

Corporate Select Committee

Date: **Monday 14 September 2020**

Time: **10am**

Venue: **Virtual Teams Meeting**

Pursuant to The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020, the 14 September Corporate Select Committee meeting of Norfolk County Council will be held using video conferencing.

To view the meeting online, please follow this link to the County Council Committees You Tube page:

<https://www.youtube.com/watch?v=6bhO0znLmKY>

Membership:

Cllr K Vincent (Chairman)
Cllr P Carpenter
Cllr E Colman (Vice Chairman)
Cllr N Dixon
Cllr C Foulger
Cllr T Jermy
Cllr C Jones

Cllr I Mackie
Cllr B Long
Cllr R Oliver
Cllr S Squire
CllrJ Timewell
Cllr J Ward

A g e n d a

1 To receive apologies and details of any substitute members attending

2 Minutes

To receive the minutes of the previous meeting held on 13 July 2020

Page 5

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, to a greater extent than others in your division

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

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

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

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

5 Public Question Time

Fifteen 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) by **5pm Wednesday 9 September**. For guidance on submitting a public question, view the Constitution at www.norfolk.gov.uk/what-we-do-and-how-we-

6 Local Member Issues/Questions

Fifteen minutes for local member 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) by **5pm on Wednesday 9 September 2020**.

7 Business Transformation (Smarter Working) Programme Update **Page 12**

Report by the Executive Director of Strategy and Governance

8 Digital Norfolk Strategy Progress Report **Page 21**

Report by the Executive Director, Finance & Commercial Services

9 Norfolk PLC Update and consideration of NCC recruitment **Page 31**

Report by the Executive Director for Community and Environmental Service and the Executive Director, Strategy and Governance

10 Scope of Review of Unconscious and Structural Bias **Page 36**

Report by the Executive Director of Community and Environmental Services

11 Strategic Asset Management Framework **Page 46**

Report by the Executive Director for Finance and Commercial Services

12 Norfolk County Council Budget Planning 2020-21 **Page 49**

Report by the Executive Director of Strategy and Governance and the Executive Director of Finance and Commercial Services

13 Performance Reporting Framework: proposal to develop a new reporting mechanism and a new set of Corporately Significant Vital Signs **Page 82**

Report by the Executive Director of Strategy and Governance

14 Forward Workplan 2020/21 **Page 95**

Note by the Executive Director of Strategy and Governance

Tom McCabe Head of Paid Service
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Date Agenda Published: 4 September 2020



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Corporate Select Committee

Minutes of the Meeting Held on 13 July 2020 at
10 am as a virtual meeting

Present:

Cllr Karen Vincent (Chair)

Cllr Penny Carpenter

Cllr Nigel Dixon

Cllr Fabian Eagle (sub for Cllr E Colman)

Cllr Colin Foulger

Cllr Terry Jermy

Cllr Brian Long

Cllr Ian Mackie

Cllr Sandra Squire

Cllr J Timewell

Cllr John Ward

Also Present:

Cllr Tom FitzPatrick (Cabinet Member for
Innovation, Transformation and
Performance)

1A Apologies for Absence

- 1A.1 Apologies for absence were received from Chris Jones and Cllr Ed Colman (with Cllr Fabian Eagle substituting).

1B Election of A Vice-Chair For The Meeting

1B.1 The Committee RESOLVED

That, in the absence of Cllr Ed Colman, the Committee elect Cllr Penny Carpenter as Vice-Chairman for the meeting, to deal with any issues that might arise in this meeting, should the Chairman experience connectivity issues as a result of being unable to maintain an internet connection.

2 Minutes

- 2.1 The minutes of the meeting held on 9 March 2020 were agreed as an accurate record and signed by the Chairman.

3 Declarations of Interest

- 3.1 There were no declarations of interest.

4 Items of Urgent Business

There were no items of urgent business.

5 Public Question Time

5.1 There were no public questions.

6 Local Member Issues/Questions

6.1 There were no local Member questions.

7 Corporate Response to Covid-19

7.1 The annexed report (7) by the Executive Director of Strategy and Governance was received.

7.2 The Committee received a report which provided a summary of how the County Council services that reported to this Committee had responded to the Covid-19 crisis. The Committee's attention was drawn to the activities mentioned in Section 5 of the report which highlighted emerging opportunities that needed to be explored as the Council moved forward to the "normalisation" and "recovery" phases of the pandemic.

7.3 During discussion the following key points were noted:

- The Committee's thanks were placed on record to the staff, contractors, volunteers and communities who had worked as part of a huge community and partnership effort to help keep Norfolk people safe and protected throughout the pandemic.
- Councillors expressed particular thanks to those officers involved in the work of the internal command and control structure of Gold and Silver and with the work of the Resilience Forum which continued to meet twice a week to provide a watching brief throughout the pandemic.
- A recovery group that consisted of key players from silver and gold command and of others from across the county had been put in place to bring together the lessons that were being learnt and to move forward on the recovery journey.
- The Executive Director of Finance agreed to provide the Committee with details regarding what success looked like in relation to the continued roll out of laptops to children, including numbers of laptops that were issued and of those that remained to be rolled out to children.
- It was pointed out that the Council had published a local Outbreak Control Plan for Norfolk that set out our how we were preparing for people, businesses and communities to go about their normal daily lives as safely as possible whilst the COVID-19 pandemic remained.
- The health and safety of County Council staff working from home during the pandemic was being monitored through the work of the existing health and safety support help line and through closer working of managers and their staff.
- The Committee discussed the corporate work to shape a collective strategic

narrative (a “Norfolk PLC”) about Norfolk as a compelling place to live and to work. This was considered to be essential to the economic growth and social mobility agenda of Norfolk. The Executive Director of Strategy and Governance said that NCC’s role in “Norfolk PLC” would be to act as a convenor to engage with key players including the LEP, who were already working on a “Norfolk PLC” with Vince Muspratt, the Director of Growth and Development at the County Council. Councillors spoke about how they wanted to see the Working Group up and running as soon as possible and for NCC to be seen to be taking the leading role amongst the partners working on this matter. (The Committee considered this further when it considered its forward work programme).

- The Chairman asked members to indicate if they wished to join the Norfolk PLC working group chaired by Cllr Colman. Cllrs Carpenter, Eagle, Squire, Timewell and Vincent volunteered.
- The Chairman gave an update on the Strategic Asset Management Working Group that had met remotely, and another meeting of this group was planned to be held next week.

7.4 **The Committee RESOLVED**

1. **To formally thank all staff involved in the significant effort to keep people safe and protected.**
2. **To acknowledge the work that has been carried out by NCC central services during the COVID-19 pandemic.**
3. **To endorse the priority areas for review that are mentioned in the report and add these areas of work to the Committee’s Forward Work Programme.**
4. **To establish the cross party member working group that was agreed at the March 2020 meeting of the Committee (with a membership of Cllrs Colman, Carpenter, Squire, Timewell and Vincent and three other Cllrs who might not be members of this Committee) to work together with our partners to build our employer “Norfolk PLC” brand and attract the people we need to have come and live and build careers in Norfolk.**

8 **Business Transformation (Smarter Working) Programme – Covid-19 Pandemic Response Impact**

- 8.1 The Committee received a PowerPoint presentation (by Assistant Director of Strategy & Governance (Business Transformation)) and report (8) by the Executive Director of Strategy and Governance about how the Covid-19 Pandemic response had impacted, in both a positive and negative manner, on the County Council’s Business Transformation programme and the steps that were to be taken to re-shape and re-plan from the new baseline.
- 8.2 Cllr FitzPatrick covered the Introductory section of the report and specifically what was meant by smarter working meaning being more flexible about when and where we work, and how we creatively use space and technology to find new and more effective ways of doing things in a modern and business-like way.
- 8.3 During discussion the following key points were noted:

- It was pointed out that almost all County Council staff were now working from home, only travelling, meeting face to face and working from an office location where essential or where it was not possible to perform the role remotely.
- The County Council and wider Norfolk Resilience Forum had a three-phased plan in response to the Covid-19 Pandemic that moved from response, through a period of normalisation, to recovery. The response phase had commenced in February 2020, transition to normalisation commenced in June 2020 and it was anticipated that the normalisation phase would run through to September 2020.
- A further report would be made to this Select Committee, with an updated plan that took the business transformation programme forward from the new baseline.
- Councillors said that the gap between those who were able to access virtual council services and those who were unable to do this had grown as a result of the pandemic.
- It was pointed out that the financial implications of the new ways of working included a reduction in external venue hire and an asset management refresh that would be reported to Committee in September.
- Councillors requested details regarding the savings from holding virtual Committee meetings. It was pointed out that the annual budget for Councillors mileage expenses was £85,000, After three months of the financial year (and with the annual meeting of the Council still to be held) the savings from holding virtual meetings were estimated at between £15,000 to £20,00.
- Councillors then discussed the lessons that were being learnt from holding virtual meetings. They said that while they recognised that during the pandemic Council meetings needed to be held in this way, more work was needed on defining when it was and when it was not appropriate to hold virtual meetings and the possibilities going forward for hybrid virtual/ in person meetings. They recognised that there were issues of broadband connectivity in remote rural areas, of some people being better able to express themselves through this way of working than others, and the loss of personal face to face contact between people when meetings were not held in an open room. With people of Norfolk not travelling to meet face to face, this had an impact on the economy.
- Councillors also spoke about the impact of remote ways of working on staff morale and mental wellbeing and asked for the results of a staff wellbeing survey which was undertaken at the time when the pandemic had started to be reported to the Committee.

8.4 The Committee RESOLVED

- 1. To acknowledge how the Covid-19 Pandemic response had impacted, in both a positive and negative manner, our Business Transformation progress, against the original objectives, and the priority areas to focus on in re-planning of the programme.**
- 2. Agree that a further report be made to Select Committee, with an updated plan that takes our business transformation forward from the new baseline, in September 2020. The report in September should**

include an update on the most appropriate way of holding meetings at this time, ideas for how Council buildings could be repopulated and look to address issues of staff morale and mental wellbeing as part of the Council's response to the pandemic.

9 Human Resources and Finance System Transformation Project – Update

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

9.2 The Committee received a report that was introduced by Cllr FitzPatrick (Cabinet Member for Innovation, Transformation and Performance) that provided an update on the actions that had been taken since Councillors last received a report on this subject in November 2019 and to ask for support in assessing the impact of Covid-19 on the benefits and business adoption challenges presented through implementation.

9.3 During discussion the following key points were noted:

- The original cost estimates provided to Cabinet in May 2019 had been updated to reflect the outcome of the procurement process.
- Project team members who had been deployed to more critical areas of work had now been redeployed back to the project.
- Oracle and Oracle Consulting Services were both content to sign a contract as planned, in order to secure current prices, but to agree a deferral to the start of implementation for up to a 6-month period. To not do so would require a repeat of much of the procurement process when the programme restarted with all of the associated costs.
- In response to questions officers pointed out that the anticipated savings from this project were as expected and the business case review had confirmed the business assumptions. Officers said that the Council's response to the Covid-19 pandemic had accelerated changes in working practices that should result in savings from this project being realised more easily than might have been thought and potentially achieved earlier than originally expected.
- The Chairman requested that the next progress report to come to Committee includes information on corporate risk RM027 (risk of failure of new Human Resources and Finance system implementation) as well as on the costs and anticipated savings from the project.

9.4 The Committee RESOLVED

To note the work completed to date, the next steps as described in paragraph 3 of the report, and to request an update on corporate risk RM027 with the next programme progress report.

10 Compliments and Complaints

10.1 The annexed report (10) by the Executive Director of Strategy and Governance was received.

- 10.2 The Committee received a report that set out data on formal compliments, complaints and representations made by members of the public and Members of Parliament and received by Norfolk County Council's Compliments and Complaints Team between 1 April 2019 and 31 March 2020, providing comparison against the previous year.
- 10.3 During discussion the following key points were noted:
- During the period covered by the report there had been an improvement in the number of days taken to deal with complaints.
 - It was pointed out that the Council's established and centralised Compliments and Complaints Team was now part of the newly formed Information Governance Service within the Insight and Analytics Directorate of the Strategy and Governance Department. This repositioning of the Compliments and Complaints Team enabled the Council to make better use of the intelligence information that complaints and compliments brought to the Council as a whole.
 - The Council's Complaints Service Manager agreed to let Councillors know (via members insight) when the Children's Services Leadership Team had agreed to provide further funding to deal with the delays in Education, Health and Care Plans (EHCP).
 - The Compliments and Complaints Team helped ensure that the public received a seamless service across the Council (and with other public organisations) to ensure that complaints were directed to the right place.
 - At Councillors request, future reports to the Committee would include details about the method of how compliments and complaints were received and indicate where they came from social media sites.
 - The Chairman drew attention to the fact that the Ombudsman had recorded a 97% compliance rate with his recommendations by Norfolk County Council against a national figure of 92% and congratulated the team on this positive outcome.
- 10.4 **The Committee RESOLVED**
1. **To note the analysis of the representations received during 2019/20 as set out in parts 2 to 7 and 9 of the report.**
 2. **To note the information concerning the approach of the Local Government and Social Care Ombudsman set out in part 8 of the report.**
 3. **To note the current position, the impact of Coronavirus and the factors detailed in part 10 of the report.**
- 11 **Review of the Council Constitution**
- 11.1 The annexed report (11) by the Executive Director of Strategy and Governance was received. The report sets out the timescale for review of the Constitution, and the process that it was proposed should be adopted.
- 11.2 The Monitoring Officer explained the process for the review of the Constitution

which it was proposed should be carried out as detailed in paragraph 2 of the report. In response to questions the Monitoring Officer said that the workshops would be open to all Councillors by way of an email invitation.

11.3 The Committee RESOLVED

To agree the proposals and timescale for reviewing the Council's constitution, as set out in paragraphs 2.1 to 2.5 of the report.

12 Corporate Select Committee Forward Work Plan

12.1 The annexed note (12) by the Executive Director of Strategy and Governance was received.

12.2 The Committee asked for an update at the next meeting from the Environmental Working Group about the current position regarding the conversion of more street lights to LED lighting and what further savings might accrue to the Council from doing this.

12.3 The Committee RESOLVED

- **To endorse the areas of focus for the Corporate Select Committee set out in the note subject to the following being moved forward to September 2020:**
 - **the HR & Finance system replacement – implementation planning**
 - **Norfolk PLC Update and consideration of NCC recruitment.**
 - **To agree that future meetings are structured as set out in the Committee's Forward work programme.**

The meeting concluded at 12.23 pm

Chair

| | |
|------------------------------------|---|
| Report title: | Business Transformation (Smarter Working) Programme Update |
| Date of meeting: | 14 September 2020 |
| Responsible Cabinet Member: | Cllr FitzPatrick (Cabinet Member for Innovation, Transformation and Performance) |
| Responsible Director: | Fiona McDiarmid – Executive Director, Strategy and Governance |

Introduction from Cabinet Member

The Business Transformation Programme was established following the adoption of the Medium-Term Financial Strategy together with the allocation of a savings target that will be achieved through review of non-frontline expenditure and ways of working, on the lead in to implementation of a new HR and Finance system in late 2021.

Smarter working means being more flexible about when and where we work, and how we creatively use space and technology to find new and more effective ways of doing things in a modern and business-like way.

The HR and Finance Transformation programme will fundamentally reshape how HR, Finance and Procurement activities are delivered across the organisation and is expected to realise savings in the order of £20m - £31m over a ten-year period.

Executive Summary

A presentation was made to Corporate Select Committee in July 2020 that described how the Covid-19 Pandemic response has impacted our Business Transformation progress. It was agreed that a further report would be made to Corporate Select Committee in September 2020, in line with the post-Covid-19 normalisation phase, with an updated plan that takes our business forward from the new baseline.

The County Council and wider Norfolk Resilience Forum has a 3-phased plan in response to the Covid-19 Pandemic that moves from response, through a period of normalisation, to recovery. It is now expected that the normalisation period will extend well into 2021.

This paper describes the current state of our Business Transformation and the key focus areas for the next 6 months, in light of the extended normalisation phase.

Actions required

The Corporate Select Committee are asked to:

- 1. Consider the identified focus areas for our Business Transformation, over the next 6 months and identify any other areas of work that should be included.**

- 2. Agree that a further report be made to Select Committee, with an updated plan that takes our business transformation forward from the new baseline, in January 2021.**
- 3. Agree that a more detailed update in respect of the HR and Finance System Transformation Programme be brought forward to the November meeting.**

1. Background and Purpose

1.1. Background

The Business Transformation Programme was established following the adoption of the Medium-Term Financial Strategy together with the allocation of a savings target that will be achieved through review of non-frontline expenditure and ways of working, on the lead in to implementation of a new HR and Finance system in late 2021.

A programme consisting of 6 streams of initiatives that drive smarter working through;

- incremental change
- realignment of parts of our operating model and organisational structure
- changes to ways of working
- rationalisation
- digital leverage
- process improvement
- increased collaboration
- process automation
- commercial review

1.2. Purpose

The purpose of this report to the Corporate Select Committee is to describe the current state for our Business Transformation and the key focus areas for the next 6 months. Appendix A provides an update on the HR and Finance System Transformation Programme, with a more detailed report being brought forward in November 2020.

It is recommended that the Corporate Select Committee consider the original Business Transformation objectives, offer reflections and learning through the Covid-19 response and the current situation, advise concerns and identify and suggest other priority areas to focus on during the normalisation period.

1.3. Covid-19 Normalisation and Business Transformation Progress

Through post-Covid-19 normalisation, we continue to capitalise on those aspects of our business transformation that accelerated during the response phase and we have resumed a number of those activities that had been paused.

Changes to ways of working, improvement of processes and making better use of technology to enable colleagues to work smarter

Ongoing Covid-19 concerns and government-mandated social distancing requirements, coupled with accelerated technological developments and the adoption of smarter working benefits, means that many colleagues have been able to continue to work successfully from home and meetings and communicating with colleagues and the public can be undertaken virtually through digital technology.

Feedback from staff, via the Our Voice, Our Council staff survey, with regard to working from home, has been very positive with reported improvements in manager communication and we have put in place processes to provide support for colleagues where they have difficulties, including, in certain circumstances, a return to the office in a safe and managed way.

Safety, wellbeing and morale, as well as productivity, are a priority and a key focus area is to engage with staff and Members about the current and future ways of working, to ensure that they are well supported, whether they are delivering critical services that can only be met from an office location, working from home or working from another location.

Examples of the types of initiatives that have been undertaken to support staff and Members across the next 6 months are;

- Wellbeing support and advice for Managers and staff.
- Changes to people policies to support more flexible working.
- Digital skills training and changing face to face training to virtual through Zoom or E learning.
- Additional technology that supports the current hybrid model (some staff working from offices with the majority of staff working from home).

Using an enhanced travel capability will enable more options and greater efficiency when colleagues do need to travel

During the first quarter of this financial year we have seen no air travel, an 80% drop in rail travel, a 48% reduction in mileage and a 36% reduction in fuel card use. The pool car service has been suspended and it is expected that unless for critical face-to-face activity, colleagues will not travel routinely into the office until well into the new year.

