

Business and Property Committee

Date: **Wednesday, 18 October 2017**

Time: **09:15**

Venue: **Cranworth Room, County Hall,
Martineau Lane, Norwich, Norfolk, NR1 2DH**

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

Membership

Mr K Kiddie (Chairman)

Mr S Aquarone

Ms C Bowes

Mr R Brame

Mr D Douglas

Mr F Eagle

Mr B Iles (Vice-Chairman)

Mr A Jamieson

Mr M Kiddle-Morris

Mr C Smith

Mr J Timewell

Mrs K Vincent

Mrs C Walker

**For further details and general enquiries about this Agenda
please contact the Committee Officer:**

Hollie Adams on 01603 223029
or email committees@norfolk.gov.uk

Under the Council's protocol on the use of media equipment at meetings held in public, this meeting may be filmed, recorded or photographed. Anyone who wishes to do so must inform the Chairman and ensure that it is done in a manner clearly visible to anyone present. The wishes of any individual not to be recorded or filmed must be appropriately respected.

A g e n d a

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

3. Minutes

Page 6

To confirm the minutes of the meeting held on 8 September 2017

2. Declarations of Interest

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

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

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

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

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

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

4. Any items of business the Chairman decides should be considered as a matter of urgency

5. Public QuestionTime

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 Friday 13 October 2017**.

For guidance on submitting public questions, please visit www.norfolk.gov.uk/what-we-do-and-how-we-work/councillors-meetings-decisions-and-elections/committees-agendas-and-recent-

6. Local Member Issues/ Member 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 Friday 13 October 2017**.

7. Update from Members of the Committee regarding any internal and external bodies that they sit on.

8. Forward Plan and delegated decisions **Page 15**

A report by the Executive Director of Finance and Commercial Services and the Executive Director of Community and Environmental Services

9. Apprenticeships update **Page 24**

A report by the Executive Director of Community and Environmental Services

10. Trial Apprenticeship Training Agency (ATA)project **Page 35**

A report by the Executive Director of Community and Environmental Services

11. Integrated Health & Employment Service (IHES) **Page 39**

A report by the Executive Director of Community and Environmental Services

12. Strategic and Financial Planning 2018-19 to 2021-22 **Page 44**

A report by the Executive Director of Finance and Commercial Services and the Executive Director of Community and Environmental Services

13. Finance Monitoring **Page 56**

A report by the Executive Director of Finance and Commercial Services and the Executive Director of Community and Environmental Services

14. Disposal, acquisition and exploitation of Properties **Page 62**

A report by the Executive Director of Community and Environmental Services

15. Risk management **Page 74**

A report by the Executive Director of Finance and Commercial Services

16. Performance management **Page 81**

A report by the Executive Director of Finance and Commercial Services and the Executive Director of Community and Environmental Services

17. Norwich Airport Industrial Estate **Page 92**

A report by the Executive Director of Finance and Commercial Services

18. County Farms update **Page 100**

A report by the Executive Director of Finance and Commercial Services

19. County Farms objectives & policies, tenant selection process and acquisition criteria **Page 109**

A report by the Executive Director of Finance and Commercial Services

20. Exclusion of the Public **Page**

The committee is asked to consider excluding the public from the meeting under section 100A of the Local Government Act 1972 for consideration of the items)below on the grounds that they involves the likely disclosure of exempt information as defined by Paragraphs 3 and 3.5 of Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The committee will be presented with the conclusions of the public interest tests carried out by the report author and is recommended to confirm the exclusions.

21. Exempt Minutes **Page**

To agree the exempt Minutes from the 8 September 2017

22. Norfolk One Public Estate Partnership Update **Page**

A report by the Executive Director of Finance and Commercial Services

Group Meetings

Conservative	9:00am	Leader's Office, Ground Floor
Labour	9:00am	Labour Group Room, Ground Floor
Liberal Democrats	9:00am	Liberal Democrats Group Room, Ground Floor

Chris Walton

Head of Democratic Services

County Hall
Martineau Lane
Norwich
NR1 2DH

Date Agenda Published: 11 October 2017



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Business and Property Committee**Minutes of the Meeting held on Friday, 08 September 2017 at 2pm
in the Edwards Room at County Hall****Present:**

Mr K Kiddie – Chairman

Mr S Aquarone

Ms C Bowes

Mr R Brame

Mr D Douglas

Mr F Eagle

Mr B Iles (Vice-Chairman)

Mr A Jamieson

Mr M Kiddle-Morris

Mr C Smith

Mr D Roper

Mrs K Vincent

Mrs C Walker

1. Apologies and Substitutions

- 1.1 Apologies were received from Mr J Timewell (Mr D Roper substituted).

2. Minutes

- 2.1 The minutes from the Business & Property Committee meeting held on 20 June 2017 were agreed as an accurate record and signed by the Chairman.

3. Members to Declare any Interests

- 3.1 The following interests were declared:
- The Executive Director of Finance and Commercial Services declared an interest as executive director of Equinox Enterprises;
 - Mr B Iles declared a non-pecuniary interest as he was a Member of the Broads Authority.
 - Mrs K Vincent declared a non-pecuniary interest as her husband was Executive Director of Broadland Growth Limited;
 - Mr A Jamieson declared an interest as he was a non-executive Director of Norse
 - Mrs C Walker declared an interest as a Director of the Young Carers Association.

4. Items of Urgent Business

- 4.1 There were none.

5. Public Question Time

- 5.1 No public questions were received.

6. Member Questions / Member Issues

6.1 No Local Member questions were received.

7. Update from Members of the Committee regarding any internal and external bodies that they sit on.

7.1 The Chairman informed the Committee that he had made a very interesting visit to the Royal Norfolk Agricultural Association on 5 September where he had met with Directors and Staff.

7.2 The Committee expressed disappointment that some of the Members elected to sit on internal and external bodies had not reported to the Committee. The Chairman agreed to follow this up and request that a written update is provided to Members of the Committee.

7.3 Mr R Brame advised that the next meeting of the Greater Thetford Development Board was scheduled for 15 September and he would report back to the next Committee meeting.

7.4 Mrs C Walker advised that the last two Member meetings of the Great Yarmouth Area Board had been cancelled.

8. Forward Plan and decisions taken under delegated authority.

8.1 The Committee received the report by the Executive Director of Finance and Commercial Services and the Executive Director of Community and Environmental Services setting out the Forward Plan for the Business and property Committee.

8.2 With regard to the delegated decision on the Norwich Northern Distributor Route (NDR) – land acquisitions, the Committee was advised that the budget remained under pressure, some of which was caused by land acquisition costs. The Assistant Director Planning and Economy advised that the Environment, Development and Transport Committee would consider the implications on the budget, although this may not take place until the meeting in January 2018 when it was anticipated more expenditure information would be available.

8.3 There was no financial benefit to Norfolk County Council when schools were leased to academies under a peppercorn lease agreement. Any land transferred to academies remained under the ownership of Norfolk County Council and if the land was no longer used for educational purposes, it would revert back to County Council ownership. The total book value was approximately £32m.

8.4 The land at Pound Lane, Thorpe St Andrew had been sold at auction for £21,500. The Executive Director of Finance & Commercial Services would check whether the site had been sold as agricultural land or land with planning permission and update Members accordingly.

8.5 The Chairman suggested that an update on the Repton Property Developments draft 5-year business plan be brought to a future meeting for consideration by the Committee.

8.6 The Committee **RESOLVED** to:

1. Review the Forward Plan and identify any additions, deletions or changes to reflect key issues and priorities the Committee wishes to consider.
2. Note the delegated decisions.

9. Finance Monitoring

9.1 The Committee received the report by the Executive Director of Community and Environmental Services and the Executive Director of Finance and Commercial Services providing it with information on the budget position for services reporting to Business & Property Committee for 2017-18.

9.2 The Committee sought reassurance that funding would be made available for people with learning difficulties to be offered the opportunity to take up apprenticeships. The Executive Director of Finance and Commercial Services confirmed that work was being undertaken with Adult Social Care (ASC) to help facilitate this initiative. Other departments were also looking to identify posts which may be appropriate for people with learning disabilities and were liaising with Adult Social Care department.

9.3 The Assistant Director Planning and Economy advised that community and Environmental Services Department was in the process of drafting a report for the Communities Committee meeting in October about apprenticeships and ATA (Apprenticeship Training Agency) which would include a high level plan on how the scheme could move forward in the next five years.

9.4 The Executive Director of Finance and Commercial Services agreed to provide a written response about the specific commitments against the £1.8m forecast balance at 31 March 2018.

9.5 The Committee **RESOLVED** to note:

- a) The forecast out-turn position for the business and property Committee.
- b) The capital programme for the Committee.
- c) The current planned use of the reserves and the forecast balance of reserves as at the end of March 2018.

10. Major Infrastructure Improvements

10.1 The Committee received the report by the Executive Director of Community & Environmental Services updating members on the economic benefits identified to date for the three priority infrastructure projects being undertaken by the County Council, including more detail on the Great Yarmouth 3rd River Crossing.

10.2 In response to a question about the economic benefits brought to the county from major road schemes, the Assistant Director Planning and Economy advised that

economic benefits were measured by a Government methodology. The NDR was a key priority for the Transport for Norwich project, which meant that the NDR would free up capacity to provide walking, bus and cycle networks. Norwich city centre had a vibrant bus service, although this was not the case in rural areas, therefore if road space could be freed and more people could be encouraged to use public transport, buses could run to timetable which would in itself help bring economic benefits.

- 10.3 The Committee expressed its pleasure at the successful bid for development work for the 3rd river crossing at Great Yarmouth, and thanked officers for their work on the project.

- 10.4 The Committee **RESOLVED** to:

Note and comment on the economic benefits of the infrastructure projects provided in the report.

11. Scottow Enterprise Park - Update

- 11.1 The Committee received the report by the Executive Director of Community and Environmental Services updating it on the current agreed context the site is operating within, and updates on recent and planned activities on site. The update was intended to help bring Members up to speed on the current position, in advance of a more detailed discussion about the future development of the site at a future Committee meeting.
- 11.2 The Scottow Enterprise Park site was split into four enterprise zones. Zones A, B and C were where the majority of economic activity would take place. Zone D was mainly used as a storage zone made up of multiple, smaller storage spaces that were not meant for regular activity. A large part of the site was the location of the Photo Voltaic Farm.
- 11.3 The table at appendix A of the report showed the total revenue and did not include capital. The revenue from the PV farm amounted to approximately £485k per annum. Any revenue over that figure came from rents for the various buildings on the site.
- 11.4 The Executive Director of Community and Environmental Services advised that the site had been operating at a loss in 2015-16. The site was now forecasting a surplus of approximately £450k, with 94 tenants providing local jobs. This meant the County Council's original aspirations were well on track. The Committee would receive a report at a future meeting asking it to consider longer-term investments which it was hoped would create more jobs at the Park.
- 11.5 In order to give the Committee a clearer picture of rental value and returns at the Park, revenue costs per zone would be included in future performance reports.
- 11.6 The Park currently had an occupancy rate of 85%. It was anticipated that, by the end of March 2018 the site would be 89-90% let. The Site Director confirmed that he could see no reason why the site would not be 100% let by 2019 as predicted as there was still a demand for space at the site. Tenants and new

businesses occupying space at Scottow Enterprise Park were offered continued support which meant they tended to remain.

11.7 Work was being undertaken to consider how the Park could be used to best effect. The Committee was advised that demand continued for small buildings of approximately 2-5k sq.ft. as well as larger buildings of 20-25k sq.ft and would receive an update report at a future meeting.

11.8 The Committee **RESOLVED** to:

1. Note progress and achievements at Scottow Enterprise Park under the management of Hethel Innovation Ltd.
2. Ask officers to work up options for the next phase of development of the site, for the Committee to consider at a future meeting.

12. County Farms Update Report

12.1 The Committee received the report by the Executive Director of Finance and Commercial Services giving members a commentary on the work of the County Farms Team.

12.2 During the presentation of the report the Committee noted that, of the actions identified in the audit report, 29 had now been completed, 4 had not been completed due to restructuring of the department and the remainder were regularly monitored with ongoing action taken.

12.3 The Chairman advised that a visit to County Farms was being arranged for the Committee on Friday 6 October 2017. Details would be circulated to Members as soon as possible.

12.4 The assessment for estates being based on 4 categories as set out in paragraph 2.3 of the report had been brought to the Committee for formal adoption.

12.5 In response to a question about the length of tenancies, the Head of Property said that 5-year tenancies were now being considered and that more responsibilities for the lease had been moved from the landlord to the tenant. Work was undertaken with the tenant farmers to look at how buildings and farms were managed. It was intended that farms would be visited twice per year to monitor the sites and how they were being managed as well as offering support where needed.

12.6 The Committee expressed its wish to see a more explicit reference to care farm provision and requested this is updated in the Proposed Objectives and Policies document.

12.7 With regard to Objective F4, the Head of Property advised that to minimise rent debt, Norfolk County Council as landlords, would take a measured view as to how debts were managed. In some cases tenancies were terminated due to financial reasons and sometimes it was due to performance based problems.

12.8 There were opportunities for students of local colleges to take up apprenticeships, although the Committee noted some farms were small and

would not be able to offer apprenticeships. The larger farms were encouraged to take on an apprentice if it was considered financially viable.

- 12.9 With regard to Objective S1, the Committee was advised the Norfolk County Council Constitution Financial Regulations (Part 7.7, paragraph 5.12.9) set out how receipts of money from the sale of county farms would be handled.
- 12.10 The Committee **agreed** the following change to the Proposed Selection Process & Criteria:

Paragraph 2 – Selection Process – Stage 2

The interviewing panel will comprise a mix of officers and/or members of the Council **Business & Property Committee** together with

Paragraph 2.3

At interview there would be two elected members (to be agreed) **of the Business & Property Committee, with 2 named substitutes of the Business & Property Committee**, Head of Property, the County Farms

- 12.12 The Committee **agreed** the Acquisition Criteria as set out in paragraph 9.0 of the report.
- 12.13 The Chairman announced that Bank House Farm and additional land, Marshland St James, had been purchased by Norfolk County Council. A press release would be circulated soon. Bank House Farm was made up of 440 acres of grade 2 land, including grain stores and offices. The acquisition of Bank House Farm brought the County Farms asset to approximately 16,730 acres in total.
- 12.14 The Committee **RESOLVED** to:
- i) **Agree** the proposed Objectives and Policies in Appendix A of the report.
 - ii) **Agree** the proposed letting procedure in Appendix B of the report and to work with officers to define the process in the coming months, with the amendments outlined in paragraphs 12.11 above.
 - iii) **Agree** the proposed acquisition criteria.

Following which formal proposals would be submitted for adoption at a future Business & Property Committee meeting.

13. Disposal, Acquisition and exploitation of Properties

- 13.1 The Committee received the report by the Executive Director of Finance and Commercial Services setting out proposals aimed at supporting Norfolk County Council priorities by exploiting properties surplus to operational requirements, pro-actively releasing property assets with latent value where the operational needs can be met from elsewhere and strategically acquiring property to drive economic growth and wellbeing in the county.
- 13.2 The following comments were noted in response to questions from the Committee:

- 13.2.1 With regard to the Mileham school site, the Local Member for Necton and Launditch Division which included Mileham urged the Head of Property to explore a possible access issue as there had been some debate locally about site access. The Head of Property agreed to explore the access issue and if no solution could be agreed, the site would be sold at auction.
- 13.2.2 The Committee asked if recommendations (ix) (4 Minstergate) and (x) (Thetford Warehouse) could be re-considered for alternative use rather than being disposed of.
- 13.2.3 With regard to Herondale at Acle, the Committee was advised that Norsecare had viewed the property and had confirmed it did not fit meet their current requirements.
- 13.2.4 With regard to the former County Farm land at Links Road, Hopton on Sea, the Head of Property advised that this site was a good example of land on the edge of a development, being taken out of agricultural use and re-allocated as development land.
- 13.3 The Committee agreed the overall principle of the disposal and acquisition of properties and considering each recommendation in turn **RESOLVED** to:
- i) **Agree** to formally declare the land at London Road, Attleborough surplus to County Council requirements and instruct the Head of Property to bring forward appropriate proposals for disposals or development at a future B&P Committee Meeting.
 - ii) **Agree** to formally declare the former Brockdish school playing field surplus to council requirements and authorise the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous bid and report the fact at a subsequent B&P Committee meeting.
 - iii) **Agree** to formally declare the Filby Sailing Base surplus to council requirements and authorise the Head of Property to dispose of the property either by freehold or leasehold transfer to NSSA on terms to be agreed. In the event of the disposal values exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous bid and report the fact at a subsequent B&P committee meeting.
 - iv) **Note** that the site known as the Land at Willows Business Park in Kings Lynn will not be brought to market until the site has been formally withdrawn from the Norfolk Minerals and Waste Development Framework.
 - (v) **Endorse** the disposal of the former Lingwood school site as surplus to NCC use and authorise the Head of Property to explore and implement its disposal at Market Value. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous bid and report the fact at a subsequent B&P Committee meeting.
 - (vi) **Agree** to formally declare the former Mileham School site surplus to Council requirements and authorise the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the

- Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous bid and report the fact at a subsequent B&P Committee meeting.
- (vii) **Agree** to formally declare 14 Chapelfield North surplus to County Council requirements and authorise the Head of Property to negotiate with the tenant to dispose of the property at market value. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous bid and report the fact at a subsequent B&P Committee meeting.
 - (viii) **Agree** to formally declare floors 1 and 2, and the ground floor (when it becomes available) of Vantage House surplus to NCC use and authorise the Head of Property in consultation with Director of Finance and Commercial services to agree sub-lets on the best terms possible.
 - (ix) **Ask** the Head of Property to **reconsider** the disposal of 4 Minstergate. ~~—at market value. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous bid and report the fact at a subsequent B&P Committee meeting.~~
 - (x) **Ask** the Head of Property to **reconsider** the disposal of Thetford Warehouse ~~either by freehold sale or by lease on the best terms possible. In the event of disposal terms exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous bid and report the fact at a subsequent B&P Committee meeting.~~
 - (xi) **Agree** to formally declare the Tin Barn, Hall Road, Toft Monks surplus to Council requirements and authorise the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous bid and report the fact at a subsequent B&P Committee meeting.
 - (xii) **Agree** to formally declare Croft Farm buildings site, Welney surplus to Council requirements and authorise the Head of Property to seek alternative uses and dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous bid and report the fact at a subsequent B&P Committee meeting.
 - (xiii) **Agree** to formally declare Old Croft Farm Barn site, Tipsend, Welney surplus to Council requirements and authorise the Head of Property to seek alternative uses and dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous bid and report the fact at a subsequent B&P Committee meeting.
 - (xiv) **Agree** to formally declare the 8 property assets as listed in Table 1 surplus to Council requirements and instruct the Head of Property to bring forward as appropriate proposals for disposals or exploitation at future B&P Committee meetings.

14. Exclusion of the Public

- 14.1 The Committee was asked to exclude the public from the meeting whilst agenda items 15 (Exempt Minutes) and 16 (Acquisition of Properties) was considered. The Chairman read out the reasons for the exclusion which was **agreed** by the Committee.
- 14.2 The Committee **RESOLVED** to exclude the public from the meeting whilst agenda items 15 (Exempt Minutes) and 16 (Acquisition of Properties) were considered.

15. Exempt Minutes

- 15.1 The exempt minutes of the Business & Property Committee meeting held on 20 June 2017 were agreed as a correct record of the meeting and signed by the Chairman.

16. Acquisition of Properties

- 16.1 The Committee received and considered the exempt report by the Executive Director of Finance and Commercial Services.
- 16.2 The Committee **RESOLVED** to agree the recommendations in the report.

The meeting closed at 3.40pm

**Mr Keith Kiddie,
Chairman, Business and Property Committee**



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Business and Property Committee

Item No.....

Report title:	Forward Plan and decisions taken under delegated authority
Date of meeting:	18 October 2017
Responsible Chief Officer:	Executive Director of Finance and Commercial Services Executive Director of Community and Environmental Services
Strategic impact Providing regular information about key service issues and activities supports the Council's transparency agenda and enables Members to keep updated on services within their remit. It is important that there is transparency in decision making processes to enable Members and the public to hold the Council to account.	

Executive summary

This report sets out the Forward Plan for the Business and Property Committee. The Forward Plan is a key document for this committee to use to shape future meeting agendas and items for consideration, in relation to delivering business and property issues in Norfolk. Each of the Council's committees has its own Forward Plan, and these are published monthly on the County Council's website. The Forward Plan for this Committee is included at Appendix A.

This report is also used to update the Committee on relevant decisions taken under delegated powers by the relevant Executive Director (or their team), within the scheme of delegation.

Recommendations:

Business and Property (B&P) Committee are asked:

- 1. To review the Forward Plan at Appendix A and identify any additions, deletions or changes to reflect key issues and priorities the Committee wishes to consider.**
- 2. To note the delegated decisions.**

1.0 Introduction

1.1 Forward Plan

1.1.1. The Forward Plan is a key document for this committee in terms of considering and programming its future business, in relation to business and property issues in Norfolk.

1.1.2. The current version of the Forward Plan is attached at **Appendix A**.

- 1.1.3 The Forward Plan is published monthly on the County Council's website to enable service users and stakeholders to understand the planning business for this Committee. As this is a key document in terms of planning for this Committee, a live working copy is also maintained to capture any changes/additions/amendments identified outside the monthly publishing schedule. Therefore, the Forward Plan attached at Appendix A may differ slightly from the version published on the website. If any further changes are made to the programme in advance of this meeting they will be reported verbally to the Committee.

1.2 Delegated decisions

- 1.2.1 The report is also used to update on any delegated decisions within the Terms of Reference of this Committee that are reported by the Executive Directors as being of public interest, financially material or contentious.

Subject: Consultation on Norwich Airport draft Masterplan

Decision: A response to the consultation was sent (a copy can be provided to Members). Key areas of comment included in the response related to:

- Vision and objectives.
- Phased growth.
- Sustainable transport:
 - Surface access strategy.
 - Joint Core Strategy and Norwich Area Transportation Strategy.
 - Public Transport Accessibility.
 - Travel Plan.
 - Parking Strategy.
 - Employee parking.
- Sustainability.

Taken by: Interim Team Leader (Transport Planning) in consultation with the Chair of Environment, Development and Transport Committee and the Chair of Business and Property Committee

Taken on: 15 September 2017

Contact for further information: David Cumming, Interim Team Leader (Transport Planning)
Email: david.cumming@norfolk.gov.uk
Phone: 0344 800 8020

Subject: Other property transactions (including sale, lease and acquisitions)

Decision: Various, as listed at **Appendix B**.

Taken by: Relevant officers, as set out in the scheme of delegation.

Taken on: Various, as listed at **Appendix B**.

Contact for further information: Simon Hughes, Head of Property
Email: simon.hughes@norfolk.gov.uk
Phone: 01603 222043

2.0 Evidence

2.1 As set out in the report and appendices.

3.0 Financial Implications

3.1 There are no direct financial implications flowing directly from members noting this report. However the delegated decisions themselves often have significant financial implications, for example capital receipts from the sale of land/property.

