

Policy and Resources Committee

Date: **Monday 29 September 2014**

Time: **10 am**

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

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

Membership

Mr G Nobbs (Chair)

Mr T Adams
Mr S Agnew
Mr M Baker
Mr M Castle
Mr A Dearnley
Mr J Dobson
Mr T FitzPatrick
Mr T Garrod

Mrs S Gurney
Mr D Harrison
Mrs J Leggett
Mr S Morpew
Mr A Proctor
Mr D Ramsbotham
Dr M Strong
Mrs A Thomas

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

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

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

2. Minutes

(Page 5)

To agree the minutes from the meeting held on 5 September 2014.

3. Members to Declare any Interests

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

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

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

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

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

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

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

5. Local Member Issues

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

Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk or 01603 223230) by **5pm on Wednesday 24 September 2014**

6. 2014-15 Revenue Monitoring Report -Month 4

(Page11)

Report by Interim Head of Finance

7. 2014-15 Capital Finance Monitoring Report -Month 4

(Page 44)

Report by Interim Head of Finance

8. **Performance Monitoring Report** (Page 75)
Report by Head of Business Intelligence and Performance Service & Corporate Planning & Partnerships Service
9. **Norfolk Communities First; Norfolk's Transformation Challenge Award bid** (Page 101)
Report by Head of Business Intelligence and Performance Service & Corporate Planning & Partnerships Service
10. **Shared Services – Financial Prospects 2015/18** To Follow
(This report will be accompanied by a presentation by Al Collier)
Report by Anne Gibson
11. **Strategic and Financial Planning 2015/18** To Follow
Report by Head of Business Intelligence and Performance Service & Corporate Planning & Partnerships Service and Interim Head of Finance
12. **Digital Norfolk Ambition - update** SEE SUPPLEMENTARY AGENDA (Page 109)
Report by Head of ICT and Information Management
13. **Norfolk County Council Workforce Profile 2013-14** (Page 114)
Report by Head of Human Resources

Group Meetings

Conservative	9:00am	Colman Room
UK Independence Party	9:00am	Room 504
Labour	9:00am	Room 513
Liberal Democrats	9:00am	Room 530

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

22 September 2014



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Policy and Resources Committee

Minutes of the Meeting Held on Friday 5 September 2014
10:00am Edwards Room, County Hall, Norwich

Present:

Mr G Nobbs (Chair)

Mr T Adams
Mr S Agnew
Mr M Baker
Mr M Castle
Mr A Dearnley
Mr J Dobson
Mr T Garrod

Mrs S Gurney
Mr D Harrison
Mr S Morpew
Mr A Proctor
Mr D Ramsbotham
Mrs A Thomas

Substitute Members Present:

Mr B Iles for Mr T FitzPatrick
Mr W Richmond for Mrs J Leggett
Mr B Watkins for Dr M Strong

Other Members Present:

Mr B Borrett
Mr R Coke
Mrs M Somerville
Mr R Smith
Mr P Smyth
Ms S Whitaker

1. Apologies

- 1.1 Apologies for absence were received from Mr T FitzPatrick, Mrs J Leggett and Dr M Strong.

2 Minutes

The minutes of the previous meeting held on 14 July 2014 were confirmed by the Committee and signed by the Chairman.

3 Declarations of Interest

- 3.1 Mrs S Gurney declared "an other interest" in that her son was employed by NORSE Commercial Services.

4 Items of Urgent Business—to receive a Chairman’s Announcement regarding the termination of the energy from waste contract.

- 4.1 The Chairman read out a prepared statement that pointed out that as a consequence of Secretary of State, Eric Pickles' failure to make a decision on the Willows application, the Council was well aware that the result of terminating the energy from waste contract would require the Council to pay compensation. Before the contract was terminated the Council had begun to build up a financial reserve to meet this cost. A payment was recently made by the Council at a figure that was considerably lower than the £20.3m (ceiling figure) the Council had previously reported, and expected, it would have to pay. This followed an assessment and scrutiny by officers of all the information put forward to justify any payment.
- 4.2 Mrs Thomas asked for Members’ appreciation to the officers for in the way in which they had handled this matter to be placed on record.
- 4.3 Mr Dobson asked for it to be recorded in the minutes that he did not share the view expressed by the Chairman that the Secretary of State had failed in some way to exercise his duty. Mr Dobson also added that he did not wish to place on record his thanks to the officers for the way in which they had dealt with this matter.

5 Local Member Issues

- 5.1 A local member question that was received from Mr T Garrod and the reply that was provided by the Chairman can be found at Appendix A to these minutes.

6 2014-15 Revenue Budget Monitoring Report—Month 3

- 6.1 The annexed report (6) by the Interim Head of Finance was received.
- 6.2 In the course of discussion the following key points were made:
- The information included in the report was the most up to date at the time when the agenda was published. Since the publication of the report there had been a reduction in the Council’s revenue expenditure which was now forecast to be overspent by approximately £1m on a net budget of £308.397m.
 - A further update report on the revenue budget would be presented to the Committee at the end of September 2014.
 - The Interim Head of Finance was asked to differentiate in future reports between efficiency savings that arose from the Council finding new and cheaper ways of doing things and efficiency savings that arose from structural changes in service department budgets.
 - It was pointed out that the figure of £6m in the budget for agency and contractual services (that could be found at table 3a on page 19 of the agenda papers) was subject to continual changes in demand for these services and demographic pressures. The Interim Head of Finance said that specific text to explain the reasons for this budget overspend and what was included in this budget heading would be included in future revenue budget monitoring reports.
 - It was pointed out that where the report included projected figures these should be viewed as providing only an indication of where the Council was

at any given point in time in the financial year.

- The Council was exceeding its performance target for the number of invoices for commercial goods and services that were paid within 30 days. This was partly because most of the invoices were dealt with by way of an automated process. Further commentary about the process for the payment of invoices would be made available to Members after the meeting and in the next budget monitoring report.

6.3 **RESOLVED**

6.4 That the Committee note:

- Revenue expenditure was forecast to overspend by £1m on a net budget of £308.397m.
- General Balances were forecast to be £19.000m at 31 March 2015, before taking into account the forecast overspend.
- The Council had earmarked revenue reserves forecast to be £57.298m at 31 March 2015. The Residual Waste Treatment Contract Reserve, currently £21.9m following payments of £11.8m in July 2014, (and does not reflect the further payments made after the period of this report, which were taken into account in the update by the Leader, at minute 4.1, of the most recent position) was forecast to be fully exhausted as a result of contract termination. The Council separately held Reserves in respect of Schools estimated to be £36.469m at 31 March 2015.

7 **2014-15 Capital Monitoring Report - Month 3**

7.1 The annexed report (7) by the Head of Planning Performance and Partnerships was received.

7.2 Following a brief discussion it was

RESOLVED-

7.3 That the Committee:

- note the revised expenditure and funding of the 2014-17 capital programme and the changes which had occurred following the position reported in July 2014, as set out in Section 1 of Annex A to the report.
- note the progress towards the achievement of the 2014-15 programme, as set out in Section 2 of Annex A to the report.
- note the proposed changes to the disposals schedule and the impact on the capital receipts reserve, summarised in Section 4 of Annex A to the report and further detailed in Appendix 4 to the report
- note the impact of using borrowing to finance the programme on future revenue budgets, as identified in Appendix 1 to the report
- approve an additional £0.200m prudential borrowing as part of a spend to save scheme to move adult social care services from Holt to Sheringham and enable the sale of property estimated at £0.650m.

8 **Strategic and Financial Planning 2014-17-Setting the Budget and Developing the County Council Plan for 2015/18**

8.1 The annexed report (8) by the Head of Planning, Performance and Partnerships and Interim Head of Finance (that was included with the supplementary agenda) was received.

- 8.2 During consideration of this item the Committee received a presentation from the Head of Planning, Performance and Partnerships on the impact of efficiency savings to date, the work that was underway, and potential future activity. The presentation can be found on the Committee pages website.
- 8.3 In the course of discussion the following key points were made:
- It was noted that the approach which the Clinical Commissioning Groups were likely to take in their discussions with Local Authorities about the use of monies from the Better Care Fund was expected to be the subject of an announcement from the Government at the end of October 2014, based on advice from NHS England.
 - The most significant financial risks, or areas of concern, that the Council faced were mentioned in paragraph 4.4 of the report. No risk figures had been included in the first of the bullet points of this paragraph. This was because during the financial year the Council's position in relation to these risks was known to vary significantly from one month to the next.
 - The Council had learnt a great deal from the extensive budget consultations with residents and stakeholders that had taken place over the last four years. The latest approach to budget setting and developing the Council's Plan for 2015/18 would enable residents, stakeholders and staff to follow and to contribute to the budget debate on the Council's website as it developed. As in previous years, businesses in Norfolk would be given every opportunity to be involved in the consultation process.
 - The budget setting would take into account the Council's rural impact proposals and include discussions with the Rural Community Council.
 - It was acknowledged that uncertainty around areas of expenditure such as Post 16 transport might cause difficulties for some people in planning their own budgets.
 - When the Committee next reviewed its budget it needed to be given an opportunity to examine the efficiency with which procurement work was undertaken by the Council.
 - Members had differing views as to the appropriateness or otherwise of providing officer support to an "alternative" budget. The Managing Director stated that Officers' first priority would be to support the agreed Council's budget preparation process. Some Members stated they hoped that as in previous years there would be an opportunity for all Spokespersons to seek advice from the Interim Head of Finance should they wish to do so.
- 8.4 The Committee noted the work that had been done in the past by a Budget Efficiencies Working Group under the Chairmanship of Mr Coke and it was moved by Mr Adams, duly seconded, that a similar arrangement should be put in place for the current round of strategic and financial planning.
- 8.5 In the course of debate, the Chairman suggested that rather than establish a Working Group, the Deputy Leader of the Council and the Chairs of Service Committees should meet to consider the Council's approach to efficiency. The Chair said that he would be willing to accept a suggestion from other Members of the Policy and Resources Committee that this approach should also include the Chairman of Economic Development Sub-Committee.
- 8.7 **RESOLVED** (by 9 votes to 6 and with one recorded abstention):

That the Deputy Leader of the Council chairs a group consisting of the Chairs of Service Committees including the Chairman of Economic Development Sub-Committee to consider the Council's approach to its efficiency strategy.

8.8 It was then moved by Mr Dobson, duly seconded,

To ask relevant officers in co-operation with service heads and service committees, in the context of the forecast additional funding shortfall of £17.5m overall, to consider and bring forward proposals under the following headings:

- Better procurement and commissioning
- Better ways of working –emphasis on opportunities for improved productivity
- Income generation.

8.8 On being put to the vote it was (by 9 votes to 6) **RESOLVED—** Accordingly.

8.9 It was then further **RESOLVED-**
That the Committee:

- Agree the framework and process for the County Council Plan and budget as set out in the report.
- Note the revised financial forecast, and adopt as a basis for budget planning in 2015/16 a further reduction in the Council's overall spending of £17.5m.
- invite each Committee to consider and comment upon the ambition and priorities as set out in section 5 of the report.

CHAIRMAN



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APPENDIX A

Question from Mr Tom Garrod:

I am sure the Leader of the Council agrees it is necessary that residents local to former RAF Coltishall are kept up to date with developments on the site rather than having to read about it in the press. Will he undertake to ensure all future news of potential development is communicated to CLRG and local Members ahead of going to the media?

Answer:

It has always been our intention that all communications about events and potential developments at the former airbase are shared with members of the Community Liaison Group, which includes all local members, before statements are issued to the press. I am aware of the concerns about the timing of announcements made about Vitromite, which is a new business hoping to set up a production facility in one of the hangers making products for the construction industry using recycled glass. Officers assure me that steps have been put into place to strengthen our arrangements by changing the protocol used to issue statements about Coltishall.

Going forward, notifications to the Community Liaison Group will be sent out when prospective tenants submit their planning proposals to the relevant District Council. Press Releases will remain at the time the planning applications are validated. In most cases this will mean that members of the liaison group will get to hear about any developments days in advance of the press, and in some cases, where validating an application is more complex, they will know weeks in advance. I trust this will go a long way to addressing the concerns expressed and mitigate any harm caused by the recent administrative error.

Policy and Resources Committee Item 6

Report title:	2014-15 Revenue monitoring report month 4
Date of meeting:	29 September 2014
Responsible Chief Officer:	Head of Finance (Interim)
Strategic impact This report gives details of the forecast outturn position for the 2014-15 Revenue Budget, General Balances, and the Council's Reserves at 31 March 2015, together with related financial information.	

Executive summary

On 17 February 2014, the County Council agreed a net revenue budget of £308.397m. At the end of each month, officers prepare financial forecasts for each service showing forecast expenditure and the impact this will have on earmarked reserves.

Members are recommended to note the following:

- **Revenue expenditure is forecast to overspend by £0.948m on a net budget of £308.397m.**
- **General Balances are forecast to be £19.000m at 31 March 2015, before taking into account the forecast overspend.**
- **The Council has earmarked revenue reserves forecast to be £47.766m at 31 March 2015. The Residual Waste Treatment Contract Reserve was £20.6m following payments of £13.1m in July and August 2014, with further payments made in September. The Council separately holds Reserves in respect of Schools estimated to be £33.483m at 31 March 2015.**

1. Introduction

The annex to this report summarises the Authority's 2014-15 financial position at the end of month 4: July 2014.

2. Evidence

The attached annex summarises forecasts for each service and the resulting impact on reserves and provisions.

The annex also summarises:

- Changes to the approved budget
- The impact of planning assumptions
- Performance against savings targets Savings
- A subjective analysis
- Treasury management
- Payments, debt and purchase order performance

3. Financial Implications

As stated above, revenue expenditure is forecast to overspend by £0.948m on a net budget of £308.397m. Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. Chief Officers are expected to explore measures to reduce or eliminate potential over-spends in-year, for example by reducing expenditure, to minimise the call on reserves.

4. Issues, risks and innovation

Risk implications

- 4.1 Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.

5. Background

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

Officer Contact

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

Name	Telephone Number	Email address
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Harvey Bullen	01603 223330	harvey.bullen@norfolk.gov.uk



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Norfolk County Council

2014-15 Revenue Finance Monitoring Report Month 4

Report by the Head of Finance (Interim)

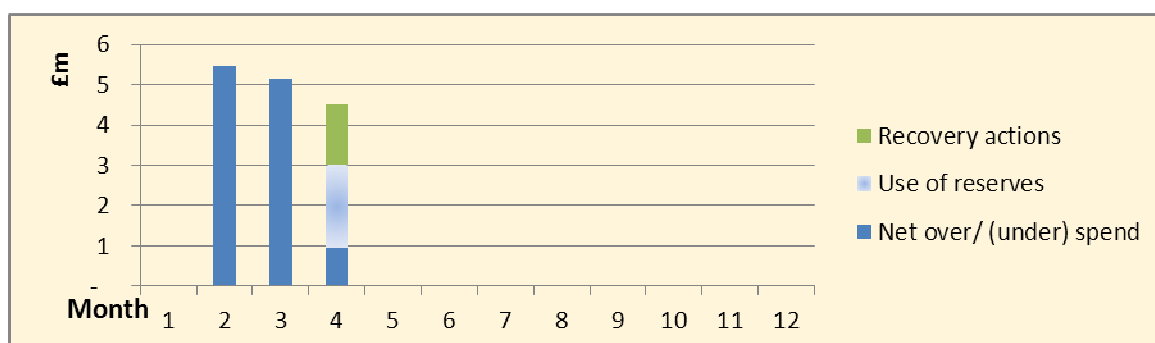
1 Introduction

- 1.1 This report gives details of:
- the latest monitoring position for the 2014-15 Revenue Budget
 - forecast General Balances and Reserves at 31 March 2015 and
 - other key information relating to the overall financial position of the Council.

2 Summary of financial monitoring position

- 2.1 At the end of July:
- Revenue expenditure is forecast to overspend by £0.948m, after identified recovery actions and approved use of reserves, on a net budget of £308.397m. The chart below shows the month by month trend.

Chart 1: forecast revenue outturn 2014-15, by month, after recovery actions and approved use of reserves: Month 4 overspend £0.948m.