This initiative will be re-shaped and re-planned, based on the 'new normal' way of working that will arise through normalisation.

Making better use of our properties and reduce the cost of external venue hire.

The building rationalisation strategy is currently paused, in the short term, while we undertake a business and colleague engagement exercise and venue review, that will enable the shaping of future ways of working, maximise smarter working methods and support colleague morale and wellbeing. There has been an 80% reduction in external venue hire costs during the Covid-19 response period and services continue to deliver using alternative methods. Greater technology use is driving a move to rationalise the number of properties we occupy and hire, which will be considered as part of a revised asset management plan.

Enabling Districts to better detect and prevent council tax errors and fraud

The good progress that was well underway pre-Covid-19 has been resumed with all Districts signing up to a premium service that helps them detect error or fraud in residents receiving the single person Council Tax discount and desire to progress quickly with Business Rates.

Digitisation of print, post, scan and record storage

When compared to last year, internal print and scan volumes are down approximately 90% and postage is down 50%. Work continues at pace to realise savings in these areas together with accelerated implementation of inbound and outbound digital post and digital signatures. Across Norfolk County Council, digital is now becoming the records management standard. The use of off-site archive storage space, with associated costs, is now anticipated to cease a year ahead of schedule, in December 2020.

Focus remains on maintaining the pace of digitisation and embedding digital print, post and storage into normal ways of working. Further detail will be provided to the Corporate Select Committee in the following Digital Norfolk Strategy Progress report.

Making the most of self service and process automation technology to make every day business transactions more efficient

The deployment of self-service and process automation technologies during the Covid-19 response period, the learning and experience gained and the acknowledgement of the benefits, has led to an expansion of this initiative to include a wider range of service-led development capabilities and staff are enthusiastic about moving this initiative forward.

Focus across the next 6 months will be on deploying and leveraging these capabilities to their maximum, in order to realise their benefits fully.

Clarification of roles, building capability and strengthening governance for more effective commissioning and contract management

Delivery of our action plan in response to the Peer Review has resumed. The action plan includes;

- Reputation and relationship management.
- Budget and performance.
- Management practice.
- Organisational effectiveness and transformation.
- Governance.
- Inclusive Growth.

Ensuring payment to contracted terms and offering early payments to suppliers for a discount

As part of the Covid-19 response, an across-the-board approach was taken to pay suppliers early in order to secure critical supply chains. Reassessment of our suppliers is currently underway and from September 2020, we will resume our strategy of ensuring that we make payment of invoices in line with contracted terms and then offer early payment for a small discount. Execution will duly consider the impact Covid-19 has had on the local economy and supply chain.

Reviewing traded services and arm's length companies, to make sure they continue to run successfully on a fair commercial basis

This workstream has resumed with implementation of a number of key trading review recommendations. The short-term focus is to consolidate the review work already undertaken, to embed within a trading charter and then to start to extend the scope of the work to all traded services. The strategic aim remains to review all traded services and arm's length companies, to make sure they continue to run successfully on a fair commercial basis, with all associated running costs identified and taken into account.

Greater collaboration and improvement of processes to secure additional inward funding through successful external funding bids

The funding landscape has changed and the County Council's priorities have changed, in the short-term, as a result of Covid-19 and our response to it. Through normalisation, the re-plan will account for the forecast medium and longer-term priorities and funding opportunities.

1.4. HR and Finance System Transformation Progress

In response to Covid-19, the decision to award the contract to replace the existing HR and Finance systems with a single integrated solution, included the addition of a transition phase of up to 6 months reflecting the uncertainty at the time. A brief update of activity since the July report is attached in Appendix A, for information. The key point to note is the decision to revise the planned go-live date to November 2021, representing a one-month delay to the original planned date of October 2021.

2. Proposal

2.1. The proposal, across the next 6 months, is to:

- Drive delivery of the identified key focus areas;
 - engage with staff and Members about the current and future ways of working, including smarter working arrangements and property use in order to maintain the pace of change, morale and mental wellbeing.
 - enabling Districts to better detect and prevent council tax errors and fraud, to ensure that revenue is protected.
 - continue the pace of digitisation and embed digital print, post and storage into normal ways of working.
 - maximise the deployment and leverage of service-led development and process automation technologies.
 - the action plan in response to the Peer Review.
 - ensuring payment to contracted terms and offering early payments to suppliers for a discount, while considering the impact Covid-19 has had on the local economy and supply chain.
 - consolidate traded services review work and bring reviewed services to charter, to make sure they continue to run successfully on a fair commercial basis.

- Re-shape and re-plan the longer-term business transformation, from the new post-Covid-19 normalisation baseline.
- Further develop the implementation plan for the HR and Finance Transformation Programme and identify business adoption challenges which can also be aligned with broader Smarter Working change objectives.

3. Impact of the Proposal

3.1. The proposal will:

- realise the potential in the opportunities that have arisen from the challenges created by the Covid-19 Pandemic response.
- deliver committed financial savings in line with FY21/22 budget setting.
- result in a further report to be made to Corporate Select Committee in January 2021 with an updated plan that takes our longer-term business transformation forward from the new baseline.
- provide further detail on the business change requirements associated with adopting the Oracle HR and Finance cloud technology.

4. Financial Implications

4.1. The programme has a target to realise savings of £1.260m in FY20/21 and a further £4.388m in FY21/22.

The HR and Finance Transformation Programme will realise full year savings from 2022/23.

The Medium Term Financial Strategy agreed in February 2020 included anticipated Business Transformation savings, with a total of £4.388m relating to 2021-22 held within central budgets on the basis that these would be apportioned to the appropriate budgets as detailed proposals were brought forward and the delivery of savings validated. The transfer of the centrally held saving into service budgets will therefore be reported as part of the 2021-22 budget setting process as service savings proposals are developed.

The delivery of 2020-21 business transformation savings is reported in the regular Financial Monitoring to Cabinet.

5. Resource Implications

5.1. **Staff, Property, IT:** The resources required to deliver the programme will be determined fully during the detailed re-planning phase, to complete January 2021. This will include consideration of invest to save initiatives. There may be a need for additional capital funding to deliver key areas of work identified within the programme, in which case capital bids will be submitted as required.

6. Other Implications

6.1. **Legal Implications:** N/A

6.2. **Human Rights implications:** N/A

6.3. **Equality Impact Assessment (EqIA):** A review of the EqIA will be undertaken to re-assess the implications of the programme, to complete January 2021.

7. Actions required

7.1. The Select Committee are asked to:

- 1. Consider the identified focus areas for our Business Transformation, over the next 6 months and identify any other areas of work that should be included.**
- 2. Agree that a further report be made to Select Committee, with an updated plan that takes our business transformation forward from the new baseline, in January 2021.**
- 3. Agree that a more detailed update in respect of the HR and Finance System Transformation Programme be brought forward to the November meeting.**

Background Papers

[Business Transformation \(Smarter Working\) Programme report to Corporate Select Committee 14 November 2019 \(item 10\).](#)

[Business Transformation \(Smarter Working\) Programme – Covid-19 Pandemic Response Impact report to Corporate Select Committee 13 July 2020 \(item 8\).](#)

HR and Finance System Transformation Programme:

Cabinet Report – 20 May 2019

Corporate Select Committee report – 28 May 2019

Corporate Select Committee – 14 November 2019

Cabinet Report - 3 February 2020

Corporate Select Committee – 13 July 2020

Officer Contact

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

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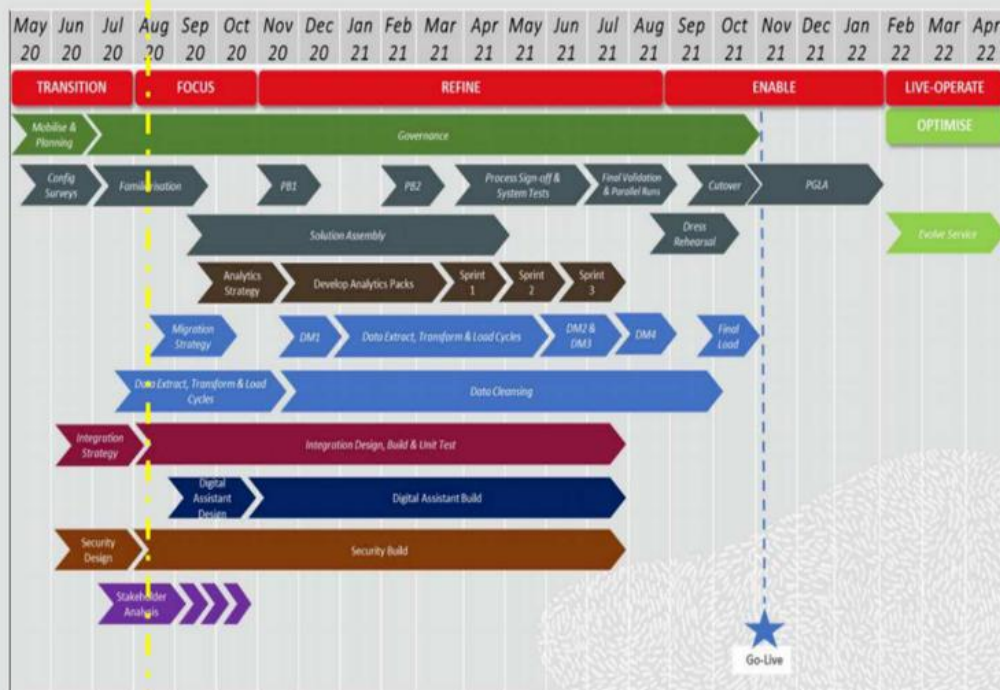


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HR and Finance System Transformation - Update

1. Select Committee will be aware of this programme which replaces the existing HR and Finance systems with a single integrated solution and the decision to award the System Implementer (SI) contract to Oracle Consulting Services (OCS) implementing an Oracle SaaS product.
2. As previously reported, the decision to award the contract coincided with the move to lockdown in response to Covid-19. There was recognition at that time that inevitably the go-live date of October 2021 would be missed because of the impact on the ability of all parties (system supplier, systems implementers and NCC) to deploy resources as originally planned. However, the addition of a 6-month transition phase to the programme protected the prices secured through procurement and allowed the opportunity for resource levels to stabilise.
3. Having awarded the contract with the start of implementation being deferred for up to 6 months, an early task was to agree the point at which the programme moved from the newly added transition phase to implementation. The analysis considered:
 - Project governance
 - Resource availability from the Systems Implementer and NCC (project and wider business)
 - Understanding of the risks and opportunities, including the financial consequences of the decision, in making the move
4. The appraisal of these factors led to the decision to begin the Implementation Phase in June 2020.
5. Further work has also been undertaken to challenge the earliest technically achievable go-live date. Consideration was given to a range of factors to ensure that the selected date was realistic but also challenged the programme to deliver at pace. The appraisal identified the optimal date as being a go-live of 1 November 2021. The significant factors in coming to this decision were financial risk associated with a later go-live date, both in terms of direct costs but also in delayed benefits realisation, and the business impact of the go-live proximity to end of year activities.
6. Work is now underway to complete familiarisation with the functionality and to agree system design. Throughout this process business adoption challenges of utilising the “out of the box” best practice processes are being captured. It is proposed that a more detailed report is brought to the Select Committee in November to describe these challenges and work in plan to address these.

Project Plan On A Page



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Norfolk County Council



Corporate Select Committee Item 8

| | |
|------------------------------------|---|
| Report title: | Digital Norfolk Strategy Progress Report |
| Date of meeting: | 14 September 2020 |
| Responsible Cabinet Member: | Cllr Fitzpatrick (Cabinet Member for Innovation, Transformation and Performance) |
| Responsible Director: | Simon George – Executive Director, Finance & Commercial Services |

Introduction from Cabinet Member

The Digital Norfolk Strategy was published in March 2018, since then we have been executing these plans to improve the availability and use of digital infrastructure, systems and data.

Digital connectivity has been improved across the county for residents, businesses and visitors. We have also made significant progress in refreshing the Council's internal digital infrastructure and the ability of our staff to fully exploit the technology and data.

This report summarises progress made in delivery of the plans, primarily focussing on the period since the Select Committee was last updated in January this year. The report also makes reference to the impact of Covid-19, current priorities and the work underway to extend the strategy through the 2020s.

Executive Summary

The Council's Digital Norfolk strategy exists for two main reasons, firstly to provide the platform to enable business growth and inclusive growth for the people of Norfolk, and secondly, to enable all areas of the County Council's operations to exploit digital, technological and data driven opportunities to achieve the best possible outcomes within our budgets.

The purpose of this report to the Corporate Select Committee is to provide an update on progress since the plans were last reviewed in January of this year where the emphasis was on Digital Infrastructure and to take a forward look at the work programme and future strategy development.

The primary elements of the Digital Norfolk Strategy objectives are as follows:

- Enhancing service delivery to our citizens – through improved broadband and mobile coverage, our residents will be able to access appropriate services online at a time and place that suits them and fits with the demands of modern life. Accelerating the

use of assistive technologies to give people the skills and confidence to live independently and safely in their own home for as long as possible.

- Enable employees – Staff will have access to the right technology and data and have the skills to use them effectively. Taking a systematic approach to transactions and redesigning internal systems to be digital by design. This will improve productivity and take out cost across the organisation.
- More effective use of data - Business insight: Data should be exploited effectively for operational and strategic purposes. Data driven decision making will enhance our ability to target services more effectively across the county.

This report and supporting presentation cover the following.

1. Progress highlights.
2. Priority activities for the next 6 months
3. The impact of COVID-19 on delivery of the Digital Strategy
4. Progress on work to refresh and extend the Digital Norfolk Strategy for the next 10 years.

Digital Citizen highlights include superfast broadband availability reaching 95%, progressing the £8M full fibre broadband project, securing a further £2M to extend the work, deploying the Norfolk LoRaWAN “IoT” Innovation Network and progressing mobile telephony coverage.

Digital Employee highlights include rolling out Teams as a “soft” telephony platform so that all staff are now able to message, call and video conference from their laptops. Supporting remote working arrangements including digitisation of post and paper handling processes. A new Intranet was also launched during the Covid-19 Lockdown period and helped greatly with internal communications.

Covid-19 also necessitated the implementation of two brand new systems at great pace, firstly the Vulnerability Hub and more recently the Local Outbreak Management System.

Better use of Data highlights includes the accelerated development of the Norfolk Office of Data Analytics (NODA) in conjunction with NHS partners to provide the best possible insights into Covid-19 across Norfolk.

Actions required

The Select Committee are asked to:

- 1. Consider the progress made towards delivery of the Digital Norfolk Strategy and advise what the Committee want to see included in the next iteration of the digital strategy.**
- 2. Agree to receive a further report in January 2021 to consider and further refine the revised and extended Digital Norfolk Strategy for the 2020s.**

1. Background and Purpose

- 1.1. The Council's Digital Norfolk strategy exists for two main reasons, firstly to provide the platform to enable business growth and inclusive growth for the people of Norfolk, and secondly, to enable all areas of the County Council's operations to exploit digital, technological and data driven opportunities to achieve the best possible outcomes within our budgets.

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- More effective use of data - Business insight: Data should be exploited effectively for operational and strategic purposes. Data driven decision making will enhance our ability to target services more effectively across the county.

- 1.2. It is requested that the Corporate Select Committee note progress of delivery and contribute to the development of the 10-year strategic technology roadmap.

2. Progress Highlights

- 2.1. **Digital Infrastructure:** Superfast broadband availability is now at 95%. Additional funding has been secured from the Department for Environment, Food & Rural Affairs (DEFRA) and through commercial arrangements with Openreach to increase this to at least 97% by 2023. All new connections are ultrafast fibre to the premise connections.

Despite Covid-19 delays, the £8m funding secured from the Department for Digital, Culture, Media & Sport (DCMS in 2019) is rolling out ultrafast (gigabit) connections to over 300 council managed sites and schools. This investment is also expected to enable and stimulate business take-up.

A further £2M was secured from the Ministry of Housing, Communities & Local Government (MHCLG) through a joint bid with the New Anglia Local Enterprise Zone) LEP to connect a further 80+ sites across the county.

All of the above funding and projects will increase the availability of fibre broadband and increase internet access speeds for Norfolk residents and businesses.

Rollout of the country's first county wide LoRaWAN network for sensors "The Norfolk & Suffolk Innovation Network" continues to progress well despite some Covid-19 related delays. This Internet of Things (IoT) network is enabling innovative new solutions across the public and private sector in Norfolk.

Improvements in mobile phone coverage have been accelerated through effective engagement with the mobile network operators, leading to 2/3/4G improvements and 5G is now available in Norwich two years ahead of its expected release date. Data from a recently completed drive study is being reviewed to measure improvements and feed remaining coverage gaps into the national Shared Rural Network programme.

Most of the council's internal digital infrastructure has now been refreshed and upgraded. Some network upgrades are in the process of being completed and some older business systems are being replaced.

We have moved onto "evergreen" systems (this means they are continuously updated) and rolling refresh programmes in many areas so that equipment and applications are always up-to-date and fit for purpose.

2.2. **Digital Transformation:** The digital infrastructure enables and is exploited by a number of significant and important business transformation programmes including:

- HR & Finance Systems Transformation Programme
- Customer Service Strategy and Digital Transformation Programme
- The Liquid Logic Social Care System Programme
- ASTEC (Adults Digital Programme)
- Childrens Digital Transformation Programme
- Business Transformation (including Digital Norfolk workstreams)
 - Smarter Working enabled by technology, property & HR developments
 - Paperchase (Digital Print, Post, Scan and Storage)
 - Counter Fraud Hub (in partnership with district, borough & city councils)
 - Service Led Development including Robotic Process Automation, Microsoft PowerApps & E5 Tools
 - Data Enabled Efficiencies

The new NCC Intranet "myNet" was launched during the Covid-19 Lockdown period and has been very helpful in communicating with staff while they are

working from home. It has also provided easier access to IT systems and internal online self-service processes such as the new “myIT” Service Desk functions.

We are increasingly using technology and data in partnership with other public sector service providers including the Police, NHS Organisations and the Districts, Boroughs and City Councils. Since Covid-19 Lockdown and home working there has been a widespread acceleration of the move to deploy Microsoft Office365 and Teams which is enabling better cross organisational joint working. The Resilience Groups and Vulnerability hub are good examples of this joined up working in practice.

Further examples of progress are described below and will be included in the presentation to the committee.

3. Priority activities for the next 6 months

- 3.1. The Oracle EBS (Finance, HR & Payroll) System Replacement Project was temporarily delayed (by Covid-19 response work) but is now back up to full capacity and working towards go-live late next year. This is our top priority large digital project due to its scale, complexity and significant savings potential.

Improved Oracle based self-service for some transactions is now live on the current platform and will help staff get used to more online self-service transactions. More transactions are being added ahead of the new system implementation.

