016 (with strong practitioner involvement) and the team is now almost fully recruited to. The two Adult Social Services Subject Matter Experts and the Change Managers are in post, and the Training Manager will be starting in March. A network of 110 champions has been established in Adult Social Services and briefing sessions have taken place. The original user reference group continues to advise the project on social care practice affecting data mapping and system configuration.
2) Adults and Finance are planned to go live in November 2017 and Children's in April 2018. The proposed Go Live date in November 2017 for Adults will be taken to the next JLAG meeting for agreement.
3) Delivery of implementation is proceeding in line with the plan. New draft process models and form/plan designs for Adult Social Serivces (ASS) have been developed, consulted upon and approved. Finance System - and Case management system configuration workshops with the supplier have been completed.
The first iteration of case management and finance data has been mapped from CareFirst to the new systems and data has been successfully migrated to the Liquidlogic hosted environment on time in the first test migration round (DM Zero). Preparation is on schedule for the second of five data migration test rounds.

Risk Number	RM020a	**Date of update**	22 February 2017
Risk Name	Failure to meet the long term needs of Norfolk citizens.		
Risk Owner	James Bullion	**Date entered on risk register**	11 October 2012

Risk Description

If the Council is unable to invest sufficiently to meet the increased demand for services arising from the increase in the population of older people in Norfolk it could result in worsening outcomes for service users, promote legal challenges and negatively impact on our reputation. With regard to the long term risk, bearing in mind the current demographic pressures and budgetary restraints, the Local Government Association modelling shows a projection suggesting local authorities may only have sufficient funding for Adult's and Children's care.

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
5	5	**25**	4	5	**20**	2	4	**8**	Mar-30	**Amber**

Tasks to mitigate the risk

1) The refreshed Promoting Independence Programme will mitigate demand.
2) Invested in appropriate prevention and reablement services
3) The Better Care Fund requires development of a forward integration plan to align with the STP.

Progress update

1) The Target Demand Model sets out the demand changes required for sustainable social care which the Promoting Independence programme will seek to achieve.
2) Fully recruited to the preventative (Norfolk First Support) service.
3) Ensure budget planning process enables sufficient investment in adult social care.

Appendix A

Risk Number	RM020b				**Date of update**				22 February 2017	
Risk Name	Failure to meet the needs of Norfolk citizens.									
Risk Owner	James Bullion				**Date entered on risk register**				01 April 2011	
Risk Description										
If the Council is unable to invest sufficiently to meet the increased demand for services arising from the increase in the population of people in Norfolk it could result in worsening outcomes for service users, promote legal challenges and negatively impact on our reputation.										
Original			**Current**			**Tolerance Target**				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	4	**12**	3	4	**12**	2	4	**8**	Mar-20	**Amber**
Tasks to mitigate the risk										
1) Mitigated by the Promoting Independence programme refresh (which was agreed by the Promoting Independence Board in November 2016) with Target demand management which mitigates demographic growth over three years.										
Progress update										
1a) The Target Demand Model sets out the financial changes required for sustainable social care which the programme will seek to achieve. 1b) Promoting Independence programme of work refreshed and delivery plan is being developed. Target demand model complete and focussed work on entry points, processes for older people and younger adults, cross-cutting behavioural change and commissioning projects. The target date has been amended to March 2020 in line with the reprofiling of savings.										

Appendix A

Risk Number	RM021				**Date of update**				21 February 2017	
Risk Name	Failure of Estate Management									
Risk Owner	Simon George				**Date entered on risk register**				21 June 2016	
Risk Description										
There is a risk that the Council does not have a clear policy around estate management, is not acting in line with the expectations of a landlord, and does not have sound tenancy agreements in place.										
Original			**Current**			**Tolerance Target**				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	3	**12**	4	3	**12**	2	2	**4**	Mar-18	**Amber**

Tasks to mitigate the risk

1) County Farms Performance Review Meeting to be established and attended by officers.
2) Recommendations from the County Farms audit report to be implemented with progress to be noted at the County Farms Performance Review Meetings.
3) Follow-up audit to be established and reported to the January 2017 Audit Committee.

Progress update

1) The Audit Report prepared by BDO (2nd Audit Report) has been put to Audit Committee in January 2017. Recommendations have been agreed with officers and Members.
2) Annual Report and Business Plan are being formulated on the back of the report

Appendix A

Risk Number	RM022	**Date of update**	02 February 2017
Risk Name	Potential changes in laws, regulations, government policy or funding arising from the UK leaving the European Union, which may impact on Council objectives, financial resilience and affected staff.		
Risk Owner	Wendy Thomson	**Date entered on risk register**	26 July 2016

Risk Description

There are important implications to the Council in four main areas: 1) The Council's EU funded programmes supporting the local economy. 2) The legal base – there are many EU laws that affect the day job of local councils. 3) Council services dependent on a migrant workforce – for example nationally, 7% of existing adult social care staff come from other EU nations 4) Place-based impact – there will be real and varied impacts and opportunities in our local economy. There is a risk that initially, implications for Norfolk County Council of the UK leaving the EU are not known or understood, causing uncertainty in Council business, planning, and service delivery. Uncertainty on both performance delivery and designation of the Council as Managing Authority following the EU referendum result could lead to an inability to draw down the funding required to manage the programme and have a significant reputation impact on the Council leading to an inability to submit payment claims to the EU. Cause: The EU Referendum held in June 2016, with the UK voting to leave the EU.

Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	3	**12**	4	3	**12**	3	3	**9**	Oct-17	**Red**

Tasks to mitigate the risk

1) Norfolk County Council should continue to monitor the post-Referendum environment and implications via a post Brexit officer Task & Finish Group, to consider responses to the four areas in which the council will be affected (EU funding, legal issues, workforce issues, place-based impact).
2) Engage with the LGA Brexit Sounding Board to keep abreast of local government thinking and to influence post Brexit policy.
3) Develop principals and framework for regional investment post Brexit to ensure the level of current funding is protected in post EU investment policy, including ask for funds to be devolved locally, so that the economic benefit of the funding is secured.
4) Human Resources to support managers and staff who may be affected by this issue.
5) Meetings to take place with the Department for Communities and Local Government (DCLG) and the Department for Business, Innovation and Skills regarding a managed exit from EU funded programmes to ensure NCC's liabilities are met.

Progress update

1) Proposal for officer working group from across council departments affected by the four key areas of EU funding, law, employment and place-based impact of referendum.
2) NCC is represented on the LGA national Brexit Sounding Board by Acting AD of EDS. Second meeting due to take place 3/2/17. Response submitted to LGA call for evidence on impact of Brexit on two topics – EU funding and place based impact. The government has pledged to introduce the Great Repeal Bill in 2017, which the Council will monitor progress of.
3) Members of the Economic Development Sub Committee agreed principles and framework for post Brexit regional investment in January. Submitted as part of LGA call for evidence. In respect to European funds, the UK government has agreed to honour the funding commitment for any project agreed up until the point of leaving the European Union (expected to be March 2019).
4) Senior Managers have been advised of support available for officers affected by these issues.

Appendix B – Risk Reconciliation Report

Significant changes to the corporate risk register since the last Policy and Resources Committee Risk Management report was presented in November 2016.

Current score changes:

There are two score changes to report:

RM002 – The potential risk of failure to manage significant reductions in local and national income streams. This risk has been reduced from 15 to 12 (due to the risk impact having been reduced from 5 to 4) to take into account the acceptance of the Council's Efficiency Plan by the Department for Communities and Local Government in November 2016. This will result in a multi-year settlement and will provide more certainty over the level of future government funding.

RM017 - Failure to construct and deliver the Norwich Northern Distributor Route (NDR) within agreed budget (£179.5m). The current score has been increased from 9 to 12, due to the current likelihood score having been increased from 3 to 4. A Special Projects Support Manager has been assigned to the NDR project to provide additional capacity on our commercial side. The project team are actively monitoring and managing the project risks and following from a review of risks there are issues that may impact on the budget, including land costs and contract management costs. Further details are included in the finance monitoring report to the January EDT Committee.

Prospect score changes:

There are two changes to report:

RM017 – Failure to construct and deliver the Norwich Northern Distributor Route (NDR) within agreed budget (£179.5m). The prospects of meeting the target score by the target date has moved from Amber to Red. Further details can be found directly above and in the finance monitoring report to the January 2017 EDT Committee.

RM014a - The amount spent on home to school transport at significant variance to predicted best estimates. The prospects of meeting the target score by the target date has moved from Red to Amber. This follows the signing up to the Hackney Community Transport (HCT) initiative and the increased budget agreed through the recent budget setting process.

Other Significant Changes:

RM022 - Potential changes in laws, regulations, government policy or funding arising from the UK leaving the European Union, which may impact on Council objectives, financial resilience and affected staff. There have been changes made to the risk description, tasks, and mitigation progress of this risk, with the evolving developments regarding the process of leaving the European Union.

Since the last Policy and Resources Risk management report in November 2016, two new Executive Directors have come into post: James Bullion is the Executive Director of Adults Services, and Matt Dunkley is the Interim Executive Director of Children's Services. Risks from the former Interim Executive Director of Adults Services have been transferred to James Bullion's ownership.

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

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

Appendix C

Risk management discussions and actions

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

Suggested prompts for risk management improvement discussion

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

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

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

Risk Management improvement – suggested actions

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

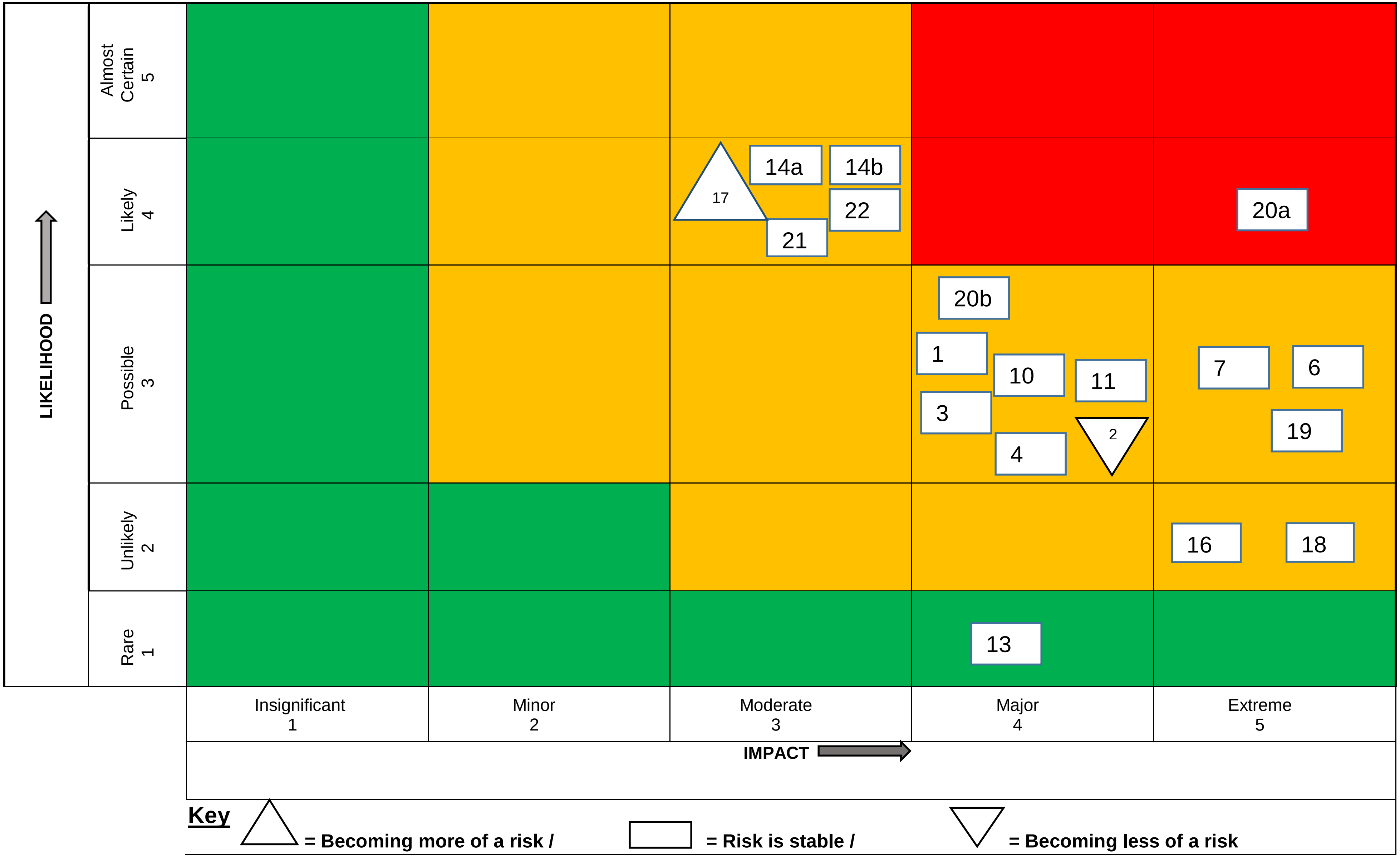
All actions, whether from this list or not, will be followed up and reported back to the committee.

Suggested follow-up actions

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

Appendix D

Corporate Strategic Risks - Heat Map

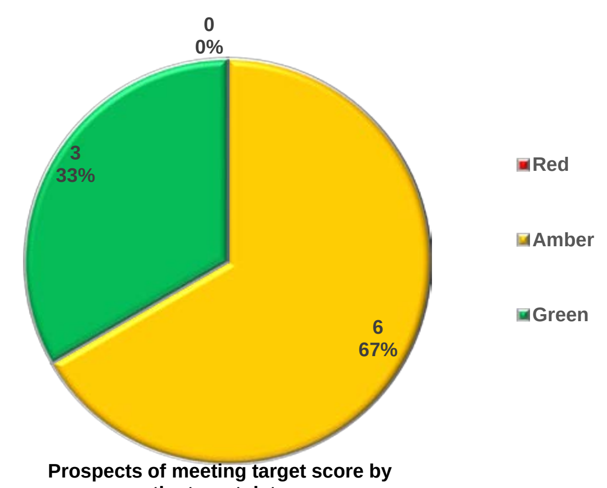


No.	Risk description	No.	Risk Description
1	Infrastructure is not delivered at the required rate to support existing needs and the planned growth of Norfolk.	11	The potential risk of failure to implement and adhere to an effective and robust performance management framework.
2	The potential risk of failure to manage significant reductions in local and national income streams	13	The potential risk of failure of the governance protocols for entities controlled by the Council, either their internal governance or the Council's governance as owner. The failure of entities controlled by the Council to follow relevant guidance or share the Council's ambitions.
3	Potential reputational and financial risk to NCC caused by failure to comply with statutory and/or national/local codes of practice.	14a	The amount spent on home to school transport at significant variance to predicted best estimates.
		14b	The savings to be made on Adult Social Services transport are not achieved.
4	The potential risk of failure to deliver effective and robust contract management for commissioned services.	16	Failure to adequately embed Business Continuity into the organisation.
6	The potential risk of failure to effectively plan how the Council will deliver services over the next 3 years commencing 2015/16.	17	Failure to construct and deliver Norwich Northern Distributor Route (NDR) within agreed budget (£179.5m).
		18	Potential failure to meet the needs of children in Norfolk.
7	Potential risk of organisational failure due to data quality issues.	19	Failure to deliver a new fit for purpose social care system on time and to budget.
10	The risk of the loss of key ICT systems including: - internet connection; - telephony; - communications with cloud-provided services; or - the Windows and Solaris hosting platforms.	20a	Failure to meet the long term needs of Norfolk citizens.
		20b	Failure to meet the needs of Norfolk citizens.
		21	Failure of Estate Management.
		22	Potential changes in laws, regulations, government policy or funding arising from the UK leaving the European Union which may impact on Council objectives, financial resilience and affected staff.

Appendix E - Norfolk County Council, Finance and Commercial Services Risk Summary, March 2017

Risk Register Summary Name	**Finance and Commercial Services**	**Red**	**Worsening**
Prepared by	**Thomas Osborne**	**Amber**	**Static**
Date updated	**March 2017**	**Green**	**Improving**
Next update due	**May 2017**	**Met**	

Area	Corp. / Dept.	Risk Number	Risk Name	Risk Description	Current Likelihood	Current Impact	Current Risk Score	Target Likelihood	Target Impact	Target Risk Score	Prospects of meeting Target Risk Score by Target Date	Direction of travel from previous review	Risk Owner
Finance	C	RM14265	The potential risk of failure to manage significant reductions in local and national income streams	This may arise from global or local economic circumstances (i.e. Brexit), government policy on public sector budgets and funding. As a result there is a risk that the Medium Term Financial Plan savings required for 2016/17- 2019/20 are not delivered because of uncertainty as to the scale of savings resulting in significant budget overspends, unsustainable drawing on reserves, and severe emergency savings measures needing to be taken. The financial implications are set out in the Council's Budget Book, available on the Council's website.	3	4	12	3	4	12	Amber	⇔	Simon George
Finance	C	RM14279	The potential risk of failure to deliver effective and robust contract management for commissioned services.	Ineffective contract management leads to wasted expenditure, poor quality, unanticipated supplier default or contractual or legal disputes The council spends some £600m on contracted goods and services each year.	3	4	12	2	3	6	Amber	⇔	Simon George
Finance	C	RM14281	The risk of the loss of key ICT systems including: - internet connection; - telephony; - communications with cloud-provided services; or - the Windows and Solaris hosting platforms.	Loss of core / key ICT systems, communications or utilities for a significant period - as a result of physical failure, fire or flood, supplier failure, misconfiguration or loss of PSN accreditation - would result in a failure to deliver IT based services leading to disruption to critical service delivery, a loss of reputation, and additional costs. Overall risk treatment: reduce.	3	4	12	1	3	3	Amber	⇔	Simon George
Finance	C	RM14282	Failure of Estate Management	There is a risk that the Council does not have a clear policy around estate management, is not acting in line with the expectations of a landlord, and does not have sound tenancy agreements in place.	4	3	12	2	2	4	Amber	⇔	Simon George
Finance	D	RM14246	Withdrawal of Grant Funding from Central Government and the European Union.	There is a risk that grant funding from central government could be withdrawn if conditions are not met by Norfolk County Council within the timescales set. Given the outcome of the EU Referendum, there is also uncertainty around European funding going forward, which should also be considered. Cause: Conditions set out by central government / the European Union are changed / tightened. Event: Conditions set out by central government are not met within the timescale set. Grants are withdrawn. Effect: There is less money provided from central government and the European Union to spend on service provision.	3	3	9	1	4	4	Amber	⇔	Simon George
Finance	D	RM14255	Fulfilling Section 151 Responsibilities	There is a risk that Section 151 responsibilities are not fulfilled. These include; 1) Financial systems ie. Oracle are not functioning correctly. 2) The skills and resilience to support Section 151 responsibilities not being in place. Cause: Statutory financial obligations are not met. Event: Failure to deliver stautory responsibilities such as setting a legal budget; producing the statement of accounts; complying with government reporting requirements; providing appropriate financial advice to Councillors. Effect: Financial losses arise and/or the Council has a poor reputational standing. In extreme circumstances, the Government can intervene and direct how the Council's finances are managed.	1	5	5	1	5	5	Green	⇔	Simon George
Corporate Property Team	D	RM14200	Failure to meet NCC carbon reduction target	There is a risk of a failure to address energy efficiency as part of operational practice, leading to increased energy and tax costs, against a background of a flexible buildings portfolio. The responsibility for delivery resides with the Corporate Property Team.	3	4	12	2	3	6	Amber	⇔	Jeannine de Sousa
Finance	D	RM14268	Ability and capacity of ICT to support change whilst delivering business as usual	There is a risk that Finance will not be able to adequately support a change programme and ICT requirements whilst delivering business as usual.	4	3	12	3	2	6	Green	⇔	Simon George
Finance	D	RM14269	Payment performance not improving in line with expectations from NCC service departments and external businesses.	There is a risk that Finance will not deliver to payment performance expectations of NCC service departments and external businesses.	2	3	6	2	3	6	Green	⇔	Simon George



Prospects of meeting target score by the target date

Policy and Resources Committee

Item No 8

Report title:	**Finance monitoring report P10 January 2017**
Date of meeting:	**27 March 2017**
Responsible Chief Officer:	**Executive Director of Finance and Commercial Services**
Strategic impact The Annexes to this report summarise the Period 10 (January 2017) forecast financial outturn position for 2016-17, to assist members to maintain an overview of the overall financial position of the Council, including the budgets for which this committee is directly responsible.	

Executive summary

This report gives details of the forecast position for the 2016-17 Revenue and Capital Budgets, General Balances, and the forecast Council's Reserves at 31 March 2017, together with related financial information. The report also provides a brief commentary on Resources and Finance budgets which are the responsibility of this Committee.

Members are asked to:

- **note the period 10 forecast Revenue overspend of £4.222m** (P8 £5.512m)**;**
- **endorse and recommend to County Council for approval of the use of reserves in 2016-17 as follows:**
    - **Human Resources and Organisational Development reserves £0.300m for reasons set out in Appendix 1 section 3;**
- **note the forecast General Balances at 31 March 2017 of £19.252m, before taking into account any over/under spends;**
- **note the forecast financial information in respect of Policy and Resources and Finance budgets which are the responsibility of this Committee, as set out in Appendix 2;**
- **note the revised expenditure and funding of the current 2016-20 capital programme as set out in Appendix 3.**

1. Introduction

1.1 On 22 February 2016, the County Council agreed a net revenue budget of £338.960m. At the end of each month, officers prepare financial forecasts for each service including forecast expenditure and the planned impact on earmarked reserves.

2. Evidence

2.1 Three appendices are attached to this report:

Appendix 1 summarises the forecast revenue outturn position, including:
- Forecast over and under spends within each Service
- Forecast reserves balances
- Changes to the approved budget
- Treasury management
- Payments and debt performance

Appendix 2 summarises the forecast outturn for budgets which are the responsibility of the Policy and Resources Committee, including forecasts and other information relating to:
- Resources budgets
- Finance and property budgets
- Finance General budgets.

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

3. Financial Implications

3.1 As stated above, subject to approval for the use of reserves, the forecast revenue outturn for 2016-17 is an overspend of **£4.222m** (previously reported P8 overspend £5.512m). A significant reduction in the forecast overspend was recorded in P8 and was due mainly to a change in the implementation of the Council's MRP policy and the use of reserves.

3.2 As approved at the July meeting of this Committee, the forecast assumes full use of the Corporate Business Risk Reserve to fund Adult Social Care cost pressures in 2016-17.

3.3 The Council's capital programme report has been updated to include new schemes approved by County Council on 22 February 2017.

4. Issues, risks and innovation

Risk implications

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

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

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

5. Background

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

5.2 The monthly forecasts in this report are based on detailed cost centre level data supplied by responsible budget officers after the end of each financial period. Moderation by chief officers are completed approximately 18-20 days after each month end. These forecasts form the basis of finance reports over the service committee reporting cycle, and the forecasts in this report are consistent with the most recent service committee reports.

5.3 Three debts over £10,000 totalling £34,113.95 have been written off during the current financial year.

Officer Contact:

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

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Norfolk County Council

Appendix 1: 2016-17 Revenue Finance Monitoring Report Month 10

Report by the Executive Director of Finance and Commercial Services

1 Introduction

This report gives details of:

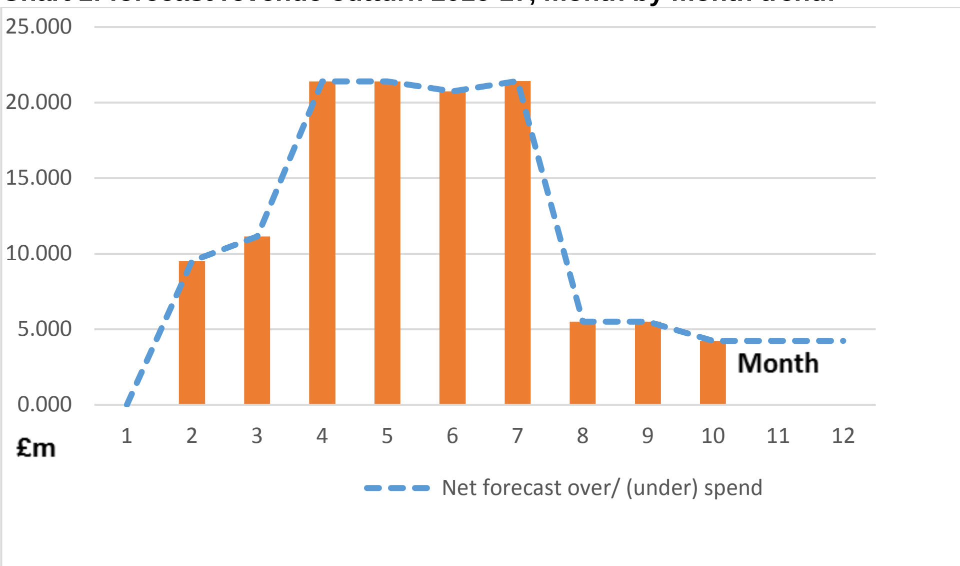
- the latest monitoring position for the 2016-17 Revenue Budget
- forecast General Balances and Reserves at 31 March 2017 and
- other key information relating to the overall financial position of the Council.

2 Summary of financial monitoring position

At the end of January 2017 (month 10):

An overspend of **£4.222m** (P8 £5.512m) is forecast on a net budget of £338.960m.

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



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

- Adult Social Services: the net cost of services to users (Purchase of Care and hired transport), and risks associated with the delivery of recurrent savings.
- Children's Services: Looked After Children numbers have not reduced as planned.

2.2 The reduction in the forecast overspend in P10 is due mainly to an improvement in the ASS position. The large reduction in the forecast overspend which occurred in period 8 is based on a revised application of the current MRP policy.

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

2.4 Reserves balances are shown in section 3, and can be summarised as follows.

Table 1: Reserves and provisions summary

Reserves and provisions	**Opening balance 1 April 2016**	**Latest forecast 31 March 2017**
	£m	**£m**
Total reserves and provisions (excl LMS)	108.793	**72.951**
LMS balances	21.333	13.202
Total reserves and provisions	**130.126**	**86.153**

Agreed budget, changes and variations

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

Table 2: 2016-17 original and revised net budget by service

Service	**Approved net base budget**	**Revised budget P8**	**Revised budget P10**
	£m		£m
Adult Social Services	246.852	247.369	247.273
Children's Services	167.290	167.290	157.054
Community and Environmental Services	199.650	198.322	163.341
Resources - Managing Director	20.407	21.796	8.325
Finance and Commercial Services	16.050	16.009	29.152
Finance General	-311.289	-311.826	-266.185
Total	**338.960**	**338.960**	**338.960**

2.6 The budgets shown in P10 have been adjusted to reflect the current management structure, with procurement and ICT budgets transferred to Finance and Commercial Services.

2.7 There have been significant changes to certain budgets due to the allocation of depreciation charges, and re-valuation gains and losses in period 10. The main impact has been in Community and Environmental Services. This is a result of the late accounting Code postponement of a major change in the way in which the Highways Network Asset was to be accounted for in 2016-17. However, the changes are purely accounting adjustments and have had no impact on the underlying ability of officers to apply and manage their budgets.

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

Revenue outturn – forecast over/underspends

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

2.10 Details of all projected under and over spends for each service, together with details of areas where mitigating action is being taken, are shown in the final section of this report, and are summarised in the following table:

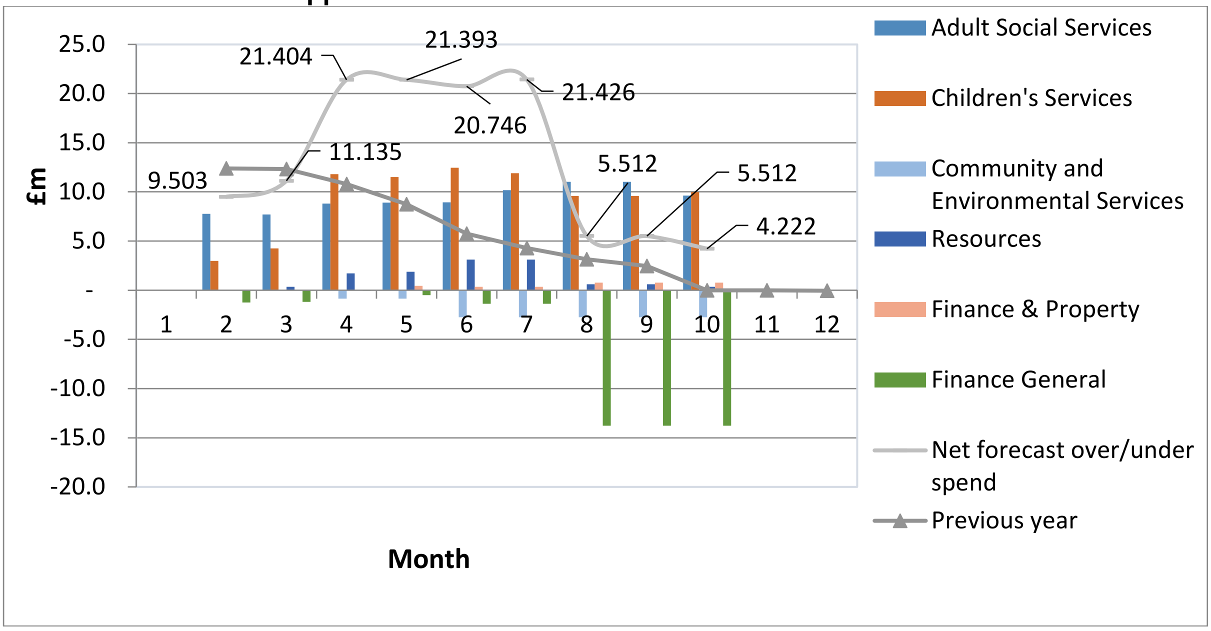
Table 3: 2016-17 projected budget variations by service

Service	Revised Budget £m	Projected net (under)/ over spend £m	%	RAG
Adult Social Services	247.273	9.629	3.9%	R
Children's Services	157.054	9.998	6.4%	R
Community and Environmental Services	163.341	-2.750	-1.7%	G
Resources - Managing Director	8.325	0.364	4.4%	A
Finance and Commercial Services	29.152	0.768	2.6%	A
Finance General	-266.185	-13.787	-5.2%	G
Totals	**338.960**	**4.222**	**1.2%**	A

Notes:
1) the RAG ratings take into account both the relative (%) and absolute (£m) impact of forecast overspends.
2) ICT and procurement budgets

2.11 The following chart shows service outturn projections by month:

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



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

- **Adult Social Services**: The overspend is primarily due to the net cost of Services to Users (purchase of care) and risks associated with the delivery of this and other savings, including savings associated with packages of care for people with learning disabilities and physical disabilities. Since period 8 the forecast overspend has reduced due to a combination of reduced forecast purchase of care costs and increased income from service users. Further details of over and underspends are given in the 6 March 2017 Adult Social Care Committee Finance Monitoring Report.

- **Children's Services:** The number of looked after children placements and the cost of agency placements related to placement mix have not reduced as quickly as planned. Since period 8 additional pressures of £0.4m have been identified relating to looked after children. Further details of over and underspends are given in the 14 March 2017 Children's Services Committee Integrated Performance and Finance Monitoring Report.

- **CES:** In general, no net forecast service over or underspends have been identified in CES, as reported to Communities and EDT committees. However, an underspend has been identified due to a Public Health one-off contribution to fund, on a non-recurrent basis, existing Council services that contribute to a public health outcomes to the value of £2.75m public health related work across services. This is likely to be within services provided by Children's and Adults Services (for example Early Help in Children's Services).

- **Resources - Managing Director:** the forecast overspend of £0.364m is related to potential non delivery of Human Resources and other savings, mitigated by planned use of reserves (subject to approval) and a forecast nplaw underspend. Remedial actions include vacancy management and cost control. A detailed breakdown is included in Appendix 2.

- **Finance and Commercial Services**: An ICT overspend of £1.3m has been partly offset by an underspend of £0.5m is forecast in the Finance Service, resulting from the capitalisation of costs.

- **Finance General:** A detailed breakdown of the Finance General over and underspends is included in Appendix 2. The £13.8m underspend is due mainly to an adjustment to the amount of minimum revenue provision set aside in 2016-17.

3 General balances and reserves

General balances

3.1 On 22 February 2016 Council agreed the recommendation from the Executive Director of Finance and Commercial Services for a minimum level of General Balances of £19.200m through 2016-17. The balance at 1 April 2016 was £19.252m, and the forecast at 31 March 2017 is unchanged at £19.252m. This forecast assumes a balance budget will be achieved.

Earmarked reserves and provisions balances and forecasts

3.2 A reserve is an amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years. The Council carries a number of reserves and provisions with forecasts as follows:

3.3 Budget planning for 2016-17 anticipated net reserves and provisions use of £11.176m in addition to full use of the Business Risk reserve, giving a total planned use of over £27m (including £3.2m of LMS reserves use and £2m use of provisions). Details by service were included in the finance monitoring report to the November meeting of this committee.

3.4 Services have analysed their forecast reserves use for 2016-17. Current forecast reserves use is shown in the following table, based on figures compiled as part of the budget setting process.