- Chief Officers are expected to explore measures to reduce or eliminate the overspend in-year, for example by reducing expenditure, to minimise the call on reserves.
- General Balances are forecast to be £19.000m at 31 March 2015, before taking into account the forecast overspend.
- The Council has earmarked revenue reserves forecast to be £47.766m at 31 March 2015, which reflects the Willows settlement to date and forecast as set out in the paragraph below and other movements including the approved use of reserves necessary to address budgetary pressures. The Council separately holds Reserves in respect of Schools estimated to be £33.483m at 31 March 2015.
- Cabinet resolved to terminate the Willows Energy from Waste contract on 7 April 2014, resulting in formal termination on 16 May and in termination costs estimated at £33.7m for which a reserve has been created. At the end of August 2014, the Council had made a payments totalling £13.075m, with a further payment made in September. Further details are given in section 6.

3 Agreed budget, changes and variations

- 3.1 The 2014-15 budget was agreed by Council on 17 February 2014 and is summarised in Appendix 1. The budget has been monitored in accordance with the timetable at Appendix 2.

Table 1: 2014-15 original and revised net budget by service

Service	Approved net budget	Budget last period	Changes to budget July 2014	Revised budget
	£m	£m	£m	
Children's Services	161.903	161.966	-	161.966
Community Services	264.923	264.923	0.099	265.022
Environment, Transport and Development	108.840	108.985	- 0.073	108.912
Fire and Rescue Service	27.804	27.804	-	27.804
Resources	55.457	55.394	- 0.487	54.907
Finance General	-310.675	-310.675	0.461	-310.214
Total	308.397	308.397	-	308.397

- 3.2 The Council's total net budget has not changed during the year to date. Only minor re-allocations between services primarily relating to transfers of ICT budget have taken place this month.
- 3.3 The approved net budget shown has taken into account discussions at County Council on 17 February resulting in a one-off £1m allocation not reflected in the papers prepared in advance of the meeting. This allocation is for supporting personal care/wellbeing services for older people and is funded from revenue saving on deferring borrowing for 2014-15 only.
- 3.4 The following table gives a breakdown of transfers to and from earmarked reserves and general balances within the approved budget

Table 2: 2014-15 analysis of use of reserves within approved budget

	Transfer to earmarked reserves £m	Transfer from earmarked reserves £m	Transfer to General Balances £m	Net transfers £m
Children's Services	0.406	-3.000		-2.594
Community Services - Cultural	0.075	-0.845		-0.770
Community Services - Adults		-0.051		-0.051
Environment, Transport & Development	3.531	-4.907		-1.377
Finance General	8.000	-3.451	3.000	7.549
Resources	0.135	-6.017		-5.883
	12.146	-18.271	3.000	-3.125

- 3.5 Significant new in-year revenue grants over £0.100m are listed in Appendix 3. No significant new grants have been received in July.
- 3.6 On 31 July the Council received a Bellwin grant of £23,166 from the Department for Communities and Local Government as a result of costs relating to the tidal surge and flooding in December 2013 in excess of the Council's Bellwin threshold of £58,910.

4 Control of growth, cost pressures and savings targets

- 4.1 **Planning assumptions:** The key planning assumptions made during the preparation of the 2014-15 budget are shown in Appendix 4 along with a brief narrative showing the status in each of the following areas.
- Government funding reductions
 - Pay inflation
 - Price inflation
 - Demographics – primarily Looked after Children and Adult Community Services demographic growth
 - Willows Power and Recycling Centre planning uncertainties at the time of budget setting
- 4.2 All the areas listed above remain areas of budgetary pressure, with continuing and additional pressures forecast in relation to Looked After Children.
- 4.3 **Savings targets:** The key savings targets required for the preparation of a balanced 2014-15 budget are shown in Appendix 5.
- 4.4 Forecast savings of £66.038m are £2.229m (previous month £2.814m) short of the budgeted £68.267m savings target. Savings in Community Services – Cultural, ETD, Fire, Resources and Finance General remain on track. The number and cost of Looked After Children is a continued pressure in Children's Services as are arrangements relating to reviews of agreements for mental health and care services in Community Services. A full analysis is shown in Appendix 5.
- 4.5 **Termination of Willows Energy from Waste contract:** As reported to County Council on 27 May, Cabinet of 7 April 2014 resolved to allow the Willows Energy from Waste contract to terminate for planning failure. The contract was formally terminated on 16 May 2014 incurring contractual termination costs estimated at £33.7m, including £13.075m paid in July and August 2014. Further details are included in section 6.

5 Revenue outturn – forecast over/underspends

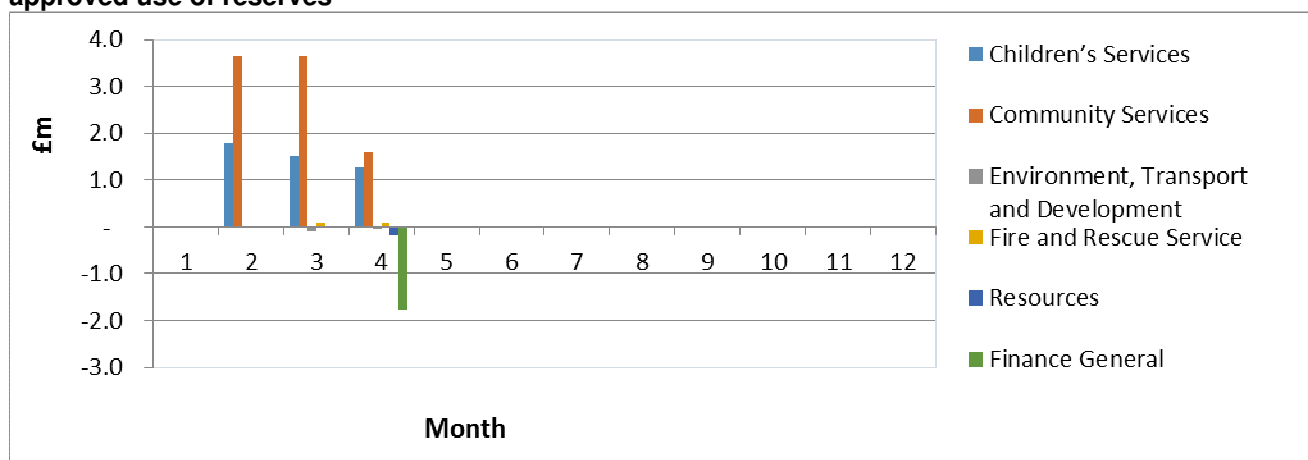
- 5.1 Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. They have been charged with reviewing all of their cost centres to ensure that, where an overspend is identified, action is taken to ensure that a balanced budget is achieved for the year.
- 5.2 Based on the position at the end of June 2014 the latest projection for the 2014-15 revenue outturn shows a net projected overall overspend of £0.958m, after identified recovery actions and approved use of reserves.
- 5.3 Details of all projected under and over spends for each service, together of areas where mitigating action is being taken, are shown in Appendix 6, and are summarised in the following table:

Table 3: 2014-15 projected budget variations by service

Service	Revised Budget £m	Projected net (under)/ over spend after use of reserves £m	%	RAG
Children's Services	161.966	1.280	0.79%	A
Community Services	265.022	1.592	0.60%	A
Environment, Transport and Development	108.912	-0.057	-0.05%	G
Fire and Rescue Service	27.804	0.080	0.29%	G
Resources	54.907	-0.179	-0.33%	G
Finance General	-310.214	-1.758	n/a	G
Totals	308.397	0.958	0.31%	

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

Chart 2: service revenue outturn projections 2014-15, by month, after recovery actions and approved use of reserves



5.5 Analysis by subjective type:

Table 4: 2014-15 forecast over/(under) spends by subjective

Subjective analysis	Approved budget	Projected over / (under) spend	%
Expenditure	£m	£m	
Employees	529.601	-0.730	-0.14%
Premises	44.531	0.375	0.84%
Transport	52.143	-0.095	-0.18%
Supplies and services	139.030	-2.251	-1.62%
Agency and contract services	455.408	15.146	3.33%
Transfer Payments	24.681	1.862	7.54%
Support Services	1.596	0.823	51.57%
Departmental recharge	43.503	0.000	0.00%
Capital Financing	106.240	-1.114	-1.05%
Income		0.000	
Government Grants	-789.646	0.224	-0.03%
Other Grants, Reimbursements etc.	-69.483	-10.033	14.44%
Customer & Client Receipts	-103.673	0.645	-0.62%
Other income		-0.024	
Interest Received	-1.832	-0.308	16.81%
Corporate Recharges including Capital Finance	-72.085	0.000	0.00%
Departmental Recharge	-48.492	0.000	0.00%
Budgeted net transfers to earmarked reserves and general balances (see below)	-3.125	0.000	
Recovery actions		-1.510	
Approved use of reserves not included in budget		-2.052	
Total	-308.397	0.958	

- 5.6 The main pressures in absolute terms relate to the cost of agency and contract services, with a large percentage interest in “support services” a significant part of which relates to hired transport costs. A more detailed analysis of over and underspends by subjective and service is shown in Appendix 7.

6 General balances and reserves

- 6.1 On 17 February 2014 Council agreed the recommendation from the Head of Finance that a minimum level of General Balances of £19m be held in 2014-15. General Balance levels at 31 March 2015 are estimated as follows.

Table 5: forecast general balances

	£m
General Balances 31 March 2014 – Outturn report	17.288
Transfer to Residual Waste Treatment Contract Reserve (Table 6)	(1.288)
General Balances at 1 April 2014	16.000
Use of released funds for one-off purposes: Increase in General Balances, agreed County Council 17 February 2014	3.000
Latest forecast General Balances at 31 March 2015	19.000

The forecast does not take into account the current year projected overspend.

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

Table 6: budget and forecast reserves

	Forecast balance 31.3.15 when budget approved (Feb 2014)	Actual balances b'fwd 1.4.14	Previous month forecast 31 March 2015	Current forecast 31 March 2015
	£m	£m	£m	£m
Earmarked reserves - non schools	32.931	77.669	57.298	47.766
Residual Waste Treatment Contract Reserve	11.000	19.065	0.000	0.000
Reserves for Capital Use	6.270	1.755	3.277	3.699
Earmarked reserves - schools	37.661	43.075	34.104	33.483
Total	87.862	141.564	94.679	84.948

- 6.3 As part of the budget setting process, non schools reserves were forecast to reduce significantly during the year. Significant changes since the last report include:
- A reflection of the likely significant use of the Public Health Reserve element of Unspent Grants and Contributions in relation to amounts received in 2013-14 for services to be provided in 2014-15
 - Forecast use of the majority of the Adult Social Services Legal Liabilities Reserve based on approved use plus additional budgetary pressures, primarily resulting from pressures on Purchase of Care budgets
 - A reduction in the ASS Residential Review reserve as the NorseCare dividend is required to address current year budget pressures rather than being added to the reserve
 - Use of Economic Development reserve brought forward at the end of 2013-14 to fund the Apprenticeship scheme.
- 6.4 The decrease in forecast schools' reserves is accounted for by a reduction in LMS balances due primarily to anticipated academy conversions and forecast use of balances in-year.

- 6.5 A full list of reserves can be found in Appendix 8. This appendix also lists the Council's accounting provisions, which are amounts put aside to fund future liabilities or losses which are certain or very likely to occur, but where the amounts or dates when they will arise are uncertain.

6.6 Residual Waste Treatment Contract Reserve

As reported to County Council on 27 May, Cabinet of 7 April 2014 resolved to allow the Willows Energy from Waste contract to terminate for planning failure. The contract was formally terminated on 16 May 2014 incurring contractual termination costs estimated at £33.7m for which a Residual Waste Treatment Contract Reserve has been set aside as follows:

Table 7: Creation and use of Residual Waste Treatment Contract Reserve

	£m
Opening balance 1 April 2014, before transfer of excess general balances	19.065
Outturn 2013-14 – excess of general balance over minimum requirement	1.288
Savings in 2014-15 (total £5.350m)	
Norse contributions	1.000
Sale of property – substituted for current revenue funding of capital project	0.700
Waste procurement arrangements	0.650
Household waste reserve	1.000
Savings in 2014-15 – Approved by County Council	
Reduction in funding set aside for redundancies based on past trends	1.000
Service reductions - Libraries	0.140
Service reductions – Road maintenance	0.860
Budget 2014-15 cost pressure: Willows Power and Recycling Centre planning uncertainty (ref Appendix 4)	8.000
Total set aside	33.703
Payment made to July 2014 – forex and interest risk costs	(11.800)
Payment made August 2014 – planning inquiry costs	(1.275)
Balance 31 August 2014	20.628

The Council has made payments from the Residual Waste Treatment Contract Reserve of:

- £11.8m representing the cost of cancelling arrangements put in place to mitigate foreign exchange and interest rates risks.
- £1.275m (net of recoverable VAT) representing public inquiry costs indemnified by Norfolk County Council.

A further payment was made on 2 September. At the time of writing, the amount of the payment has not been made public, but is within the remaining balance shown above.

7 Treasury management, payment performance and debt collection

- 7.1 Treasury management: the corporate treasury management function ensures the efficient management of all the authority's cash balances. A detailed update is included as Appendix 9.
- 7.2 Payment performance: approximately 460,000 invoices are paid annually. In July 2014, 91.6% were paid within a target of 30 days from receipt, against a target of 90%. An analysis is shown in Appendix 10.
- 7.3 Outstanding debt: the value of outstanding debt is continuously monitored and recovery procedures are in place to ensure that action is taken to recover all money due to Norfolk County Council. An analysis of the amounts due to the Council, including average debtor days, is included at Appendix 11.
- 7.4 For the period 1 April 2014 to 31 July 2014, 293 debts less than £10,000 have been written off following approval from the Head of Finance. These debts totalled £96,558.23. No debts over £10,000 have been written off.

8 Purchase order performance

- 8.1 Whenever a commitment is made to purchase goods or services, a purchase order should be raised in advance. The Council's objective is that ultimately there should be no 'retrospective' purchase orders – orders raised after the invoice has been received with a target of no more than 5% by April 2015.
- 8.2 Performance against this objective is measured in two ways:
- by value – the value of spending via retrospective orders as a percentage of total spending; and
 - by volume – the number of retrospective orders as a percentage of all orders.
- 8.3 As can be seen in Appendix 12, performance on both measures has improved. Compared to the same month last year, retrospective spending has reduced from 35% to 17% by value, whilst the proportion of orders which are retrospective has fallen from 41% to 26%. The tables in Appendix 12 also set out the performance by directorate.

9 Medium Term Financial Strategy

- 9.1 The Council's Medium Term Financial Strategy 2014-17, includes the following policy objectives:

Table 8: MTFS 2014-17 status

MTFS 2014-17 action	Current status
County Farms: To review the economic case for the investment in and returns from County Farms	A member working group has been set up to review County Farms strategy and policy, as proposed to Economic Development Sub-Committee on 24 June 2014.
Carbon – to consider the stretch target proposed by the October 2013 Corporate Resources Overview and Scrutiny Panel for the 2015-18 MTFS.	Base line data, based on 2013-14 energy usage, is being collated and analysed to determine whether the target has been met and cost reductions obtained. This will inform the 2015-18 MTFS. Known risks and costs, including the carbon tax escalator, are being identified, and links with transformation projects and budget management are being considered in relation to managing future energy use and cost reductions through 2015-18.