Increased capacity has also been assigned to the digitisation of outbound mail and this is one of a dozen or so other projects which will be prioritised over the next six months and which are listed below.

- Ongoing optimisation of Networks and laptop configuration to optimise the video and telephony experience.
- Extended use of Contact Centre Soft Telephony systems (CCaaS).
- Contact Centre Chat & AI systems.
- Development of the Local Outbreak Management System (Test & Trace related system for Public Health)
- Evolving the Vulnerability Hub to continue to support joined up county wide working in support of vulnerable people (now that shielding has ceased).
- NODA & in particular the STP Digital Data Hub for joining up and exploiting Health & Care data, initially focussed on Covid-19 response.
- Corporate Data Management Compliance improvements.
- Go-live of a new legal case management system in NPLAW.
- Digital Service Transformation across Norfolk Fire and Rescue Service.
- Fibre & Wi-Fi upgrades across numerous public sector sites including Libraries and Fire Stations.
- Digitisation of all remaining paper-based processes.
- Network review given expected ongoing high levels of home working.

- Widespread deployment of self-service and process automation.

The final bullet above is in part being achieved through a project called Service Led Development. This entails staff across the Council using new facilities at our disposal which are often referred to as “low code” or “no code” development tools and allow users with little or no development experience to automate processes and replace legacy systems. These include Robotic Process Automation (RPA), Microsoft solutions such as PowerApps (which was used to build the Vulnerability hub in days rather than months as would be the traditional development timeline). Also, chatbots and a variety of other Microsoft tools included within our current licencing agreement. We believe that a partnership development approach enabled by IMT but delivered through non-IT staff in services will dramatically increase the pace of process automation.

4. The impact of COVID-19 on delivery of the Digital Strategy

4.1. While actions required to respond to Covid-19 have not fundamentally changed the objectives of the Digital Norfolk Strategy, they have accelerated some elements of the plan, delayed others, added some additional requirements and raised corporate ambition and appetite to digitise even wider and faster than previously anticipated.

4.2. **Use of Teams and remote working:** Migration of Voice Over IP (VOIP) physical phones to “soft” telephony using Teams was planned to be completed by Christmas 2020. Due to Covid-19 It was accelerated massively and was completed shortly after lockdown commenced in March. Remote working numbers were also being gradually increased as part of the Council’s Smarter Working initiatives but have (at least temporarily) increased dramatically.

Since staff were required to work from home after the outbreak of Covid-19, there have been an average of 5,000 staff (and elected members) connecting to council systems each week day (and 1,000 over the weekend). All had access to Teams from day one and 1,100 had access to soft telephony as well (that means using Teams for external telephone calls). The soft telephony was rolled out to all staff that needed it in priority order over the first few weeks of lockdown. Since then all staff have had access to Teams for remote meetings and calling with high levels of availability and continuously improving voice and video quality as network and systems have been optimised. Zoom was also made available for Social Workers (in particular) to have access to an additional tool to connect with residents

Dozens of public meetings have been delivered using Teams and streamed to YouTube.

Teams use by officers has been extensive internally and with our wider Norfolk Public Service colleagues across the NHS and Norfolk’s city, districts and borough councils. Usage data shows that over the last 90 days the system has been used for over 100,000 meetings, 1.5 million 1:1 calls and nearly 5 million real time messages. The Teams platform is constantly evolving and improving, with the most recent edition allowing up to 49 video feeds on screen at once.

The Contact Centre needed to remain office based longer than other services as the Contact Centre Telephony System was not configured to allow remote working. This has now been resolved and is being optimised and made available to other services that using Teams telephony at present but could benefit from this specialist functionality.

- 4.3. **Digitisation of paper storage and processes:** Project “Paperchase” to remove and digitise or destroy 30,000 boxes of historic paperwork was initially delayed but is now being delivered at a much-increased rate such that it will be completed this year (ahead of the previous target date in 2021).

Work to digitise inbound mail was brought forward in response to office closures and home working and is now largely complete.

Work to digitise outbound post has commenced but is a much more significant undertaking requiring recipients to be able to securely access online alternatives.

A Digital Signatures proof of concept project was conducted, a solution procured, and the system is now in the process of being rolled out across the organisation.

- 4.4. **Cyber security:** was a priority during our Covid-19 response and resilience work. We stood up the first National Cyber Cell under the Local Resilience Forum, we also reviewed and enhanced our systems. Our current systems, processes, skills and networks are very good, but this is an ever-evolving area of threat and will receive continuous monitoring and improvement.

- 4.5. **The Norfolk Counter Fraud Hub initiative:** was temporarily paused as councils prioritised Covid-19 response work. This has now restarted with all of Norfolk’s Local Authorities working together to maximise Council Tax income through reduction of fraud and error. The current priority activity is to exploit the premium SPD element of the service and then move onto activities which will increase Business rates Income.

- 4.6. **Physical network upgrade activity:** was delayed for a while during lockdown but has subsequently restarted. The LLFN, LoRaWAN and NCC LAN projects have each been set back by around 3 months and are now being prioritised to catch up.

- 4.7. **Outlook:** is now live as a room booking system, replacing a dedicated legacy system and thereby achieving savings. However, this is not yet being used due to current office closures.

- 4.8. **Digital skills development:** was already a priority for 2020 in order to enable staff to better exploit the new and improved technological infrastructure available to them. Covid-19 and the increased reliance on Teams has caused this work to be accelerated.

Over 5,000 sessions of Teams training (delivered using Teams) have now been provided to staff to help them use the system with confidence.

“LLAMA” and “RAPID” projects in Adults & Childrens Services respectively have provided Social Workers with the optimal package of mobile working technologies

(Liquid Logic mobile application plus new 2 in 1 laptops and smart phones) and the training needed to use the technology well. The final batches of Childrens devices were delayed by Covid-19 supply chain problems but have now been deployed.

- 4.9. **New Covid-19 response systems:** Covid-19 required two new systems to be developed to aid Customer Services with identifying and supporting the needs of vulnerable residents (the Vulnerability Hub) and support Public Health to handle local outbreak management processes. These systems were procured, implemented and further developed in an agile fashion using a minimum viable product approach. Both systems went live in less than a month of definition of the requirements.
- 4.10. IMT has delivered these changes within existing budgets while achieving service savings targets. The only exceptions are Covid-19 specific systems and the home working one-time allowance payment of £250 per member of staff to fund equipment to support safe, comfortable and effective home working.

5. **Progress on work to refresh and extend the Digital Norfolk Strategy for the next 10 years**

- 5.1. As the Digital Norfolk Strategy developed for the Digital Committee is over two years old now and given that we have delivered many of the planned changes, we are in the process of refreshing our technology roadmap to support the future needs of the council, the county and its people. The intention is for the new technology roadmap to be an ambitious 10-year plan incorporating a combination of maturing, emerging and predicted technologies. This plan was initiated jointly by the IMT service and the Strategy Innovation & Performance team and is engaging council service leaders, elected members, partner organisations, external experts and residents during its development.
- 5.2. **Progress to date:** Phase 1 of this work consisted of understanding the two to three-year technological direction of the organisation that had already been mapped out by departmental business plans and senior leadership decision making. Examples of these include our strategic relationship with Microsoft, the ongoing exploitation of Liquid Logic (Social Care) and a new Finance and HR system. It was clear from this work that as an organisation we have an excellent understanding of our tech needs in the short to medium term and how we are going to achieve those requirements.

Phase 1 work also began on horizon scanning to identify emerging trends and changes in technology. This work is currently being aligned to the Covid-19 recovery planning work.

Phase 2 of the project saw the beginnings of a programme of departmental engagement events which were designed to look into the 5 to 10-year horizon for change within service areas. Technology that is a key enabler of these changes can then be identified. Unfortunately, this work has been delayed by our need to respond effectively to the impacts of the pandemic on the Norfolk community.

During this period, we have also engaged with external research expertise to validate our approach and to understand the digital maturity of the organisation.

Though engagement work has been delayed due to the pandemic and is due to restart in earnest in September, the discussions had with Adults, Childrens and Finance and Commercial Services have already started to identify key organisational themes: Data, Business Practices, Digital Skills, Partner Networks and Key Service Issues.

- 5.3. **Next Steps:** To complete the departmental engagement work and first draft of the roadmap by the end of September 2020.

Once completed and approved, the roadmap will become a key document supporting the organisations strategic direction during the next planning cycle and beyond.

6. Financial Implications

- 6.1. The various technology initiatives in the Digital Norfolk Strategy are budgeted to realise over £10M of savings, this report has no direct costs or savings associated as it is a review of progress to date and future direction.

7. Resource Implications

- 7.1. Resources are already allocated for the current work programmes and will have to be established for any future plans that are developed.

8. Other Implications

- 8.1. **Legal Implications:** N/A
- 8.2. **Human Rights implications:** N/A
- 8.3. **Equality Impact Assessment (EqIA):** N/A.

9. Actions required

- 9.1. **The Select Committee are asked to:**
1. **Consider the progress made towards delivery of the Digital Norfolk Strategy and advise what the Committee want to see included in the next iteration of the digital strategy.**
 2. **Agree to receive a further report in January 2021 to consider and further refine the revised and extended Digital Norfolk strategy for the 2020s.**

Officer Contact

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

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Corporate Select Committee

Item No 9

| | |
|------------------------------|---|
| Report title: | Norfolk Plc and consideration of NCC recruitment |
| Date of meeting: | 14 September 2020 |
| Responsible Member: | Cllr Karen Vincent, Chair of Corporate Select Committee |
| Responsible Director: | Tom McCabe, Executive Director for Community and Environmental Services Fiona McDiarmid, Executive Director, Strategy and Governance |
| Responsible Officer | Vince Muspratt, Director for Growth and Development Sarah Shirtcliff, Director for People |

Introduction from the Cabinet Member

Attracting and retaining the right talent to Norfolk and Norfolk County Council remains a key priority in addition to our role to work alongside other key stakeholders in promoting opportunities which support our economy and our communities.

This report provides an update on this work, and sets out proposed priorities, reshaped in the light of COVID and world attention on equality.

Executive Summary

The Corporate Select Committee agreed in March to set up a cross-party Member Task and Finish Group (MTFG) - "Norfolk PLC" - to work together to build our employer brand and place marketing, with the dual aim of supporting Norfolk's economy and helping to address the Council's recruitment challenges. The terms of reference for the MTFG, adopted at their first meeting on 6 August 2020. The marketing of Norfolk Plc will have a direct impact on NCC's ability to attract, recruit and retain critical skills and talented people, so this work and the review of NCC recruitment must be joined up.

These terms of reference focus primarily on the outward-facing role of the Group – the Norfolk employer brand and place-marketing. However, strong links will be made to the NCC Resourcing Team by MTFG support officers, to ensure that the key priorities developed complement the Council's own targeted attraction campaigns.

(A detailed report on the County Council's recruitment experience during Covid-19 and associated issues for consideration will be brought to the Corporate Select Committee in November 2020, setting out key priorities to address recruitment challenges and a greater understanding of activity within the period.)

This report provides an update on activity to date, including key points from presentations

received from New Anglia Local Enterprise Partnership and Norfolk Chamber of Commerce, as well as future research and development priorities proposed by the Group.

In summary, the landscape of recruitment progressed during lockdown with successful remote interviews and onboarding. We received a higher number of applications in June indicating a willingness of a skilled workforce to move and relocate to Norfolk following a lull in April and May. Our focus in this period has been to develop our social media presence and NCC website to support our on-line presence and brand awareness.

Actions Required:

Corporate Select Committee are asked to:

- 1. Acknowledge the work done to date by the working group and feedback on the direction of travel and next steps.**

1. Background

- 1.1. Norfolk faces a number of significant recruitment challenges for key skills which underpin growth and development across the county. Nationally, the demographics are such that there will be a reduced economically active younger workforce and by 2037 1 in 3 people will be aged over 65, potentially needing to remain economically active, or conversely needing increased care.
- 1.2. Norfolk currently has 3000 vacancies within health and social care mirroring a national shortage.
- 1.3. Within NCC, we evidence recruitment challenges across a number of professional groups including senior leaders, social workers, engineering, lawyers and teachers. In February we identified a number of workforce challenges exist for NCC. Our workforce is an ageing one with 5% of workforce under age 24, 26% of the workforce aged over 55 and more likely to plan to retire, 40% of the workforce aged 40-55 and more likely to stay with the potential for multiple careers. Due to attrition, 15% of our workforce joined in the last 12 months.

2. Norfolk Plc - progress to date and proposed next steps

- 2.1. The Member Task and Finish Group's (MTFG's) overarching aim is to:
"Shape a Norfolk-wide collective strategic narrative about Norfolk as a place which is compelling, builds confidence in a good future here and is reputationally sustainable. NCC's role would be to act as a convenor to engage with key players to identify appetite for partner joined-up working"
- 2.2. At their first meeting, on 6 August, members were provided with an overview of the work of the New Anglia Local Enterprise Partnership (LEP) and Norfolk Chamber of Commerce to promote Norfolk as a place to live and work and increase investment into the county.
- 2.3. New Anglia Local Enterprise Partnership (LEP) is responsible for promoting both Norfolk and Suffolk for inward investment purposes through their new website (<https://www.norfolksuffolkunlimited.co.uk>). The Group heard about future plans for promoting the Norfolk and Suffolk business offer, including:

Inward Investment

- Significantly improve management of the relationship with the Department for International Trade (DIT) to ensure:

- Far better awareness of our (Norfolk and Suffolk's) capabilities
- We are amongst the first to be contacted
- We get access to their specialist teams in order to promote our niche and sector specialisms
- We can join up with them on promotional activity in a national/ international context
- We get (better) feedback and updates on live enquiries
- We can learn from best practice
- We work more closely with regional and national teams regarding our major businesses
- Increase the number of new enquiries and manage those we have more effectively, using the LEP's 'Trello' system.

Rollout of the new “Norfolk & Suffolk Unlimited” brand

- The website (<https://www.norfolksuffolkunlimited.co.uk/>) has been launched, with two key features developed in August:
 - A custom investment proposition builder to assist in professional propositions
 - A property search function, drawing in aggregated commercial property data, so we can monitor and engage with interested parties
- Other campaigns in the pipeline:
 - Support recruitment of key staff in certain sectors – legal, manufacturing, health (eg NHS are interested)
 - Maximise the impact of new DIT High Potential Opportunities
 - Link with the Chamber of Commerce to promote success stories
 - Work with the three [LEP Industry Councils](#) (Agri-Food, Energy, Digital Tech)
 - Develop an ambassador programme

2.4. The MTFG also heard from Norfolk Chamber of Commerce about the proposal, developed in conjunction with the Council's Growth and Development team, for a Norfolk 'Knowledge Hub'. This would provide a digital solution to combine ("aggregate") online content from different sources (eg video) and put it in into one easy-to-find place, allowing the precise targeting of messages. It would be a free-to-view entity, available both as a web-based media platform and a phone app, displaying the available content and dynamic messages. Information would be accessible by any business in Norfolk and beyond. A bid has been made to the Norfolk Strategic Fund to support the development of the Hub.

2.5. Further research will be undertaken to identify and understand:

- How the programmes and systems operated by the LEP and Chamber of Commerce can be adapted to include and deliver NCC priorities identified by the MTFG eg:
 - Working with the LEP to develop the network of Ambassadors, mentioned above, as well as the recruitment of key staff in sectors such as health.
 - Working with the Chamber to develop the Knowledge Hub, if it is successful in securing funding.

- How the LEP and Chamber platforms link with the Council's current web page about living and working in Norfolk: <https://www.norfolk.gov.uk/jobs-training-and-volunteering/living-and-working-in-norfolk>
- Suffolk's *Ambassador Programme* experience – a potential route to disseminating a Norfolk strategic narrative.
- The experience of the **#LoveWestNorfolk** and **#WorkWestNorfolk** campaigns and lessons learned.
- The 'threads' required for a powerful strategic narrative for the county.
- How the employment opportunities businesses and sectors have available can be effectively promoted.
- UEA's approach to recruiting highly skilled individuals to live and work in Norfolk, which is recognised to be a strong one.

2.6. The next meeting of the MTFG takes place on 25 September.

3. Recruitment at NCC

- 3.1. We have reviewed our progress over the last 6 months to identify any impact from COVID to roles being advertised, number of applicants, and our success in filling roles. Within NCC overall, within the last 6 months, we have received more applications rising to 5440 over a rolling 6 month period. . The volume of our applicants remains consistently the highest career group in social care at 38% of applicants.
- 3.2. Over the past year NCC has recruited 1064 new employees, 80% into permanent roles filling vacancies. This has remained a constant pattern overall. The number of new starters was steady throughout March and April (start of lockdown) with a reduction in May/June. We also saw a lower number of leavers from April through to June. We did see a significant dip in adverts, applicants and offers during April and May but these returned to pre-Covid levels in June.

4. Key Issues/Proposals for Members to Consider for NCC

- 4.1. The recruitment and talent landscape for Norfolk County Council is changing. Whilst the demographics of our workforce have remained unchanged since our last report, the economic landscape is a challenging one and we are seeing an increase in applicants seeking security of employment.
- 4.2. Our recent significant changes to how we work has caused the organisation to adapt remarkably applying new digital skills, managing staff remotely, and adapting to working from home. We anticipate these will continue to be characteristics and we will need to attract individuals who are adaptive to this new world of work
- 4.3. We acknowledge that our cost challenges will necessitate a thorough review of roles and needs as we move forward into the coming year which is likely to improve retention
- 4.4. Our recent dialogues with colleagues in Norfolk County Council has rightly flagged and brought centre stage our responsibility to ensure that we are truly an inclusive employer. To date across many of our protected characteristics – race, age, disability, sexual orientation, we have more work to do to encourage all colleagues who feel they face disadvantage in society to be able to flourish and prosper in their employment options.

4.5. Accordingly, we have set out our key priorities:

- Review end to end recruitment to reduce time to hire – using remote interviewing to reduce resource time
- Introduce anonymous shortlisting processes to remove unconscious bias
- Continue to develop our careers pages to engage a wider audience of Our Deal and clear NCC brand (building on career portals for social workers and firefighters and care workers)
- Develop our position as an inclusive employer
- Implement functionality to support recruiting managers with higher volumes of applications due to the current job market
- Targeted attraction campaigns to increase applications for challenging roles to fill

4.6. A detailed report on the County Council's recruitment experience during Covid-19 and associated issues for consideration will be brought to the Corporate Select Committee on 9 November 2020, setting out key priorities to address recruitment challenges and a greater understanding of activity within the period.

5. Financial Implications

5.1. Any financial implications are identified within existing budgets and corporate risks.

6. Resource Implications

6.1. None identified at this stage

7. Other Implications

7.1. None identified at this stage

8. Sustainability

8.1. Not applicable

9. Equality Impact Assessment

9.1. Specific activity identified will need to take account of EqIA implications on a project-by-project basis.

Officer Contact

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

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Corporate Select Committee

Item No. 10

| | |
|--------------------------------------|---|
| Decision making report title: | Scope of whole-Council review of unconscious and structural bias |
| Date of meeting: | 14 September 2020 |
| Responsible Cabinet Member: | Councillor Margaret Dewsbury - Cabinet Member for Communities and Partnerships |
| Responsible Director: | Tom McCabe – Executive Director, Community and Environmental Services |

Introduction from Cabinet Member

[Together, for Norfolk](#), sets out the ambitious plans we have for the county. It shows how by working together, we can help Norfolk have a growing economy, full of thriving people living in strong communities we are proud of; the plan relates to all Norfolk communities.