Table 4a: Forecast reserves use

Reserves and provisions by service	Opening balance 1 April 2016	Latest P10 forecast balances March 2017	Forecast reserves use
	£m	£m	£m
Adult Social Services (excl Business risk reserve, see below)	5.975	4.495	1.480
Children's Services (excl LMS)	17.270	9.772	7.498
Community and Environmental Services	41.878	30.914	10.964
Resources (subject to approval)	6.776	4.279	2.497
Finance	26.216	23.491	2.725
Business risk reserve	10.678	-	10.678
Total reserves and provisions (excl LMS)	**108.793**	**72.951**	**49.609**
LMS balances	21.333	13.202	8.131
Total reserves and provisions	**130.126**	**86.153**	**57.740**

3.5 Actual forecast reserves use is higher than anticipated at the time of budget setting. However, the increase in forecast use is more than off-set by the increase in opening balances between the time of budget setting and the financial year end. Forecast reserves (excluding LMS balances) at 31 March 2017 are £11m higher than anticipated in February 2016 when the budget was set:

Table c: Forecast reserves balances compared to forecast 2016-17

Reserves and provisions by service	Forecast balances March 2017 at time of budget setting	Latest P10 forecast balances March 2017	Forecast balance - excess compared to budget
	£m	£m	£m
Adult Social Services	2.283	4.495	2.212
Children's Services (excl LMS)	11.121	9.772	-1.349
Community and Environmental Services	24.995	30.914	5.919
Resources (subject to approval)	4.541	4.279	-0.262
Finance & Property	19.109	23.491	4.382
Business risk reserve	-	-	
Total reserves and provisions (excl LMS)	**62.049**	**72.951**	**10.902**
LMS balances	16.000	13.202	-2.798
Total reserves and provisions	**78.049**	**86.153**	**8.104**

3.6 The largest forecast reserves movements are full use of the Business Risk reserve, which was set up as part of the budget proposals agreed at 22 February 2016 County Council following a change in MRP policy, and use of CES reserves covered by additional reserves brought forward. The Business Risk reserve is being used to manage considerable Adult Social Care cost pressures and a reduction in contributions from the Better Care Fund, as approved by this Committee at its meeting on 18 July 2016. The main forecast use of CES reserves relates to street lighting and public health reserves.

3.7 **Provisions**: Included in the figures above are accounting provisions which total £27m. No significant movement on provisions is currently forecast in 2016-17. The main provisions are:

- Insurance provision £13m
- Closed Landfill site accounting provision (non cash-backed) £9m
- Bad debts provisions £3m
- Pension, redundancy and pay provisions £2m.

3.8 **Reserves use requiring approval**

In order to manage reserves in relation to the forecast overspend, approval is being requested for the following use of specific reserves.

- **Human Resources reserves £0.300m**

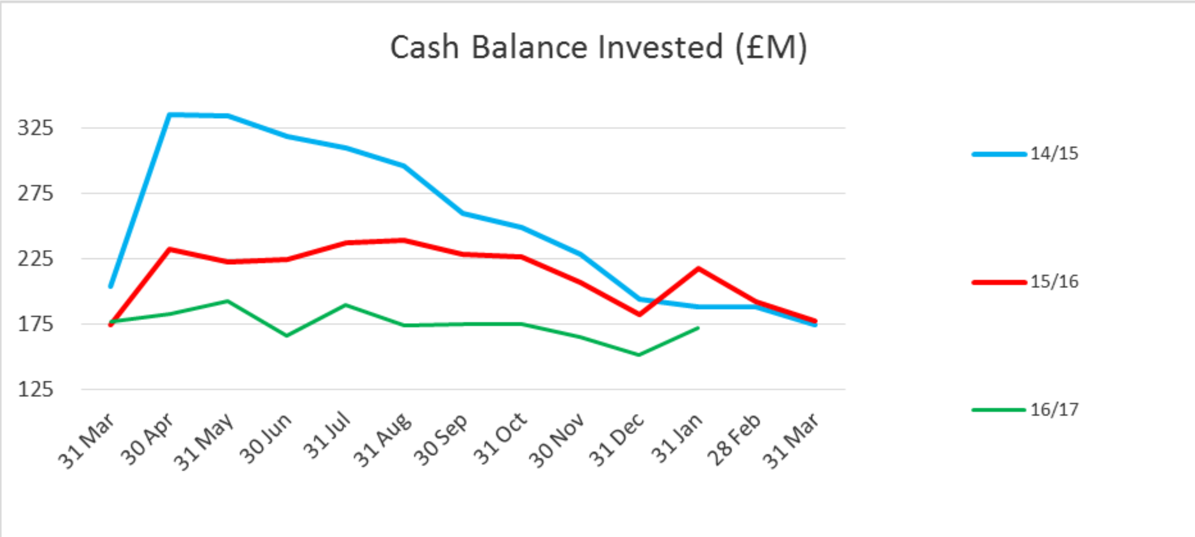
On 20 February 2017, the County Council approved the removal from the 2017-18 budget of the "optimise car leasing and reduced mileage" saving, which cannot be realised because the considerably reduced size of the fleet has made the savings proposals no longer viable. The reversal of the saving is under the heading of "Raising Revenue; commercial activities" as shown on page 91 of the 20 February 2017 County Council agenda papers. As the savings are not being taken forward, a one off use of reserves is required in the current year to address the non-delivery of savings. It is proposed that Human Resources and Organisational Change reserves are used. These reserves are forecast to total £0.940m at 31 March 2017 which will reduce to £0.640m if reserves use approved. The reserves use will include full use of the £0.028m Lease Car reserve.

4 Treasury management summary

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

4.2 The graph below shows the level of cash balances over the last 3 years. The high balance in the first half of 2014-15 reflected the front loading of Business Rates Retention and Revenue Support Grant. Since then, receipts have been more evenly distributed.

Chart 3: Treasury Cash Balances



4.3 Gross interest earned for the period 1 April 2016 to 31 January 2017 is £1.479m.

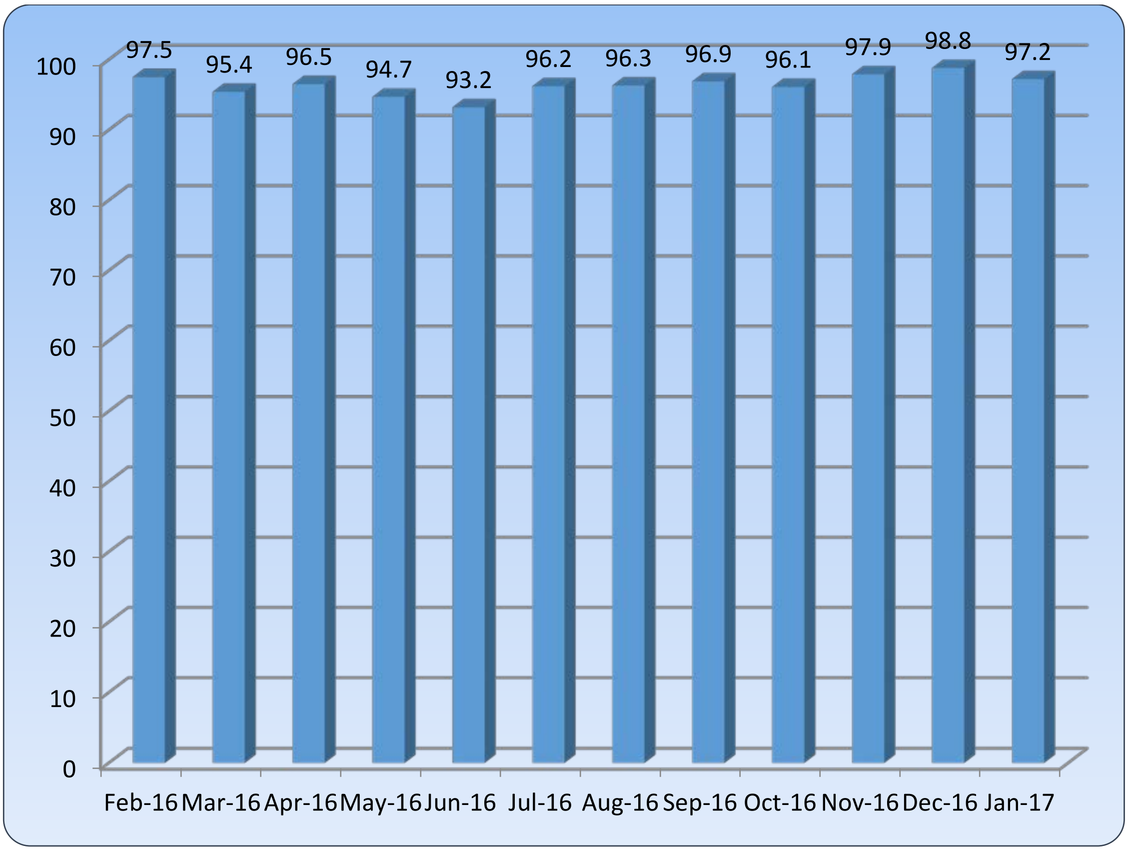
4.4 In accordance with the approved 2016-17 Investment Strategy, the County Council continues to delay new borrowing for the majority of capital purposes, using cash balances on a temporary basis to avoid the cost of 'carrying' debt in the short term. Delaying borrowing and running down the level of investment balances also reduces the County Council's exposure to investment counterparty risk.

4.5 During 2016-17, £40m has been borrowed on behalf of the Greater Norwich Growth Board as part of the Northern Distributor Road project.

4.6 On 4 August 2016 the Bank of England reduced bank base rate to 0.25% from the previous rate of 0.5% which had stood since March 2009.

5 Payment performance

5.1 Approximately 420,000 invoices are paid annually. In January 2017, 97.2% (December 2016 98.8%) were paid within a target of 30 days from receipt, against a target of 90%. The percentage has not dropped below 93% in the last 12 months, as shown in the graph below.



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

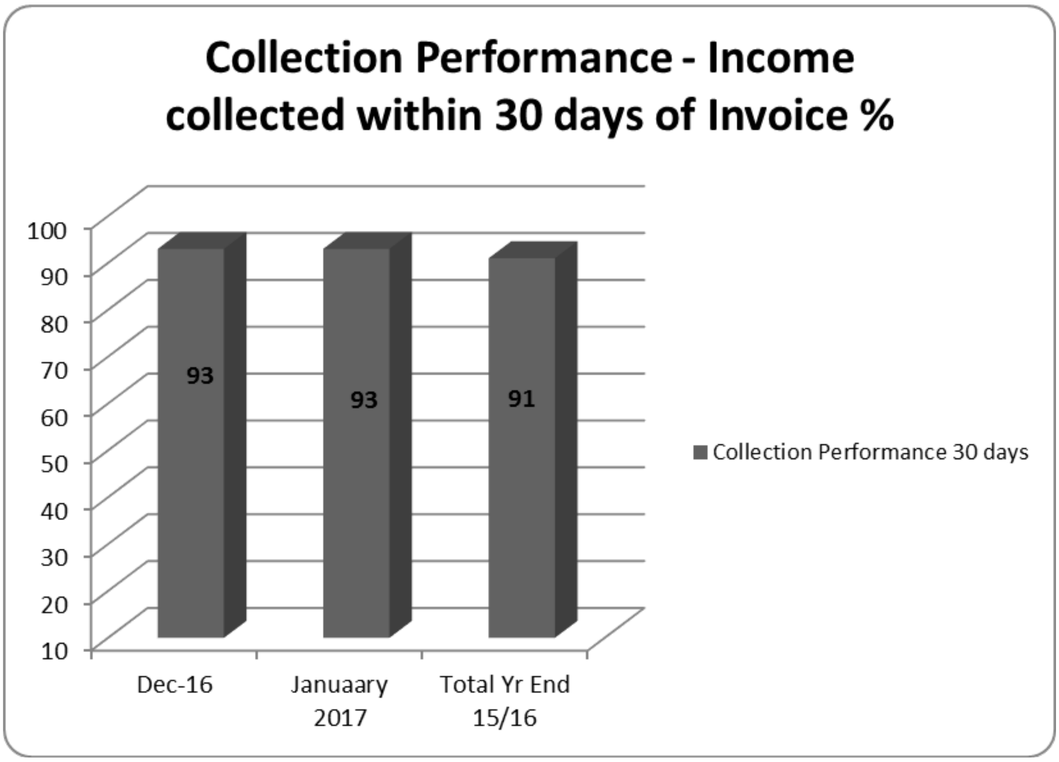
6 Debt recovery

6.1 **Introduction**: Each year the County Council raises over 130,000 invoices for statutory and non-statutory services totalling over £762m. The value of outstanding debt is continuously monitored and recovery procedures are in place to ensure that action is taken to recover all money due to Norfolk County Council. In 2015-16 91% of all invoiced income was collected within 30 days of issuing an invoice, and 96% was collected overall.

6.2 **Debt collection performance measures**

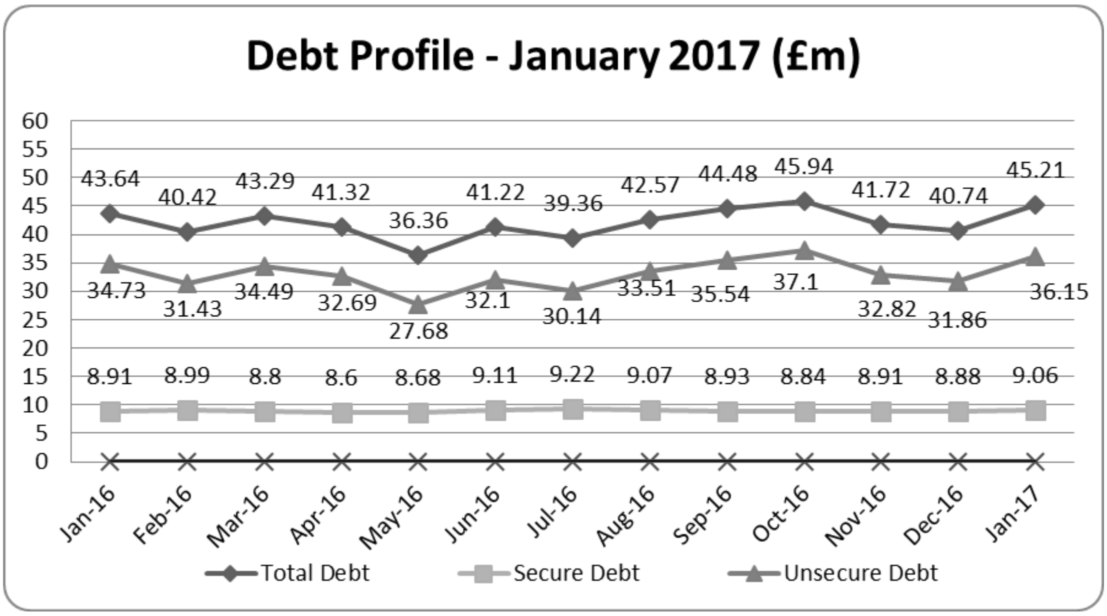
93% of invoiced income was collected within 30 days for the month of November 2016. The percentage is the proportion of income collected within 30 days for invoices raised in the previous month – measured by value.

Latest Collection Performance



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

Debt Profile (Total)



The overall level of unsecure debt has increased in the period by £4.5m, after two months of reducing balances. Unsecure debts over 30 days have slightly decreased, with the overall increase accounted for by debts under 30 days. The largest area of unsecure debt relates to charges for social care. Of the £25.15m unsecure social care debt £11.79m is debt with the CCG's, the majority of which is for shared care, Better Care Pooled Fund, continuing care and free nursing care.

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

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

6.6 Service departments are responsible for funding their debt write offs. Once the debt is written off the amount of the write off is reflected a) in the service department's budget through the reversal of the income from the transaction or b) where a service has set up a bad debt provision (for example Adult Social Services) the provision is used to fund the write-off.

6.7 For the period 1 April 2016 to 31 January 2017, 580 debts less than £10,000 were approved to be written off following approval from the Executive Director of Finance and Commercial Services. These debts totalled £270,308.07.

6.8 Three debts have been written off following Policy & Resources Committee approval. These debts totalled £34,113.95.

Revenue Annex 1

Projected revenue outturn by service analysis

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

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

Service	Revised Budget	Net total over / (under) spend	%	Forecast net spend
	£m	**£m**		
Adult Social Services	247.273	9.629	3.9%	256.902
Children's Services	157.054	9.998	6.4%	167.052
Community and Environmental Services	163.341	-2.750	-1.7%	160.591
Resources (Managing Director)	8.325	0.364	4.4%	8.689
Finance and Commercial Services	29.152	0.768	2.6%	29.920
Finance General	-266.185	-13.787	5.2%	-279.972
Totals current month – P10	**338.960**	**4.222**	**1.2%**	**343.182**
Totals previous month – P9	338.960	5.512	1.6%	344.472
Totals previous report – P8	338.960	5.512	1.6%	344.472

Reconciliation between current and previously reported underspend

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

	£m
Forecast overspend brought forward – P8	**5.512**
Movements December 2016 /January 2017	
Adult Social Services	-1.405
Children's Services	0.399
Community and Environmental Services	-
Resources MD	-0.260
Finance and Commercial Services	-0.011
Finance General	-0.013
Forecast over / (under) spend – P10	**4.222**

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

Table A1c: Corporate resources spend as a proportion

Service	Budget	Forecast
	£m	**£m**
Total "front line" services	612.988	584.546
Total corporate resources	37.780	38.609
Corporate resources as %age	6.2%	6.6%
Corporate resources as ratio	1:16	1:15

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

Following the allocation of depreciation revaluation charges to service budgets, the proportion of corporate resources forecast costs has increased when compared to budget. However, the ratio is still significantly lower the 2015-16 outturn of 7.2%.

Revenue Annex 1 continued

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

Projected revenue budget outturn by service – detail

	Projected over spend	Projected under spend	Change P10
	£m	£m	£m
Adult Social Services			
Business Development		-0.323	-0.048
Commissioned Services	1.753		-0.217
Early Help & Prevention		-0.704	-0.085
Services to Users (net)	15.962		-1.461
Management, Finance & HR		-7.059	-0.542
Reversal for approved use of reserves			0.948
Over / (under) spend before recovery actions	**17.715**	**-8.086**	**-1.405**
	9.629		

Children's Services	Projected over spend	Projected under spend	Change P10
Spending increases and reductions	£m	£m	£m
LAC agency residential costs	6.945		0.380
LAC agency fostering	1.653		0.176
In-house LAC fostering	0.450		0.230
Staying-put fostering	0.235		
Residence/kinship payments	0.340		-0.230
Mainstream Home to School/College transport	0.950		-0.060
Post 16 Home to School transport – reduced income	0.167		
Cost of agency social workers	0.867		-0.043
Independent Reviewing Officers	0.310		
LAC OFSTED unregulated accommodation (16/17 y/o)	1.070		0.290
Social Care legal costs	0.354		0.095
Social Care transport costs		-0.065	-0.065
Adoption Support and costs	0.190		0.060
School Crossing Patrol staff	0.140		
Early Help Service Level Agreements	1.237		
Reduced level of school non attendance court fee income	0.080		0.080
Early additional savings on Early Years Children's Centres		-0.910	
Additional Troubled Families grant		-0.400	

School Improvement		-0.898	
Early Years Services		-0.435	
Early Help support		-0.411	
CWD Short Term Breaks		-0.060	
Other small savings		-0.030	
Additional Education Services Grant due to slippage in academy school conversions		-0.415	
Reduced contract cost on the Norfolk PFI scheme		-0.127	
Reduced school staff redundancy/pension costs		-0.220	-0.220
Use of conditional grants and reserves		0.000	-0.799
Use of Schools Sickness Insurance Scheme reserve, subject to approval		-1.019	
Dedicated schools grant			
Additional number and cost of special school places	1.400		
Independent and non-maintained education	1.930		
Post 16 FE High Needs	0.619		
Early years high needs support	0.100		
Short Stay School For Norfolk & Alternative Education	0.833		
Inter- authority recoupment		-0.164	
Suspended Schools Staff		-0.235	
School Staff Maternity	0.060		
Take up of Early Years 3 and 4 year old places		-0.948	
Reduced take up of Early Years 2 year old places		-0.150	
Delay in payment of Salix loan, funded from school DSG reserves		-0.418	
Reduced demand by schools on the schools contingency funds		-0.310	
Use of Dedicated Schools Grant reserve		-2.717	0.505
Forecast outturn for Children's Services	**19.966**	**-9.968**	**0.399**
	9.998		

Community and Environmental Services	Projected over spend	Projected under spend	Change P10
No over or underspend reported for service activities			£m
Public Health one-off contribution to public health related work across services		-2.750	
Forecast outturn for CES		**-2.750**	

Resources, Finance and Finance General	Projected over spend	Projected under spend	Change P10
	£m	£m	£m
Policy and Resources – Managing Director			
Director of Resources	0.397		
Human Resources, assuming approval of use of reserves	0.202		-0.300
Communications	0.034		0.013
Consultation		-0.034	-0.013
Corporate Programme Office			
Nplaw		-0.235	0.040
Net forecast outturn for Resources	**0.633**	**-0.269**	**-0.260**
		0.364	
Finance			
Underspend due to capitalisation and other savings		-0.500	
Procurement	-	-0.011	-0.011
ICT forecast, if no use of reserves not yet approved	1.279		
	1.279	**-0.511**	-0.011
	0.768		
Finance General			
Adjustment to forecast interest on balances (see Appendix 2)		-0.796	-0.025
Adjustment to minimum revenue provision to reflect re-profiling of capital schemes to be funded from borrowing		-0.455	
Adjustment to minimum revenue provision to reflect amounts over-provided in previous years		-10.362	
Use of capital receipts to further reduce revenue MRP		-2.000	
Release of provision previously set aside to address the potential impact of employment legislation		-0.780	
Additional costs arising from Norse pension liabilities	0.734		0.022
Norse NIAA loan arrangement fee		-0.130	
Council tax discount administration	0.390		0.030
ESPO dividend		-0.354	0.004
Local assistance scheme		-0.223	-0.044
Devolution costs	0.329		-0.002
Members allowances		-0.140	0.002
Net forecast outturn for Finance General	**1.453**	**-15.240**	**-0.013**
		-13.787	

Norfolk County Council

Appendix 2: Resources and Finance commentary

Report by the Executive Director of Finance and Commercial Services

1 Introduction

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

The table below summarises the forecast outturn position as at the end of January 2017 (Period 10).

2 Resources

2016 / 17	Current Budget Net Expenditure / (income)	Actual to date	Over / (Under) spend
	£m	£m	£m
Resources – Managing Director			
Managing Director's Office	0.424	0.296	-
Director of Resources	-0.594	-0.207	0.396
CIPPS & BPPS	1.388	1.278	-0.000
Corporate Programme Office	0.740	0.875	-
Human Resources	3.627	5.708	0.202
Communications	0.585	0.676	0.034
nplaw	-0.444	0.002	-0.235
Democratic Services	2.367	2.254	
	8.093	**10.882**	**0.397**
Communities Committee – Consultation and Community Relations	0.233		-0.034
Rounding			0.001
Total Resources (Managing Director)	**8.326**		**0.364**
Resources – Executive Director of Finance and Commercial Services			
Procurement	1.236	2.015	-0.011
ICT – subject to reserves use (see below)	12.129	19.066	1.279
	13.365	**21.081**	**1.268**

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

Resources Reserves

Resources reserves balances and forecast use is as follows subject to the approval of unplanned reserves use assumed in the latest under and overspend forecasts:

Resources Reserves	Opening balances	Planned move-ment	Forecast use in year	Forecast carried forward
Resources – Managing Director				
Business Intelligence & Performance Strategy	0.716		-0.019	0.697
Corporate Programme Office	0.964		-0.158	0.806
Human Resources – before reserves use not yet approved	0.940		-0.300	0.640
Communications	0.269	-0.475	-0.200	0.069
Nplaw	0.324			0.324
Democratic Services	0.509	-0.130	-0.320	0.189
	3.722	**-0.605**	**-0.997**	**2.725**
Resources – Executive Director of Finance and Commercial Services				
Procurement	0.299		-0.024	0.275
ICT – before reserves use not yet approved	2.755		-1.476	1.279
	3.054	**0**	**-1.500**	**1.554**
Total Resources	**6.776**	**-0.605**	**-2.497**	**4.279**

At the end of period 10 resources reserves were forecast to reduce by £2.5m during 2016-17. The figures above take into account reserves movements which are subject to approval, including £0.300m use of HR reserves relating to lease car and related savings which cannot be realised.

The planned movement/use of the reserves shown above is the use anticipated when budgets were set in February 2016. The actual use is likely to be different for a number of reasons: for example actual opening balances may be higher or lower than anticipated (for example the Communications reserve was lower which will mean that its maximum use will be capped). Overall there was a net additions to Resources reserves and provisions between budget setting and 31 March 2016 of £1.630m, so overall actual use is expected to be higher than planned as these additional reserves are used.

3 Finance and Commercial Services, and Finance General

2016 / 17	Current Budget	Expenditure Year to Date	Full Year Forecast	Overspend / (Underspend)
	£m	£m	**£m**	**£m**
Finance	6.455	8.153	5.955	-0.500
Property	9.330	7.530	9.330	-
Finance & Property	**15.785**			**-0.500**
Procurement	1.236	2.015	1.225	-0.011
ICT (also shown in tables above)	12.129	19.066	13.408	1.279
Finance and Commercial Services	**13.365**			**0.768**
Finance General				-13.787
Total Finance before reserves adjustment				**-13.019**

At the end of month 10, Finance and Commercial service is forecasting an overspend due to ICT overspends (previously under Resources) partly balanced by a Finance underspend of £0.500m due to capitalisation of costs and other savings.

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

Use of reserves: The forecast use of reserves includes £2m use of the Insurance reserve and £0.6m use of the Organisational Change and Redundancy Reserves as detailed in the Council's budget book. In addition, of the Finance and Property Reserves, use of brought forward grants of £0.115m will be used in respect of the One Public Estate project as approved by this committee in November. Latest forecasts for Finance General reserves suggest that the call on the Organisation Change and Redundancy will exceed the amounts predicted prior to the start of the year.

4 Finance General over and underspends

Explanations for Finance General forecasts are as follows:

Interest on balances due to reduced borrowing (forecast underspend £0.796m)
The 2016-17 interest payable/receivable budget was prepared on the basis of a number of assumptions at the time of budget preparation. Actual net borrowing costs to support the capital programme is likely to be lower than anticipated, resulting in a forecast underspend.

Forecast Minimum Revenue Provision to reflect re-profiling of capital schemes (forecast underspend £0.455m)
Every year the Council has to set aside an amount which represents the minimum contribution to the repayment of borrowing. The MRP underspend is an adjustment which reflects capital spend which was budgeted to be spent in 2015-16, but which is now forecast to be incurred in 2016-17 and beyond.

Adjustment to minimum revenue provision to reflect amounts over-provided in previous years (forecast underspend £10.362m)
Detailed calculations suggest that on the basis of the current MRP policy, over £66m has been over-provided in previous years. As a result, the authority can reduce the in-year MRP whilst maintaining prudent cumulative provision.

Use of capital receipts to further reduce revenue MRP (forecast underspend £2.000m)
In previous years, capital receipts have been used to fund the capital programme to minimise additional borrowing requirements. Capital receipts may also be used to re-pay debt. The effect of applying receipts for this purpose is to reduce the MRP required to be set aside in order to service debt re-payments which have become due in 2016-17.

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

Norse pension liabilities (forecast overspend £0.734m)
This adjustment relates to additional costs arising from a 2013-14 transfer of Norse Group pension liabilities to Norfolk County Council. The transfer has enabled the Norse Group to pay dividends to Norfolk County Council. A shortfall has arisen due primarily to a decrease in the number of NPS employees in the LGPS with a shortfall relating to the level of volume discount expected to be received from the Norse Group.

Norse NIAA loan arrangement fee (forecast underspend £0.130m)
The Council has entered into a loan agreement with the Norse Group for the construction of the Norfolk International Aviation Academy (as agreed at 20 July 2015 Policy and Resources Committee). Part of agreement is an arrangement fee of approximately 2% of the value of the loan.

Council tax discount administration (forecast overspend £0.390m)
The Council has agreed to make a one off contribution to Norfolk district councils towards the administration costs of changing council tax discounts. This is a "spend to save" initiative the impact of which will be to significantly increase the Council's tax base.

ESPO dividend (forecast underspend £0.354m)
The Council is a member of the Eastern Shires Purchasing Organisation. Each year ESPO returns a share of its surplus each member in proportion to its purchasing activity.

Local assistance scheme (forecast underspend £0.223m)
Savings are predicted in relation to hired and contracted services used within the local assistance scheme.

Devolution costs (forecast overspend £0.329m)
The Council has incurred costs relating to the Norfolk and Suffolk devolution deal proposals and consultation. The costs relate primarily to officer time and costs.

Members allowances (forecast underspend £0.140m)
The forecast expenditure on basic allowances, special responsibility allowances, travel and subsistence is significantly below budget in 2016-17.

Norfolk County Council

Appendix 3: 2016-17 Capital Finance Monitoring Report

Report by the Executive Director of Finance and Commercial Services

1 Capital Programme 2016-17

1.1 On 22 February 2016, the County Council agreed a 2016-17 capital programme of £237.549m with a further £166.627m allocated to future years', giving a total of £404.176m.

1.2 Slippage and re-profiling from 2015-16 increased the overall capital programme at 1 April 2016 to £497.616m, as shown in the 2015-16 finance outturn report presented to this committee.

1.3 Movements in the programme are set out in Capital Annex 1. Changes to the current year's programme are due mainly to the reprofiling of schemes into 2017-18.

Table 1: Capital Programme budget

	2016-17 budget	**Future years**
	£m	**£m**
New schemes approved February 2016	22.717	27.764
Previously approved schemes brought forward	244.774	139.863
Totals in 2016-20 Budget Book (total £434.118m)	**267.491**	**166.627**
Schemes re-profiled after budget setting	39.551	13.490
Other Adjustments, including additional grants and re-allocation of underspends	10.457	-
Capital Programme Opening Position (total £497.616m)	**317.499**	**180.117**
Re-profiling since start of year	-118.309	118.309
Other movements	1.984	2.755
Additions to programme, approved 31 October 2016	4.710	
Capital programme budget current (total £507.065m)	**205.884**	**301.181**
New 2017-20 capital schemes approved February 2017		61.229
Total future year's schemes including new schemes		**362.412**

Note: this table and the tables below contain rounding differences

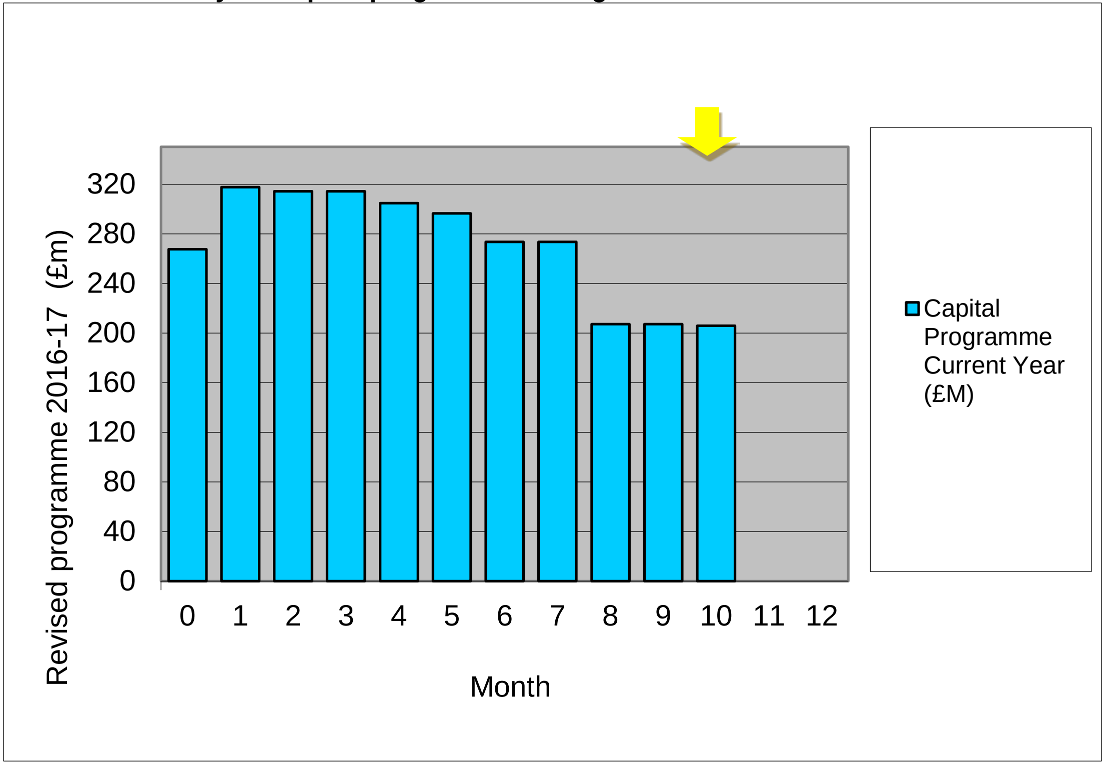
1.4 New 2016-17 capital expenditure totalling £4.710m was approved by this Committee on 31 October 2016.

1.5 New schemes to be included in the 2017-20 capital programme totalling £61.229m were approved by County Council in February 2017.

Changes to the Capital Programme

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

Chart 1: Current year capital programme through 2016-17



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

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

Table 2: Service capital budgets and movements 2016-17

Service	Opening Capital Programme 2016-17	Cumulative Changes To Date	Reprofiling since last report	Other Changes since last report	2016-17 Current Capital Budget
	£m	£m	£m	£m	£m
Children's Services	104.079	-59.112	-0.460	-0.881	43.627
Adult Social Care	16.354	-6.979	0.000		9.375
Community & Environmental Services	166.145	-25.707	-0.064	0.041	140.415
Resources	-				0
Finance	30.920	-18.635	0.000	0.184	12.469
Total	317.499	**-110.433**	**-0.524**	**-0.655**	**205.885**
				-1.179	

Note: this table and the tables below contain rounding differences

1.9 The table above has been amended to reflect recent changes in management responsibilities. As a result ICT capital projects previously under Resources are now shown under the “Finance” heading.

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

1.11 The forecasts will be used to ensure that budgets are more accurately allocated between years, and that changes are accurately reflected. This can be done at any time, but particular attention will be given to this in advance of the November monitoring report, which formed the basis of future years approved capital programmes.