Officer Contact

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

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Appendices

Appendix 1: Approved budget

Appendix 2: Monthly timetable

Appendix 3: In-year grant funding

Appendix 4: Planning assumptions

Appendix 5: Savings

Appendix 6: Projected outturn for each service

Appendix 7: Revenue projections by subjective

Appendix 8: Projected reserves and provisions

Appendix 9: Treasury management

Appendix 10: Payment performance

Appendix 11: Debt collection

Appendix 12: Purchase order performance

Approved budget 2014-15

Agreed by Council 17 February 2014

	Approved budget
Analysis by service	£m
Children's Services	161.903
Community Services - Adult	248.597
Community Services - Cultural	15.326
Environment, Transport and Development	108.840
Fire and Rescue Service	27.804
Resources	55.457
Finance General	-309.530
Total net expenditure	308.397

Funded by	
Council tax	-308.397
Total	-308.397

Subjective analysis	
Expenditure	
Employees	529.601
Premises	44.531
Transport	52.143
Supplies and services	154.176
Agency and contract services	455.408
Transfer Payments	24.681
Support Services	1.596
Departmental recharge	43.503
Capital Financing	106.240
Total Expenditure	1,411.879
Income	
Government Grants	-789.646
Other Grants, Reimbursements etc.	-87.754
Customer & Client Receipts	-103.673
Interest Received	-1.832
Corporate Recharges including Capital Finance	-72.085
Departmental Recharge	-48.492
Council Tax	-308.397
Total Income	-1,411.879

Budget monitoring timetable 2014-15

Accounting Period	Accounting Month Period End	Finance report prepared	MEMBERS & PUBLIC circulation	Meeting
April	30-Apr			
May	31-May	Fri 27/06/2014	Fri 04/07/2014	Mon 14/07/2014
June	30-Jun	Fri 25/07/2014	Thu 28/08/2014	Fri 05/09/2014
July	31-Jul	Fri 29/08/2014	Fri 19/09/2014	Mon 29/09/2014
August	31-Aug	Thu 25/09/2014		
September	30-Sep	Mon 27/10/2014	Fri 21/11/2014	Mon 01/12/2014
October	31-Oct	Thu 27/11/2014		
November	30-Nov	Fri 02/01/2015	Fri 16/01/2015	Mon 26/01/2015
December	31-Dec	Wed 28/01/2015		
January	31-Jan	Thu 26/02/2015	Fri 13/03/2015	Mon 23/03/2015
February	28-Feb	Thu 26/03/2015	Mon 20/04/2015	Tue 28/04/2015
March	31-Mar	Thu 30/04/2015	tbc	tbc
	Outturn	Tue 02/06/2015		

In-year Grant Funding

The following table summarises revenue grants greater than £0.100m announced since the budget was approved, due to be received in 2014-15

Table A3: New grant funding > £100,000 since 1 April 2014

New Grant Funding	Details	£m
PE and Sports Grant	New unconditional DfE grant for the improvement of PE and sports in schools	1.174
Universal Infant Free School Meals Grant	The universal infant free school meals (UIFSM) grant is designed to enable schools to provide free school meals to all pupils in reception, year 1 and year 2.	5.395
	Total in-year grants > £100,000 to date	6.569

Financial Plan – 2014-15 planning assumptions

In preparing the 2014-15 financial plan, the following key risk areas have been taken into account (Cost Pressures, Budget Book page 10).

Table A4: key financial planning assumptions 2014-15

Planning assumption 2014-15	Financial impact	Latest position
	£m	
Significant funding pressures		
Government funding reductions	24.786	No change in assumption. Note: the council tax freeze grant listed in Appendix 3 was anticipated in the 2014-15 base budget.
Significant cost pressures		
Pay inflation	1%	On 20 March 2014 Council employees were offered a pay increase from 1 April 2014. The majority of employees – those on salaries starting at £14,880 per annum – would receive an uplift of one per cent, with those on lower salaries receiving a slightly higher increase. The relevant unions have not accepted the offer and strike action was taken by union members on 10 July 2014.
Price inflation	14.260	Price inflation has only been forecast where there is a contractual need or where it is known that price increases will occur. Rates of inflation applied to budgets differ between 0% where inflationary increases have been withheld, to an expected 7% rise in the contract price for electricity. Some budgets will experience price rises linked to CPI which was forecast at 2.34%. CPI annual inflation (the Government's target measure) was 1.6% in July 2014, down from 1.9% in June (Source: ONS).
Demographics – primarily increases in Looked after Children and Adult Community Services demographic growth	11.590	Community Services – Adult demographic pressure of £6.934m was based on the latest ONS statistics for population growth (2.18% in over 65s and 0.36% in 18-64 year olds) and 2013/14 expenditure trends. Learning Difficulties demographic pressures were calculated by forecasting the number of service users transitioning from Children's Services and estimates of expected growth in adult service users. These forecast pressures are reviewed again in the Autumn when sufficient new trend data can be gathered." Children's Services original demographic pressure of £2.081m was based on being 40 Looked After Children above target. The demographic pressure was revised to £3.931m in November 2013 taking into account being 84 LAC above target and revised average LAC costs. The demographic pressures are inextricably linked with budgeted savings in place to change the services provide to prevent children coming into care. In June 2014, the forecast number of Looked After Children was approximately 60 above the assumptions above.
Willows Power and Recycling Centre planning uncertainty	8.000	The County Council resolved to terminate the Willows Energy from Waste contract on 7 April 2014, resulting in termination costs estimated at £33.7m and a reserve set up for this amount . The Council has made payments of £13.275m from the reserves relating to foreign exchange and interest rates risks, plus a further payment in September.

Financial Plan 2014-15 savings

	Children's Services	Community Services - Adults	Community Services - Cultural	ETD	Fire	Resources	Finance General	Total
Categorisation of Saving	£m	£m	£m	£m	£m	£m	£m	£m
Organisational Change - Staffing	0.375	0.460	0.260	1.250	0.499	2.769	0.000	5.613
Organisational Change - Systems	8.725	1.340	0.212	3.340	0.381	3.174	0.000	17.172
Procurement	0.790	4.150	0.000	6.400	0.000	0.094	0.000	11.434
Shared Services	0.000	2.004	0.260	0.050	0.000	0.000	0.000	2.314
Capital	0.000	0.000	0.000	0.200	0.724	0.000	0.000	0.924
Terms & Conditions of Employees	0.126	0.108	0.000	0.038	0.000	0.019	0.000	0.291
Income & Rates of Return	0.000	0.000	0.361	1.623	0.043	0.411	5.138	7.576
Assumptions under Risk Review	0.000	0.000	0.000	0.150	0.036	3.201	7.220	10.607
Reducing Standards	2.670	4.000	0.931	1.151	0.000	0.073	0.000	8.825
Cease Service	0.474	2.640	0.010	0.300	0.087	0.000	0.000	3.511
Budgeted Savings	13.160	14.702	2.034	14.502	1.770	9.741	12.358	68.267
P04-15 Forecast Savings	11.881	13.752	2.034	14.502	1.770	9.741	12.358	66.038
Variance	-1.279	-0.950	0.000	0.000	0.000	0.000	0.000	-2.229

	Children's Services	Community Services - Adults	Community Services - Cultural	Total
Savings Variance	£m	£m	£m	£m
Categorisation of Saving	£m	£m	£m	£m
Organisational Change - Staffing	0.000	0.000	0.000	0.000
Organisational Change - Systems	-1.883	0.000	0.216	-1.667
Procurement	0.000	-0.750	0.000	-0.750
Shared Services	0.000	-0.200	-0.220	-0.420
Capital	0.000	0.000	0.000	0.000
Terms & Conditions of Employees	0.000	0.000	0.000	0.000
Income & Rates of Return	0.000	0.000	0.004	0.004
Assumptions under Risk Review	0.484	0.000	0.000	0.484
Reducing Standards	0.120	0.000	0.000	0.120
Cease Service	0.000	0.000	0.000	0.000
Total	-1.279	-0.950	0.000	-2.229

As at P04-15 forecast savings of £66.038m coupled with newly identified savings and use of reserves of £0.950m are £1.279m short of the budgeted £68.267m savings target.

Savings in ETD, Fire, Resources and Finance General are all on track.

The number and cost of Looked After Children are not reducing as planned leading to a forecast saving shortfall of £1.883m.

This shortfall in Children's Services have been offset slightly by an additional £0.484m saving for reduced retirement costs for teachers, achieving a saving of £0.120m early to reduce funding for school crossing patrols.

Community Services – Adults are £0.250m short on a saving to review the agreement with the Mental Health Trust, and £0.500m short on the saving to review the Norse Care agreement for the provision of residential care.

The remaining £0.200m shortfall in Community Services – Adults is on the saving for joint senior management posts with Health. Work is underway, but this is unlikely to deliver savings for 2014/15.

Projected revenue outturn by service analysis

Chief Officers monitor their cash limited budgets throughout the year and report the position through the Head of Finance. The latest projection for the 2014-15 revenue budget shows a net projected overall variance analysed as follows:

Table A4a: projected revenue over and (under) spends by service

Service	Revised Budget £m	Service total projected overspend £m	Service total projected (under) spend	Net total over / (under) spend	%
Children's Services	161.966	3.284	-2.004	1.280	0.79
Community Services	265.022	7.185	-5.593	1.592	0.60
Environment, Transport and Development	108.912	0.692	-0.749	-0.057	-0.05
Fire and Rescue Service	27.804	0.080		0.080	0.29
Resources	54.907	-	-0.179	-0.179	-0.33
Finance General	-310.214	-	-1.758	-1.758	0.57
Totals current month	308.397	11.241	-10.283	0.958	0.31
Previous month	308.397	9.439	-4.282	5.157	1.67

The net overspend is a result of a range of underlying forecast over and underspends which are listed on the following pages and which are the subject of detailed monitoring.

Reconciliation between current and previously reported underspend

Table A4b: monthly reconciliation of over / (under) spends

	£m
Forecast 2014-15 over/(under)spend previous month	5.157
Movements in current period - summary	
Children's Services	-0.235
Community Services (overspend now shown before use of reserves)	-2.064
Environment, Transport and Development	0.037
Fire and Rescue Service	-
Resources	-0.179
Finance General	-1.758
Latest forecast over / (under) spend before use of reserves	0.958

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

Where action has not been identified, it may be necessary to draw on reserves:

Service	Revised Budget £m	Service total projected overspend £m	Identified recovery actions £m	Approved use of reserves not budgeted £m	Net total over / (under) spend £m	%
Children's Services	161.966	1.280	-	-	1.280	0.79
Community Services	265.022	5.166	-1.510	-2.052	1.592	0.60
Environment, Transport and Development	108.912	-0.057	-	-	-0.057	-0.05
Fire and Rescue Service	27.804	0.080	-	-	0.080	0.29
Resources	54.907	-0.179	-	-	-0.179	-0.33
Finance General	-310.214	-1.758	-	-	-1.758	0.57
Totals current month	308.397	4.532	-1.510	-2.052	0.958	0.31
Previous month	308.397	9.439	-	-	5.157	1.67

Projected revenue budget outturn by service - analysis

Children's Services	Projected over spend	Projected under spend	Change this month
	£m	£m	£m
Additional Looked After Children agency costs	1.601		-0.607
Additional Residence / Kinship costs	0.282		0.022
Savings on Looked After Children legal costs		-0.430	
Savings on Looked After Children transport costs		-0.190	
Additional costs of Ofsted unregulated accommodation for 16/17 year olds	0.350		0.350
Additional adoption allowances	0.159		
Additional adoption recruitment costs	0.020		
Additional fostering recruitment costs	0.098		
Reduced cost of Information Advice and Guidance Service		-0.200	
Reduced cost of Early Years & Childcare Service		-0.200	
Savings on school crossing patrols		-0.120	
Reduced school pension/redundancy costs		-0.484	
Reduced Education Support Grant due to schools becoming academies	0.224		
Additional cost of SEN transport	0.550		
Clinical commissioning team		-0.380	
<u>Dedicated Schools Grant</u>			
No over/(underspends reported) under this heading			
Cont'n to schools contingency fund as a result of the above	0	0	
Forecast outturn for Children's Services	3.284	-2.004	-0.235
		1.280	

Community Services	Projected over spend	Projected under spend	Change this month
	£m	£m	£m
<u>Adult Social Services</u>			
Management, Finance and Transformation		-1.968	-0.055
Commissioning, including Supporting People	1.870		-0.711
Central Services – Business Development		-0.009	0.081
Human Resources, Training and Organisational Development		-0.008	
Safeguarding	4.433		1.659
Prevention	0.882		0.397
Income from Service users		-0.034	0.139
Over / (under) spend before recovery actions	7.185	-2.019	1.510
		5.166	
Recovery actions - including use of £1m Norsecare contract rebate to mitigate overspend, plus other actions centred around Adult Social Care and Purchase of Care budgets.		-1.510	-1.510
Use of Reserves – approved as part of 2014-15 budget setting process		-2.052	-2.052
Forecast subtotal for Adult Social Services (excluding Cultural Services)	7.185	5.581	--2.052
Over / (under) spend after recovery actions and approved use of reserves		1.604	
Norfolk Libraries and Information Service		-	
Museums and Archaeology Service		-	
Norfolk Records Office		-0.005	-0.005
Arts Service		-0.007	-0.007
Adult Education Service		-	
Norfolk Guidance Service		-	
Active Norfolk		-	
Forecast subtotal for Cultural Services	0.000	-0.012	-0.012
		-0.012	
Forecast outturn for Community Services	7.185	-5.593	-2.064
		1.592	

Environment Transportation & Development	Projected over spend	Projected under spend	Change this month
	£m	£m	£m
Highways		-	
Public Protection		-0.125	-0.125
Travel & Transport		-0.600	-0.600
Environment & Waste	0.692	-	0.692
Business development and support		-0.024	0.070
Forecast out-turn for ETD	0.692	-0.749	0.037
		-0.057	

Fire and Rescue Service	Projected over spend	Projected under spend	Change this month
	£m	£m	£m
Central Finance – significant insurance cost increase	0.080	-	
Forecast outturn for Fire and Rescue Service	0.080	-0.000	
		0.080	

Resources and Finance General	Projected over spend	Projected under spend	Change this month
	£m	£m	£m
Resources			
Policy and Performance – Norfolk Ambition / Projects		-0.104	-0.104
Procurement		-0.075	-0.075
Net forecast outturn for Resources	0.000	-0.179	-0.179
		-0.179	
Finance General			
Adjustment to forecast interest on balances		-0.308	-0.308
Adjustment to minimum revenue provision		-1.114	-1.114
ESPO dividend		-0.336	-0.336
Net forecast outturn for Finance General	0.000	-1.758	-1.758
		0.000	

Latest Revenue Projections by subjective analysis

<i>Subjective analysis</i>	<i>Approved Budget by subjective</i>	<i>Children's Services</i>	<i>Community Services</i>	<i>ETD</i>	<i>Fire & Rescue</i>	<i>Resources</i>	<i>Finance general</i>	<i>Total variance</i>
		Forecast (under)/over spend						
Expenditure	£m	£m	£m	£m	£m	£m	£m	£m
Employees	529.601	-0.804	0.310	-0.057		-0.179		-0.730
Premises	44.531	0.000	0.375					0.375
Transport	52.143	-0.100	0.005					-0.095
Supplies and services	139.030	-0.362	-1.889					-2.251
Agency and contract services	455.408	1.962	13.184					15.146
Transfer Payments	24.681	0.000	1.862					1.862
Support Services	1.596	0.360	0.383		0.080			0.823
Departmental recharge	43.503	0.000	0					0.000
Capital Financing	106.240	0.000	0				-1.114	-1.114
Income								0.000
Government Grants	-789.646	0.224						0.224
Other Grants, Reimbursements etc.	-69.483	0.000	-9.697				-0.336	-10.033
Customer & Client Receipts	-103.673	0.000	0.645					0.645
Other income			-0.024					-0.024
Interest Received	-1.832	0.000					-0.308	-0.308
Corporate Recharges including Capital Finance	-72.085	0.000						0.000
Departmental Recharge	-48.492	0.000						0.000
Budgeted net transfers to earmarked reserves and general balances	-3.125							0.000
Recovery actions			-1.510					-1.510
Approved use of reserves			-2.052					-2.052
Council Tax / net expenditure	-308.397	1.280	1.593	-0.058	0.080	-0.179	-1.758	0.958

Note: On 17 February 2014, County Council approved budget proposals for 2014-2017 which included the profiled use of non-schools earmarked reserves.