In December 2019, the Cabinet agreed a new set of equality, diversity and inclusion objectives for 2020/2023. One of these objectives was to conduct a whole-Council review of how the Council works and communicates, to identify whether there is any unconscious or structural bias in the system.

Since December, the importance of this objective has been brought into a sharper focus. In particular, the COVID-19 pandemic, where Public Health England have identified that there is an association between belonging to some ethnic groups and the likelihood of testing positive and dying with COVID-19, and the debate on structural racism triggered by the death of George Floyd in America.

Norfolk County Council is the largest democratically-elected organisation in Norfolk, is one of the county's largest employers and a corporate parent to many young people. All elected members and staff have a unique role to play in promoting equality and tackling disadvantage. This review will enable the Council to understand where it is operating well, and where there may be a need for change.

It is anticipated that the review will identify positives as well as disparities and areas for improvement. We must look at this courageously, openly and honestly.

Executive Summary

This report sets out a draft scope for a review of unconscious and structural bias. This includes the key outcomes, methodology, process, timeline, and key lines of enquiry. The Council has sought independent challenge on the scope from external race and disability equality advisers, to provide assurance that the scope is robust and comprehensive.

Actions required

- 1. To review and comment on the proposed scope of the review, as set out in this report.**
- 2. To note the outline timetable for the review and that initial findings will be brought to Select Committee to review and consider.**

1. Background and purpose

- 1.1. In December 2019, the Cabinet agreed a [new set of equality, diversity and inclusion objectives for 2020/2023](#). These objectives were a response to a range of demographic factors and emerging issues, set out in detail in the report. One of the actions agreed was to conduct a review on how the Council works and communicates as an organisation, to identify any unconscious or structural bias in the system.
- 1.2. Cabinet wanted to undertake the review to ensure that it made a robust response to growing awareness in the UK that unconscious bias can trigger structural bias in large organisations. The importance of this work was brought into an acute focus in May 2020, by the death of George Floyd in America, which triggered a global debate on structural racism.

Members agreed a motion on equality, diversity and inclusion at Full Council on 20 July 2020. The motion reaffirmed the Council's commitment to tackling racism and promoting equality for all protected characteristics (see Appendix B) and set out a number of actions, including reaffirming the intention to carry out this review.

- 1.3. It should be noted that many other actions are underway and an update on progress against the equality, diversity and inclusion objectives will be presented to Cabinet in November.

2. Definition of unconscious and structural bias

2.1. Unconscious bias

The concept of unconscious bias emerged in the late 1990s, following the publication of a landmark report by social psychologists at Harvard University in America (the "Implicit Association" paper).

Unconscious biases are learned stereotypes that are automatic, unintentional, deeply ingrained, and able to influence behaviour. Unconscious bias happens when people's brains make automatic judgments about people and situations.

These biases are different from known biases that individuals may choose to conceal for reasons of social correctness. Unconscious bias is often not accessible through introspection and is not necessarily an indicator of a person's true beliefs. It includes things like, for example:-

- being 'drawn to' people with similar educational and social backgrounds to your own
- gender bias, where certain traits (such as assertiveness or confidence) are seen as negative in one gender and positive in another, and where some traits are seen as more prevalent in one gender e.g. women being caring and emotional and men being strong

2.2. Structural bias

Structural bias is a product of both unconscious (and conscious) bias. It can be understood as collective practice that exists in workplaces and in wider society, that creates disadvantage or indirect discrimination, in the form of attitudes, behaviours, actions and processes.

Since the late 1990s, countless studies have confirmed the power of biases to shape everyday decisions in every aspect of life, from criminal justice, education, employment, health and technology.

The Council's training on structural bias and unconscious bias, currently being developed, will cover this in more detail.

3. The review

3.1. Purpose

- 3.1.1. The outcome of the review is to enable the Council to fully understand whether and to what extent there is or may be unconscious or structural bias in how it works or communicates as an organisation.

The review will look objectively at a wide range of data, to ask whether people with protected characteristics experience the same outcomes as people who do not share these characteristics or are over/under represented in key data sets.

The review will adopt the principle of “explain or reform”, whereby if disparity is identified for people with protected characteristics, and this cannot be explained through a more in-depth analysis of the available data, then we will commit to making changes to how the Council operates or communicates.

3.2. Scope

- 3.2.1. The review will aim to look across the whole of the County Council, with two main themes of activity:-

- Workforce
- Service delivery

- 3.2.2. A review of this nature is potentially wide ranging and the process could take some time. To help deliver the review in a manageable way, eight key lines of enquiry have been identified, as set out in Appendix A.

3.3. Process

- 3.3.1. The senior officer lead for the review will be the Chief Fire Officer (CFO), supported by the Council's Head of Equality, Diversity and Inclusion and independent experts. The CFO is already involved nationally and regionally in work to develop and implement the equality framework for Fire and Rescue Services, and is leading work to deliver an equality action plan for Fire and Rescue in response to the recent findings of the HMICFRS inspection of the service. This approach means

that Executive Directors and senior management teams can participate themselves in the review process.

3.3.2. There are three proposed main phases for the initial review:-

Phase 1. Data gathering and analysis

Data gathering will need to be coordinated and we will seek to work with an independent advisor to do this, who will liaise with officers to identify relevant data sets, including the Intelligence and Analytics Service, Human Resources and service departments, to collect and assess available evidence. We will also utilise the latest demographic data relating to individuals with protected characteristics in Norfolk, which is available to view on Norfolk Insight (including data on protected characteristics available [here](#)).

It is anticipated that data may not be available for all protected characteristics, against all lines of enquiry. Where this is the case, the review will state this, and ask whether any particular data should be collected in the future, in order to address any gaps or unknowns.

In addition, it is proposed to commission independent experts to conduct a 'cold case' review of anonymised grievances where alleged prejudice was a factor, to identify whether management processes may be subject to inadvertent bias. We will take a similar approach to a review of complaints from service users.

Phase 2. Formulation of initial findings and potential actions based on this data/evidence

In this phase, work will be carried out to try to understand the picture from the data. This will include sense checking and testing initial findings with Black, Asian and Minority ethnic (BAME), lesbian, gay, bisexual and transgender, disabled people, and people from other protected groups and union representatives.

Phase 3. Recommendations and proposed action plan for taking forward the findings of the review

The findings of the review, and a proposed action plan, will be brought to Select Committee for discussion prior to consideration by Cabinet.

Some of the data may highlight issues that the Council does not have direct control over (such as the type of sectors in Norfolk that people with protected characteristics are employed in, or whether young people with protected characteristics are over or under represented in school exclusions). The findings will aim to clarify what the Council is able to influence and not, in order to manage expectations about what it is possible to achieve and influence as a result of the review.

3.4. There will be a need to consider the next steps for the review after completion of these three phases. It is possible that a need for further review in some areas may be identified.

3.5. Outline Timetable

- 3.5.1. This is the first time that the Council has carried out a wide ranging review of this type and therefore it is difficult to determine at this stage how much time will be needed to complete each stage of the review. The outline timetable, at this stage, is as follows:-

| | |
|---------------------|---|
| September 2020 | Agree scope of the review (as set out in this report) |
| By end January 2021 | Phase 1 |
| By end April 2021 | Phase 2 |
| May/June 2021 | Phase 3 |

- 3.6. The Cabinet Member will receive a regular update on progress as the review progresses. If any significant findings are identified where swift action may be needed, recommendations will be brought to Members as soon as these arise.

4. Evidence and reasons for decision

- 4.1. As set out in the report above.

5. Financial and resource implications

- 5.1. There will be a need to secure additional capacity to carry out the review. The HR service has already appointed an Equality Policy Advisor within HR to support the workforce agenda. Work is underway to identify additional EDI support.

6. Other implications

- 6.1. **Human rights implications** – no human rights issues identified in relation to this report. It is possible that the review may identify human rights considerations.
- 6.2. **Equality Impact Assessment (EqIA)** - The proposals in this report are intended to directly promote equality for people with protected characteristics in Norfolk. They will also ensure the Council continues to take full account of equality, diversity and inclusion when planning and commissioning services, and where necessary, put actions in place to address any barriers faced by people with protected characteristics.

Health and safety implications – none identified.

Sustainability implications – none identified.

7. Risk implications/assessment

- 7.1. The review delivers the commitment made by Members in the recent Full Council motion. A review of this type has not been carried out before and will be a complex task. There is a risk that actions identified to address any issues or areas for improvement do not deliver the expected benefits, but we will work with a independent experts and representative groups to enable us to formulate the best possible actions.

8. Background papers

8.1. [Motion to Full Council 20 July 2020](#)

[Report titled 'Progress on the Council's Equality, Diversity & Inclusion Objectives 2017-2020' considered by Cabinet on 2 December 2019](#)

There is significant research and information available online relating to unconscious and structural bias.

There is significant research and information available relating to unconscious and structural bias. Without intending to give unequal weight to any of this information and research, three documents that Members may wish to review are:-

- The British Psychological Society's '[Promoting excellence in psychology - Making better decisions: How understanding our psychology can stop us falling into the bias trap](#)'
- Independent report commissioned by the Government's Centre for Data Ethics and Innovation '[Interim report: Review into bias in algorithmic decision-making](#)'
- Public Health England's report '[Beyond the data: Understanding the impact of COVID-19 on BAME groups](#)'

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Key lines of enquiry

Section 1 – workforce

| | Key line of enquiry | Examples of what the review will examine: |
|----|--|---|
| 1. | Does the Council's workforce reflect the demographics of Norfolk's working age population? | <ul style="list-style-type: none"> • Whether the Council's workforce broadly reflects the demographics of the <i>working age</i> population of Norfolk, in relation to age, gender, disability, ethnicity, sexual orientation and religion and belief. • Whether employees with protected characteristics are proportionately represented across pay-grade/ management/ leadership positions (<i>eg the Civil Service has identified that the higher the rank, the less ethnic diversity there is</i>). |
| 2. | Is the 'employee experience' for Council staff broadly similar for all employees, regarding of whether they have protected characteristics? | <ul style="list-style-type: none"> • Whether there are any disparities in the experiences / views of employees with protected characteristics, compared to people who do not share the same characteristics – drawing on evidence such as the gender pay report, equal pay audit, the staff survey 2019 and other sources • Whether employees with protected characteristics are more or less likely to raise grievances, and whether a grievance is more or less likely to be resolved informally / at stage 1, stage 2 / formal hearings, or be subject to appeal or result in formal hearings. • Whether employees with protected characteristics are over or under represented in bullying and harassment complaints • Whether employees with protected characteristics are more or less likely to be subject to formal disciplinary proceedings (eg relating to performance or conduct) • Whether employees with protected characteristics are more or less likely to participate in management / leadership training / mentoring / coaching /work placement opportunities • Whether employees with protected characteristics are more or less likely to achieve internal promotion. • Exit interviews - whether employees with protected characteristics are more or less likely to leave the organisation, and reasons expressed for this. • Whether employees with protected characteristics are more or less likely to report evidence of unconscious bias, behaviour or language that is inappropriate. |
| 3. | Does the Council's risk management take account of the needs of people | <ul style="list-style-type: none"> • Whether risk management processes take account of potential risks to people with protected characteristics on relevant topics (e.g. in relation to COVID-19). • This includes considering whether PPE is biased towards particular body types, or is flexible enough to meet everyone's needs. |

| | Key line of enquiry | Examples of what the review will examine: |
|----|--|---|
| | with protected characteristics? | |
| 4. | Can all employees and service users access our premises and facilities? | <ul style="list-style-type: none"> Do facilities for staff and service users accommodate the needs of people with protected characteristics (e.g. do services which commonly employ higher levels of men, such as fire and rescue, make adequate provision for women). |

Section 2 – service delivery

| | Key line of enquiry | Examples of what the review will examine: |
|----|--|--|
| 1. | Do children and adults with protected characteristics in Norfolk experience the same lifelong outcomes as people without these protected characteristics? | <ul style="list-style-type: none"> Whether young people with protected characteristics in Norfolk are more or less likely to achieve the expected standard of attainment/ achievement at EYFS, KS2 and KS4 Whether young people with protected characteristics are more or less likely to be referred for early help Whether young people with protected characteristics are over or under represented in LAC, Child Protection Plans and Children in Need cohorts Whether young people with protected characteristics are over or under represented in youth offending Whether young people with protected characteristics are more or less likely to be absent from school, have fixed period exclusions or absenteeism Whether young people with protected characteristics are more or less likely to not be in education, employment or training (NEET) Whether young people with protected characteristics are more or less likely to take up an apprenticeship Whether adults with protected characteristics are more or less likely to to achieve a higher level qualification, or no qualification Whether people with protected characteristics are more or less likely to be employed, and where are they employed, e.g. in managerial occupations or routine occupations Whether people with protected characteristics are more or less likely to be employed in particular occupations e.g. caring and leisure occupations or elementary occupations Whether people with protected characteristics are more or less likely to be involved in road traffic collisions, or home fire deaths/injuries. |

| | Key line of enquiry | Examples of what the review will examine: |
|----|---|---|
| | | <ul style="list-style-type: none"> Whether people with protected characteristics are more or less likely to experience health inequalities |
| 2. | Is the 'service user experience' for residents broadly similar across all people with protected characteristics? | <ul style="list-style-type: none"> Whether people with protected characteristics are more or less likely to make a formal complaint to the Council, or seek to appeal a decision Whether people with protected characteristics can access and communicate effectively with the Council, to the same extent as people who do not share these characteristics Whether people with protected characteristics experience similar levels of satisfaction with services compared to people who do not have these characteristics. Whether the Council's website and information materials reflect Norfolk's diversity |
| 3. | Is the proportion of people using Council services broadly in line with Norfolk's demographic profile? | <ul style="list-style-type: none"> Whether people with protected characteristics are more or less likely to access some services - e.g. more or less likely to receive long-term support or short-term adult care support from the Council |
| 4. | Does the Council engage proportionately with all communities, and take steps to seek out the views of people who are seldom heard? | <ul style="list-style-type: none"> Whether engagement mechanisms for adults and young people reflect Norfolk's diversity, and whether sufficient efforts are made to engage adults and young people from under-represented groups Whether respondees to formal consultations reflect the population of Norfolk as a whole. |

Equality Act 2010 – Public Sector Equality Duty

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
- Foster good community relations

Having **due regard** means consciously thinking about the three aims of the Equality Duty as part of the process of decision-making. This means that consideration of equality issues must influence the decisions reached by public bodies – such as in how they act as employers; how they develop, evaluate and review policy; how they design, deliver and evaluate services, and how they commission and procure from others.

Having due regard to the need to **advance equality of opportunity** involves considering the need to:

- remove or minimise disadvantages suffered by people due to their protected characteristics;
- meet the needs of people with protected characteristics; and
- encourage people with protected characteristics to participate in public life or in other activities where their participation is low.

Fostering good relations involves tackling prejudice and promoting understanding between people who share a protected characteristic and others.

The Equality Duty covers the following protected characteristics:

- age
- disability
- gender reassignment
- pregnancy and maternity
- race – this includes ethnic or national origins, colour or nationality
- religion or belief – this includes lack of belief
- sex
- sexual orientation

It also applies to marriage and civil partnership, but only in respect of the requirement to have due regard to the need to eliminate discrimination.

Corporate Select Committee

Item No. 11

| | |
|--|--|
| Report title: | Strategic Asset Management Framework |
| Date of meeting: | 14 September 2020 |
| Responsible Cabinet Member: | Cllr Greg Peck Cabinet Member for Commercial Services and Asset Management. |
| Responsible Director: | Simon George Executive Director for Finance and Commercial Services |
| Introduction from Cabinet Member The report provides an update on the key activity. Actions required 1. Corporate Select committee are asked to review and comment on this report. | |

1.0 Background and Purpose

- 1.1. On the 27th January, Corporate Select Committee resolved to set up a Working Group to help in the development of a new Strategic Property Asset Management framework for the authority and on the 9th of March, this committee agreed the membership and terms of reference for the task and finish member working group.

Membership of the working group is Cllr Vincent, Cllr Dixon, Cllr Jermy, Cllr Mackie and Cllr Timewell.

2.0 Proposals

- 2.1. The response to COVID -19 has taken priority over the past months but the working group has managed to meet virtually twice; once in June and again in July 2020.

Working group meetings we were joined by David Bentley, who is the Head of Asset Management for the Chartered Institute of Public Finance and Accountancy. David is a long-standing expert working across public, private and central Government who helped the group understand how an asset management framework is developed and some of the areas of best practise.

At working group meetings, officers provided the group with an overview of the council's property portfolio and members suggested policy areas for officers to investigate.

Since the last meeting, officers across the Council have been considering their services' medium-term property requirements in light of COVID-19 guidance and how Smarter Working can enable better ways of working. These conversations are scheduled to continue through September and October.

To allow these conversations to conclude and to ensure the framework fully captures these new requirements and ways of working, Officers have proposed we elongate the time we take to develop the framework.

A further workshop is in the process of being agreed.

3.0 Impact of the Proposal

3.1. None

4.0 Financial Implications

None

Resource Implications

4.1. **Staff:** no implications arising from this report

4.2. **Property:** no implications arising from this report

4.3. **IT:** no implications arising from this report

5.0 Other Implications

5.1. **Legal Implications:** no implications arising from this report

5.2. **Human Rights implications:** no implications arising from this report

5.3. **Equality Impact Assessment (EqIA) (this must be included):** no implications arising from this report

5.4. **Health and Safety implications (where appropriate):** no implications arising from this report

5.5. **Sustainability implications (where appropriate):** no implications arising from this report

5.6. **Any other implications:** nil

6.0 Actions required

- 6.1. Corporate Select Committee are asked to review and comment on this report.

Officer Contact

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

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Corporate Select Committee

Item No. 12

| | |
|------------------------------------|---|
| Report title: | Norfolk County Council budget planning 2020-21 |
| Date of meeting: | 14 September 2020 |
| Responsible Cabinet Member: | Cllr Andrew Jamieson (Cabinet Member for Finance) |
| Responsible Director: | Fiona McDiarmid, Executive Director of Strategy and Governance Simon George, Executive Director of Finance and Commercial Services |

Introduction from Cabinet Member

Work is underway to develop proposals which will support the preparation of a balanced and robust Budget for 2021-22. However, the impact of Covid-19, along with continued unprecedented levels of uncertainty about future year pressures and funding, represent a very significant challenge for Norfolk County Council in developing its budget plans for 2021-22. The scale of the budget gap to be closed remains subject to substantial uncertainty and there are a number of issues which could have a material impact on the level of resources available to the Council to deliver services in the future. As part of responding to these challenges, services will need to bring forward balanced, sustainable budget proposals which enable the Council to continue to deliver essential services to Norfolk's people, businesses and visitors.