1.12 The revised programme for future years (2017-18 to 2019-20) is as follows:

Table 3: Future years capital programme 2017-20

Service	Previously reported (P8) 2017-20 capital budget £m	Dec/Jan Reprofiling (from 2016-17 to future years) £m	Other Movements £m	Future years 2017-20 excluding new schemes £m	New schemes approved February 2017 £m	Future years 2017-20 including new schemes £m
Children's Services	123.191	0.460		123.651	5.000	128.651
Adult Social Care	13.009	0.000	-	13.009		13.009
Community & Environmental Services	121.757	0.064	-	121.821	40.009	161.830
Resources	-					-
Finance & Comm Servs	42.702	0.000		42.702	16.220	58.922
Total	**300.659**	**0.524**	**-**	**301.183**	**61.229**	**362.412**

Notes:

a) *this table may contain rounding differences.*

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

c) *ICT capital projects previously under Resources are now shown under the Finance heading*

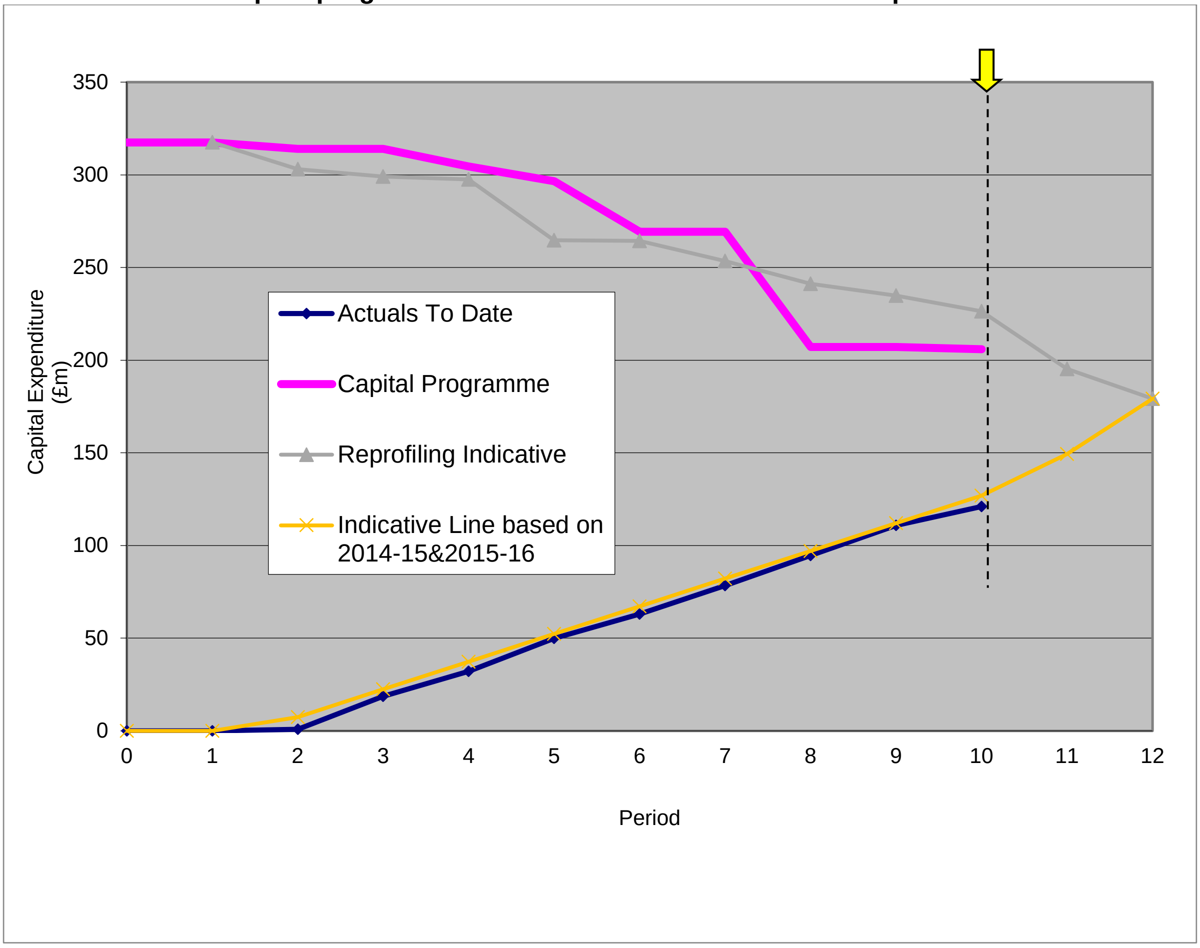
New future funding announcements

1.13 On 3 March 2017 the Department for Education announced new “special provision fund” allocations. Although this new capital funding will not be ring-fenced, it is intended to develop provision for pupils with more complex special educational needs. The allocation for Norfolk is £0.908m for each of 2018-19, 2019-20 and 2020-21 (total £2.726m over 3 years). These amounts will be added to the capital programme and reflected in future finance monitoring reports.

Actual Spend and Progress on Capital Programme

1.14 Progress on the overall capital programme is as follows:

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



1.15 Total accounting expenditure on the 2016-17 capital programme to P10 is £121.1m. Expenses accrued from 2015-16 accounted for the majority of cash spend in periods 1 and 2. Taking this into account, the graph shows that expenditure is in line with forecast.

1.16 To match the Council's statutory accounts, the expenditure in the graph above does not include loans to companies.

1.17 Significant re-profiling took place for Children's Services projects in periods 5 and all services in period 8, in advance of preparing the future capital programme. This re-profiling has been an important element in providing a more accurate starting point for the recently approved future year's capital programme. However, there will be some further re-profiling as the year end financial statements are finalised and actual spend for the financial year known.

2 Progress during 2016-17

Schools:

In February, Children and staff at Southtown Primary School in Great Yarmouth celebrated the formal opening of their new school buildings to mark the completion of a £1.99m, two-phase project which has transformed the school into a modern all-through 210 place primary.

A major new build phase at Drake Primary in Thetford containing 10 new classrooms and a new hall opened to pupils in January 2017.

Projects which were completed, or largely completed during summer 2016 included:

- St Martha's VA Primary expansion from 210 to 420 places (in partnership with RC Diocese)
- Mulbarton Infant and Junior removal of undersized classrooms
- Henderson Green Primary expansion to 210 places
- Pulham Market Primary additional reception classroom
- Browick Road completion of works to reorganise from infant to primary school.

County Hall: Following completion of refurbishment work on the County Hall tower project work is underway in relation to upgrading accommodation in the North and South wings, with additional car parking.

Great Yarmouth Third River Crossing: the Department for Transport has agreed to make available a funding contribution of £1.080m for development work on the Great Yarmouth Third River Crossing, up to and including the production of an outline business case.

NDR: The major project is the Norwich Northern Distributor Road. The budget of £178.9m for this project has been augmented by £6.8m in respect of risks which could impact on the costs of delivery. This additional amount was approved by County Council in February 2017, and will be added to the capital programme.

The pace of work is high and reflects the aspiration of the County Council to have traffic on the road by the end of 2017.

3 Financing The Programme

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

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

Table 5: Financing of the capital programme

Funding Stream	2016-17 Programme	Future Years Forecast
	£m	£m
Prudential Borrowing	38.243	110.200
Capital Receipts (see note below)	-	-
Revenue & Reserves	0.800	4.210
Grants and Contributions:		186.773
DfE	36.049	
DfT	86.685	
DoH	7.612	
DCLG	1.178	
DCMS	0.161	
Developer Contributions	9.256	
Other Local Authorities	8.113	
LEP	10.000	
Other	7.787	
Total	**205.884**	**301.182**

Note: this table may contain rounding differences

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

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

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

3.6 Contributions from other local authorities relate mainly to projects undertaken with Norfolk districts, including the Norwich Cycle Ambition project funded through Norwich City Council, and major highway/housing developments in King’s Lynn. The LEP contribution is towards costs of the NDR.

4 Capital Receipts

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

4.2 The capital programme, approved in February 2016, demonstrated how asset management would support capital expenditure through generating capital receipts through property disposals, in the context of a longer term disposals programme. Since then, there have been changes to the draft disposal schedule, in particular relating to the timing of projected receipts between years.

4.3 The current revised schedule for disposals is:

Table 6: Revised disposal schedule £m

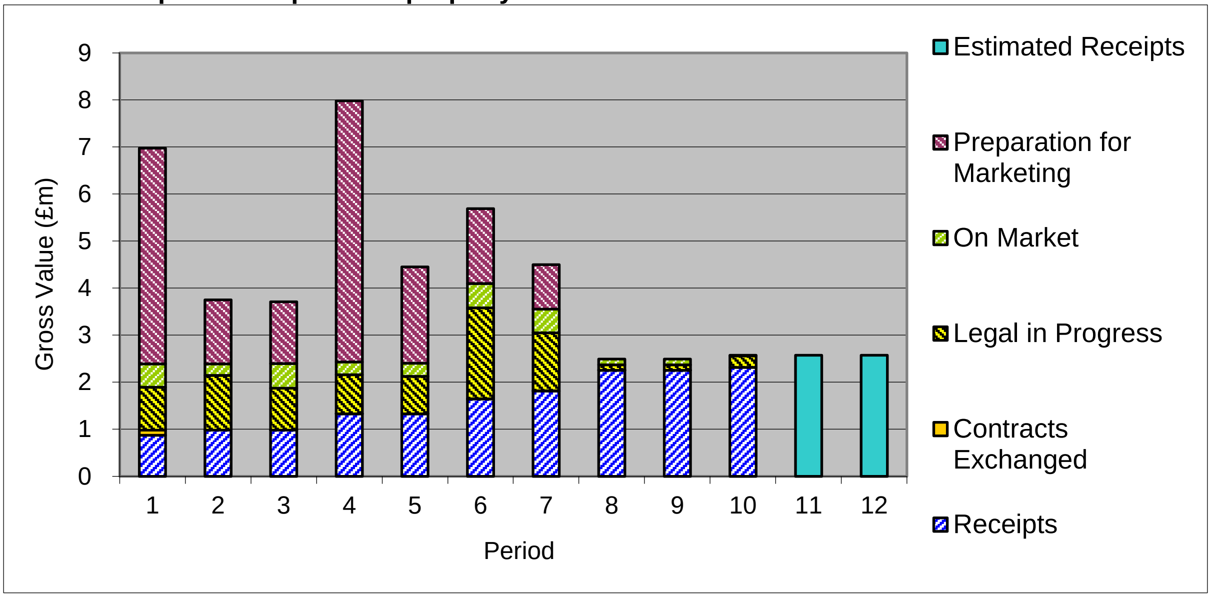
	2016-17 Approved £m	Latest forecast £m
General Capital Receipts	2.825	1.494
County Farms Capital Receipts	4.153	1.082
Estimated Total Capital Receipts	**6.978**	**2.576**

4.4 The value of completed sales to date is over £2.2m, with larger sales recently augmented by a small a number of lower value properties offered for auction towards the end of the financial year.

4.5 The main reasons for the reduction in expected receipts in the current year is the net effect putting back to 2017-18 of a number of sales, primarily development land at Acle and Blofield. These sales will be added into the sales forecasts in the 2017-18 capital programme.

4.6 The chart below shows the progress on realisation of the forecast capital receipts for 2016-17.

Chart 3: Capital Receipts from property sales 2016-17



4.7 Subject to debt repayment requirements, where unallocated capital receipts are generated the Council uses these to support its general capital programme. Where capital receipts have been allocated as part of a financial package, but are still to be used, they may be retained in the capital receipts reserve. The table below identifies expected movements on the capital receipts reserve:

Table 7: Capital receipts reserve 2016-17

	General	Financial Packages	County Farms	Total
	£m	£m	£m	£m
Opening Balance	**0.000**	**1.059**	**0.517**	**1.576**
Forecast receipts from sales of properties	1.494	0.000	1.082	2.576
Receipts: sales of assets to leasing cos	-	-	-	-
Other forecast capital receipts	0.062			0.062
Receipts generated in year	**1.557**	**0.000**	**1.082**	**2.639**
Sales expenses	-0.050	-	-0.030	-0.080
Receipts repayable to third parties	-	-	-	-
Net receipts available for funding	**1.507**	**1.059**	**1.570**	**4.135**
Use to fund incomplete leases	-	-	-	-
Use to fund programme and reduce borrowing or to repay debt	-1.507	-1.058	-0.951	-3.516
Closing Balance	**0.000**	**0.000**	**0.620**	**0.619**

Note: this table may contain rounding differences

4.8 Financial packages exist where, under previous arrangements, the Council agreed to link receipts from the sale of an asset with the funding of a specific project. Balances on financial packages exist where these projects remain incomplete. It is likely that any unused will be used to re-pay debt, with future borrowing used to fund any residual works.

4.9 The financial packages opening balances relate to a balance of £0.7m remaining from sales of former school properties, plus residual monies from sales of Highway's Depots, and ASC receipts reserved for Housing with Care schemes.

4.10 "Other" capital receipts include loan repayments from subsidiary companies.

4.11 Capital receipts may be used for a very limited number of purposes specified in The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 s23, including:

- To meet capital expenditure
- To repay the principal of any amount borrowed.

4.12 Traditionally the Council has used general capital receipts to fund capital expenditure, and therefore reduce the future borrowing requirement. Applying general and other capital receipts directly to fund the repayment of principal can reduce the amount of minimum revenue provision required from revenue to ensure that each debt maturity is met.

Capital Annex 1

Reprofiling and Other Changes to the 2016-17 Capital Programme

Service	Project	Funding Type	Change (£m)	REPROFILE	Change (£m)	REPROFILE	Reason
Children's Services							
	A1 - Major Growth	External		- 0.258		0.258	0.45m Land pot reprofiled for use 17/18 - 0.19m moved back to 16/17 to cover in year expenditure
	A2 - Master Planning	External		0.030		- 0.030	
	A3 - Area Growth & Reorganisation	Multiple Funding Sources		0.050		- 0.050	Moved back to cover in year expenditure
	A4 – Minor Adjustments	Multiple Funding Sources		- 0.191		0.191	Reprofiled according to cost statement
	B4 - Early years	Multiple Funding Sources		0.005		- 0.005	Moved back to cover in year expenditure
	C1 - Efficiency	Multiple Funding Sources		- 0.100		0.100	Catton Grove Dental clinic, missed the window for demolition last summer so has now been delayed to Summer 17
	D - Other schemes	Multiple Funding Sources	- 0.881	0.003		- 0.003	0.81m Refund Thorpe St Andrew/0.15m Refunds to Academies/0.08m contributions fm schools
Total Children's services			**-0.881**	**-0.460**	**0.000**	**0.460**	
CES							
Library	Library S106 Projects	Grants and Contributions	0.041	-0.071		0.071	0.041 new S106 Funding, 0.071 Reprofiled
Fire	D Market Station Rebuild	Multiple Funding Sources		0.007		-0.007	0.007m reprofiled
Total CES			**0.041**	**-0.064**	**0.000**	**0.064**	
Finance							
	County Hall North/South Wings Refurbishment	Borrowing & Capital receipts	0.184				Additional funding
Total Finance			**0.184**	**0.000**	**0.000**	**0.000**	
Total			**-0.655**	**-0.524**	**0.000**	**0.524**	

Policy and Resources Committee

Item No 9

Report title:	**Delivering Financial Savings 2016-17**
Date of meeting:	**27 March 2017**
Responsible Chief Officer:	**Simon George – Executive Director of Finance and Commercial Services**

Strategic impact

This report to Policy and Resources Committee provides details of the forecast outturn position in respect of the delivery of the 2016-17 savings agreed by the County Council at its meeting 22 February 2016.

Executive summary

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

The report comments on the exceptions to successful delivery, in particular those items rated RED.

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

Members are recommended to consider and note:

a) the forecast total shortfall of £8.248m in 2016-17, which amounts to 20% of total savings, and for which alternative savings need to be identified;
b) the budgeted value of 2016-17 savings projects rated as RED of £10.233m, of which £1.985m are now forecast to be delivered;
c) the budgeted value of 2016-17 savings projects rated as AMBER of £0.750m, of which £0.405m are now forecast to be delivered;
d) the forecast over delivery of £0.345m on GREEN and BLUE rated projects; and
e) the forecast total removal of £13.325m of 2017-18 savings and £18.472m of 2018-19 savings reflecting delay and removal of savings as approved in 2017-20 Budget setting by County Council.

1. Savings Overview

1.1. The County Council, as part of setting its budget for 2016-17, agreed net 2016-17 savings of £41.419m. The agreed net savings of £41.419m in 2016-17, include one-off items and use of reserves totalling £3.110m as set out in Appendix 1. The detailed categorisation of the total savings, and the savings identified for subsequent years of the Medium Term Financial Strategy agreed as part of the budget process, are also shown in Appendix 1.

2. RAG Ratings

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

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

2.2. The highlight report starts with the overall RAG position, as set out at Table 1. The information is derived from the detail at Appendix 3. The decision to rate a project as RED is based on the criteria shown above. This will ensure a common standard is maintained in the monitoring.

2.3. A review of savings projects has been completed, with the result that the RAG ratings and forecasts shown in Table 1 and Appendix 3 have been applied. A number of new 2016-17 savings have been categorised as BLUE where the actions are certain to be delivered. These include items such as decisions to reduce grant payments and the change in MRP policy.

2.4. Nine savings projects have been rated as RED, representing a budgeted total saving value of £10.233m. Only £1.985m of this saving is expected to be delivered as set out in the following table. This represents a shortfall of £8.248m (20% of total budgeted savings), which relates to RED rated projects.

2.5. One AMBER rated project is forecasting a shortfall of £0.345m, a total **shortfall in RED and AMBER savings of £8.593m**.

2.6. The shortfall in RED and AMBER rated projects is offset slightly with the £0.200m early delivery of one Children's Services saving and the £0.060m over delivery of another Children's Services saving. In addition, £0.085m of additional savings have been achieved in Resources. This results in a **total projected shortfall of £8.248m**.

Table 1: 2016-17 Savings by RAG Status

						Latest Forecast Savings 2016-17 (c) analysed by Committee				
RAG Status	Budgeted Value of Savings 2016-17 (a)	Previous Forecast Savings 2016-17 (b)	Savings Forecast 2016-17 (c)	Savings Shortfall 2016-17 (a)-(c)		Children's Services	Adults	EDT	Communities	Policy & Resources
	£m	£m	£m	£m		£m	£m	£m	£m	£m
Red	-10.233	-1.985	-1.985	-8.248		-0.007	-1.893	0.000	0.000	-0.085
Amber	-0.750	0.000	-0.405	-0.345		0.000	-0.405	0.000	0.000	0.000
Green	-25.260	-26.270	-25.520	0.260		-2.721	-4.118	-7.217	-1.475	-9.989
Blue	-5.176	-5.261	-5.261	0.085		-0.250	3.891	0.267	0.000	-9.169
Total	**-41.419**	**-33.516**	**-33.171**	**-8.248**		**-2.978**	**-2.525**	**-6.950**	**-1.475**	**-19.243**

2.7. Table 2 below sets out the current categorisation of 2016-17 savings based on the updated RAG rating assessment and the latest forecast variance position, which includes the replacement savings of £8.248m to be identified in 2016-17.

2.8. The monitoring report elsewhere on this agenda sets out details of the forecast outturn for 2016-17. Actions are being taken within Service budgets aimed at delivering a balanced outturn position, which will include continuing to seek offsetting savings to mitigate the non-delivery of savings set out in this report. The non-delivery of savings in 2015-16, and a detailed review of the deliverability of 2016-17 savings was taken into account during the preparation of the 2016-17 Budget. However, there remains a need for Service Committees and Executive Directors to maintain their focus on the effective delivery of both the previous years' agreed savings and the current savings for 2016-17 onwards. Achievement of the planned savings will help to minimise risks within the 2016-17 and 2017-18 Budgets.

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

- **Adult Social Services:** The department's budget for 2016-17 includes gross savings of £10.926m. The service commissioned iMPOWER consultants to review the Promoting Independence programme of work. This has included modelling the target demand for the service in order to deliver the required savings, providing challenge on the delivery plans and targets, comparison with other councils and consideration of areas that could have further focus to support delivery of the savings. The review concluded that:
  - the Council is pursuing the right strategy, that there are other interventions that can be used to enhance delivery of the strategy and that the timeline for the strategy is challenging with

the consultants questioning whether the savings can realistically be delivered in three years.

  - In response to these findings and in order to support the preparation of a robust and deliverable budget, the Budget approved the delay of £10m of Adults savings planned for 2017-18 into 2019-20. In addition and following a further assessment of deliverability, it was agreed that £10m of savings planned for 2018-19 be delayed into 2020-21.

For 2016-17, risks totalling £4.510m have been reflected in the forecast position. Further details of actions being taken are set out in the Finance Monitoring Report presented to Adult Social Care Committee.

- **Children's Services:** The department is finalising the Children's Services Social Care Improvement Plan and the improvement focus will achieve the strategic and operational objectives at a sustainable lower cost with the aim of reducing the projected in-year overspend nearer to a sustainable level. Updates will be provided in the Children's Services Integrated Performance and Finance Monitoring Report presented to the Children's Services Committee.

- **Policy and Resources:** a significant improvement of £1.420m has been reported previously, achieved through capitalisation of costs, full cost recovery and vacancy management. Some part year savings achieved will become full year savings in 2017-18. The Services continue to develop structural plans which will realise the full extent of the savings required.

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

	2016-17	2017-18	2018-19	2019-20	Total
Savings	**£m**	**£m**	**£m**	**£m**	**£m**
Org Change - Staffing	-1.944	-1.638	-1.225	0.000	-4.807
Org Change - Systems	-8.068	-8.131	-15.047	-9.735	-40.981
Capital	0.273	0.000	0.000	0.000	0.273
Terms & Conditions	0.303	0.000	0.000	0.000	0.303
Procurement	-2.570	-0.035	0.000	0.000	-2.605
Shared Services	-0.205	0.000	0.000	0.000	-0.205
Income and Rates of Return	-16.812	-7.846	-2.831	-1.000	-28.489
Assumptions under Risk Review	1.796	3.060	-0.100	0.000	4.756
Back office subtotal	**-27.227**	**-14.590**	**-19.203**	**-10.735**	**-71.755**
Reducing Standards, including eligibility	-3.314	-1.842	-4.831	-0.800	-10.787
Ceasing Service	-2.630	-0.500	0.000	0.000	-3.130
Front line subtotal	**-5.944**	**-2.342**	**-4.831**	**-0.800**	**-13.917**
(Shortfall) / over delivery	-8.248	-13.325	-18.472	10.535	-29.510
Total	**-41.419**	**-30.257**	**-42.506**	**-1.000**	**-115.182**

2.10. The breakdown of savings by Committee, for 2016-17, is shown in Table 3 below. The position for all three years is set out at Appendix 2. The position shown in Appendix 2 reflects the changes to previously agreed future year savings proposed as a result of Service Committee recommendations and reported in the Budget paper to County Council. The removal and reprofiling of savings proposed in the Budget report should help to address these forecast shortfalls and ensure that a deliverable programme of savings for 2017-18 onwards can be delivered.

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

Table 3: Savings by Committee 2016-17

	Children's Services	Adults	EDT	Communities	Policy & Resources	TOTAL
Savings 2016-17	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
1a Organisation	0.000	0.000	-0.450	-0.161	-1.333	**-1.944**
1b Lean	-0.203	-1.886	-3.705	-0.515	-1.759	**-8.068**
1c Capital	0.000	0.000	0.500	-0.227	0.000	**0.273**
1d Terms & Conditions	0.000	-0.090	-0.031	0.000	0.424	**0.303**
2a Procurement	-0.295	-0.405	-2.700	0.000	0.830	**-2.570**
2b Shared Services	0.000	0.000	-0.005	-0.200	0.000	**-0.205**
3a Income and Rates of Return	-0.150	0.000	-0.345	-0.105	-16.212	**-16.812**
4a Change standards	-2.080	-0.800	-0.084	-0.267	-0.083	**-3.314**
4b Stop doing things	0.000	-2.500	-0.130	0.000	0.000	**-2.630**
4c Change assumptions	-0.250	3.156	0.000	0.000	-1.110	**1.796**
Shortfall	-3.408	-4.510	0.000	0.000	-0.330	**-8.248**
Total	**-6.386**	**-7.035**	**-6.950**	**-1.475**	**-19.573**	**-41.419**

3. Commentary on savings rated RED

3.1. At the end of period ten, nine savings have been rated as RED in respect of 2016-17 to reflect a significant shortfall in the saving being delivered, and a savings shortfall of £8.248m within RED rated projects has been identified. Commentary on the RED rated savings is provided below.

Adults

3.1.1. COM034 – Care for Learning Disabilities or Physical Disabilities – shortfall **£0.900m**: The saving involves re-assessing the needs of existing service users and where appropriate providing alternative and more cost effective accommodation, or means of supporting them in their current accommodation. As previously reported while it is considered that savings can be achieved over time, the lead in times for the work have been longer than originally planned. In addition actions have been needed to review the implementation of the changes. The future direction for this work is part of the refresh of the promoting independence programme.

3.1.2. ASC003 – Transport Savings - Service users to pay for transport out of personal budgets, reducing any subsidy paid by the Council – shortfall **£0.850m**: A full report was presented to committee in July and September 2016 and updates in November 2016 and March 2017. Various strands of work have and are being carried out including the reduction in the allocation for funding for transport in peoples' Personal Budgets; discussing with people at their annual review how they can meet their transport needs in a more cost effective way; and charging self-funders. However the savings from transport are taking longer to deliver than originally anticipated due to: the information available from travel systems; being able to make changes to travel arrangements for all individuals on a route to enable transport to be stopped and savings realised; and cultural change. It does appear that in the current framework it is not possible to achieve the budgeted savings. The 2016-17 part of this saving was delayed until 2018-19 as part of the Council's 2017-18 budget setting process. The 2017-18 saving was also delayed as set out in section 6.

3.1.3. ASC007 - Promoting Independence - Reablement - net reduction - expand Reablement Service to deal with 100% of demand and develop service for working age adults – shortfall **£1.958m**: Recruitment to posts is completed and the service is managing an increased number of referrals. The savings are expected to be delivered, but have required re-profiling in year one, which will reduce the levels of savings that can be achieved in 2016-17.

3.1.4. ASC009 – Promoting Independence - Integrated Community Equipment Service - expand service so through increased availability and access to equipment care costs will be reduced – shortfall **£0.457m**: The savings were planned focusing on a mix of preventative and efficiency savings. The service is aiming to increase the access to equipment to reduce or delay the need for formal packages of care and review the way that equipment is recalled. Feasibility plans have identified that these savings will need to be re-profiled due to the time needed to set up new teams and processes. The focus will be on increasing the review and recall of equipment and reviewing where improved access to equipment can reduce the need for some service users to require two care workers (known as double-ups). Posts have now been recruited to.

Children's

3.1.5. CHI001 – Increase the number of services we have to prevent children and young people from coming into our care and reducing the cost of looking after children – shortfall **£3.000m**: The number of Looked After Children (LAC) and the cost of agency placements related to placement mix is not reducing as quickly as originally planned and only £1.936m of the £8.140m saving was delivered in 2015-16. Part of the savings target was removed in the 2016-17 budget process, however LAC numbers are still not reducing as planned, and in fact have started to increase. The number of Looked after Children at 30th December was 1,100, an increase of 56 on the 01st April 2016 1,044 number. The non-delivery of 2016-17 planned savings in LAC budgets has been addressed in the 2017-18 Budget.

3.1.6. CHI012 – Reduce the cost of transport for children with Special Educational Needs – shortfall **£0.500m**: This saving is unachievable due to the increased demand on Special Education Needs transport. The saving has been reversed in budget planning assumptions for 2017-18.

3.1.7. CHI015 - Reduce funding for school crossing patrols – shortfall **£0.146m**: Children's Services Committee previously agreed to delay the implementation of any saving. The saving will not be achieved in 2016-17. The Children's Committee in January 2017 has recommended that the 2016-17 saving relating to reducing funding for school crossing patrols, totalling £0.150m, be removed as part of the 2017-18 budget process. It was agreed that the removal be offset by increasing the saving to be achieved from refocusing the Education Service in light of the Education White Paper and this was reflected in the budget papers.

3.1.8. CHL015 - Contributions to the UEA to involve children in sport activities – shortfall **£0.022m**: Saving will not be achieved until 2017-18 as notice was not given to UEA on cessation of the contract.

Policy and Resources

3.1.9. P&R063 - Cutting costs through efficiencies by menu based pricing – shortfall **£0.415m**: The current restructuring and realignment of services will fully address this required level of savings in 2017-18. A number of options for reduced costs have been identified in ICT for 2017-18, including options for services to reduce spend on software licences and to reduce the number of laptops deployed. The repositioning of transactional services will facilitate future cost savings.

3.1.10. Two savings previously rated as RED: P&R018 (Org Change: reduced ICT spend through single device convergence) and P&R050 (Cutting costs through efficiencies by a zero based review of our services) are forecast to be fully achieved in 2016-17, delivering savings of £1.250m, and are therefore classified as GREEN in this report. It should be noted that the future year savings within P&R050 remain undeliverable in 2017-18 and have been delayed to 2018-19 as set out in section 6 below.

4. Commentary on savings rated AMBER

4.1. At the end of period ten, there is one saving rated as AMBER in relation to 2016-17.

4.1.1. COM042 – Review of Norse Care agreement for the provision of residential care – shortfall **£0.345m**: The proposed savings with the NorseCare contract will not be achieved in full in 2016-17. The forecast reflects the expected rebate, which includes some recurrent savings from the reduction in the number of beds that will be purchased through the block contract from Ellacombe. This saving will continue to increase over the next few years as beds are decommissioned within the contract. In addition NorseCare has made changes to the terms and conditions for new staff that join the company, which will start to reduce costs in 2017-18.

5. Commentary on overachieved savings

5.1. At the end of period ten, overachievement of three savings partly mitigate the 2016-17 savings shortfall giving a total shortfall of £8.248m.

Children's Services

5.1.1. CHL019 – Review of educational services: a budgeted saving in 2017-18 which it has been possible to deliver early resulting in an additional £0.200m saving in 2016-17.

5.1.2. CHL020 - Update the budget for short breaks for children with disabilities to reflect how much we are now spending on the service: a budgeted saving of £0.235m in 2016-17. This saving target has been overachieved resulting in an additional £0.060m saving in 2016-17.

Policy and Resources

5.1.3. RES071 – Restructure and reduce staff: an additional £0.085m part year saving from the restructure of staff has been achieved, and will realise a large saving in the full year 2017-18.

5.2. All of these savings represent a one-off benefit for 2016-17 and are reflected in the planned 2017-18 savings proposals.

6. 2017-18 and 2018-19 Savings

6.1. The deliverability of existing 2017-18 and 2018-19 savings were reviewed by Service Committees as part of the 2017-18 budget setting process. Services identified savings shortfalls of £13.325m in 2017-18 and £18.472m in 2018-19 against original savings plans from the 2016-17 budget round (it should be noted that this total does not include the delay of ASC021 which was agreed by County Council but relates to a new 2017-18 saving).

6.2. The following savings were either reversed or delayed in budget planning, as set out in the Budget report approved by County Council, and are reflected as shortfalls against the original planned 2016-17 to 2019-20 savings programme in Appendix 2 of this report. These changes are intended to ensure a deliverable savings programme for 2017-18 **so that these forecast shortfalls will not arise**.

Adult Social Services

6.3. Re-profiling of £10m high risk 2017-18 savings to 2019-20 and £10m high risk 2018-19 savings to 2020-21. In addition a delay of £3m of prior year savings into 2018-19 (COM040 and part of ASC003) has been included in the budget planning papers.

6.3.1. ASC003 – reduce the number of service users we provide transport for and payment – 2017-18 shortfall **£0.800m**
6.3.2. ASC006 – Promoting Independence – Customer Pathway – 2017-18 shortfall **£7.538m**, 2018-19 shortfall **£10.000m**
6.3.3. ASC008 – Promoting Independence – Housing with Care – development of non-residential community based care – 2017-18 shortfall **£0.500m**
6.3.4. ASC011 – Promoting Independence – Move service mix to average of comparator family group – 2017-18 shortfall **£0.962m**
6.3.5. ASC015 - Promoting Independence – Move service mix to lowest of comparator family group – 2017-18 shortfall **£0.200m**

Children's Services

6.4. Looked After Children's numbers, rather than reducing as planned, have increased. On top of this the number of social work cases and the need for social workers have also increased. Therefore the budget includes a delay of £0.450m high risk 2017-18 saving into 2018-19 and £0.535m 2018-19 saving into 2019-20. More demand in alternative education provision has meant we are unable to deliver a saving to reduce transport costs and a £0.250m saving in 2017-18 must also be reversed.

6.4.1. CHL017 – Reduce the number of social workers we use who work for employment agencies – shortfall 2017-18 **£0.450m**, shortfall 2018-19 **£0.085m**
6.4.2. CHL016 - Reduce the cost of transport for children who are educated in alternative provision – shortfall 2017-18 **£0.250m**

Environment, Development and Transport

6.5. Part reversal of 2017-18 saving EDT036 – Service re-design – introduce a locality based structure – a total 2017-18 saving £2.638m – shortfall **£1.600m**

6.6. Reversal of **£10.355m** 2018-19 savings has been approved. An initial review of savings EDT033, EDT034, EDT035, and EDT036 has resulted in the removal of these targets to reduce spend in 2018-19.

Communities

6.7. Reversal of **£1.357m** 2018-19 savings has been approved. An initial review of savings CMM031 and CMM032 has resulted in the removal of these targets to reduce spend in 2018-19.

Policy & Resources

6.8. Reversal of £0.100m 2017-18 and £0.600m 2018-19 savings which are undeliverable and delay of £0.925m 2017-18 savings.