4.0 Issues, risks and innovation

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

Officer Contact

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

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

Officer Name:	Tel No:	Email address:
Simon Hughes	01603 222043	simon.hughes@norfolk.gov.uk



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Appendix A

Forward Plan for Business and Property Committee

Issue/decision	Implications for other service committees?	Requested committee action (if known)	Lead officer
Meeting : 18 October 2017			
Member briefings and site visits	No	To update members and view property assets.	Executive Director of Finance and Commercial Services (Simon George)
Forward Plan and delegated decisions	No	To review the Committee's forward plan and agree any amendments/additions.	Executive Director of Finance and Commercial Services (Simon George)
Strategic and Financial Planning 2018-19 to 2021-22	No – all service committees will receive a report	To consider full budget savings proposals.	Executive Director of Finance and Commercial Services (Simon George)
Apprenticeships update	None	Information only	Interim Head - Economic Development (Vince Muspratt (Paul Wright))
Trial Apprenticeship Training Agency (ATA)project	None	Support in principle the development of a trial ATA project	Interim Head - Economic Development (Vince Muspratt (Paul Wright))
Integrated Health & Employment Service (IHES)	None	Support in principle the development of an IHES	Interim Head - Economic Development (Vince Muspratt (Eve Cronin))
Performance management	No	Comment on performance and consider areas for further scrutiny.	Business Intelligence and Performance Analyst (Austin Goreham)

Issue/decision	Implications for other service committees?	Requested committee action (if known)	Lead officer
Risk management	No	Review and comment on the risk information and consider any areas of risk that require a more in-depth analysis	Chief Internal Auditor (Adrian Thompson)
Finance Monitoring	No	To review the service's financial position in relation to the revenue budget, capital programme and level of reserves.	Finance Business Partner (Andrew Skiggs) and Senior Accountant (Graham Jermy)
Disposal, acquisition and exploitation of Properties	No	To consider proposals to dispose of and/or acquire properties	Head of Property (Simon Hughes)
County Farms update	No	To comment on performance and note any changing circumstances, consider and take action as required.	Head of Property (Simon Hughes)
County Farms objectives & policies, tenant selection process and acquisition criteria	No	To consider adoption of objectives & policies, tenant selection process and acquisition criteria	Head of Property (Simon Hughes)
Norwich Airport Industrial Estate	No	To consider proposed strategy to exploit the estate.	Head of Property (Simon Hughes)
Norfolk One Public Estate Partnership - update	No	To review progress and consider ideas/proposals around the combined public sector property portfolio	Head of Property (Simon Hughes)
Meeting: 20 November 2017			
Member briefings and site visits	No	To update members and view property assets.	Executive Director of Finance and Commercial Services (Simon George)

Issue/decision	Implications for other service committees?	Requested committee action (if known)	Lead officer
Forward Plan and delegated decisions	No	To review the Committee's forward plan and agree any amendments/additions.	Executive Director of Finance and Commercial Services (Simon George)
Finance Monitoring	No	To review the service's financial position in relation to the revenue budget, capital programme and level of reserves.	Finance Business Partner (Andrew Skiggs) and Senior Accountant (Graham Jermy)
Strategic and Financial Planning 2018-19 to 2021-22	No – all service committees will receive a report	To consider full budget savings proposals.	Executive Director of Finance and Commercial Services (Simon George)
Disposal, acquisition and exploitation of Properties	No	To consider proposals to dispose of and/or acquire properties	Head of Property (Simon Hughes)
County Farms update	No	To comment on performance and note any changing circumstances, consider and take action as required.	Head of Property (Simon Hughes)
Repton Property Developments Ltd – Business plan	No	To consider draft 5 year business plan	Head of Property (Simon Hughes)
Meeting : 18 January 2018			
Member briefings and site visits	No	To update members and view property assets.	Executive Director of Finance and Commercial Services (Simon George)
Forward Plan and delegated decisions	No	To review the Committee's forward plan and agree any amendments/additions.	Executive Director of Finance and Commercial Services (Simon George)
Performance management	No	Comment on performance and consider areas for further	Business Intelligence and Performance Analyst (Austin

Issue/decision	Implications for other service committees?	Requested committee action (if known)	Lead officer
		scrutiny.	Goreham)
Strategic and Financial Planning 2018-19 to 2021-22	No – all service committees will receive a report	To consider full budget savings proposals.	Executive Director of Finance and Commercial Services (Simon George)
Risk management	No	Review and comment on the risk information and consider any areas of risk that require a more in-depth analysis	Chief Internal Auditor (Adrian Thompson)
Finance Monitoring report	No	To review the service's financial position in relation to the revenue budget, capital programme and level of reserves.	Finance Business Partner (Andrew Skiggs)
Disposal, acquisition and exploitation of Properties	No	To consider proposals to dispose of and/or acquire properties	Head of Property (Simon Hughes)
County Farms update	No	To comment on performance and note any changing circumstances, consider and take action as required.	Head of Property (Simon Hughes)
Meeting : 14 March 2018			
Member briefings and site visits	No	To update members and view property assets.	Executive Director of Finance and Commercial Services (Simon George)
Forward Plan and delegated decisions	No	To review the Committee's forward plan and agree any amendments/additions.	Executive Director of Finance and Commercial Services (Simon George)
Performance management	No	Comment on performance and consider areas for further	Business Intelligence and Performance Analyst (Austin

Issue/decision	Implications for other service committees?	Requested committee action (if known)	Lead officer
		scrutiny.	Goreham)
Risk management	No	Review and comment on the risk information and consider any areas of risk that require a more in-depth analysis	Chief Internal Auditor (Adrian Thompson)
Finance Monitoring report	No	To review the service's financial position in relation to the revenue budget, capital programme and level of reserves.	Finance Business Partner (Andrew Skiggs)
Disposal, acquisition and exploitation of Properties	No	To consider proposals to dispose of and/or acquire properties	Head of Property (Simon Hughes)
County Farms update	No	To comment on performance and note any changing circumstances, consider and take action as required.	Head of Property (Simon Hughes)

Appendix B

Property decisions taken under delegated authority

Property	Transaction	Cost	Benefit	Date of decision
Kings Lynn Reffley Community School	Academy lease	-	-	16/06/2017
Thurlton Primary School	Academy lease	-	-	16/06/2017
Surlingham Primary School	Academy lease	-	-	19/05/2017
Rockland St Mary Primary School	Academy lease	-	-	19/05/2017
Briston Astley School	Academy lease	-	-	27/05/2017
Burnham Market Primary School	Academy lease	-	-	26/05/2017
Bank House Farm	Acquisition	£2,965,000	-	28/03/2017

Note: A list of property acquisitions relating to the NDR scheme is held separately and can be made available for members, on request.

Business and Property

Item No.

Report title:	Apprenticeships Update
Date of meeting:	October 18 2017
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact Apprenticeships are an asset to any organisation and bring significant benefits to the business and existing workforce. Apprenticeships combine on-the-job training in an organisation with off-the-job learning, and provide employers with an effective way of growing their skills base. Apprenticeships offer an invaluable opportunity to develop the expertise needed now and in the future, responding to the changing needs in Norfolk to fill skills gaps and support the economy.	

Executive summary

This report seeks to update and inform members about Apprenticeships in Norfolk.

The Apprenticeships Norfolk Network (ANN) is a partnership of stakeholders that brings over 100 schools, employers, colleges, training providers and support organisations together. The common goals and objectives are:

- To increase the **number, level, range and quality** of Apprenticeships in Norfolk and ensure they are simple to access and effective at meeting the skills needs of businesses
- Drive change and increase productivity and efficiency
- Work in partnership
- Maximise the impact of funds, time and expertise
- Encourage new employers to take on apprentices in Norfolk
- Encourage more individuals to become apprentices in Norfolk.

Progress against these targets from 2014 to 2016 was strong with Norfolk leading the way in terms of growth in overall number, and in terms of increasing the levels studied, However performance has faltered in 2016/17 due to the effects of the Apprenticeship reforms.

The following changes to Apprenticeships have all impacted on the performance of Apprenticeships across Norfolk and the rest of England.

- The introduction of the levy. Levy paying businesses are focussed upon the development of their existing staff rather than recruiting young people into their businesses.
- The change in qualification funding levels. Apprenticeships like Business Administration and Health and Social Care have had their funding reduced which has made providers less likely to offer these. In the last year, Health and Social

Care and Business Administration were Norfolk's top two Apprenticeship sectors. Conversely, STEM subject areas have seen an increase in funding.

- The change from Frameworks to Standards. Apprenticeship frameworks are being phased out between now and 2020 and the new Apprenticeship standards are delivered very differently. Standards are assessed by an organisation independent to the apprentice, provider or the employer and require the individual to pass an End Point Assessment to complete their Apprenticeship.
- The introduction of an all age, all level service, with Apprenticeships now available for level 2 to level 7. This is leading to a rush to the top with many employers who have traditionally recruited apprentices at level 2 or 3, making a conscious decision to instead recruit those with A Levels onto a level 4/5 Apprenticeship.

Recommendations:

- 1. Work with ANN partners to support take-up of apprentices aged 16 to 24 years to address the expected imbalance created by Government reforms**
- 2. Seek funding from the Norwich Opportunity Area for a trial to support 16 y/o transition from school to Apprenticeship**
- 3. Seek funding from the Network for East Anglian Collaborative Outreach to support a trial for 17 and 18 year olds into Advanced and Higher Apprenticeships**

1. Proposal

- 1.1. The employment and skills team has four apprenticeship advisers who work with young people in schools and small businesses to support the take-up of Apprenticeships. We intend to re-focus the work of the apprenticeship advisers on the progression of young people leaving school, sixth form or college at 16 to 18 who have chosen Apprenticeships as their preferred option.

The team will develop a new strategy to engage employers in the September to December period and encourage them to think earlier about if they would like to recruit an apprentice the following June.

A more formal assessment process will be implemented where young people will make an initial application to be included in the "pool" of potential apprentices and an employer/apprentice matching system will take place in the spring term where provisional offers will be made subject to results.

2. Evidence

- 2.1. The most recent Department for Education figures are based on new Apprenticeship starts with levy paying employers in England through the apprenticeship service from May to July 2017. These show that of the 18,600 that were fully agreed, just 2,900 were for apprentices aged under 19.

A further 6,000 were for apprentices aged 19 to 24, while 9,700 (more than half) were for those aged 25 or older.

There is a delay in the Education and Skills Funding Agency releasing up to date data and other than the statement above, we have received no full data for Apprenticeship starts after April 2017. Please see appendix 1 for data released up until this date when the reforms were implemented.

This shows that up until the reforms were implemented, the reduction seen in

new starts in 2016/17 was largely seen in the 25+ age group. This is the result of the Health Trusts and other public sector organisations holding back starts for existing staff until they could use their levy to pay for the training.

3. Financial Implications

- 3.1. This proposal is predicated on a refocus of existing resources within the Employment and Skills Team.

Our apprenticeship advisers are currently retained on fixed term contracts until 30 April. If these applications for funding are successful, future funding will be via [NEACO](#) and the [Norwich Opportunity Area](#).

In this case, the work of these advisers will become more targeted at those individuals who make a conscious choice of Apprenticeship as their intended destination at the end of their current period of education as opposed to more general promotion of Apprenticeships. This more targeted approach will better lend itself to the outcomes to be achieved by NEACO and the Norwich Opportunity Area.

4. Issues, risks and innovation

- 4.1. If we do nothing to support the 16 to 24 Apprenticeships market, there is a risk that the number of young people in jobs without training will increase. As at June 2017, Norfolk had 4.3% of 16 and 17 year olds in jobs without accredited training against a national average of 2.1%. Norfolk County Council has a statutory duty to ensure that all young people participate in education or training till their 18th birthday and the changes taking place in the Apprenticeships market place could see this figure increase further if action is not taken.

5. Background

- 5.1. Apprenticeships Norfolk Targets are as follows:

Number: By the end of 2019 we will create

- an additional 2500 apprentices (baseline 7212)
(1,400 achieved by the end of July 2016)

Level: By the end of 2019, there will be

- A 25% increase in the take-up of Apprenticeships at Advanced Level
(66% increase achieved by July 2016)
- An additional 350 Higher Apprenticeship starts
(420 achieved by July 2016)

Range : Wherever there is significant demand from employers, we will broker a suitable Apprenticeship framework or standard and ensure it is available for delivery locally

Quality : By the end of 2019

- The number of apprentices completing their qualifications in Norfolk will exceed the national average completion rate
- Employer and learner satisfaction rates for all members will exceed the national average

Officer Contact

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

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Email address : Paul.wright@norfolk.gov.uk



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

Apprenticeship Data 2011/12 – 2016/17

Local Education Authority/ Local Authority data on Apprenticeship Starts									
Apprenticeship - Starts		Geography	LEA/LA/Region/England	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 August- April
Level	Age								
All	All	LEA/LA	Norfolk	7,640	7,210	6,270	7,290	7,670	6,120
All	All	Region	East of England	45,820	46,220	40,430	45,790	46,650	40,250
All	All	National	England	515,000	504,200	434,600	494,200	503,900	434,400
All	All	Total	Grand Total	520,600	510,200	440,400	499,900	509,400	440,300

Source

<https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>

Apprenticeship – Starts aged 16 to 18									
Level	Geography	LEA/LA/Region/England	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 August- April	Percentage achieved by Q3 of 2017
All	LEA/LA	Norfolk	1,710	1,840	1,900	1,990	1,940	1,590	82%
All	Region	East of England	12,150	11,010	11,520	12,650	13,060	10,940	84%
All	National	England	128,600	113,000	118,200	124,300	129,800	107,100	83%
All	Total	Grand Total	129,900	114,500	119,800	125,900	131,400	108,600	83%

Apprenticeship – Starts aged 19 to 24									
Level	Geography	LEA/LA/Region/England	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 August- April	Percentage achieved by Q3 of 2017
All	LEA/LA	Norfolk	2,190	2,380	2,150	2,340	2,310	1,810	78%
All	Region	East of England	14,420	15,270	14,490	14,490	13,930	11,270	81%
All	National	England	159,700	163,500	157,100	158,500	152,400	123,800	81%
All	Total	Grand Total	161,400	165,400	159,100	160,200	153,900	125,400	81%

Apprenticeship – Starts aged 25+

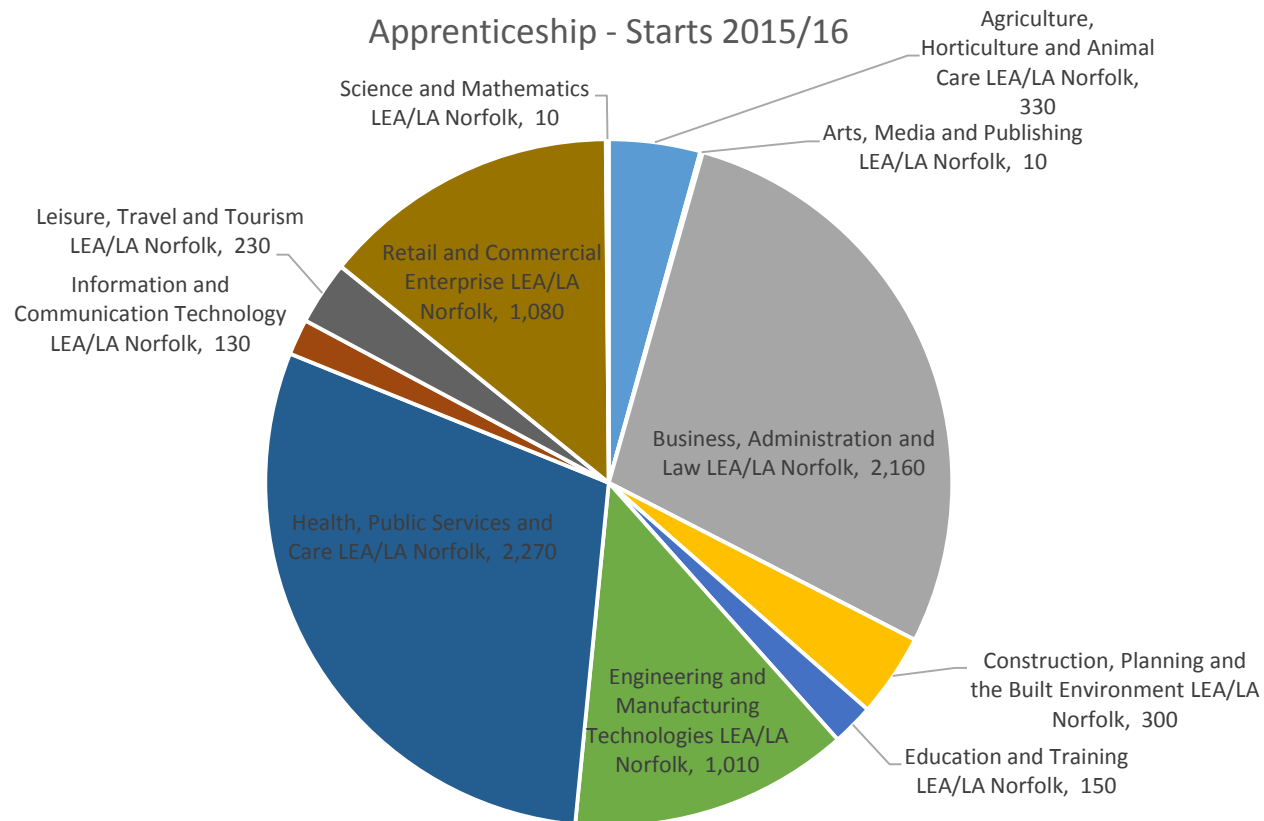
Level	Geography	LEA/LA/Region/England	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 August- April	Percentage achieved by Q3 of 2017
All	LEA/LA	Norfolk	3,740	2,990	2,220	2,950	3,420	2,720	80%
All	Region	East of England	19,260	19,940	14,420	18,650	19,670	18,040	92%
All	National	England	226,700	227,700	159,300	211,500	221,700	203,500	92%
All	Total	Grand Total	229,300	230,300	161,600	213,900	224,100	206,400	92%

Apprenticeship - Starts

Subject Sector Area	Geography	LEA/LA/Region/England	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 August- April	Percentage of starts in quarter 3 of 2017
Agriculture, Horticulture and Animal Care	LEA/LA	Norfolk	230	260	270	270	330	190	58%
Agriculture, Horticulture and Animal Care	National	England	7,430	6,960	6,870	6,890	8,030	6,300	78%
Arts, Media and Publishing	LEA/LA	Norfolk	10	20	10	10	10	10	100%
Arts, Media and Publishing	National	England	1,200	1,110	1,390	1,450	1,240	700	56%
Business, Administration and Law	LEA/LA	Norfolk	2,160	2,150	1,600	1,800	2,160	1,560	72%
Business, Administration and Law	National	England	163,200	158,700	124,420	141,380	141,840	120,600	85%
Construction, Planning and the Built Environment	LEA/LA	Norfolk	150	130	210	250	300	290	97%
Construction, Planning and the Built Environment	National	England	13,630	13,110	15,640	18,140	21,200	19,300	91%
Education and Training	LEA/LA	Norfolk	160	50	30	70	150	120	80%
Education and Training	National	England	7,500	7,990	4,710	7,400	8,260	8,100	98%
Engineering and Manufacturing Technologies	LEA/LA	Norfolk	1,280	1,080	1,060	1,340	1,010	910	90%
Engineering and Manufacturing Technologies	National	England	68,770	65,520	63,850	72,930	77,480	66,500	86%
Health, Public Services and Care	LEA/LA	Norfolk	1,550	1,570	1,590	2,060	2,270	2,130	94%
Health, Public Services and Care	National	England	107,610	122,090	107,210	128,570	131,190	126,000	96%
Information and Communication Technology	LEA/LA	Norfolk	140	80	70	80	130	70	54%

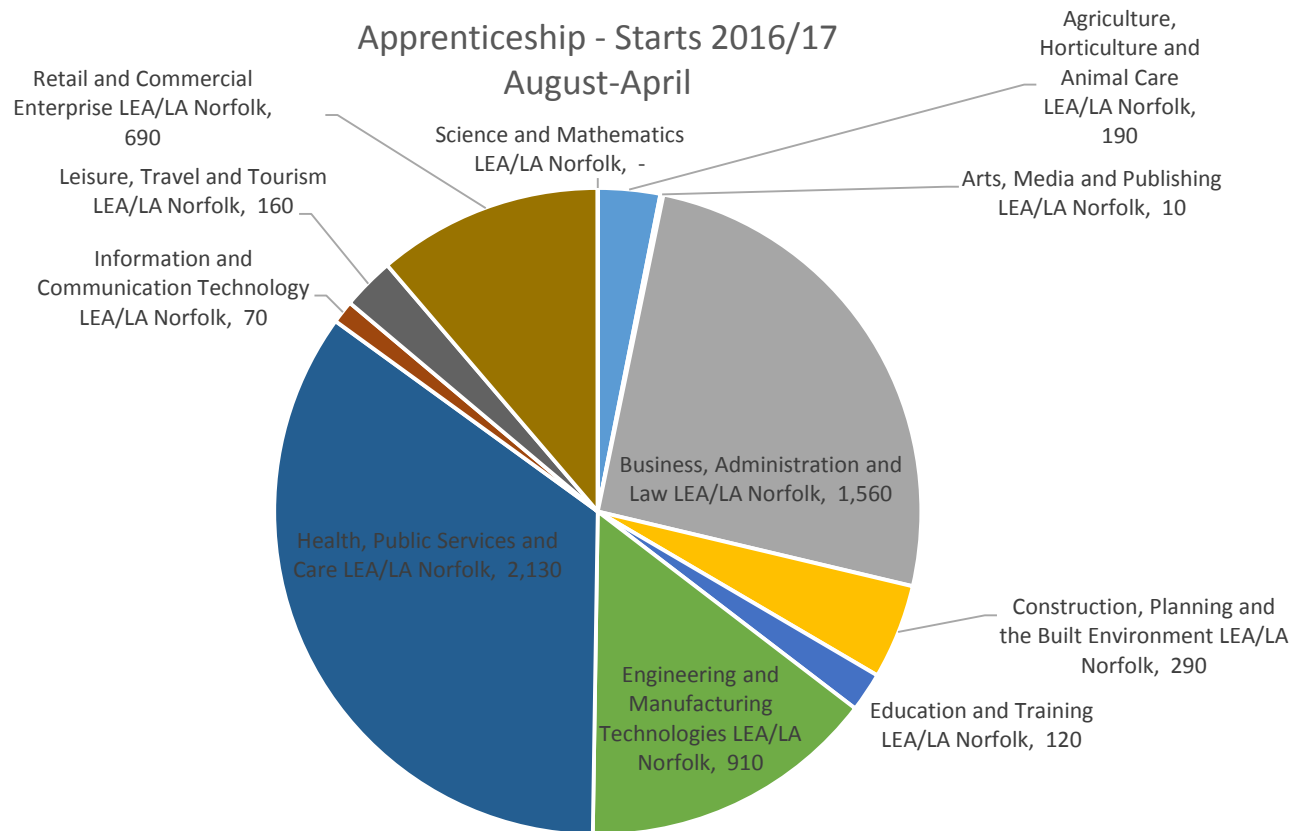
Information and Communication Technology	National	England	18,400	14,010	12,890	15,510	15,860	11,800	74%
Leisure, Travel and Tourism	LEA/LA	Norfolk	190	180	110	170	230	160	70%
Leisure, Travel and Tourism	National	England	19,450	14,110	11,100	12,850	14,600	12,200	84%
Retail and Commercial Enterprise	LEA/LA	Norfolk	1,770	1,670	1,340	1,240	1,080	690	64%
Retail and Commercial Enterprise	National	England	107,410	100,260	86,190	88,650	83,730	62,700	75%
Science and Mathematics	LEA/LA	Norfolk	-	10	-	-	10	-	0%
Science and Mathematics	National	England	370	320	350	380	500	300	60%

Apprenticeship - Starts 2015/16



- Agriculture, Horticulture and Animal Care LEA/LA Norfolk
- Arts, Media and Publishing LEA/LA Norfolk
- Business, Administration and Law LEA/LA Norfolk
- Construction, Planning and the Built Environment LEA/LA Norfolk
- Education and Training LEA/LA Norfolk
- Engineering and Manufacturing Technologies LEA/LA Norfolk
- Health, Public Services and Care LEA/LA Norfolk
- Information and Communication Technology LEA/LA Norfolk
- Leisure, Travel and Tourism LEA/LA Norfolk
- Retail and Commercial Enterprise LEA/LA Norfolk
- Science and Mathematics LEA/LA Norfolk

Apprenticeship - Starts 2016/17 August-April



- Agriculture, Horticulture and Animal Care LEA/LA Norfolk
- Business, Administration and Law LEA/LA Norfolk
- Education and Training LEA/LA Norfolk
- Health, Public Services and Care LEA/LA Norfolk
- Leisure, Travel and Tourism LEA/LA Norfolk
- Science and Mathematics LEA/LA Norfolk
- Arts, Media and Publishing LEA/LA Norfolk
- Construction, Planning and the Built Environment LEA/LA Norfolk
- Engineering and Manufacturing Technologies LEA/LA Norfolk
- Information and Communication Technology LEA/LA Norfolk
- Retail and Commercial Enterprise LEA/LA Norfolk

Business and Property Committee

Item No.

Report title:	Trial Apprenticeship Training Agency Project
Date of meeting:	Wednesday 18 October 2017
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact: <p>Apprenticeships are an asset to any organisation and bring significant benefits to the business and existing workforce.</p> <p>The new County Council Plan 2018-22 being developed sets out how the Council will implement the new ‘Caring for our County’ themes.</p> <p>‘Caring for your Family’ highlights the need to create more apprenticeships, giving young people more control over their future, working with local businesses to give young people a first step on the career ladder.</p> <p>‘Caring for your Economy’ states that NCC will ‘work with businesses and other partners to boost growth and bring more jobs to Norfolk’.</p> <p>Additionally, our Vital Signs sets ambitious annual targets for moving vulnerable people on benefits into work.</p>	

Executive summary

This paper sets out a key proposal to support the only existing Apprenticeship Training Agency (ATA) in Norfolk. The ATA helps small businesses access the benefits an apprentice can bring without having to commit to the full term of an apprenticeship.

The ATA will also support young people aged 16-24, including looked after children and care leavers, who consistently struggle to engage with mainstream provision for a variety of reasons and may need additional support to take up an apprenticeship.

An Apprenticeship Training Agency (ATA) offers a unique approach to the recruitment of apprentices. It is specifically designed to support smaller employers who wish to take on an apprentice or those whose order book will not currently allow them to commit to employing an apprentice for the full period of the Apprenticeship, but know that they will need fully trained employees in the future.

The ATA also provides a vehicle for young people who would not easily be able to engage and sustain an apprenticeship to access the additional support they require in order to engage fully with mainstream provision.

The development of an ATA in Norfolk would enable small businesses to continue to grow and thrive, enjoying the benefits that an apprentice can bring to their business whilst also supporting vulnerable young people.

Recommendations:

- 1. Members support the development of a trial ATA, working with an existing organisation, subject to securing external funding;**
- 2. Officers will bring back a report detailing the outcomes of the trial before upscaling the model to a wider cohort of young people.**

1. Proposal

- 1.1. The proposal is to develop an ATA to support both individuals and employers to lever the benefits an apprentice can bring to a business. The distinctive feature is that it is the ATA that acts as the apprentice employer and places them with a host employer. For an area like Norfolk which has high number of SMEs it would be a useful mechanism to increase the type of businesses that would consider apprenticeships, perhaps for the first time.