Reserves and provisions

	Forecast 31.3.15 Approved Budget £m	Actual Balances 1.4.14 £m	Forecast Balances 31.3.15 Prev mnth £m	Forecast Balances 31.3.15 current £m
Earmarked Reserves				
All Services				
Building Maintenance	1.186	1.672	1.537	2.152
Information Technology Reserve	2.934	10.226	3.979	6.101
Repairs and Renewals Fund	2.157	3.925	3.386	3.290
Unspent Grants and Contributions (including Public Health Reserve)	4.789	12.826	9.684	6.955
	11.066	28.649	18.586	18.498
Children's Services				
Children's Services Improvement Fund	-	1.741	0.241	0.241
	0.000	1.741	0.241	0.241
Community Services				
Adult Education Income Reserve	0.018	0.160	0.159	0.159
Adult Social Services Residential Review	2.023	3.025	3.330	2.330
Adult Social Care Legal Liabilities	2.253	3.094	3.789	0.133
Archive Centre Sinking Fund	0.274	0.261	0.261	0.263
Museums Income Reserve	0.024	0.039	0.024	0.024
Prevention Fund	1.267	1.140	0.533	0.533
Residual Insurance and Lottery Bids	0.100	0.423	0.410	0.410
	5.959	8.142	8.506	3.852
ETD				
Economic Development	2.649	4.215	4.394	2.184
Highways Maintenance	1.930	4.625	4.303	4.214
Historic Buildings	0.178	0.199	0.121	0.086
NDR Reserve	-	2.500	2.500	2.500
Norfolk Infrastructure Fund	0.491	2.015	3.291	1.315
P & T Bus De-registration	-	0.064	0.064	0.064
P & T Demand Responsive Transport	-	0.156	0.156	-
P & T Park & Ride	0.012	0.012	0.012	0.012
P & T Road Safety Reserve	0.000	0.150	0.226	0.226
P & T Street Lighting Sinking Fund	5.595	7.040	6.550	7.005
ETD – Re-procurement Strategic Partnership	-	0.035	-	-
ETD – Transformation Reserve	-	0.625	0.625	-
Public Transport Commuted Sums	0.016	0.016	0.014	0.014
Waste Management Partnership Fund	-	0.397	0.281	0.382
	10.871	22.049	22.537	18.002
Fire				
Fire Operational Equipment Reserve	0.298	0.967	0.967	0.967
Fire Pensions Reserve	0.273	0.348	0.348	0.348
Fire Operational Reserve	0.177	0.542	0.542	0.542
	0.748	1.857	1.857	1.857
Resources				
npplaw Operational Reserve	0.306	0.306	0.306	0.306
	0.306	0.306	0.306	0.306

Corporate				
Car Lease Scheme surplus	0.798	0.222	0.455	0.222
Health and Wellbeing Board Reserve		0.195	0.275	0.275
Local Assistance Scheme Reserve	0.016	0.900	0.871	0.871
Strategic Partnership	0.790	0.016	0.016	0.027
Icelandic Banks Reserve	0.010	2.444	1.000	0.999
Industrial Estate Dilapidations	0.017	0.010	0.010	0.010
Insurance	-	0.027	0.017	0.027
Modern Reward Strategy Reserve	-	4.359	-	-
Organisational Change and Redundancy Reserve	1.535	5.605	1.750	1.730
Strategic Ambitions Reserve	0.815	1.147	0.871	0.849
Residual Waste Treatment Contract Reserve	11.000	19.065	-	-
	14.981	33.990	5.265	5.010
Non – Schools Total	43.931	96.734	57.298	47.766
Reserves for Capital Use				
Usable Capital Receipts	6.270	1.755	3.277	3.508
Schools Reserves				
Building Maintenance Partnership Pool	1.061	1.197	1.197	1.197
Building Maintenance Non-Partnership Pool	-	1.034	0.996	0.996
Children's Services Equalisation	-	0.249	0.655	0.655
LMS Balances	21.631	26.517	18.238	17.617
Norwich Schools PFI Sinking Fund	1.711	2.061	2.061	2.061
Schools Contingency	10.711	9.315	8.315	8.315
Schools non-teaching activities	1.010	1.170	1.170	1.170
Schools Playing Field Surface Sinking Fund	0.409	0.248	0.188	0.188
Schools Sickness Insurance Reserve	1.128	1.284	1.284	1.284
Schools Total	37.661	43.075	34.104	33.483
Provisions				
Community Services				
Adult Social Services Doubtful Debts	0.851	0.942	0.952	0.952
Potential pension liability arising from the transfer of staff to the Norfolk & Waveney Mental Health NHS Foundation Trust	-	1.370	1.270	1.370
Corporate				
Insurance	12.000	12.941	12.394	12.941
Redundancy	-	5.163	5.091	5.088
ETD				
Closed landfill long term impairment provision	9.132	9.189	9.128	9.133
ETD Doubtful Debts	0.050	0.050	0.050	0.050
Fire				
Retained Firefighters and Part-time Workers (Prevention of Less Favourable Treatment) Regs	0.775	0.850	0.850	0.850
Schools Provisions				
Children's Services Provision for Holiday Pay	0.018	0.017	0.017	0.017

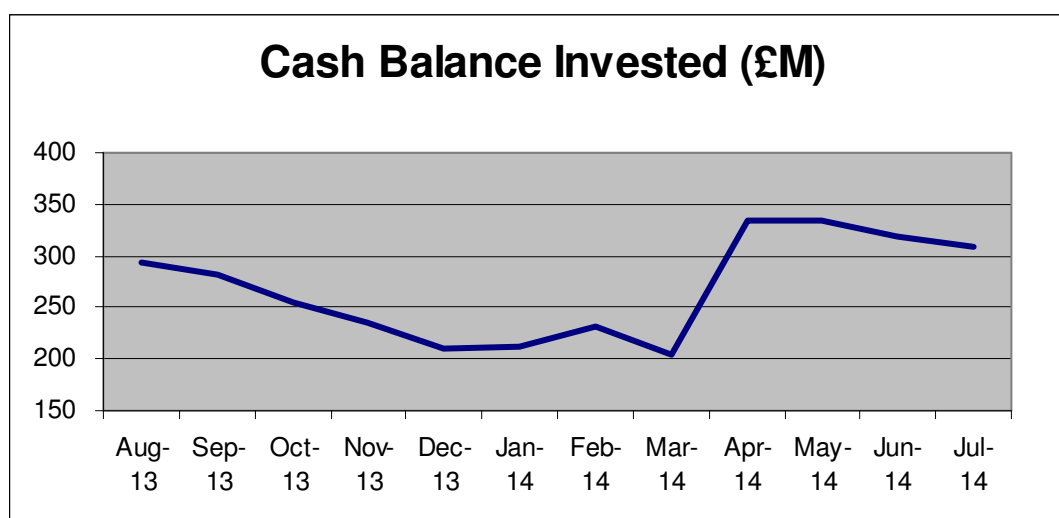
The main changes between 31 March 2014 and the estimated position at 31 March 2015 are:

- Residual Waste Treatment Contract Reserve – Following the Council's decision to terminate the Willows Energy from Waste Contract, this reserve will be fully exhausted.
- Increase of £1m in the residential review reserve, offset by an equivalent decrease in ASC unspent grants and contributions in respect of the social care reform grant which is being used to fund the transformation programme.
- Anticipated use of the Adult Social Care Legal Liabilities reserve in relation to adult social care budgetary pressures
- Significant use of the Public Health Reserve within Unspent Grants and Contributions, as amounts received in respect of services to be delivered in 2014-15 are spent.
- Modern Reward Strategy reserve forecast to reduce to zero by 31 March 2015 in line with funding in approved budget.
- Icelandic Banks Reserves and Organisational Change reserves reduced in line with approved budget.

Treasury Management Performance Monitoring

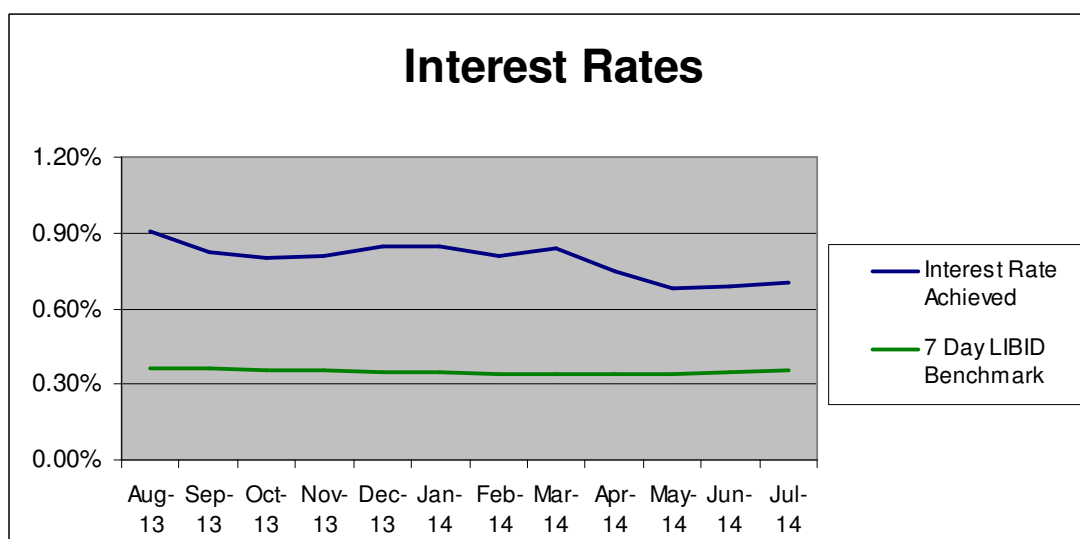
A9.1 Cash Flow Management

- A9.1.1 Income received amounts to £635m, while payments (including debt repayment) total £529m, resulting in an overall increase in cash balances of £106m. Cash balances available for investment have therefore increased from £203m at 1st April 2014 to £309m at the 31st July 2014. The cumulative average balance un-invested has remained within the tolerance of plus/minus £0.025m across all 550 bank accounts.



A9.2 Interest Earned on Cash Balances

- A9.2.1 All monies invested by the County Council in the money markets are placed with institutions on the Council's Authorised Lending List.



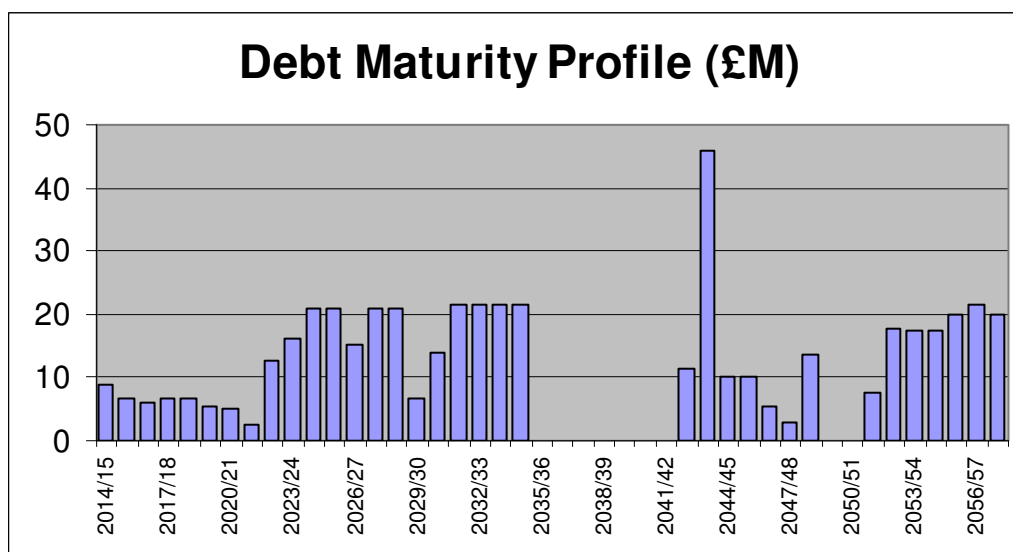
- A9.2.2 Gross interest earned for the period 1st April 2014 to 31st July 2014 is £0.718m.

A9.3 Long Term Borrowing

A9.3.1 In accordance with the approved 2014-15 Investment Strategy, the County Council continues to delay new borrowing for capital purposes, using cash balances on a temporary basis to avoid the cost of 'carrying' debt in the short term. Delaying borrowing and running down the level of investment balances also reduces the County Council's exposure to investment counterparty risk.

A9.3.2 The Council's overall borrowing requirement in 2014-15 is approx. £118m. This represents past capital expenditure for which the approved borrowing has not yet been drawn down due to the treasury management factors explained above.

A9.3.3 The Council's debt portfolio at 31st July 2014 is £499m.



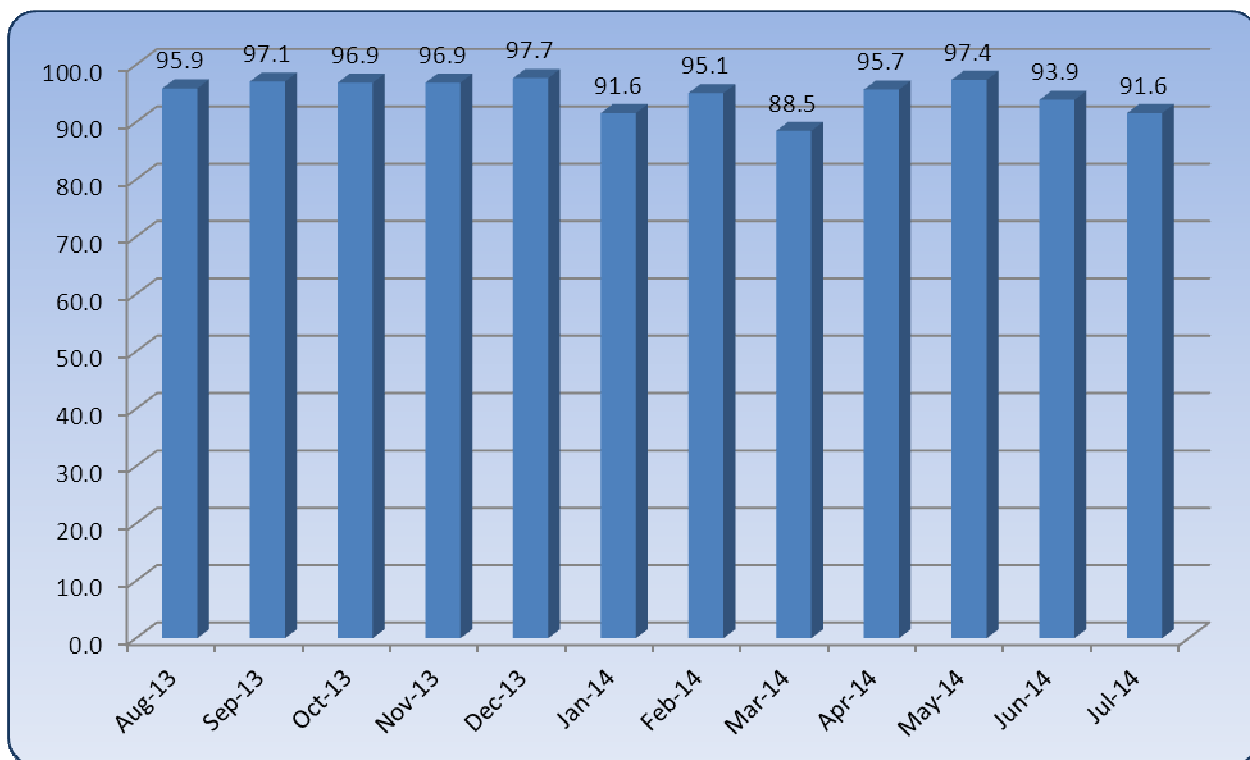
A9.4 Icelandic Banks

A9.4.1 The latest projected cash recovery from all 3 banks is £31.325m.

July 2014

BVPI8 – Payment Performance

This BVPI is a measure of our timely payment of invoices – specifically, the percentage of invoices for commercial goods and services that were paid by the authority within 30 days of such invoices being received by the authority. The target is 90%. Some 460,000 invoices are paid annually. 91.6% were paid on time in July 2014.



*The figures include an allowance for disputes/exclusions.