6.8.1. P&R021 – Pay per use ERP – shortfall **£0.100m** – saving reversed
6.8.2. P&R050 – Cutting costs through efficiencies by a zero based review of our services – shortfall **£0.625m** – saving delayed until 2018-19
6.8.3. P&R064 – Cutting costs through efficiencies by reducing unit costs – shortfall **£0.300m** – saving delayed until 2018-19
6.8.4. P&R066 – Second Homes income – shortfall **£0.600m** – from reversal of half the £1.200m 2018-19 saving

7. Summary

7.1. The forecast position indicates that shortfalls totalling £3.408m, £4.510m, and £0.330m have been identified within the Children's, Adults, and Policy and Resources budgets respectively in 2016-17. Service Committees maintaining a strong focus on the delivery of savings in 2016-17 remains critical to supporting the achievement of the Council's budget plans in both the current and future years.

Background Papers

County Council Budget 2016-17 to 2019-20: Revenue Budget 2016-17 (Item 4a, Annexe 5, County Council 22 February 2016)
http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/438/Committee/2/SelectedTab/Documents/Default.aspx

Norfolk County Council Revenue and Capital Budget 2017-20 (Item 4, County Council 20 February 2017)
http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/444/Committee/2/SelectedTab/Documents/Default.aspx

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Appendix 1

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

One-off savings 2016-17 budget round

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

Categorisation of Budget Savings 2016-19 budget round

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

Appendix 2

Savings by Committee 2016-20 budget round

	Children's Services	Adults	EDT	Communities	Policy & Resources	TOTAL
Savings 2016-17	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
1a Organisation	0.000	0.000	-0.450	-0.161	-1.333	-1.944
1b Lean	-0.203	-1.886	-3.705	-0.515	-1.759	-8.068
1c Capital	0.000	0.000	0.500	-0.227	0.000	0.273
1d Terms & Conditions	0.000	-0.090	-0.031	0.000	0.424	0.303
2a Procurement	-0.295	-0.405	-2.700	0.000	0.830	-2.570
2b Shared Services	0.000	0.000	-0.005	-0.200	0.000	-0.205
3a Income and Rates of Return	-0.150	0.000	-0.345	-0.105	-16.212	-16.812
4a Change standards	-2.080	-0.800	-0.084	-0.267	-0.083	-3.314
4b Stop doing things	0.000	-2.500	-0.130	0.000	0.000	-2.630
4c Change assumptions	-0.250	3.156	0.000	0.000	-1.110	1.796
Shortfall	-3.408	-4.510	0.000	0.000	-0.330	-8.248
Total	**-6.386**	**-7.035**	**-6.950**	**-1.475**	**-19.573**	**-41.419**
Savings 2017-18						
1a Organisation	0.000	0.000	-1.038	-0.100	-0.500	-1.638
1b Lean	-0.508	-7.395	-0.383	0.655	-0.500	-8.131
1c Capital	0.000	0.000	0.000	0.000	0.000	0.000
1d Terms & Conditions	0.000	0.000	0.000	0.000	0.000	0.000
2a Procurement	0.000	0.000	0.000	0.000	-0.035	-0.035
2b Shared Services	0.000	0.000	0.000	0.000	0.000	0.000
3a Income and Rates of Return	0.000	0.000	-0.050	0.100	-7.896	-7.846
4a Change standards	-1.616	0.000	0.000	-0.226	0.000	-1.842
4b Stop doing things	0.000	-0.500	0.000	0.000	0.000	-0.500
4c Change assumptions	-0.050	0.000	0.000	0.000	3.110	3.060
Shortfall (including planned deferral)	-0.700	-10.000	-1.600	0.000	-1.025	-13.325
Total	**-2.874**	**-17.895**	**-3.071**	**0.429**	**-6.846**	**-30.257**
Savings 2018-19						
1a Organisation	0.000	0.000	0.000	-0.100	-1.125	-1.225
1b Lean	-0.450	-11.012	-2.285	0.000	-1.300	-15.047
1c Capital	0.000	0.000	0.000	0.000	0.000	0.000
1d Terms & Conditions	0.000	0.000	0.000	0.000	0.000	0.000
2a Procurement	0.000	0.000	0.000	0.000	0.000	0.000

	Children's Services	Adults	EDT	Communities	Policy & Resources	TOTAL
2b Shared Services	0.000	0.000	0.000	0.000	0.000	0.000
3a Income and Rates of Return	0.000	0.000	-0.051	-0.080	-2.700	-2.831
4a Change standards	-0.609	-3.000	0.000	-1.222	0.000	-4.831
4b Stop doing things	0.000	0.000	0.000	0.000	0.000	0.000
4c Change assumptions	-0.100	0.000	0.000	0.000	0.000	-0.100
Shortfall (including planned deferral)	-0.085	-7.000	-10.355	-1.357	0.325	-18.472
Total	**-1.244**	**-21.012**	**-12.691**	**-2.759**	**-4.800**	**-42.506**
Savings 2019-20						
1a Organisation	0.000	0.000	0.000	0.000	0.000	0.000
1b Lean	-0.535	-9.200	0.000	0.000	0.000	-9.735
1c Capital	0.000	0.000	0.000	0.000	0.000	0.000
1d Terms & Conditions	0.000	0.000	0.000	0.000	0.000	0.000
2a Procurement	0.000	0.000	0.000	0.000	0.000	0.000
2b Shared Services	0.000	0.000	0.000	0.000	0.000	0.000
3a Income and Rates of Return	0.000	0.000	0.000	0.000	-1.000	-1.000
4a Change standards	0.000	-0.800	0.000	0.000	0.000	-0.800
4b Stop doing things	0.000	0.000	0.000	0.000	0.000	0.000
4c Change assumptions	0.000	0.000	0.000	0.000	0.000	0.000
Shortfall	0.535	10.000	0.000	0.000	0.000	10.535
Total	**0.000**	**0.000**	**0.000**	**0.000**	**-1.000**	**-1.000**

Appendix 3

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

Ref	Adult Social Care	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2016-17 Forecast £m	RAG Status
	REMOVAL OF 2015-16 SAVINGS AND ONE-OFF ITEMS						
	1b - Organisational Change - Systems						
COM018	Review Care Arranging Service	0.140				0.140	Blue
COM026	Change the type of social care support that people receive to help them live at home	0.200				0.200	Blue
ASC002	Redesign Adult Social Care pathway. Work with Procurement on areas of the pathway to drive out further efficiencies	0.395				0.395	Blue
	4c - Assumptions under Risk Review						
ASC005	One Off: Use of Earmarked Reserves in 2015/16	3.156				3.156	Blue
		3.891	**0.000**	**0.000**	**0.000**	**3.891**	
	SAVINGS						
	1b - Organisational Change - Systems						
ASC006	Promoting Independence - Customer Pathway - where the focus will be on connecting people with ways to maintain their wellbeing and independence thereby reducing the numbers of service users receiving care in a residential setting	-1.258	-11.983	-13.628		-1.258	Green
ASC007	Promoting Independence - Reablement - net reduction - expand Reablement Service to deal with 100% of demand and develop service for working age adults	-3.158	-1.500	-0.500		-1.200	Red
ASC008	Promoting Independence - Housing with Care - develop non-residential community based care solutions		-0.500	-0.500		0.000	Red

Ref	Adult Social Care	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2016-17 Forecast £m	RAG Status
ASC009	Promoting Independence - Integrated Community Equipment Service - expand service so through increased availability and access to equipment care costs will be reduced	-0.500	-0.250	-0.250		-0.043	Red
ASC010	Reduce Training & Development spend following implementation of Promoting Independence		-0.200			0.000	Green
ASC011	Move service mix to average of comparator family group or target - all specialisms	-0.120	-0.962	-1.444		-0.120	Green
ASC013	Radical review of daycare services		-1.000	-2.500		0.000	Amber
ASC015	Move service mix to lowest of comparator family group - all specialisms		-0.200	-2.190		0.000	Green
	1d - Terms and Conditions						
GET016	Reducing the cost of business travel	-0.090				-0.090	Green
	2a Procurement						
COM042	Review of Norse Care agreement for the provision of residential care	-0.750				-0.405	Amber
	4a Reducing Standards						
COM034	Changing how we provide care for people with learning disabilities or physical disabilities	-1.500				-0.600	Red
COM040	Reduce the number of adult service users we provide transport for	-0.150				-0.150	Green
ASC003	Service users to pay for transport out of personal budgets, reducing any subsidy paid by the Council	-0.900	-0.800			-0.050	Red
	4b Ceasing Service						
COM033	Reduce funding for wellbeing activities for people receiving support from Adult Social Care through a personal budget	-2.500	-0.500			-2.500	Green*
		-10.926	**-17.895**	**-21.012**	**0.000**	**-6.416**	
	Total	**-7.035**	**-17.895**	**-21.012**	**0.000**	**-2.525**	

**ASC Committee highlighting saving as Amber, but classed as Green here for monitoring purposes as savings forecast to be fully delivered.*

Ref	Children's Services	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
	SAVINGS						
	1b - Organisational Change - Systems						
CHI001-004	Increase the number of services we have to prevent children and young people from coming into our care and reducing the cost of looking after children	-3.000				0.000	Red
CHL009	End Children's Services funding for Homestart - this is a charity who supports families with young children who are struggling to cope		-0.158			0.000	Green
CHL015	Update our budget because of reforms that give schools control over some funding for getting children involved in sport - we contribute to the University of East Anglia as part of a scheme to get children involved in sport and allow schools access to the athletics track. There have been some reforms which mean that all funding for such activities will be delegated to schools to choose how to spend	-0.025				-0.003	Red
CHL016	Reduce the cost of transport for children who are educated in alternative provision – by providing local services to ensure children are educated in their local school we will reduce the need to transport children to other educational provision		-0.250			0.000	Red
CHL017	Reduce the number of social workers we use who work for employment agencies - we are giving more support to families at an earlier stage so that the challenges they face are resolved quicker and before they turn into more serious problems. As a result the number of families we are working with that need support from a social worker is reducing. We therefore won't need to use as many agency social workers		-0.450	-0.535		0.000	Red
CHL019	Review of educational services		-0.350			-0.200	Green

Ref	Children's Services	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
	1c - Capital						
CHI012	Reduce the cost of transport for children with Special Educational Needs	-0.500				0.000	Red
	2a - Procurement						
CHL020	Update the budget for short breaks for children with disabilities to reflect how much we are now spending on the service - short break services give disabled children and young people an opportunity to meet new people and enjoy different experiences. They also give their families a break from their caring responsibilities. We have contracts in place with organisations to provide short breaks which offer the same level of service but for a lower price. We will change the budget to reflect how much the new service costs	-0.235				-0.295	Green
	3a - Income and Rates of Return						
CHL014	Review the income targets for the support services we sell to schools and other educational establishments - some of the services we trade are generating more income than we anticipated and others less. We need to make sure that the budget accurately reflects the levels of income that we can generate from selling support services to education providers	-0.150				-0.150	Green
	4a - Reducing Standards						
CHI014	Reduce the amount of funding we contribute to the partnerships that support young people who misuse substances and young people at risk of offending	-0.250				-0.250	Green
CHI015	Reduce funding for school crossing patrols	-0.150				-0.004	Red
CHL010	Change how we provide parenting support - we have contracts with four organisations to provide parenting support programmes, they offer advice and one-to one support. We are proposing to end these contracts. Targeted family support activities will continue to be provided by Early Help staff and other commissioned providers		-0.427			0.000	Green

Ref	Children's Services	2016-17	2017-18	2018-19	2019-20	2016-17 Forecast	RAG Status
		£m	£m	£m	£m	£m	
CHL012	Change how we provide support to families who are struggling to cope with the challenges they face - we have contracts with two organisations to deliver Family Intervention Projects with families who are struggling to cope with the challenges they face. We are proposing to not renew these contracts when they end. Our 'Troubled Families' team will continue to provide support to these families		-0.580			0.000	Green
CHL026	Keep all children's centres open and focus their work on supporting the families that need them most	-1.826	-0.609	-0.609		-1.826	Green
	4c - Assumptions under Risk Review						
CHL013	Update our budget for retirement costs for teachers to reflect how much we are now spending on this - we are not responsible for paying redundancy and retirements costs for teachers that work for the growing number of academy schools	-0.250	-0.050	-0.100		-0.250	Blue
		-6.386	**-2.874**	**-1.244**	**0.000**	**-2.978**	
	Total	**-6.386**	**-2.874**	**-1.244**	**0.000**	**-2.978**	

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

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

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

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

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

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

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

Ref	Policy and Resources	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2016-17 Forecast £m	RAG Status
	REMOVAL OF 2015-16 SAVINGS AND ONE-OFF ITEMS						
	1a - Organisational Change - Staffing						
P&R043	Reverse Resources saving delivered by use of one-off reserves and shared services recharging in 2015-16	0.200				0.200	Blue
	2a - Procurement						
P&R041	Insurance	1.000				1.000	Blue
	1d - Terms and Conditions						
GET015	Reducing the costs of employment	0.440				0.440	Blue
	4c - Assumptions under Risk Review						
P&R044	County Farms funding (one-off reversal)	2.000				2.000	Blue
		3.640	**0.000**	**0.000**	**0.000**	**3.640**	
	SAVINGS						
	1a - Organisational Change - Staffing						
RES068	Reduce staff in the HR Reward team	-0.018				-0.018	Blue
RES071	Restructure and reduce staff across HR	-0.155				-0.240	Blue

Ref	Policy and Resources	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2016-17 Forecast £m	RAG Status
P&R004	Accelerate "self service" for employees/mgrs. - HR/Finance/ICT	-0.100				-0.100	Green
P&R005	Automate more information and performance reports	-0.050				-0.050	Green
P&R050	Cutting costs through efficiencies by a zero based review of our services - working with services to establish the base requirement and shape of Resources to support the future needs of the organisation	-0.625	-0.625			-0.625	Green
P&R052	Cutting costs through efficiencies: staffing - the proposal is to work across Teams to deliver reductions in cost and headcount over two years via various work streams - delayering, critical review of all activities to ensure either we are helping to deliver council outcomes or we are working at a statutory minimum, reduce failure demand, automation wherever possible	-0.500	-0.500	-0.500		-0.500	Green
	1b - Organisational Change - Systems						
RES034	Restructure the Planning, Performance & Partnerships service, creating a new Business Intelligence function	-0.115				-0.115	Blue
RES063	Reduce spend on properties with third parties	-0.100				-0.100	Green
RES081	Reduce printed marketing materials	-0.054				-0.054	Green
P&R014	Courier savings - enforce, bring forward, digitise HR process	-0.030				-0.030	Green
P&R018	Org Change: reduced ICT spend through single device convergence	-0.625				-0.625	Green
P&R046	Cutting costs through efficiencies: subscriptions - assess value for money of corporate subscriptions and cancel as appropriate - use online access only to trade subscriptions	-0.050				-0.050	Green

Ref	Policy and Resources	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2016-17 Forecast £m	RAG Status
P&R047	Customer services channel shift - utilise the council's customer service strategy to further reduce face-to-face customer contact	-0.200				-0.200	Green
P&R060	Property assets: reducing the costs of running the estate - explore what further opportunities we have for further reducing core facilities management standards across the estate, e.g. opening hours, security levels. It should be noted that there is already a significant level of property savings already included in the MTFS, c£7m			-0.200		0.000	Green
P&R061	Aligning budgets to actual expenditure: Norfolk Local Assistance Scheme - the NLAS replaced parts of the Discretionary Social Fund from 2013 onwards. These funds are not ring-fenced and offer a more flexible response to unavoidable need aligning to a wide range of local support local authorities can offer. Historically the fund has not been fully called upon, the saving is based upon the forecast spend for 2015-16	-0.200				-0.200	Green
P&R063	Cutting costs through efficiencies by menu based pricing - the services provided by Resources have evolved since the formation of Shared Services in 2010, services have had little visibility of costs or the ability to control them. A full review of the prices of services and equipment would offer visibility and choice to services - alternatives may include self service	-0.500	-0.500	-0.500		-0.085	Red
P&R064	Cutting costs through efficiencies by reducing unit costs - the menu based proposition above offers the opportunity to reduce costs by reduced demand, this proposition offers the opportunity to reduce unit costs, e.g. by benchmarking and taking any appropriate resulting actions	-0.300	-0.300	-0.300		-0.300	Green
	1d Terms and Conditions						

Ref	Policy and Resources	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2016-17 Forecast £m	RAG Status
GET016	Reducing the cost of business travel	-0.016				-0.016	Green
	2a - Procurement						
P&R021	Pay per use ERP		-0.100			0.000	Red
P&R022	New Multi Functional Devices contract 2016	-0.070				-0.070	Green
P&R024	Rationalise applications and centralise all applications spend	-0.100				-0.100	Green
P&R025	Corporate Banking project - move to Barclays		-0.035			0.000	Green
	3a - Income and Rates of Return						
RES064	Increase income from Nplaw	-0.051				-0.051	Green
P&R027	County Hall refurbishment savings	-0.751				-0.751	Green
RESN/A	Reduced cost of borrowing	-0.825				-0.825	Green
RESN/A	New Homes Bonus	-1.529				-1.529	Green
P&R033	Interest rate increases	-0.990				-0.990	Green
P&R027	Reduce property costs through reducing area occupied and reducing cost per square metre	-0.570	-1.430	-1.000	-1.000	-0.570	Green
P&R027	Removal of Property saving	0.600				0.600	Green
P&R028	Stop all trading that doesn't cover costs or bring in higher revenue	-0.050				-0.050	Green
P&R030	Corporate Property Team approach to sponsorship & advertising		-0.100			0.000	Green

Ref	Policy and Resources	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2016-17 Forecast £m	RAG Status
P&R048	Cost recovery: charging for the use of credit cards - charging service users who wish to pay bills using a credit card, thereby offsetting the costs to the council	-0.020				-0.020	Green
P&R049	Review of accounting treatment for notional debt repayment	-9.326	-5.216			-9.326	Blue
P&R051	Raising revenue by an increased ESPO dividend - ESPO is a Joint Committee of which Norfolk is the largest member, buying on behalf of schools, councils and others. ESPO plans to reduce its costs and increase its market presence outside of its traditional operating area, resulting in an increased dividend	-0.100	-0.100	-0.100		-0.100	Green
P&R053	Raising revenue: a business strategy treasury management - our average return on investments is currently 0.75%, a modest increase in risk, e.g. 0.25% on £100m of cash, would produce a saving. The breadth of organisations we lend to and for how long can be reviewed. The average cash balance in 2015-16 was £215m	-0.750	-0.500			-0.750	Green
P&R054	Raising revenue: NCC company borrowings - Council owned companies borrow from banks and other institutions, this presents an opportunity to arbitrage the high level of cash holdings the authority currently has and eliminate a profit margin - typically 1.3% - 2.0% on £30m - £40m of borrowings	-0.700				-0.700	Green
P&R056	Reduction in external audit costs	-0.100				-0.100	Green
P&R057	Raising revenue: commercialisation investment fund - investment in a range of commercial activities, in particular the council's wholly owned companies, e.g.	-0.750				-0.750	Green

Ref	Policy and Resources	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2016-17 Forecast £m	RAG Status
	NORSE have a pipeline of energy related projects for a mix of public sector and private clients						
P&R058	Raising revenue: property development - to explore options for the authority regarding direct property development. The Council owns a significant land and building bank for which sale for capital receipt may not be the best option for the authority. Generating a higher capital receipt would reduce future borrowing costs			-0.500		0.000	Green
P&R059	Raising revenue: fraud error and debt - use of data analytical tools to collect debts otherwise considered unrecoverable, largely uncollected council tax, working with district councils. The work would be performed by specialist companies		-0.050			0.000	Green
P&R062	Raising revenue through recharging the full costs of our services to external customers - ensuring that ICT services to schools, and other external clients, fully reflect both the direct and indirect costs incurred	-0.300	-0.500	-0.500		-0.300	Green
P&R066	Second Homes income			-1.200		0.000	Amber
	4a Reducing Standards						
RES011	Continued efficiencies in tendering and contract management in Procurement	-0.083				-0.083	Green
	4c - Assumptions under Risk Review						
P&R068	Insurance Fund saving	-2.000	2.000			-2.000	Blue

Ref	Policy and Resources	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2016-17 Forecast £m	RAG Status
P&R069	Use of Organisational Change Reserve to fund Social Care system in 2016-17	-0.478	0.478			-0.478	Blue
P&R070	Use of Business Risk Reserve to fund reprofiling of COM033 Adults saving in 2016-17	-0.500	0.500			-0.500	Blue
P&R071	Use of Organisational Change Reserve in 2016-17	-0.132	0.132			-0.132	Blue
		-23.213	**-6.846**	**-4.800**	**-1.000**	**-22.883**	
	Total	**-19.573**	**-6.846**	**-4.800**	**-1.000**	**-19.243**	

Definition of Savings Categories

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

Policy and Resources

Item No. 10

Report title:	**Equality and Accessibility Objectives 2017-2020**
Date of meeting:	**27 March 2017**
Responsible Chief Officer:	**Tom McCabe, Executive Director, Community and Environmental Services**

Strategic impact

The objectives proposed in this report will assist delivery of the Council's four priorities set out in the County Council Plan, putting in place key building blocks to promote accessibility for disabled and older people and safeguard people from hate incidents.

Executive summary

The Council has a statutory duty to publish equality objectives at least every four years. This report proposes five equality and accessibility objectives for 2017-2020, for Policy & Resources Committee's approval.

The objectives seek to put key building blocks in place, to promote accessibility for disabled and older people and safeguard potentially vulnerable people from hate incidents – particularly disabled people, Black, Asian and minority ethic people, lesbian, gay, bisexual and transgender people and people from minority faiths.

Norfolk has an aging population, a higher number of disabled people than other parts of the country and increasing numbers of disabled young people. Work to promote access across services and the county as a whole is essential to successful delivery of the Council's strategy to promote independence for disabled and older people.

A theme running through the objectives is to maintain dialogue with minority communities over the next three years, to remain cognisant of emerging issues affecting communities.

The report summarises the contextual information informing the objectives, which includes the legal context for equality and anticipated policy issues.

The proposed objectives are attached at Appendix 1.

Recommendations:

Policy & Resources Committee is requested to:

1. **Note the emerging local and national issues summarised in paragraphs 10 to 19.**
2. **Agree the draft equality and accessibility objectives set out in Appendix 1.**
3. **Note that the Council's Member-led Strategic Equality Group will report annually to Policy and Resources on progress on the objectives, as part of the Equality Duty Information Report which the Council has a statutory duty to publish by 31st January each year.**

Introduction

1. The County Council Plan, agreed by Full Council in 2016, details the Council's ambition for everyone in Norfolk to succeed and fulfil their potential. The four priorities within the Plan go beyond the Council's statutory responsibilities to focus on the areas that will bring the best results for Norfolk people.

2. The purpose of the equality and accessibility objectives proposed in this report is to support delivery of the four priorities, by putting in place key building blocks to promote accessibility for disabled and older people and safeguard potentially vulnerable people from hate incidents. Norfolk has an aging population and a higher number of disabled people than other parts of the country. Work to promote access across services and the county is essential to successful delivery of the Council's strategy to promote independence for disabled and older people.

3. Implicit within the objectives are the core British values of mutual respect for and tolerance of those with different cultures and beliefs. The role of British values in civilized society has been brought into a sharper focus over the last 18 months, by the intensified nature of terrorism, and a UK-wide increase in the numbers of hate incidents targeting disabled people, Black, Asian and minority ethic (BAME) people, lesbian, gay, bisexual and transgender (LGBT) people and people from minority faiths.

The legal context

4. Local authorities have a statutory duty under the Equality Act 2010 to pay 'due regard' to the following when exercising public functions:

   - Eliminate discrimination, harassment and victimisation and other prohibited conduct;
   - Advance equality of opportunity for people with protected characteristics;
   - Foster good relations between people who share a relevant protected characteristic and people who do not share it.

5. The Act also requires authorities to publish equality objectives that are proportionate, specific and measurable, and report annually on progress.

6. The Act is primary legislation and UK domestic law. There is no indication that the Government intends to repeal it following exit from the EU.

Norfolk's diverse population

7. Norfolk is the fifth largest shire county in England, with 885,000 residents. Norfolk's diverse communities are interwoven into the county's history. Full details are set out in Appendix 2.

The profile of the workforce

8. Each year the Council reports on how representative the workforce is of the wider working-age population. Although year-on-year increases are being seen in the number of disabled and Black and Asian minority ethnic staff employed by the Council, these are incremental, and the overall proportion is still not in line with the labour market average. The picture is slightly complex due to some under-reporting. Full details are set out in Appendix 3.

Emerging issues locally and nationally

9. The draft objectives proposed for 2017-2020 address the following emerging issues:

Issues specific to Norfolk

10. There is an imperative to ensure that access for disabled people is integrated into service design and commissioning. This is a major issue for two reasons:

- The Council's strategy to promote independence for disabled and older people *requires services, ICT and local communities to be accessible*.
- Norfolk has an aging population, a higher number of disabled people than other parts of the country and increasing numbers of disabled young people.

11. Accessibility is often challenging because teams are not always clear about how to address access in the context of limited budgets – there is a perception that increased accessibility means increased costs. The Council's success last year in winning the Municipal Journal's Disability Confident award showed that forward planning can create many opportunities to embed heightened levels of accessibility into service design, to make good accessibility 'the norm'. More details about the award can be accessed here.

12. An audit of the effectiveness of arrangements for recording and reporting hate incidents in Norfolk has identified a need to strengthen internal and partnership processes and better integrate this within safeguarding practice.

13. Norfolk's Channel Panel is beginning to identify themes. These include the persistent use of racist language and behaviour in individuals who may be vulnerable to radicalisation, and evidence that peer groups of young people may be moving through the school system believing racism is acceptable. The average age of perpetrators of hate incidents in Norfolk is 15, which has implications for everyone working with young people in Norfolk.

Emerging issues nationally

14. Like many areas of the country, Norfolk saw a marked increase in racial tension and hate incidents following the EU referendum. This has stabilised to a 'new normal'. This 'new normal' is a concern and further announcements are expected from Government this year (following publication of its 'Action Against Hate' strategy last year) to inform local authority approaches to hate incident reporting.

15. The intensified nature of terrorism, which includes extreme right wing groups e.g. Britain First and National Action, has impacted on community tension locally. Local communities have told us how important it is for us to demonstrate our visible support – for example, last year's Norwich Pride event took place soon after the Orlando terror attack, which saw 49 people killed at Pulse, a gay nightclub. The County Council's presence at Norwich Pride was a simple but important statement that the authority stands strong with its local communities.

16. The Government's Prevent Duty (part of the Counter-Terrorism and Security Act) provides opportunities to engage with different communities to safeguard people who may be vulnerable to being groomed for radicalisation.

17. The Government is expected to announce a Cohesive Communities programme this year – based on the Louise Casey Review on Integration published in December 2016.

18. The Queen’s speech announced legislation to prevent radicalisation, tackle extremism, promote community integration and create a new British Bill of Rights, which may replace the Human Rights Act.

19. National strategies to address Female Genital Mutilation and Modern Day Slavery will require the County Council to engage with specific minority communities.

Proposed Equality and Accessibility Objectives for 2017-2020

20. The Council’s proposed equality and accessibility objectives for 2017-2020 are attached for consideration at Appendix 1.

21. The objectives have been considered and endorsed by the Council’s Member-led Strategic Equality Group (SEG).

Monitoring and governance arrangements

22. SEG will be responsible for monitoring delivery of the objectives on a quarterly basis, reporting annually to Policy and Resources Committee on progress.

23. SEG is chaired by the Deputy Leader and represented by each political group.

Financial implications

24. The objectives proposed in this report can be met within existing budgets.

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

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IN TRAN communication for all

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

Equality & Accessibility Objectives 2017- 2020:

Objective 1: Integrate accessibility for disabled people across core service transformation initiatives

1.1. To deliver this objective, the Council will assess and 'rate' existing levels of accessibility across services, and set realistic targets, enabling an evidence-led approach to delivering accessibility improvements. This will include publishing access statements for disabled people on our internet about our different premises and locations.

1.2. We will also undertake an annual review of the latest guidance on accessibility across priority areas, to explore innovations to achieve a more accessible Norfolk. As part of this, we will engage with disability-led access groups in Norfolk and strategic partners, to explore how Norfolk could better incorporate accessibility into service planning and design (e.g. through emerging technology or consistent design principles).

Objective 2: Strengthen hate incident recording and reporting protocols and better integrate these within safeguarding practice, to safeguard vulnerable people in Norfolk from hate incidents

2.1 In 2016, the Council worked with Norfolk Constabulary, district councils and health bodies to undertake an audit of the effectiveness of partnership working on hate incident reporting. The audit highlighted opportunities for strengthening existing practice, to safeguard older and disabled people, Black, Asian and minority ethnic people, lesbian, gay bisexual and transgender people and people from minority faith groups from hate incidents.

2.2 This included revising the existing Multi-Agency Protocol on Hate Incident Reporting in Norfolk, ensuring that hate incident reporting protocols were embedded within safeguarding practice, clarifying arrangements for third party reporting, and delivering learning and development for staff on hate incident reporting.

2.3. To deliver this objective, we will implement the audit recommendations, and monitor impact after 18 months to confirm that all the recommendations have been actioned.

Objective 3: Implement the final phase of the Children's Services Equality Plan 2015/16 - 2017/18 in accordance with agreed timescales

3.1 To deliver this objective, we will develop and extend our evidence and data base to improve analysis and highlight differences in relation to outcomes for particular groups of children and young people in Norfolk, reporting annually to Children's Services Committee

3.2 We will also implement the film we co-produced with 50 young people from diverse backgrounds in Norfolk across all staff in Children's Services (and other departments/ partnerships as appropriate) to make sure that work with young people with protected characteristics is influenced by the voice of the child.

3.3 We will also hold a Children's Services equality conference for members, staff and partners, co-hosted and planned with young people, to consider key issues such as the fa that the average age of perpetrators of hate incidents in Norfolk is 15, hear best practice, inform strategy development and sustain a collective vision on equality for children and young people.

Objective 4: Ensure that Promoting Independence strategy reflects the needs of all

4.1 To deliver this objective we will work with service users from a diverse range of backgrounds, including those who are Black, Asian and minority ethnic, lesbian, gay, bisexual, transgender and intersex, and from minority faith groups, to ensure that our Promoting Independence strategy is inclusive.

Objective 5: Ensure that staff understand their responsibilities under the Equality Act 2010 and that staff and elected members have the right resources in place to promote accessibility and equality

5.1 To deliver this objective we will revise the Council's Equality and Accessibility Policy, to ensure that staff understand their responsibilities, and review the resources available to managers, staff and members to assist them in promoting accessibility and equality across the workforce. We will also work with the member training advisory group to run three member workshops each year on relevant equality/accessibility issues, to include effective communication with Deaf and hearing impaired people

Norfolk's diverse population

1. Norfolk is the fifth largest shire county in England, with 885,000 residents. Norfolk's diverse communities are interwoven into the county's history.

2. There are similar numbers of males and females living in Norfolk – 49% and 51% respectively - which is in line with national proportions. Currently, Norfolk's population (by five year age group) is made up of slightly more males in the younger age groups, until a gender parity is reached around age 30. From this point onwards, there are slightly more females in each age group, becoming more apparent for those aged 80 and over.

3. At present there is no official estimate of the transgender population. However, a Home Office-funded study in 2009 suggested that the number of people living in the UK with some degree of gender variance was (at the time) between 300,000 to 500,000. Although the numbers appear small, it is important to recognise that evidence shows that transgender people may be particularly vulnerable to bullying, discriminatory treatment and harassment.

4. Disabled people make up a considerable proportion of the Norfolk population, higher than the regional or national average, and the number of disabled young people is increasing. Over 20% of residents have a disability or limiting long-term illness.

5. There is a link between age and disability, and it is well documented that there are more people in Norfolk over 65+ years of age (around 24%) compared with the region (19%) and country (18%) as a whole. The proportion of Norfolk's population aged 65 and over is projected to increase by around 18% over the next ten years (an increase of around 36,600 people).

6. The majority of Norfolk's population is White British (92.9%), with an estimated 7% from a BAME background.

7. Some of Norfolk's Black African, Black Caribbean and Indian communities can trace back their roots in the county for over four hundred years. Norfolk was as closely linked with the slave trade and the abolition of the slave trade as cities like Liverpool and Bristol, and many key members of the abolitionist movement came from Norfolk. The first Black Mayor in England was from Norfolk, and elected in Thetford in 1904. The Ihsan Mosque in Norwich was the first mosque in the country to be established by British converts to Islam.

8. There are around 9,300 BAME young people aged 17 years or under in Norfolk. Around 130 languages are spoken as a first language other than English by Norfolk school children.

9. Over the last five years, the Council's Member-led Strategic Equality Group has worked with nearly 100 young people from different diverse backgrounds in Norfolk (disabled, BAME, LGBT, and young people from different faiths) to identify and track specific inequalities facing young people in Norfolk today. Young people are optimistic about the direction of travel on equality in Norfolk, but have emphasised how critical it is for local authorities to continue to promote understanding and address bullying in all its forms. This work has been reported to Children's Services Committee, and has informed the objectives proposed in this report.

10. Minority faiths in Norfolk represent just under 2% of the population. There are many minority faiths and multi-faith initiatives in Norfolk, which includes several mosques and Islamic centres, Jewish communities, a Sikh temple and numerous Buddhist groups.

11. It is estimated that around 6% of the population is lesbian, gay or bisexual.

12. There is a growing recognition of issues affecting Intersex people. Intersex people are born with a physical sex anatomy that doesn't fit medical norms for female or male bodies. It has been estimated that one in 2,000 people worldwide are born with ambiguous sex anatomy.

The workforce profile

1. Norfolk County Council (NCC) is the largest employer in Norfolk, employing just over 6,000 employees.

2. The Council's workforce remains predominantly female; 71% of the workforce, of which 42% are part time. Of all staff with protected characteristics, women tend to do the best – they comprise 51.56% of employees earning more than £50k.