The ATA model offers other benefits for the employer. These include;

- Support with recruitment – finding the right apprentice to meet the employers' needs
- Responsibility for the wages, tax, National Insurance as well as administration and performance management.
- Apprentice management during the Apprenticeship period
- Links with an approved training provider and support to both the apprentice and host employer throughout the Apprenticeship.

1.2. **The Model**

The ATA provides bespoke support to both the employer and the individual to ensure that any barriers are managed and dealt with in a timely fashion. This will increase the chances of successful outcomes for both the employer and the young person.

The apprenticeship reforms encourage large businesses to invest in training their existing staff rather than recruiting new apprentices meaning there is less availability in the system for young people. Those young people that are most vulnerable such as looked after children could easily become marginalised as the reforms become embedded.

The ATA will support new employers from the smallest companies to recruit an apprentice. The host employer then pays the ATA a fee for the apprentices' services which includes the cost of their wages, and other employment related costs. This allows employers, often SMEs, who may have short term opportunities or specific business needs to be more flexible and create the right opportunity for their business and will enable Norfolk County Council, and other public sector businesses to use up to 10% of their levy to support the cost of training these apprentices. It also offers apprentices a wider range of work experience while safeguarding their qualification.

Partnership working alongside the county's apprenticeship providers and the network of employers and other stakeholders which make up the existing Apprenticeships Norfolk Network (ANN) will be critical to making the apprenticeships reforms and the proposed ATA a success. ANN members have agreed to support the ATA, to promote its offer and to support employer engagement. Schools, colleges and NCC Children's Services will all act as a referral point for suitable young people.

1.3. **Funding the Proposal**

We are proposing to fund the ATA in two phases.

Firstly a pilot, working with an existing ATA (TrAC) to support 30 of our most

vulnerable young people.

Funding will be sourced from a number of avenues

- We are proposing to utilise £100,000 previously granted by members to support skills and training for young people
- TrAC has applied for £200,000 funding from the New Anglia LEP skills deal programme. The application has been approved in principle subject to a number of caveats and the due diligence process which will be completed
- TrAC has submitted various applications totalling £150,000 to an ESF funding stream to ensure the trial includes support for individuals prior to them starting an Apprenticeship. The result of these bids will be known in November.
- Additionally, from April 2018, Norfolk County Council will be able to transfer up to 10% of its levy to a registered ATA to support the cost of training these individuals. Other organisations could choose to do similar if they are not expecting to use all their levy.

The cost per apprentice for the trial will total £19,917, of which £6,403 will be met from contributions from host employers. The remaining will be subject to successful applications to the various funding streams listed above.

Subject to a successful trial, other ESF opportunities are expected to become available in 2018 which we would seek to bid for to implement a fully sustainable commercial model. Alongside this, we are also exploring other investment opportunities. The ATA is a major undertaking and will result in a new way of supporting apprentices aged 16 to 24, training providers and employers in Norfolk.

2. Evidence

- 2.1. Apprenticeship starts for 16-18 year olds have fallen in Norfolk over the last 9 months and are predicted to continue to do so as the apprenticeship reforms encourage larger employers up skill the existing workforce. Many young people at school express an interest in taking up an apprenticeship but will be unable to do so unless the number of opportunities remains consistent and support is available to help them make the transition to the workplace. Employers are also sometimes concerned about the resource implication of supporting a young person and the ATA will provide bespoke support for both.

3. Financial Implications

- 3.1. TrAC is currently seeking funding from a range of external sources including European Social Funding and Social Investment. If successful we are proposing a partnership approach with TrAC to trial the model and prove the concept. It may then be possible to upscale the model and for other public and large private sector organisations to work with us.

4. Issues, risks and innovation

- 4.1. Without the interventions detailed above there is a risk that the number of apprenticeship opportunities for young people available in Norfolk will decrease leading to disappointment and disengagement from small businesses. The

number of young people, particularly those who need additional support, who successfully move into an apprenticeship will continue to decline leaving them with fewer options to progress and increase their skills levels. This may lead them to become dependent on the benefits system and less able to move back into the labour market in the longer term.

There is also a financial risk to NCC in that if the project is not successful the funding invested will not yield the expected outcomes, however supporting a pilot project will mitigate this and limit the extent of the risk.

5. Background

- 5.1. Apprenticeships provide nationally recognised routes to sustainable employment and we know that there is significant demand across Norfolk from young people. Providing bespoke support to both the individuals and employers within a partnership context will enable us to continue to grow the number, level, quality and range of Apprenticeships on offer in Norfolk.

Officer Contact

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

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Email address : Jan.feeney@norfolk.gov.uk



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Business and Property Committee

Item No.

Report title:	Integrated Health and Employment Service
Date of meeting:	Wednesday 18 October 2017
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact: Council services are experiencing unprecedented demand from residents with a variety of health related conditions which prevent them from living independently. This Integrated Health and Employment Service proposal seeks to reduce this dependence on a range of services, helping people to live better, more independent lives within the context of employment.	

Executive summary

Although levels of employment in Norfolk are relatively stable and resilient, opportunities for more vulnerable residents who may need additional support to move into work are extremely limited. Critically, national provision to move people into work is not able to address health related barriers to the work place making it unsuitable for this group. While there is growing momentum across the country to tackle issues such as mental health and to integrate health and employment there has been little, if any, new provision in Norfolk.

Our project will support those who are long term claimants of working age benefits with health related barriers to work through an Integrated Health and Employment Service for Norfolk. It is necessary because mainstream employability provision does not take health outcomes into account despite the fact that often the barrier to work is as much related to health barriers as it is skills barriers. To deliver sustainable outcomes, individuals and employers need to be enabled to manage health conditions within the right workplace.

Economic Development has some reserves generated from previous employability projects which can be diverted to this project as the funding was secured in order to move people closer to work and into work. However, this funding will only support a small scale project, so to fund the delivery of this work on a cross county scale we will be submitting a bid to European Social Fund (ESF). This bid would be matched against activity and commitment from partners across Norfolk. If the maximum amount of funding is secured the proposal could support a maximum of 3,500 individuals in Norfolk claiming working age benefits who require more intensive support to move into work and live independently.

We will be submitting the Stage 1 bid to ESF by 27 October 2017. A decision on whether we are invited to make a Stage 2 application should be reached by January 2018.

Recommendations:

Members are asked to consider the proposal and

- 1) Support the development of the Integrated Health and Employment service**
- 2) Approve the submission of the stage 1 ESF bid**

1. Proposal

Long term claimants of working age benefits don't just have skills related barriers to work but also have to manage complex health and social care needs which can make employment challenging to secure and sustain. By using this opportunity to bid for ESF we can provide dedicated, individualised support across the county for up to 3,500 individuals.

1.1. Integrated Health and Employment Service

1.1.1 Rationale

Our project will support those who are long term claimants of working age benefits with health related barriers to work through an Integrated Health and Employment Service for Norfolk. It is necessary because mainstream employability provision does not take health outcomes into account despite the fact that often the barrier to work is as much related to health barriers as it is skills barriers. To deliver sustainable outcomes individuals and employers need to be enabled to manage health conditions within the right workplace.

In Norfolk alone 55,000 (10%) of the working age population are currently in receipt of a working-age benefit and many are long term claimants. 32,000 of this number have health related barriers to work. This comes at a time when employment levels are at a record high and many employers are having difficulties filling their vacancies. This is a huge cost to public services across Norfolk as well as a significant drain on GVA. Given the number of claimants who have been in receipt of Employment Support Allowance (ESA) for more than 5 years it is clear that current programmes and interventions are not working for this group.

The programme we have designed will consider employment and skills development as the overarching goal for each participant but will provide specialist health and employment support to enable them to move into, or, closer to, work. This will offer a new way of working in Norfolk and provide a service for those who are typically overlooked by the majority of services. Whilst Economic Development has strong experience in the field of employability and skills development we are working closely with colleagues in Public Health and the Integrated Commissioning Teams as well as external stakeholders on the health related elements of the proposals. To ensure Norfolk County Council benefits as much as possible from a successful project it will need to be accessed by our social workers, public health colleagues and those supporting Mental Health Initiatives. Employment and independent living is the long term goal.

1.1.2 The Model

The project will be managed by NCC in collaboration with a strategic partnership comprising district authorities, housing associations, and Voluntary and Community Sector (VCS) representatives. The role of this partnership will be to oversee the delivery and performance management of the project.

Direct delivery of the project will take place via voluntary sector organisations who are already experienced in supporting this client group and well embedded locally. These delivery organisations will employ Personal Advisers to work intensively with the beneficiaries to create bespoke pathways towards employment including skills development. Where interventions lead to employment, Personal Advisers will remain engaged and ensure that beneficiaries are supported to remain in work and gain the necessary skills until such stage as they are able to securely operate independently.

Personal Advisers are currently employed by voluntary sector organisations as part of this project NCC will not be the employer, the project would look to target their activity to deliver improved outcomes and where possible increase the number of personal advisors.

2. Evidence

- 2.1. There is a considerable body of research demonstrating that appropriate work can bring health and wellbeing benefits. However, it is clear that our health and welfare systems are struggling to provide meaningful support to help people get back to work as well as stay connected to work. The importance of employment for health is neither fully reflected in commissioning decisions and clinical practice within health services, nor within the disjointed welfare system in which those in receipt of ESA are given little support to help them into work (only around 3 in 100 of all Employment and Support Allowance claimants leave the benefit each month). The IHES will provide individuals with bespoke support to help them move closer to or into employment.

3. Financial Implications

- 3.1. Officers are currently seeking funding from a range of external sources including the Pooled Business Rates Fund and European Social Funding.

To date we have identified £775,000 to deliver this work:

Norfolk County Council: £350,000

Victory Housing Association: £75,000

Pooled Business Rates: £350,000 (outcome not yet known)

The £350,000 referenced above comes from historic employability projects Economic Development has secured from bids to external funding including from the Department of Work and Pensions. There is no ask from NCC budgets in this proposal nor are we diverting funding from other services.

We are in ongoing discussions with New Anglia LEP, the NHS and Norfolk's Clinical Commissioning Groups to secure additional funding as this project also aligns well with their work. Once these discussions have concluded we can determine the scale of the project and the proportion of the 3,500 individuals we will be able to support.

We plan to submit a bid to ESF to fund this project over 3 years. ESF will provide 50% of the project costs and the partners in the projects will provide the remaining 50%. Given the scale of need in Norfolk we are keen to offer a countywide project. As such, the match we are seeking from the partners listed above is significant, up to £2.8m, and linked to a range of opportunities. If this is not secured, the match we have currently available (as set out above) will only allow for a smaller project on a more limited geography.

A successful bid to ESF will provide an average funding of £2,074 per participant. This demonstrates good value for money as most recent calculations on social return on investment shows a saving of £9,091 to the public sector from moving an ESA claimant into work. This does not take into account additional savings which may accrue to Adult Social Care, Public Health or the NHS as these will need to be calculated on a case by case basis.

In terms of NCC services this project could offer support with a number of key priorities. Some examples include:

- Increasing the number of people with diagnosed mental health needs who are supported to move into work – currently Norfolk performs poorly in this measure compared to other areas. The impact of this is a reduction in demand for NCC funded services.
- A supported pathway to work for Children's Services clients leaving care and some of those with Special Educational Needs – this will promote continued independent living and reduce the likelihood of transitioning into Adult Social Care funded support in the future.
- Reduction in the demand for prevention and support services funded by Public Health including mental health and drug and alcohol support.
- Reduction in demand for Children's Services Troubled Families programme alongside additional provision to support their outcomes.

To maximise the benefit for NCC it will be critical for our existing services to refer clients to this programme and take advantage of the additional provision.

A key part of the project will be an ongoing evaluation undertaken by the University of East Anglia. A central work strand of this evaluation will be to work with NCC and our partners on this project to identify the impact of the work on individuals the County Council works with and importantly the savings in real terms which have been generated by the project. If this new approach is proven to be effective in creating positive outcomes for individuals as well as making savings through more efficient and aligned services then there is a strong case to be made for sustaining the project.

4. Issues, risks and innovation

4.1. Without the interventions detailed above there is a risk that:

- The numbers of people claiming working age benefit will continue to grow putting increasing strain on all elements of the public sector
- Those people who wish to work but need support to do so will remain within the benefit system as the current level of support is insufficient to help them to successfully move into or closer to employment

5. Background

5.1. It is clear from government statistics published quarterly by the Office for National Statistics that the numbers of people claiming ESA has remained stubbornly high in recent times despite reductions in the numbers claiming Job Seeker's Allowance and that without significant interventions these numbers will only continue to grow. Claimant numbers in Norfolk typically sit at 6% of the working age population while the average for the East of England is 4%. Current support mechanisms for example the Norfolk and Suffolk Foundation Trust are insufficiently resourced and ineffective to take on substantially more clients and in order to break the cycle a different approach is needed.

Officer Contact

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

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Business & Property Committee

Item No.....

Report title:	Strategic and Financial Planning 2018-19 to 2021-22
Date of meeting:	18 October 2017
Responsible Chief Officer:	Tom McCabe – Executive Director of Community and Environmental Services, Simon George – Executive Director of Finance and Commercial Services

Strategic impact

This report provides an update on the Service Committee's detailed planning to feed into the Council's budget process for 2018-19. The Council's budget setting activity is informed by a range of documents including the Medium Term Financial Strategy, and the County Council Plan, which is currently being updated. Together these help to set the context for the Council's medium term service and financial planning, which will support the development of a robust, balanced budget for 2018-19.

Executive summary

This report forms part of the strategic and financial planning framework for Service Committees. It provides an update on the Council's budget setting process, and sets out details of the actions required by Service Committees to enable the Council to set a balanced budget for 2018-19.

Recommendations:

Business & Property Committee is recommended to:

- 1) Note that the Council's current budget planning includes an assumed increase in council tax of 3.0% for the Adult Social Care precept, and an inflationary increase of 1.9% in 2018-19.**
- 2) Consider and agree the service-specific budgeting issues for 2018-19 as set out in section 3,**
- 3) In order to help close the forecast 2018-19 budget gap as set out in section 2 of this report:**
 - a. Consider whether any savings identified for 2019-20 have the capacity to be brought forward to 2018-19;**
 - b. Agree the proposed new savings for 2018-19 (Table 4) for recommendation to Policy and Resources Committee;**
 - c. Agree to recommend to Policy and Resources Committee the proposed new savings for 2018-19 which require consultation as set out in section 3.**

1. Introduction

- 1.1. The Council's approach to medium term service and financial planning includes a rolling medium term financial strategy, with an annual budget agreed each year. The County Council agreed the 2017-18 Budget and Medium Term Financial Strategy (MTFS) to 2019-20 at its meeting 20 February 2017. At this point, the MTFS identified a gap for budget planning purposes of £35.015m.
- 1.2. The MTFS position is updated through the year to provide Members with the latest available financial forecasts to inform wider budget setting work across the organisation. As previously reported to Committees, Policy and Resources Committee considered a report "Strategic and Financial Planning 2018-19 to 2021-22" on 3 July 2017, which set out a forecast gap of £100.000m for the period to 2021-22.
- 1.3. This year, the budget-setting process is closely aligned with development of the new Council Plan and associated corporate strategy work, to be completed in the autumn. Further details of this were set out in the report "Caring for your County" and in the Strategic and Financial Planning reports considered by Policy and Resources Committee.
- 1.4. This report builds on the position reported to Service Committees in September and represents the next stage of the Council's budget planning process. In particular, the paper sets out details of the saving proposals identified for 2018-19 and subsequent years, for the Committee's consideration.

2017-18 budget position

- 1.5. The latest details of the 2017-18 budget position are set out in the budget monitoring report elsewhere on the agenda. The Council's overarching budget planning assumptions for 2018-19 continue to assume that the 2017-18 Budget will be fully delivered (i.e. that all savings are achieved as planned and there are no significant overspends).

2. 2018-19 Budget planning

2017-20 Medium Term Financial Strategy

- 2.1. County Council approved the 2017-18 Budget and the Medium Term Financial Strategy for the period 2017-18 to 2019-20 on 20 February 2017. The Medium Term Financial Strategy to 2019-20 set out a balanced budget for 2017-18, but a deficit remained of £16.125m in 2018-19, and £18.890m in 2019-20. The Medium Term Financial Strategy's aim is to ensure a balanced budget to aid forward planning and help mitigate financial risk. The Medium Term Financial Strategy position is shown in the table below.

Table 1: Budget surplus / deficit as reported to Full Council on 20 February 2017

	2017-18 £m	2018-19 £m	2019-20 £m
Additional cost pressures and forecast reduction in Government grant funding	74.212	58.719	52.819
Council Tax base increase	-19.853	-14.722	-9.338
Identified saving proposals and funding increases	-54.359	-27.872	-24.591
Budget gap (Surplus) / Deficit	0.000	16.125	18.890

2.2. The £58.719m assumed cost pressures and forecast reduction in Government grant funding in 2018-19 consists of:

- Inflationary cost pressures for pay and non-pay budgets of £11.548m.
- Legislative changes of £22.891m including responsibilities at the time anticipated relating to the improved Better Care Fund, and pension revaluation costs.
- Demographic cost pressures of -£2.866m. Demographic pressures in Adult Social Services were offset by the fact that additional funding for Children's Services was one-off in 2017-18 and so reversed in the plans for 2018-19. This pressure has subsequently been made ongoing during 2018-19 budget planning.
- NCC policy changes of £2.552m.
- Forecast funding reductions of £24.594m.

2.3. It should be noted that the budget gap of £16.125m in 2018-19 **assumes a CPI (1.9%) increase in council tax** above the 3% Adult Social Care precept, based on the assumptions used by the Government at the time of the 2016-17 local government settlement. Any reduction in this increase will require additional savings to be found. The assumed increases in Council Tax for the Adult Social Care Precept and inflation (the OBR forecast of CPI) are set out in the table below. It should be noted that currently CPI is running at 2.6%¹ and the Council awaits guidance from the Government on the council tax referendum threshold for 2018-19. The assumed council tax increases are of course subject to Full Council's decisions on the levels of Council Tax, which will be made before the start of each financial year. In addition to an annual increase in the level of Council Tax, the budget assumes modest annual tax base increases of 0.5%.

2.4. The Medium Term Financial Strategy (MTFS) for 2017-20 agreed by Full Council in February therefore set out a forecast gap for the years 2018-19 and 2019-20 of **£35.015m** and included planned net savings of **£72.737m**. Detail of these savings is shown in Appendix 1.

Latest forecast budget gap 2018-19

2.5. As reported to Service Committees in September, since the preparation of the Medium Term Financial Strategy, further pressures on the budget have been identified, resulting in changes to the Council's budget planning position. In

¹ UK consumer price inflation: July 2017, published by the Office for National Statistics:
<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/july2017>
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September Service Committees also considered the budget planning principles for 2018-19. Alongside the assumptions about Council Tax, other key assumptions within the Council's current budget model include:

- **That Revenue Support Grant will substantially disappear in 2020-21. This equates to a pressure of around £36m, but significant uncertainty is attached to this and clearly the level of savings required in year three could be materially lower should this loss of funding not take place**
- 2017-18 Budget and savings delivered in line with current plans (no overspend);
- Use of additional Adult Social Care funding during 2017-18 and future years as agreed by Adult Social Care Committee 10 July 2017;
- 2017-18 growth in Children's Services is included as an ongoing pressure;
- Ongoing annual pressures will exist in waste budgets;
- Council tax increases are agreed (subject to annual decision by Full Council) as shown in the table above for 2018-19 to 2020-21 (including Adult Social Care precept in 2018-19) with no increase in council tax in 2021-22; and
- Moderate council tax base growth over the period of the MTFS.

2.6. The latest estimate of the budget gap for the four year planning period up to 2021-22 is **£100.000m**. The table below sets out the summary County Council forecast position. Further details of the budget planning changes as reported to Policy and Resources Committee are shown in the September report to this Committee.

Table 2: Norfolk County Council budget gap forecast

	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m
Gap as at MTFS February 2017	16.125	18.890	0.000	0.000	35.015
New pressures	13.135	-6.897	20.773	21.366	48.377
Funding changes	-11.612	5.998	42.343	0.000	36.729
Savings changes	0.878	0.535	-10.000	0.000	-8.587
Council tax increase (1.99% 2020-21, 0% 2021-22)	0.000	0.000	-7.657	0.000	-7.657
Council tax base growth (0.5%)	0.000	0.000	-1.914	-1.962	-3.877
Revised gap as at P&R July 2017	18.526	18.526	43.544	19.404	100.000
Reallocate year 4 saving to years 1-3 (split 20/60/20)	3.881	11.642	3.881	-19.404	0.000

Total new savings to find <i>(in addition to savings in 2017-18 MTFS)</i>	22.407	30.168	47.425	0.000	100.000
Note: Budget planning assumes:					
Forecast council tax	373.535	382.873	392.445	394.407	n/a
Forecast increase in council tax in budget planning <i>(including ASC precept, council tax increase and council tax base growth)</i>	14.723	9.338	9.572	1.962	35.595
Council tax increase	1.9%	2.0%	2.0%	0.0%	
Adult Social Care precept increase	3.0%	-	-	-	

2.7. The budget position and the associated assumptions are kept under continuous review, and will be updated to reflect any changes arising from the Government's Autumn Budget, or further information about the Council's funding position as it becomes available. Reports on the latest financial planning position will be presented to Policy and Resources Committee up until budget-setting by County Council in February. The Council is already implementing a number of strategic initiatives focused on demand management, prevention and early help, and a locality focus to service provision. As referenced in the Strategic and Financial Planning 2018 – 19 to 2021 – 22 report presented at Policy & Resources Committee 03rd July 2017, the County Leadership Team has identified a number of corporate priorities (known as Norfolk Futures).

2.8. The outline budget-setting timetable for 2018-19 is set out in Appendix 2 to this report. Norfolk Futures will focus on delivering the administrations manifesto priorities over the MTFS plan period and include:

Local Service Strategy
A new deal for families in crisis
Promoting independence for vulnerable adults
Smarter information and advice
Towards a Housing Strategy
Digital Norfolk
Commercialisation

Allocation of savings required

2.9. The following table sets out the indicative savings by department (excluding Schools and Public Health) as reported to the Committee in September.

Table 3 Allocation of new MTFS 2018-22 savings required by Committee

Allocation of new 2018-22 MTFS savings by Committee excluding Schools and Public Health	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m
Adult Social Care	-1.477	-11.480	-18.047	0.000	-31.004
Children's Services	-7.134	-6.369	-10.013	0.000	-23.516
Communities	-2.461	-2.197	-3.454	0.000	-8.112

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Environment, Development and Transport	-6.663	-5.950	-9.353	0.000	-21.966
Policy and Resources	-3.553	-3.172	-4.987	0.000	-11.712
Business and Property	-0.362	-0.323	-0.507	0.000	-1.192
Digital Innovation and Efficiency	-0.757	-0.677	-1.064	0.000	-2.498
Total	-22.407	-30.168	-47.425	0.000	-100.000

3. Committee response

3.1. Service Committees considered service-specific budgeting issues in September. These include:

Property – the new savings allocation to this Committee were detailed in the report of 08th September, the savings proposals detailed in Table 4 below exceed the savings allocation.

Economic Development – as shown in Table 4 below.

2018-19 Budget proposals

3.2. The new savings proposals applicable to this Committee are set out in Table 4 below.

The savings applicable to Property budgets consist of two strands –

- Continuing to reduce overall corporate expenditure on property related matters, including property rationalisation, facilities management and professional fees. Further centralisation of existing budgets will be required to maximise the savings achievable.
- A return from Repton Property Developments Ltd as outlined in papers to Policy & Resources Committee dated 20 June 2017 and 03 July 2017

The Saving in relation to Economic Development around working more closely/collaboratively with the LEP to jointly deliver work and make use of all our resources, and receive greater funding from the LEP in return. There are opportunities to work together on things like inward investment, and get better outcomes.

Table 4: New 2018-19 Saving Proposals

Proposal Note: savings are shown as a negative figure	Saving 2018-19 £m	Saving 2019-20 £m	Saving 2020-21 £m	Saving 2021-22 £m	Total 2018-22 £m	Risk Assessment
Property – centralisation of budgets – further centralisation of existing property budgets in Services will allow maximisation of savings opportunities – savings estimated at 5% of current budget each year	(0.400)	(0.400)	(0.400)		(1.200)	Amber

Property – reducing fees – seeking opportunities to reduce fees paid to NPS	(0.100)	(0.100)			(0.200)	Green
Property – reducing facilities management costs	(0.075)	(0.075)			(0.150)	Green
Property – return from property development company – Repton Property Developments Ltd		(1.000)			(1.000)	Amber
Economic Development - Closer/joint working with New Anglia Local Enterprise Partnership	(0.025)				(0.025)	Amber
	(0.600)	(1.575)	(0.400)		(2.575)	

3.3. Committee discussions about proposed new savings will be reported to Policy and Resources Committee in October 2017 and used to inform development of the Council's 2018-19 Budget to enable an overall assessment of the budget position to be made.

It is not considered feasible to bring forward any of the new savings proposals into 2017 – 18.

It is not considered feasible for new 2019 – 20 savings to be delivered in 2018 – 19.