This report forms an important part of the process of preparing the 2021-22 Budget, and represents a key opportunity for Select Committees to provide views on the approach to developing budget proposals.

Executive Summary

Cabinet has sought Select Committee input into the 2021-22 budget process, in respect of the approach to the development of saving proposals. This report appends the latest information about the 2021-22 Budget in order to support Select Committee discussion and enable them to provide input to the October meeting of Cabinet to inform budget decisions.

Actions required

- 1. To consider and comment on the key issues for 2021-22 budget setting and the broad areas proposed for savings development in relation to the services within the Select Committee's remit, in order to provide input to the October Cabinet meeting and inform saving proposals put forward.**

1. Background and Purpose

- 1.1. At its meeting 8 June 2020, Cabinet agreed that Select Committees should have a role in the 2021-22 budget process and requested that Select Committees consider the areas for savings in the services falling within their remit.

2. Proposals

- 2.1. The appended reports to the June and September Cabinet meeting together provide an overview of:
- the overarching timetable for 2021-22 budget setting;
 - the key issues being identified in relation to 2021-22 budget setting;
 - the target level of savings to be found by each service department;
 - the impact of the Covid-19 response on services; and
 - the broad approaches and themes for the development of saving proposals by Service.
- 2.2. The Select Committee's views are sought in relation to the services within its remit on (1) key issues for 2021-22 budget setting and (2) the broad areas proposed for savings development, in order to help shape budget and saving proposal development for 2021-22, assist in the identification of key pressures and priorities for the 2021-22 budget, and (ultimately) to inform the budget proposals to be considered by October Cabinet prior to consultation.
- 2.3. Select Committee members may in particular wish to refer to the following sections of the appended September Cabinet report:

People and Communities Select Committee:

- Section 4 – Service financial strategy and approach to developing 2021-22 Budget proposals – Adult Social Services
- Section 5 – Service financial strategy and approach to developing 2021-22 Budget proposals – Children's Services

Infrastructure and Development Select Committee:

- Section 6 – Service financial strategy and approach to developing 2021-22 Budget proposals – Community and Environmental Services

Corporate Select Committee:

- Section 7 – Service financial strategy and approach to developing 2021-22 Budget proposals – Strategy and Governance
- Section 8 – Service financial strategy and approach to developing 2021-22 Budget proposals – Finance and Commercial Services / Finance General

3. Impact of the Proposal

- 3.1. Select Committee input will support in shaping budget proposals and contribute to the 2021-22 budget setting process. Further impacts are set out in the appended papers.

4. Financial Implications

- 4.1. Highlighted in appended report.

5. Resource Implications

5.1. Staff:

There are no direct implications arising from this report although there is a potential that staffing implications may arise linked to specific saving proposals developed. These will be identified as they arise later in the budget planning process.

5.2. Property:

There are no direct property implications arising from this report although existing saving plans include activities linked to property budgets and assumptions around capital receipts to be achieved. In addition, activities planned within Business Transformation will include further work to deliver property related savings.

5.3. IT:

There are no direct IT implications arising from this report although existing saving plans include activities linked to IMT budgets. In addition, activities planned within Business Transformation will include further work to deliver savings through activity related to digital and IT initiatives.

6. Other Implications

6.1. Legal Implications

Highlighted in appended papers.

6.2. Human Rights implications

No specific human rights implications identified.

6.3. Equality Impact Assessment (EqIA)

Highlighted in appended papers. EQIAs will be undertaken later in the budget process.

6.4. Health and Safety implications (where appropriate)

None identified.

6.5. Sustainability implications (where appropriate)

None identified.

6.6. Any other implications

None identified, beyond those highlighted in appended papers.

7. Actions required

- 7.1. 1. To consider and comment on the key issues for 2021-22 budget setting and the broad areas proposed for savings development in relation to the services within the Select Committee's remit, in order to provide input to the October Cabinet meeting and inform saving proposals put forward.

8. Background Papers

- 8.1. Norfolk County Council Revenue and Capital Budget 2020-21 to 2023-24, County Council 17/02/2020, agenda item 5 ([here](#))
Strategic and Financial Planning 2021-22, Cabinet 08/06/2020, agenda item 12 ([here](#))
Strategic and Financial Planning 2021-22, Cabinet 07/09/2020, agenda item 11 ([here](#))

Officer Contact

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Cabinet

Item No: 11

| | |
|--------------------------------------|---|
| Decision making report title: | Strategic and Financial Planning 2021-22 |
| Date of meeting: | 7 September 2020 |
| Responsible Cabinet Member: | Cllr Andrew Jamieson (Cabinet Member for Finance) |
| Responsible Director: | Simon George, Executive Director of Finance and Commercial Services Fiona McDiarmid, Executive Director of Strategy and Governance |
| Is this a key decision? | No |

Introduction from Cabinet Member

As set out in the Financial Monitoring report elsewhere on the agenda, the Council continues to work to deliver a balanced position for 2020-21. Simultaneously, work is underway to develop proposals to enable a balanced and robust Budget to be proposed for 2021-22. The impact of COVID-19, along with continued unprecedented uncertainty about future year pressures and funding, represent a very significant challenge for the Council in developing its Medium Term Financial Strategy. As set out in this report, the scale of the budget gap to be closed in future years remains subject to substantial uncertainty and there are a number of issues which could have a material impact on the level of resources available to Norfolk County Council to deliver services in the future.

In the face of these challenges, it will be critically important to bring forward balanced, sustainable budget proposals which will enable the Council to continue to deliver the essential services which are relied on by all Norfolk's people, businesses and visitors. This report represents an important milestone in the development of the 2021-22 Budget and provides an opportunity for Members to influence the shape of these emerging proposals.

Executive Summary

The latest estimates of the financial impact of the COVID-19 pandemic are set out in the Financial Monitoring report. This reflects additional costs, lost income and undeliverable savings in the current year, many of which will have an extended impact on the 2021-22 Budget. This report, and the Financial Monitoring paper, together provide an overview of the anticipated financial implications of COVID-19, for both the current year and for the Council's Medium Term Financial Strategy as originally agreed in February 2020.

The Council continues to engage with MPs, the County Council Network (CCN), the Local Government Association (LGA), the Ministry for Housing, Communities and Local Government (MHCLG) and other Government Ministers and departments on the need for

sustainable and long term funding for councils. The latest opportunity to communicate our key concerns is provided by the Comprehensive Spending Review.

The 2021-22 Budget is being prepared in truly exceptional circumstances. These are inevitably having a profound impact on the organisation's ability to achieve planned budget savings and income for 2020-21, as well as on the capacity to develop and deliver new budget proposals for 2021-22, and on the wider budget position, which, as a result, is the subject of extremely high levels of uncertainty. As such, the report forms part of the budget planning process for 2021-22, which has been designed to recognise that there remains a need for ongoing flexibility to respond to changing circumstances. In this context, the report also provides a summary of key areas of wider risk and uncertainty for Cabinet to consider.

The MTFs position will continue to be updated in light of future government announcements and as the scale of the impact on the Council becomes clear. This will be reported to Cabinet and to Scrutiny Committee as the budget setting process progresses.

Recommendations

- 1. To comment on and agree key points to be included in the representation to the Comprehensive Spending Review in relation to:**
 - the uncertainty about wider funding allocations and reforms;
 - the urgent need for details to enable 2021-22 budget setting;
 - the need for adequate funding to meet pressures from Covid-19; and
 - the fundamental need to address underlying pressures including adults and children's social care.

Delegate to the Leader and Cabinet Member for Finance to approve the final response for submission on behalf of the Council reflecting the points set out in Paragraph 2.4.
- 2. To comment on and agree the key points set out in Paragraph 2.6 to be included in the response to the consultation on Business Rates system and delegate to the Leader and Cabinet Member for Finance to approve the final response for submission on behalf of the Council.**
- 3. To consider the updated overall budget gap of £129.779m in the Medium Term Financial Strategy including a latest gap of £45.434m forecast for 2021-22, noting the key areas of risk which remain to be quantified. (Section 3)**
- 4. To agree that detail of saving proposals to aid in closing the budget gap should be presented to Cabinet in October, after being developed based on the approaches set out in Sections 4-8, and following input from Select Committees about the overall strategy in each Department during September.**

1. Background and Purpose

- 1.1. This report provides an update on the developing 2021-22 Budget and associated Medium Term Financial Strategy (MTFS). To inform discussion of the budget position it also:
 - Summarises the latest position in relation to some of the significant uncertainties facing local government finances as a result of COVID-19 and other issues.
 - Sets out the latest view of the MTFS position for 2021-22 onwards, updating the assumptions agreed in February 2020. This position will be updated further as part of reporting to Cabinet in October.
 - Provides an overview of some of the key issues facing services in relation to their financial strategy, and proposes the approach being taken in each Department in order to develop saving proposals to seek to meet the targets agreed by Cabinet in July.
 - Details the key points to be made in the Council's representation to the 2020 Comprehensive Spending Review process, and the call for evidence on Business Rates reform, for endorsement.
- 1.2. Ultimately this report is intended to support the Council in preparing the 2021-22 Budget and developing the approach to identifying savings proposals which will assist in delivering a balanced budget for the year.
- 1.3. The content of the report is based on circumstances that are changing frequently and therefore some areas may become superseded by new information on an ongoing basis.

2. Government announcements with potential implications for local government funding

- 2.1. The Chancellor of the Exchequer, Rishi Sunak, announced the **2020 Comprehensive Spending Review (CSR)** on 21 July 2020¹. The CSR, which will be published in the autumn, is expected to set out the government's spending plans for the parliament, covering a three-year period for resource budgets (2021-22 to 2023-24) and a four-year period for capital budgets (2021-22 to 2024-25). Among the areas that the Chancellor stated the CSR will prioritise, the following are likely to have the most relevance for local government:
 - Strengthening the UK's economic recovery from COVID-19 by prioritising jobs and skills;
 - Levelling up economic opportunity across all nations and regions of the country by investing in infrastructure, innovation and people – spreading opportunity, maximising productivity and improving the value add of each hour worked;
 - Improving outcomes in public services, including supporting the NHS and taking steps to cut crime and ensure every young person receives a superb education;

¹ <https://www.gov.uk/government/news/chancellor-launches-comprehensive-spending-review>

- Making the UK a scientific superpower, including leading in the development of technologies that will support the government's ambition to reach net zero carbon emissions by 2050; and
 - Strengthening the UK's place in the world.
- 2.2. Taking into account the wider uncertainty, the Chancellor did not set a "spending envelope" for the CSR but confirmed that departmental spending "will grow in real terms across the CSR period". However, the Chancellor also stated that "there will need be tough choices in other areas of spending at the review. As part of their preparations for the CSR departments have been asked to identify opportunities to reprioritise and deliver savings."
- 2.3. The deadline to submit representations to the CSR is 24 September 2020. This timescale would suggest a Budget or Autumn Statement announcement of some sort in late October or early November. Realistically, this implies that as in previous years, **the Council will not receive detailed information about funding allocations for 2021-22 and beyond until December 2020 at the earliest.**
- 2.4. It is proposed that the Council's representation to the CSR cover the following key areas:
- How the Council contributes to the priorities set out for the CSR;
 - The impact of COVID-19 and the continued uncertainty and further delay of significant planned reforms to local government finance (including the Fair Funding Review and Business Rates Reform) on the Medium Term Financial Strategy.
 - The opportunity for Government to deliver a permanent step change, recognising the importance of children's and adults social care, and adequately funding local authorities to make a key contribution to national recovery.
 - The need for a larger quantum to meet immediate pressures of COVID-19, and to provide a sustainable funding level for the future.
 - The urgent need for clarity and certainty about the support that Government will provide for 2021-22 and beyond to enable budget setting to take place effectively.
 - The need to address underlying key issues including:
 - Investing in infrastructure and delivering "levelling up";
 - Reforming council tax and addressing associated inequalities;
 - Adequately funding children's and adults Social Care pressures;
 - Addressing other unfunded pressures;
 - Providing adequate funding for schools, including addressing the High Needs Block deficit; and
 - Delivering on environmental commitments and supporting effective waste management.

Members' views are sought on this approach, and Cabinet is asked to delegate to the Leader and the Cabinet Member for Finance to agree a final representation for submission.

- 2.5. The Government committed to undertake a fundamental **Business Rates Review** at the Spring Budget, and launched a call for evidence on 21 July 2020². This seeks views on how the business rates system currently works, issues to be addressed, ideas for change and a number of alternative taxes. The Review is due to conclude in Spring 2021. While this timeframe means it will not impact on the 2021-22 budget setting process, the increasing significance of Business Rates income to local authorities means that this Review may be an important issue in relation to the Council's medium to long-term funding position.
- 2.6. The call for evidence asks a number of technical questions about the Business Rates system and its administration. It is proposed that the Council's response to the Business Rates Review address these where they are relevant to an upper tier authority and also covers the following key areas:
- The significant concern that growth in rates will not keep pace with the future pressures faced across the full range of local government services including, for example, the National Living Wage, and the need for any reforms to take account of this.
 - The pressing need to address fundamental issues in the business rates system including the under-taxation of online retailers while traditional "bricks and mortar" businesses bear a disproportionate share of the burden.
 - That the tax base is arguably overly dependent on a relatively small number of businesses and places which means much greater risk, volatility and fragility within the system as a whole.
 - The fact that there is a clear tension between some (entirely understandable) national government policies (for example to support the high street and reduce the rates burden) and an increased local authority share of retained rates and expectation of reliance on these as a source of income to meet demand driven cost pressures. In this context it will be critical that the impact of government policies continues to be fully compensated following any reforms.
 - That government should consider how the tension between continuing central control of business rates and the aspiration of further localisation to councils can best be resolved.

Members' views are sought on this approach, and Cabinet is asked to delegate to the Leader and the Cabinet Member for Finance to agree a final representation for submission.

3. Budget and Medium Term Financial Strategy context

- 3.1. In July, Cabinet agreed the following **principles for 2021-22 budget planning**:
- MTFS Budget planning to cover the period **2021-22 to 2024-25**.
 - **Budget Challenge** meetings for each directorate.

² <https://www.gov.uk/government/consultations/hm-treasury-fundamental-review-of-business-rates-call-for-evidence>

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- Allocate the **February 2020 MTFS gap of £38.992m for 2021-22** based on “controllable spend” approach (with no additional corporate / transformation target given the £4.388m already assumed).
- In order to inform revision of 2021-22 MTFS and budget gap in September 2020, Cabinet to undertake a **fundamental review of MTFS assumptions** relating to:
 - council tax and business rates planning assumptions (informed by latest District forecasts).
 - forecast delivery of planned 2020-21 savings programmes and viability of previously planned 2021-22 savings.
 - cost and income pressures, including new pressures resulting from COVID-19.
 - any further Government funding announcements for 2020-21 and future years.
- Seek to identify **proposals to begin to address future years with target £10m per annum**, reflecting need for longer term planning in line with the Financial Management Code.
- Select Committees to have a role as part of the budget-setting process, considering areas for savings in September.
- Final **decisions about the 2021-22 Budget to be taken in February 2021** in line with the budget setting timetable (Appendix 1).

3.2. Taking account of these Government announcements and looking beyond the immediate impacts of coronavirus, the overall level of uncertainty means that the **financial outlook for local government remains extremely challenging** for the foreseeable future. As previously reported to Cabinet, local authorities continue to face a growing gap between funding and service pressures, driven in part by demographic changes, unfunded burdens such as the National Living Wage, and the needs of vulnerable social care users becoming increasingly complex. Children’s services, in both social care and education (particularly the High Needs Block), are also under very significant stress. There is a risk that these pressures increase in the medium-term as a result of additional needs driven by effects of COVID-19 and the associated lockdown.

3.3. The Council approved its 2020-21 Budget and MTFS to 2023-24 on 17 February 2020. This was based on one-year funding allocations for 2020-21 announced at the Spending Round 2019 and ultimately confirmed in the Local Government Settlement in January 2020. As set out in this report, funding for 2021-22 onwards remains a subject of considerable uncertainty. Although there are profound short-term impacts being experienced from the response to COVID-19, it remains to be seen precisely what the medium- and longer-term impact will be, and as such the full implications for the council’s Budget in 2020-21 and beyond remain to be confirmed. However, the pandemic will unquestionably also change the long term shape of some services, in relation to joint working, public expectations, levels of demand, and the underlying cost base. Risks remain that adult social services will incur changed volume and market prices into 2021-22, which are not included within the current budget plans. The key risks are from the cessation of the hospital discharge service arrangements, which are in operation until 31st March 2021. This could mean that above usual volumes and

prices of care, following transition of the NHS funding arrangements, are incurred by the council going forward. In addition, some providers have needed to change their business models to operate services in line with social distancing rules, which will reduce the capacity of some providers and increase unit costs. These additional costs could remain into the next financial year if the pandemic and associated government guidelines continue.

- 3.4. The budget setting principles agreed in July included a proposal that a fundamental review of budget assumptions be completed in September. At this point, a limited number of revisions to the MTFS have been identified, but it remains too early to forecast many elements with confidence. It is highly likely for example that key income sources including council tax (through both the Collection Fund and tax base growth) and business rates will be under significant pressure in 2021-22, requiring revision to planning assumptions. Detailed work is underway with District Council partners to understand the likely Norfolk impacts on both business rates and council tax. At this stage it is appropriate to begin to revise some of the assumptions associated with these elements of the Budget, but it is not yet possible to produce a comprehensive and robust forecast for 2021-22.
- 3.5. Likely impacts on Business Rates continue to include:
- Total business rates collectable will potentially reduce where increased numbers of businesses close (particularly as temporary financial support measures are withdrawn).
 - An increase in the number of properties claiming empty property relief where businesses either cease trading or seek to take advantage of changed working patterns to reduce property costs.
 - Appeals against rateable values may increase where rental values have been impacted.

Likely impacts on council tax continue to include:

- Tax base may not increase as forecast due to suppressed growth in new properties (reduced to 0.5% in latest assumptions, risk of further reduction remains).
 - Council tax support is likely to increase linked to increased levels of unemployment and Universal Credit claims. This will also potentially suppress council tax growth, or may result in a reduction in the tax base.
 - Changes in the council tax collection rate where households have experienced a reduction in income.
- 3.6. In addition to COVID-19 cost pressures, the final employer pay offer for 2020-21 has now been confirmed as 2.75%, compared to the budgetary provision of 2%. This will represent a one-off pressure of approximately £1.9m to be addressed in the current year, as well as an ongoing cost pressure that needs to be incorporated within budget planning. The final pay award level for 2020-21 has now been confirmed following union responses, and it is therefore prudent to make provision for this level of pay award in the MTFS.