3. Employees declaring a disability comprise 4.52% of the overall workforce (marginally up from 4.34% in 2015/16). This compares to an estimated labour market average of 17% disabled people aged 16 – 64 years of age in Norfolk. 3.52% of disabled employees earn over £50k. However, on average 30% of employees prefer not to declare their disability status, therefore it is likely that these figures under-represent the actual number of disabled people employed.

4. BAME employees make up 2.81% of the overall workforce (a small increase from 2.48% in 2015/16). This compares to an estimated labour market average of around 4.9% of BAME people aged 16 to 64 years of age in Norfolk. Around 17% of employees prefer not to indicate their ethnicity status. 1.95% of BAME employees earn over £50k.

5. Over the last four years the Council has been monitoring the number of lesbian/gay/bisexual (LGB) employees, and employees of faith or no faith. Whilst the majority of the workforce (73%) remains undeclared, 0.94% disclosed their lesbian/gay/bisexual status and 12.7% disclosed they have a religion.

6. The age profile of the organisation shows that there has been an increase in the number of people aged 45 or over which accounts for 57.3% of employees (up from 51.33% in 15/16). The number of employees aged 25 and under however has increased slightly at 3.48%, considerably below the labour market average (down from 3.39%).

Policy and Resources Committee

Item No. 11

Report title:	**Industrial Strategy Green Paper – Norfolk County Council response**
Date of meeting:	**27 March 2017**
Responsible Chief Officer:	**Tom McCabe – Executive Director, Community and Environmental Services**

Strategic impact

The Government's consultation on its green paper 'Building our Industrial Strategy' provides the Council with a chance to shape Government's thinking on the sectors, skills and the infrastructure required to help businesses thrive in Norfolk. In responding to the consultation, we can highlight Norfolk's offer and the contribution we can make to national productivity, as well as our 'asks' of Government in order to deliver that productivity.

Executive summary

The Government launched a consultation on its Green Paper on a revised Industrial Strategy for the UK on 23 January 2017, with aims to 'build on our strengths and extend excellence into the future; close the gap between the UK's most productive companies, industries, places and people and the rest; and make the UK one of the most competitive places in the world to start or grow a business'. The approach is based on 10 'pillars':

1. Investing in science, research and innovation
2. Developing skills
3. Updating infrastructure
4. Supporting businesses to start and grow
5. Improving procurement
6. Encouraging trade and inward investment
7. Delivering affordable energy and clean growth
8. Cultivating world-leading sectors
9. Driving growth across the country
10. Creating the right institutions to bring together sectors and places

The consultation comprises 38 questions – see Appendix A. However, as the focus of the strategy is 'build on our strengths and extend excellence into the future', rather than simply answer them, the Council's proposed approach is to highlight the three sectors where both we, and New Anglia Local Enterprise Partnership, believe that Norfolk has a genuine competitive advantage: Energy (the East of England Energy Zone brand and our renewable energy strengths, including 'clean tech', which uses renewable materials and energy sources to provide superior performance and efficiency), the Bio Economy (which encompasses our strengths in food production and plant research) and ICT/Digital Creative. In showcasing these sectors, we will highlight the skills and infrastructure requirements to deliver nationally-significant growth and the freedoms and flexibilities needed from Government to make it happen. These priorities will inform our vision for the county, Future Norfolk.

Recommendations:

i) Members are requested to endorse the proposed approach to the Council's response to the Green Paper on the Government's Industrial Strategy.

1. Proposal

1.1 The Prime Minister launched the “Building our Industrial strategy” green paper on 23 January 2017.

“The Modern Industrial Strategy will back Britain for the long term: creating the conditions where successful businesses can emerge and grow, and backing them to invest in the long-term future of our country.

It will be underpinned by a new approach to government, not just stepping back but stepping up to a new, active role that backs business and ensures more people in all corners of the country share in the benefits of its success.”

1.2 The stated aims of the strategy are to:

- Build on our strengths and extend excellence into the future;
- Close the gap between the UK’s most productive companies, industries, places and people and the rest; and
- Make the UK one of the most competitive places in the world to start or grow a business.

The strategy draws on lessons from other countries and identifies some of the key approaches that have enabled stronger productivity and more balanced growth in other economies. It also draws on UK history “*what has worked and what has failed; the strengths we must build on and the weaknesses we must correct”.*

1.3 These lessons have led to the 10 pillars of the industrial strategy. The evidence shows that they drive growth. Places with higher rates of investment in research and development, more highly skilled people, better infrastructure, more affordable energy and higher rates of capital investment grow faster and have higher levels of productivity. Policies on trade, procurement and sectors are tools to be used to drive growth, by increasing competition and encouraging innovation and investment. “*Through central government actions and by strengthening the local institutions that support a more productive economy we can ensure that growth is driven across the whole country”.*

The 10 pillars, which are important to drive forward the industrial strategy across the entire economy, are:

1. Investing **in science, research and innovation** – we must become a more innovative economy and do more to commercialise our world leading science base to drive growth across the UK.
2. Developing **skills** – we must help people and businesses to thrive by ensuring everyone has the basic skills needed in a modern economy; building a new system of technical education to benefit the half of young people who do not go to university; boosting **STEM** (science, technology, engineering and maths) skills, digital skills and numeracy; and by raising skill levels in lagging areas.
3. Upgrading **infrastructure** – we must upgrade our standards of performance on digital, energy, transport, water and flood defence infrastructure, and better align central government infrastructure investment with local growth priorities.
4. **Supporting businesses to start and grow** – we must ensure that businesses across the UK can access the finance and management skills they need to grow; and we must create the right conditions for

companies to invest for the long term.

5. **Improving procurement** – we must use strategic government procurement to drive innovation and enable the development of UK supply chains.
6. **Encouraging trade and inward investment** – government policy can help boost productivity and growth across our economy, including by increasing competition and helping to bring new ways of doing things to the UK.
7. Delivering **affordable energy and clean growth** – we need to keep costs down for businesses, and secure the economic benefits of the transition to a low-carbon economy.
8. Cultivating **world-leading sectors** – we must build on our areas of competitive advantage, and help new sectors to flourish, in many cases challenging existing institutions and incumbents.
9. Driving **growth across the whole country** – we will create a framework to build on the particular strengths of different places and address factors that hold places back – whether it is investing in key infrastructure projects to encourage growth, increasing skill levels, or backing local innovation strengths.
10. Creating **the right institutions to bring together sectors and places** – we will consider the best structures to support people, industries and places. In some places and sectors there may be missing institutions which we could create, or existing ones we could strengthen, be they local civic or educational institutions, trade associations or financial networks

1.4 The strategy acknowledges that the way in which the pillars relate to specific places will vary, and will change over time:

"In some areas, it will be important to target government investment flexibly to support specific areas or sectors. In others the right intervention might be to create new sector bodies, research institutions or financing bodies – where the lack of those institutions is holding back growth and productivity. In all cases, we will work with industry and draw upon the considerable expertise of UK business to design our industrial strategy".

2. What does this mean for Norfolk?

2.1 The emphasis around science, research, innovation and STEM skills should play to our sectoral strengths. This combined with the commitment to drive growth across the whole country, addressing factors that are holding places back, along with upgrading infrastructure, presents real opportunities for Norfolk.

2.2 In order to stand out from the hundreds of responses to the consultation that the Government will receive, the Council's proposed approach is not to simply answer the 38 questions, but rather, to highlight three sectors where both we and New Anglia Local Enterprise Partnership believe that Norfolk has a genuine competitive advantage and can contribute to national growth: Energy, the Bio Economy and ICT/Digital Creative. Each is described in more detail in section 2.7.

In showcasing these sectors, and how they contribute strongly to the national economy, we will highlight the skills, business support and infrastructure requirements we need to sustain and grow these sectors locally as well as the support, freedoms and flexibilities we seek from Government to help deliver that growth.

2.3 If there are any other key issues related to the consultation questions, which are not covered under these three sectors, we will also include them in the response. However, we need to keep our response high level and targeted to have impact – we have other mechanisms for engagement with Government on, for example, our skills and infrastructure requirements for the county as a whole – not losing sight of the aim of the Strategy, which is to 'build on our strengths and extend excellence into the future'. This should make our response to the consultation stand out from the hundreds that Government will be receiving and should pave the way for a dialogue with Government officials on our proposals.

2.4 In order to test our thinking we are engaging with key businesses, sector specialists and support organisations and higher education institutions, to fully understand the potential of each sector and its infrastructure, skills and business support needs. We have held a series of workshops with representatives from these groups to gain their early thoughts on the Green Paper.

2.5 Key issues emerging across all three sectors include:

- Investment in the development of leadership skills and the need to work with providers to create capacity in making that investment. How could Government incentivise that approach?
- Connectivity (eg road, rail and mobile/broadband). Good progress has been made already – eg the dualling of the A11 and the roll out of Better Broadband for Norfolk, but we need to continue to strengthen the case for more investment where it can demonstrate a link to unlocking business growth.
- Profile-raising, to better communicate to investors and key influencers what Norfolk has to offer, using compelling, forward-thinking company case studies and proactive, targeted campaigns.
- How to develop a research and investment approach across all three sectors, perhaps through a flexible investment pot that would support skills development as well as seedcorn funding for business development.

The 10 pillars of the Industrial Strategy give structure, but shouldn't be viewed in isolation – the challenge is to develop an integrated approach to create a bigger impact than looking at each pillar on its own.

2.6 This collaborative approach will not only shape our response to the Industrial Strategy consultation, but will also feed into the refreshed economic strategy for Norfolk and Suffolk, which New Anglia Local Enterprise Partnership is producing by October of this year (the approach to which is on the agenda for the 30 March Economic Development Sub-Committee) and also the emerging vision for the county (Future Norfolk).

2.7 The following paragraphs examine each of the three sectors in turn, with priorities for interventions, to be developed further into offers and asks:

2.7.1 **The East of England Energy Zone**. Within the energy industry, Great Yarmouth has significant commercial expertise in: fabrication, marine technology and sciences, electronics, offshore gas exploration, service and supply; hydrographic survey and geosciences; engineering and logistics. There is also a small but leading-edge cluster of high-tech electronics and engineering companies. The Norfolk coastline (plus part of Suffolk) will be the focus of £50bn planned investment in the energy sector by 2020. Our coastline supports a range of energy-related sectors including: gas (Bacton processes up to 50% of UK's natural gas) oil (offshore), decommissioning (Petersons at Great Yarmouth) renewables (offshore wind) existing and new nuclear (Sizewell C) and the developing carbon capture/storage market. There are globally significant companies operating out of Great Yarmouth (Proserv, Aker, Petrofac, Schlumberger, Gardline and Seajacks) along with Shell, BP, Perenco and Centrica operating out of Bacton. All supported by a well-developed supply chain and skills pool.

Norfolk therefore has a key role to play in national energy security and future energy needs. Building on our 50 years' years of expertise in the oil and gas market, the focus for the actions we envisage taking forward with partners is centred on helping the Government achieve its priority of 'delivering affordable energy and clean growth' and 'helping new sectors to flourish'.

This includes the emerging 'clean tech' sector, which is any product, process or service which is able to provide superior performance and efficiency, at a lower cost, by harnessing renewable materials and energy sources, making responsible use of natural resources. While encompassing our offshore wind strengths, bioethanol production from sugarbeet at Wissington and energy from anaerobic digestion, this also links to our academic institutions, such as the world-leading environmental sciences department at UEA.

We need to fully explore what else, besides offshore wind, we should be focussing our capabilities on; what other technologies could work here – eg offshore desalination, leading to hydrogen fuel; gas storage; gas to wire developments etc. Much of the technology already exists and there is real opportunity to become a test and demonstration zone in the Southern North sea, and to put the area on the map nationally and internationally.

Infrastructure investment required to support this significant sector includes the Third River Crossing at Great Yarmouth and the dualling of the Acle straight. £9m has already been allocated through the local growth fund to improve traffic flows around the town and connectivity to Beacon Park Enterprise Zone (EZ).

The 24 hour port provides the main supply base for the offshore gas industry in the Southern Basin of the North Sea and increasingly for offshore windfarms. Considerable work, in partnership with the Borough Council, the LEP along with Suffolk and Waveney Councils is being directed at attracting further investment, especially linked to manufacturing.

The Port is now in the ownership of Peel Ports, with which we also work closely and which is vital if we are to fulfil the potential of the sector to deliver new clean tech products and services. A recent report for the Government by BVG Associates, looking at the capacity of east coast ports to support offshore wind development, highlighted the key role Great Yarmouth already plays and the potential to attract further investment. There is capacity to expand and enhance the port's capability and we need to set out our ambitions and how these can deliver more UK content which will meet Government's aspirations. Help with infrastructure will enable us to deliver a new sector (one of the Government's pillars) and would be part of a public/private sector approach to land development.

Looking at connectivity beyond the port, we need to explore air routes to our energy base at a reasonable cost. If Stansted does not offer a route, we could lobby Government to reopen the Route Development Fund and invite bids that would be primarily focussed on supporting business growth.

Skills investment is critical if local residents are to benefit from jobs growth in the energy sector. Great Yarmouth performs poorly against the regional and national average at level 4 and above and is a ‘cold spot’ for higher education. In addition, many in existing energy-related engineering trades are coming up to retirement, while others have skills that are transferable from oil and gas to the new clean tech sectors, but we have to facilitate that transition. In recognition of the sector’s importance, New Anglia Local Enterprise Partnership is backing East Coast College to build an Energy Skills Centre, to ensure that local people benefit from commercial developments in the area – eg skills for land reclamation in Great Yarmouth harbour.

There are also European Social Fund monies for in-work skills that could be drawn down, while the UK still has access to them.

We also need a better mechanism to support research and development activity, to export both our products and our skills, linking with our universities (eg UEA now offers engineering qualifications). This could be via an Innovation Centre, close to the energy producers and we can explore access to Enterprise Zone funding to look at the feasibility of such a centre.

2.7.2 **World class science research through to farming and food processing (“Bio Economy”)** The Norwich Research Park (NRP) is home to three of the UK’s eight BBSRC (Biotechnology and Biological Sciences Research Council Institutes). It is made up of John Innes Centre (JIC), Institute of Food Research (IFR), the Sainsbury Laboratory, the Earlham Institute, the University of East Anglia (UEA) and the Norfolk and Norwich University Hospital. It has a global reputation for research in agri-food, health and environmental sciences. JIC ranked 1st in the world for plant sciences, IFR 2nd for food sciences and UEA in the top 1% of HE institutions and 3rd for geo sciences citations. The NRP employs 11,000 including 2,700 scientists and has a commercial expansion zone of 55ha, which now has EZ status.

Agriculture, food and drink together is largest employment sector (13%) with the some of the most significant food-related companies in Europe being based in Norfolk, including, Bernard Matthews, British Sugar, Colmans (Unilever) Mars Foods, Thurne (Middleby), Kettle (Diamond Foods), Linda McCartney (Hain Daniel) and Kinnerton.

Infrastructure. The investment required to support this sector includes:

- Power at the NRP
- Investment to ‘build out’ the EZ
- Dualling of the A47, to connect the food processing and manufacturing base across the county
- Significant house building in proximity to the NRP at Cringleford (1000 homes).

Skills. Significant investment in the STEM (science, technology, engineering and maths) subjects, to support jobs growth at the NRP and in agri–engineering are required.

As with energy, there is an opportunity to export the expertise that we do have in this area, to help meet a growing global demand and where we could ask for Government assistance. For example, the global food market is growing by 6%, but food supply is only growing by 2.5%. We have expertise in crop productivity, apps, knowledge and data systems, which are easy to export round the world and could be a key strand of an international trade strategy.

We will be taking an increasingly proactive approach with our farm estate and the performance of our tenant farmers and building on our growing, strategic relationship with Easton & Otley College, one of the country's leading land based colleges. The college's recent Area Review was very positive and demonstrates it has a key role to play in the future convergence of agri-tech focussed technology, particularly in terms of its practical application on the farm.

Business. We know that we have world class science. The challenge is to package up that research and make an offer to industry, so that it can be commercialised and contribute to local and national productivity. And for that offer to attract co-location at the NRP, so that the benefits of research commercialisation are retained locally, rather than elsewhere in the UK or abroad.

This 'packaging up' could be through a 'one stop shop' or hub and spoke approach, exploring the Government's Institutes of Technology approach to bringing research and technology together with manufacturing and production, as well as the national Science and Innovation Audits of key sectors, that are currently underway.

This may involve working with partners across the local area on specific sub-sectors, eg working with Lincolnshire and Cambridge on agri-food, with Easton & Otley on the engineering aspects of agri-tech etc. A key first step is to map potential business contacts against the bio economy sub-sectors where we truly have a competitive advantage.

The Economic Development and Strategy team is working closely with the NRP to directly target overseas investors, especially in the US. It has developed a suite of messages and identified a number of targets.

2.7.3 **ICT and Digital Creative**

Norfolk (centred on Norwich) has a vibrant creative sector with particular strengths in creative digital, TV and film production and gaming. The existing asset base is already established and has been growing strongly. There is much more capacity for further growth, through supporting existing businesses, encouraging more high growth-oriented start-ups and attracting inward investment.

Key features of the creative economy in our area include:

- One of the strongest and most active digital creative clusters outside of London, with a number of high growth SMEs specialising in data-driven marketing and information security.
- Norwich is recognised as a national digital hub by Tech City UK, within its Tech Nation report. Norwich, Cambridge and Ipswich form the headlines of the East of England cluster. The three centres offer complementary strengths across the whole ICT and digital creative spectrum. Norwich has a fast growing, diverse tech community, that is highly connected and benefits from two complementary universities, with BT Martlesham, the telecoms giant's global R&D headquarters, part of the wider regional offer.
- World class educational programmes and facilities generate a strong supply of creative graduates in areas such as computer science, software engineering, television and media studies, video games art, design, digital photography, animation, and film. Norwich University of the Arts (NUA) was named one of the top 5 creative universities in the country in 2016 by

11,000 students, surveyed by Which? and recent graduates include three BAFTA-winning games designers, the V&A's first Games Designer in Residence and employees at Apple, Sony and EA (the market leading game designer).

- While Norfolk may not have an IT asset as visible as Martlesham, many of our sectors are reliant on huge computing power, with many IT jobs behind the scenes – indeed one estimate is that up to 45% of all employment is linked to ICT/Digital creative, depending on the sector. For example, Aviva in Norwich employs more IT specialists than actuaries and has two data centres in Norwich, employing some 300 people; the Earlham Institute (formerly The Genome Analysis Centre) applies '**computational science** and biotechnology to answer ambitious biological questions'.
- We have dedicated incubation spaces and strong sectoral networks to help support the start-up and ongoing development of new creative businesses, including a newly formed industry group - Tech East - supported by all the key local businesses. Tech East aims to raise the Norfolk and Suffolk cluster to be one of the Top 5 in the UK by:
  - attracting new business and talent to start new ventures
  - increasing trade and collaboration with other tech clusters
  - increasing networking and sharing best practice and improving performance
  - creating a supportive, conducive environment
  - working with local and national educational partners to develop the relevant sector skills and linking to/benefitting from cutting edge research

Infrastructure and business development. Priorities and opportunities include:

- Delivery of the Ely Junction improvements and 'Norwich in 90' will enable the sector to compete more credibly for business in the capital.
- Completing the roll out of Superfast to further increase the critical mass of businesses in the cluster – people move here for the quality of life and want to run high quality creative businesses, but are currently prevented from doing so in some locations. Trial of widespread 5G mobile network infrastructure would prevent digital constraints from hindering rural growth and would accelerate growth in urban centres.
- Working with partners on creative solutions for the final 5% of the county, that won't be covered by the roll out.
- Exploring the opportunity to participate in a Network Rail (NR) business hub pilot. NR have funding to refurbish disused buildings along train routes. We could pilot in a market town, turning a disused building into a business hub with Superfast provision – opportunity to drop in and work/transfer large files while waiting for trains.
- Working with both UEA and NUA to enhance their offer to incorporate all aspects of ICT product building. Once underway we will look to create more hot-desking and co-working space, alongside an events space and discrete office space for around five product start-ups. If this approach works, we will look to establish a large scale incubator that will create a revolution in Norwich's ICT Digital Creative 'ecosystem'.
- Moving from services to products that can create greater margins and

productivity, such as apps and branded user experience testing (such as bigdog's 'Ethology')

- Exploring the potential for a creative 'sector deal', as outlined in the green paper.

3. Background

Industrial Strategy Green Paper

Officer Contact

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Industrial Strategy Green Paper Consultation questions

1. Does this document identity the right areas of focus: extending our strengths; closing the gaps; and making the UK one of the most competitive places to start or grow a business?

2. Are the ten pillars suggested the right ones to tackle low productivity and unbalanced growth? If not, which areas are missing?

3. Are the right central government and local institutions in place to deliver an effective industrial strategy? If not, how should they be reformed? Are the types of measures to strengthen local institutions set out here and below the right ones?

4. Are there important lessons we can learn from the industrial policies of other countries which are not reflected in these ten pillars?

5. What should be the priority areas for science, research and innovation investment?

6. Which challenge areas should the Industrial Challenge Strategy Fund focus on to drive maximum economic impact?

7. What else can the UK do to create an environment that supports the commercialization of ideas?

8. How can we best support the next generation of research leaders and entrepreneurs?

9. How can we best support research and innovation strengths in local areas?

10. What more can we do to improve basic skills? How can we make a success of the new transition year? Should we change the way that those re-sitting basic qualifications study, to focus more on basic skills excellence?

11. Do you agree with the different elements of the vision for the new technical education system set out here? Are there further lessons from other countries' systems?

12. How can we make the application process for further education colleges and apprenticeships clearer and simpler, drawing lessons from the higher education sector?

13. What skills shortages do we have or expect to have, in particular sectors or local areas, and how can we link the skills needs of industry to skills provision by educational institutions in local areas?

14. How can we enable and encourage people to retrain and upskill throughout their working lives, particularly in places where industries are changing or declining? Are there particular sectors where this could be appropriate?

15. Are there further actions we could take to support private investment in infrastructure?

16. How can local infrastructure needs be incorporated within national UK infrastructure policy most effectively?

17. What further actions can we take to improve the performance of infrastructure towards international benchmarks? How can government work with industry to ensure we have the skills and supply chain needed to deliver strategic infrastructure in the UK?

18. What are the most important causes of lower rates of fixed capital investment in the UK compared to other countries, and how can they be addressed?

19. What are the most important factors which constrain quoted companies and fund managers from making longer term investment decisions, and how can we best address these factors?

20. Given public sector investment already accounts for a large share of equity deals in some regions, how can we best catalyse uptake of equity capital outside the South East?

21. How can we drive the adoption of new funding opportunities like crowdfunding across the country?

22. What are the barriers faced by those businesses that have the potential to scale-up and achieve greater growth, and how can we address these barriers? Where are the outstanding examples of business networks for fast growing firms which we could learn from or spread?

23. Are there further steps that the Government can take to support innovation through public procurement?

24. What further steps can be taken to use public procurement to drive the industrial strategy in areas where government is the main client, such as healthcare and defence? Do we have the right institutions and policies in place in these sectors to exploit government's purchasing power to drive economic growth?

25. What can the Government do to improve our support for firms wanting to start exporting? What can the Government do to improve support for firms in increasing their exports?

26. What can we learn from other countries to improve our support for inward investment and how we measure its success? Should we put more emphasis on measuring the impact of Foreign Direct Investment (FDI) on growth?

27. What are the most important steps the Government should take to limit energy costs over the long-term?

28. How can we move towards a position in which energy is supplied by competitive markets without the requirement for on-going subsidy?

29. How can the Government, business and researchers work together to develop the competitive opportunities from innovation in energy and our existing industrial strengths?

30. How can the Government support businesses in realising cost savings through greater resource and energy efficiency?

31. How can the Government and industry help sectors come together to identify the opportunities for a 'sector deal' to address – especially where industries are fragmented or not well defined?

32. How can the Government ensure that 'sector deals' promote competition and incorporate the interests of new entrants?

33. How can the Government and industry collaborate to enable growth in new sectors of the future that emerge around new technologies and new business models?

34. Do you agree the principles set out above are the right ones? If not what is missing?

35. What are the most important new approaches to raising skill levels in areas where they are lower? Where could investments in connectivity or innovation do most to help encourage growth across the country?

36. Recognising the need for local initiative and leadership, how should we best work with local areas to create and strengthen key local institutions?

37. What are the most important institutions which we need to upgrade or support to back growth in particular areas?

38. Are there institutions missing in certain areas which we could help create or strengthen to support local growth?

Policy and Resources Committee

Item No 12

Report title:	**Norse Governance Review - Update**
	Report of Executive Director of Finance and Chief Legal Officer
Date of meeting:	**27th March 2017**
Strategic Impact:	**Continued strengthening and clarification of the risk of members and officers in the governance of the Norse Group of Companies.**

Executive Summary:	A summary of progress further to P&R Committee recommendations for enhanced governance provisions in respect of the Norse Group.

1. **Introduction**

This update refers to the review of the governance of the County Council's Norse Group which seeks to strengthen and clarify the process through which its stewardship and oversight is provided for.

Members at the Policy & Resources Committee of 8th March 2016 were asked to agree to:

- recommendations in relation to the governance of the Norse Group; and to
- authorise the Executive Director of Finance and the then Head of Law and Monitoring Officer to agree a process and timetable for implementation of the recommendations.

This report serves to update the Committee in respect of these matters.

2. **Norse Group Limited**

Norse Group Limited is a private company limited by shares in accordance with the Companies Act 2006. The Council is the single shareholder.

Norse Group Limited was formed in 2006 and acts as the holding company for NPS Property Consultants Ltd (NPS), Norse Commercial Services Ltd (NCS) and NorseCare Ltd, themselves Council controlled companies. Each of those companies has subsidiaries of its own, some wholly owned and some in joint venture arrangements.

The existing range of controls include:

- The role of Policy & Resources Committee, as established in the Financial Regulations in the Constitution, in approving the establishment, viability and business cases of new companies, approving investments, taking decisions as shareholders, monitoring the companies and receiving reports and consenting to specified actions and activities (see below) of the Norse Group

- A Shareholder Committee comprised of 6 Members, including a Shareholder Representative, appointed by the Policy & Resources Committee and attended by the Executive Director of Finance, the Chair of the Norse Board (the Council's Executive Director, Community and Environmental Services), and the Norse Group executive directors at its regular meetings
- The Council's Executive Director, Community and Environmental Services chairing the Norse Board and a member of the Council (appointed by P&R) being a board member of the Norse Board
- Weighted voting rights on the Norse Board in favour of the Council's directors
- Controls of the Council, through the Articles of Association, on a range of matters including (in summary): the appointment and removal of directors; terms and conditions of directors; increase or variation of share capital; giving of guarantees and security; sale, lease or disposal of the company's assets; lending; formation or acquisition or disposal of any subsidiary; changing the company's business; personal contracts with Council employees; borrowing; applying for EU grants; disposing of assets; changing the accounting reference date; changing or varying the terms of the auditors; winding up or similar arrangements. A full list of controls of the Council, from the Company's Articles of Association, is set out in the Schedule to this report
- A NorseCare liaison board comprising Members and Senior Officers
- Board reports of the principal companies being provided to the Managing Director, the Executive Director of Finance and the Chief Legal Officer and the Executive Director of Finance attending Board meetings
- Service level agreements between the Council and the principal Norse companies
- The accounts of the Norse Group Companies are externally audited annually. Those externally audited accounts are reviewed annually by the Council's external auditors.

3. **Norse Group Governance Arrangements**

In addition to the above structural and operational provisions, and further to P&R Committee Governance Recommendations, the following sets out the status and progress of delivery against the required additional measures:

Reference	Description	Progress
A1[1]	That the Council's purposes for participation in the Norse Group companies are clearly established by the Policy & Resources Committee ("P&R") and reviewed annually by P&R.	Completed: this action has been attended to by the making of an amendment to the Constitution (part 4.1 applies). The Constitution Advisory Group ("CAG") of 11.11.2016 recommended referral of these amendments to Full Council for approval and the review task by P&R is now ongoing.
A2	Norse is required to report annually to P&R on both past performance against the council's purposes and KPIs and future business plans for the Norse Group companies, and provide appropriate assurances from the Executive Director of Finance and the Head of Law and Monitoring Officer. As part of the business plans, Norse has been actioned to commit to a range of KPIs against which it is to be measured, including: a. An annual value statement to P&R b. An annual Setting of a range of other KPIs such as the percentage of new work derived from private sector contracts, the profitability of	Actioned: noting the distinction between NCC's interest in Norse's performance as (a) shareholder and (b)a customer with service delivery objectives, the following have been delivered: • P&R has approved Norse's 5 year Business Plan. • A value statement and KPI performance report were delivered by Executive Dir Finance in September 2016 with review thereafter scheduled annually. • Report on business objectives and expected financial returns approved by P&R. • Past performance reports delivered by way of MD Norse Reports.

[1] References are to Policy & Resources Committee recommendations of 8th March 2016

	such work and the total return to NCC.	
A3	In relation to new Companies (as defined by the Articles of Association) proposed by the Norse Group, the Executive Director will establish annually business objectives including the financial return expected. Proposals for Companies meeting these business objectives will be fast-tracked for approval by the Executive Director of Finance, through the P&R Committee or via the urgent business procedures for P&R business (where commercially necessary).	Completed/ongoing: this requirement has been implemented and is applied on an ongoing basis: this is shown for example in NewCo references in February 2017's P&R Report.
A4	An amendment of the Constitution has been actioned in order to clarify the oversight and decision-making role of P&R.	Completed: amendments to the Constitution to deliver this requirements were approved by CAG November 2016.
B 1 & F6	In line with best practice governance arrangements a Shareholder's Agreement should be entered into with the Norse Group, NPS, NCS and NorseCare reflecting: - the process for approval of business	Actioned: a Shareholder Agreement for use in respect of the Norse Group entities has been prepared and proposed to include Monitoring Officer review of material changes, feedback to Exec Dir Finance of any key trigger events, approval of business plans; arrangements for funding and the provision of appropriate security for money lent, and dispute resolution provisions.

	plans; - arrangements for funding and the provision of appropriate security for money lent; - dispute resolution provisions; and other controls deemed appropriate from time to time by the Executive Director of Finance.	
B 2	That Service Level Agreements ("SLAs") with NPS, NCS and NorseCare are regularly reviewed and agreed between the Norse Group and the Executive Director of Finance and the Senior Commissioner and updated as appropriate, ensuring commercial rationale.	Completed / actioned: Al Collier has been appointed as senior commissioner for the Norse Group. He is coordinating a series of contractual reviews of those contracts that were not let by competitive tender in order to ensure that they remain fit for purpose and are value for money. It is expected that new contracts will be signed with NPS (for property services) and with Norse Eastern (for school meals) by the end of the financial year. The contract with NorseCare is also being reviewed, as are the transport contracts with Norse Eastern. The facilities management arrangements with Norse Eastern are of lesser strategic importance and value but will be reviewed next financial year.
C 1	Clarification of respective accountabilities between Executive Director of Finance and Chief Legal Officer for the Council's financial and general governance of the Norse Group.	Completed.

C 2	That Senior Commissioner for Norse, appointed by the Managing Director, is accountable to NCC for the monitoring and control of service delivery issues, reporting to the Shareholder Committee twice yearly on service delivery and to P&R on an exception basis.	Completed: NCC's Senior Commissioning Officer Al Collier has been appointed by the Managing Director.
D 2	Preparation of Management Pack templates for Shareholder Committee meetings	Completed. the required items (year to date Group principal report, key commercial and legal risks and KPI performance exceptions) are provided along with financial performance data.
D3	That the Shareholder Committee, supported and advised by the Executive Director of Finance and the Head of Law and Monitoring Officer, continues to scrutinise Norse and make recommendations as appropriate to P&R.	Ongoing.
D 4	Amendment required to the Constitution regarding the role of the Shareholder Representative - that the role of the Shareholder Representative in reporting back to P&R from the Shareholder Committee is spelt out clearly in the Constitution.	Actioned: constitutional amendments tabled for Constitution Advisory Group 1st March 2017.
D 5	That the Terms of Reference for the Shareholder Committee be	Actioned: constitutional amendments tabled for Constitution Advisory Group 1st March 2017.

	reviewed in the light of these (above) recommendations.	
D 6	That the Executive Director of Finance has input into the internal audit function of the Norse Group and, where necessary, provides reports to the Council's Audit Committee and the External Auditor.	Ongoing: as Board member, and through Norse Group Finance Director channels, NCC Ex Dir Finance is privy to internal audit reports as well as any external audit representations.
E 1	That the Executive Director of Finance satisfies himself that any Norfolk County Council assets and property used or occupied by the Norse Group are evidenced as being provided on commercial terms.	Ongoing – insofar as is applicable in light of limited use of County assets by Norse Group this is a Corporate Property Team function (B2 above also refers).
E2	That when any material changes are anticipated to any of the Norse Group of companies, or any significant new arrangements, the Head of Law and Monitoring Officer reviews these with the Norse Group to ensure they operate lawfully and within the company's powers.	Ongoing task noted and within the overarching governance process.
F 1	That regular review of the Council and Norse Group risk registers are undertaken by the Executive Director of Finance.	Completed/ongoing via Board Meetings, some provision to NCC Audit and Exec. Dir. Finance channels.