Analysis of Outstanding Debt 31 July 2014

1. The value of outstanding debt is continuously monitored and recovery procedures are in place to ensure that action is taken to recover all money due to Norfolk County Council. In the 12 months to 31 March 2014 the County Council raised 126,678 invoices of which 100,980 were for services provided to customers of Community Services.
2. The table below shows an analysis of the County Council's outstanding debt at 31 July 2014 compared with the outstanding debt at 30 June 2014.

NCC Debt Analysis	NCC Debt 31/07/2014	NCC Debt 30/06/2014
	£m	£m
Total Unsecured Debt	29.68	27.22
Aged Debts (days): -		
1- 30	11.31	9.29
31- 60	2.8	3.95
61- 90	3.7	2.61
91-180	4.87	3.93
181+ Referred to NP Law	0.41	0.42
181+ Awaiting estate finalisation	1.78	2.01
181+ On hold pending investigation		
181+ Instalments and other debt	4.82	5.01
Total Secured Debt	9.64	8.97
Awaiting estate finalisation	2.06	2.04
Residential care	7.58	6.93
Total Debt	39.32	36.19

3. Customers of Community Services have certain rights when it comes to paying for residential care. If they declare an interest in a property they can elect to defer payment (all or part) until the property is sold. If the client defers payment the debt is secured by a deferred payment agreement and it may be some time before the debt can be collected. Secured debts amount to £9.64m at 31 July 2014. Within this total £2.06m relates to estate finalisation where the client has died and the estate is in the hands of the executors.
4. Approximately £1.29m of the unsecured debt aged 181+ days that Credit Control is collecting and managing is being paid off by regular instalments. Of the balance the most material amounts relate to invoices due to the Council from the NHS, these total £1.66m and continue to be actively chased.

5. A test used by the Audit Commission to indicate the effectiveness of income collection is “debtor days”. The Council’s debtor days at 31 July 2014 and 30 June 2014 are shown in the table below.

Debtor days		
Type of debt	31/07/2014	30/06/2014
Unadjusted	23.1	21.36
Excluding secured and estate finalisation debts	16.23	14.86
Excluding current month debt	16.18	15.55
Excluding current month, secured and estate finalisation debts	9.31	9.05

6. In accordance with Financial Regulation and Financial Procedures, Cabinet is required to approve the write-off of debts over £10,000. The Head of Finance approves the write off of all debts up to £10,000. This value is reviewed regularly and adjusted in line with inflation, as appropriate.
7. Before writing off any debt all appropriate credit control procedures are followed. Where economically practical the County Council’s legal position is protected by court proceedings being issued and judgment being entered. For a variety of reasons, such as being unable to locate the debtor, it is sometimes not appropriate to commence legal action.
8. For the period 1 July 2014 to 31 July 2014, 110 debts less than £10,000 were written off following approval from the Head of Finance. These debts totalled £28,057.79.
9. For the period 1 April 2014 to 31 July 2014, 293 debts less than £10,000 have been written off following approval from the Head of Finance. These debts totalled £96,558.23. No debts over £10,000 have been written off.
10. Given the above factors the level of outstanding debt is considered reasonable.

Purchase order performance – retrospective purchase orders

Introduction

- 1.1 The Council uses an electronic purchasing system, linked to the primary accounting systems. Unless subject to a specific exemption, orders should be placed in advance of goods or services being received. The Council's objective, therefore, is that ultimately there should be no 'retrospective' purchase orders – orders raised after the invoice has been received
- 1.2 Despite the improvement since last year, there is still room for significantly reducing retrospective ordering. Therefore an internal target has been set such that the performance measures for each of the targets should be no more than 5% by April 2015.

Background

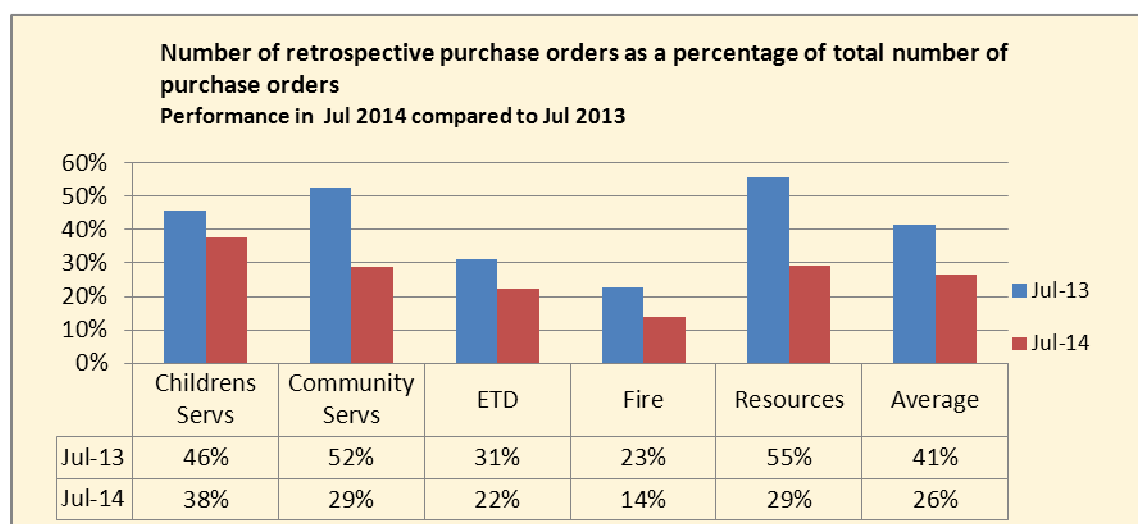
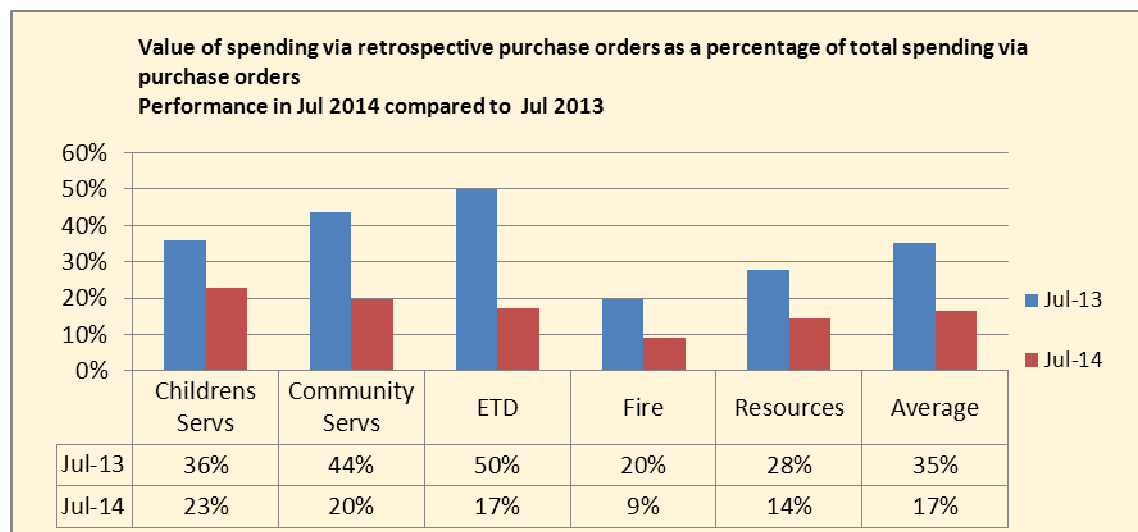
- 1.3 Whenever a commitment is made to purchase goods or services, a purchase order should always be raised in advance, for a number of reasons:
 - raising a purchase order creates a commitment against the relevant budget – this leads to more accurate forecasting;
 - sending a purchase order to the supplier ensures that the purchase is made against the Council's terms and conditions, which reduces legal risk;
 - the purchase order process enables the purchase to be approved (or rejected) before it is too late to influence it – this improves financial controls, and enables the number of suppliers to be reduced and better deals to be negotiated.
- 1.4 Performance against this objective is measured in two ways:
 - by value – the value of spending via retrospective orders as a percentage of total spending; and
 - by volume – the number of retrospective orders as a percentage of all orders.
- 1.5 The first of these measures focuses on the contribution to forecasting accuracy and to reducing legal risk; the second on administrative costs and supplier rationalisation.

Performance

- 1.6 Performance on both measures in 1.4 above has improved. Compared to the same month last year, retrospective spending has reduced from 35% to 17% by value, whilst the proportion of orders which are retrospective has fallen from 41% to 26%. The tables below also set out the performance by directorate.

Purchase order performance – retrospective purchase orders

The tables below reflect the progress made against the Council's objective to minimise and ultimately eradicate retrospective purchase orders: ie orders raised after the invoice has been received.



Policy and Resources Committee

Item No 7

Report title:	2014-15 Capital Finance Monitoring Report Month 4
Date of meeting:	29 September 2014
Responsible Chief Officer:	Head of Finance (Interim)
Strategic impact <p>This report provides a monthly update on the progress towards the achievement of the capital programme set by the Council in February 2014.</p> <p>The primary purpose of this report is:</p> <ul style="list-style-type: none">• to keep members informed of the progress of capital projects, and• to give members confidence that capital expenditure is within approved funding available and• to demonstrate progress in generating capital receipts. <p>Capital Finance Monitoring reports are produced at the end of each month, and reported to the nearest subsequent Policy and Resources Committee.</p>	

Executive summary

On 17 February 2014, the County Council agreed a 2014-15 capital programme of £202.462m with further future years' funding of £188.676m. Following the agreement of that programme, there have been further adjustments resulting in the programme's revised position reported at Month 3. This report summarises further revisions to the programme following this reported opening position to give a revised programme of £236.616m.

There have been further changes to the disposal schedule set out in the Month 3 monitoring report increasing the forecast capital receipts for 2014-15 by £0.033m. This report sets out the primary changes on the disposal schedule and the proposed impact on the capital receipts reserve, including a revised figure of £6.282m of capital receipts now forecast to be used to reduce borrowing incurred through financing the 2014-15 capital programme.

The report summarises the capital expenditure which has taken place in the year to date. There has been significant visible progress on major projects such as the County Hall refurbishment, and the Postwick Hub, and improved procedures are being put in place to monitor the stages of project development through "gateways" (appendix chart 3). However this area of the report is being developed and improved, which will improve the robustness of expenditure forecasts.

The annex to this report also looks at the proposed funding of the programme, including the impact of these proposals on future revenue budgets.

In order to help members better understand the Council's property portfolio and its management, a members workshop is being held on 28 October 2014 (see paragraph 4.3 below). All members are invited and encouraged to attend.

Recommendations:

Members are recommended to:

- **note the revised expenditure and funding of the 2014-17 capital programme and the changes which have occurred following the position reported on 5 September, as set out in Section 1 of Annex A**
- **note the progress towards the achievement of the 2014-15 programme, as set out in Section 2 of Annex A**
- **note the proposed changes to the disposals schedule and the impact on the capital receipts reserve, summarised in Section 4 of Annex A and further detailed in Appendix 4**
- **note the impact of using borrowing to finance the programme on future revenue budgets, as identified in Appendix 1**
- **approve the spend to save scheme in relation to the Oaks site, Harvey Lane, Norwich, as set out in Appendix 5, including the requirement for £0.100m of prudential borrowing to fund initial investment in the site**
- **support and encourage member attendance at the 28 October 2014 Property Workshop, as described in paragraph 4.3 below.**

1. Introduction

- 1.1 This report sets out the revised 2014-17 capital programme incorporating changes following the position reported in July 2014.

2. Evidence

- 2.1 The Council set an initial 2014-15 capital programme of £202.462m in January 2014, which was subsequently revised to £239.005m to account for reprofiling and other adjustments as reported on 5 September 2014.
- 2.2 There has been further reprofiling and adjustments of -£2.389m in the period following the presentation of the opening position, as set out in the attached report. This has resulted in a revised position of £236.616m.

3. Financial Implications

- 3.1 The revised position of the 2014-15 capital programme is £236.616m.
- 3.2 This is to be funded by £47.249m of borrowing; £8.189m of capital receipts; £2.386m of revenue & reserve funding; and £178.792m of grants and contributions.
- 3.3 The impact of the additional borrowing on future revenue budgets as a result of interest and setting aside amounts for the repayment of the borrowing is £4.109m, as set out in Appendix 1.

4. Issues, risks and innovation

- 4.1 Risks associated with the capital programme, in terms of prioritising funding, and the timing and control of spend, are being addressed through links with Asset

Management Plans and the on-going development of the Property Client function. The format and content of the capital monitoring reports is being developed and will increasingly highlight activity and risks associated with the capital programme.

- 4.2 Officers have considered all the implications which members should be aware of. Apart from those listed in the report and summarised above, there are no other implications to take into account.
- 4.3 **Property Workshop:** in response to requests from members, a members property workshop, to which all members are invited, is being held on 28 October 2014. The briefing will address a wide range of property related matters including:
- the Council's property management arrangements and proposed improvements
 - the on-going property transformation programme
 - generating capital receipts from property disposals
 - the potential for sharing facilities, including the Council's links with the national "One Public Estate" programme.
- All members are invited and encouraged to attend.

5. Background

- 5.1 Having set a capital budget at the start of the financial year, the Council needs to ensure its delivery within allocated and available resources which in turn underpins the financial stability of the Council. Consequently there is a requirement to regularly monitor progress so that corrective action can be taken when required.
- 5.2 Further details are given in Annex A to this report.

Officer Contact

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

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

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Norfolk County Council

Annex A: 2014-15 Capital Finance Monitoring Report Month 4

Report by the Head of Finance (Interim)

Introduction

This report gives details of:

- Changes to the capital programme during July 2014
- future capital programmes
- forecast and actual income from property sales
- how the programme is funded and
- other key information relating to capital expenditure.

Context

The capital programme for 2014-17 was agreed by County Council on 17 February 2014. This programme, which complements the Council's Asset Management Plan, consists of schemes improving and augmenting the Council's existing assets, including the provision of extra school places, maintenance and development of the County's highways network and improvement of the Council's office accommodation.

The progress on the capital programme and the associated sources of funding is monitored on a monthly basis throughout the year and reported regularly to Members.

Revised Capital Programme

The revised opening position of £237.935m for the 2014-15 capital programme was reported to Policy and Resources committee on 14 July 2014. This report identifies further refinements to that opening capital programme as plans are developed for the delivery of the constituent projects. Major changes during July include further reprofiling of expenditure funded through Department of Health grants as work continues to identify future priorities within Adult Social Care.

Capital Receipts

There have been further changes to the projected capital receipts for 2014-15 as reported in section 4, with the projection for overall receipts now being £9.568m. These changes to the disposal schedule result in a revised figure of £6.282m of general capital receipts now forecast to be used to reduce borrowing incurred through financing the 2014-15 capital programme.

New spend to save scheme

A new spend to save scheme with the aim of maximising capital receipts from the Oaks site, Harvey Lane, Norwich, is set out in Appendix 5.