2018-19 Budget proposals requiring consultation

Over the autumn Norfolk County Council will begin engaging residents in a discussion about the council's ideas for the future. We will be giving people the chance to hear more about how Norfolk County Council could change in the future, ask questions and offer their own ideas and aspirations for the county. As well as feeding in their views online, opportunities for people to find out more and contribute their ideas will include a series of roadshows where people can get involved and share their thoughts face-to-face.

Whilst it's important to focus on what Norfolk County Council will look like in the future we also have an immediate need to set a balanced budget for 2018/19. Our budget proposals for 2018/19 are based on the assumption that council tax will increase overall by (1.9% for general council tax and 3.0% for the Adult Social Care precept). As in previous years we are inviting comments on this approach via our consultation hub on Citizen Space.

Where any of our individual budget saving proposals require consultation we will publish them on the Council's consultation hub, Citizen Space. We will make any consultation documents available in other formats on request, make extra effort to find out the views of people who may be affected and carry out impact assessments. Our consultation will take place between November and the new

year. Consultation feedback on both individual budget proposals and council tax will be available for Committees in January.

We will promote opportunities for people to get engaged in the discussion around Norfolk County Council's ideas for the future – as well as how to have their say on budget proposals and council tax - through the Your Norfolk residents magazine, news releases, online publications and social media.

None of the savings proposals detailed in this report are considered to require consultation.

4. Financial implications

4.1. Financial implications for the Committee's Budget are set out throughout this report.

5. Issues, risks and innovation

5.1. Significant risks or implications have been set out throughout the report. Specific financial risks in this area are also identified in the Corporate Risk Register, including the risk of failing to manage significant reductions in local and national income streams (RM002) and the risk of failure to effectively plan how the Council will deliver services (RM006).

5.2. Decisions about significant savings proposals with an impact on levels of service delivery will require public consultation. As in previous years, saving proposals, and the Council's Budget as a whole, will be subject to equality and rural impact assessments later in the budget-setting process.

6. Background Papers

6.1. Background papers relevant to the preparation of this report are set out below.

Norfolk County Council Revenue and Capital Budget 2017-20, County Council, 20 February 2017, Item 4:

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/444/Committee/2/SelectedTab/Documents/Default.aspx>

Norfolk County Council Budget Book 2017-20, May 2017:

<https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/the-2017-2020-budget-book.pdf?la=en>

Caring for your County, Policy and Resources Committee, 3 July 2017, Item 7:

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1359/Committee/21/Default.aspx>

Strategic and Financial Planning 2018-19 to 2021-22, Policy and Resources Committee, 3 July 2017, Item 9:

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<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1359/Committee/21/Default.aspx>

Finance Monitoring Report Outturn, Policy and Resources Committee, 3 July 2017, Item 11:

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1359/Committee/21/Default.aspx>

Additional Social Care Funding, Adult Social Care Committee, 10 July 2017, Item TBC:

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1377/Committee/10/SelectedTab/Documents/Default.aspx>

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Previously agreed MTFS savings 2017-20

Agreed MTFS savings 2017-20 by Committee

	2017-18	2018-19	2019-20	Total
	£m	£m	£m	£m
Adult	-11.213	-18.716	-10.000	-39.929
Children's	-1.854	-0.859	-0.535	-3.248
Communities	-1.906	-0.102	0.000	-2.008
EDT	-5.340	-0.605	0.000	-5.945
Policy and Resources	-23.646	9.100	0.290	-14.256
Business and Property	-1.710	-1.751	-1.000	-4.461
Digital Innovation and Efficiency	-2.105	-0.726	-0.059	-2.890
Total	-47.774	-13.659	-11.304	-72.737

Categorisation of saving	2017-18	2018-19	2019-20	2017-20
	£m	£m	£m	£m
A) Cutting costs through efficiencies	-32.813	8.967	-0.245	-24.091
(i) Efficiency savings	-32.531	9.589	-0.245	-23.187
(ii) Reducing service standards	-0.282	-0.622	0.000	-0.904
B) Better value for money through procurement and contract management	-1.161	-1.044	0.000	-2.205
(i) Efficiency savings	-1.161	-1.044	0.000	-2.205
C) Service Redesign: Early help and prevention, working locally	-8.978	-18.411	-10.000	-37.389
(i) Efficiency savings	-0.458	-0.950	-0.500	-1.908
(ii) Reducing service standards	-1.170	-7.199	-0.800	-9.169
(iii) Ceasing a service	-0.350	0.000	0.000	-0.350
(iv) Providing statutory services differently	-7.000	-10.262	-8.700	-25.962
D) Raising Revenue; commercial activities	-3.059	-1.561	0.000	-4.620
(i) Efficiency savings	-3.049	-1.561	0.000	-4.610
(ii) Reducing service standards	-0.010	0.000	0.000	-0.010
E) Maximising property and other assets	-1.763	-1.610	-1.059	-4.432
(i) Efficiency savings	-1.763	-1.610	-1.059	-4.432
Total	-47.774	-13.659	-11.304	-72.737

Further details of savings by Department can be found in the 2017-18 Budget Book.

2018-19 Budget Timetable

Activity/Milestone	Time frame
County Council agree recommendations for 2017-20 including that further plans to meet the shortfall for 2018-19 to 2019-20 are brought back to Members during 2017-18	20 February 2017
Spring Budget 2017 announced	8 March 2017
Consider implications of service and financial guidance and context, and review / develop service planning options for 2018-20	March – June 2017
Executive Director of Finance and Commercial Services to commission review of 2016-17 outturn and 2017-18 Period 2 monitoring to identify funding from earmarked reserves to support Children's Services budget.	June 2017
Member review of the latest financial position on the financial planning for 2018-20 (Policy and Resources Committee)	July 2017
Member review of budget planning position including early savings proposals	September – October 2017
Consultation on new planning proposals and Council Tax 2018-21	October to December 2017 / January 2018
Service reporting to Members of service and budget planning – review of progress against three year plan and planning options	November 2017
Chancellor's Autumn Budget 2017	TBC November / December 2017
Provisional Local Government Finance Settlement	TBC December 2017
Service reporting to Members of service and financial planning and consultation feedback	January 2018
Committees agree revenue budget and capital programme recommendations to Policy and Resources Committee	Late January 2018
Policy and Resources Committee agree revenue budget and capital programme recommendations to County Council	29 January 2018
Confirmation from Districts of council tax base and Business Rate forecasts	31 January 2018
Final Local Government Finance Settlement	TBC February 2018
County Council agree Medium Term Financial Strategy 2018-19 to 2020-21, revenue budget, capital programme and level of Council Tax for 2018-19	12 February 2018

Business & Property Committee

Item No.

Report title:	Finance Monitoring
Date of meeting:	18th October 2017
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services, Simon George – Executive Director, Finance and Commercial Services

Strategic impact

This report provides the Committee with information on the budget position for services reporting to Business & Property Committee for 2017-18. It provides information on the revenue budget including any forecast over or underspends and any identified budget risks. It also provides an update on the forecast use of reserves and details of the capital programme.

Executive summary

The services reporting to this Committee are mainly delivered by Community and Environmental Services and Finance and Commercial Services.

The 2017-18 net revenue budget for this committee is £8.731m and this report reflects the risks and forecast outturn position as at period 5, August 2017-18.

The total capital programme, relating to this committee is £20.559m currently profiled for delivery within 2017-18. Details of the capital programme are shown in Section 3 of this report.

The balance of Business and Property reserves as of 1 April 2017 was £5.273m, and the forecast balance at 31 March 2018 is £1.960m.

Recommendations:

Members are recommended to note:

- a) The forecast out-turn position for the Business and Property Committee**
- b) The capital programme for this Committee.**
- c) The current planned use of the reserves and the forecast balance of reserves as at the end of March 2018.**

1. Proposal

- 1.1. Members have a key role in overseeing the financial position for the services under the direction of this committee, including reviewing the revenue and capital position and reserves held by the service. Although budgets are set and monitored on an annual

basis it is important that the ongoing position is understood and the previous year's position, current and future plans and performance are considered.

1.2. This report reflects the budgets and forecast out-turn position as at the end of Period 5, August 2017.

2. Evidence

Revenue budget 2017-18

2.1. The services reporting to this Committee are mainly delivered by the Community and Environmental Services department and Finance and Commercial Services.

2.2. This report reflects the forecast outturn position for the Services that are relevant to this committee, which are:

- Economic Development
- Economic Programmes
- Economic Strategy & Commissioning
- Employment and Skills
- Scottow Enterprise Park
- Hethel Engineering Centre
- Client Property Management

2.3. The 2017-18 net revenue budget for this committee is £8.731m, we are currently forecasting a balanced budget.

Table 1: Business and Property Net revenue Budget Forecast Out-turn 2017-18

	2017-18 Budget £m	Forecast Out-turn £m	Forecast Variance £m
Client Property Management			
Corporate Offices	4.630	4.630	0.000
Estates Management	0.852	0.852	0.000
Corporate Building Maintenance	2.007	2.007	0.000
County Farms	(0.476)	(0.476)	0.000
Corporate Property Team	0.913	0.913	0.000
Economic Development			
Economic Programmes	(0.085)	(0.085)	0.000
Economic Strategy & Commissioning	0.809	0.809	0.000
Economic Development	0.118	0.118	0.000
Employment and Skills	0.363	0.363	0.000
Scottow Enterprise Park	(0.200)	(0.200)	0.000
Total for Committee	8.731	8.731	0.000

- 2.4. We are currently forecasting a balanced revenue budget for the services that are accounted for through NCC.
- 2.5. Scottow Enterprise Park (SEP) is forecast to generate £1.255m of income in 2017 – 18, comprising £0.808m buildings rental, and £0.447m of rental income from the land occupied by the solar farm on site. In 2017 / 18 revenues will exceed direct costs. SEP is not accounted for as a separate legal entity.
- 2.6. Hethel Engineering Centre is accounted for via the separate legal entity of Hethel Innovation Limited. Revenues for 2107 – 18 are forecast to be £1.297m comprising £1.009m from buildings rental and conferencing, £0.138m from external Consultancy and the Innovation New Anglia programme, and £0.150m from other funded programmes. The company operates on a profitable basis.

3. Capital Programme

- 3.1. The capital programme for the services reported to this Committee is £23.705m, currently profiled to be delivered in 2017-18, detailed as below.

2017 – 18 Capital Programme £m	
Scottow	6.062
Corporate Property	12.794
County Farms	<u>4.849</u>
Total for Committee	<u>23.705</u>

- 3.2. The total available capital funding for redevelopment of SEP is £9.600m, currently NCC funded. The breakdown of the potential spend is as follows –
- £5.838m for essential infrastructure work to the site, £3.900m for water supply facilities, the balance principally relates to asbestos removal, security fencing, fire alarms, heating systems and utility metering to facilitate recharges back to tenants
 - £3.762m is earmarked for specific buildings to be brought into a lettable condition, Hangars 1, 2 and 3 are estimated to cost £2.600m of this sum. It should be noted that expenditure is only made against a business case from specific enquiries leading to lettings income

SEP has secured grant funding of £0.098m from the Pooled Business Rates Scheme, with a further £0.098m bid pending. A bid for grant from Heritage Enterprise Lottery is also in progress, estimated at £2.000m. Work is also being

done to secure Enterprise Zone funding which could support £2.900m of capital funding.

- 3.3. The Corporate Property funding is in support of further refurbishment to allow rationalisation and facilitate cost reductions within the corporate property portfolio, in addition to routine general maintenance and minor works funded via capital. The principal identifiable expenditure relates to the Space 2019 programme, £8.924m, and £1.515m for asbestos surveys and removals.
- 3.4. The County Farms funding represents the agreed refurbishment programme, including land drainage schemes, which maintains the value of the Farms estate. Additional funding of £3.146m has been added for the agreed purchase of Bank House Farm.

4. Reserves 2017-18

- 4.1. The Council holds both provisions and reserves.
- 4.2. Provisions are made for liabilities or losses that are likely or certain to be incurred, but where it is uncertain as to the amounts or the dates which they will arise. The Council complies with the definition of provisions contained within CIPFA's Accounting Code of Practice.
- 4.3. Reserves (or Earmarked Reserves) are held in one of three main categories:
- 4.4. Reserves for special purposes or to fund expenditure that has been delayed, and in many cases relate to external Grants and Contributions - reserves can be held for a specific purpose, for example where money is set aside to replace equipment or undertake repairs on a rolling cycle, which can help smooth the impact of funding.
- 4.5. Local Management of Schools (LMS) reserves that are held on behalf of schools – the LMS reserve is only for schools and reflects balances held by individual schools. The balances are not available to support other County Council expenditure.
- 4.6. General Balances – reserves that are not earmarked for a specific purpose. The General Balances reserve is held to enable the County Council to manage unplanned or unforeseen events. The Executive Director of Finance is required to form a judgement on the level of the reserve and to advise Policy and Resources Committee accordingly.
- 4.7. The reserves falling under this Committee would fall into the first category. Additionally, balances may relate specific grant income where we have received the income but are yet to incur the expenditure, or the grant was planned to be used over a period of time, not related to a specific financial year.
- 4.8. We will continue to review the reserve balances to ensure that their original objectives are still valid and would identify any reserves that could be considered available for re-allocation.

4.9. The committees' unspent grants, reserves and provisions as at 1st April 2017 stood at £5.273m.

4.10. The table below shows balance of reserves and the current planned usage for 2017-18.

Reserves & Provisions 2017-18	Balance at 1 April 2017	Forecast Balance at 31 March 2018	Planned Change
	£m	£m	£m
Corporate Property	2.633	0.570	2.063
Economic Development	2.640	1.390	1.251
Committee Total	5.273	3.314	1.960

5. Financial Implications

5.1. There are no decisions arising from this report. The financial position for Communities Committee services is set out within the paper and appendices.

6. Issues, risks and innovation

6.1. This report provides financial performance information on a wide range of services responsible to the committee.

Officer Contact

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Business and Property Committee

Item No.....

Report title:	Disposal, Acquisition and Exploitation of Properties
Date of meeting:	18 October 2017
Responsible Chief Officer:	Executive Director of Finance and Commercial Services
<p>Strategic impact</p> <p>Proposals in this report are aimed at supporting Norfolk County Council (NCC) priorities by exploiting properties surplus to operational requirements, pro-actively releasing property assets with latent value where the operational needs can be met from elsewhere and strategically acquiring property to drive economic growth and wellbeing in the County.</p> <p>One of the key strategic actions within the Asset Management Plan is a sharp focus on maximising income through adoption of a more commercial approach to property.</p>	

Executive summary

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

By adopting a “single estate” approach internally, and sharing property assets with public sector partners through the One Public Estate programme, the Council is aiming to reduce net annual property expenditure by a further £4.2 million over the next three years.

Consideration is also given to suitability of surplus property assets for use or redevelopment to meet specific service needs that could improve quality of services for users, address other policy areas and/or improve financial efficiency for the County Council, for example, facilitating the supply of assisted living accommodation and other housing solutions for people requiring care, undertaking re-development to support jobs and growth.

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

Recommendations:

Business and Property (B&P) Committee are asked to agree to:

- (i) **Formally declare the land at Vicarage Road, Deopham surplus to County Council requirements and instruct the Head of Property to dispose of**

the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous bid and report the fact at a subsequent B&P Committee meeting.

- (ii) B&P Committee is asked to formally declare parts of the former Hethersett fire service headquarters site and edged red on the plan (area A to the north east and area B south west of the retained operational fire station) surplus to County Council requirements and instruct the Head of Property to dispose of both areas. In the event of disposal receipts exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offers and report the fact at a subsequent B&P Committee meeting.
For the avoidance of doubt an operational fire station will remain in Hethersett.
- (iii) Formally declare the land at Norwich Road, Kirstead surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous bid and report the fact at a subsequent B&P Committee meeting.
- (iv) Formally declare the land at School Road, Necton surplus to County Council requirements and instruct the Head of Property to dispose of the property either on the open market or to Repton Property Developments Ltd. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous bid and report the fact at a subsequent B&P Committee meeting.
- (v) Formally declare the former Lakenham First School site, Hospital Lane site surplus to NCC use and authorise the Head of Property in consultation with Director of Finance and Commercial services to agree a sub-lease on the best terms possible and report the fact at a subsequent B&P Committee meeting.
- (vi) Authorise the Head of Property to implement the disposal of 2 sites by way of lease on Scottow Enterprise Park for use as battery storage facilities on terms to be agreed. In the event of the disposal values exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the proposal and report the fact at a subsequent B&P committee meeting.

- | |
|---|
| <p>(vii) Formally declare the Former Landfill Tip (Burlingham Estate), South Walsham surplus to County Council requirements and authorise the Head of Property to negotiate with the adjoining owner to dispose of the property at market value. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous bid and report the fact at a subsequent B&P Committee meeting.</p> |
|---|

1.0 Introduction

- 1.1 The Council actively manages its property portfolio in accordance with the adopted Asset Management Plan. Property is held principally to support direct service delivery, support policy objectives, held for administrative purposes or to generate income. Property is acquired or disposed of as a reaction to changing service requirements, changing council policies or to improve the efficiency of the overall portfolio.
- 1.2 The County Council challenges the use of its property on an ongoing basis. In the event of a property asset becoming surplus to a particular service need there are internal officer processes to ascertain whether other service areas have an unmet need that could be addressed by re-using the property asset for that service. This may lead to a change of use of individual properties, for example, an office building may be reused for operational service delivery. Any proposals for retention are only agreed if supported by a robust business case showing the benefits to the County Council and are funded from approved budgets. This assessment will also consider whether a property could be offered at best consideration to public sector or third sector partners.
- 1.3 The above assessments are carried out by the Corporate Property Officer (the Head of Property) in consultation with the Corporate Property Strategy Group (CPSG). Once it is confirmed there is no further Council requirement the Business and Property Committee is asked to formally declare property assets surplus or re-designate for alternative purposes.
- 1.4 The Corporate Property Officer reviews options for maximising income from surplus properties usually by open market sale to obtain the best consideration possible. These will range from selling immediately on the open market (to the bidder making the best offer overall), enhancing the value prior to sale, strategic retention for a longer term benefit through to direct development of the land and buildings and selling/letting the completed assets, in the expectation of enhanced income for the Council.
- 1.5 For properties to be sold immediately there is sometimes a need to consider selling directly to a specific purchaser instead of going to the open market. This may be justified where the third party is in a special purchaser situation and is willing to offer more than the assessed market value. Conversely this might be to a purchaser who is in a unique position of control for the unlocking of the full latent value of the Council owned site (ransom situation). A direct sale without going to market can also be justified if there are specific service

benefits or a special partnership relationship which is of strategic value with service/community benefits.

- 1.6 In making recommendations for direct sale without going to market, or direct property development, the Corporate Property Officer will consider risks, opportunities, service objectives, financial requirements and community benefits.

2.0 Proposals

Deopham – Land at Vicarage Road

- 2.1 This land is owned by NCC and is 10,615m² (2.62 acres/1.06 hectares) in size.
- 2.2 It was acquired for use as a school playing field but was not used for that purpose. The land has been let under an Agricultural Holdings Act 1986 tenancy for grazing.
- 2.3 Following a review by the Head of property in consultation with CPSG it has been confirmed that the site is not required for NCC service use.
- 2.4 The Head of Property advises there is little prospect to exploit this land. South Norfolk District Council does not have a current housing or employment allocation for Deopham and the site's only potential would be as a housing exception site for affordable houses. In the event of a freehold disposal there will be an appropriate claw back provision to recover any uplift in values should there be a future change of use.
- 2.5 B&P Committee is asked to formally declare the land at Vicarage Road, Deopham surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.



Hethersett – Office accommodation and ancillary accommodation at former fire and rescue service headquarters, Norwich Road (excluding the operational fire station)

2.6 The overall site is approximately 11,600m² (2.87acres/1.16hectares) in area and comprises:

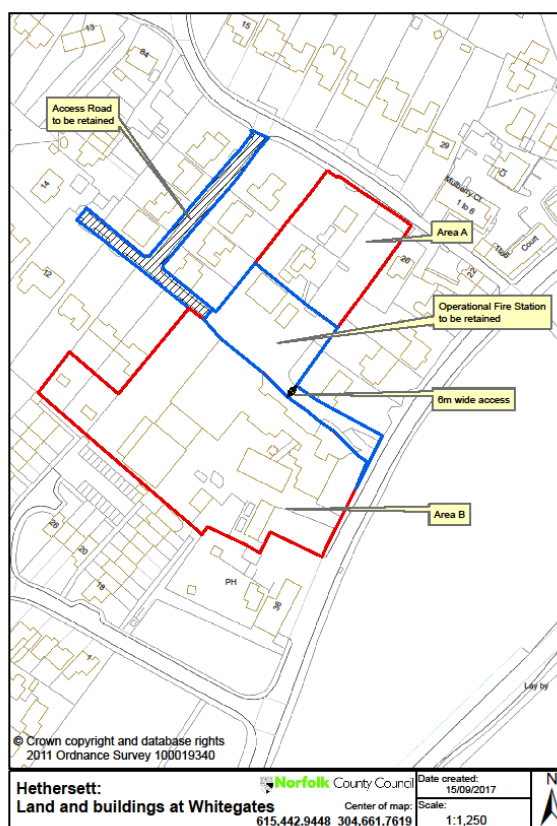
- Redundant office accommodation, formally occupied by the headquarters support functions.
- Vehicle workshop.
- Control room.
- Industrial cleaning facility (uniform cleaning).
- Meeting rooms.
- 3 former dwellings used for ancillary purposes including housing IT equipment, storage and offices.
- Operational fire station (to be retained).

2.7 The former house at the front of the site that previously accommodated the fire service headquarters function is grade II listed.

2.8 The majority of the fire and rescue service headquarters functions have relocated to the Operations and Communication Centre (Wymondham) to form a joint headquarters with Norfolk Constabulary. The vehicle workshop and ancillary functions are in the process of being relocated to other council owned sites. The fire service control room is being moved to the Operations and Communication Centre to form a joint police and fire control room.

2.9 These parts of the site, edged red on the plan (excluding the operational fire station (edged blue)) have been declared surplus to Community and Environmental Services use June 2017. Following a review by the Head of Property in consultation with CPSG it has been confirmed that these parts of the overall site are not required for use by other NCC service.

2.10 For the avoidance of doubt an operational fire station will remain in Hethersett. Once the surplus parts of the site are severed the operational fire station will retain dedicated access to Norwich Road for fire appliances and to Whitegates Close at the rear of the fire station for smaller vehicles, (edged blue on plan).



- 2.11 B&P Committee is asked to formally declare parts of the former Hethersett fire service headquarters site and edged red on the plan (area A to the north east and area B south west of the retained operational fire station) surplus to County Council requirements and instruct the Head of Property to dispose of both areas. In the event of disposal receipts exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offers and report the fact at a subsequent B&P Committee meeting.

Kirstead – Woodland, Norwich Road

- 2.12 This property was acquired as part of a highway scheme to bypass Kirstead and is approximately 12,285m² (3.04 acres, 1.23 hectares) in size.
- 2.13 It was planted as woodland and maintained using a Forestry Commission grant from 1994 but this expired in 2004.
- 2.14 The property was declared surplus by Community and Environmental Services on 4 October 2016. Following a review by the Head of Property in consultation with CPSG it has been confirmed that the site is not required for use by other NCC services.
- 2.15 B&P Committee is asked to formally declare the land at Norwich Road, Kirstead surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.



Necton – Land at School Road

- 2.16 Necton first school closed in 2007. The school buildings are retained by the School's Trust.

2.17 The former school playing field is owned by NCC and is 4,743m² (1.17 acres/0.47 hectares) in size.

2.18 The playing field was declared surplus by Children's Services November 2008. Following a review by the Head of Property in consultation with CPSG it has been confirmed that the site is not required for use by other NCC services.

2.19 The Corporate Property Team are working with NPS to obtain outline planning permission to reuse the site for housing. As part of the options for disposal this site may be considered appropriate for direct development by the Council via its newly created property development company.



2.20 B&P Committee is asked to formally declare the land at School Road, Necton surplus to County Council requirements and instruct the Head of Property to dispose of the property either on the open market or to Repton Property Developments Ltd. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.

Norwich – Former Lakenham First School site, Hospital Lane

2.21 This property is leased in from the Trustees of Anguish's Educational Foundation for a term ending in December 2066.

2.22 The property formally accommodated the Lakenham First School and Nursery which closed August 2007. This school was amalgamated with Lakenham Middle School to become the Lakenham Primary School and was re-provisioned on another site that opened in September 2007.

2.23 The building is grade II listed and is approximately 1,235m² in area on a site of approximately 10,790m² (2.6 acres/1.079 hectares).

2.24 The property since 2008 has been sublet to The Norfolk Initiative Steiner School on a Tenancy at Will on the basis the property was surplus to Children's Services requirements.