F 2	That steps are taken to protect any loans or other financial investments in companies by taking security over assets, as far as possible, recognising that in some cases Council security will not have first priority.	Actioned and ongoing: dealt with on a case-by-case basis. This need has been attended to where appropriate for example ensuring protection by way of legal charge applied.
F 3	That NCC's finance team continue to manage any debt provided to the Norse Group as it would a third party loan ensuring appropriate serviceability of debt and covenants.	Actioned and ongoing: In respect of current debt provisions NCC Treasury Team monitors loan arrangements in accordance with matter specific arrangements. A general focus currently is given to the commerciality of Council funding as opposed to attracting additional costs which would apply to external commercial debt.
F 4	Review required of Finance systems to ensure Dir. Finance compliant with Constitutional responsibilities	Completed.
F 5	NCC member and officer directors of Norse are to be remunerated only through member allowances and officer remuneration schemes.	Applied / completed.
G 1	That there is a programme of relevant training and development for any NCC appointed Directors of the Company and those managing relationships within the Council.	Completed and ongoing.
G 2	That a shared portal is established and maintained by the Head of Law and Monitoring Officer, accessible by Norse and NCC, containing all	Completed by way of provision of the Norse maintained portal.

	the company documents relating to the Norse Group Companies, the Shareholder Agreement, the SLAs, business plans, reports, minutes and any other documents relevant to NCC's governance of Norse.	
G 3	That, given the interdependencies of NCC and Norse in relation to pension funding, the Norse Group shall make NCC aware of any material charges in relation to its pension strategy.	This requirements is considered ongoing and has been applied where arising (most recently with NCC Finance subsequent to the LGPS Triennial Valuation).
G 4	That NCC, through the Executive Director of Finance, ensures Norse is anticipating future needs in respect of attracting and retaining key personnel and developing future director succession plans.	This requirement is ongoing and has been applied.
G 5	That attendance of the Executive Director of Finance at Norse Board Meetings is formalised, to support ongoing assessment of viability.	Completed.
G 6	That shareholder dividends are paid, recognising the profit achieved and Norse's long term investment requirements.	Policy currently being reviewed. Issue operates through Norse Group Board with Exec Dir Finance involvement.
G 7	That the Monitoring Officer is authorised to process the changes	This has been actioned and completed as detailed above.

	to the Constitution that are appropriate or necessary to achieve all of the above.	

Officer Contact

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

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Policy and Resources Committee

Item No 13

Report title:	**Norse Consents**
Date of meeting:	**27th March 2017**
Responsible Chief Officer:	**Executive Director of Finance & Commercial Services – Simon George**

Strategic impact

Norse requires the consent of the County Council before it can make certain decisions, including the appointment of directors & the creation of new companies

Executive summary

Policy and Resources Committee is recommended to:

1. **Recommend to Full council the appointment of directors to companies in the Norse group as detailed in appendix A**
2. **Delegate to the Executive Director of Finance & Commercial Services the authority to approve the creation of Peterborough Norse ltd, after reviewing the financial due diligence that is currently being undertaken.**
3. **Approve the creation of Daventry Norse ltd.**

1. Background

Appointment of Directors

1.1 Norse requires the consent of the County Council to appoint directors to its companies.

1.2 The Executive Director of Finance & Commercial Services has reviewed the attached list of appointees and advises that they are suitable

And subsequently recommends that the Policy and Resources Committee approve the appointment of the attached list of directors to Full Council.

Peterborough Norse Ltd

1.3 Norse requires the consent of the County Council before it can create new Ltd Companies.

1.4 This is undertaken on the advice of the Executive Director of Finance & Commercial Services.

The Executive Director of Finance & Commercial Services has:

1.5 reviewed the business case and papers in detail

1.6 Attended and contributed to the discussions on the proposal at the Norse Board

1.7 Attended the Norse Shareholder Committee where the proposal was discussed and endorsed.

<u>And subsequently asks that the Policy and Resources Committee delegates to the Executive Director of Finance & commercial Services the authority to approve the creation of Peterborough Norse ltd after reviewing the financial due diligence that is currently being undertaken.</u>

1.8 Appendix B contains more details of the proposed company.

Daventry Norse Ltd

1.9 Norse requires the consent of the County Council before it can create new Ltd Companies.

1.10 This is undertaken on the advice of the Executive Director of Finance & Commercial Services.

1.11 The Executive Director of Finance & Commercial Services has:

1.11.1 Reviewed the business case and papers in detail

1.11.2 Attended and contributed to the discussions on the proposal at the Norse Board

1.11.3 Attended the Norse Shareholder Committee where the proposal was discussed and endorsed.

<u>And subsequently recommends that the Policy and Resources Committee approve the creation of Daventry Norse ltd.</u>

1.12 Appendix C contains more details of the proposed company.

2. Financial Implications

2.1. Although there are no direct financial implications for the Council, the effective strategic management of Norse Group companies is envisaged to further enhance the financial return to the Council.

3. Issues, risks and innovation

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

4. Background Papers

Officer Contact

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

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

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Appendix A

COMPANY	**DELETE MARTIN HOPKINS**	**ADD DEAN WETTELAND***
NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED	YES	YES
ADFILL LIMITED	YES	YES
EVENTGUARD LIMITED	YES	YES
NORSE EASTERN LIMITED	YES	YES
SUFFOLK NORSE LIMITED	YES	YES
SUFFOLK NORSE TRANSPORT	YES	YES
MEDWAY NORSE LIMITED	YES	**Andrew Merricks**
MEDWAY NORSE TRANSPORT	YES	**Andrew Merricks**
NORSE ENVIRONMENTAL WASTE SERVICES LIMITED	YES	YES
NEWPORT NORSE LIMITED	YES	**Andrew Merricks**
GREAT YARMOUTH NORSE LTD	YES	YES
NORSE SOUTH EAST LIMITED	YES	YES
DEVON NORSE LIMITED	YES	**Patricia Fuller**
ENFIELD NORSE LIMITED	YES	YES

***Where Dean Wetteland is already a director of the company an alternative director is proposed.**

NPS PROPERTY CONSULTANTS LTD – CHANGE TO COMPANY DIRECTORS

NPS SOUTH WEST LTD	**DELETE:** WILLIAM MUMFORD
	ADD: ALAN ROBINSON

Appendix B : Peterborough Norse Ltd

Following the establishment of NPS Peterborough on 8th July 2016, the Peterborough Council has asked for a proposal to set up a new JV with Norse Commercial Services, to primarily encompass Waste and Environmental Services.

The existing joint venture provides Peterborough City Council with a robust and value added Property Estates function as part of its response to the 2015 East of England LGA Review of Asset Management Services at the Council.

Peterborough Council currently has a contract with Amey to supply its Waste and environmental services. The council signed the contract with enterprise Management Services in March 2011 to deliver household waste and recycling collections, street cleaning, property design and maintenance, grounds maintenance and a range of other services. This was transferred to Amey in 2013 when it bought Enterprise.

Peterborough Council have agreed to terminate the 23 year contract with Amey, and have approached Norse Group regards transferring the work partly into the current NPS arrangements (property related elements), and the remainder potentially into a new JV company with NCS.

Should Peterborough Council wish to proceed with a Joint Venture Company (Peterborough Norse) it will be proposed that this is co-owned by Peterborough Council (20%) and Norse Commercial Services (80%). Governance of Peterborough Norse will be provided by the Board of Directors, made up of three senior representatives from Norse and two from Peterborough Council. Quarterly board meetings will be held at which statutory duties are carried out and decisions made about the company's activities. Annual audited accounts will be produced and signed off by the Board. In addition to the Board of Directors, an Operational Liaison Board (OLB) will be formed, reporting to the main Board.

Services will be undertaken for the transferring services by Peterborough Norse on a fixed price basis, with specification, frequencies and key performance indicators agreed during mobilisation. All profits generated by Peterborough Norse will be shared 50/50 between Peterborough Council and Norse.

The partnership term will initially be for ten years, with a 10-year extension option. The agreement will subject to agreement include a termination clause allowing either party to terminate the arrangement giving 12 months' notice at any time during the partnership term.

Appendix c: Daventry Norse Ltd

Daventry District Council will establish a JV Partnership with Norse, enabling waste, grounds and environmental services to transfer into a new joint-venture company, "Daventry Norse Ltd", which would be co-owned by the Council and Norse Commercial Services Ltd. The shareholding in Daventry Norse would potentially be 80% Norse and 20% Daventry District Council and profits would be shared 50/50.

The initial partnership term potentially would be ten years with a 10-year extension option. Daventry has discussed a termination clause whereby either party can give the other 24 months/ written notice, to come into effect not less than five years after the Arrangement becomes operational. Board approval has been requested to agree this option due to a previous board directive whereby termination clauses allow either party to terminate the arrangement by giving 12 months' notice.

Initial financial review would suggest an approximate £200k overhead contribution, a 50% profit share of £200k (£100k) plus an additional £100k benefit on commodity sales. The total NCS benefit therefore being circa £400k. Please note there will be scope for financial alterations due to the start date being 1st July 2018, these will be agreed during legal and financial negotiations due to commence March 2017.

Policy and Resources

Item No 14

Report title:	**Approval to further investigate the financing of the Attleborough Link Road**
Date of meeting:	**27 March 2017**
Responsible Chief Officer:	**Simon George – Executive Director of Finance & Commercial Services**

Strategic impact

The potential financing of the Attleborough Link Road will assist meet the County Council's objective of providing 'Good Infrastructure'. The proposed Link Road will facilitate the development of 4,000 news homes on the 'strategic urban extension' at Attleborough. The link road will also relieve current and future congestion in Attleborough's town centre.

Executive summary

Ptarmigan Land (the promoters of a major development on the strategic urban extension at Attleborough) have approached the County Council in relation to financing for the construction of a link road between Old Buckenham Road (B1077) and London Road to the south of the town centre.

Current evidence suggests the existing Attleborough road network, with some modifications (to be funded through an existing Growth Deal allocation), can sustain additional traffic movements bought about by the new development of 1,200 new houses on the strategic urban extension. Therefore the developer's current position is that the link road will be completed in conjunction with the 1,200th new house.

However County Council and Breckland District officers, the Attleborough Town Council, the Attleborough Neighbourhood Planning Group and Ptarmigan Land have a joint aspiration to see construction of the link road commence in conjunction with, or prior to construction of the first new house.

This would have the positive benefits of:

- reducing existing congestion in the town centre;
- providing an alternative route for HGVs accessing the A11 to the north of the town centre;
- provide improved site access during the development of the site (over many years);
- provide alternative access (to the A11) for residents of the new development; and
- potentially increasing the delivery rate of new houses on the site (and providing new income to the council via council tax).

The proposal here is that the Committee authorises County Council officers to develop a Heads of Terms agreement in relation to the lending of £18m to Ptarmigan Land for the purpose of constructing the Attleborough link road.

The final agreement will be bought back to a future Committee meeting for consideration.

Recommendations:

1. **That the Committee authorise the Director of Finance and Commercial Services to develop a draft Heads of Terms in relation to lending £18m to**

Ptarmigan land for the construction of the Attleborough Link Road.

2. That the final agreement is brought back to this committee for approval & recommendation on to Full Council for addition to the Capital budget.

1. Proposal (or options)

Breckland District Council have allocated land in their Local Plan for a 4,000 unit residential development adjoining Attleborough, to the south – south-west of the town centre.

Ptarmigan Land have been assembling the land and promoting the site over a number of years. During this period Ptarmigan has consulted regularly with key stakeholders including the County and Breckland District Councils, the Attleborough Development Partnership (of which Cllr Alec Byrne is a member), the Attleborough Town Council and Attleborough Neighbourhood Planning Group, and the community more generally.

Ptarmigan expect to submit a planning application to Breckland District Council in late summer 2017. One of the conditions of gaining planning consent is a commitment to the construct a link road between Old Buckenham Road (the B1077) and London Road.

Due to financial viability constraints, Ptarmigan state they will not be able to commence construction of the road until a significant number of new houses have been built. Current evidence suggests 1,200 is the maximum number of new houses that can be constructed before the link road must be commenced. Above this number of new houses, the existing roads network will not cope with the additional traffic movements.

However, via extensive engagement with all local stakeholders including community representatives, it is clear the local community's preference is for construction of the link road to commence prior to the delivery of any houses.

In order to meet the community's aspirations Ptarmigan Land have indicated their willingness to commence construction of the road prior to commencing building any new houses. However, they are not able to finance the associated costs directly and therefore require external finance. Consequently they have approached the County Council to ascertain our willingness to provide them with a loan of approx. £18m. It is understood they have had similar discussions with the Homes and Community Agency.

Potential benefits to the Council in providing such a loan are:

- a better rate of return than currently being achieved;
- increasing council tax income (via accelerated development).

Preliminary discussions have been held between Ptarmigan Land and County Council officers. Officers are now seeking the Committee's authorisation to draft a Heads of Terms with Ptarmigan Land in relation to the provision of a loan.

2. Evidence

Ptarmigan Land state they will be not be able to deliver the link road, in the absence of external finance, until 1,200 houses have been built. (To do otherwise, it is claimed, will affect the financial viability of the entire development).

The provision finance will assist meet the community's clears expectations/preference for early delivery of the link road.

3. Financial Implications

This paper only seeks authorisation to develop draft Heads of Terms with Ptarmigan Land in relation to the provision of a loan for £18m for the construction of the Attleborough Link Road.

Subsequently the final agreement and a thorough assessment of the legal and financial benefits and risks will be bought before the Committee for consideration.

The Heads of terms and final agreement will address:

- State aid issues (Primarily resolved around utilising an appropriate rate of interest)
- Security of the loan.

4. Issues, risks and innovation

As noted above, this papers seeks authorisation to develop a draft Head of Terms. Assuming Committee's agreement, the legal and financial implications will be assessed and reported to during the drafting of the Heads of Terms.

5. Background

See Section One.

Officer Contact

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

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

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Policy and Resources Committee

Item 15

Report title:	**Disposal and Acquisition of Properties**
Date of meeting:	**27 March 2017**
Responsible Chief Officer:	**Executive Director of Finance and Commercial Services**

Strategic impact

Proposals in this report are aimed at supporting Norfolk County Council (NCC) priorities by exploiting properties surplus to operational requirements, pro-actively releasing property assets with latent value where the operational needs can be met from elsewhere and strategically acquiring property.

The ongoing property disposals programme is one of the key strategic actions within the Asset Management Plan with a sharp focus on maximising income through adoption of a more commercial approach to property.

Executive summary

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

By adopting a "single estate" approach internally, and sharing property assets with public sector partners through the One Public Estate programme, the Council is aiming to reduce net annual property expenditure by a further £4.2 million over the next three years.

Consideration is also given to suitability of surplus property assets for use or redevelopment to meet specific service needs that could improve quality of services for users, address other policy areas and/or improve financial efficiency for the Council, for example, facilitating the supply of assisted living accommodation and other housing solutions for people requiring care, undertaking re-development to support jobs and growth etc.

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

Recommendations:

1. **Policy & Resources Committee (P&R) are asked to agree to the acquisition of a lease for a parcel of land adjacent to Stracey Arms Mill from the Diocese of Norwich at £250 per annum for 25 years, a licence at nil fee from Mr and Mrs White for the positioning of a crane on their land and an easement at nil fee from Mr & Mrs White over their land for the construction**

of a ramp and path.

2. **P&R is asked to formally declare the three former highway landholdings at Fakenham, Holt and Stoke Ferry surplus to NCC service requirements and instruct the Head of Property to dispose of the sites in accordance with established policy or exploit to maximise the receipt or revenue income.**

3. **P&R is asked to formally declare the land to the rear of Harford Park & Ride site, Keswick surplus to NCC service requirements and instruct the Head of Property to dispose of the sites in accordance with established policy or exploit to maximise the receipt or revenue income.**

1.0 Introduction

1.1 The Council actively manages its property portfolio in accordance with the adopted Asset Management Plan. Property is held principally to support direct service delivery, support policy objectives, held for administrative purposes or to generate income. Property is acquired or disposed of as a reaction to changing service requirements, changing council policies or to improve the efficiency of the overall portfolio.

1.2 The County Council challenges the use of its property on an ongoing basis. In the event of a property asset becoming surplus to a particular service need there are internal officer processes to ascertain whether other service areas have an unmet need that could be addressed by re-using the property asset for that service. This may lead to a change of use of individual properties, for example, an office building may be reused for operational service delivery. Any proposals for retention are only agreed if supported by a robust business case showing the benefits to the County Council and are funded from approved budgets. This assessment will also consider whether a property could be offered at best consideration to public sector or third sector partners.

1.3 The above assessments are carried out by the Corporate Property Officer (the Head of Property) in consultation with the Corporate Property Strategy Group (CPSG). Once it is confirmed there is no further Council requirement the Policy & Resources Committee is asked to formally declare property assets surplus or re-designate for alternative purposes.

1.4 The Corporate Property Officer reviews options for maximising income from surplus properties usually by open market sale to obtain the best consideration possible. These will range from selling immediately on the open market (to the bidder making the best offer overall), enhancing the value prior to sale, strategic retention for a longer term benefit through to direct development of the land and buildings and selling/letting the completed assets, in the expectation of enhanced income for the Council.

1.5 For properties to be sold immediately there is sometimes a need to consider selling directly to a specific purchaser instead of going to the open market. This may be justified where the third party is in a special purchaser situation and is willing to offer more than the assessed market value. Conversely this might be to a purchaser who is in a unique position of control for the unlocking of the full latent value of the Council owned site (ransom situation). A direct sale without going to market can also be justified if there are specific service benefits or a special partnership relationship which is of strategic value with service/community benefits.

1.6 In making recommendations for direct sale without going to market, or direct property development, the Corporate Property Officer will consider risks, opportunities, service objectives, financial requirements and community benefits.

2.0 Proposals

Stracey Arms Mill, Halvergate Parish

2.1 Stracey Arms Drainage Mill is a Grade 2* listed brick three-storey tower, built in 1883 and is characteristic of its type. The mill is owned (freehold) by Norfolk County Council and its day-to-day management is undertaken by the Norfolk Windmills Trust (NWT). This arrangement is formalised in a Management Agreement which expires in 2042.

2.2 The mill is currently in very poor condition, and substantive works are needed to maintain the tower and the cap and sails. Responsibility for repairs falls to NCC as owner. A project, supported by the Heritage Lottery Fund (HLF), is underway that will put the mill into good condition and reduce the costs to NCC of management, maintenance and repair costs for the foreseeable future. It will make the mill more accessible as an all year around attraction.

2.3 The current access arrangements are unsatisfactory, with visitors having to walk beside the A47 to reach the mill from the area currently used by visitors arriving by car.

2.4 The County Councils Historic Environment Service, in partnership with NWT, has been working since 2012 on an externally-funded project to restore the mill. In 2014 the HLF awarded the project a round 1 (Development) grant of £81,200. Subsequently NCC have been awarded a delivery phase grant of £554,600. The NWT have committed £50,000, other external funding is contributing £57,000 and NCC are allocating £5,000 per annum for management and maintenance from existing budgets.

2.5 The project has obtained Planning Permission and Listed Building Consent.

2.6 The works include the construction of a new carpark which will require the leasing of a small parcel of land (edged red on the plan below) from the Diocese of Norwich to construct the car park and access. To meet the requirements of the HLF funding the lease will be for 25 years. The land in question forms part of a larger holding by the Diocese, including riverside moorings and grazing land leased to a tenant. The rent will be £250 per annum reviewed every 3 years.

2.7 The adjoining owner of the Mill House has agreed to grant a licence at nil fee to NCC to enable the positioning of a crane on their land during the repair works, NCC will bear the professional fees.

2.8 The adjoining owner of the Mill House has also agreed to the granting of an easement at nil fee over part of their land (shaded yellow on attached plan) to facilitate the construction of an access ramp and path to the mill. NCC will bear the professional fees.

2.9 P&R are asked to agree to the acquisition of a lease for a parcel of land adjacent to Stracey Arms Mill from the Diocese of Norwich at £250 per annum for 25 years, a licence at nil fee from Mr and Mrs White for the positioning of a crane on their land and an easement at nil fee from Mr & Mrs White over their land for the construction of a ramp and path.

Former Highways Land Holdings

2.10 The Council's property portfolio includes a number of land parcels across the County that have been left over from various road schemes undertaken over a number of years. Although some may be required in the future or may be used temporarily for specific uses and to generate income a majority of the smaller sites have been declared surplus by the relevant service. There is now an opportunity to review these to consider disposal for income and facilitate beneficial use.

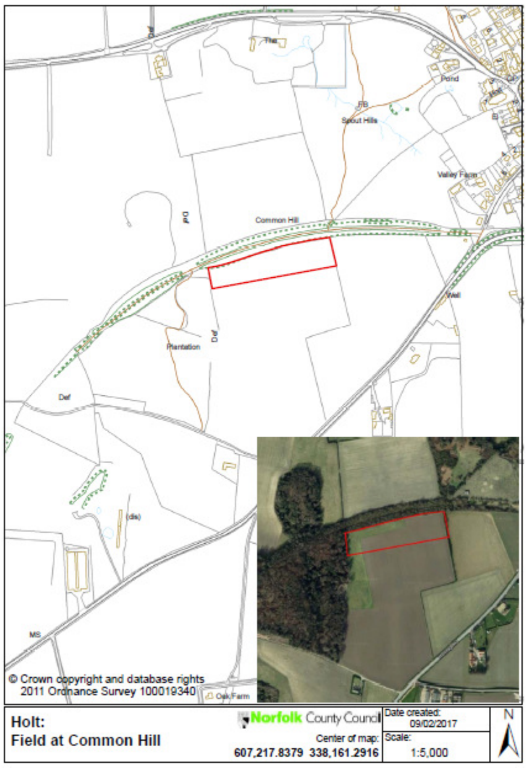
2.11 Following a review by the Head of Property three former highways land holdings have been reviewed by Corporate Property Strategy Group and confirmed as not required for NCC service use. These are:

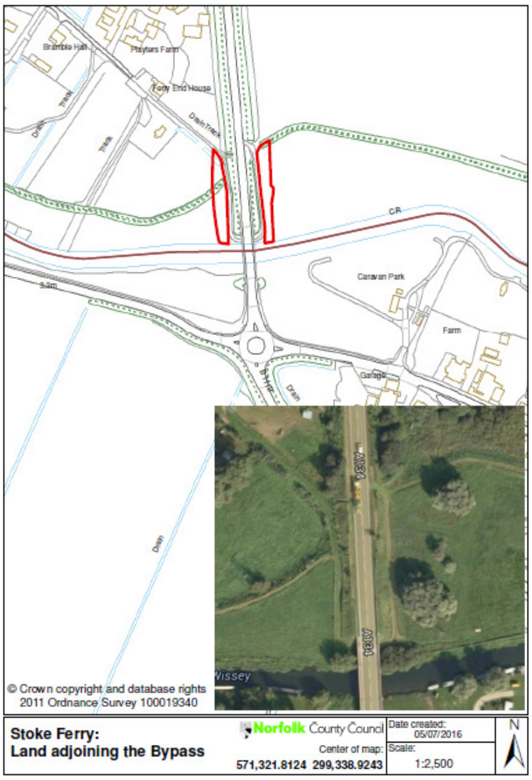
Fakenham – Land at Claypit Lane
Holt – Land adjoining former Railway Line at Thornage Road
Stoke Ferry – Land adjoining bypass

Although savings in property costs from disposal of these holdings is likely to be small, their continued ownership does require management and there are risks of periodic expenditure to deal with grounds maintenance, fly tipping and health and safety works.

2.12 These sites will be added to the council's disposal list. Advice on the most efficient method of disposal of the sites will be sought to enable the formation and development of a programme of disposals of these landholdings.

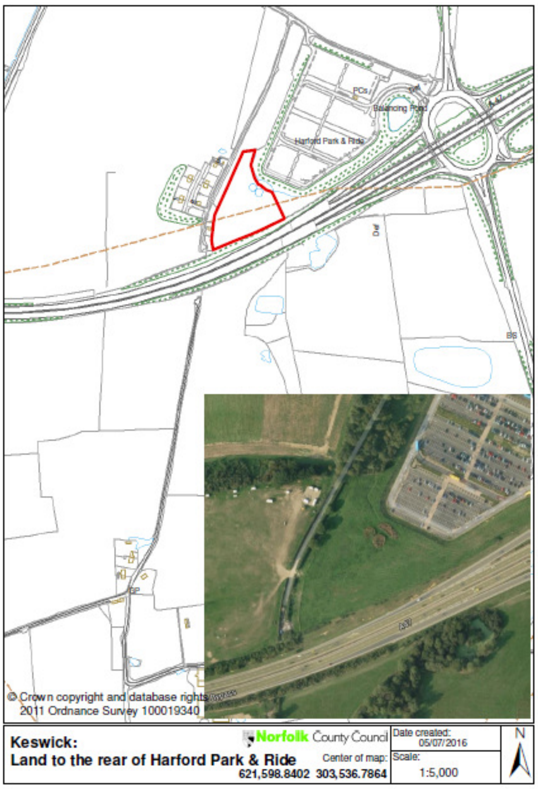
2.13 P&R is asked to formally declare the three former highway landholdings, as listed above, surplus to NCC service requirements and instruct the Head of Property to dispose of the sites in accordance with established policy or exploit to maximise the receipt or revenue income.





Keswick – Land to the rear of Harford Park & Ride

2.14 This site was acquired as part of the adjoining Park & Ride site and was planted as a landscaping block. Subsequently the land was used as grazing for horses. The site has an area of approximately 12,114m².



2.15 Following a review by the Head of Property in consultation with Corporate Property Strategy Group it has been confirmed that this site is not required for NCC service use.

2.16 P&R is asked to formally declare the land to the rear of Harford Park & Ride site, Keswick surplus to NCC service requirements and instruct the Head of Property to dispose of the sites in accordance with established policy or exploit to maximise the receipt or revenue income.

3.0 Financial Implications

3.1 Decisions in this report will ultimately result in sale proceeds which will support funding of the Capital Programme or the repayment of debt. Other financial implications include:

- Reduction in property expenditure and financial efficiency through reduction in the number of sites and buildings retained.
- Generating revenue income/capital receipts from the exploitation of surplus property assets.
- Disposal and development costs to fund planning and assessment work. The cost of these will be funded from future receipts.

4.0 Issues, risks and innovation

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

5.0 Background

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

- The overall Councils priorities of **Excellence in Education**, **Real Jobs**, **Good Infrastructure** and **Supporting Vulnerable People**.
- The adoption by the Council on 1st June 2015 of a new Asset Management Plan 2015-18 (AMP) and subsequent approval by Policy & Resources Committee on 31 May 2016 of a new prioritised work plan for 2016-19 as part of a refreshed AMP.
- The adoption of an updated property savings plan, that calls for £4.2m of savings for the next three years.
- The Norfolk One Public Estate Programme that is supporting the joint strategic exploitation of the combined public sector property estate.
- The medium term financial strategy includes commercialisation of NCC property assets as a priority to help diversify the Council’s funding.

5.2 Strategic asset management is focussed on:

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

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

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

Officer Contact

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

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Policy and Resources Committee

Item No 16

Report title:	**Norfolk & Waveney Sustainability & Transformation Plan Update**
Date of meeting:	**27 March 2017**
Responsible Chief Officer:	**Wendy Thomson, Managing Director and Norfolk & Waveney STP Lead**

Strategic impact

Sustainability and Transformation Plans (STPs) have been introduced across the country as part of the delivery of the NHS Five Year Forward View - the shared vision for the future of the NHS. STPs are place-based, system-wide plans for health and social care and cover "integration with local authority services including, but not limited to, prevention and social care, reflecting locally agreed health and wellbeing strategies". They are seen as blueprints for accelerating implementation of the NHS Five Year Forward View (5YFV) and in implementing the NHS new models of care.

This major initiative recognises the need to move from short term organisationally focused changes to transformational, health and care system wide initiatives with a population focus. Given the unprecedented challenges for the health and care system as a whole, radical change will be required in order to secure a sustainable future for the health and care system of Norfolk and Waveney. Continued Local Authority engagement in STP is essential to ensure that progress towards greater integration is maintained.

This report is coming to Policy & Resources Committee because of its importance to the council's overall strategy and policy framework and its cross-cutting subject.

Executive summary

Health and care services in Norfolk and Waveney are under considerable strain and need to change in order to put them on a secure and sustainable footing. It is clear that this cannot be done by the different services and organisations in isolation of each other and that a whole-system approach is needed for our system to be sustainable.

Sustainability and Transformation Plans (STPs) are being introduced across the country as part of the delivery of the NHS Five Year Forward View. This major national initiative provides a framework within which all partners can work together to find the right solutions and transform health and care services in Norfolk and Waveney to make them fit for the future.

Norfolk & Waveney submitted its STP plan to meet the October 21st 2016 deadline; a report summarising this submission was approved by Full Council on 18 Oct. Detailed plans are now being developed alongside revised and more robust governance arrangements.

Recommendations

1. Agree the Council's representation on the STP Oversight Board as part of the overall governance arrangements.

1. Introduction

1.1 This report informs the committee about the development of the Sustainability & Transformation (STP) for the Norfolk and Waveney area and outlines the current status.

1.2 This report provides a summary of the key elements of the STP. It invites the committee to consider the current status and the governance arrangements and to agree the council's representation on the STP Oversight Group.

2. Background Information

What are STPs?

2.1 Sustainability and Transformation Plans (STPs) are a national policy initiative and are being introduced across the Country as part of the delivery of the NHS Five Year Forward View (5YFV) - the shared vision for the future of the NHS, including the new models of care.

2.2 In contrast to organisation plans, STPs are place-based, system-wide plans for health and social care and should cover integration with local authority services "including, but not limited to, prevention and social care, reflecting locally agreed health and wellbeing strategies". Set within the context of the 5YFV, and the significant challenges facing the NHS, this major initiative recognises the need to move from short term organisationally focused changes to transformational, system wide initiatives with a population focus.

2.3 The NHS shared planning guidance Delivering the Forward View describes them as "local blueprints for accelerating implementation of the Five Year Forward View" (5YFV) and in implementing the NHS new models of care. NHS England required STPs to be submitted on 21 October 2016 and they cover the period up to March 2021.

2.4 STPs need to address a series of 'national challenges' or 'gaps', which fall into three themes:

- **Improving health and wellbeing** – inequalities in health
- **Improving quality and developing new models of care** – ensuring quality and performance of health and social services
- **Improving efficiency to achieve financial balance** – ensuring a financially sustainable health system

2.5 Local health and care economies are expected to set out their transformation programme to close their 'gaps' and build a sustainable health and care system for their local population, based within the framework of the Five Year Forward View.

2.6 The future vision of the NHS, as set out in the 5YFV, recognises the need for a stronger emphasis on population health; breaking down barriers in the provision of care is seen as fundamental - between GPs and hospitals, physical and mental health and between health and social care. It is for local areas to determine their solutions but the 5YFV sets out a series of models including:

- **Multi-specialty community providers** – where groups of GPs combine with other services such as community health services, hospital specialists and perhaps mental health and social care to provide integrated community services

- **Primary and acute care systems –** combining for the first time general practice and hospital services to create integrated hospital and primary care providers

- **Enhanced health in care homes** – with the NHS providing more support for frail older people living in care homes

These models are being tested with Vanguard schemes which have been selected in many parts of the country. The development of new care models is central to how areas will drive transformation to close the care, quality and financial gap. Unfortunately none of the health services in Norfolk & Waveney attracted Vanguard status, but it will draw on the experience of Vanguards across the country to develop its local care models for the future.

3. Developing the Norfolk and Waveney STP

Local 'footprint' or planning area

3.1 When the STP was announced by the NHS, local health and care system leaders proposed that the Norfolk and Waveney geographic 'footprint' be covered by a single STP, with the rationale being that it is important that the footprint reflects the geography of the county of Norfolk as well as the Great Yarmouth and Waveney CCG. This area was approved by NHSE as one of the country's 44 STPs, and means that the STP incorporates Norfolk and the Waveney area.

System wide Executive Board

3.2 A system-wide Executive Board has been established to oversee the development of the Norfolk and Waveney STP. This group is composed of the chief executives across the health and care economy (the Norfolk and Waveney Partnership) who have been leading the development of a programme of work to address the current challenges across the system. The County Council is represented on the STP Executive Board by the Managing Director who is the Lead for the Norfolk and Waveney STP and the Executive Director of Adult Social Services. More details regarding the governance arrangements are covered later in this report.

The Challenge

3.3 Initial work in 2016 identified the challenge as it relates to Norfolk and Waveney – and developed the case for change. The detailed analysis can be found in the interim checkpoint STP submission which was required by NHS England in June and is available at this link. Key headlines include:

A. Health and Wellbeing gap:

- Norfolk and Waveney has an older population which is increasing; the largest increase is in people aged over 85 and is forecast between now and 2025.

- If nothing changes then, due to age alone, between now and 2025, there will be about 9,000 additional people with diabetes, more than 12,000 additional people with coronary heart disease, more than 5,000 additional people who have suffered a stroke and almost 7,000 additional people with dementia.

B. Care and Quality gap:

- In terms of social care, when compared to statistically similar councils, Norfolk has the highest users of residential care for people with learning disabilities and for people with mental health problems, and is fourth out of fifteen councils for older people.
- Demographic factors also significantly drive demand for services for people with learning disabilities and physical disabilities and demand for these services, which involve complex care packages, is rising.
- Service access is an issue in relation to '18 weeks Referral to Treatment' targets for elective care and '4 hour wait' targets in Accident & Emergency (A&E) and there are opportunities to improve outcomes in community healthcare in key areas.
- Mental health services were in special measures and facing a number of operational challenges which meant that it was difficult to deliver high quality services in some areas.
- Many services struggle to recruit the necessary personnel, and will need to operate differently to meet the increasing demand forecast for the next five years.

C. Finance and Efficiency gap:

- There is a total budget of £1.6 billion a year for health and social care services in Norfolk and Waveney, however as a system we are currently spending more than that each year.
- The 'do nothing' scenario deficit in 2020/21 is expected to be in the region of £415m based on the cumulative effect of the 2015/16 position and annual deficits, and before any potential savings through national or local efficiency schemes or transformational savings.
- Investment in primary care and community services will enable the development of local integrated community providers with the key aim of delivering care closer to home and reducing emergency attendances and admissions. Investment in prevention services also supports the initiatives around improving lifestyles

The Response

3.4 All STP Footprints were required to submit their STP by October 21st 2016. The Norfolk & Waveney response is available at this link. A summary of the submission that was developed for engaging with the public is available at this link. The Full Council endorsed the direction of travel proposed in the STP submission at its meeting on 18 October. The STP has also been the subject of discussion at the Health Overview and Scrutiny Committee and the Health and Wellbeing Board on several occasions.