1 Capital Programme 2014-15 Period 4 Position

- 1.1 The 2014-15 Capital Programme was approved by the County Council on 17 February 2014 and is published in the Council's 2014-15 Financial Strategy and Medium Term Financial Strategy.
- 1.2 Subsequent to the agreement of the 2014-15 Capital Programme, there has been further reprofiling and other changes reported to Cabinet in 2013-14, slippage, and adjustments to funding which were not anticipated at the time of the Capital Programme's publication. These changes have now been incorporated into the below reported opening position of the 2014-15 programme.
- 1.3 Subsequent to the Period 3 monitoring report presented to Policy and Resources committee on 5 September 2014, the capital programme has undergone further revisions as summarised in Table 2.
- 1.4 The latest revised programme totals £439.066m, made up of:

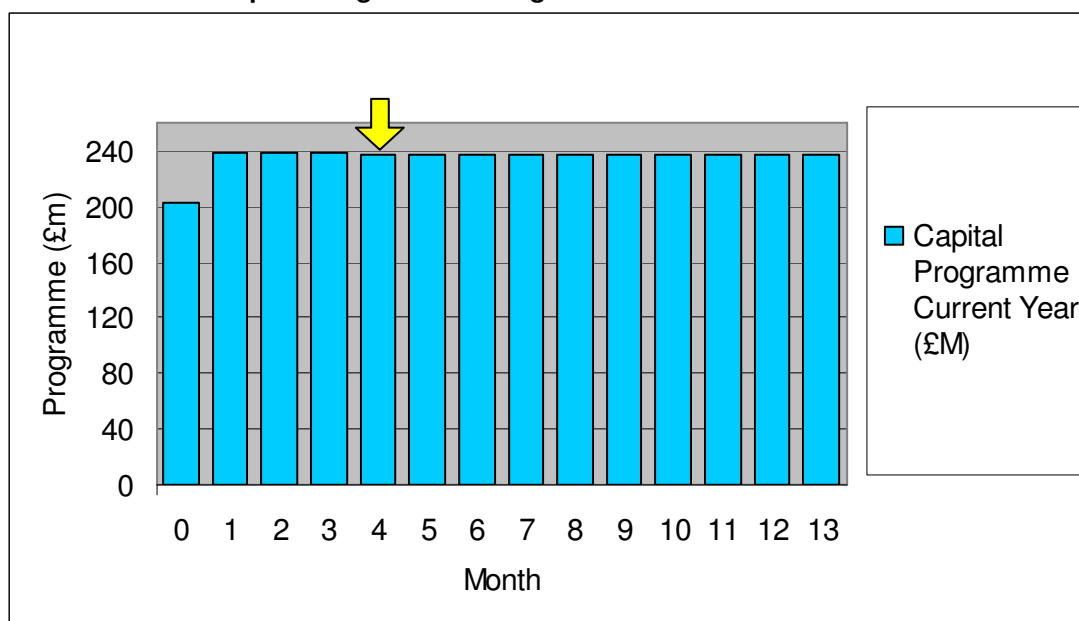
Table 1: Revised Capital Programme

	2014-15	2015-17
	£m	£m
New schemes approved January 2014-15	24.446	142.188
Previously approved schemes	178.016	46.488
Totals in Medium Term Financial Strategy	202.462	188.676
Re-profiling and other adjustments at financial year end	17.878	7.958
Slippage	2.359	0.000
Other Adjustments (Primarily additional funding announcements for Children's Services and Highways)	15.236	0.000
Capital Programme Opening Position	237.935	196.634
Previously approved reprofiling	-3.392	3.392
Other movements previously approved	4.461	0.000
Totals previous period	239.005	200.026
Re-profiling this period	-2.426	2.426
Other movements to be approved	0.037	-0.002
Revised capital programme outturn	236.616	202.450
Total		439.066

- 1.5 This table highlights a reduction of £2.426m in the 2014-15 capital programme due to reprofiling schemes to later years, as identified in Table 2a.

- 1.6 The following chart identifies the cumulative effect of the changes to date on the capital programme.

Chart 1: Capital Programme changes to date 2014-15 at Period 4



- 1.7 The arrow at Month 4 shows the latest position.
- 1.8 The table below provides a high level view of how the revised 2014-15 programme is made up for each service:

Table 2: Revised capital programme 2014-15

Service	Opening Capital Programme 2014-15	Cumulative Changes To Date	Reprofiling To Be Approved	Other Changes To Be Approved	2014-15 Capital Programme	Forecast Outturn	Over / (Under)spend
	£m	£m	£m	£m	£m	£m	£m
Children's Services	91.160	0.987	0.000	0.043	92.190	92.190	0.000
Adult Social Care	10.552	-3.060	-2.192	0.000	5.300	5.300	0.000
Cultural Services	1.119	0.032	0.000	0.075	1.226	1.226	0.000
Highways	90.492	2.759	0.000	0.000	93.251	93.100	-0.151
ETD Other	7.727	0.000	0.000	0.000	7.727	6.124	-1.603
Fire & Rescue Service	2.841	0.003	0.000	-0.002	2.841	2.841	0.000
Resources	34.044	0.349	-0.234	-0.079	34.080	34.090	0.010
Total	237.935	1.069	-2.426	0.037	236.616	234.871	-1.744
		239.005		-2.389			

1.9 Reprofiling

Table 2a: Reprofiting in June 2014

Service	Project	Funding Type	Amount £m	Explanation
Adult Social Care	Unallocated Capital Grant	Grants and Contributions	-2.192	Further consolidation and reprofiling of unallocated grant funding whilst plans for its use are developed.
Adult Social Care Total			-2.192	
Resources	Asbestos Survey & Removal Programme	Borrowing & Capital Receipts	-0.185	Funding moved back to meet expenditure in future years of programme
	Fire Safety Requirements	Borrowing & Capital Receipts	-0.049	Funding moved back to meet expenditure in future years of programme
Resources Total			-0.234	
Total Reprofiting			-2.426	

1.10 Other Changes

Table 2b: Other changes in June 2014

Service	Project	Funding Type	Amount £m	Explanation
Children's Services	Schools Based Projects	Specific Internal Funding	0.043	Additional work funded through receipt from sale of land at Northgate High
Children's Services Total			0.043	
Cultural Services	Adult Education and Libraries Corporate Minor Works	Borrowing and Capital Receipts	0.004	Funding transferred from CMW pot in Resources to fund small projects
	Libraries Carbon Energy Reduction Fund Projects	Borrowing and Capital Receipts	0.071	Funding transferred from CERF pot in Resources to fund small projects
Cultural Services Total			0.075	

Fire and Rescue Service	Fire & Rescue Corporate Minor Works	Borrowing and Capital Receipts	0.002	Funding transferred from CMW pot in Resources to fund small projects
	Other minor adjustments	Borrowing and Capital Receipts	-0.004	Other minor adjustments
Fire and Rescue Service Total			-0.002	
Resources	CERF Pot	Borrowing and Capital Receipts	-0.006	Disaggregation of funding to schemes within services
	CMW Pot	Borrowing and Capital Receipts	-0.071	Disaggregation of funding to schemes within services
	Other Minor Adjustments	Borrowing and Capital Receipts	-0.002	Other minor adjustments
Resources Total			-0.079	
Total Other Changes			0.037	

1.11 There were no significant virements between schemes within services during July.

1.12 The revised programme for 2015-17 is as follows:

Table 3: Opening capital programme 2015-17

Service	Revised Position at end of June 2014 £m	Reprofiling in July £m	Revised Position at end of July 2014 £m
Children's Services	46.897	0.000	46.897
Adult Social Care	3.065	2.192	5.257
Cultural Services	0.000	0.000	0.000
ETD Highways	123.722	0.000	123.722
ETD Other	3.600	0.000	3.600
Fire and Rescue	1.769	0.000	1.769
Resources	20.971	0.234	21.205
TOTAL	200.024	2.426	202.450

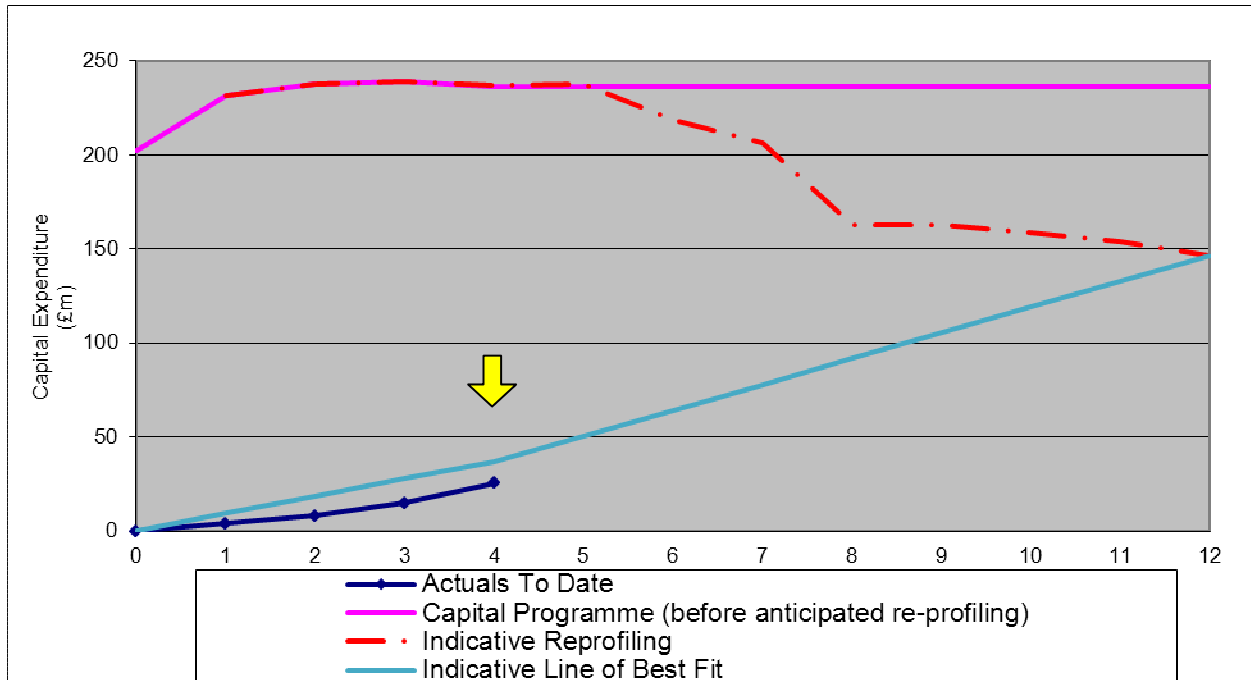
1.13 The revised position of the future years programme was reported to Policy and Resources committee on 5 September 2014.

1.14 Reprofiling into future years is as reported in Table 2a.

2 Actual Spend and Progress on Capital Programme

2.1 Progress on the overall capital programme is as follows:

Chart 2: Capital programme 2014-15 and cumulative actual expenditure



2.2 Total expenditure on the 2014-15 capital programme to the end of July was £25.206m. By comparison, the Council had spent £34.602m by the end of July 2013.

2.3 Capital projects by their nature do not lend themselves to evenly profiled expenditure, which would suggest a target spend percentage of 33.3%. A number of reasons may result in higher expenditure during certain parts of the year. In particular, major construction and infrastructure projects would expect to incur greater expenditure during the summer and autumn. There may be other reasons for delays in projects such as difficulties in obtaining planning permission.

2.4 The graph above suggests that there may be a significant amount of re-profiling of expenditure into future year's programmes. The difference between the current profile and actual at Month 4 is 22.6%. Further re-profiling will be reflected in the period 5 report.

2.5 The dotted lines on Chart 2 present an indicative pattern of reprofiling based on last year's capital programme. If there is similar reprofiling in this year then the outturn capital programme would be £146.5m and expenditure to date would represent 17.2% of the outturn, 16.1% below expected progress if expenditure is incurred on a "straight line basis". The "line of best fit" above has been adjusted for major projects not yet in construction/delivery (as shown in Chart 3). This shows that actual expenditure is closer to an expected profile, but is still below expected progress.

- 2.6 Progress towards the completion of the current capital programme by each service is as follows:

Table 4: Comparison of capital programme, by service, and expenditure to date

Service	Capital Programme	Expenditure To Date	% Capital Expenditure Incurred	RAG
	£m	£m		
Children's Services	92.190	5.291	5.7%	R
Adult Social Care	5.300	0.365	6.9%	R
Cultural Services	1.226	0.273	22.2%	G
Highways	93.251	15.197	16.3%	A
ETD Other	7.727	0.323	4.2%	R
Fire & Rescue Service	2.841	0.587	20.7%	G
Resources	34.080	3.171	9.3%	R
Total	236.616	25.206	10.7%	

- 2.7 A red "RAG" rating has been assigned to services where the expenditure to date is less than third of expenditure based on a "straight line" profile (amber between a third and a half). Reasons for expenditure being below an evenly distributed budget profile are as follows:

Children's Services (Month 4 gap: £25.439m) - "Red"

The three year programme for Children's Services remains heavily front-loaded and the expenditure in 2014-15 will not meet the current budget. There is further work required to refine the programme and correctly profile expenditure in line with anticipated works on the constituent schemes. A number of these schemes are still awaiting the completion of a land purchase or planning consent and are unlikely to be completed in this year. The reassessment of the programme is being undertaken with a view to reprofiling the budgets at the earliest opportunity.

Expenditure on schemes at existing schools is likely to accelerate over the coming months with the majority of work being undertaken during school holidays.

Adult Social Care (Month 4 gap: £1.402m) – "Red"

The Adult Social Care capital programme includes £3.000m for the provision of the dementia care and housing with care schemes at Bowthorpe in conjunction with NorseCare. The money for this scheme will be transferred to NorseCare later in the year as a contribution to the cost of the works, which will commence shortly and are due to be completed in this financial year.

ETD Other (Month 4 gap: £2.253m) – "Red"

The majority of the programme for ETD Other relates to loans to be paid to Norfolk Energy Futures Ltd in respect of developing renewable energy projects. There have not been any further loans agreed with NEF during the first quarter of 2014-15 and work ongoing to identify suitable schemes to finance remains challenging.

The other major scheme within this budget is for drainage improvements at the county's Household Waste Recycling Centres and landfill sites. There remain five sites at which works are required and these are expected to be completed in

2014-15 at a forecast underspend of £1.603m, as reported in Table 2, due to a reassessment of the works required and a change of contractor.

Resources (Month 4 gap: £8.189m) – “Red”

The majority of the programme for Resources in 2014-15 consists of two schemes:

- Better Broadband - £13.389m
- County Hall - £16.690m

The expenditure on County Hall in the first quarter of 2014-15 is broadly in line with expectations and, at this point, does not raise any cause for concern.

Better Broadband payments are paid quarterly and based on milestone reports received from BT. The need to validate these reports prior to payment means that the first quarterly payment has not been made yet. Progress on the scheme has been consistent with the plan to date and therefore the full £13.389m is currently expected to be spent in 2014-15.

2.8 An important indicator of progress on the capital programme as a whole is the stage, or gateway, of the constituent projects. The certainty of a project being delivered on time and within budget increases as it moves through the gateways from feasibility to completion.

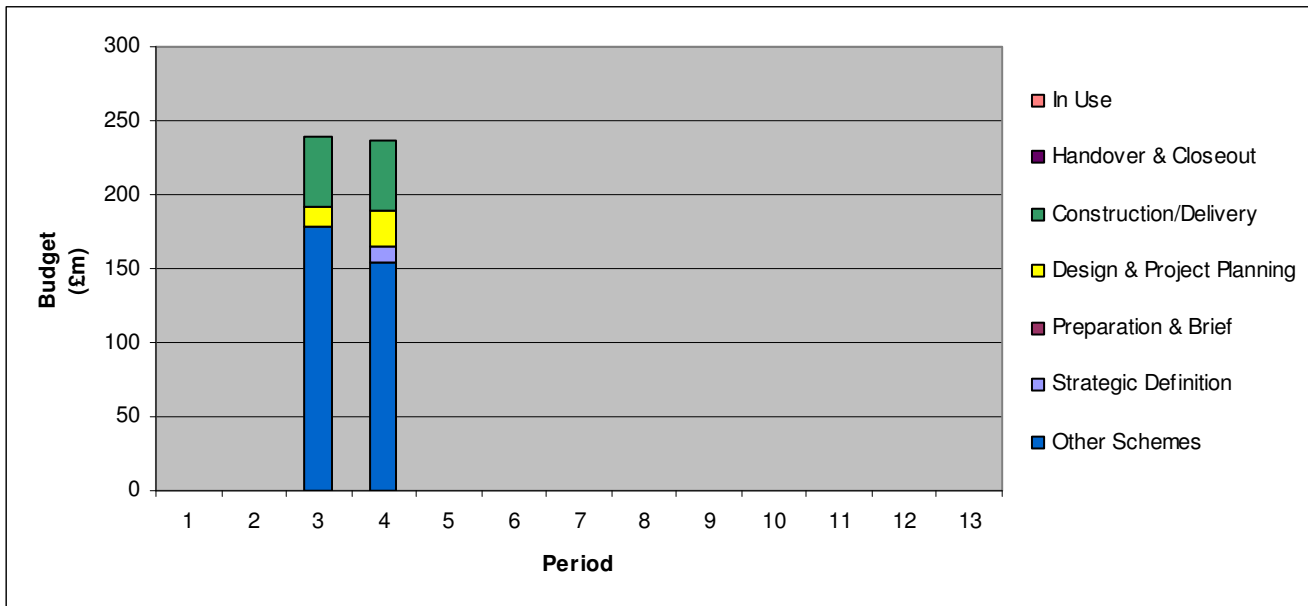
2.9 The following gateways will be applied to determine the progress of the schemes within the programme:

Project stage / Gateway	Description
Strategic Definition	Unallocated funding for which initial business cases and strategic briefs are still being developed
Preparation and Brief	Projects which have been identified and are undergoing options analysis and feasibility to identify the best route for delivery
Design and Project Planning	Projects where initial plans are being developed into a comprehensive project plan and design, through from the initial concept design to the technical design
Construction/Delivery	Construction, delivery & installation of the assets is underway
Handover & Closeout	Works on the assets are substantially complete and they have been handed over but are still undergoing a defects maintenance period prior to completion
In Use	Project is signed off, complete and in use
Other Schemes	Schemes below the de minimis for gatewaying (currently £5m)

2.10 The gateways identified above are based on the progress measurements used by the Council’s property consultants, NPS, and are consistent with the Royal Institute of British Architects (RIBA) industry standards for project management.