3.7. The latest MTFS position is shown in Table 1 of this report, which updates the forecast considered in July 2020 for the latest known issues. **The MTFS now identifies a gap of £129.779m, incorporating a gap of £45.434m for 2021-22.** This will be further updated in the report to October Cabinet and kept under continuous review through the Budget process. Details of the approach to Services developing savings to assist in closing the Budget gap are set out in sections 4-8, and as reported in the July Cabinet paper, ultimately options to close the gap will include:

- Government providing additional funding;
- Corporate / centrally identified savings opportunities including the use of capital receipts to support transformation; and
- Service departments identifying further savings or removing budget pressures.

3.8. The current MTFS position is based on a number of further significant assumptions as set out below:

- 2020-21 funding levels will be broadly maintained (i.e. a further rollover settlement).
- Pay inflation will run at 3% from 2021-22 onwards.
- Non-pay inflation provided for on some budgets being reduced from 2% to 1%.
- Council tax will be increased by 1.99% per year, but with no increase in the ASC precept (this remains subject to both Member decision-making and Government announcements about referendum thresholds annually), helping to address pressures across all front line services including social care.
- Continuation of previous increases in the National Living Wage (NLW). The Government could indicate a more significant increase, without additional funding. Announcements about the April 2020 level were made in January this year. Each 1p rise in the NLW increases the costs of care by £0.200m. Many organisations have lobbied central government to make further increases in the NLW and in particular seek higher increases for care workers. Either would increase costs significantly above the current budget assumptions.
- The tax base will increase by 0.5% in 2021-22 and thereafter by 1% each year to 2023-24 (1.39% growth was forecast for 2020-21).
- Collection Fund surplus is assumed as £3m in 2021-22, £2m 2022-23, and £1.5m 2023-24. This remains an area of significant uncertainty and will be reviewed further in the Autumn.

Table 1: Updated Medium Term Financial Strategy 2021-22 to 2024-25

| | 2021-22 | 2022-23 | 2023-24 | 2024-25 | Total |
|---|----------------|----------------|----------------|----------------|----------------|
| | £m | £m | £m | £m | £m |
| <u>Medium Term Financial Strategy 2020-25</u> | | | | | |
| Gap as reported to Cabinet 8 June 2020 (Surplus)/Deficit | 38.992 | 24.500 | 30.203 | 24.158 | 117.852 |
| Reduce Tax Base growth to 0.5% | 5.624 | 2.415 | 2.566 | 0.319 | 10.925 |
| Additional pay inflation 2020-21 of 0.75% | 1.984 | 0.060 | 0.061 | 0.063 | 2.168 |
| Children's transport pressure (+3 days 2021-22) | 0.617 | 0.000 | 0.000 | 0.000 | 0.617 |
| Adults grant assumption changes (2020-21 allocations for Local Reform and Community Voices, Social Care in Prisons, and War Pensions Disregard Grant) | 0.005 | 0.000 | 0.000 | 0.000 | 0.005 |
| Review of non-pay inflation assumptions | -1.788 | 0.000 | 0.000 | 0.000 | -1.788 |
| | | | | | |
| Latest forecast gap position as at 7 September 2020 Cabinet | 45.434 | 26.974 | 32.830 | 24.540 | 129.779 |

- 3.9. A summary of the cost pressures and savings provided for in the February MTFS analysed by Service was reported to Cabinet in July. As set out in that report, the MTFS includes significant unavoidable ongoing pressures from 2021-22 to reinstate Minimum Revenue Provision (MRP) budgets following the saving delivered over recent years. It should also be noted that the level of pressures included in the Children's Services budget for future years is substantially lower than has been provided for in 2020-21 and this may therefore be a particular area of risk for future cost pressures emerging through the remainder of the 2021-22 budget process. As set out above, the Adult Social Care budget for next year is subject to significant uncertainty particularly in relation to ongoing costs of care that are currently funded by health under the Hospital Discharge Service requirements and market prices affected by Covid-19 measures and national living wage. Further savings will be required to close the identified budget gap in addition to the £23.542m identified in the agreed MTFS. It should be noted that the MTFS already assumes £4.388m of savings from business transformation in 2021-22. This is a challenging target and it remains the case that the scope for any further savings in this area may therefore be limited. A report on the delivery of these business transformation savings is due to be considered by the September meeting of the Corporate Select Committee and will be reflected in a future update to the MTFS.

3.10. Cabinet in July noted that the budget setting principles agreed for 2020-21 could result in the saving targets currently allocated to Services being revised (and potentially materially increased) in September. **It is not currently the view of the Section 151 Officer that savings targets should be revised**, however it will be essential that **Service Departments develop sufficient sustainable savings proposals, to achieve the target level of savings set in July**, and ultimately enable a balanced budget for 2021-22 to be proposed. This judgement is naturally subject to any further Government announcements about financial support for both the current year, and for the medium term as part of the Local Government Settlement for 2021-22, and the way in which the Covid-19 pandemic and associated cost, income and saving pressures continue to develop.

3.11. The savings targets by Department as agreed by Cabinet in July are set out in the table below.

Table 2: Allocation of saving targets 2021-22 to 2024-25

| Department | 2021-22 £m | 2022-23 £m | 2023-24 £m | 2024-25 £m | 2021-25 £m | % |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|-------------|
| Adult Social Services | -17.723 | -4.597 | -4.628 | -4.628 | -31.576 | 46% |
| Children's Services | -8.782 | -2.223 | -2.213 | -2.213 | -15.431 | 22% |
| Community and Environmental Services | -8.771 | -2.232 | -2.207 | -2.207 | -15.417 | 22% |
| Strategy and Governance Department | -0.844 | -0.215 | -0.213 | -0.213 | -1.484 | 2% |
| Finance and Commercial Services | -1.753 | -0.439 | -0.430 | -0.430 | -3.052 | 4% |
| Finance General | -1.120 | -0.294 | -0.309 | -0.309 | -2.032 | 3% |
| Total | -38.992 | -10.000 | -10.000 | -10.000 | -68.992 | 100% |

4. Service financial strategy and approach to developing 2021-22 Budget proposals – Adult Social Services

4.1. Financial Strategy

Adult Social Services continues to pursue the Promoting Independence strategy, focussed on delivering six priorities:

- Safeguarding people.
- Strong partners for integrated working.
- Strengthen social work so that it prevents, reduces and delays need.
- Supporting the Social Care market.
- Accelerate the use of technology.
- A positive working culture which promotes people's independence and uses public resources fairly.

4.2. Covid-19 Impact and Context

Covid-19 has caused a seismic and immediate refocus of services, process and planning. The financial consequences of this continue to emerge, but it is having a material impact on the ability to deliver the full level of planned savings in both 2020-21 and 2021-22. Currently, advice still remains to avoid all but emergency visits to care homes and public health advice to avoid transferring people, both mean that much of the previously successful demand management work as part of the Promoting Independence strategy has temporarily stopped. Adult Social Services is working to assess original plans, evolve them where appropriate, and restart areas of change governance where feasibly possible. As a result, alongside the longer term delivery of Promoting Independence, the immediate priority and context for Adult Social Services' financial planning in 2021-22 is the post-pandemic recovery – with services facing unprecedented challenges this year (2020-21) and continued uncertainty – particularly relating to demand, funding and the wider market.

The Covid-19 pandemic has inevitably had a major impact on the provision of support and services to vulnerable adults in Norfolk. The Council continues to support the care market, while recognising that the demand and supply of care services will change in the short, medium and longer term. Options for support for September and beyond are currently being assessed. For some services where future demand is less clear, such as day services, the long term sustainability of the market will be a key issue, and there may also be cost implications for the Council from this. Transport capacity is also creating a pressure and potential emerging cost pressures. For some vulnerable adults, the pandemic has created an escalation in social care needs. Supporting these people, and their families, will continue to be a priority for the Council, and has increased some costs, at least in the short term.

The Covid-19 response has given rise to some opportunities as well through some closer links with health and joint responses around discharge from hospital, but the longer term national plans for intermediate care post discharge is not certain and nationally the story for adult social care is still being written. Sir Simon Stevens has written in the last month to health organisations setting out the phase three plans for the overall health service. As part of this he has signalled the continuation of the hospital discharge services requirements for the remainder of this year, but for only up to the first six weeks of care to be funded by NHSEI from 1 September. In addition there is an expectation from 1 September that previous placements will be assessed and revert back to normal funding arrangements. The council is currently awaiting revised government guidance, but if a transition period is not built in to the changes, this will present a significant cost pressure for the Council. It is also clear that in some areas, where the nature of the supply is changing (for example Day Care), there is a need to understand the financial implications of the changes, how the Council should continue to meet need, and how demand may evolve as a result of new support arrangements. Finally, we need to look at the likely longer term costs for some providers, such as residential care providers and ensure that fees are appropriate but not inflated above genuine Covid-19 related expenditure, such as PPE. Current infection control funding for providers ceases at the end of September and future government support to meet these additional costs will be key.

4.3. Savings development 2021-22

The impact of the Covid-19 response on 2020-21 is therefore affecting decisions for next year and there is a need to be pragmatic about the starting position. In this context, the Service is developing saving proposals under four **new** saving themes as set out below. There will be a need for investment to deliver some of the associated savings in 2021-22.

Savings fall under five main themes.

- **Independence and enabling housing (new)**
Adult Social Services is already working to develop more alternative types of accommodation to give people other choices and more independence. Proposals will look to extend this focusing on making better use of existing accommodation, collaboration with health partners, and putting in place strategic funding arrangements for developing alternative accommodation.
- **Revising the short term out of hospital offer (new)**
Adult social services has historically played a significant role in funding and delivering out of hospital care. New Discharge to Assess guidance, post-COVID, highlights the importance of this for the health and social care system as whole. We want to review what our offer is – as part of a health and social care intermediate care offer. This will allow us to focus more resources on home first services, including greater therapy input, and moving away from reliance on short-term beds.
- **Our commissioned models of care (new)**
We will seek savings from some commissioned services, particularly maximising block contracts and re-shaping those which are no longer value for money. Part of this will include looking at the cost of care, given the significant changes in the market as a result of COVID.
- **Self-direction, prevention and early help (new)**
Our prevention and early help approach has enabled us to achieve significant savings in demand, by preventing, reducing and delaying the need for formal care. We will look to consolidate initiatives, strengthening those which are effective and ceasing some activities if there is duplication.
- **Digital efficiency, value for money (extension)**
We are already delivering significant savings through exploiting digital technology. Proposals will look to extend this, taking up new opportunities to improve productivity and drive out costs.

5. Service financial strategy and approach to developing 2021-22 Budget proposals – Children's Services

5.1. Financial Strategy

The core strategy and transformation approach remains unchanged and Children's Services continues to project benefits from existing schemes and new schemes in the same strategic areas:

1. Inclusion
2. Prevention and Early Intervention
3. Quality of Practice
4. Edge of Care and Alternatives to Care
5. Re-shaping the care and specialist support market

These areas are now supported by a major focus on modernisation, efficiency and opportunities to work differently which will be enabled by technology and the cultural shift that is being accelerated by Covid-19. These include:

- Efficient Processes
- Reduced Travel
- Using Buildings Differently
- Exploiting Technology

5.2. Covid-19 Impact and Context

Covid-19 has had a significant impact on Children's Services. Initially, demand for core statutory services fell by around 40-50%, although this is now returning to normal levels. Numbers of children in care remained fairly stable, albeit with unit costs rising, and some additional costs have been incurred in managing the disrupted care market.

It is very likely that there will be a fairly significant spike in demand in the autumn once schools return – which may translate into higher demand for statutory services and children in care, although this remains highly uncertain.

In a best case scenario, the number of children in care will continue to fall in line with the recent trend – more likely is at least a temporary rise aligned to the surge in demand. Some authorities are projecting a significant rise over an extended period and so this will need to be closely monitored and an additional financial pressure could emerge which is not currently accounted for.

The Service has identified a range of other, less obvious, impacts on demand – including hidden need, trauma, and economic factors. It is hard to know what the experiences of children will have been during lockdown and how that will play out in the medium to longer term. In addition, there has been major disruption to the traded services model, and a review is now underway. Some key external markets are also

under major strain, for example transport, early years, the voluntary sector as well as care.

There are likely to be some opportunities emerging from the Covid-19 response, including:

- The relationship with the school system in particular has been strengthened, creating an opportunity to wrap support around in a preventative way;
- Greater family resilience is being evidenced and family networking is thriving in the current context, and this is an area to build on;
- Increasing responsiveness to meet families' needs at times better for them and professional assessment purposes rather than being constrained by office opening hours;
- The potential to unlock the capacity and budgets normally tied up at the higher tiers;
- Significant opportunity to strengthen recruitment and retention through greater flexible working and opportunity to increase workforce stability;
- In the mental health arena, the crisis has accelerated the move away from the previous clinic-based model;
- Volunteers have come forward in much greater numbers than previously;
- Virtual working is unlocking creative practice and improved relationship and engagement with families and young people that could be included in the overall offer as a "new normal" is established;
- Potential to move 'upstream' together and have more and better 'early help' across cohorts; and
- Partnership working has deepened and accelerated.

5.3. Savings development 2021-22

The impact of Covid-19 is projected to cause delays to the delivery of existing saving plans which will impact on 2021-22 as well as the current year, meaning the Service will need to make up for any potential shortfall on previously planned savings as well as delivering against new targets.

Saving proposals are being developed in line with the themes identified to date and will include expansion of the existing transformation programme in relation to:

- Transforming the care market and creating the capacity that we need
- Alternatives to care
- Prevention, early intervention and effective social care

This represents some continuation of existing programmes and some major new elements such as the "No Wrong Door" model, which is intended to achieve good outcomes at lower long-term cost for the children with the most complex need. The department is continuing to work up new initiatives through the autumn, including potentially a more substantial transformation in relation to children with disabilities –

offering a solution for children who require specialist education, intensive care and who have significant medical needs in an integrated model. That business case is being developed as rapidly as possible.

Proposals also seek to identify areas for efficiency but will require significant support to deliver, for example to drive out the benefits of technology, to enable teams to operate with reduced reliance on buildings, to progress the staff skills agenda. The department is looking to set fairly substantial savings targets in these areas, over and above those to be delivered through the major transformation programme.

The department is also commencing a close internal review of staffing – especially in support and ‘back office’ teams – in an effort to identify non-transformational staff reductions, such as any areas of duplication or where there might be potential for efficiency. This work will take further time to complete and whilst the focus will be upon achieving efficiency without compromising quality and effectiveness of service, there is a risk that the quality and quantity of service that can be provided will reduce to enable the required savings to be delivered in the context of the Council’s very challenging financial circumstances.

6. Service financial strategy and approach to developing 2021-22 Budget proposals – Community and Environmental Services

6.1. Financial Strategy

Community and Environmental Services (CES) has responsibility for the delivery of a wide range of services; there is no hierarchy as each area has a vital role to play in achieving better outcomes for the whole of Norfolk. CES proactively provide information and advice to help people to make better choices that enable them to live fulfilling, independent lives. Teams continue to provide vital services to ensure that residents are safe, both in their own homes and when out and about in the county.

There are large elements of the CES budget where there would be little scope to change or influence (such as capital charges, recycling credits, and concessionary fares), and these are treated as uncontrollable costs for the purposes of seeking savings.

In terms of an overall strategy for developing budget proposals, the broad range of services and outcomes means that a single approach would not be beneficial. Instead, CES is focussing on two general approaches:

- Cost reduction – including through use of new technology and contract renegotiations
- Ways of working – including efficiencies in back office processes and organisational re-design

In previous years, the department has also had a focus on income generation. However, given the current pressures and risks associated with existing income generation targets (as set out in paragraph 6.2) it is not considered prudent for new income generation to be a key strand of the financial strategy for next year.

6.2. Covid-19 Impact and Context

A significant number of staff within CES were redeployed in roles to support the emergency response efforts throughout the county. The service also plays a crucial role in supporting communities and businesses to respond to and recover from the impacts of Covid-19. Key activities have focussed around:

- Supporting Norfolk's businesses and workforce
- Keeping the county moving
- Delivering essential support and supplies to those most in need
- Keeping communities safe, healthy and well

In addition, colleagues in Public Health have continued to carry out significant work to:

- Develop and deliver the Local Outbreak Control Plan
- Deliver local management of outbreaks and contact tracing
- Provide advice on infection control and management
- Media messaging on reducing the risk of infection, reassuring the public and seeking to mitigate the impact of social control measures
- Information and analysis – modelling the likely impact of an epidemic on the population of Norfolk (which started around 10 March, at a very early stage meaning we are now ahead of the curve in terms of epidemiological data and analysis available to plan service capacity)
- Providing mutual aid to Public Health England for infection control

Longer term impacts and potential future budget pressures for CES arising from Covid-19 include:

- Significant work will be needed to support delivery of the Norfolk and Suffolk Economic Recovery Restart Plan, working with New Anglia LEP. A number of projects and measures have been developed to support the Norfolk economy including through advice for businesses, support for the visitor economy, investment in infrastructure and support for individuals to reskill and upskill.
- The department is heavily reliant on generating external income, such as museums admissions income. Given the extended period that services were not able to operate, and new restrictions in the foreseeable future, this will have a significant impact on the income generating activities already built into the budget.
- Higher volumes of residual waste are anticipated due to residents being at home rather than places of work, therefore generating more waste through the kerbside collections.
- Whilst Government have provided support to transport operators, both directly and through the County Council, CES continues to work with operators to ensure there is resilience of the public transport network including home to

school transport. Work is also underway with operators to ensure they have the ability to provide viable services under social distancing measures and through a period where there may be low public confidence in using public transport.

- Increased costs are also expected for the delivery of capital schemes to accommodate safe working practices.
- Some services in the department continue to carry out significant work specifically on Covid-19 response and recovery, in particular the Public Health, Growth and Development and Resilience teams. It is anticipated that there will continue to be a need for significant support from these areas for some time.

6.3. Savings development 2021-22

CES has a very strong track record of securing external income off-setting the cost of service delivery. CES activities are at the heart of communities and further budget reductions will have a significant impact on the ability to continue to generate income and support communities. Some key considerations in relation to saving development are:

- The Fire Service 2020-23 IRMP, agreed by Full Council in March 2020, sets out the budget required for service delivery outcomes including the allocation of resources for the mitigation of risks. It sets out the management strategy and risk-based programme for enforcing the provisions of the Regulatory Reform (Fire Safety) Order 2005. Any deviation from this would require public consultation and approval by Full Council.
- The library service provides front line service in communities across the county with critical computer access to a number of users and forms a fundamental part of the Children's Services Early Years offer as well as providing crucial facilities to support individuals seeking employment and to support the social care demand management agenda.
- Whilst the Museum Service is highly successful in securing external funding, it is based on a level of local authority commitment to the Service and further reductions could undermine the relationships with key external funders such as Arts Council England and the National Lottery Heritage Fund.
- Public Health is funded via a ringfenced grant and opportunities are already being taken to use it to fund activities across the wider Council that meet the criteria of the grant.
- Performance and Governance budgets largely provide centralised support to the rest of CES and wider parts of the organisation, these are constantly reviewed for opportunities for efficiencies and in many instances are delivering services at a lower cost than a decentralised model.