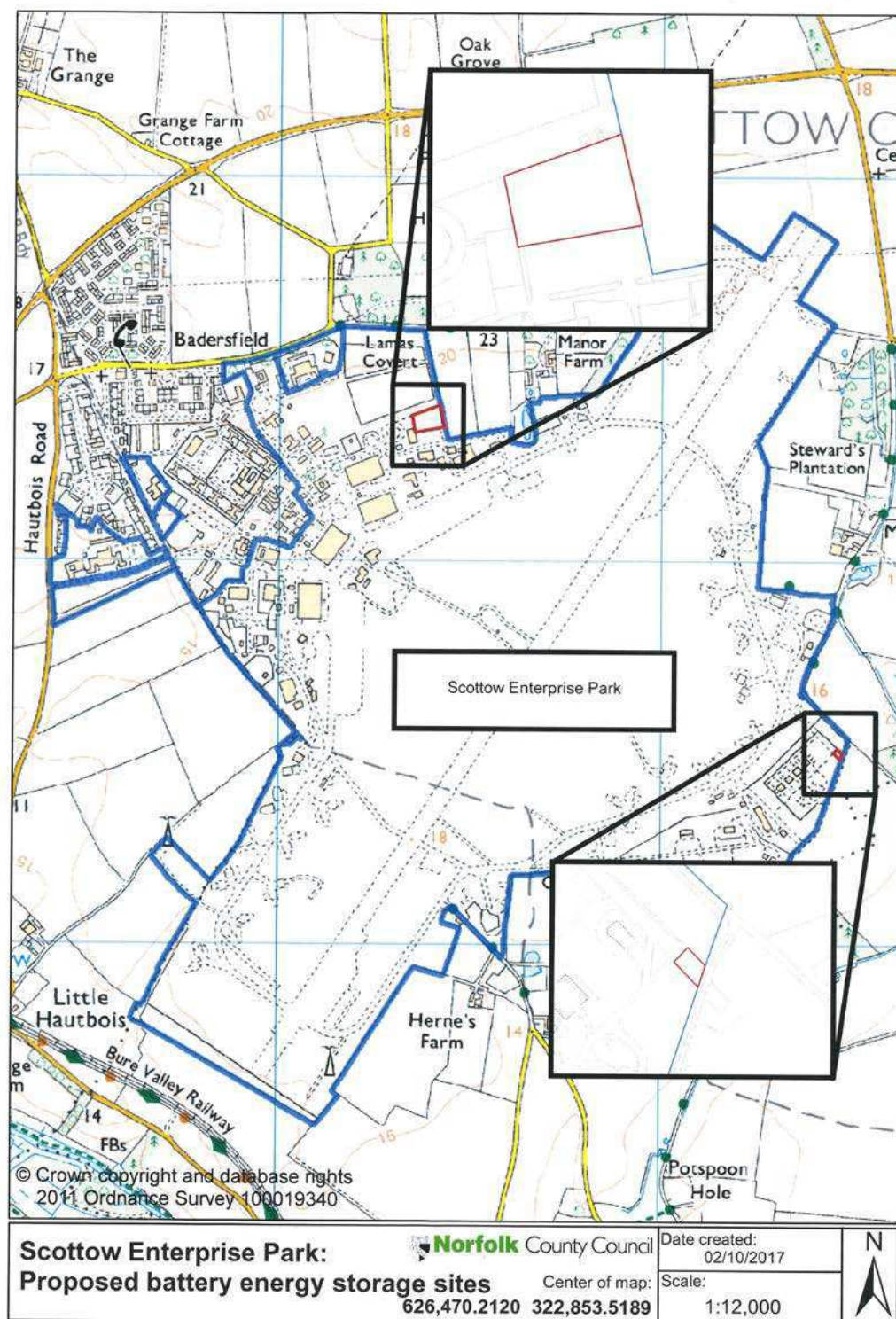
- 2.25 The Norfolk Initiative Steiner School are now seeking to regularise their occupation and wish to agree a formal lease. In accordance with prevailing governance arrangements the Head of Property in consultation with CPSG reviewed the property and it was confirmed there is no requirement for use by other NCC services.
- 2.26 The Corporate Property Team with support from NPS are currently negotiating the best possible terms.
- 2.27 B&P Committee are asked to formally declare the former Lakenham First School site, Hospital Lane site surplus to NCC use and authorise the Head of Property in consultation with Director of Finance and Commercial services to agree a sub-lease on the best terms possible and report the fact at a subsequent B&P Committee meeting.



Scottow Enterprise Park – battery energy storage facility

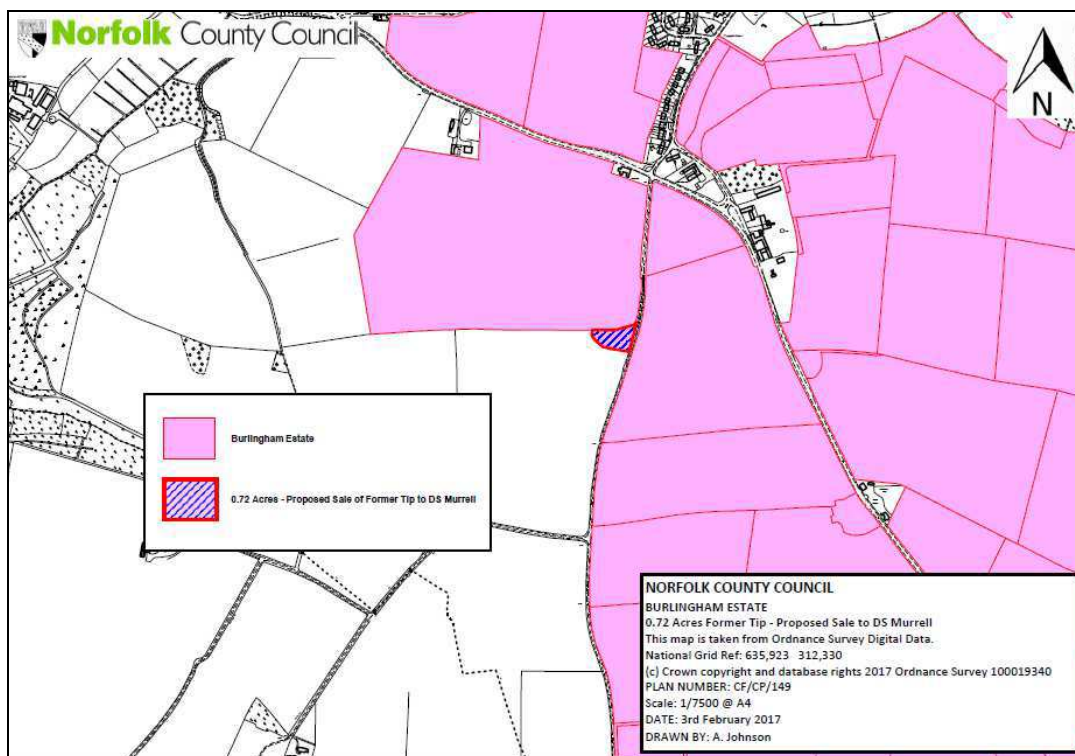
- 2.28 Norfolk County Council were approached by Scottow Moor Solar 2 Limited (the developer who built out and operate the existing solar photo voltaic (PV) array at Scottow) as they have identified an opportunity to install battery energy storage facilities. This will enable the storage of electricity generated by the existing solar farm which will then be distributed at times of high demand or when the solar farm itself is not generating electricity. This developer currently holds the grid connection agreement for the solar PV array.
- 2.29 Two sites on the Scottow Enterprise Park have been identified as suitable for the proposed battery storage facilities, as outlined in red on the plan, either or sites both may be utilised.
- 2.30 The council retained external consultants, experienced in this commercial area, to commence negotiations with the developer on the basis they will procure the necessary planning consents and construct the facilities. This will involve the entering of an option agreement and a construction lease. On completion of the construction the proposal is for a 20 year lease to operate the battery energy storage facilities

- 2.31 B&P committee is asked to authorise the Head of Property to implement the disposal of 2 sites by way of lease on Scottow Enterprise Park for use as battery energy storage facilities on terms to be agreed. In the event of the disposal values exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the proposal and report the fact at a subsequent B&P committee meeting.



South Walsham – Former Landfill Tip (Burlingham Estate)

- 2.32 The field corner comprising 0.72 acres (shown hatched blue below) was previously used for landfill and borders County Farms Land (shaded pink).
- 2.33 This field corner has been declared surplus by the County Farms Team. Following a review by the Head of Property in consultation with CPSG it has been confirmed that the site is not required for use by other NCC services.
- 2.34 The adjacent owner has approached the council to purchase this field corner. The same owner is also a County Farms Tenant occupying the field immediately to the North.
- 2.35 This field corner is reported as being a source of vermin that is causing crop damage. The adjacent owner has cited this as a key reason for the approach to purchase the site so as to allow him to put in vermin control measures.
- 2.36 B& P Committee is asked to formally declare the Former Landfill Tip (Burlingham Estate), South Walsham surplus to County Council requirements and authorise the Head of Property to negotiate with the adjoining owner to dispose of the property at market value. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous bid and report the fact at a subsequent B&P Committee meeting.



3.0 Financial Implications

3.1 Decisions in this report will ultimately result in sale proceeds which will support funding of the Capital Programme or the repayment of debt. Other financial implications include:

- Reduction in property expenditure and financial efficiency through reduction in the number of sites and buildings retained.
- Generating revenue income/capital receipts from the exploitation of surplus property assets.
- Disposal and development costs to fund planning and assessment work. The cost of these will be funded from future receipts.

4.0 Issues, risks and innovation

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

5.0 Background

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

- The overall Councils priorities of **Excellence in Education, Real Jobs, Good Infrastructure and Supporting Vulnerable People**.
- Norfolk County Council Asset Management Plan 2016-19.
- The adoption of an updated property savings plan, that calls for £4.2m of savings for the next three years.
- The Norfolk One Public Estate Programme that is supporting the joint strategic exploitation of the combined public sector property estate.
- The medium term financial strategy includes commercialisation of NCC property assets as a priority to help diversify the Council's funding.

5.2 Strategic asset management is focussed on:

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

5.3 There are several key targets in the prioritised work plan in the Asset Management Plan that support these proposals:

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

Officer Contact

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

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\\Norfolk.gov.uk\\nccdfs1\\CorporateProperty\\Team Admin\\Meetings\\Committees\\Business and Property Committee\\2017-2018\\17.10.18\\Final report\\17.10.18 B&P committee disposal, acquisition and exploitation of properties report (rfiwb) FINAL 1.0.doc

Business and Property Committee

Item No.

Report title:	Risk Management
Date of meeting:	18 October 2017
Responsible Chief Officer:	Simon George, Executive Director of Finance and Commercial Services
Strategic impact One of the Business and Property Committee's roles is to consider the management of risks relating to Norfolk County Council's commercial property. Assurance on the effectiveness of risk management helps the Committee undertake some of its key responsibilities. Risk management contributes to achieving departmental objectives, and is a key part of the performance management framework.	

Executive summary

This report provides the Committee with the latest departmental level property risks as at September 2017, following the latest review conducted at the end of August 2017. The reporting of risk is aligned with, and complements, the Performance and Financial reporting to the Committee.

Recommendations:

Members are asked to consider:

- a) the risks judged as exceptions (in paragraph 2.2 and Appendix A), and the other departmental risks relating to Property (in Appendix E);
- b) whether the recommended mitigating actions identified in Appendix A are appropriate, or whether another course of action is required (as per Appendix C);
- c) the definitions of risk appetite and tolerance in Appendix D.

1. Proposal

- 1.1. The Finance and Commercial Services and Environment, Development, and Transport Departmental Management Teams (DMTs) have been engaged in the preparation of the corporate and departmental level property risks.

The risks presented in **Appendix A** are the risks that are reported by exception, as detailed in paragraph 2.2.

A note of the criteria used to determine which risks sit at which level can be located at **Appendix D** of this report. **Appendix E** shows a summary of all of the corporate and departmental level risks relating to this Committee. It is proposed that these current risks continue to be reported to Committee in Appendices A and E until mitigated to the appropriate level.

2. Evidence

- 2.1. The Property risk data detailed in this report reflects those key business risks that are managed by the Departmental Management Teams of the Finance and

Commercial Services, and Environment, Development, and Transport departments, and Senior Management Team of the Corporate Property Team. Key business risks materialising could potentially result in the departments failing to achieve one or more of their key objectives and/or suffer a financial loss or reputational damage. The current risks are those identified against departmental objectives for 2017/18.

- 2.2. The Exceptions Report, in **Appendix A**, focuses on risks that have a current risk score of 12 and above with prospects of meeting the target score by the target date of amber or red. There is currently one risk that meets this criteria, as seen in this appendix.
 - 1) RM14200 - Failure to meet NCC carbon reduction target
- 2.3. A list of significant changes to risks reported at the June 2017 Committee can be found in **Appendix B**.
- 2.4. To assist Members with considering whether the recommended actions identified in this report are appropriate, or whether another course of action is required, a list of such possible actions, suggested prompts and challenges are presented for information and convenience in **Appendix C**.
- 2.5. The Finance and Commercial Services departmental risk register contains two departmental level risks relating to property, with the EDT risk register containing the other risk (RM14250). **Appendix E** provides the Committee members with a summary of these risks. There are currently two corporate level risks for this Committee to consider.
- 2.6. All three risks reported to this Committee currently have an amber prospects score of meeting the target score by the target date. Please see Note 1 below for details of prospects scoring.

3. Financial Implications

- 3.1. There are no significant financial implications arising from this Risk Management report.

4. Issues, risks and innovation

- 4.1. There are no other significant issues, risks and innovations arising from this Risk Management report.

5. Background

- 5.1. Background information regarding risk scoring, and definitions can be found in **Appendix D**.

Officer Contact

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

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Note 1:

The prospects of meeting target scores by the target dates are a reflection of how well the risk owners consider that the mitigation tasks are controlling the risk. It is an early indication that additional resources and tasks or escalation may be required to ensure that the risk can meet the target score by the target date. The position is visually displayed for ease in the “Prospects of meeting the target score by the target date” column as follows:

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

Risk Number	RM14200					Date of update		20 September 2017		
Risk Name	Failure to meet NCC carbon reduction target									
Risk Owner	Jeannine de Sousa					Date entered on risk register		01 April 2016		
Risk Description										
There is a risk of a failure to address energy efficiency as part of operational practice, leading to increased energy and tax costs, against a background of a flexible buildings portfolio. The risks reside around the principal impacts associated with the use of buildings, transport and street lighting in support of service delivery. Reporting responsibility resides with the Corporate Property Team who oversee the delivery of statutory reporting; impact is organisation-wide.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	4	12	3	4	12	2	3	6	Mar-20	Amber
Tasks to mitigate the risk										
1) To reach a 50% reduction by 2020 requires an added focus on transport and street lighting impacts, given that the corporate building estate is well within reach of meeting its own contribution. Corporate target agreed by Members. Project management delivered through interface with existing programmes, such as through the work of the Corporate Property Team. Delivery of the programme has transferred to CPT. 2) Develop a corporate car scheme and pilot by January 2016 before rolling out if successful and viable. 3) Identify opportunities for further managing energy utilisation and reducing the Council's carbon footprint.										
Progress update										
1) A large proportion of the target was building related and targets were achieved through the County Hall project and investment through the CERF funding for the wider corporate building estate, i.e. with improvements in fire stations of insulation. Going forward we are developing an energy policy / strategy to determine minimum and maximum changes / alterations to buildings where we do refurb works. We are also reviewing how we monitor water, gas and electricity with the Head of procurement, as well as energy procurement. Further work is required to ascertain street lighting reduction performance. Development/growth of residential areas will likely impact on performance figures. 2) A corporate pool car scheme has been developed and piloted. The success of the scheme will depend on registration and uptake and the development of Human Resources policy on the use of pool cars. 3) An Energy Projects Officer has been appointed to identify further opportunities for carbon reduction and to manage energy utilisation across the Council. They will be responsible for producing and maintaining an energy policy for the Council. The appointed officer will start in post on 01.10.17 for 6 months.										

Appendix B – Risk Reconciliation Report

Significant changes* to the Business and Property Committee risks since the last Business and Property Committee Risk Management report was presented in June 2017.

Since the last Business and Property Committee Risk Management report was presented in June 2017, there has been a change to one of the risks previously reported. This is as follows;

Score changes

RM14250 - Infrastructure is not delivered at the required rate to support existing needs and the planned growth of Norfolk

The risk impact score has been reconsidered using the risk scoring criteria, and lowered from 4 to 3, following an assessment that with many of the infrastructure projects being successfully delivered, there may only be a partial failure to deliver the County Council objective of infrastructure and growth being delivered at the required rate. This has reduced the current risk score from 12 to 9.

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

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

Risk management discussions and actions

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

Suggested prompts for risk management improvement discussion

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

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

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

Risk Management improvement – suggested actions

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

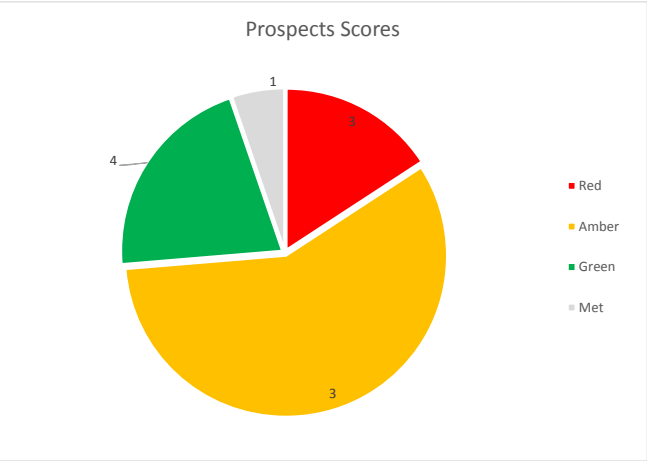
All actions, whether from this list or not, will be followed up and reported back to the committee.

Suggested follow-up actions

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

Appendix E, Business and Property Committee Risk Summary, October 2017

Summary Name			Business and Property Committee Risk Summary										Red	⬇️ Worsening	
Prepared by			Thomas Osborne										Amber	↔️ Static	
Date updated			September 2017										Green	⬆️ Improving	
Next update due			December 2017										Met		
Area	Corp. / Dept.	Risk Number	Risk Name	Risk Description		Current Likelihood	Current Impact	Current Risk Score	Target Likelihood	Target Impact	Target Risk Score	Prospects of meeting Target Risk Score by Target Date	Direction of travel from previous review	Risk Owner	
Environment , Development and Transport - Strategic Infrastructure	C	RM14250	Infrastructure is not delivered at the required rate to support existing needs and the planned growth of Norfolk	Not securing sufficient funding to deliver all the required infrastructure for existing needs and planned growth leading to: • congestion, delay and unreliable journey times on the transport network • a lack of the essential facilities that create sustainable communities e.g. good public transport, walking and cycling routes, open space and green infrastructure. Not meeting the funding profiles (e.g. Local Growth Fund) and losing the funding.		3	3	9	3	2	6	Amber	↔️	Tom McCabe	
Finance and Commercial Services - Corporate Property	C	RM14282	Failure of Estate Management	There is a risk that the Council does not have a clear policy around estate management, is not acting in line with the expectations of a landlord, and does not have sound tenancy agreements in place.		3	2	6	2	2	4	Amber	↔️	Simon George	
Finance and Commercial Services - Corporate Property	D	RM14200	Failure to meet Norfolk County Council carbon reduction target	There is a risk of a failure to address energy efficiency as part of operational practice, leading to increased energy and tax costs, against a background of a flexible buildings portfolio. The risks reside around the principal impacts associated with the use of buildings, transport and street lighting in support of service delivery. Reporting responsibility resides with the new the new Corporate Property Team who oversee the delivery of statutory reporting; impact is organisation-wide.		3	4	12	2	2	4	Amber	↔️	Jeannine de Sousa	



Business and Property Committee

Item No.....

Report title:	Performance management
Date of meeting:	18 October 2017
Responsible Chief Officers:	Simon George - Executive Director of Finance and Commercial Services, and Tom McCabe - Executive Director, Community and Environmental Services
Strategic impact Robust performance management is key to ensuring that the organisation works both efficiently and effectively to develop and deliver services that represent good value for money and which meet identified need.	

Executive summary

This is the second performance management report to this committee and is based upon the revised Performance Management System, which was implemented as of 1 April 2016. There are currently 5 vital signs indicators under the remit of this committee ("PE - Number of apprenticeship starts" having been added since the previous report). Work continues to see what other data may be available to report to committee on a more frequent basis and these will in turn be considered for inclusion as vital signs indicators.

Performance is reported on an exception basis using a report card format, meaning that only those vital signs that are performing poorly or where performance is deteriorating are presented to committee. To enable Members to have oversight of performance across all vital signs, all report cards (which is where more detailed information about performance is recorded) will be made available to view upon request.

The 5 vital signs indicators that fall within the remit of this committee are:

1. Monitoring the job creation outputs of the projects and programmes that Norfolk County Council manages or Leads
 - (a) Oct-Sep
 - (b) Apr-Mar
2. Delivery against New Anglia Local Enterprise Partnership (NALEP) and Hethel Engineering Centre (HEC) business start-up targets
 - (a) Oct-Sep
 - (b) Apr-Mar
3. Number of apprenticeship starts
4. Median full time weekly pay – comparison between Norfolk and the national average
5. Reducing the % gap with rate of ESA only claimants for more than 1 year against national level

To enable the Committee to fully understand the full set of vital sign indicators they will oversee, the detailed report cards for all these indicators have been included with this report.

Recommendations:

Note that none of the 5 vital signs that fall within the remit of this committee have met the exception reporting criteria.

To consider whether there is any other performance data/information relating to the Committee's remit, in addition to the 5 vital signs set out in this report, which the Committee would wish to review on a regular basis.

1. Introduction

- 1.1. This is the second performance management report to this committee and is based upon the revised Performance Management System, which was implemented as of 1 April 2016.
- 1.2. There are currently 5 vital signs performance indicators that relate to the Economic Development Service in the CES Department.

Work continues to explore what data is available on a more regular basis to report to this committee, including reviewing measures reported by other councils and comparing with those currently reported in Norfolk. Since the last report to this committee, a new measure “Number of apprenticeship starts” has been introduced.

- 1.3. There are currently no specific performance measures relating to property and asset management to report to this committee.

2. Performance dashboard

- 2.1. The performance dashboard provides a quick overview of Red/Amber/Green rated performance across all 5 vital signs. This then complements the exception reporting process and enables committee members to check that key performance issues are not being missed.
- 2.2. The vital signs indicators are monitored during the year and are subject to review when processes are amended to improve performance, to ensure that the indicator correctly captures future performance. A list of all vital signs indicators currently under the remit of the Business and Property committee is available in Appendix 2.
- 2.3. The performance dashboard for the Business and Property Committee is provided at Appendix 1. Targets have been set for 2017/18 and it is against these targets that performance will be evaluated. As the full performance data is only available on an annual basis with some significant lags, we will not be able to report on final performance until mid-2018.

3. Report cards

- 3.1. A report card has been produced for each vital sign. It provides a succinct overview of performance and outlines what actions are being taken to maintain or improvement performance. The report card follows a standard format that is common to all committees and it is updated on a monthly basis.
- 3.2. Vital signs are reported to committee on an exceptions basis. The exception reporting criteria are as follows:
- Performance is off-target (Red RAG rating or variance of 5% or more)
 - Performance has deteriorated for three consecutive months/quarters/years
 - Performance is adversely affecting the council's ability to achieve its budget
 - Performance is adversely affecting one of the council's corporate risks.
- 3.3. The 5 vital signs indicators that fall within the remit of this committee are:
1. Monitoring the job creation outputs of the projects and programmes that Norfolk County Council manages or Leads
 - (a) Oct-Sep (*Actual to-date is 168 against a target for the period of 26*)
 - (b) Apr-Mar (*Actual to-date is 148.2 against a target for the period of 543.5*)
 2. Delivery against New Anglia Local Enterprise Partnership (NALEP) and Hethel Engineering Centre (HEC) business start-up targets
 - (a) Oct-Sep (*Actual to-date is 5 against a target for the period of 7*)
 - (b) Apr-Mar (*Actual to-date is 41 against a target for the period of 162.5*)
 3. Number of apprenticeship starts (*Q3 Jun 2017 is 6,120 against a target for the year ending Q4 Sept 17 of 7,917*)
 4. Median full time weekly pay – comparison between Norfolk and the national average (*Actual for 2016 is 90% against a target of 90.25%*)
 5. Reducing the % gap with rate of ESA only claimants for more than 1 year against national level (*Actual for 2016 was 78% against a target of 77%*)

For reference, the most recent report cards for these vital signs indicators have been included below:

Jobs created from programmes managed by NCC & New Anglia Local Enterprise Partnership (NALEP)

Why is this important?

We need more jobs, and higher value jobs, especially in key growth sectors. NCC and LEP aim to support jobs growth in our key areas

Performance

The background to current performance?