2.11 The table below is being developed to identify the current gateways of projects over £5m within the capital programme at the end of June 2014-15:

Chart 3 (in development): Gateway analysis of 2014-15 capital programme at end of July 2014



3 Financing The Programme

- 3.1 The Council uses a number of sources of funding to support its capital programme.
- 3.2 Funding comes primarily from grants and contributions provided by central government. These are augmented by capital receipts, developer contributions, prudential borrowing, and contributions from revenue budgets and reserves.
- 3.3 The table below identifies the planned funding of the revised capital programme:

Table 5: Financing of the capital programme

Funding Stream	Approved Capital Programme	Previously Approved Changes	Changes To Be Approved	2014-15 Programme	2014-15 Forecast Outturn	2014-15 Over / (Under)spend	Future Years Forecast
	£m	£m	£m	£m	£m	£m	£m
Prudential Borrowing	44.884	2.454	-0.088	47.249	45.655	-1.594	53.159
Capital Receipts	2.258	6.038	-0.107	8.189	8.189	0.000	1.894
Revenue & Reserves	3.567	-1.180	0.000	2.386	2.386	0.000	0.090
Grants and Contributions							147.307
DfE	58.463	13.496	0.000	71.959	71.959	0.000	
DfT	48.760	14.289	0.000	63.049	62.899	-0.150	
DoH	7.482	-1.672	-2.192	3.617	3.617	0.000	
DCLG	0.406	0.496	0.000	0.902	0.902	0.000	
DCMS	10.378	0.000	0.000	10.378	10.378	0.000	
GNDP/CIF	0.000	2.673	0.000	2.673	2.673	0.000	
Developer Contributions	0.000	14.669	0.000	14.669	14.669	0.000	
Other	26.265	-14.720	0.000	11.544	11.544	0.000	
TOTAL	202.462	36.542	-2.388	236.616	234.871	-1.744	202.450

- 3.4 Developer contributions and GNDP support have now been identified separately from the other grants and contributions in the above table.
- 3.5 The table above shows forecast prudential borrowing requirement for the Council to support the 2014-15 programme of £45.655m. The underspend of £1.594m on borrowing is primarily related to the lower than expected cost of providing drainage improvements at the County's landfill and Household Waste Recycling Centres.
- 3.6 The revenue consequences of borrowing are shown in Appendix 1. The key issues continue to be:
- To evidence that spend-to-save schemes generate savings to fund their costs; and
 - That unsupported borrowing schemes are reviewed to identify alternative revenue funding.

Further details of spend-to-save schemes and other schemes largely funded through borrowing are shown in Appendices 1 and 2.

4 Capital Receipts

- 4.1 The Council's Asset Management Plan, as agreed on 14 April 2014, details the short and medium term plan for the management of the Council's assets and how this supports the delivery of the Capital Programme.
- 4.2 Key themes of the asset management plan relating to the capital programme were:
- Using our property portfolio more efficiently and rationalising the office space used by the Council;
 - Reducing the number of surplus properties;
 - Generating capital receipts in line with the requirements of the agreed capital programme; and
 - Developing an investment strategy and policy.
- 4.3 The capital programme, approved in February, further detailed how asset management would support capital expenditure through generating £10.163m of capital receipts through property disposals.
- 4.4 Since then, there have been a significant number of changes to the draft disposal schedule as a result of identifying further general disposals to reduce borrowing across the capital programme. The current revised schedule for disposals is:

Table 6: Revised disposal schedule £m

	2014-15 Approved	2014-15 End of June	2014-15 End of July	Changes since the end of May
General Capital Receipts Available	2.258	5.865	5.715	-0.150
Financial Packages	1.485	1.235	1.235	0.000
County Farms Capital Receipts	6.420	2.435	2.618	0.183
Estimated Total Capital Receipts	10.163	9.535	9.568	0.033

- 4.5 Changes on expected capital receipts following the last report are as follows:

4.5.1 General Capital Receipts

Movements on general capital receipts are as follows:

- Delayed sale of Lingwood Junior School

4.5.2 Financial Packages Receipts

There has been no change to the estimate for financial packages.

4.5.3 County Farms Receipts

Following a review of potential County Farms sales there have been a number of adjustments to the values of farms which were previously reported in the sales schedule resulting in an overall increase of £0.100m in farms receipts.

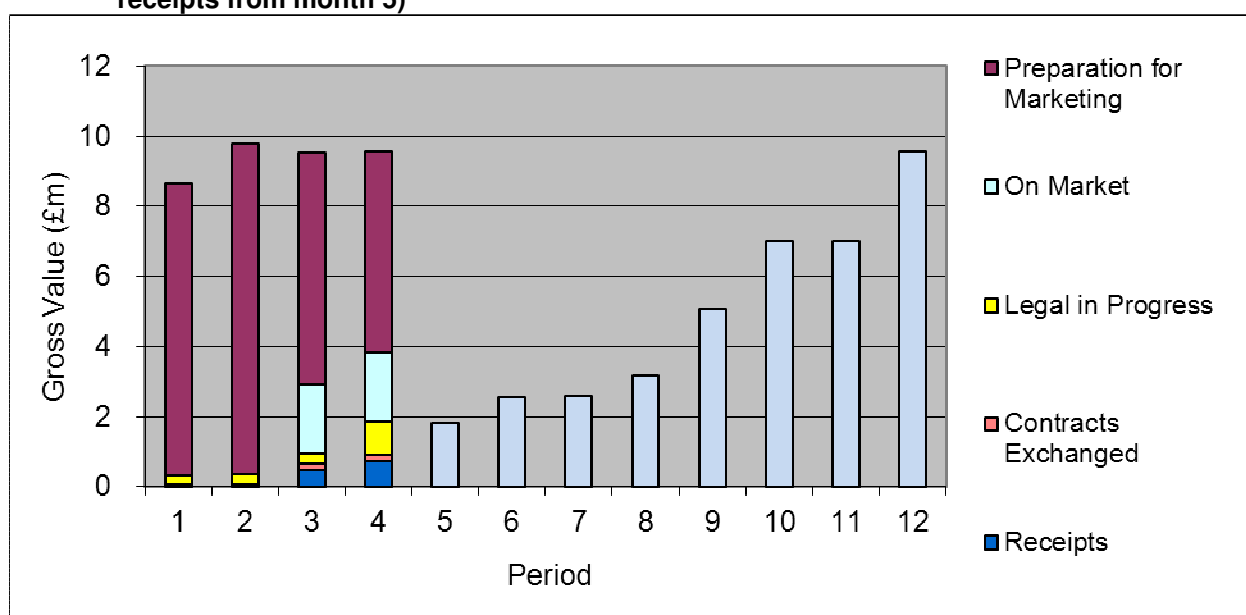
There has also been one property, Vicarage Farm Barns at North Elmham, valued at £0.200m which has been delayed until 2015-16 and three properties with a combined value of £0.283m which have been brought forward from future years.

Table 6a: Reconciliation of Disposal Schedule Estimates

	£m
Capital receipts estimate at end of May 2014	9.535
Additions	0.000
Upward revaluations of estimates	0.280
Brought forward from future years	0.283
Removals	
Downwards revaluations of estimates	-0.180
Delayed until future years	-0.350
Revised Estimate 2014-15	9.568

- 4.6 The chart below shows the progress on realisation of the forecast capital receipts for 2014-15.

Chart 4: Forecast Capital Receipts from property sales 2014-15 (estimated cumulative receipts from month 5)



The columns for periods 5-12 show estimated cumulative future monthly receipts. A detailed list of property sales and their status may be found in Appendix 4.

- 4.7 Where unallocated capital receipts are generated the Council uses these to support its general capital programme. Anywhere capital receipts have been allocated as part of a financial package, but are still to be used, they are retained in the capital receipts reserve to fund future projects. The table below identifies expected movements on the capital receipts reserve:

Table 7: Capital receipts reserve forecast 2014-15

	General	Financial Packages	County Farms	Total
	£m	£m	£m	£m
Opening Balance	0.000	1.385	0.367	1.752
Forecast receipts from sales of properties	5.715	1.235	2.618	9.568
Receipts from sales of assets to leasing companies	0.867	0.000	0.000	0.867
Other capital receipts	0.000	0.000	0.000	0.000
Forecast receipts generated in year	6.582	1.235	2.618	10.435
Sales expenses	-0.300	0.000	0.000	-0.300
Receipts repayable to third parties	0.000	0.000	0.000	0.000
Forecast net receipts available for funding	6.282	2.620	2.985	11.887
Forecast use to fund incomplete leases	0.000	0.000	0.000	0.000
Forecast use to fund programme and reduce borrowing	-6.282	-0.990	-0.917	-8.189
Forecast Closing Balance	0.000	1.630	2.068	3.698

- 4.8 Financial packages exist where the Council has agreed to link receipts from the sale of an asset with the funding of a specific project. Balances on financial packages exist where these projects remain incomplete.

5 New capital scheme proposals requiring borrowing

- 5.1 There are currently no new proposals for schemes requiring borrowing.

6 Spend to Save schemes

- 6.1 An analysis of spend-to-save schemes, Economic Development schemes, and schemes funded through the Norfolk Infrastructure Fund is set out in Appendix 2. A new scheme requiring approval is set out in Appendix 5.

7 Capital schemes in development

- 7.1 The following capital schemes, which have been reported to previous cabinet meetings, are in development:

- Land developments at former RAF Coltishall,
- Further development of broadband in rural areas,
- Greater Norwich infrastructure projects.

7.2 A14 Cambridge to Huntingdon Improvement Scheme 2016-2020

The Secretary of State for Transport proposes to construct the A14 Cambridge to Huntingdon Improvement Scheme. The scheme is under development and is to be jointly funded by the Secretary of State and local authorities and LEPs based in the Eastern region. The outturn cost of the scheme is approximately £1.345 billion based on the works taking place between the financial years 2016-17 and 2019-20. Local authorities and LEPs will be contributing £100m, with £75m from Cambridgeshire County Council and Greater Cambridge

Greater Peterborough LEP. Norfolk County Council's will be £0.040m per annum from January 2020 to January 2044, resulting in a total commitment of £1m.

7.3 One Public Estate programme

Twenty councils, including Norfolk County Council, have been selected for the second phase of the One Public Estate programme to optimise the use of public sector land and property. The One Public Estate programme uses land and property released to boost economic growth and regeneration. It encourages sharing services, reduces running costs and generates capital receipts (money received from selling surplus property).

The 20 councils will join 12 pilot councils that took part in the first phase of the programme in 2013. They will receive funding and training including support from on how to "cut red tape and unblock barriers to progress".

Norfolk County Council's bid was submitted in conjunction with Suffolk County Council and with Forest Heath and St. Edmondsbury (West Suffolk) district council.

Norfolk County Council is in the process of agreeing a Memorandum of Understanding with the Local Government Association and the Government Property Unit. NCC's membership of the programme, together with the creation of a central property team, will be significant enablers in achieving the Council's £5m 2015-18 property related savings target, improving the property portfolio the services delivered from them.

Appendices

Appendix 1: Revenue Consequences of Borrowing

Appendix 2: Spend to Save and NIF-Supported Schemes

Appendix 3: Norfolk Infrastructure Fund Update

Appendix 4: Capital Receipts

Appendix 5: Spend to save scheme: the Oaks site, Harvey Lane, Norwich

Appendix 1: Revenue Consequences of Borrowing

- i. The Council is required under the Local Government Act 2003 to have regard for the CIPFA Prudential Code for Capital Finance in Local Authorities (The Prudential Code).
- ii. The Prudential Code sets out the principles by which authorities should ensure that their level of borrowing is prudent and affordable. It also prescribes the indicators an authority must use to assess the prudence and affordability of its borrowing.
- iii. The prudential indicators, which include the authorised limit for borrowing and the expected ratio of financing costs to net revenue stream for future years, are set annually and were agreed alongside the Capital Programme on 17 February 2014.
- iv. The indicators are monitored on a monthly basis and any significant deviation from the set level, which would indicate that the Council is acting imprudently, is reported to Members by Treasury Management. Currently the Council is working well within the indicators set in February and does not plan to undertake any further borrowing in 2014-15.
- v. The level of borrowing on the Council's Balance Sheet reflects prior capital funding decisions and must be viewed in the context of the overall portfolio of assets held by the Council.
- vi. The Council is required to set aside an amount of money annually to service its debt and ensure that its actions do not impair the ability of the Council to borrow to support its capital requirements in the future. This is known as the Minimum Revenue Provision (MRP). The underlying assets provide services for the Council over a significant period of time and, through setting aside an amount of money annually to service the associated borrowing, the Council matches the cost of these assets to the service potential provided by them.
- vii. Additional borrowing results in an increase in the amount of interest the Council must pay each year and an increase in the MRP it must make. The table below shows the incremental effect of the current programme of unsupported borrowing on future revenue budgets:

Table A1a: Analysis of unsupported borrowing required to support the capital programme

	2014-15	2015-16	2016-17	2017-18
	£m	£m	£m	£m
Forecast additional borrowing required in year	45.655	33.256	19.903	N/A
Cumulative additional borrowing	45.655	78.911	98.814	98.814
Interest		2.283	4.112	5.206
MRP		1.826	3.156	3.953
Total annual revenue impact of borrowing (cumulative)		4.109	7.268	9.159

- viii. The figures are based on interest rates for borrowing of 5.00%, 5.50% and 5.50% for 2014-15, 2015-16 and 2016-17 respectively. MRP is calculated on the basis of accounting for 1/25 of capital expenditure per year, which is consistent with

expenditure on buildings; where expenditure is incurred on other types of asset, MRP figures will vary from those shown above.

- ix. During 2013-14, the Council will be repaying loans of £9.000m, resulting in a reduction of £0.479m in interest costs.
- x. Unsupported borrowing may be analysed into “spend to save” schemes and those schemes which do not have a recognised saving or income stream related to them:

Table A1b: Analysis of unsupported borrowing

	2014-15	2015-16	2016-17
	£m	£m	£m
Spend to save (Appendix 2)	20.923	9.530	0.000
Economic Development & NIF Funded Schemes (Appendix 2)	14.712	24.297	20.000
Deferred borrowing	9.305	0.000	0.000
Other schemes	7.914	1.213	0.013
Capital receipts available to reduce deferred and other borrowing	-7.199	-1.784	-0.110
Total	45.655	33.256	19.903

xi. Spend to Save Schemes

Spend to save schemes are schemes where savings or income to cover the revenue consequences of borrowing in future years (or a specific capital receipt) have been identified. Proceeding with these schemes should have no adverse impact on future revenue budgets.

xii. Economic Development & NIF Funded Schemes

Schemes financed through Economic Development and Norfolk Infrastructure Fund also have specific future revenue streams and savings attached to them. For example, loan repayments on the Norfolk Energy Futures loan.

xiii. Deferred Borrowing

Deferred borrowing represents 2014-17 capital schemes that are nominally funded from revenue and reserves, but which are now being funded from borrowing as reserves were used in previous years to minimise the revenue costs of borrowing.