3.5 The October submission sets out a vision "to provide high quality services that support more people to live independently at home, especially older people and those with long-term conditions, like heart disease, breathing problems, diabetes or dementia," alongside a broad range of outline proposals for achieving this.

3.6 Since October further work has been completed to develop more detailed proposals within each of the main workstreams and to establish more robust governance arrangements. The status of these activities is covered in the remainder of this report.

4. Delivery Workstreams

4.1 The delivery of the STP will be managed through 4 workstreams: Prevention, Primary & Community Care, Demand Management, Acute Care and Mental Health.

Prevention, Primary & Community Care

4.2 The key objectives of the Prevention, Primary & Community Care workstream include:

- Improving the prevention, detection and management of major chronic illnesses
- Increasing individual and community capacity for self-care
- Developing a social prescribing model
- Developing and implementing a primary care provision model that improves access and capacity and addresses retention and recruitment in line with the GP 5 Year Forward View
- Developing and implementing optimal integrated care models (Multispecialty Community Providers) by locality to ensure consistency and reduced variation across Norfolk & Waveney

Roisin Fallon-Williams, Chief Executive of Norfolk Community Health and Care, is the SRO and Catherine Underwood, Director of Health Integration at Norfolk County Council, is the Lead for this workstream.

Demand Management

4.3 The key objectives of the Demand Management workstream include:

- Managing the flows of patients into elective care by:
  - Reviewing procedures of limited clinical value in line with national guidance
  - Ensuring CCGs adopt consistent clinical policies and procedures across the system where appropriate
  - Ensuring effective pathways are in place
  - Ensuring consistent approaches to demand and referral management and reducing unnecessary variation in referral
- Ensuring there is good access to a range of providers and encouraging more delivery in the community where appropriate
- Ensuring our provider infrastructure has the capacity to deliver the care it needs and ensure equitable access

- Ensuring we have good quality, consistent, up to date data systems that help us track, review and adjust patient flows

Antek Lejk, Chief Officer for North Norfolk and South Norfolk CCGs is the SRO, and Mark Burgis, Chief Operating Officer for North Norfolk CCG, is lead for this workstream.

Acute Care

4.4 The key objectives of the Acute Care workstream include:

- Developing the strategic direction for acute services delivery and exploring opportunities for back office efficiencies between the acute, community and mental health providers
- Reducing urgent and emergency activity through improved demand management (supporting the other work streams to deliver admission avoidance schemes) and reduced length of stay
- Ensuring acute clinical service sustainability at an STP footprint level across the key nominated specialty areas and their interdependencies by working collaboratively across the 3 sites

Christine Allen, Chief Executive of James Paget University Hospitals is the SRO, and Andrew Palmer, Director of Performance & Planning, James Paget University Hospitals, is lead for this workstream.

Mental Health

4.5 The key objectives of the Mental Health workstream include:

- Offsetting and reducing the growth in out of area bed days
- Increasing recording of dementia, improving access to support and reducing the use of residential and acute care
- Supporting community and primary care to provide mental health support at an early stage
- Increasing community based treatment for children and young people with mental health problems
- Reducing acute hospital use for people of all ages with reported mental health problems, including children and young people and dementia

Michael Scott, Chief Executive of Norfolk and Suffolk NHS Foundation Trust is the SRO, and Jocelyn Pike, Chief Operating Officer for South Norfolk CCG, is lead for this workstream.

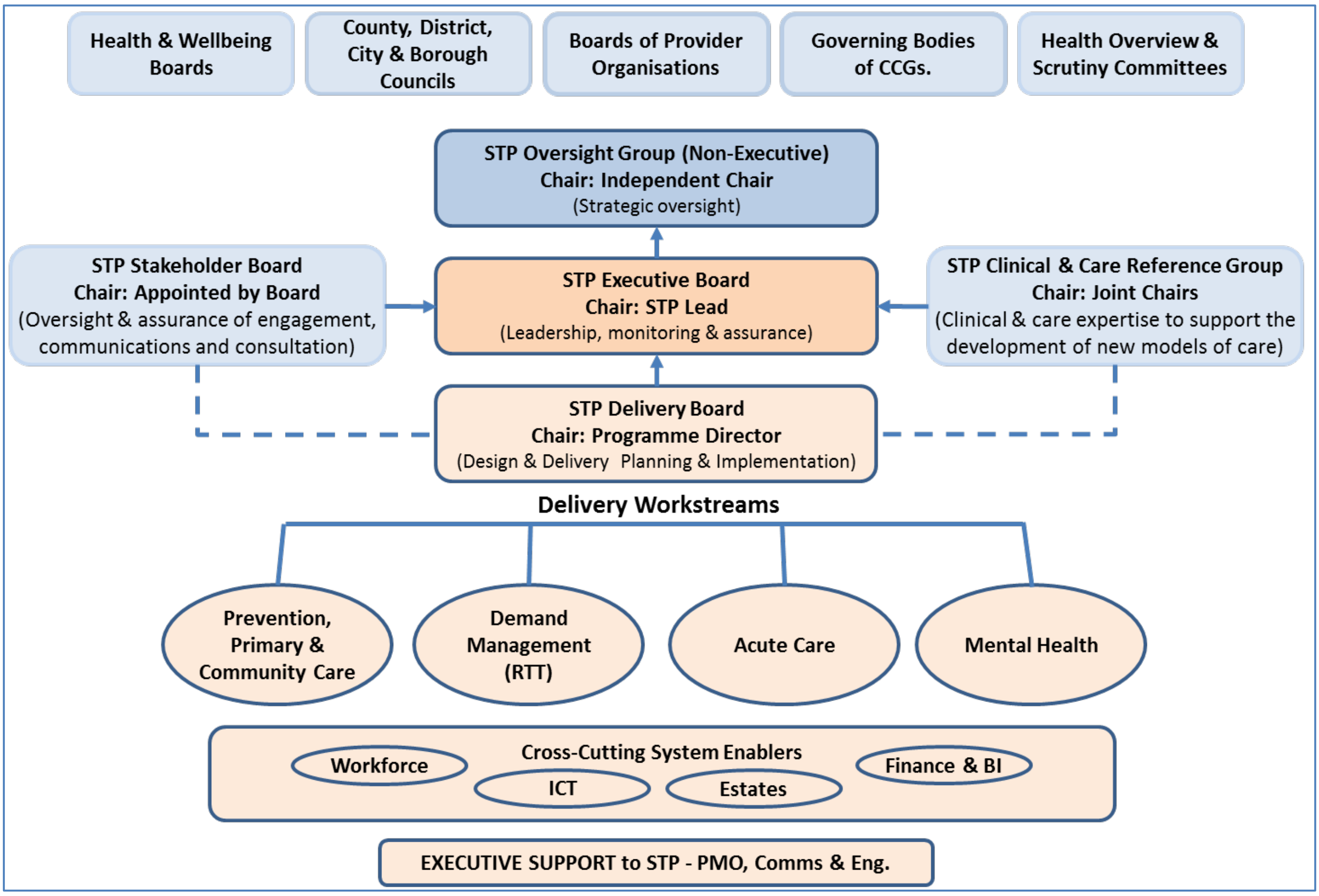
Enabling Workstreams

4.6 Further workstreams have also been established to ensure that the delivery of the STP is supported by system-wide approaches to Workforce, Estates and ICT. The Council is actively involved in each of these to ensure that for example, the social care workforce is included in the Workforce plans and that the Estates workstream is aligned to the One Public Estate initiative.

In addition, central coordination and support has been established for Finance & Business Intelligence and Communications & Engagement, as well as a Programme Management Office function which is currently being provided by the Council.

5. Governance

5.1 The governance arrangements that are being established for the Norfolk & Waveney STP are set out in the diagram below.



STP Oversight Group

5.2 The initiative for establishing this group has been the Chairs of the NHS provider Trusts and Commissioners. It has agreed its terms of reference and membership. Its purpose is to support the good governance of the STP and to provide ‘non-executive’ scrutiny and challenge to the delivery of the STP and the STP Executive Board.

Membership includes the chair of each accountable health organisation and the chairs of the Health & Wellbeing Board and the council’s Adult Social Care and Children’s Services committees. There has been informal consultation with the Council about its representation, and Committee are asked to agree that the members holding these three 3 roles serve as the council’s representation on the Oversight Group.

The Group will be chaired by an Independent Chair who will be appointed by the Group. Most of the 44 STP footprints are making similar appointments, in order to provide independent non-executive oversight.

This Group met on 23 February, the first meeting to which the 3 Council representatives were invited. Cllr Roger Smith attended the meeting and was appointed to serve on the appointment panel for the independent chair. The position will be the subject of an open recruitment process and appointed by the panel.

STP Executive Board

5.3 This Board provides strategic oversight of the STP programme and agrees the programme Business Cases and Programme Initiation Plans. Membership includes the Chief Executive/Officer from each accountable organisation and the Board is chaired by the Managing Director in her capacity as STP Lead.

STP Delivery Board

5.4 The vehicle for programme planning and supporting the delivery of the STP. This Board reports progress against agreed plans on an exception basis and coordinates Programme Management, STP Engagement & Communications and STP Finance activity. The Board is chaired by the Programme Director (Jane Harper-Smith) and membership includes the leads for each of the workstreams.

STP Stakeholder Board

5.5 A group that engages with key stakeholders from District councils, the voluntary and third sector and Healthwatch Norfolk plus other key stakeholder groups in Norfolk & Waveney. The Board have appointed Graham Creelman, (Chair of the Norfolk Older People's Strategic Partnership) as chair and have an overview of the engagement and communication plans to ensure that effective engagement and consultation takes place. District Councils are represented on this Board as well as the Prevention, Primary and Community Care workstream, HOSC and the Health and Wellbeing Board.

STP Clinical & Care Reference Group

5.6 Co-chaired by senior clinicians (Professor Erika Denton, Deputy Medical Director, Norfolk and Norwich NHS Foundation Trust and Dr Anoop Dhesi, Chair, North Norfolk CCG) and with membership from across the clinical and care organisations, this group acts as an important consultation point for clinical commissioning and service delivery in terms of policies, service specifications and quality standards and will support colleagues so that clinical and care expertise continue to make a significant contribution to the development of our new models of care.

6. Recommendations

6.1 1. Agree the Council's representation on the STP Oversight Board as part of the overall governance arrangements.

7. Financial Implications

7.1 Financial modelling for the October submission indicated an estimated financial gap across the system of £415m in 2020/21. The submission set out a series of projected investment and savings estimates to bridge this gap. Further analysis has been completed in order to inform 2 year contracts and operating plans for 2017/18 and 2018/19 and the Financial Bridge is being refreshed to reflect this analysis and align to the contracts and operating plans. This activity is expected to be completed by April.

7.2 Financial planning for the STP is aligned with the Council's medium term financial plan and reflects the NCC position. Working in new configurations with the NHS is likely to involve significant financial implications which may include consideration of pooled funds and new funding regimes.

7.3 There are funding opportunities which are being pursued in order to provide some of the investment required to deliver the necessary changes. £1.1bn of national transformation and efficiency funding for STPs has been identified although the majority of this has already been allocated to, for example, primary care and the national Vanguard programme to trial new models of care.

7.4 In January 11 bids were submitted for Transformation Funding for Diabetes (£2.8m), Mental Health (£5.9m), Learning Disabilities (£800k) and Cancer (£9.1m). These totalled £10.5million in 2017/18 (including £2.5million Capital) and £8m in 2018/19. The bids for Learning Disabilities were unsuccessful. An outcome for the remaining bids is expected in March and several of these are considered to be strong bids.

7.5 Further funding opportunities are expected to be announced in the immediate future, including bidding to participate in the Enhanced Health in Care Homes programme.

7.6 To date there has been no funding made available to support the development and implementation of the STP. The work has been resourced through informal secondment arrangements from the partner organisations and funded through pooled monies. In 2016/17 the Council has contributed its fair allocation of £82,000 from transformation reserves although this has been offset by income of £70,000 from the pooled monies to part-fund the Programme Office support that the Council has provided. The current estimate for the council's contribution for 2017/18 is approximately £40,000 which will be funded through transformation reserves.

8. Background papers

Norfolk & Waveney Sustainability & Transformation Plan, County Council, October 17th 2016, Item 9, Supplementary Agenda Paper
http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/442/Committee/2/Default.aspx

Norfolk & Waveney Sustainability & Transformation Plan, Norfolk Health Overview and Scrutiny Committee, December 8th 2016, Item 6
http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/519/Committee/22/Default.aspx

Norfolk & Waveney Sustainability & Transformation Plan, Health & Wellbeing Board, February 8th 2017, Item 6
http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/584/Committee/39/Default.aspx

9. Officer contact

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Policy and Resources Committee

Item No 17

Report title:	**Recommendations from the Constitution Advisory Group meetings held on 1st March 2017 and 16 March 2017**
Date of meeting:	**27 March 2017**
Responsible Chief Officer:	**Managing Director**

Strategic impact

Article 13 of the Constitution provides that changes to the Constitution may only be made by full Council following consideration of the proposal by the Constitution Advisory Group (CAG) who will make recommendations to this Committee. The Group met on 1st March and 16th March 2017 and made recommendations to the Policy and Resources Committee which are set out in this report.

Executive summary

This report sets out recommendations made by the Constitution Advisory Group at its meetings held on 1st and 16th 2017.

The **recommendations** from CAG held on 1st March are as follows:

(a) The creation of a Business and Property Committee (report to CAG attached at Appendix A)

1. To endorse and recommend to Policy and Resources Committee the proposal to establish a Business and Property Committee with Terms of Reference as set out in the report [attached at Appendix A]. This includes dis-establishing the existing Economic Development Sub Committee.

2. To recommend to Policy and Resources Committee that the most appropriate format for a new Business and Property Committee would be as a Service Committee of 9 Members.

(b) Norse Shareholder Committee and the role of the Norse Shareholder Representative (report to CAG attached at Appendix B)

1. To endorse the proposal as set out in Appendix B and recommend Policy and Resources Committee to refer it to Full Council for approval.

The **recommendations** from CAG held on 16th March 2017 are as follows:

(c) Review of Governance Arrangements (report to CAG attached at Appendix C)

1. That the Constitution be changed to give the Council flexibility in agreeing the appropriate size of its Committees every 4 years at the AGM of the new Council. The Committees will not lose their political proportionality.

2. **That the Constitution be changed so that Service Committee Vice-Chairs and Service Committee Chairs who are currently invited to attend meetings of P&R Committee, are permitted to become full members of P&R Committee.**

3. **That the Constitution be changed to give P&R Committee a clearer role in the development of significant policies as well as delegated responsibility for critical decisions which result in the Council incurring significant expenditure or making significant savings in a particular budget area and/or which have an impact on a significant proportion of Norfolk's residents.**

4. **That the Role and Terms of Reference of the Service Committees be changed reflecting the changes to P&R and other changes introduced as a result of the review and that:**

   a. Non-Councillor membership of Children's Services Committee be reduced to the statutory representatives (the two Church representatives) and that the Children's Services Committee should in the future consider the purpose and appropriateness of any wider membership.

   b. Children's Services Committee reviews the appropriateness, membership and terms of reference of its Panels and Internal Groups.

5. **That the Emergency Committee be disestablished.**

6. **That the Constitution be changed to incorporate the updated Policy Framework as given in Annex A to Appendix C.**

2. Financial Implications

These are dealt with in the reports to CAG which are attached.

3. Issues, risks and innovation

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

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

Officer Contact

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

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Constitution Advisory Group

Item No……

Report title:	**Creating a Business and Property Committee**
Date of meeting:	**1 March 2017**
Responsible Chief Officers:	**Simon George, Executive Director of Finance and Commercial Services** **Tom McCabe, Executive Director of Community and Environmental Services**

Strategic impact

The Council is actively using property assets to facilitate transformation of public services across the county and help generate financial efficiencies. The Council wish to ensure that decisions relating to property assets, where ever possible, support business, job creation and growth.

Significant reductions in premises budgets to be achieved through efficiency measures have been included in the Council's Medium Term Financial Plan. Together with income targets to be achieved through commercialisation of property assets there is a requirement for £4.2 million of savings and income to be achieved in 3 years.

Executive summary

Policy and Resources Committee resolved, at their 26 September 2016, to approve the principle of establishing a Business and Property Committee. They agreed to refer this matter to the Constitutional Advisory Group (CAG). This report sets out a proposal for this new Committee.

Recommendation:

Constitution Advisory Group is asked to:-

1. **Endorse and recommend to Policy and Resources Committee the proposal to establish a Business and Property Committee with Terms of Reference as set out in this report. This includes dis-establishing the existing Economic Development Sub Committee.**

2. **To consider the most appropriate format for a new Business and Property Committee i.e. a sub-Committee or Service Committee, and recommend a way forward to Policy and Resources Committee.**

3. **To note that, subject to CAG's resolution for recommendations 1 and 2 above, Officers will carry out a detailed review of the Council's Constitution to enable any consequential changes to be reported to Policy and Resources Committee along with CAGs recommendation.**

[Officers have subsequently reviewed the implications of the recommendations for the Constitution and if agreed, consequential changes will be required to:

Article 2 – Members of the Council
Article 5 – Leader of the Council
Article 6 – Committees
Article 7 – Committee Chairs
Part 3.1 – Functions and Powers of the Full Council
Part 3.2 – Council Procedure Rules
Part 4.2 - Committee Procedure Rules
Part 7.7 – Financial Regulations

Details of the consequential changes are available on request]

1.0 Introduction

1.1 Policy and Resources Committee resolved at their 26 September 2016 meeting to "Approve the principle of establishing a Business and Property Committee" and "To refer this matter to the Constitution Advisory Group for detailed consideration of a new Business and Property Committee with a wider scope and role to deal with a range of business related functions of the Council, together with the required changes to the Constitution".

1.2 This report sets out a proposal for the establishment of a new Business and Property Committee, for CAG to consider with a view to making a recommendation to the Policy and Resources Committee.

2.0 Proposal

2.1 **Terms of reference and membership**

2.1.1 It is proposed to establish a new Business and Property Committee with Terms of Reference that incorporate:-

- The property and asset management responsibilities that are currently with the Terms of Reference of the Policy and Resources Committee;
- All of the responsibilities of the existing Economic Development Sub-Committee, which essentially means disestablishing the Sub Committee;

2.1.2 The current composition of the Economic Development Sub Committee is 9 Members, compared to 17 Members on Service Committees. This was with a view to Members of the Sub Committee being able to build up more detailed specialist knowledge within the relevant functions and to support swift decision making, in particular to ensure the County Council is well placed to take commercial opportunities. It is proposed that the Composition of the new Committee is 9 Members of the Council.

2.1.3 The Terms of Reference of Committees are defined in Part 4.1 of the Council's Constitution. The changes that would be needed to reflect the proposed new Committee are set out in Appendix A. Note that wording shown is red will be amended to reflect the proposed format of the Committee, see 2.2 below.

2.2 **Functions**

2.2.1 The property and asset management functions are set out below:-

- Approval of the Council's Corporate, Asset Management Plan (AMP), annual property work programme and other property related policies and strategies.
- Promote corporate use of land and property across the Council and collaboration with public service partners.
- Review performance of the property portfolio and agree targets for improvement ensuring actions are incorporated within the approved AMP work programme.
- Approve land and properties surplus to County Council use to be disposed/developed or retained for non-operational purpose.
- Approve acquisition of land and properties including freehold, leasehold and short term licences.
- Consider business cases for investment in land and property and recommend approval of capital budgets and/or funding applications through Policy & Resources.
- Ensure that business plans are established for priority property programmes including (not necessarily a complete list) County Farms, Scottow Enterprise Park, Norwich Airport Industrial Estate etc.
- Approve other land and property related financial commitments including compensation payments arising from infrastructure schemes, compulsory purchase etc.
- Hold all to account all land and property related member working groups, advisory boards and sub-committees.

2.5.2 The new Committee will also subsume all of the current functions of the Economic Development Sub Committee (see Appendix A). Note that the functions of the Sub-Committee included oversight and development of County Farms.

2.2 **Format**

2.2.1 CAG are asked to consider the most appropriate format for the new Committee i.e. whether it should be a sub-Committee or a Service Committee.

2.2.2 If a sub-Committee is considered the most appropriate format, CAG will want to consider which Committee should be the parent and the Composition of the Committee. To ensure a strong alignment to the overall council strategy and other enabling services, it is suggested that, if a sub-Committee format is preferred, the parent is Policy and Resources Committee and sub-Committee Members are taken from members of Policy and Resources Committee.

2.3 **Consequential changes to the Constitution**

2.3.1 A number of consequential changes to other articles/parts of the Constitution will be needed to reflect the establishment of a new Committee, as proposed in Appendix A. This would include amendments to:-

- Article 6 – Committees
- Part 7.7 – Financial Regulations (in particular the section on assets)

It is anticipated that this line by line review of the Constitution will be carried out and details reported to Policy and Resources Committee along with CAGs recommendation.

3.0 Financial Implications

3.1 Establishing a new Committee, and increasing the overall number of Committee meetings, will result in an increase in costs for example Member allowances. This will be partially offset by the dis-establishment of the Economic Development Sub-Committee. The officer support to administer the Committee can be accommodated within existing resources.

3.2 Subject to CAG's recommendation, it is expected that Special Responsibility Allowances (SRAs) as defined in Appendix B of Part 9.1 of the Constitution would need to be reviewed to consider the new arrangements. This could result in an overall increase in the amount of SRA payable. The SRA for the Chairman and Vice Chairman of Economic Development Sub-Committee currently have a combined total of £15,161. The current SRA for the Chairman and Vice Chairman of a Service Committee have a combined total of £20,214.

3.3 The Council's estate has a book value of £885million and the net annual property costs are £44million. A dedicated Business and Property Committee will enable Members to focus more attention to ensure the Council's property strategy, policies and medium term Asset Management Plan support the achievement of corporate priorities and objectives by balancing the various priorities for economic and social use of resources, service delivery, financial efficiency, investment and partnership working as well as supporting business, job creation and growth.

4.0 Issues, risks and innovation

4.1 Creation of the proposed new Committee brings together property and economic development functions, it also provides the immediate benefit of being able to consider property related decision in the context of the wider financial, economic and service requirements.

4.2 The Committee will enable members to provide a strategic steer in respect of ongoing and longer term property asset strategy. In particular, to strengthen the use of the council's property portfolio to support business, economic growth and service reconfiguration. Over the last three years, the County Council has established a corporate property unit. The ambition to accelerate the transformational contribution of property assets to public service reform requires effective decision making and governance. The County council has a significant property portfolio that has the ability to contribute to the economic and social development of the county. To this end the merger of the work of the Economic Sub Committee will ensure a comprehensive view of the support that is required for developing the right infrastructure, supporting business, job creation and growth.

5.0 Background

5.1 Background Papers

5.1.1 Policy & Resources Committee 26 September 2016 report "Creating a Property Committee, (page 238 on agenda), link: http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/501/Committee/21/Default.aspx

Officer Contact

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\\Norfolk.gov.uk\nccdfs1\CorporateProperty\Team Admin\Meetings\Members Work groups\Constitution Advisory Group\17.03.01\draft\17.00.00 P&R Committee Proposed Property and Business Commitee (rfiwb) draft 0.2.doc

Norfolk County Council Constitution
Extract from Part 4.1 – sections 1 and 2 only

PART 4.1

COMPOSITION AND TERMS OF REFERENCE OF COMMITTEES

Full Council is responsible for the exercise of all the functions that are the responsibility of the local authority. However, in order to operate more effectively as an organisation, Full Council delegates many of its decision making powers to Committees, and other local authorities and officers.

Article 6 lists the Service Committees, Policy and Resources Committee, Regulatory Committees and Other Committees established by the Council together with details of their membership and functions.

This Part of the Constitution deals with the allocation of responsibility for undertaking those functions of the Council that are not reserved to the Full Council itself. In some cases the law requires the Council to establish a committee and dictates the way it operates. However, in most cases Full Council decides on the size, terms of reference and membership of its committees.

This part describes the Committees that the Council has established and includes details of their membership and delegated authority for decision making.

1. POLICY AND RESOURCES COMMITTEE

COMPOSITION:

17 Members of the Council not including the Chairmen and Vice-Chairmen of the other service committees and subject to proportionality. The Leader of the Council shall be the Chairman and the Deputy Leader of the Council shall be Vice Chairman. The Chairs of the Service Committees are expected to attend all meetings of the Policy and Resources Committee to ensure that Service Committee views are shared and service priorities are integrated into any strategy and policy decisions.

TERMS OF REFERENCE:

The Policy and Resources Committee has two main areas of responsibility. It leads the process for developing the County Council Plan and the Medium Term Financial Plan and so fulfils a co-ordinating role across all other service committees. It provides a 'whole-council' view of performance, budget monitoring and risk. In addition the Committee has responsibility for developing and monitoring the specific enabling corporate services including, ICT, finance and risk management, ~~**property and asset management,**~~ human resources and organisational development, legal and governance, communications and public affairs and business continuity.

The Full Council delegates the following decision making responsibilities to the Policy and Resources Committee:

1. All decisions in relation to the above functions within the control of the Council, other than decisions reserved to Full Council.
2. Development of policy in relation to the above functions.
3. Review of performance and budget in relation to the above functions.

4. Review and monitoring of corporate performance and budget.
5. Development of the County Council plan and the Medium Term Financial Plan.
6. Appointments to external and internal bodies.
7. With regard to the Norse Group:
    - That the Council's purposes for participation in the Norse Group companies are clearly established and reviewed annually by the Policy & Resources Committee.
    - That Norse reports annually to P&R on both past performance against the council's purposes and KPIs and future business plans for the Norse Group companies, with appropriate assurances from the Executive Director of Finance and the Head of Law and Monitoring Officer. The Council has two distinct interests in Norse, as the sole shareholder in the Norse Group where its interests are ownership interests, and as a customer of some of the Norse companies where its interests are service delivery interests. As part of the business plans, that Norse commits to a range of KPIs against which it is measured, including:
        (i) a value statement summarising the benefits accruing to NCC through ownership of Norse, including target rebate, dividend and return on any loans, provided the level of dividends, combined with rebates, should not be so large as to impact either short-term working capital or future investment requirements to meet long term spending objectives;
        (ii) other KPIs such as the percentage of new work derived from private sector contracts, the profitability of such work and the total return to NCC.
    - That, in relation to new Companies (as defined by the Articles of Association) proposed by the Norse Group, the Executive Director of Finance will establish annually business objectives including the financial return expected. Proposals for Companies meeting these business objectives will be fast-tracked for approval by the Executive Director of Finance, through the P&R Committee or via the urgent business procedures for P&R business (where commercially necessary).

2. <u>SERVICE COMITTEES</u>

2.1 ADULT SOCIAL CARE COMMITTEE

COMPOSITION:

17 Members of the Council, and subject to proportionality. The Chairman and Vice Chairman shall be appointed by the full Council

TERMS OF REFERENCE:

The Adult Social Care Committee is responsible for the commissioning and quality standards of adult social care services for people in Norfolk. It incorporates all those services, from protection to residential care, that help people live fulfilling lives and stay as independent as possible. It oversees the protection of vulnerable adults.

Its specific functions are:

Adult social care
Support for carers
Protection for vulnerable adults
Supporting people

The full Council delegates the following decision making responsibilities to the Adult Social Care Committee:

1. All decisions in relation to the above functions within the control of the Council, other than decisions reserved to full Council.
2. Development of policy in relation to the above function.
3. Review of performance and budget in relation to the above functions.
4. Appointments to external and internal bodies.

2.2 CHILDREN'S SERVICES COMMITTEE

COMPOSITION:

17 Members of the Council and subject to proportionality. In addition, 1 voting representative of the Church of England Diocesan Board and 1 voting representative of the Roman Catholic Diocesan Board. The Chairman and Vice Chairman shall be appointed by the Full Council.

2 Co-opted Parent Governor Representatives (non-voting)
6 Co-opted advisory members (non-voting) representing:-

- The Schools Forum
- Norfolk Governors Network
- Special Education Needs Education
- Primary Education
- Secondary Education
- Post 16 Education

TERMS OF REFERENCE:

The Children's Services Committee is responsible for services which help keep children and young people safe and fulfil their potential. It incorporates schools and attainment, and social care for children and families. It has a particular focus on those children who are in care, and for whom the Council has corporate parenting responsibility.

Its specific functions are:

Early years and child care
School improvement
Additional educational needs
Child protection
Children and young people in care
Fostering and Adoption
Youth offending

The Full Council delegates the following decision making responsibilities to the Committee:

1. All decisions in relation to the above functions within the control of the Council, other than those reserved to Full Council.
2. Development of policy in relation to the above functions.
3. Review of performance and budget in relation to the above functions.
4. Appointments to external and internal bodies.

2.3 ENVIRONMENT, DEVELOPMENT AND TRANSPORT COMMITTEE

COMPOSITION:

17 Members of the Council and subject to proportionality. The Chairman and Vice Chairman shall be appointed by the Full Council.

TERMS OF REFERENCE:

This Committee has responsibility for protecting and enhancing the environment. It also incorporates travel and transport services to help keep the county moving, and to maintain and develop the highway network.

Its specific functions are:

- Climate Change, mitigation and adaptation
- Flood and Water Management (including statutory scrutiny of flood risk management)
- Ecology and Arboriculture
- Countryside Access
- Archaeology, Heritage and Landscape
- Waste Management and Recycling
- Transport Strategy/Highways Network/Passenger Transport
- Planning and Development Strategy and Management

The Full Council delegates the following decision making responsibilities to the Committee:

1. All decisions in relation to the above functions within the control of the Council, other than those reserved to Full Council.
2. Development of policy in relation to the above functions.
3. Review of performance and budget in relation to the above functions.
4. Appointments to external and internal bodies.

2.4 <u>COMMUNITIES COMMITTEE</u>

COMPOSITION:

17 Members of the Council and subject to proportionality. The Chairman and Vice Chairman shall be appointed by the Full Council.

TERMS OF REFERENCE:

This Committee has responsibility for those services which are mainly based in communities and serve all of Norfolk's population. It also includes those services which help build resilience in our communities and keep people safe. It incorporates how we engage with the public and how we make our services as customer focused as possible.

Its specific functions are:

Libraries, museums, archives, arts and events
Norfolk Records service
Adult education
Trading standards
Public Health
Fire and rescue
Emergency planning and community resilience
Customer Services
Community relations and engagement

Drug and Alcohol Commissioning

The Full Council delegates the following decision making responsibilities to the Committee:

1. All decisions in relation to the above functions within the control of the Council, other than those reserved to Full Council.
2. Development of policy in relation to the above functions.
3. Review of performance and budget in relation to the above functions.
4. Appointments to external and internal bodies.

~~**SUB COMMITTEES**~~

2.5 ~~**ECONOMIC DEVELOPMENT SUB-COMMITTEE**~~ ***BUSINESS AND PROPERTY COMMITTEE or SUB COMMITTEE***

COMPOSITION:

9 Members of ~~**Environment, Development and Transport Committee**~~ ***the council***, subject to proportionality. ~~**The Leader of the Council shall be an ex officio non-voting member of the Sub Committee.**~~ The Chairman and Vice-Chairman shall be appointed by the Full Council.

TERMS OF REFERENCE:

~~**The Economic Development Sub-Committee**~~ ***This Committee OR sub-Committee*** is responsible for promoting economic development and regeneration and associated activities. It incorporates focus on four broad areas: infrastructure, enterprise, skills and securing/managing external funds. It also has responsibility for the oversight and development of County Farms, a recognition of their importance in the rural economy. ***In addition the Committee OR sub-Committee has responsibility for developing and monitoring property and asset management.***

Its specific functions are:

- Promoting economic growth and enterprise
- Removing barriers to growth
- Inward investment
- Supporting the Council's role on the Local Enterprise Partnership (NALEP)
- Unemployment issues
- Oversight of Norfolk Infrastructure Fund and Norfolk Development Company
- Promoting the rural economy
- Oversight and development of County Farms
- ***Property and asset management***

The Full Council delegates the following decision making responsibilities to the ~~**Economic Development Sub-**~~Committee OR sub-Committee:

1. All decisions in relation to the above functions within the control of the Council, other than decisions reserved to Full Council.
2. Development of policy in relation to the above functions.
3. Review of performance and budget in relation to the above functions.
4. Appointments to external ***and internal*** bodies.

Norse Member/Officer Shareholder Committee

Terms of Reference of the Committee and Role of the Shareholder Representative

Membership 2016/17:

- County Council Shareholder Representative (Chairman)
- 3 Conservative Members
- 1 Labour Member
- 1 Liberal Democrat Member
- 1 UKIP Member

The Committee may invite the Chairman of the Policy and Resources Committee and Norse Board members, as appropriate, to the meetings.

It is expected that the NORSE Member Director will be in attendance at the meeting.

The Committee will be supported and advised by the Executive Director of Finance and Commercial Services (or his representative) and the Chief Legal Officer Head of Law and Monitoring Officer.

The Committee shall meet at least twice and normally four times each municipal year. All papers and discussions at the Shareholder Committee will be deemed to be commercially sensitive and confidential, unless notified otherwise. As a Member/Officer working group, the meetings will be minuted, but not routinely reported to the Policy and Resources Committee or County Council.

Committee Purpose

(1) To support the development of the Norse Group.

(2) To ensure that the legal and commercial interests of the County Council as Shareholder are considered and protected.

(3) To advise the Policy and Resources Committee on County Council Shareholder issues.

Work Areas

(1) To receive regular reports on the performance of the Group, against its delivery of the Group's ambition as expressed in the Business Plan.

(2) To consider any financial and reputational risks arising from the County

Council's Shareholding in the Norse Group.

(3) To advise the County Council on any changes to the Company Articles requested by the Norse Board.