Programme	Apr 16 Mar 17 actual	Oct 16 Sep17 target	16/17 End July actual	Apr 17 Mar 18 target	Oct 17 Sep18 target	Notes
NALEP: Growing Business Fund (GBP)	527	n/a	87.25	183 / 2 = 91.5 Norfolk	n/a	Schemes run April – March. Norfolk only data available from July 2017. Prior to that a proxy of 50% of target and activity figures used. GBF provides grants of £5k-£500k to SMEs. Job creation: we list jobs created & reported under line 6.15 of the monthly report. Targets remain LEP wide.
Start-Up Menta NWES	140	n/a	Menta = 4 NWES=28 Total = 32	354/2= 52.5 M 124.5N	n/a	The Start Up Programme provides support to individuals to start their own business and for the first year of trading. Norfolk only activity reported from July 2017. Targets remain LEP wide: Norfolk Proxy = 50% is listed
Agri-Tech East	29	n/a	0	None set	n/a	Agri-tech East supports innovation in the Agri-tech sector with new jobs an outputs. Scheme runs to March 18. We record <u>new</u> FT jobs created, but outputs include PT and protected jobs 17/18 no target set by NALEP
Small Grants Scheme	Not prev reported	n/a	2.5	None set	n/a	Small Grants Scheme now incorporates the Micro Grant scheme. (ERDF funded) Runs April to Mar. Multiple outputs. 17/18 no specific jobs target set
Business Rates Pool	n/a	None set	92	n/a	None set	Jobs from projects funded by the pooled uplift in the growth of district and County business rates. Current year runs Oct to Sept. No 17/18 target set.
Inward Investment (Apr/Mar)	352 plus (945*)	n/a	0	225	250	NCC delivers inward activity for Norfolk under a contract with NALEP. Data verified annually in June. Current year runs: Apr 17 to Mar 18 We record new jobs created but also aim to protect jobs (* = protected)
Hethel Centre 3 yr = 78	n/a	26	76	n/a	26	INA funding year runs October to September . In 3 years Oct 15 to Oct 18: 78 jobs required, 26 per year annual interim targets.
LEADER	46.55	n/a	28.95	50	n/a	Programme helps create jobs in rural areas. April 17 to March 18.
Total	1094.55	26	318.7	543.5	476	

- The NALEP Strategic Economic Plan (SEP) seeks to increase jobs in Norfolk by **73,000** between 2012 and 2026 (**4,070** per annum, from the baseline of 343,800).
- This report card captures jobs NALEP and the Council have a hand in creating.
- Targets are set annually, apart from the Eastern Agritech scheme.
- Most report on a monthly basis. Exception are Hethel: reporting quarterly and Business rates pool which report annually.

What will success look like?

Action required

- Delivery of the outputs in the table will contribute significantly to delivery of the SEP jobs target, creating quality jobs and bolstering efforts to improve Norfolk's average earnings.

- Effective promotion/monitoring of grant programmes and our promotion investment offer.

Responsible Officers

Lead: Eliska Cheeseman, Programme Manager Data: Kate de Vries, Economic Development Officer 23 August 2017

Business Start-Up generated by NALEP and Hethel Innovation

Why is this important?

Start-up statistics are often used as a measure of the success of a local economy. Starting up a business can be a practical solution to redundancy, but also an outlet for creativity and innovation

Performance

2017 – 2018 NALEP Programmes	Previous Target	Prev. Actual	17/18 Annual Target*	Actual July 17
2017/18 Start Up - NWES	195	140	122.5	37*
2017/18 Start Up - MENTA			40	4*
Hethel Engineering Centre: Norfolk only				
2017/18 INA programme	7	9	7	5
Total annual figures target / actual	202	149	169.5	46

Note on Targets & Delivery

* NALEP set LEP wide targets for the Start Up programme. As a proxy target for Norfolk we assume 50% of the overall delivery target.

17/18 targets for business start ups, provided in August 2017, are 325 across the LEP area, 245 by NWES and 80 by Menta.

So our Norfolk target proxy for 17/18 is 162.5 of which 122.5 are to be provided by NWES and 40 by Menta.

NALEP have been able to provide a Norfolk only activity data from July 2017 for its Start Up programmes. Prior to that date we used a proxy figure of 50% of achieved activity.

HEC's target for the year October 16 to September 17 is 7.

What is the background to current performance?

Context

- Norfolk's business start-up rate lags behind the region and England as a whole, in terms of the number of businesses started per head of population. Such figures suggest a lack of willingness to take risks and innovate.
- The county consistently has a lower business failure rate than regional and national averages, suggesting Norfolk businesses are more robust.
- The New Anglia Local Enterprise Partnership (NALEP) Strategic Economic Plan (SEP), seeks to create 15,000 start-ups by 2026, which equates to **7,950** for Norfolk over the plan period, or **568** p/a.

Recent History

- NALEP's Start Up programme run by Menta and NWES achieved 98% of its 15/16 target
- Hethel's work is Norfolk based. Between 2006 and 2015 they supported 128 businesses, (an average of 14 pa).
- Hethel's Innovation programme for NALEP has supported the start-up of 128 new businesses since its creation in 2006.

Current reporting

- The County Council cannot force business start-ups, but will measure NALEP or HEC activities which directly support start-up activity.
- NALEP schemes run April – March for reporting purposes, reporting monthly to the LEP board, which figures NCC uses for this report.
- Hethel's reporting year runs October to September

What will success look like?

The two programmes should generate 170 new business start-ups across their annual programmes.

Action required

Ensure the NALEP Start Up support programmes are promoted effectively on the Council's website, www.LocateNorfolk.com and through other means.

Responsible Officers

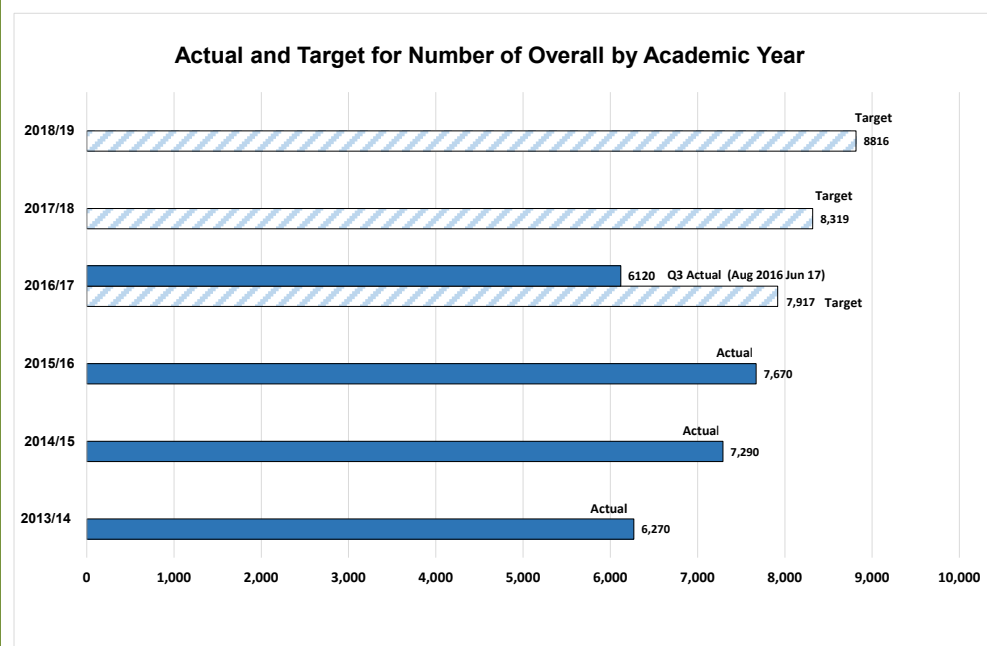
Lead: Eliska Cheeseman, Programme Manager Data: Kate de Vries, Economic Development Officer 23/08/17

Vital sign: Number of Apprenticeship starts

Why is this important?

Better qualified staff are a key first rung on the ladder to our twin goals of higher value jobs and a reduction in the gap between Norfolk's and England's average earnings (weekly gross pay). In turn, better paid jobs enable more people to get onto the housing ladder and have a better quality of life more generally. The New Anglia Local Enterprise Partnership Strategic Economic Plan (SEP) highlights the need to increase the number, level, range and quality of Apprenticeship delivery and generate 5000 additional Apprenticeships across Norfolk and Suffolk by 2019.

Performance



What is the story behind current performance?

Apprenticeship Starts	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	Actual	Actual	Actual	Target	Target	Target
All starts – all levels/ages	6,270	7,290	7,670	7,917	8,319	8,816

The latest data available shows that Norfolk has 6,120 (77%) starts in the period (Aug 16 – April 17) towards its 7,917 target for the full year. The Apprenticeship Levy introduced in April 2017 appears to be having an effect on the take up of apprenticeships. Whilst many levy paying employers are keen to maximise the benefits they are uncertain on the best approach and are holding back at this time as they have two years to utilise the funding.

The provider market is becoming increasingly fractured with a number of providers no longer able to take new apprentices onto their books and existing learners having to be relocated to other providers.

What will success look like

Success will be measured by the overall achievement of annual target whilst maintaining quality, level and range.

Action required

Work with ANN to continue to support providers and employers with the significant changes. Apprenticeship advisers are continuing to engage with levy employers to support them to manage their levy purchases. We are working closely with the Education and Skills Funding Agency to support the transition of learners from one providers to another as appropriate and to minimise the disruption to both individuals and employers.

Responsible Officers

Lead: Jan Feeney

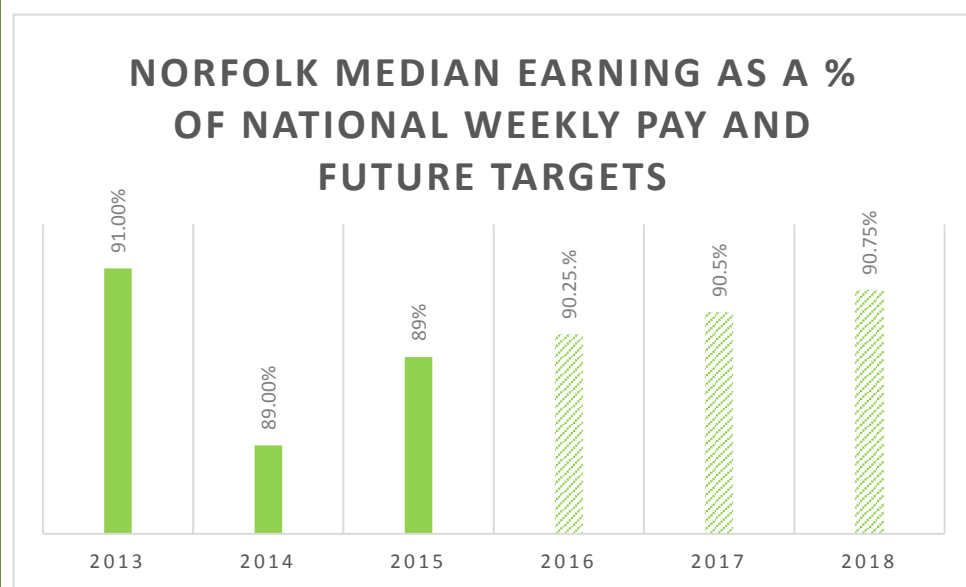
Data: Lisa Howes

Performance Scorecard – Real Jobs: Median Weekly Earnings

Why is this important?

A skilled workforce is essential to growing existing, and attracting new businesses to Norfolk and to the overall prosperity of Norfolk communities.

Performance



What is the background to current performance?

- Norfolk has a relatively low unemployment rate of 5.3%, compared to the national average of 5.4%.
- However median (average) earnings are significantly below the national average.
- This is a function of a large proportion of workforce being employed in low paid, low skilled sectors such as care, retail, and hospitality and an above national average number of part time jobs (36% compared to 32.3% of UK average)
- The current performance is 90% (2016), meaning while we have not technically reached 90.25% set target, we have in reality exceeded this target as the target was set with the 0.25% increment from the 2015 base line year which has now been amended to 89%.
- Going forward the impact of increasing amount of zero hour contract workers and Brexit will be felt more clearly on the economy.

What will success look like?

- A reduced gap between Norfolk and the national average over time. Proposed targets for the 3 year period seek to achieve a 0.25% improvement, year on year (in hatched bars)
- Targets: 2016/17 – 90.25%, 2017/18 – 90.50%, 2018/19 – 90.75%
- Please note the 0.25% increment is from the 2015 base line which was previously reported as 90% (now amended to 89% by ONS)

Action required

- Ongoing work to drive up workforce skills and increase inward investment in high value sectors should help to drive up average earnings.

Responsible Officers

Lead: David Dukes, Economic Development Manager

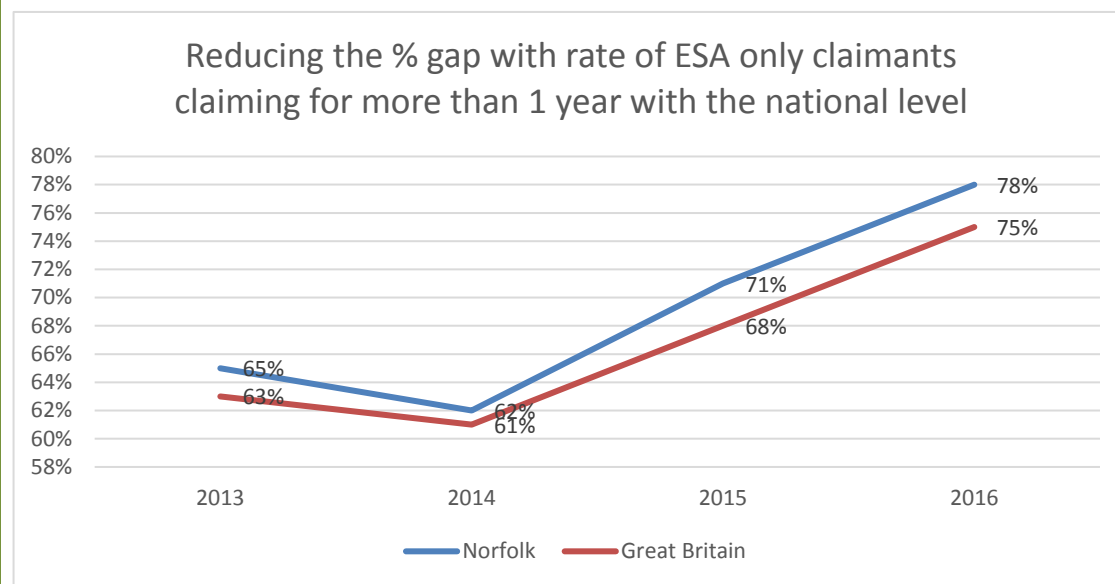
Data: Ninan Xu, IEG Project Officer (06/2017)

Real jobs – people on benefits can find work quickly

Why is this important?

To ensure that all those people who want to work are able to and have access to a job that they are suitably qualified to do.

Performance



What is the background to current performance?

- The proportion of those claiming Employment & Support Allowance (ESA) for more than 12 months in Norfolk has risen in the last 4 years, and is now higher than the average for Great Britain.
- In 2016, Norfolk experiencing a rise in proportion of long term ESA claimants. This is due to rise in the national rate of long term ESA claimant.
- However, Norfolk's gap with national average has stayed the same from 2015, at 3%.
- Due to the implementation of Universal Credit all claimants will be recategorised. This will lead to a short term drop in ESA numbers as they transition on to the new system. The focus of this work will shift to claimants on the new system over the next 3-5 years.

What will success look like?

- NCC will initially aim to reduce the numbers of ESA claimant in Norfolk to national levels through targeted, aligned work between NCC and DWP.
- Once this has been achieved NCC will aim to integrate employability work further into our support services in order to improve on national levels.
- NCC will aim to reduce the number of long term ESA claimants by 1% annually, over and above that achieved nationally each year until 2018. Changes to the benefits system through the implantation of Universal Credit may impact on how this is reported.
- NCC will proactively refer eligible ESA claimants who have been assessed as having some capacity for work, and who are also supported by NCC services, on to a range of programmes funded by ESF, Big Lottery & DWP.

Action required

- Liaise with DWP and District Councils on how Universal Credit will impact on this work and identify where added value is needed.
- Lobbying of LEP and LEP Skills Board to ensure that this group is supported by ESIF funding including open calls.
- Identify any other EU structural funds could be used to encourage social innovation for this group and develop bids with relevant departments or partners.
- Develop resources and training for key workers on external employability programmes to support individuals also receiving support from NCC services.

Responsible Officers

Lead: Vince Muspratt, European & Economic Programmes Manager Data: Ninan Xu, IEG Project Officer(06/17)

4. **Scottow Enterprise Park – latest performance**

The Committee asked for some information about operational performance at Scottow Enterprise Park to be included regularly in these performance reports. Performance as at the end of July 2017 was reported to the Committee at the last meeting, and performance as at 21 September 2017 is set out below:-

- Total rentable floor space available – 533,500 ft²
- Occupancy rate – 85%#
- Number of tenants – 95 (an increase of 7 since last reported)
- Number of jobs – 342* (an increase of 6 since last reported)
- Number of start-ups – 20* (an increase of 1 since last reported)
- Number of customer enquiries handled - 639 customer enquiries

#Of total rentable floor space (currently 115 units).

**Figures relate to total amount since Enterprise Park became operational.*

The Committee also requested information on revenue costs per zone. This is being compiled and will be included in future performance reports. Note that information on financial performance of the Park is included in the financial monitoring report.

5. **Recommendations**

Note that none of the 5 vital signs that fall within the remit of this committee have met the exception reporting criteria.

To consider whether there is any other performance data/information relating to the Committee's remit, in addition to the 5 vital signs set out in this report, which the Committee would wish to review on a regular basis.

6. **Financial Implications**

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

7. **Issues, risks and innovation**

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

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:

Performance: **Officer name :** Austin Goreham **Tel No. :** 01603 223138
 Email address : austin.goreham@norfolk.gov.uk



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NOTES:

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

Monthly	Bigger or Smaller is better	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Target
{PE} Monitoring the job creation outputs of the projects and programmes that NCC manages or leads (Oct-Sep)	Bigger	29.8	29.8	20.0	72.0	72.0	72.0	97.0	140.0	140.0	144.0	168.0	168.0		
{PE} Monitoring the job creation outputs of the projects and programmes that NCC manages or leads (Apr-Mar)	Bigger	368.8	426.8	448.3	562.8	606.1	623.6	658.1	1,094.6	44.1	78.4	122.0	148.2		
{PE} Delivery against NALEP and HEC business start-up targets (Oct-Sep)	Bigger	9	9	0	0	0	1	1	2	2	2	3	5		
{PE} Delivery against NALEP and HEC business start-up targets (Apr-Mar)	Bigger	20	30	30	30	40	40	40	140	15	17	22	37		
Quarterly / Termly	Bigger or Smaller is better	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Target
{PE} Number of apprenticeship starts	Bigger	6,270				7,290				7,670	2,440	3,830	6,120		6,413
Annual (calendar)	Bigger or Smaller is better	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Target
{PE} Median full time weekly pay – comparison between Norfolk and the national average	Bigger										91.0%	89.0%	89.0%	90.0%	90.25%
														488.7 / 540.2	
{PE} Reducing the % gap with rate of ESA only claimants for more than 1 year against national level	Smaller										65.0%	62.0%	71.0%	78.0%	77%
													0.71 / 0.68	0.78 / 0.75	

Appendix 2 – Business and Property Committee Vital Signs indicators

A vital sign is a key indicator from one of the Council's services which provides members, officers and the public with a clear measure to assure that the service is performing as it should and contributing to the Council's priorities. It is, therefore, focused on the results experienced by the community. It is important to choose enough vital signs to enable a good picture of performance to be deduced, but not so many that strategic discussions are distracted by detail.

There are currently 5 vital signs performance indicators that relate to the Business and Property Committee.

Of these vital signs indicators, the two in bold are considered to be corporately significant. As such, they will also be reported to the Policy and Resources Committee.

Service	Vital Signs Indicators	What it measures	Why it is important	Data
Planning & Economy (CES)	Job creation in Norfolk	Monitoring the job creation outputs of the projects and programmes that NCC manages or leads	SEP has a target to deliver 73,000 more jobs by 2026. This measure looks at those jobs the EDS service has had a hand in bringing forward	Partly monthly
Planning & Economy (CES)	New Anglia Growth Hub delivery – business start up	Delivery of New Anglia Growth Hub's business start-up targets	All programmes should deliver outputs that benefit the Norfolk economy	Partly monthly
Planning & Economy (CES)	Apprenticeships Norfolk Network Success Measures	Number of Apprenticeship Starts	By the end of 2019 we will create an additional 2500 apprentices in Norfolk (baseline 6270 in 2013/14)	Quarterly (subject to data release)
Planning & Economy (CES)	Norfolk median weekly earnings	Median full time weekly pay – comparison between Norfolk and the national average	A skilled workforce is essential to growing existing, and attracting new businesses to Norfolk and to the overall prosperity of Norfolk communities	Annual
Planning & Economy (CES)	People on benefits can find work quickly	Reducing the % gap with rate of ESA only claimants for more than 1 year against national level	Residents claiming ESA have a higher likelihood of receiving support from NCC services.	Annual

Business and Property Committee

Item No.....

Report title:	Norwich Airport Industrial Estate
Date of meeting:	18 October 2017
Responsible Chief Officer:	Executive Director of Finance and Commercial Services
Strategic impact Both Norfolk County Council and Norwich City Council recognise that the current situation of the Norwich Airport Industrial Estate cannot continue. To realise a significant opportunity to deliver increased asset value, potential for growth in non-domestic rates, rental income, employment growth and increase GVA (Gross Value Added) for the Greater Norwich area will require major reinvestment in the site. This can be undertaken by both councils, with or without a partner, or a third party in the event of a disposal.	

Executive summary

Proposals in this report are aimed at procuring expert advice to develop proposals for a partnership vehicle that will balance risk with the desired outcomes.

Recommendations:

Business and Property (B&P) Committee are asked to agree to:

- 1. Acknowledge that the Norwich Airport Industrial Estate requires substantial investment to realise increased asset value, growth in non-domestic rates, increased rental income and employment growth.**
- 2. The commission of the existing consultant to procure a partnership vehicle that will balance risk with the desired benefits, the details of the procurement brief and approach will be presented to a future B&P Committee meeting.**
- 3. The details of the proposed type of joint venture will be presented to a future B&P Committee meeting.**
- 4. The commencement of the residential element in the “Southern Development Zone” through Norwich City Council’s development company.**
- 5. Acknowledge that “mirror” recommendations will be presented to Norwich City Council Cabinet.**

1.0 Introduction

- 1.1** The County Council actively manages its property portfolio in accordance with the adopted Asset Management Plan. Property is held principally to support direct service delivery, support policy objectives, held for administrative

purposes or to generate income. Property is acquired or disposed of as a reaction to changing service requirements, changing council policies or to improve the efficiency of the overall portfolio.

- 1.2 The Norwich Airport Industrial Estate (NAIE) is a significant property asset that is strategically located with the potential to capitalise from local infrastructure improvements and commercial/residential developments such as the Northern Distributor Road (NDR) and the residential development to the East with a phased delivery of 3,500 homes
- 1.3 The County Council challenges the use of its property on an ongoing basis. To this end external agents (Carter Jonas LLP) were procured to provide independent property advice to review the investigations work carried out to date and provide an assessment about whether the options proposed are achievable and provide the optimum approach in the current and likely future market conditions.

2.0 Background

- 2.1 The Norwich Airport Industrial Estate is owned by Norwich City Council and held on express trust for Norfolk County Council, effectively giving joint ownership. Income derived from the estate is divided 60% to Norfolk County Council and 40% to Norwich City Council. The estate is managed on behalf of the partnership by NPS Norwich Limited and the councils currently receive gross income of over £1.05m per annum (pa).
- 2.2 The overall site covers 564,920m² (139.56 acres/56.49 hectares) with 120,000 m² of floor space. About 90% (108,000m²) of the floor space is used for light general industrial/warehousing and the remainder for office use. In **Appendix 1** is a plan indicating the Norwich Airport Industrial Estate and the wider context it sits in.

3.0 Opportunities

- 3.1 Both Norwich City Council and Norfolk County Council recognise that substantial reinvestment in the site is required if it is concluded that there is a significant opportunity to deliver increased asset value, potential for growth in non-domestic rates, increased rental income and employment growth. Re-investment will also stimulate jobs growth and increase GVA (Gross Value Added) for the Greater Norwich area.
- 3.2 As a result of previous investigations two development zones have been identified and redevelopment plans prepared. The development zones indicate potential uses and are subject to further market testing (to establish viability) and fit with planning policy:
 - (i) A Southern Development Zone included plans for 20,000m² (215,300ft²) of light industrial units split into 18 units equating to 1,111m² (11,961ft²) each and delivered to BREAAAM (Building Research Establishment

Environmental Assessment Method) Excellent Standard. The plans also indicated an area for 33 residential dwellings.

- (ii) A Western Development Zone included development proposals for an International Aviation Academy (IAA), delivery of 100 student residential rooms linked to the IAA, an Advanced Manufacturing Innovation Centre (AMIC) consisting of 30 light industrial units extending to 70,000ft² in total with 10% office content to be delivered to BREAAAM Excellent standards and 30 units around 2,300ft² each (2016 review), a budget hotel of approximately 100 rooms.

3.3 There is also the opportunity to look at whether parts of the remainder of the estate could be improved and units (when they become vacant) refurbished or regenerated.

3.4 The consultants undertook a review of the local property market. The principal findings from this assessment are:

3.4.1 Industrial Market:

- The Norwich industrial market is currently performing well with the level of existing industrial availability consistently declining since 2011.
- Demand for stock has been generally on the rise since 2012.
- Industrial rents have been (on average) rising since the end of 2015 (although prime rents have been stable for a number of years).
- The majority of stock on the market at present is dated.
- Although there is a large amount of stock in the pipeline, little has been built over the last few years indicating that there is an opportunity in the market for new, good quality space, delivered to meet current market demand, in particular 'mid-sized' units of around 5,000 to 10,000ft².
- There are a number of competing schemes in the locality, but most are restricted by clauses linking them to the airport.