CES have historically delivered savings primarily through service efficiencies, cost reduction, management of vacancies and collaboration activities, and will continue to explore all opportunities, although over time this becomes more difficult. The service

will continue to look for opportunities for efficiencies especially through new ways of working as a result of Covid-19.

7. Service financial strategy and approach to developing 2021-22 Budget proposals – Strategy and Governance

7.1. Financial Strategy

The Strategy and Governance department brings together a number of professional services which fulfil different functions, and need to be differentiated in the way they operate and the focus of their advice and support.

The functions provide a **continuum of services** including strategic direction, and resource stewardship as well as support to services, managers and staff.

- A strategic focus - to advise and support the political and managerial leadership of the Council in their strategic approach. At a time when resources are stretched, the organisation is in recovery and there are so many “unknowns” in the financial and government policy space, it is essential to:
 - have the capability to look to the future and anticipate change
 - identify and frame strategic issues for the executive team
 - provide analytical and problem-solving expertise to the executive team and the business units
 - offer **professional leadership** to the organisation in key areas such as strategic communications, intelligence and analytics to drive insights and actions
- A support service focus – to support and enable **transformation change** and seek to drive innovation, as well as operations at departmental and service level. It is important to have capacity to:
 - define transformational solutions to strategic problems
 - implement transformation initiatives
 - provide more responsive internal services to managers and staff, while achieving lower costs through greater use of technology, and simpler and more streamlined processes
- A governance focus – to ensure the organisation is **safe, compliant and governed effectively** and with strategic focus and purpose, with strong stewardship / control systems and processes, joining up across the local government system.
- An **income generating** focus – to create value for NCC through maximising the opportunities provided through public service provision, for genuine fee earning activities which don't deviate from, but enhance, our statutory purpose and core offer.

7.2. Covid-19 Impact and Context

As set out above, services within Strategy and Governance fulfil a key role in supporting the Council to continue to operate in a safe, well-governed and compliant way during the response to the COVID-19 emergency, and have played a key role in supporting the wider organisational response, including:

- Maintaining democratic functions and Member support;
- Ensuring effective communications both internally and with key stakeholders and supporting delivery of key Public Health messaging;
- Providing advice on statutory and regulatory changes arising from the response to the pandemic;
- Maintaining effective HR functions and supporting the wider workforce through a period of radical change;
- Supporting wider organisational capacity and the management of the response to the pandemic.

7.3. Savings development 2021-22

Strategy and Governance provides an integrated set of services that support strategy development, underpinned by insight and analytics, performance management, business planning, HR, communication and engagement with residents and staff delivering critical central services, which drive good governance, change and transformation.

As a consequence, any budget proposals can have significant impact in the bigger service departments.

Strategy and Governance as a whole relies heavily on income particularly Nplaw and Registrars, so proposals to reduce headcount need to balance the loss of fee earners.

Reserves for Strategy and Governance are all committed to supporting Business Transformation.

In this context, saving proposals are being developed which:

- Align to departmental strategy.
- Ensure that we keep the organisation **safe and legal** as **efficiently** and **effectively** as possible.
- **Balance opportunities to maximise income for genuine fee earning services**, against cost savings, without deviating from our core service offering.
- Work to **drive our professional leads model**, in providing support across the organisation to maximise efficiency, and effectiveness.
- Maximise any saving opportunities arising from changed expectations and **working practices** as a result of COVID-19.

8. Service financial strategy and approach to developing 2021-22 Budget proposals – Finance and Commercial Services / Finance General

8.1. Financial Strategy

Finance and Commercial Services provides the capacity to enable the organisation to act swiftly, innovatively and effectively in the context of rapid change. Core departmental priorities include:

- Enhancing financial performance
- Supporting and training service managers
- Effective management of property assets to make best use and maximise the return on investments
- Efficient and effective contract management
- Providing information which supports good decision making
- Reducing the costs of our services whilst improving their effectiveness, utilising new technology and implementing smarter ways of working
- Rolling out technological infrastructure, improving customer service and saving money

8.2. Covid-19 Impact and Context

Services within Financial and Commercial Services deliver essential support functions which have enabled the Council to continue operating during the response to the COVID-19 emergency, and have played a key role in supporting the wider organisational response, including:

- Ensuring safe, effective and appropriate use of property and assets;
- Effective procurement of vital equipment including PPE;
- Provision, development, delivery, and maintenance of effective ICT solutions to enable remote working and organisational resilience;
- Maintaining effective, prompt and secure payment systems, and ensuring appropriate financial control and oversight of decision-making;
- Supporting wider organisational capacity and the management of the response to the pandemic.

8.3. Savings development 2021-22

Savings proposals for 2021-22 are being developed with a focus on:

- Ensuring critical functions and capability are maintained;
- Maximising any opportunities arising from changed expectations and working practices as a result of COVID-19; and

- Protecting the quality of service and level of support provided to front line services and colleagues across the Council.

9. Impact of the Proposal

9.1. This paper sets out further details of the Council's budget planning process for 2021-22, while recognising that significant risks and uncertainties remain. The proposals in this report will:

- set the context for service financial planning for the year to come;
- provide an opportunity for Cabinet to comment on and provide guidance about the development of departmental budget proposals;
- support the Council in continuing its engagement with Government in relation to the Comprehensive Spending Review and Business Rates reform; and
- contribute to the Council setting a balanced budget for 2021-22.

10. Evidence and Reasons for Decision

10.1. The County Council faces an unprecedented financial and public health crisis which has the potential to have significant implications for future budget setting. It will be essential to continue to engage with Government, MPs and other stakeholders to continue to push for adequate and sustainable funding for Norfolk to continue to deliver vital services to residents, businesses and visitors. It is also important that Government issues guidance on financial planning assumptions, particularly indicative funding allocations for 2021-22, as soon as possible. Otherwise there is a significant risk that the Council will be obliged to reduce service levels. The Council's MTFS planning builds on the position agreed in February 2020 and it is important to note that this will need to continue to be updated as more reliable information about cost pressures and funding impacts emerges through the process. Nevertheless, it remains prudent to move forward with planning for savings at the level required to close the underlying gap identified in February 2020.

10.2. The proposals in the report reflect a prudent response to the challenges and uncertainties present in the 2021-22 planning process and will ultimately support the Council to develop a robust budget for the year.

11. Alternative Options

11.1. This report sets out a framework for developing detailed saving proposals for 2020-21 and at this stage no proposals have been agreed, meaning that a range of alternative options remain open.

11.2. In addition, there are a number of areas where Cabinet could choose to consider different parameters for the budget setting process, such as:

- Considering alternative approaches to the development of savings from those proposed.
- Adopting an alternative allocation of targets between services, or retaining a higher or lower target corporately.

- Considering an alternative timetable within the time constraints required to develop proposals, undertake public consultation, and meet statutory deadlines for the setting of council tax.
- Changing assumptions within the MTFs (including the level of council tax) and therefore varying the level of savings sought.

11.3. Final decisions about the overall shape of the 2021-22 Budget, savings, and council tax will not be made until February 2021.

12. Financial Implications

- 12.1. Financial implications are discussed throughout the report. This paper sets out the proposed approach to developing savings proposals to address the targets agreed in July and which will need to be found by each department to contribute to closing the 2021-22 and future year budget gap, subject to formal approval by Full Council in February 2021. The proposals in the paper will require departments to identify further significant savings to be delivered against current budget levels. The scope to achieve savings at the level required may be limited by delivery of the response to COVID-19.
- 12.2. The Council is legally required to set a balanced Budget annually and should plan to achieve this using a prudent set of assumptions. However, Members could choose to vary the allocation of indicative targets between Directorates, or to establish an alternative approach to identifying savings. Work to deliver additional Government funding could also have an impact on the overall budget gap to be addressed. As a result, the budget setting process and savings targets will be kept under review as budget planning progresses. In the event that additional budget pressures for 2021-22 emerge through budget planning, there may be a requirement to revisit the indicative saving targets.
- 12.3. However, the scale of the budget gap and savings required are such that if the Council is required to deliver savings at this level there is a risk that this could result in the Council failing to fulfil its statutory responsibilities. As such the Government's response and decisions about Council funding in 2021-22 will be hugely significant. Government has an opportunity as part of the COVID-19 response to deliver a permanent step change in the recognition of the importance of social care, and to fund local authorities to provide a key contribution as part of the national recovery. Any changes in Government funding could have a material impact on both the level of savings to be identified, and the Council's wider budget process. Fundamentally there is a need for a larger quantum of funding to be provided to local government both to meet the immediate pressures of the COVID-19 pandemic, and to provide local authorities with a sustainable level of funding for future years.

13. Resource Implications

13.1. Staff:

There are no direct implications arising from this report although there is a potential that staffing implications may arise linked to specific saving proposals developed. These will be identified as they arise later in the budget planning process.

13.2. Property:

There are no direct property implications arising from this report although existing saving plans include activities linked to property budgets and assumptions around capital receipts to be achieved. In addition, activities planned within Business Transformation will include further work to deliver property related savings.

13.3. IT:

There are no direct IT implications arising from this report although existing saving plans include activities linked to IMT budgets. In addition, activities planned within Business Transformation will include further work to deliver savings through activity related to digital and IT initiatives.

14. Other Implications**14.1. Legal Implications**

This report forms part of the process that will enable the Council to set a balanced budget for 2021-22 in line with statutory requirements, including those relating to setting council tax, and undertaking public consultation.

14.2. Human Rights implications

No specific human rights implications have been identified.

14.3. Equality Impact Assessment (EqIA)

Any saving proposals with an impact on service delivery will require public consultation and an Equality and Rural Impact Assessment of all proposals will need to be completed as part of budget-setting in due course. The results of public consultation and the findings of all EqIAs will be presented to Cabinet in February 2021 in order to inform budget recommendations to County Council.

No specific EqIA has been undertaken in respect of this report, although the dynamic EqIA in respect of the Council's response to COVID-19 can be found [here](#).

15. Risk Implications/Assessment

15.1. The ultimate impact and financial cost of the response to the COVID-19 outbreak will be highly dependent on a wide range of factors including the length of time that the pandemic continues, the severity of the impact (both nationally and in Norfolk), the impact of any second wave of infection, and the wider actions taken in response.

15.2. Further (non COVID-19) cost pressures may emerge through the 2021-22 budget setting process, these would increase the gap to be closed. Similarly, central Government funding decisions could have a material impact on the level of the budget gap.

15.3. The ongoing COVID-19 pandemic may continue to impact on the county council's budget setting process in a number of ways, most significantly:

- The council's available resources and capacity to plan robust future year savings while responding to a rapidly changing operating environment;
- The ability to adhere to the proposed process and timetable;

- The need to provide for any immediate or ongoing cost pressures emerging for the council; and
- The medium to long term financial implications including the impact on the wider economy and council tax and business rates base and income.

- 15.4. It will be necessary to operate with some flexibility in response to these and any other issues which may arise during the budget setting process.
- 15.5. As set out elsewhere in the report, the overall gap position will be kept under review throughout the budget setting process to inform changes to the MTFS gap. In the event that any other additional budget pressures for 2021-22 emerge through budget planning (for example as funding reductions, non delivery of savings, or additional pressures in services), it should be noted that there may be a further requirement to revisit the indicative saving targets for 2021-22.
- 15.6. Other significant risks around budget setting are detailed in the 2020-21 budget papers to County Council³, and these will continue to apply in 2021-22. Any saving proposals with an impact on service delivery will require public consultation and an Equality and Rural Impact Assessment of all proposals will need to be completed as part of budget-setting.
- 15.7. There remains considerable uncertainty about reforms to local government finance and any funding changes that will be faced in 2021-22 as reflected in the report. The Norfolk County Council Corporate Risk Register details key financial risks in this area, and all risks associated with COVID-19 are also documented in the Risk Register.

16. Select Committee comments

- 16.1. None.

17. Recommendations

- 17.1. Cabinet considers the recommendations as set out in the Executive Summary.

18. Background Papers

- 18.1. Norfolk County Council Revenue and Capital Budget 2020-21 to 2023-24, County Council 17/02/2020, agenda item 5 ([here](#))
 COVID-19 financial implications for Norfolk County Council, Cabinet 11/05/2020, agenda item 9 ([here](#))
 NCC response to COVID-19, Cabinet 11/05/2020, agenda item 8 ([here](#))
 Strategic and Financial Planning 2021-22, Cabinet 08/06/2020, agenda item 12 ([here](#))

Officer Contact

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

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³ [Agenda Item 5](#), County Council, 17 February 2020

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Appendix 1: Budget setting timetable 2021-22

| Activity | Date |
|---|--|
| June Cabinet (to consider 2021-22 budget process and timetable, agree allocation of savings required and framework for service planning). | 08/06/2020 |
| Scrutiny Committee | 23/06/2020 |
| FFR exemplifications to be published by Government | Originally Spring / Summer, now delayed |
| Treasury Fundamental Business Rates Review | July 2020 to Spring 2021 |
| Comprehensive Spending Review | July 2020 to 24/09/2020 |
| NCC Financial Regulations update | Autumn 2020 |
| Budget Challenge (Corporate Board and portfolio leads to consider proposals at extended Corporate Board / Budget Challenge session) | July 2020 (Round 1) September 2020 (Round 2) |
| September Cabinet (to review MTFS assumptions, proposed areas for savings, and agree any revisions to 2021-22 budget gap targets) | 07/09/2020 |
| Select Committees to consider proposed areas for savings | September 2020 |
| Scrutiny Committee | 23/09/2020 |
| October Cabinet (to consider final 2021-22 savings proposals for consultation, and overall budget position. Key decision – agree 2021-22 budget proposals for consultation) | 05/10/2020 |
| Scrutiny Committee | 21/10/2020 |
| Public consultation on 2021-22 Budget proposals | 22/10/2020 to December 2020 |
| Autumn Budget 2020 and Provisional Settlement (5 December Government's target date for provisional Local Government Finance Settlement) | November-December* |
| Final Settlement | January 2021* |
| February Cabinet (to recommend 2021-22 Budget and council tax to County Council). | 01/02/2021 |
| Scrutiny Committee (scrutiny of 2021-22 budget proposals, consultation and EQIA) | 17/02/2021 |
| County Council Budget Setting (to agree final 2021-22 Budget and level of council tax) | 22/02/2021 |

Notes:

- *Dates or activities to be confirmed.
- Additional reports to Cabinet to be presented through the year as required (e.g. in the event of FFR or CSR announcements, or the ongoing COVID-19 response impacting on the planning assumptions).

Corporate Select Committee

Item No. 13

| | |
|---|--|
| Report title: | Performance Reporting Framework: proposal to develop a new reporting mechanism and a new set of Corporately Significant Vital Signs. |
| Date of meeting: | 14th September 2020 |
| Responsible Cabinet Member: | Cllr Tom FitzPatrick, Cabinet Member for Innovation, Transformation and Performance |
| Responsible Director: | Fiona McDiarmid, Executive Director, Strategy and Governance |
| <p>Executive Summary</p> <p>The LGA Peer Review in October 2019, concluded the need for “greater challenge” and “increased corporate oversight” of operational performance in the Council. Since then, the following actions have been completed:</p> <ul style="list-style-type: none"> • The Strategy and Governance S&G Operating Model reviewed and realigned to provide increased focus and resource on Operational Performance Management • The comparator indicators and measures (LGA/CIPFA) have been determined and; • The corporately significant vital signs have been revised with the purpose of ensuring that the Council is better able to track our progress towards achieving our outcomes set out in Together, for Norfolk. <p>However, the emergence of Covid-19 has had both a financial and operational impact on the way in which the Council deliver its services. Work is underway to assess this impact and to review our strategies, plans and objectives accordingly to ensure the Council continue to deliver the services that our residents need.</p> <p>It's important that as the Council reviews our strategies, plans and objectives it also refreshes the “vital signs”. This will ensure that there is a clear alignment between the strategic outcomes stated in Together, for Norfolk, the Council's top priorities, the key outcomes for each Cabinet Portfolio, and the targets and measures that evidence delivery across the whole Council.</p> <p>Alongside the revision of the corporately significant vital signs, work has been ongoing to design an effective and efficient reporting system that will provide corporate oversight and timely performance reporting against our corporate priorities.</p> <p>This paper seeks to:</p> <ul style="list-style-type: none"> • Update the Corporate Select Committee on the progress of the work to date • Highlight the next steps to complete the revision of the corporately significant vital signs | |

- Outline the reporting mechanisms that will allow for the timely delivery of performance data
- Detail the key implementation dates with a view to completion in April 2021.

Actions required

The Corporate Select Committee is asked to:

1. Acknowledge the impact of Covid-19 on the revision of the vital signs
2. Agree to a series of Member workshops as detailed in the 'Member Involvement' section of this report
3. Acknowledge and comment on the proposed reporting mechanisms

1. Background and Purpose

Vital signs provide measurements of internal operational processes and external strategic outcomes and are aligned to the core priorities of the Council.

The Council has set out its strategic outcomes in "Together, for Norfolk." To realise these outcomes, it's essential that there's a clear "golden thread" that aligns plans at all levels across the Council. These plans are then underpinned by an appropriate basket of measures, budgets, targets and risks that allow for both effective and continuous performance measurement and management.

The strategic outcomes are cross-cutting and complex. They require a systematic and layered approach to measurement and management.

The emergence of Covid-19 has had both a financial and operational impact on the way in which we deliver our services both now and in the future. As a result, significant work is ongoing to assess the level of impact and to plan for recovery accordingly.

As services continue to operate under the demands of Covid-19 and consider what recovery will look like for them, the process of reviewing strategies, plans and vital signs to reflect revised priorities will take time to develop. However, the well-timed alignment of these activities is crucial to ensure that we continue to deliver on our vision set out in Together, For Norfolk.