(4) To advise the Norse Board on the contribution the Group can make to the achievement of the County Council's strategic objectives.

(5) To scrutinise the Group and make recommendations as appropriate to Policy and Resources Committee.

(6) To consider a management pack which will be prepared for each Shareholder Committee meeting to include:

- year to date group's principal report, quantify end group balance sheet, details of significant team events;

- key commercial and legal risks to the County Council as shareholder identified by the Executive Director of Finance, highlighting the potential impact and likelihood of occurrence;

- performance of KPIs against targets set in the business plans, reported to Policy and Resources Committee on an exception basis.

Shareholder Representative

The Shareholder Representative will be appointed annually by the Policy and Resources Committee and will chair the Shareholder Committee. The Representative will:

- represent the views of the Shareholder Committee at the Norse Group AGM and the Policy and Resources Committee;

- feed back to the Shareholder Committee from Policy and Resources Committee and the AGM;

- lead on liaison with the Companies and with the Council on behalf of the shareholder, taking such professional advice from Council officers as is appropriate in each circumstance.

Constitution Advisory Group

Report title:	**Review of Governance Arrangements**
Date of meeting:	**16 March 2017**
Responsible Chief Officer:	**Wendy Thomson, Managing Director**

Strategic impact

Keeping under review the Council's decision-making structures and systems is key to ensuring good governance and placing the Council in the best position to deliver its strategic priorities. By improving existing decision-making structures and systems the Council can ensure that its governance arrangements support high quality, evidence-based decisions in the most effective and efficient way.

Executive summary

The Council moved to a Committee system of Governance with effect from the Annual General Meeting (AGM) in May 2014. A formal review was conducted and recommendations for improvements were made in a report to Council a year later in May 2015. The County Council is now approaching the end of its current four-year term and, in the light of this, the Constitution Advisory Group (CAG) has asked the Managing Director to review the Council's decision-making structures, ahead of the new County Council term in May 2017.

This report outlines the outcome of that review including the key areas where Members have identified that the Council's committee governance model could be refined and enhanced to support more effective decision-making. The report also sets out proposals for CAG to consider with a view to making recommendations to Policy and Resources Committee (P&R Committee).

Recommendations:

Constitution Advisory Group is asked to:

1. Consider and recommend to P&R Committee the proposals to refine and enhance the current committee governance model based on practical experience.

   The proposals are:

   Proposal 1 – That the Constitution be changed to give the Council flexibility in agreeing the appropriate size of its Committees every 4 years at the AGM of the new Council. The Committees will not lose their political proportionality.

Proposal 2 – That the Constitution be changed so that Service Committee Chairs, who are currently invited to attend meetings of P&R Committee, are permitted to become full members of P&R Committee.

Proposal 3 – That the Constitution be changed to give P&R Committee a clearer role in the development of significant policies as well as delegated responsibility for critical decisions which result in the Council incurring significant expenditure or making significant savings in a particular budget area and/or which have an impact on a significant proportion of Norfolk's residents.

Proposal 4 – That the Role and Terms of Reference of the Service Committees be changed reflecting the changes to P&R and other changes introduced as a result of the review.

Proposal 5 – That the Emergency Committee be disestablished.

Proposal 6 – That the Constitution be changed to incorporate the updated Policy Framework as given in Annex A.

2. Note that, subject to CAG's resolution in favour of the proposals outlined in recommendation 1 above, officers will make changes to the Council's Constitution for approval by Full Council.

1. Introduction

1.1 In November 2013, the Council agreed under the provisions of the Localism Act 2011 to change its governance arrangements and to operate a committee system form of governance. The new system was agreed by Council in May 2014, together with arrangements for a formal review. A review was conducted and recommendations for improvements were made in a report to Council the following May 2015.

1.2 Practical experience of the committee governance model since then has proven a valuable test of the system and has led to a number of areas being identified where changes could be made for improvements to the current system.

1.3 At a meeting of CAG on 1 March 2017, detailed consideration was given to a proposal from the P&R Committee to set up a new Business and Property Committee with a remit to deal with a range of business, economic development and property functions of the Council. On concluding its discussions, the Leader proposed and CAG agreed that since the County Council is approaching the end of its current four-year term, the Managing Director should be asked to complete a high level review the Council's decision-making structures, ahead of the new Council in May 2017.

1.4 The Council has the responsibility of ensuring that its decision-making is as effective as it can be. Norfolk County Council has been operating its current committee governance model for almost 4 years and it was last reviewed at the end of 2014. Practical experience of our committee system since then highlights areas where the model could be refined and enhanced to support effective decision-making.

1.5 By improving existing decision-making structures and processes the Council can ensure that its governance arrangements continue to support high quality, evidenced based, decisions in the most effective and efficient way that meet current local government challenges.

2. Review of the Council's decision-making structures

2.1 A high level review of our decision-making structures has been conducted, building on the learning from our practical experience of working with the current system, which has been in operation for almost four years. Views have been sought from Committee Chairs and Vice Chairs, Group Leaders and Group Spokespersons around four areas:

- Size of Service Committees
- Functions and membership of P&R Committee
- Service Committee Terms of Reference
- Other key learning points for improvement

Where specific comments have been received as part of the consultation they are referenced in the report. One general comment was received expressing concern that any proposal should not increase costs. Other areas were raised in the course of the consultation which will be the subject of further work to be brought forward early in the new municipal year:

1. A full audit and review of Member Groups with the aim to streamline for efficiencies wherever possible;
2. To bring forward proposals to strengthen the capacity for scrutiny in the system.

A. Size of Committees

2.2 The current committee size is pre-established under the Constitution at 17 members and there is no flexibility around this. The review identifies that whilst this size of group has enabled a breadth of shared understanding and engagement, it has not supported swift, effective, decision-making and this has implications for the Council's ability to respond and flex, as necessary, to meet the demands of the rapidly shifting landscape and make the best use of opportunities which arise. The size extends the length of meetings and limits the contributions that Committee members can make.

2.3 When considering the set-up of the new Business and Property Committee, CAG considered amongst other things the size of the Committee and their proposals include a recommendation that this Committee has 9 members and this was seen as the optimum size going forward.

2.4 One Member comment was received acknowledging there was no certainty as to the results of the May elections results but it would be helpful to see a few examples of possible Committee sizes.

2.5 **Proposal 1 -** It is proposed that the Constitution be changed to give the Council flexibility in agreeing the appropriate size of its Committees every 4 years at the AGM of the new Council. The Committees will not lose their political proportionality.

B. Functions and Membership of Policy and Resources Committee - Committee Chairs

2.6 P&R Committee fulfils a co-ordinating role across all other service committees and provides a 'whole-Council' view of performance, budget monitoring and risk. P&R Committee's main areas of responsibility are leading the process for developing the County Council Plan and the Medium Term Financial Plan.

2.7 Whilst the Council agrees the policy framework and the budget, there is recognition of the need for a place for strategic development and oversight of policy and the financial framework prior to agreement coupled with a more effective two-way conversation between the P&R Committee and Service Committees.

2.8 The review identified that a strengthening of the governance arrangements in this respect is needed and it would best be achieved by Service Committee Chairs being permitted to be full members of P&R Committee. It is seen as essential both in addressing the risks and opportunities currently facing the Council and in ensuring that all Service Committee issues are properly addressed and service priorities integrated into any strategy and policy decisions.

2.9 One Member comment was received that Service Committee Chairs should be mandated to attend Policy and Resources Committee and if they were allowed to vote then four councillors would have two votes each. Consideration should not be given to chairs being in addition to the 'Widdicombed' number of a political group.

2.10 **Proposal 2** - It is proposed that the Constitution be changed so that Service Committee Chairs, who are currently invited to attend meetings of P&R Committee, are permitted to become full members of P&R Committee.

Functions and Membership of Policy and Resources Committee – Role

2.11 The review also identified that the current governance model has not reduced 'silo' working across the Council with Service Committees focusing on their specific areas of responsibility. The review identified that there are clear benefits from developing the existing co-ordinating role of P&R Committee so that it has a more prominent role with a mandate for key matters of strategic, Council-wide, policy and cross-cutting subjects. Given the severe financial pressures faced by all Councils, it is advisable for P&R Committee to have an overarching, strategic overview of the authority as a whole to be able to ensure that a coherent, consistent, and transparent approach is developed.

2.12 In order to achieve this P&R Committee would need to have a clearer role in the development of significant policies and delegated responsibility for certain critical decisions which result in the Council incurring significant expenditure or making significant savings in a particular budget area and/or which have an impact on a significant number of Norfolk's residents.

2.13 It would be prudent for there to be a provision in the Constitution allowing the Council's Managing Director, in consultation with the Leader, to refer to P&R Committee any other decision considered to be in within the definition above.

2.14 This offers advantages in terms of:

- Enabling an overarching, strategic overview

- Providing greater clarity around the ‘whole Council’ approach, and
- Strengthening the overall system of governance

2.15 There would be consequential changes to the Terms of Reference (ToR) of the Service Committees where some of this decision-making currently sits and these ToR would need to be modified.

2.16 One Member comment was received that there was a danger that this would give too much power to Policy and Resources Committee.

2.17 **Proposal 3** – It is proposed that the Constitution be changed to give P&R Committee a clearer role in the development of significant policies as well as delegated responsibility for critical decisions which result in the Council incurring significant expenditure or making significant savings in a particular budget area and/or which have an impact on a significant proportion of Norfolk’s residents.

C. Service Committees – Size, Role and Terms of Reference

2.18 The Terms of Reference of Committees are defined in Part 4.1 of the Council’s Constitution. In the event that Proposal 3 is agreed by CAG then the corresponding changes will need to be made to the Role and Terms of Reference of the Service Committees.

The review of the current Committees terms of Reference has highlighted key areas where it is considered improvements could be made and these are outlined below:

2.19 **Children’s Services Committee**

Currently the Children’s Services Committee consist of 17 Councillors and the following10 representatives:

- 2 Church Representatives (Statutory)

8 Non-Statutory Members:

- 2 Non-voting Parent Governor Representatives
- 1 Non-voting Schools Forum Rep

Non-voting Co-opted Advisors as follows:

- Norfolk Governors Network
- Special Needs Education
- Primary Education
- Post-16 Education
- Secondary Education

2.20 The above representation does not reflect the balance between the Committee’s responsibilities for education and social care and in particular our changed relationship to schools. The current size of the Committee (27) is not conducive to effective governance. The Chairman of the Children’s Services Committee has suggested that consideration be given to limit non Councillor membership to the statutory representatives (the two Church representatives) and that the Children’s

Services Committee could in the future consider how/if other stakeholders should be involved. **The Group is asked to provide steer on this.**

2.21 The Chairman of Children's Services Committee also raised the membership and terms of reference of some Panels and Internal Groups of the Children's Services Committee which the Committee itself will review (specifically Teacher's Joint Consultative Committee and Corporate Parenting Executive Group).

Environment, Development and Transport Committee

The Chair of the Joint Road Casualty Reduction Partnership Board (Director of Public Health) suggests a review of this body which was established in 2007 and draws Membership from 3 Service Committees and the Health and Wellbeing Board. This review would be carried out by the Environment, Development and Transport Committee.

2.22 **Emergency Committee**

The Constitution provides for an Emergency Committee which is to be convened, as required, as part of the County Council's major incident and Emergency Planning process, during the recovery phase of an emergency. This Committee has not met during the entire term 2013 – 2017 although there have been emergencies and major incidents. The need for an Emergency Committee has been overridden by the organisation's business continuity planning.

2.23 **Proposal 4** – It is proposed that the Role and Terms of Reference of the Service Committees be changed reflecting the changes to P&R and other changes introduced as a result of the review.

2.24 **Proposal 5** – It is proposed that the Emergency Committee be disestablished.

D. Policy Framework

2.25 The Policy Framework is a list of the Council's most strategically significant policies and strategies, either dictated by law or by local decision and as such forms part of our Constitution. Each policy/strategy listed in the Policy Framework must go to Full Council for its sign off. As referred to in Proposal 3, it is also proposed that the P&R Committee will have a more significant role in the development of policy.

2.26 Significant changes to the services we deliver and the way we make decisions means that it is likely that elements of the Policy Framework are out of date and the Council will wish to ensure that it represents the things that are most important to Norfolk. As the Council comes to the end of its current four year term of office it would also be timely to review the Council's Policy Framework to ensure that it is fit for purpose going forward for the new Council. For example, with the proposals to integrate health and social care, the development of a health strategy becomes a critical part of the Council's business.

2.27 As part of the review of the Council's decision-making structures and systems a review of the Policy Framework has been conducted to identify any policies/strategies which, for example, no longer exist or have been merged with others or superseded. The review also looked at the development pathway through the Council's governance system to ensure that each policy/strategy is considered by the most appropriate service committee prior to going to Full Council and that there is consistency in the approach. On this basis a suggested update to the existing Policy Framework is attached as Appendix A.

2.28 **Proposal 6** – It is proposed that the Constitution be changed to incorporate the updated Policy Framework as given in Annex A.

3. Conclusions of the Review

3.1 In conclusion, CAG is asked to recommend the following to the P&R Committee:

Proposal 1 - It is proposed that the Constitution be changed to give the Council flexibility in agreeing the appropriate size of its Committees every 4 years at the AGM of the new Council. The Committees will not lose their political proportionality.

Proposal 2 - It is proposed that the Constitution be changed so that Service Committee Chairs, who are currently invited to attend meetings of P&R Committee, are permitted to become full members of P&R Committee.

Proposal 3 – It is proposed that the Constitution be changed to give P&R Committee a clearer role in the development of significant policies as well as delegated responsibility for critical decisions which result in the Council incurring significant expenditure or making significant savings in a particular budget area and/or which have an impact on a significant proportion of Norfolk's residents.

Proposal 4 – It is proposed that the Role and Terms of Reference of the Service Committees be changed reflecting the changes to P&R and other changes introduced as a result of the review.

Proposal 5 – It is proposed that the Emergency Committee be disestablished.

Proposal 6 – It is proposed that the Constitution be changed to incorporate the updated Policy Framework as given in Annex A.

4. Financial Implications

4.1 No significant financial implications are anticipated. These proposals have been developed on the basis of the delivering an effective Committee system and securing good governance of the Authority, mindful of the need to contain costs.

5. Background

5.1 The background documentation considered in conducting this review are as follows:

- **Report to P&R** Committee April 2015 'Review of Governance Arrangements'

Officer Contact

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

Officer Name: **Tel No:** **Email address**:

Dr Wendy Thomson 01603 223916 Email: wendy.thomson@norfolk.gov.uk

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	Policy	Rationale for inclusion	Relevant Committee
1	County Council Plan	Provides overall strategy and direction for prioritisation and investment.	P&R
2	New Anglia Strategic Economic Plan	Not required by law, however: Economic strategy is critical to the Council's priorities and to Norfolk's future. May be tensions in putting the New Anglia plan in the policy framework, given its governance and sign-off is through the LEP. The plan is to adopt a Norfolk strategy which approved by Full Council, and is the basis of our contribution to the New Anglia LEP.	P&R
3	Annual investment and treasury management strategy	Considerable Member interest (not just in Norfolk), following the Icelandic bank crash.	P&R
4	Joint Health and wellbeing strategy	One of three legal responsibilities of the health and wellbeing board Important for Council to shape and influence health and wellbeing agenda and board.	P&R
5	Children and young people's strategy	Improvement of children's services is a critical issue for the Council and benefits from whole-council understanding and buy-in. Also consistent with our duty as corporate parents.	Children's
6	Adoption statement of purpose	Critical improvement area, and consistent with our responsibilities as corporate parents	Children's
7	Fostering statement of purpose	As above	Children's
8	Adult social care strategy (currently promoting independence)	Biggest spending area for council; major transformation challenge which requires support and buy-in of whole council.	Adults

9	Local Transport Plan	By law, full council must agree.	ETD
10	Norfolk County Council Waste strategy and policies	Not a legal requirement but given history of the issue, considered to be critical for Full Council sign-off	ETD
11	Minerals and Waste development framework	By law, full council must agree	ETD
12	Fire and Rescue Integrated Risk Management Plan	Whilst not required to be signed off by Full council by law, the fire service is a significant issue for all councillors. The plan is routinely agreed as part of the budget.	Communities
13.	Youth Justice Plan	By law, full council must agree	Children's
14.	Public Health Annual Report	This is a statutory responsibility of the DPH and is a vehicle for setting out the health of the local community and providing information for discussion makers for future planning.	Communities
15.	Asset Management Plan	This plan provides the overarching strategy for the council's property-based assets.	P&R

Policy & Resources Committee

Item No 18

Report title:	**Six-monthly procurement update**
Date of meeting:	**27 March 2017**
Responsible Chief Officer:	**Simon George – Executive Director of Finance & Commercial Services**
Strategic impact The council buys goods and service worth more than £600m each year. Members have asked for a regular update on procurement issues, so that they have sufficient notice about forthcoming procurements to provide strategic input and so that they are aware of current issues and any concerns.	

Executive summary

We spend £600m each year on services and goods for Norfolk people so we need to ensure that we are buying the right things in line with our strategy to help manage demand and target resources so they have the maximum impact for Norfolk residents. As an organisation we want to be good to do business with, and be efficient and businesslike in the way we work. High quality contracting and procurement is a critical enabler for us to do this.

The 'pipeline' process enables us to make decisions in good time about contracts that need to be renewed or terminated, and to ensure that members are engaged. This report contains the pipeline to 2020 for the top 400 contracts.

A gap analysis is under way to review contract management. A full report will come to the committee in due course, but initial findings are contained in this report.

This report also provides a brief update on progress at the Eastern Shires Purchasing Organisation, which is part-owned by the council.

Recommendations:
The committee is invited to:
A. Review the pipeline and comment on any contracts of particular interest or concern
B. Note the interim findings concerning contract management
C. Note the update concerning the Eastern Shires Purchasing Organisation (ESPO).

1. The procurement pipeline

An updated procurement pipeline is at Annex A and now includes contracts up until the end of 2019. Members will note that there are a number of high-value contracts expiring that year, particularly in Children's Services.

2. Contract management

An analysis is under way of contract management of the council's top fifty contracts by value, to identify any gaps in practice. A full report will be brought to committee after the election. The initial analysis suggests that the following areas need attention.

a) Supplier risk. There is a need for a standard approach to credit checking and media monitoring. We anticipate that this will in future be done by the procurement team for the most significant contracts.
b) Compliance and quality checks. The approach is patchy – with some excellent practice, but other areas where there is insufficient checking between tender exercises. We are discussing with Adult Social Care whether some resource which is currently undertaking initial accreditation could be diverted to checking of live contracts.
c) There is insufficient attention to business continuity checking and exit planning. The resilience team will be offering training to contract managers on business continuity to improve practice in this area.
d) There needs to be a more consistent approach to monitoring value for money in between contract break points.

Contract management has been strengthened in a number of areas. The more-coordinated approach to managing contracts with the Norse group is starting to pay dividends. The Head of Procurement is coordinating a series of contractual reviews of those contracts that were not let by competitive tender in order to ensure that they remain fit for purpose and are value for money.

It is expected that new contracts will be signed with NPS (for property services) and with Norse Eastern (for school meals) around the end of the financial year. The contract with Norse Care is also being reviewed, as are the transport contracts with Norse Eastern.

The facilities management arrangements with Norse Eastern are of lesser strategic importance and value but will be reviewed next financial year.

3. Eastern Shires Purchasing Organisation

ESPO is on course to meet its financial target for the current financial year, in spite of difficult trading conditions resulting from the weak pound, increases in the minimum wage and public sector cuts. This has been achieved through growth outside ESPO's traditional geographical area, sourcing of more products from low-cost countries, and cost control. Sales to Norfolk schools have fallen by 4% - more than the average across other member authorities.

The possible merger with Hertfordshire's stores operation, reported at October Policy & Resources, will not be proceeding, following due diligence.

ESPO is taking a number of steps to maintain margins including investing in automation of its warehouse to reduce labour costs. Nevertheless, it should be assumed that the steep growth in dividend in recent years will start to level off.

ESPO is considering the establishment of a trading company to permit it to trade in broader markets. This proposal will be reported to the ESPO Management Committee and, if the management committee is minded to proceed, will come to Policy & Resources for approval by Norfolk as a member authority.

5. Background

Report to Policy & Resources Committee, "Procurement six-monthly update", 31 October 2016

[Report to Communities Committee, "Adult drug and alcohol services", 8 March 2017]

Officer Contact

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

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

Officer Name: Al Collier   Tel No: 01603 223372
Email address: al.collier@norfolk.gov.uk

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Annex A: Procurement Pipeline

The diagram shows contracts expiring on or before 31 December 2019.

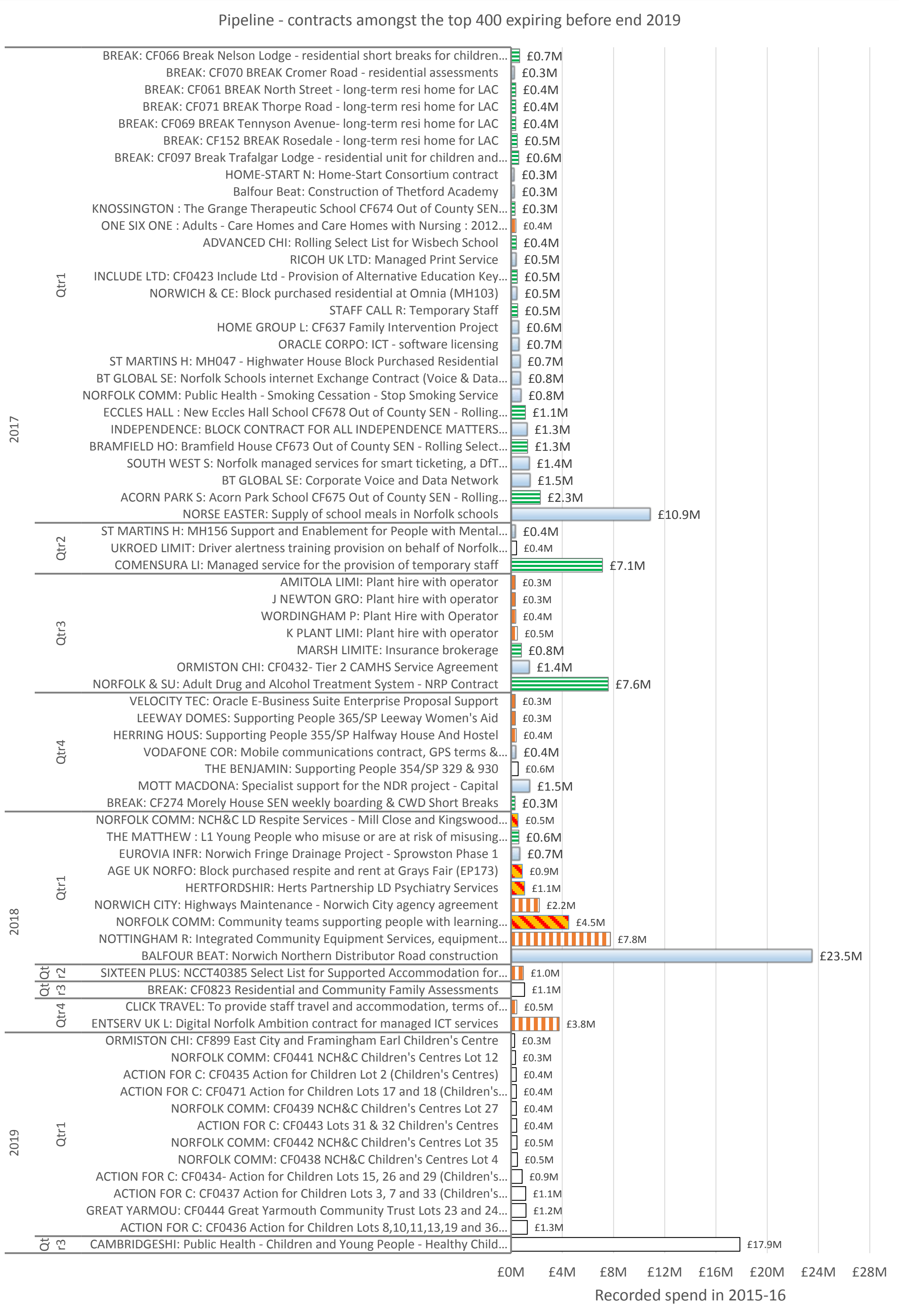
- Contracts that are no longer required or have been replaced are blue
- Contracts where a procurement exercise is under way and on target are green
- Contracts where a decision is needed soon are amber
- Contracts where a decision is needed urgently are red/amber
- Contracts where it is too late to re-procure the contract before the end date are shown as red (there are none in this edition of the report).
- Contracts where no decision is yet required are white.

The Communities Committee recently decided that the drug and alcohol treatment contract should be re-tendered. The built-in extension option will be used to extend the contract by six months or so to allow this to happen.

Members will note that a decision is needed urgently on two contracts relating to people with learning disabilities living in the community – for psychiatric services and community teams. The new Executive Director for Adult Social Care is taking a view on these.

It is anticipated that the contract with Age UK for respite services at Gray’s Fair Court will be extended by one year following a renegotiation.

It is expected that the contract for the integrated community equipment stores will also be extended, using the built-in extension option, following a value for money review and renegotiation.


Pipeline - contracts amongst the top 400 expiring before end 2019
2017
Qtr1
BREAK: CF066 Break Nelson Lodge - residential short breaks for children... £0.7M
BREAK: CF070 BREAK Cromer Road - residential assessments £0.3M
BREAK: CF061 BREAK North Street - long-term resi home for LAC £0.4M
BREAK: CF071 BREAK Thorpe Road - long-term resi home for LAC £0.4M
BREAK: CF069 BREAK Tennyson Avenue- long-term resi home for LAC £0.4M
BREAK: CF152 BREAK Rosedale - long-term resi home for LAC £0.5M
BREAK: CF097 Break Trafalgar Lodge - residential unit for children and... £0.6M
HOME-START N: Home-Start Consortium contract £0.3M
Balfour Beat: Construction of Thetford Academy £0.3M
KNOSSINGTON : The Grange Therapeutic School CF674 Out of County SEN... £0.3M
ONE SIX ONE : Adults - Care Homes and Care Homes with Nursing : 2012... £0.4M
ADVANCED CHI: Rolling Select List for Wisbech School £0.4M
RICOH UK LTD: Managed Print Service £0.5M
INCLUDE LTD: CF0423 Include Ltd - Provision of Alternative Education Key... £0.5M
NORWICH & CE: Block purchased residential at Omnia (MH103) £0.5M
STAFF CALL R: Temporary Staff £0.5M
HOME GROUP L: CF637 Family Intervention Project £0.6M
ORACLE CORPO: ICT - software licensing £0.7M
ST MARTINS H: MH047 - Highwater House Block Purchased Residential £0.7M
BT GLOBAL SE: Norfolk Schools internet Exchange Contract (Voice & Data... £0.8M
NORFOLK COMM: Public Health - Smoking Cessation - Stop Smoking Service £0.8M
ECCLES HALL : New Eccles Hall School CF678 Out of County SEN - Rolling... £1.1M
INDEPENDENCE: BLOCK CONTRACT FOR ALL INDEPENDENCE MATTERS... £1.3M
BRAMFIELD HO: Bramfield House CF673 Out of County SEN - Rolling Select... £1.3M
SOUTH WEST S: Norfolk managed services for smart ticketing, a DfT... £1.4M
BT GLOBAL SE: Corporate Voice and Data Network £1.5M
ACORN PARK S: Acorn Park School CF675 Out of County SEN - Rolling... £2.3M
NORSE EASTER: Supply of school meals in Norfolk schools £10.9M
Qtr2
ST MARTINS H: MH156 Support and Enablement for People with Mental... £0.4M
UKROED LIMIT: Driver alertness training provision on behalf of Norfolk... £0.4M
COMENSURA LI: Managed service for the provision of temporary staff £7.1M
Qtr3
AMITOLA LIMI: Plant hire with operator £0.3M
J NEWTON GRO: Plant hire with operator £0.3M
WORDINGHAM P: Plant Hire with Operator £0.4M
K PLANT LIMI: Plant hire with operator £0.5M
MARSH LIMITE: Insurance brokerage £0.8M
ORMISTON CHI: CF0432- Tier 2 CAMHS Service Agreement £1.4M
NORFOLK & SU: Adult Drug and Alcohol Treatment System - NRP Contract £7.6M
Qtr4
VELOCITY TEC: Oracle E-Business Suite Enterprise Proposal Support £0.3M
LEEWAY DOMES: Supporting People 365/SP Leeway Women's Aid £0.3M
HERRING HOUS: Supporting People 355/SP Halfway House And Hostel £0.4M
VODAFONE COR: Mobile communications contract, GPS terms &... £0.4M
THE BENJAMIN: Supporting People 354/SP 329 & 930 £0.6M
MOTT MACDONA: Specialist support for the NDR project - Capital £1.5M
BREAK: CF274 Morely House SEN weekly boarding & CWD Short Breaks £0.3M
2018
Qtr1
NORFOLK COMM: NCH&C LD Respite Services - Mill Close and Kingswood... £0.5M
THE MATTHEW : L1 Young People who misuse or are at risk of misusing... £0.6M
EUROVIA INFR: Norwich Fringe Drainage Project - Sprowston Phase 1 £0.7M
AGE UK NORFO: Block purchased respite and rent at Grays Fair (EP173) £0.9M
HERTFORDSHIR: Herts Partnership LD Psychiatry Services £1.1M
NORWICH CITY: Highways Maintenance - Norwich City agency agreement £2.2M
NORFOLK COMM: Community teams supporting people with learning... £4.5M
NOTTINGHAM R: Integrated Community Equipment Services, equipment... £7.8M
BALFOUR BEAT: Norwich Northern Distributor Road construction £23.5M
Qtr2
SIXTEEN PLUS: NCCT40385 Select List for Supported Accommodation for... £1.0M
Qtr3
BREAK: CF0823 Residential and Community Family Assessments £1.1M
Qtr4
CLICK TRAVEL: To provide staff travel and accommodation, terms of... £0.5M
ENTSERV UK L: Digital Norfolk Ambition contract for managed ICT services £3.8M
2019
Qtr1
ORMISTON CHI: CF899 East City and Framingham Earl Children's Centre £0.3M
NORFOLK COMM: CF0441 NCH&C Children's Centres Lot 12 £0.3M
ACTION FOR C: CF0435 Action for Children Lot 2 (Children's Centres) £0.4M
ACTION FOR C: CF0471 Action for Children Lots 17 and 18 (Children's... £0.4M
NORFOLK COMM: CF0439 NCH&C Children's Centres Lot 27 £0.4M
ACTION FOR C: CF0443 Lots 31 & 32 Children's Centres £0.4M
NORFOLK COMM: CF0442 NCH&C Children's Centres Lot 35 £0.5M
NORFOLK COMM: CF0438 NCH&C Children's Centres Lot 4 £0.5M
ACTION FOR C: CF0434- Action for Children Lots 15, 26 and 29 (Children's... £0.9M
ACTION FOR C: CF0437 Action for Children Lots 3, 7 and 33 (Children's... £1.1M
GREAT YARMOU: CF0444 Great Yarmouth Community Trust Lots 23 and 24... £1.2M
ACTION FOR C: CF0436 Action for Children Lots 8,10,11,13,19 and 36... £1.3M
Qtr3
CAMBRIDGESHI: Public Health - Children and Young People - Healthy Child... £17.9M
£0M
£4M
£8M
£12M
£16M
£20M
£24M
£28M
Recorded spend in 2015-16

Policy and Resources Committee

Item No 19

Report title:	**Decisions taken under Delegated Authority**
Date of meeting:	**27 March 2017**
Responsible Chief Officer:	**Wendy Thomson, Managing Director**
Strategic impact It is important that there is transparency in decision making processes to enable Members and the public to hold the Council to account.	

Executive summary

This report sets out decisions taken in relation to property matters by officers under the scheme of delegation and "hierarchy of decision making" since the last report to the Committee.

Recommendations: To note the report.

1. Proposal

1.1 This report sets out "for information" decisions taken by Officers in relation to property matters under the "hierarchy of decision making". Appendix A sets out the property decisions made.

2. Evidence

2.1 Property Decisions are set out in Appendix to this report

3. Financial Implications

There are no direct financial implications flowing directly from members noting this report. However the delegated decisions themselves often have significant financial implications, for example capital receipts from the sale of land/property.

4. Issues, risks and innovation

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

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

Officer Contact

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

Officer Name:	Tel No:	Email address:
Chris Walton	01603 222620	chris.walton@norfolk.gov.uk

IN TRAN communication for all

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Property Decisions taken under Delegated Powers **Appendix A**

Property	Transaction	Cost	Benefit	Date Approved
Scole Lot 3	Sale to the Parish Council		£10,000	6 April 2016
Wymondham 50 Pople Street	Termination of licence			4 October 2016
Morningthorpe Waste site	Acquisition of a drainage easement	£500		21 December 2016
Old Catton Lodge Lane Infant School	Lease to Academy Trust			10 January 2017
Aslacton Primary School	Lease to Academy Trust			10 January 2017
Beeston Primary School	Lease to Academy Trust			10 January 2017
Dereham Grove House Infant School	Lease to Academy Trust			10 January 2017
Dereham King’s Park Infant School	Lease to Academy Trust			10 January 2017
Garvestone Primary School	Lease to Academy Trust			10 January 2017
Long Stratton Manor Field Infant School	Lease to Academy Trust			10 January 2017
Bawdeswell Primary School	Lease to Academy Trust			10 January 2017
Watton Westfield Infant School	Lease to Academy Trust			10 January 2017
Tattersett Blenheim Park School	Lease to Academy Trust			9 February 2017
Upwell Community Primary School	Lease to Academy Trust			9 February 2017
North Wootton Primary School	Lease to Academy Trust			9 February 2017
Dereham Neatherd High School	Lease to Academy Trust			9 February 2017