3.4.2 Office Market:

- Generally stable particularly in terms of levels of available space and rental levels.
- Demand for space (principally coming from incumbent occupiers within the business services of government/Non-Government Organisations sectors) has been more cyclical with a drop in take up seen in 2016

3.5 Following the analysis of the local market the consultant has outlined in their report several redevelopment options:

3.5.1 Industrial:

- Prepare the site for development by demolishing redundant units and clearing vegetation to improve its appearance.
- Detailed designs should be created (on appointment of a chosen developer) to explore the creation of flexible light industrial terrace(s).
- Market the site on a pre let basis with unit availability from around 11,961ft² plus (as proposed in the 2016 masterplan review) although retain flexibility to deliver smaller units of say 6,000ft².

3.5.2 Residential:

- The development and disposal of residential development land remains appropriate subject to a revision of unit mix (as provided).

3.5.3 Branding:

- In respect of estate rebranding, at present, the estate is almost invisible owing to no independent brand identity through media (i.e. website/marketing particulars/adverts etc.) coupled with poor quality estate signage. Therefore this is an opportune time to start anew to establish a brand identity and communication that will attract the desired occupiers.

4.0 Development Return and Cost Appraisal

4.1 The consultant's report included a summary of anticipated gross rental returns pre and post redevelopment of the two development zones along with the wider estate as it stands.

4.2 There is the potential to increase the gross rental income from the estate from around £1.05m pa to £4.1m pa on the basis that all of the proposed buildings are built and occupied at the anticipated rent.

There is also the opportunity to look at the management and investment in the current estate, to help retain and develop the current tenants.

4.3 The report outlines the cost for regeneration works, however further work is required to understand the extent of any works to the estate and the cost of any works.

4.4 At this point all figures should be heavily caveated. The nature of any development (for example the size of units) and therefore the capital cost and income will vary.

5.0 The Options

5.1 The consultant considered a range of delivery options for the regeneration of NAIE ranging from direct delivery by the council, use of a council owned vehicle, various joint venture arrangements and disposal. Their report concluded that a "hybrid" approach should be adopted involving a joint venture arrangement for the industrial/commercial elements and delivery via a council owned company for the residential part.

5.2 This "hybrid" approach would allow the councils to manage risk. It will:

- Allow the councils to self-develop the simpler sites (i.e. the residential sites) and realising all the financial benefits while sharing risk on more complex developments in conjunction with a joint venture development partner (i.e. the industrial units/hotel/AMIC) where they will take a profit for constructing the commercial buildings.

- Result in a higher return for the councils than the pure joint venture development partner route.
- Introduce expert market intelligence and experience to advise on the scale/makeup of the new development rather than pursuing a speculative “build and they will come” approach.
- Provide for the joint venture partner to undertake ongoing management of the whole estate. There will be mechanisms to incentivise the partner to build units which are likely to be let quickly to good tenants and maintain a high occupancy rate
- Enable both councils to provide funding on a 60/40 basis from Public Works Loan Board borrowing loaned to the joint venture partner at commercial rates meaning that no funding is required from the partner and allowing councils to generate a return from interest on the loan as another income stream.
- Limit the risk and exposure for the councils at any given time by not committing to the whole development at once but rather carrying this out on a phased rolling programme.

5.3 A number of options have been identified:

5.3.1 Do Nothing:

Both councils continue to manage the estate as existing and make no significant investment. It is estimated that within 15 years, operational costs (including empty rates payments) are likely to come close to rental income destroying any opportunity for surplus. The estate is ageing and a number of ‘rival’ products will be launched onto the market over the next five years and it will become increasingly difficult to attract new tenants.

5.3.2 Minor Improvement Works:

For a sum of £3-5m some minor works could be undertaken to selected buildings and the estate. Whilst this appears to be a significant sum it will not provide any new space or industrial units.

5.3.3 Proceed with the development as recommended by the consultant i.e. seek a partner to form a “joint venture” for the commercial elements and take forward the delivery of the residential element via a council owned company. This approach will provide expert private sector advice whilst allowing the Councils to have a high degree of control. Use of the city council’s existing company, Norwich Regeneration Ltd, would be a convenient vehicle for the residential development. This may require establishment of a subsidiary given the joint ownership of the NAIE.

5.3.4 In this “joint venture” scenario the partner would be able to:

- Develop out all or parts of the site on a “Design, Build, Operate, Manage” form of contract.

- Funding would be provided by the Councils who would then approve all expenditure based on detailed business cases.
- The partner would manage the whole site and take a management fee on lettings. This approach would ensure the partner is “invested” in the site in that “no tenant – no fee”.
- The partner would manage the site, looking for opportunities to fill vacant units and using detailed market knowledge, buildings would be refurbished/built based on market trends/pre-lets.

6.0 Financial Implications

- 6.1 At this point permission is only sought to prepare the procurement brief, there is an estimated cost of £50,000 to undertake these works. Norfolk County Council would have no further liability.

7.0 Issues, risks and innovation

- 7.1 A number of risks will exist around the key areas of procurement, planning, site conditions construction, costs, market conditions, estate management and legal. Mitigation of these risks through a robust and live Risk Register to include measures to engage stakeholders early, carry out adequate research of the market, planning policies and obtain cost assurance as well as factor in contingencies.

8.0 Background

- 8.1 There are several strands forming the strategic background to these proposals, namely:
- The overall Councils priorities of **Excellence in Education, Real Jobs, Good Infrastructure and Supporting Vulnerable People**.
 - Norfolk County Council Asset Management Plan 2016-19.
 - The adoption of an updated property savings plan, that calls for £4.2m of savings for the next three years.
 - The Norfolk One Public Estate Programme that is supporting the joint strategic exploitation of the combined public sector property estate.
 - The medium term financial strategy includes commercialisation of NCC property assets as a priority to help diversify the Council’s funding.

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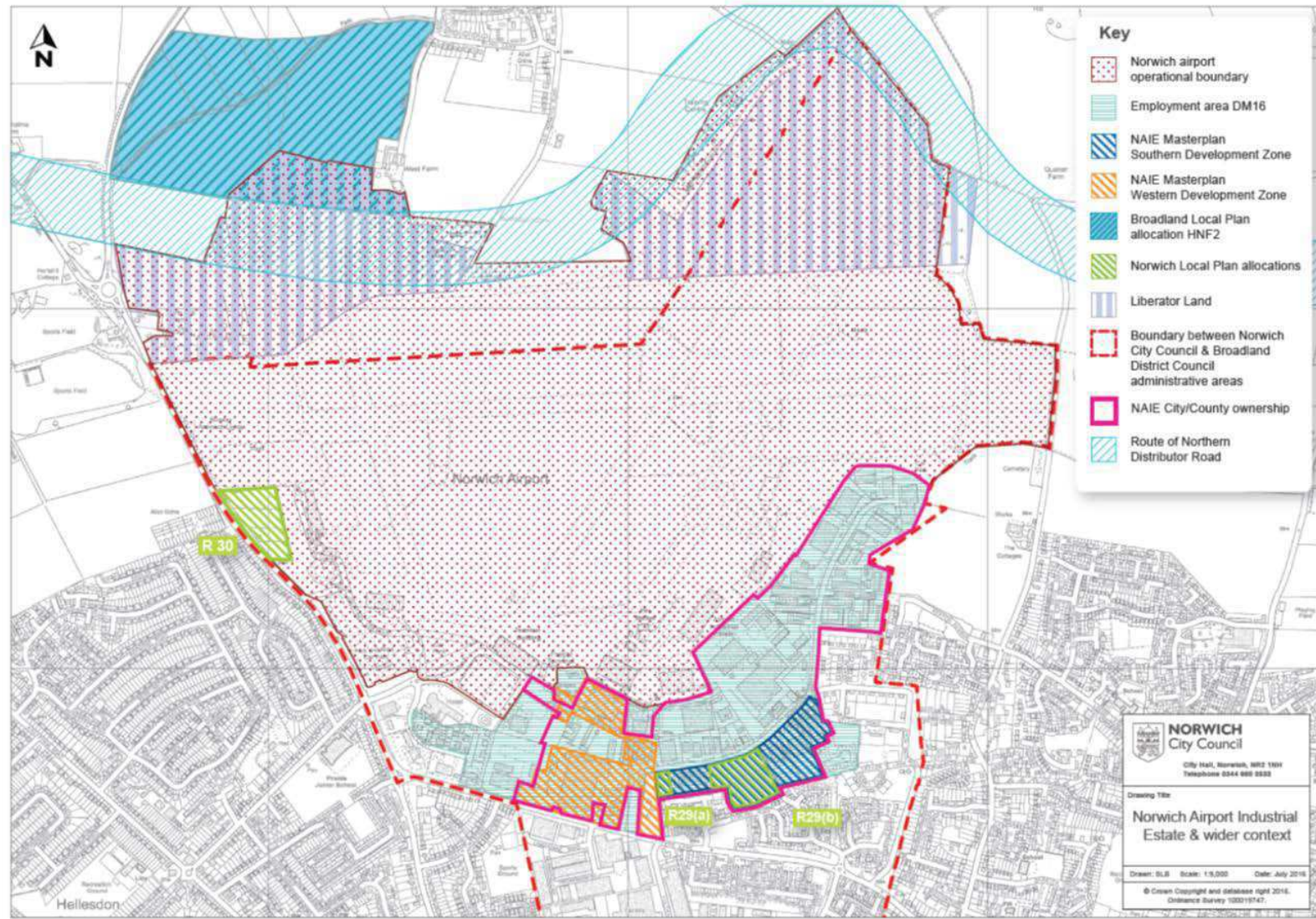
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Appendix 1 - Plan



Business and Property Committee

Item No.....

Report title:	Norfolk County Farms update
Date of meeting:	18 October 2017
Responsible Chief Officer:	Director of Finance and Commercial Services
Strategic impact The County Farms Estate extends to 16,739 acres, supporting over 145 tenant farmers, and is the third largest Local Authority Estate in England & Wales. It contributes to the rural economy by creating businesses and employment.	

Executive summary

As part of the management of the County Farms Estate this report provides a general update to Members of activity on the County Farms Estate since the last Committee meeting. Furthermore ongoing reviews are bringing forward proposals on reorganising existing farm structures, consolidating land, providing opportunities for new entrants, supporting commercial farm enterprises and exploiting potential gains through the planning process.

Recommendations:

- 1. Business and Property Committee are asked to note the recent management activity and Tenant's successes on the County Farms Estate.**
- 2. Business and Property Committee are asked to agree the emerging strategies and specific proposals for the Stow & Marshland Estate and Welney Estate.**

1.0 Management actions and developments across the County Farms Estate

Bank House Farm Purchase

- 1.1** The purchase of Bank House Farm was completed on 1 September 2017. Currently, the County Farms Team are finalising the tenancy agreement between Norfolk County Council and the nominated tenant for one year. This farm will then form part of the re-letting offering in 2018.
- 1.2** The County Council have already been approached by two tenants on the Stow & Marshland Estate who are interested in using some of the grain storage and drying facilities at Bank House Farm to establish a tenant-based grain co-operative. If established, this would promote co-operative working amongst the tenants and potentially would allow them to obtain a better price

for their produce. The advantages for the Council are that this may be another revenue stream to exploit and assisting tenants to get better prices and rent levels can be underpinned. This project is at the explorative stage and progress will be reported when appropriate.

- 1.3 The purchase itself has attracted widespread public support where it has been reported. The press release on the County Farms Facebook page was seen by over 10,500 people alone. It has also been reported in the farming press.

Hindringham Estate

- 1.4 Following the agreed strategy for this estate, the County Farms team completed the negotiations to achieve the retirement of the estate's two tenants from this October and have re-let the newly amalgamated land on the open market for a 12-month term. This was necessary to provide the opportunity to convert existing buildings to create a new farmhouse and additional infrastructure. This will be re-let as a new County Farms holding in 2018. The rent for the amalgamated holding achieved £54,842 per annum, an increase of 82% on the current passing rent.

Rent Reviews

- 1.5 Norfolk County Council are one of the few landlords who have been actively undertaking rent reviews this year, however, there is strong resistance to most proposals to increase rent. The view is that this is an effect of the challenging market conditions in the industry. As a result, in some instances, the rent remains unchanged.
- 1.6 The rent review process has, nevertheless, proved a useful exercise to keep dialogue flowing between Landlord and Tenant. Maintaining a regular review cycle encourages tenants to actively examine their business. In addition, new opportunities emerge. For example, we are now investigating a possible retirement package that could lead to the unlocking of up to three residential units, bring forward a capital receipt from the disposal of a surplus bungalow and expedite the re-organisation of an estate.

Soil Nutrient Testing

- 1.7 The County Council are trialling using soil testing at tenancy changeover this October on the Welney Farms Estate. It is anticipated that testing will establish a baseline of soil condition at the commencement of a tenancy which will provide evidence to identify poor performing tenants. For the ingoing tenant, they will have the benefit of a nutrient mapped holding which will allow them to target fertiliser applications more effectively and hence reduce variable input costs and improve yields.

Annual Tenants' Meeting

- 1.8 The Annual Tenants' Meeting will be held on Thursday 16 November 2017 from 4.30pm at County Hall. Two new initiatives will be trialled, firstly, the aim

is to procure produce from the County Farms Estate for the catering for the event. Secondly, a pop-up Farmers' Market is to be held in the Marble Map area at County Hall on the day of the Meeting. This will be an opportunity for the Estate's tenants to showcase what they do to the staff working on the County Hall campus.

Re-lettings in 2018

1.9 Three holdings will be offered on the open market in 2018. These are:

- Bank House Farm, Stow & Marshland Estate, an equipped progression farm with 440 acres. A dwelling may be offered with this farm, if required, by the ingoing tenant. The views of applicants will be sought through the letting process as to whether this is required.
- Great Crow Farm, Hindringham Estate, a fully equipped, 315-acre progression farm.
- Manea Farm, Welney Farms Estate, a fully equipped, 70-acre starter farm.

There is the possibility of a further holding in the east of the county, however the current tenant's intentions have yet to be confirmed.

Expressions of interest have been received from existing tenants on the Estate about the two larger farms who are interested in progressing to a bigger holding, which is positive. Advertising for these holdings will commence early in 2018 with the aim of appointing successful applicants by April 2018. Tenancies will begin on the 11 October 2018.

Tenant Successes on the Estate

- 1.10 The tenant at Pates Farm, Welney Farms Estate, Ken Goodger, has been selected as one of McCain's top 10 (out of 150) southern area potato growers. This a big achievement for the County Farms Estate. By way of comparison, the overall winner was the 30,000acre Elveden Estate in Suffolk.
- 1.11 Andrew and John Withers, tenants of Honey Top Farm on the Bacton Estate have been awarded the Aylsham Show Challenge Cup for the Best Norfolk County Council Farm. The award is judged as part of the annual Aylsham Agricultural Show Association's Norfolk Farm Competition.
- 1.12 Robin Shreeve and Erin Ireland, tenants of Upper Wood Farm on the Mautby Estate have recently opened their own farm shop by refurbishing one of the farm's previously redundant buildings. The shop sells home-reared meat and free-range eggs produced by themselves and Robin's brother Alistair, who is also a tenant on the Burlingham Estate

2.0 Estate Management Plans

- 2.1 As part of the objectives for the management of the County Farms Estate each area of the estate is regularly reviewed with the aim of reorganising existing farm structures, consolidating land, providing opportunities for new entrants, supporting commercial farm enterprises and exploiting potential gains through the planning process.
- 2.2 Reviews have been undertaken of the Stow & Marshland Estate and the Welney Estate.

Stow & Marshland Estate (King's Lynn and West Norfolk District)

- 2.3 The Stow and Marshland Estate is the largest individual estate in the western area of the county extending to some 3,457 acres. It lies between Wisbech and Downham Market with the majority of the holdings between the River Great Ouse and the Middle Level Main Drain.
- 2.4 The estate currently extends to some 37 separate lettings let to 21 farm tenants. A plan of the estate is available in **Appendix 1**, illustrating the current configuration of tenancies. The majority of farmsteads on the estate are located on the minor road between Stowbridge and Outwell with more remote holdings accessed from further minor roads and droves off this route. The average farm size is currently 139 acres but the range is from 5 acres up to 429 acres. There are currently 10 fully equipped holdings.
- 2.5 Many of the holdings are fragmented which reflects the piecemeal rationalisation which has previously taken place.
- 2.6 For this estate a number of proposals have emerged with the aim of delivering over the next 10 to 15 years an estate that is modern, fit-for-purpose and sustainable.
 - (i) Re-organise the estate to provide six fully equipped and full time farm holdings.
 - (ii) Undertake capital investment in new infrastructure to facilitate the amalgamation of farms, for example, through the provision of new general purpose buildings.
 - (iii) Lease land to existing tenants where to do so will further the strategy of the estate, i.e. to facilitate the amalgamation of holdings.
 - (iv) Exploit development potential where parts of fields are declared surplus to operational use.
 - (v) Dispose of dwellings that have been identified as surplus to operational requirements.
- 2.7 Consultation with tenants on the estate is ongoing. The responses received to date indicate strong support for the proposals.

Welney Estate (King's Lynn and West Norfolk District)

2.8 The Welney Farms Estate extends to over 556 acres and is currently held by three tenants. Two of these tenants retire autumn 2017. They occupy fully equipped holdings (i.e. dwelling, buildings and land) and between them they farm 338.27 acres. On the plan in **Appendix 2**, these are shown coloured yellow and green.

2.9 The third tenant occupies 210 acres, coloured pink, this is held on a retirement tenancy which ends in 2024. Currently this tenant is also farming the holdings of the two tenants due to retire through a contract farming agreement.

This tenant also farms a further 76 acres of his own land. This is shown edged in green on the plan attached in **Appendix 3**.

2.10 This tenant runs Norfolk Essential Oils from the farm and is keen to rent additional land. This will support an increase in production capacity to meet new contracts the business has won for the provision of essential oils. This is a significant niche business in an otherwise depressed rural area. The business is the sole supplier of peppermint oil to The Body Shop and there other contracts with L'Oréal and Global Essences. Currently, there are 3.5 FTE (full time equivalent) people employed in the business.

2.11 This tenant has asked the County Council to consider a land swap to consolidate the ownership around their dwelling and premises which in turn would also consolidate the Council's ownership. Although this tenant will retire from the County Farms Estate in 2024, they propose to continue with Norfolk Essential Oils on their own land and a land swap would support this.

2.12 Following the review of the Welney Estate the proposals are to:

- (i) Re-organise the estate to provide one fully equipped starter unit based at Manea Farm of circa 70 acres to be let from 2018 following a public tendering process. The land, in the interim, to continue to be farmed by the remaining tenant through 2017-18.
- (ii) Support the land swap.
- (iii) Retain the dwelling at Elder Farm to provide accommodation for the proposed future starter unit. In the interim this dwelling to be let to the remaining tenant with consent to sub-let.
- (iv) Pursue development potential on the estate that could yield new residential plots.
- (v) Make suitable investment in new infrastructure to facilitate the creation of a new farmstead for the proposed holding.
- (vi) Undertake investment in the two dwellings to make them fit for purpose.

- 2.13 Consultation with tenants on the estate has been carried out and they support the proposals.

3.0 Financial Implications

- 3.1 Proposals in this report will ultimately result in increased revenue income and capital receipts following the reorganisation of the estates and capital investment in modern farm building facilities, roadways, land drainage and the refurbishment of dwellings.

4.0 Issues and risks

- 4.1 The risks and issues from the proposals in this report are around:
- Stability of the property market.
 - Brexit.
 - General contingencies resulting in project slippage through, for example, environmental issues, archaeological, resourcing and other.
 - Development control.

Officer Contact

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

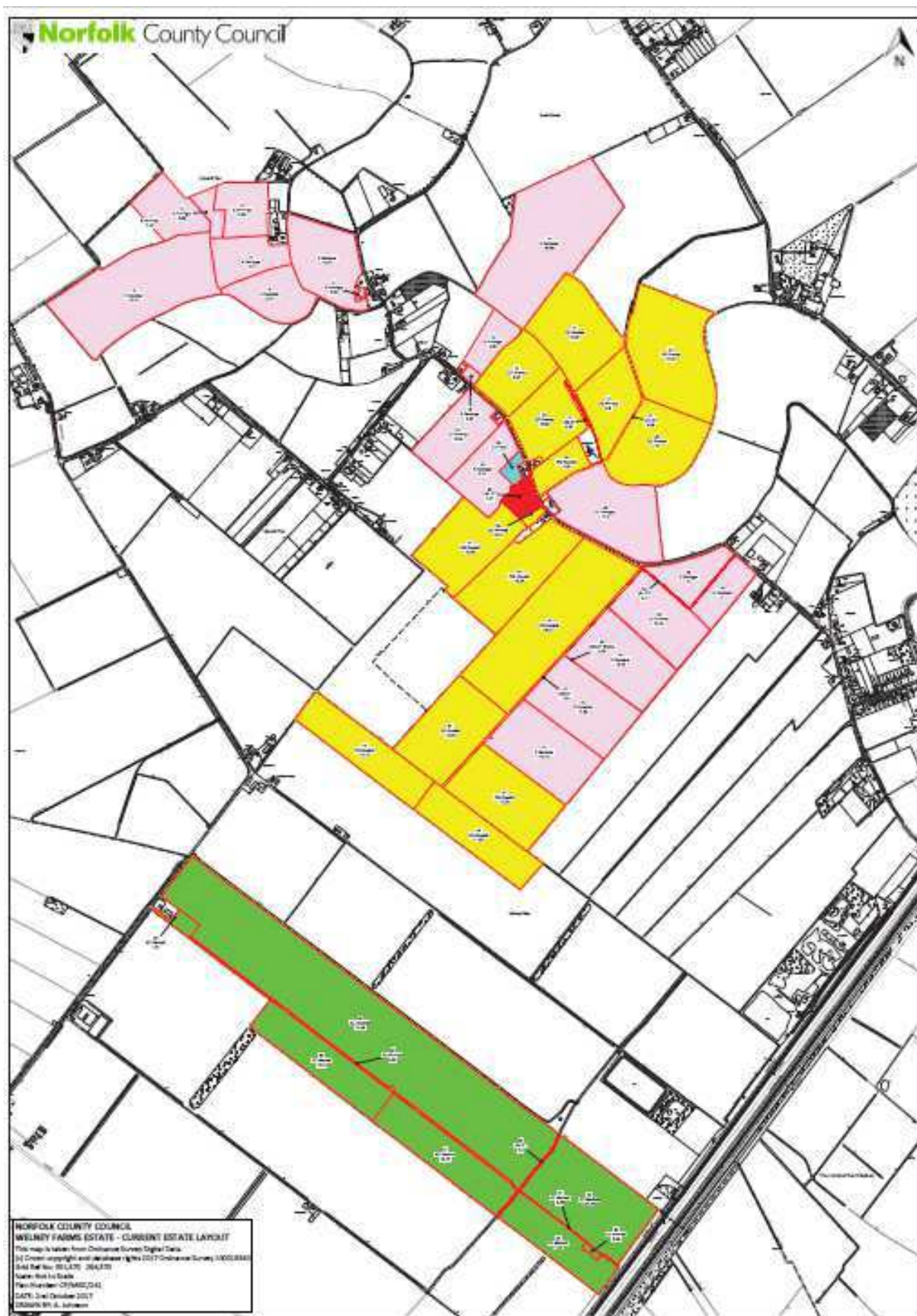
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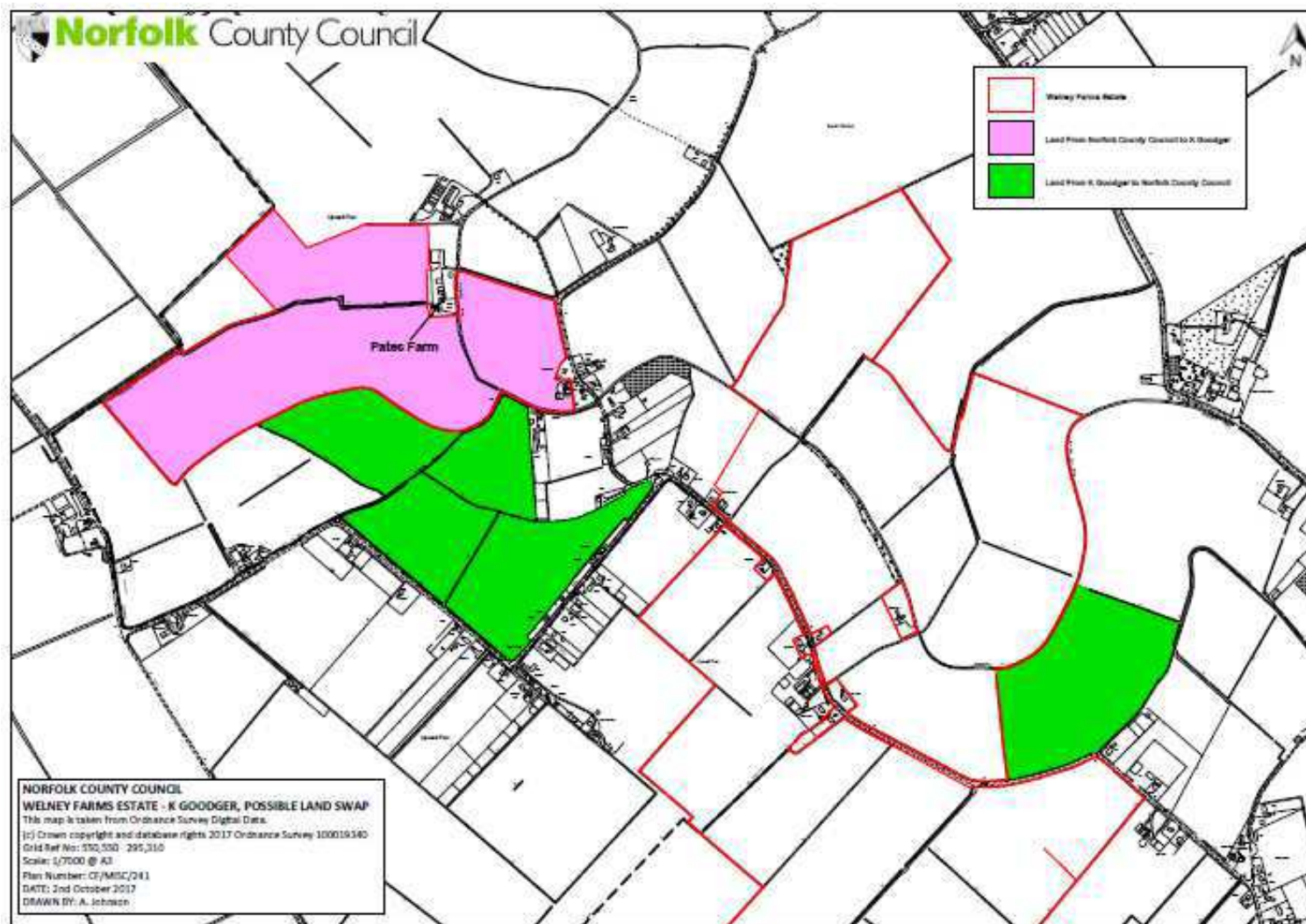
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Welney Estate

Welney Estate (proposed land swap)

Business and Property Committee

Item No.....