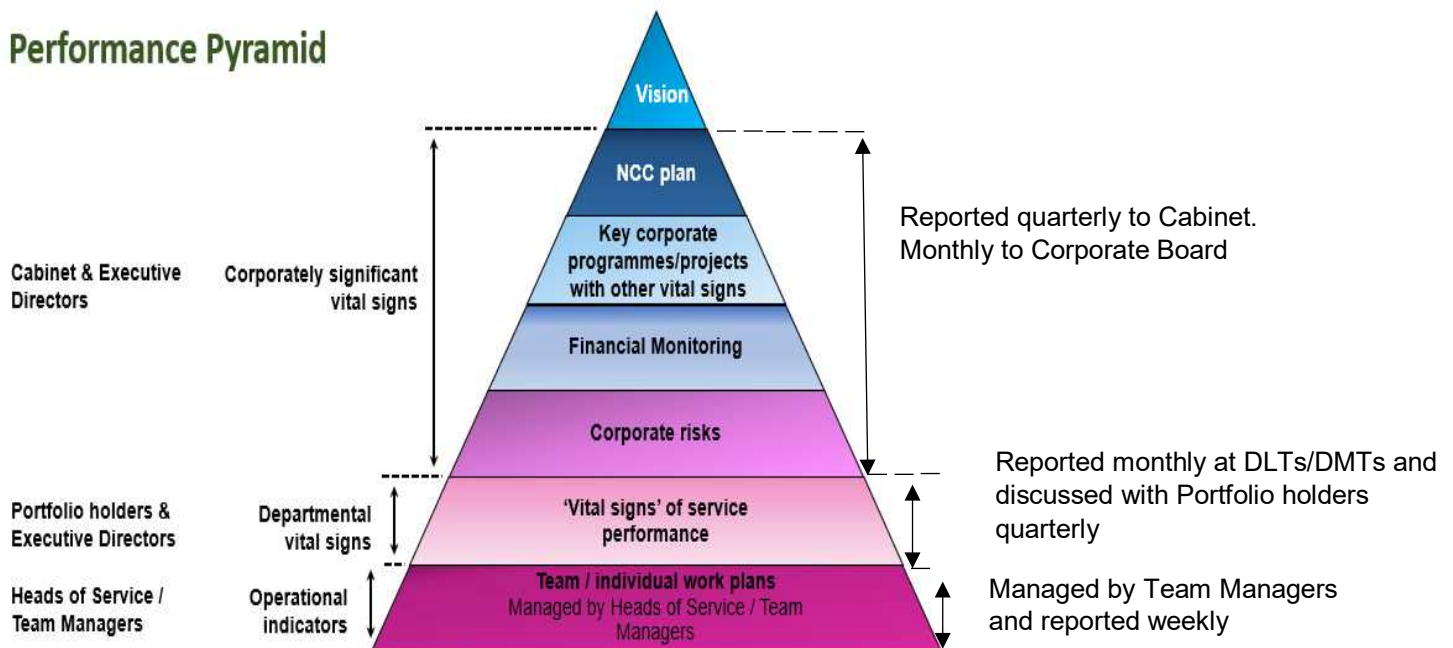
2. Proposals

Corporately significant vital signs will be reported to Cabinet on a quarterly basis with some indicators being reported on a frequency that's relevant to that indicator such as, 6-monthly or annually. The corporately significant vital signs will provide key information on the Council's progress towards its strategic outcomes.

Directorate vital signs will be aligned to the relevant Portfolio Holder and reviewed with Executive Directors on a quarterly basis. Directorate vital signs will also be reviewed at departmental leadership meetings.

A series of operational indicators will be developed with service areas and monitored on weekly basis. The reporting rhythm is shown in the 'Performance Pyramid' below.

Performance Pyramid



Corporately significant vital signs are aligned to portfolio outcomes. They reflect the top 3 outcomes that are key to the success of each portfolio area. Each portfolio outcome is supported by a basket of key performance indicators that sit underneath it. This provides a more nuanced understanding of portfolios that single indicators cannot provide. A set of corporately significant vital signs were proposed in March, prior to lockdown. These are listed in **Appendix A**.

The outcomes and supporting indicators, shown in Appendix A were developed through:

- Engagement with Cabinet members on their top three priority outcomes
- Engagement with Executive Directors on the strategic performance indicators for their respective department
- Validation with key service leads

Vital Signs Reporting

The reporting of the vital signs will be enabled by a series of layered digital dashboards that reflect the appropriate level of performance information for its audience. For example:

Executive Directors, Portfolio holders and Directors will have access to:

- A top-level digital dashboard reflecting overall performance by portfolio area

- A second level digital dashboard that reflects the aggregated performance by individual portfolio outcome, specific to the Portfolio holder and;
- Drill down level 2 - that reflects the performance of the individual indicators contributing to the aggregated outcome, specific to the portfolio holder.

Heads of Service and Team Managers will have access to a digital dashboard that reflects their operational indicators.

These dashboards will be available to view 'on-demand' reflecting the most accurate performance data for review.

Quarterly Cabinet Reporting

Cabinet will continue to receive a quarterly performance report on the corporately significant vital signs. Although, the format of this report will change to reflect the most pressing performance challenges each quarter.

Member Involvement

There were a series of workshops previously scheduled for April to provide members with the opportunity to shape and feedback on the vital signs. However, the restrictions imposed because of lockdown meant these workshops were cancelled.

Looking forward, a new series of workshops have been scheduled to ensure Members are provided with the opportunity to:

- Shape the proposed corporately significant vital signs in the context of our service ambitions
- Discuss and agree the Corporate Select Committee's involvement in the proposed reporting processes
- Introduce the proposed performance reporting mechanisms with a working prototype of the dashboard layers
- Identify additional corporately significant vital signs that will provide a 'state of the nation' perspective in the recovery context.

Timescales for Implementation

A trial of the proposed reporting mechanisms has been initiated in Adults Social Services, this is due for completion in late September. The purpose of the trial is to test and refine the proposed approach before completing a full organisational roll out by April 2021.

From September to March 2021, time will be spent defining, developing and baselining the new measures. This will include aligning any data that may currently exist in siloed systems. Time will also be spent training officers and members in the new performance approach.

3. Impact of the Proposal

There will be greater transparency of our performance reporting, allowing us to track our progress towards our strategic outcomes.

4. Financial Implications

We do not anticipate any direct financial implications because of this work, however financial monitoring is one of the performance pyramid elements included in the scope of the refresh and may offer an opportunity to deliver financial benefits.

5. Resource Implications

Resources from across the organisation will be involved in developing and implementing the new performance framework and have been fully costed & resourced.

6. Other Implications

There are no 'other' implications as a result of this work

7. Actions required

1. Acknowledge the impact of Covid-19 on the revision of the vital signs
2. Acknowledge the proposed corporately significant vital signs presented in **Appendix A**
3. Agree to a series of member workshops to further shape the proposed vital signs and reporting mechanisms.

8. Background Papers

This Corporate Select Committee report follows the Cabinet “Together, for Norfolk” Proposed new corporately significant vital signs report.

Officer Contact

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

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Appendix A. Proposed Outcomes and Supporting Measures- 2021/22

| Departmental Plan | Portfolios | Portfolio holders | Suggested Top 3 Outcomes |
|------------------------------------|--|---|---|
| Adult Social Care | Adult Social Care, Public Health and Prevention | Cllr Bill Borrett | Independence choice for people using Adult Social Services (other portfolio priorities covered within CES below) |
| Children's Services | Children's Services | Cllr John Fisher | <ul style="list-style-type: none"> • Signs of Success • Signs of Wellbeing • Signs of Safety |
| Community & Environmental Services | 1. Growing the economy 2. Highways, infrastructure and transport 3. Environment & Waste 4. Communities & Partnerships 5. Adult Social Care, Public Health and Prevention | 1. Cllr Graham Plant 2. Cllr Martin Wilby 3. Cllr Andy Grant 4. Cllr Margaret Dewsbury 5. Cllr Bill Borrett | Growing the economy |
| | | | <ul style="list-style-type: none"> • Strategic infrastructure for growth • Support key sector developments • Workforce growth and skills |
| | | | Highways, infrastructure and transport |
| | | | <ul style="list-style-type: none"> • Delivering world class infrastructure • Maintaining investment in high quality transport • Customer focus |
| | | | Environment & Waste |
| | | | <ul style="list-style-type: none"> • Addressing key environmental concerns • Caring for Norfolk's distinctive environment • Sustainable waste and use of natural resources |
| | | | Communities & Partnerships |
| | | | <ul style="list-style-type: none"> • Keeping people of Norfolk safe • Improving people's health and wellbeing • Improving education and employment opportunities |
| | | | Adult Social Care, Public Health and Prevention |
| | | | <ul style="list-style-type: none"> • Improve our commissioned specialist services • Prioritise prevention • Use data and intelligence to target our work |
| Finance and Commercial Services | 1. Finance 2. Commercial Services & Asset Management | 1. Cllr Andrew Jamieson 2. Cllr Greg Peck 3. Cllr Tom Fitzpatrick | Finance <ul style="list-style-type: none"> • Current year spend within budget • Setting a balanced budget / sustainable MTFS |

| Departmental Plan | Portfolios | Portfolio holders | Suggested Top 3 Outcomes |
|-----------------------|---|---|---|
| | 3. Innovation, Transformation & Performance | | <ul style="list-style-type: none"> Capital and Treasury activities support long term aims and objectives of authority Commercial Services & Asset Management <ul style="list-style-type: none"> Efficient management and rationalisation of the NCC estate and driving forward One Public Estate initiative Effective leadership and governance off NCC wholly owned companies and affiliates, to maximise return to shareholder through increased dividends or clear social returns Delivery of property savings and capital receipts targets, including reviewing commercialisation opportunities to generate income stream Innovation, Transformation & Performance <ul style="list-style-type: none"> Transformation programmes are delivering the change we need for the Council and people of Norfolk Performance of the Council is well managed We are driving innovation to benefit the County |
| Strategy & Governance | 1. Governance & Strategy 2. Innovation, Transformation & Performance | 1. Cllr Andrew Proctor 2. Cllr Tom Fitzpatrick | Governance & Strategy <ul style="list-style-type: none"> Good governance Strong reputation for the Council Delivering Together, for Norfolk As above (shared) |

Adult Social Services Proposed Performance Indicators – Cllr Borrett Portfolio Lead

Outcome: Improving our commissioned specialist services

(other portfolio priorities covered within CES below)

Regular Cabinet Reporting

% Reablement cases where the outcome is recorded as not requiring any further social care support (Current vital sign)

% of providers judged good or outstanding by CQC

% of service users with LD who are in employment

% of people with mental health who are in employment

Number of permanent admissions to residential and nursing care for people aged 18-64 per 100k population (Current vital sign)

Number of permanent admissions to residential and nursing care for people aged 65+ per 100k population (Current vital sign)

Delayed discharges of care attributable to Adult Social Services (Current vital sign)

Total revenue expenditure on Adults' services per head of population (aged 18+) (raw values)

Social care-related quality of life (raw values) (LGA 44)

Carer related quality of life

Overall satisfaction of people who use services with their care and support

Reported Annually

Total revenue expenditure on Adults' services per head of population (aged 18+) (raw values) (LGA 44)

Social care-related quality of life (raw values) (LGA 44)

Carer related quality of life

Overall satisfaction of people who use services with their care and support

| Children's Services - Proposed Outcomes and Key Performance Indicators - Cllr Fisher Portfolio Lead | | | |
|---|--|---|---|
| Outcomes | Signs of Success | Signs of Wellbeing | Signs of Safety |
| Proposed Performance Indicators | % settings judged good or outstanding | % of children achieving early years development goals | Rate of children in care per 10k |
| | KS2 Outcomes | Mental health and emotional wellbeing of children | Average caseloads in teams |
| | KS4 Outcomes | Instance of self-harm by CYP | Workforce stability - Proportion of agency workers of SW teams |
| | Free School Meals attainment Gap | Rate of entrants to the youth justice system | Re-referral rates social care |
| | Attainment at KS4 for Children in Care | Rates of Drug and Alcohol misuse by children and young people | Number of children subject to a child protection plan for a 2nd time |
| | Rate of permanent exclusions | Teenage pregnancy rate | Proportion of SW cases closed as needs met |
| | Proportion of learners in mainstream settings | Indices of deprivation scores | Feedback from children and families receiving support |
| | Number of children missing education | Proportion of family focus cases stepped down as needs met | Number of children going missing from care or home |
| | Rate of breakdowns of education or care for children looked after | Re-referral rate for family focus teams | TBC – measure of vulnerable adolescents service impact on YP at risk of exploitation/harm |
| | % young people who are NEET | | |
| | % Care Leavers who are NEET | | |
| | All underpinned by Financial Principles | | |
| | Overall CS budget outturn HNB recovery plan position SCARF transformation programme savings delivery Split of spend between care and protection | | |

| Community and Environmental Services - Proposed Outcomes and Key Performance Indicators | | | | | | | | | | | | | | | |
|---|---|---|-------------------------|--|--------------------------------|---|--|---------------------------------------|--|--|-------------------------------------|---------------------------------|-----------------------------|---------------------------------------|---|
| Outcomes | | Alignment to Cabinet Member priorities | | | | | | | | | | | | | |
| | | Cllr Borrett | | | Cllr Dewsbury | | | Cllr Grant | | | Cllr Plant | | | Cllr Wilby | |
| | | Improving our commissioned spend on specialist services | Prioritising prevention | Use data and intelligence to target our work | Keeping people of Norfolk safe | Improving people's health and wellbeing | Improving education and employment opportunities | Addressing key environmental concerns | Caring for Norfolk's distinctive environment | Sustainable waste and use of natural resources | Strategic infrastructure for growth | Support key sector developments | Workforce growth and skills | Delivering world class infrastructure | Maintaining investment in high Customer focus |
| Proposed Performance Indicators | % settings judged good or outstanding | | | | X | | | | | | | | | | |
| | CIL - participation of EYFS activity in libraries | | | | | | X | | | | | | | | |
| | CIL - % of learning delivered to the most deprived wards in Norfolk | | | | | | X | | | | | | | | |
| | NFRS - % of high-risk fire safety audits completed | | | | X | | | | | | | | | | |
| | NFRS - % of high-risk home safety visits carried out | | | | | X | | | | | | | | | |
| | NFRS - % of emergency response within 10 minutes to incidents where life is at risk | | | | X | | | | | | | | | | |
| | G&D - Sq m of commercial and sector space supported | | | | | | | | | | X | | | | |
| | G&D - number of enterprises supported (Invest East) | | | | | | | | | | | X | | | |
| | G&D - Value of developer contributions secured | | | | | | | | | | | | X | | |
| | PH - Average ranking across PHE public health dashboard | X | | | | | | | | | | | | | |
| | PH - Healthy Life expectancy and component indicators | | X | | | | | | | | | | | | |
| | C&H - number of museum visits | | | | | X | | | | | | | | | |
| | C&H - speed of planning application determination | | | | | | | | | X | | | | | |

| | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|---|---|---|--|--|---|--|---|---|
| | C&H - % of actions in Environmental Policy completed on time | | | | | | | X | X | | | | | | | |
| | H&W - Kg of residual waste per household | | | | | | | | | X | | | | | | |
| | H&W - recycling rate at Recycling Centres | | | | | | | | | X | | | | | | |
| | H&W - % of buses on time | | | | | | | | | | | | | | X | |
| | H&W - % of defects dealt with within timescales | | | | | | | | | | | | | | | X |
| | H&W - % of highways capital programme funded by external sources | | | | | | | | | | | | X | | | |

| Finance and Commercial Services - Proposed Outcomes and Key Performance Indicators - | | | |
|--|----------------------------------|--|--|
| Finance - Cllr Jamieson Portfolio Lead | | | |
| Outcomes | Current year spend within budget | Setting a balanced budget / sustainable MTFS | Capital and Treasury activities support long term aims and objectives of authority |
| Proposed Performance Indicators | Revenue monitoring by Department | MTFS / level of forecast budget gap (Annual) | Capital monitoring – spend vs budget |
| | Savings delivery in year | Income forecasts including CT/NNDR (Annual) | Level of borrowing / debt |
| | Reserves use vs budget | Process for identification of pressures (Annual) | Cashflow / Treasury indicators |
| | FES – debt recovery | Input to Government policy decision making (consultations) | Monitoring of compliance with prudential indicators |
| | FES – Payment performance | Reserves forecasts (Annual) | Compliance with CIPFA Prudential Code |
| | | Robustness of estimates judgement (Annual) | |
| | | Compliance with CIPFA FM Code (Annual) | |
| | | Audit VFM judgement | |

| Commercial Services & Asset Management - Cllr Peck Portfolio Lead | | | |
|---|--|---|---|
| Outcomes | Efficient management and rationalisation of the NCC estate and driving forward One Public Estate initiative | Effective leadership and governance off NCC wholly owned companies and affiliates, to maximise return to shareholder through increased dividends or clear social returns | Delivery of property savings and capital receipts targets, including reviewing commercialisation opportunities to generate income stream |
| Proposed Performance Indicators | Budget book – savings target | Capital receipt for land sold, that will be counted as part of overall capital receipts | Budget book – savings target: |
| | Total property cost/FTE | Annual income from interest charged for loans | Capital receipt target: |
| | floor area of property disposed of | Private sector units sold | |
| | Number of partnership projects, NCC is participating in. | Affordable units built in each of the tenures of: Shared equity Affordable rented Social rented | |

| Innovation, Transformation & Performance - Cllr FitzPatrick Portfolio Lead | | | |
|--|--|--|--|
| Outcomes | Transformation programmes are delivering the change we need for the Council and people of Norfolk | Performance of the Council is well managed | We are driving innovation to benefit the County |
| Proposed Performance Indicators | HR & Finance Replacement Project is delivering to defined and agreed milestones and costs | Performance Management System developed and on track | County Broadband Target |
| | Smarter Working – 10% improvement in measure “ My manager encourages me and my colleagues to be flexible about when and where we work and to use space and technology creatively.” | | |
| | Smarter Working programme targets being met | | |

| Strategy & Governance - Proposed Outcomes and Key Performance Indicators - Cllr Proctor Portfolio Lead | | | |
|--|--|---|--|
| Outcomes | Good governance | Strong reputation for the Council | Delivering Together, for Norfolk |
| Proposed Performance Indicators | Decision making processes robust and timely | Customer satisfaction with council services | Composite measure of other portfolios key indicators to be defined in Quarter 1 2020/21. |
| | A positive Annual Governance Statement for NCC | | |
| | Decisions challenged by threat of / actual judicial review | | |
| | Full engagement with key stakeholders is carried out | | |
| | New employee retention (24 mnths+) is at 70% | | |
| | 85% of employees have written goals | | |
| | Absence levels at 3.5% (8.1 days) for NCC | | |
| | Social Worker Vacancies - 90 % of workforce plan filled | | |
| | Employee Engagement – annual measure – improvement of satisfaction and employer contribution score by 2% | - | - |

CORPORATE SELECT COMMITTEE – FORWARD WORKPLAN 2020/21

Item 14

| Corporate Select Committee | 9 November 2020 Theme: People | 25 January 2021 Theme: Transformation | 15 March 2021 Theme: Assets and Transformation |
|-----------------------------------|--|--|--|
| Corporate | <p>Part A -</p> <ul style="list-style-type: none"> • HR & Finance system replacement – implementation planning • Update on NCC Recruitment • Staff Survey • Customer Service Strategy • Local Service Strategy <p>Part B –</p> <ul style="list-style-type: none"> • Review of the NCC Constitution <p>Committee forward plan</p> | <p>Part A -</p> <ul style="list-style-type: none"> • Business Transformation and Smarter Working • Digital Norfolk Strategy – progress report • HR & Finance system replacement – implementation planning <p>Part B -</p> <p>Committee forward plan</p> | <p>Part A –</p> <ul style="list-style-type: none"> • Asset Management Plan • Energy efficiency • Business Transformation and Smarter Working <p>Part B –</p> <ul style="list-style-type: none"> • Review of the NCC Constitution <p>Committee forward plan</p> |