Report title:	County Farms Estate Objectives and Policies, Key Processes and Criteria
Date of meeting:	18 October 2017
Responsible Chief Officer:	Executive Director of Finance and Commercial Services
Strategic impact The County Farms Estate extends to 16,739 acres, supporting over 145 tenant farmers, and is the third largest local authority farms estate in England & Wales. It contributes to the rural economy by creating businesses and employment.	

Executive summary

As part of ensuring robust governance for the County Farms Estate the periodic review by Members of the objectives and policies is good estate management practice. Furthermore the updating of processes and developing criteria are important tools to efficiently manage the estate.

Recommendation:

Business and Property (B&P) Committee is asked to formally:

- (i) Adopt the County Farms Estate objectives and policies as detailed in appendix 1 of the report.**
- (ii) Adopt the tenant selection process as detailed in appendix 2 of the report.**
- (iii) Adopt the acquisition criteria as detailed in appendix 3 of the report.**

1.0 Introduction

- 1.1 This report follows on from the County Farms Estate update presented to Business and Property Committee on 8 September 2017.
- 1.2 The update asked for Member input in to three key aspects as they relate to the County Farms estate, namely:
 - Objectives & Policies for the estate.
 - Letting procedure.
 - Acquisition criteria.

2.0 Objectives and policies

- 2.1 It is good estate management practice for Members to periodically review and update the objectives and policies for the County Farms Estate.

- 2.2 With the background of Brexit, the proposed updating of the County Council's corporate plan and the ongoing financial pressures facing the Council this is an appropriate time to reaffirm the County Farms Estate objectives and policies. In **appendix 1** are the proposed updated objectives and policies.
- 2.3 Business and Property Committee is asked to formally adopt the County Farms Estate objectives and policies as detailed in **appendix 1**.

3.0 Letting procedure (tenant selection process)

- 3.1 The proposals in this report are aimed at ensuring transparency and consistency in the selection of prospective tenants for the Norfolk County Farms Estate.
- 3.2 The County Farms estate have two main tenancy entry points in to the estate:
- (i) **Entry holding**, these will be for a smaller holding. These provide the first opportunity for starting a new farming business, on a full or part time basis. These tenancies will usually be for a maximum of 10 years (with a break at 5 years operable by either party for appropriate cases).
 - (ii) **Progression holding**, these are for a larger holding for more experienced tenants and are larger in size. These tenancies run for between 10 to 20 years.
- 3.3 All tenancies are let using a Farms Business Tenancy as provided for and in accordance with the Agricultural Tenancies Act 1995 (as amended). Tenancies will usually commence in the autumn.
- 3.4 Tenant selection is through a two stage process. The first stage is the assessment of applications by an officer panel who will recommend a short list of applicants to be taken forward to the interview stage. The full tenant selection process is detailed in **appendix 2**.
- 3.5 Business and Property Committee is asked to formally adopt the tenant selection process as detailed in **appendix 2**.

4.0 Acquisition criteria

- 4.1 The County Council's constitution requires the farms estate to be maintained at 16,000 acres or more in size. As redundant parts of the estate are disposed of there is, therefore, a requirement to acquire additional farm land to maintain the size of the estate. Over the past months the County Farms Team have reviewed a number of purchase opportunities across the county. At present there are no adopted criteria for the team to follow, therefore a set of criteria has been developed, detailed in **appendix 3**.
- 4.2 Given the Authority is potentially seen in the market as being a 'special purchaser' it is good practice to appoint a firm of land agents to represent

Norfolk County Council (NCC) and to provide the necessary advice on price. The assessment of land would follow the Valuation of Rural Property 1st Edition Practice Guidance Notes published by the Royal Institution of Chartered Surveyors.

- 4.3 Business and Property Committee is asked to formally adopt the acquisition criteria as detailed in **appendix 3**.

5.0 Financial implications

- 5.1 The adoption of the proposals in this report will ensure a proper basis for the application of financial resources for use and development of the County Farms Estate.

6.0 Issues, risks and innovation

- 6.1 The adoption of the proposals in this report will ensure issues and risks are managed around the use and development of the County Farms Estate.

7.0 Background

- 7.1 There are several strands forming the strategic background to these proposals:
- Internal Audit Report (BDO), County Farms Governance Arrangements, follow up January 2017.
 - The overall Councils priorities of Excellence in Education, Real Jobs, Good Infrastructure and Supporting Vulnerable People.
 - Norfolk County Council Asset Management Plan 2016-19.
 - The adoption of an updated property savings plan, that calls for £4.2m of savings for the next three years.
 - The medium term financial strategy includes commercialisation of NCC property assets as a priority to help diversify the Council's funding.

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

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Norfolk County Farms Estate Objectives and Policies

(Adopted by Business and Property Committee on: date tbc)

<u>Governance</u>	
Objective G1:	Business & Property Committee shall be responsible for recommending the over-arching policy for County Farms and for the implementation of policy on each estate as set out in the County Council's constitution.
Objective G2:	The Business & Property Committee will work to: <ul style="list-style-type: none">• Improve and maintain relationships between tenants and the County Council.• Ensure greater transparency in decision making.• Advise the County Council on policy matters.• Approve strategic management plans for each estate.• Advise on acquisitions, disposals and the future investment strategy.
<u>Strategy</u>	
Objective S1:	The County Council will maintain the size of the Estate at 16,000 acres or more. Where land or buildings are declared surplus and subsequently sold, the County Council will reinvest a proportion of the capital receipts as detailed in the Council's Financial Regulations in order to support the value of the County Farms Estate, to improve its infrastructure and to help maximise income return.
Objective S2:	The County Farms Estate will prioritise its fundamental aim of supporting new entrants to the agricultural industry and the County Council will manage the estate to reflect this policy aim and consider new ways to support new entrants by providing smaller holdings.
Objective S3:	The County Council will develop a wide range of farm sizes to encourage a variety of business models and support rural development and economic regeneration. New tenancies should be typically based on a period of 10 years (with breaks for appropriate cases), with preference given to applicants who meet the Council's tenant selection criteria whilst generating a return to the County Council.
Objective S4:	The County Council will encourage commercial farm enterprises, maintain farm rental value and charge market rents on all new tenancies and extensions of existing tenancies.
Objective S5:	The County Farms Team will develop strategic management plans for each estate to demonstrate what contribution each estate can make to

	the various policy objectives and enable tenants to plan and invest in their businesses for the future.
<u>Financial</u>	
Objective F1:	Each year the County Farms Team will provide an estimate of the net income derived from the County Farms Estate to be allocated by the County Council to help support frontline services.
Objective F2:	The County Farms Team will develop an investment programme to improve the infrastructure, buildings and storage capacity for crops on the County Farms Estate.
Objective F3:	The County Farms Team will Identify sites across the County Farms Estate for development potential such as for affordable & market housing and for commercial activities.
Objective F4:	The County Farms Team will develop strategies and processes to minimise rent debt.
<u>Estate Management</u>	
Objective EM1:	The County Farms Team will demonstrate sound estate management practice, having due regard to the interests, aspirations and responsibilities of both the tenants and the County Council.
Objective EM2:	The County Council will rigorously enforce the terms of each tenancy agreement to ensure the holding is farmed in a proper tenant like manner, repair covenants are adhered to and all breaches, including subletting outside the scope of the terms of the tenancy, are minimised.
Objective EM3:	The County Council will manage the trees on the Estate in the interests of safety and visual amenity.
<u>Environment and Community</u>	
Objective EC1:	Will develop the County Farms Estate as an exemplar of innovation, working with Easton and Otley College, the University of East Anglia, Anglia Farmers and others to identify opportunities for partnership working that lead to improvements in training and employment in sustainable farming, providing apprenticeship opportunities, local food production and delivering community benefits.
Objective EC2:	Will provide, organise or facilitate mentoring and training for tenants to encourage better business management and diversification.
Objective	Will develop strategies to enable older tenants to retire with dignity and

EC3:	for the County Council to meet its obligations to tenants on retirement tenancies.
Objective EC4:	Seek to develop farms to help deliver wider corporate services and objectives, such as, for example, use as an educational resource centre, Care Farm, or developing links with local schools in conjunction with the appropriate County Council directorates.
Objective EC5:	Tenants of intermediate and larger sized holdings will be encouraged to support employment and training opportunities as well as to work with all the County Council's directorates to maximise healthy living and personal development opportunities.
Objective EC6:	<p>Actively encourage tenants to be exemplars of good environmental practice, such as (not a full list):</p> <ul style="list-style-type: none"> • Support for the Campaign for the Farmed Environment. • Actively maintaining permissive paths and rights of way. • Educating the wider community on modern farming methods.

Norfolk County Farms Estate Tenant selection process

(Adopted by Business and Property Committee on: date tbc)

1.0 Introduction

- 1.1 The County Farms Estate is a valuable resource and to ensure it is farmed appropriately and the opportunities it offers to prospective tenants are realised the County Council have established this tenant selection process endorsed by Business and Property Committee.
- 1.2 Holdings become available as tenants move on to larger farms, retire or their tenancies expire. Very occasionally the County Council has acquired new farm land and buildings and these are let once assimilated in to the overall County Farms Estate.
- 1.3 The County Farms Estate have two main tenancy entry points in to the estate:
 - (i) **Entry holding**, these are smaller holdings. They provide the first opportunity for starting a new farming business, on a full or part time basis. These tenancies will usually be for a maximum of 10 years with a break at 5 years operable by either party.
 - (ii) **Progression holding**, these are larger holdings for more experienced farmers. These tenancies run for between 10 to 20 years.
- 1.4 All new lettings are for a predetermined length and are let in accordance with the Agricultural Tenancies Act 1995 (as amended). On occasion, where the tenancy does not meet agricultural tenancy requirements, a business tenancy in accordance with the Landlord and Tenant Act 1954 will be required with a provision to contract out of the security of tenure requirements of the legislation
- 1.5 The general principle should be noted that County Council Farms are provided as a gateway into the industry and it is hoped that all successful applicants will continue to seek opportunities to move onto larger farms within the private sector.
- 1.6 A copy of the standard Agricultural Tenancy Agreement that sets out the obligations for the tenant and landlord will be provided as part of the application process. These agreements are not negotiable and applicants should ensure that they have considered the conditions and potential costs associated with each holding.

2.0 Expectations

- 2.1 The County Council has high expectations of its tenants. They are expected to:
- Develop viable businesses as a sole or main form of employment, however, this will be commensurate with the size of holding occupied.
 - Be able to accumulate resources for future progression.
 - Produce quality products that add value, meet local needs and the demands of customers.
 - Be innovative and entrepreneurial.
 - Be co-operative with other tenants as well as the landlord and managing agents.
 - Have the necessary practical and management skills to react to changing circumstances.
 - Look to improve the environmental and social wellbeing of Norfolk residents, for example in maintaining footpaths and looking to increase the biodiversity of their holding.
- 2.2 In return the County Council, through the County Farms Team will support each tenant to achieve their goals as well as applying professional estate management services.

3.0 Enquiries and advertisement

- 3.1 New farms estate lettings will be advertised in the local, and national farming press, County Council website and social media.
- 3.2 New lettings will be advertised as early as possible.
- 3.3 A detailed prospectus will be provided for each holding to be let, with key information that is known on each holding. Applicant will need to satisfy themselves on any specific areas of the holding.
- 3.4 Prospective Tenants may contact the County Farms Team at any time to enquire about farms available for letting, there is no preferential treatment with this having occurred. The County Council will note the enquiry but **will not retain** a list or record in respect of pre-advertisement enquiries. All such enquirers will be advised to periodically to look on the County Council website, social media and press for forthcoming lettings.
- 3.5 A viewing day(s) will be held for all equipped holdings which attendance will be compulsory for a successful application (except on bare land lettings). The viewing day will provide the opportunity to inspect the holding and seek clarification of aspects of the holding.
- 3.6 A prospective tenant's day will potentially be held (may be held at the same time as a viewing day) to acquaint applicants with the selection process, the requirements of the business plan, the requirements of having a tenancy on

the estate and outline the professional advice applicants may need to obtain to support their application.

4.0 Selection process

- 4.1 Tenant selection is through a **two stage process**. The first stage is the assessment of applications by a County Council Officer panel (comprising the County Farms Manager and a minimum of one other County Council Officer) who will recommend a short list of applicants to be taken forward to the interview (2nd) stage. The final list of applicant to be interviewed will be agreed by the Head of Property. The process will also be independently audited.

All applicants are strongly advised to seek any financial, legal or professional advice that they see fit, before submitting an application. Norfolk County Council expects that holdings are run as viable businesses on commercial terms and applicants should consider whether they have the appropriate skills and resources to run such an enterprise.

There are a number of advisory bodies who can provide advice to applicants, as well as institutions (such as banks) who will be able to provide advice around the development of a business plan.

Applicants may use an agent (such as a surveyor or solicitor) to support them in the application process, however this is not a necessity to make an application. At interview it is expected that the tenant will attend unaccompanied, however, applicants who have a disability will be able to be accompanied to suit their needs.

4.1.1 Stage 1

Applicants will need to submit an expression of interest which must include practical, financial and environmental management proposals from which a shortlist will be selected. Applicants will be required to submit the following:

- A tender detailing the rental offer.
- A business plan (which should include an outline of the proposed business and budgets to demonstrate its viability and an indication of future development).
- Applicant's Curriculum Vitae (CV).
- Financial reference (1nr) and personal reference (1nr).
- Confirmation of attendance at the viewing day for the holding applied for.

As part of this stage the financial reference will be taken up and reviewed. This may include undertaking additional financial checks as appropriate.

On the basis of the written submission and satisfactory financial reference the officer panel will score each application against a pre-determined scoring matrix (see **appendix A**) and will recommend a short list of applicants to be put forward for the 2nd (interview) stage. The total number of applications recommended to go forward to the next stage is not pre-determined.

Scores from the first stage will be carried forward to the 2nd stage.

The results of the scoring of these applications may be made available for moderation by an external third party or Internal Audit (if required).

4.1.2 **Stage 2**

Prior to the interview, the stage 2 process for each applicant recommended for this stage will comprise:

- A County Council Officer from the County Farms team visiting prospective tenants to inspect existing holdings where they farm in their own right as owner/tenant (if applicable).
- The personal reference being taken up and reviewed by all members of the interview panel.
- The tender, business plan and CV being reviewed by all members of the interview panel.

For the interview itself:

- The interviews are undertaken by the members of the Tenant Selection Panel comprising:
 - Two elected Members from the Business and Property Committee (vote).
 - Head of Property (vote, plus casting vote if required).
 - County Farms Surveyor (vote).
 - Norfolk County Council may invite a technical expert to attend the panel from one of more of the following bodies (non-voting):
 - The National Farmers Union
 - Country Land and Business Association.
 - Tenant Farmers Association.
 - Applicants will be informed of the make-up of the interview panel in advance.
- All applicants will be asked the same questions, however there may be supplementary questions on particular points to ensure understanding by the panel.
- On the basis of the interview the panel will score each applicant against a pre-determined scoring matrix (see **appendix B**)
- The aim is to hold interviews for each holding on the same day, however this will depend on the number of applicants invited to interview and may extend to a second day.
- A decision will be made by the tenant selection panel as soon as possible after completion of all interviews for each holding. Decisions will be communicated to each applicant by telephone within 48 hours, followed by a decision letter. If required, appointments with the relevant County Farms Surveyor will be made for those unsuccessful applicants to provide more comprehensive feedback on their application. It should be noted that a decision can include not letting the holding to any of the applicants interviewed.

- 4.2 Lobbying/canvassing of County Council Officers and elected Members, or any of the potential non-voting panel members prior to or during the application process will lead to automatic and immediate disqualification of the applicant from the process. Furthermore the applicant will not be permitted to make new applications for a Norfolk County Farms Estate holding for a minimum of two years from the date the applicant was notified of the disqualification.

Applicants are advised not to use elected Members (or their local Councillor's) as either referees or references, nor ask for letters of support.

5.0 Criteria for applicants

- 5.1 The County Council have established strict criteria. Applicants must be able to demonstrate and provide evidence that they have fully met each criteria:

- (i) Applications from persons who are already established farmers in their own right and who intend to run the County Farm as an extension to their existing business, will not be considered in the first instance.
- (iii) Holdings are only available to persons who are prepared to farm them personally. In the event a tenant is challenged in this respect the onus will be on the tenant to satisfactorily demonstrate to the Council that they are in active management control of their farm and are exposed to commercial risk. The use of contractors for specific field operations is acceptable. Sub-letting of the farm is strictly prohibited.
- (iii) Where houses are provided, it is a general requirement for the tenant to reside at the holding.
- (iv) Tenants should not normally engage in any form of business other than agriculture, unless the holding is referred to as a part time holding within the letting particulars, although ancillary complimentary activities will be considered and encouraged in individual cases, based upon their merits.
- (v) Norfolk County Council expect their tenants to demonstrate commitment to improving the environment and social wellbeing on their holdings. This will include a commitment to maintaining access on permissive paths/public rights of way and also considering different forms of environmental stewardship.
- (vi) Preference will always be given, when selecting tenants, to applicants who can demonstrate that they have the most suitable practical and theoretical knowledge required for the type of farming most suited to the available holding.
- (vii) Applicants must be able to demonstrate that they have sufficient capital to enable the proposed business to be established and to enter a holding and work it. This can be quite substantial where an incoming tenant may be required to pay for the outgoing tenant's fixtures and

fittings, the Basic Payment Scheme or other subsidy entitlements, live and dead stock, sufficient to properly farm the holding

- (viii) In the case of holdings where farming is the main activity, applicants should be able to fulfil the minimum requirement of 5 years' full-time practical farm work which may include up to 3 years attendance at a full-time course in agriculture.
- (ix) Where the holding is small and the main enterprise proposed is non-agricultural, the applicant must be able to show sufficient experience in the proposed enterprise.
- (x) Applicants should normally be able to show that they have undertaken some formal training in the enterprise they propose to undertake and, other things being equal, preference will be given to these candidates. However, applicants may not be refused on these grounds alone if similar training and experience has been obtained in other demonstrable ways.
- (xi) The maximum length Farm Business Tenancy for a progression farm which will generally be entered into is for a period of up to 20 years (irrespective of any proposed retirement age) this will apply for new or renegotiated tenancies.
- (xii) It is unrealistic to lay down absolute criteria for the type of person required, but in practice it is overriding important factor for the 21st Century that the individual be keen, enterprising, adaptable and hardworking.
- (xiii) Applicant will not be discriminated against on the grounds of sex, race, marital status, sexual orientation, disability or age.
- (xiv) The rent payment record and general compliance with tenancy agreements of existing tenants will be taken into account when and if they apply for another holding on the County Farms Estate.
- (xv) Applicants who can demonstrate direct employment generation potential from their proposed business enterprise will have an enhanced likelihood of success.
- (xvi) Existing tenants successfully applying for a progression holding will be required to surrender their existing holding as a condition of being offered the new holding.

Appendix A

Stage 1 scoring matrix

- Applicants will be required to certify they have attended the viewing day for the holding applied for. Failure to attend the viewing day will preclude further consideration of the application.
- Whilst the tendered level of rent is an important consideration for the County Council, however, this aspect is not marked in the 1st stage assessment.
- There are 10 areas for consideration, as listed below, therefore the maximum possible score for each application is 40. Only applications which score above 32 points will be considered for interview. However, the final list of applicants invited for interview is at the discretion of the Head of Property
- Each area of consideration will be marked out of 4 (there is no “0” mark)

Score	Definition
1	No information provided
2	Adequate evidence provided
3	Good evidence provided
4	Comprehensive evidence provided

- Areas for consideration:
 - (i) Suitability against selection criteria.
 - (ii) Suitability against County Farms Estate objectives.
 - (iii) Suitability against estate strategic objectives.
 - (iv) Readily available capital.
 - (v) Experience and training relevant to holding and business plan.
 - (vi) Availability of machinery and equipment relevant to holding and business plan.
 - (vii) Practicality of business plan.
 - (viii) Likelihood of success and progression.
 - (ix) Ability to enter the farm and get going.
 - (x) Overall quality of application.

Appendix B

Stage 2 scoring matrix

- There are 6 areas for consideration, as listed below, therefore the maximum possible score for each application is 24.
- The interview score is combined with the score from the 1st stage assessment to give a total score for each applicant. The scores will be used as a basis for each interview panel to adjudge each applicant respectively rather than ultimately selecting the successful applicant. The interviewing panel members will judge

each applicant on their merits and vote for their preferred candidate. The Chairman of the interview panel (Head of Property) will hold the casting vote.

- Each area of consideration will be marked out of 4 (there is no “0” mark)

Score	Definition
1	No information provided
2	Adequate evidence provided
3	Good evidence provided
4	Comprehensive evidence provided

- Areas for consideration:
 - (i) Quality of presentation
 - (ii) Relevant farming experience
 - (iii) Adequate finance
 - (iv) Standard of application & clarity of business plan
 - (v) Determination & ambition to progress
 - (vi) Ability to deal with panel's questions

Norfolk County Farms Estate

Acquisition Criteria

(for new farm land/farm buildings)

(Adopted by Business and Property Committee on: date tbc)

1.0 Introduction

- 1.1 The Council's constitution requires the farms estate to be maintained at 16,000 acres or more in size. Given the pipeline of land that has been identified for potential acquisition/disposal, Norfolk County Council may significantly exceed the 16,000 acres minimum at any given point in time.
- 1.2 From time to time farm land and buildings becomes available and to aid agility in decision making as to whether the County Council will bid for a new holding these criteria have been developed.
- 1.3 It is accepted that a "perfect fit" will not always be possible but where a particular requirement is not fully met these criteria form the basis for providing the evidence for where compromises have been made.

2.0 Criteria for acquiring farm land and farm buildings (new holdings)

- (i) All new holdings will be acquired freehold.
- (ii) The new holding should be within reasonable proximity of an existing Norfolk County Farms Estate holding, (maximum of 3 miles by road).
- (iii) A new holding further than 3 miles by road will be considered if it is judged to be of sufficient size to be let as a stand-alone holding.
- (iv) The majority of the new holding (minimum of 75%) is located within the Norfolk County boundary.
- (v) The preference is for the new holding to be equipped with suitable buildings to support farming operations.
- (vi) The majority of the land will be grade 3 quality and above.
- (vii) New holdings that include easements and wayleaves for over and underground services will not be excluded from consideration.

- (viii) New holdings are not to be encumbered, this could include:
- No waste tips.
 - No sitting tenants.
 - No over-cropping
 - No deleterious materials (accepting that many farm buildings are constructed from asbestos cement sheeting).
 - No “unusual” planning restrictions/designated uses have been applied.
 - No listed buildings, sites of ancient monuments, former battlefield sites etc.
 - No legal charges.
 - No contamination from previous uses such as (not a fully inclusive list) military sites, industrial and commercial uses, or poor practice such as (not a fully inclusive list) non-control of invasive weeds, uncontrolled dumping.
 - No substantial number of buildings, foundations and other structures remain from previous uses.
 - No unresolved disputes over access to or use of the land.
- (ix) Access to the new holding is direct from the public highway.
- (x) All existing benefits in terms of subsidies, feed in tariffs, income from leases, mineral and sporting rights and the like are capable of being transferred to a new owner.
- (xi) New holdings located wholly or partly within a national park or include areas of outstanding natural beauty will not be excluded from consideration.