The funding for these schemes should not be considered for removal as the borrowing has already been committed to in previous financial years when the decision to use revenue contributions was made.

- xiv. The following table identifies the breakdown of those schemes which do not fall into one of three above categories:

Table A1c: Analysis of Other Schemes

Scheme	2014-15	2015-16	2016-17	2017-18
	£m	£m	£m	£m
Corporate				
Corporate Minor Works	0.305	0.113		
Alterations to Offices to Comply with Disability Discrimination Act	0.124	0.130		
Asbestos Survey & Removal Programme (Chief Exec)	0.324	0.185		
Fire Safety Requirements	0.076	0.049		
Unsupported schemes				
Kings Lynn Fire Station	1.173			
Kings Lynn North Improvements	0.400			
Real Fire Training Unit	0.108			
New Fire Station - Boat Store & Enhanced	0.005	0.153		
Closed Landfill Site Capping	0.248			
HWRC Drainage Improvements	0.430			
Education schemes initially funded through supported borrowing				
Schools Access Initiative Post 2011-12	0.165	0.200		
BEST Briggan Road	0.506			
Kings Lynn Academy	0.034			
Drake Land	0.350			
Gayton Land	0.066			
Queens Hills Land	0.350			
Chapel Rd site	0.150			
Sustainability	0.455			
Condition Contingency	0.448			
Thetford Replacement School	1.117			
Robert Kett, Wymondham	0.176			
Valley Primary	0.136			
Brooke Replacement School		0.145		
Other education schemes	0.386			
Other small schemes				
Other Schemes	0.388	0.238	0.013	
	7.914	1.213	0.013	
Cumulative Borrowing	7.914	9.127	9.140	
Impact on revenue		0.712	0.827	0.829

- xv. The schemes identified in the first part of Table A1c represent corporate programmes intended to maintain Norfolk County Council assets and ensure that the Council complies with legislation.
- xvi. Reprofiled schemes includes costs previously reported as being deferred borrowing, as described above.

- xvii. To fund or reduce the Council's unsupported borrowing detailed above, there are three options:
- a. Amend the future capital programme to reduce the funding available to support these schemes, including an ongoing review of the Corporate Minor Works programme
 - b. Identify revenue budget to fund the capital expenditure directly.
 - c. Identify a suitable reserve from which to draw down the funding for the schemes.

Appendix 2

Appendix 2: Analysis of Spend to Save and Economic Development & NIF Funded Schemes

- i. The total for “spend to save” schemes in Appendix 1 Table A1b in can be analysed as follows, with details of the benefits to be realised for each project.

Table A2a: Analysis of “spend to save” capital schemes 2014-17

Scheme	Financing	2014-15	2015-16	2016-17
		£m	£m	£m
Carbon Energy Reduction Fund (CERF)	Energy cost savings	2.052		
County Hall Carbon Energy Reduction Fund		0.535	0.771	
County Hall Better Ways of Working	Office closures rent saving	2.462	1.760	
County Hall Strategic Maintenance		13.555	6.999	
North Norfolk Office Reorganisation	Office closures running cost saving and sales proceeds	0.030		
County Farms Improvements	Capital receipts from County Farms disposals	0.916		
Great Yarmouth Property Rationalisation	Capital receipts from disposal of Great Yarmouth office accommodation	0.420		
Gressenhall Sewerage Works	Increased capacity for visitor numbers	0.253		
RAF Coltishall	Identified capital receipt used to replace direct funding from NIF	0.700		
Total Current and Proposed Spend To Save Schemes		20.923	9.530	0.000

- ii. The following table analyses Economic Development & NIF Funded schemes funded through borrowing and /or supported by the Norfolk Infrastructure Fund. The Norfolk Infrastructure Fund (NIF) is a fund using second homes council tax income.

Table A2b: Analysis of Economic Development and Norfolk Infrastructure funded capital Schemes 2013-16

Scheme	Financing	2014-15	2015-16	2016-17
		£m	£m	£m
Better Broadband	Telecommunications contract savings and NIF support	3.012	11.197	
Northern Distributor Road	GNDP/ CIF	7.550	9.500	20.000

Loan to Norfolk Energy Futures	Loan Repayments From renewable energy incomes generated by a wholly owned company	4.150	3.600	
Total Economic Development and NIF funded projects		14.712	24.297	20.000

- iii. Updates on Better Broadband, the Beach Coach Station and NORA are included in Appendix 3.

Appendix 3: Norfolk Infrastructure Fund Update

- i. The Norfolk Infrastructure Fund is a reserve funded by Second Homes receipts and created to support investment in economic development and infrastructure schemes undertaken by the Council.
- ii. This support is in the form of either:
 - a. one-off funding from the reserve, whereby the Council does not incur future revenue costs related to borrowing, or
 - b. through support for borrowing, providing an annual contribution to mitigate the future effects of interest and MRP.
- iii. An annual update detailing progress on the fund was presented to Cabinet on 3 March 2014.
- iv. The commitments on the fund at that point were reported in the last capital monitoring report. A revised list of commitments following the closure of 2013-14 is being prepared for the Economic Development Sub-Committee and will be included in the report following that committee.
- v. The following provides an update on the position of the current schemes within the Norfolk Infrastructure Fund:

NORA (Nar Ouse Regeneration Area) Housing Project

Progress update

- Pre-commencement planning conditions and associated works were completed and signed off in July 2013. The expected surplus from phase one was £0.392m (outline business case May 2012).
- There have been significant issues in regard to ground conditions and a pumped sewer main across the site which have now been resolved. Compared to the plan, a further contribution may be necessary.
- Infrastructure works commenced in August 2013 and piling commenced in October 2013.
- Construction of the first 54 dwellings (Phase 1) commenced in November 2013 with the first of these properties programmed to be completed in May 2014 with the whole of Phase 1 being handed over by October 2014.
- William H Brown has been appointed as agent for the site, interest from potential purchasers is strong. A number of offers have already been accepted "off-plan". To help generate sales there will be a show home on the site and the scheme is registered with the Help to Buy scheme.
- The business plan for phase 1 is being refreshed. Later phases cannot commence until a business plan has been agreed.
- After each phase of development is finalised, a report analysing the results of that phase will be completed (Cabinet April 2010).

Royal Britannia Crescent (formerly Beach Coach Station Car Park, Great Yarmouth)

Period 4 Sales update

- All 19 homes have been built. There has been further progress on the sales of properties following the May 2014 report.
- Sales activity to date is as follows:
 - Five completed and sold at the end of June 2014, including three to the Saffron Housing Association, in line with the expectations of the last report.
 - Six sold subject to contract and a further two properties where offers have now been accepted
- In total, 13 of the 19 properties have now been sold or are in the process of being sold, with work ongoing to secure sales on the remaining properties.

Scheme estimates

- Current estimates for the scheme outturn are as follows:

	Original estimate	Change from Original Estimate	Current forecast
	£m	£m	£m
Total Budgeted Costs	2.076	0.144	2.220
Estimated Sales	-2.440 +/- 5%	-0.146	2.294
Estimated surplus (-)	-0.364	0.290	-0.074

The surplus has dropped compared to the original estimates, due to increased costs on the site. The latest figures show a small upward revision to the expected returns and still forecast a return on the project.

As further sales continue to be agreed and completed there will be increasing certainty that a surplus will be realised, but at this stage there remains a risk around that return.

Once the properties are sold the initial investment will be returned to the fund and will be available to fund future projects.

Supporting better broadband access in rural areas

Progress update

- On 21 December 2012, using the Broadband Delivery UK (BDUK) Framework Contract, Norfolk County Council signed a contract for the delivery of improved broadband infrastructure across Norfolk
- Once complete in late 2015, the combination of commercial deployments and the 'Better Broadband for Norfolk' project should mean that 89% of Norfolk premises to have access to 'next generation access' infrastructure and 83% of all Norfolk premises have access to speeds of 24Mbps+
- All premises are expected to have access to a minimum of 2Mbps (enough to run BBC iPlayer).

- Implementation commenced three months ahead of plan, and at the end of December 2013, over 20,000 premises have access to Superfast (24 Mbps+) broadband
- Further funding of £5.590m was announced by central government subject to the provision of match funding. A further £4m was requested from DCMS and agreed subject to the entire £9.590m being matched with local funding.

A report was presented to the Environment, Development and Transport committee on 8 July 2014 detailing options for procurement and match funding. Currently, Norfolk County Council proposes to make a £1m contribution with the remaining being sought from District Councils and the Local Enterprise Partnership.

The programme is still on schedule to be complete by the end of 2015.

Appendix 4: Capital Receipts

- i. The current budgeted requirement for borrowing and capital receipts to support the 2014-15 capital programme is £55.438m, with a further £55.053m required to fund 2015-17.
- ii. As detailed in Appendix 1, borrowing to finance the capital programme incurs revenue costs for both the interest on loans and the Minimum Revenue Provision that the Council is required to set aside. These increased revenue costs have an impact on the future revenue budgets set by the Council.
- iii. In order to reduce the borrowing required to finance the programme, the Council may seek to generate capital receipts through the rationalisation of its property portfolio.
- iv. The table below sets out in detail the sales which the Council has generated to date in 2014-15 in order to realise capital receipts and reduce the Council's borrowing requirement:

Table A4a: Sales to Date

Property	2014-15 Status	Capital Programme 2014-15	Forecast / Actual Receipt	Variance	Notes
		£m	£m	£m	
Former Landfill Site, North Walsham	Completed 4 July 2014	0.000	0.004	0.004	
Former Highways Office, Aylsham	Completed 19 June 2014	0.175	0.303	0.128	
Shrublands, Great Yarmouth	Completed 7 July 2014	0.050	0.166	0.116	
Tanner House, Thetford	Completed 17 July 2014	0.000	0.262	0.262	
Magdalen House HFE, Great Yarmouth	Completed 6 August 2014	0.000	0.000	0.000	
Former St Michael's School Site, Kings Lynn	Contracts Exchanged	0.000	0.050	0.050	
Former Railway Line, Walsingham	Legal in Progress	0.001	0.030	0.029	
Former Youth & Community Centre, North Walsham	Legal in Progress	0.000	0.200	0.200	
Unthank Centre, Norwich	Legal in Progress	0.000	0.700	0.700	
Land at Norwich Road, Acle	Legal in Progress	0.000	0.000	0.000	
Clere House HFE, Ormesby St Margaret	On Market	0.000	0.000	0.000	
Highways Depot, Watton	On Market	0.000	0.400	0.400	
Former Court House, Fakenham	On Market	0.000	0.100	0.100	
Primary School, Cringleford	On Market	0.750	0.950	0.200	
30 Swansea Road, Norwich	On Market	0.000	0.170	0.170	
Marsh House, Kings Lynn	Preparation for Market	0.185	0.185	0.000	
Dereham Road	Preparation	0.000	0.085	0.085	

Land, Norwich	for Market	0.000	0.310	0.310	
Earthsea House, East Tuddenham	Preparation for Market				
Former Claydon High School, Great Yarmouth	Preparation for Market	0.000	1.800	1.800	
Former Drill Hall, Great Yarmouth		0.025	0.000	-0.025	Staged payment accounted for in prior financial year
The Hollies Youth & Community Centre, Loddon		0.004	0.000	-0.004	Staged payment accounted for in prior financial year
New Youth & Community Centre, Sheringham		0.058	0.000	-0.058	Staged payment accounted for in prior financial year
Land Adjacent to 20 Three Mile Lane, Costessey		0.100	0.000	-0.100	Sale of property completed in March 2013-14
Herondale HFE, Acle		0.900	0.000	-0.900	No longer being considered for sale
Former Sailing Base, Filby		0.010	0.000	-0.010	Delayed until future years
Mildred Stone House HFE, Great Yarmouth		0.000	0.000	0.000	Delayed until future years due to community asset listing
General Capital Receipts		2.258	5.715	3.457	
Former School, Necton	On Market	0.350	0.350	0.000	
Former Highways Depot, Stalham	Preparation for Market	0.250	0.100	-0.150	
Alderman Jackson School, Kings Lynn	Preparation for Market	0.335	0.335	0.000	
Land at Sewell Park College, Norwich	Preparation for Market	0.000	0.450	0.450	
Former Sixth Form Centre, Swaffham		0.150	0.000	-0.150	Sale of property completed in March 2013-14
The Hollies and Ivy House, Great Yarmouth		0.200	0.000	-0.200	Sale of property completed in March 2013-14
Former Highway Depot, Hillington		0.200	0.000	-0.200	Sale of property completed in March 2013-14
Financial Packages Capital Receipts		1.485	1.235	-0.250	
Priory Farm, Wiggenshall St Germans	Contracts Exchanged	0.150	0.130	-0.020	
Sparrow Hall Bungalow, Blofield	Preparation for Market	0.150	0.150	0.000	
Hall Farm, Thorpe Market	Preparation for Market	0.000	0.900	0.900	
Church Farm Barns, Bacton	Preparation for Market	0.090	0.000	-0.090	
Barns at College Farm, Denver	Preparation for Market	0.300	0.300	0.000	
Site for 14 Homes Including Affordable Housing, Blofield	Preparation for Market	0.475	0.475	0.000	
Hall Farm Cottage, Haddiscoe	Preparation for Market	0.200	0.230	0.030	
Tunstead Barns,	Preparation	0.150	0.150	0.000	

Tunstead Site for 5 Homes Including 3 Affordable Housing, Salthouse Dairy Farm, Burlingham Row Hill Farm Barns, Hindringham	for Market Preparation for Market	0.065	0.065	0.000	
	Preparation for Market	0.000	0.138	0.138	
	Preparation for Market	0.000	0.080	0.080	
Land for 150 Homes Including Affordable Housing, Acle Vicarage Farm Barns, North Elmham Development Site, Hilgay		4.000	0.000	-4.000	Delayed until future years
Additional Land for Hospice, Hopton Site for 20 Homes Including 12 Affordable Housing, South Walsham		0.200	0.000	-0.200	Delayed until future years
		0.080	0.000	-0.080	Delayed until future years
		0.060	0.000	-0.060	Delayed until future years
		0.500	0.000	-0.500	Delayed until future years
Farms Capital Receipts		6.420	2.618	-3.802	
TOTAL RECEIPTS		10.163	9.568	-0.595	

Appendix 5: Spend to save scheme: the Oaks site, Harvey Lane, Norwich

1) Executive Summary

The Oaks has proved to be a difficult site for a variety of reasons listed below. The Council's property advisers have advised that an investment of £0.100m in providing services to the site will enable 4 individual plots to be sold, increasing the estimated sales value from £0.500m to £1m.

This proposal seeks approval to this approach together with approval to allocate £0.100m prudential borrowing, to be repaid when the sites are sold.

2) Background

The Oaks site continues to be challenging in respect of obtaining an optimum Planning Consent. The initial planning option appraisals of the whole site commenced in back in 2006 and there have been various reports since this time working in tandem with occupying service changes to bring the site in to line with the latest Development Plan policy.

The site falls within the defined Conservation Area in Thorpe St Andrew with a number of local site designations, notably an area of landscape importance and an area of green space. Additionally, significant areas within the site are designated as ancient woodland and the access way off Harvey Lane is restricted. These constraints have an impact on the overall development potential of the site as does the Children's Home that is to be retained.

The site extends to an area of 2.145 hectares and includes a number of buildings of varying styles and ages, including The Oaks (no.16) which is a three storey building of brick and slate construction, previously used for office purposes, and a number of two and single storey detached buildings to the north and north east (no's 16a, b and c) previously used for a mixture of educationally based residential and non-residential institutional uses.

3) Objectives

The main objective of this scheme is the maximisation of capital receipts for Norfolk County Council through a low density individual plot approach. The site is considered suitable for bespoke designs on large plots that will appeal to the more lucrative 'self build' market.

4) Project Alternatives

Various alternative approaches have been assessed and valued since 2006 in tandem with service occupation and local development plan directives. More recently two residual appraisals have been carried out:-

- 1) Conversion of the Oaks to a single dwelling and three new build dwellings.
- 2) Demolition of The Oaks, and four new build dwellings.

For each appraisal, a sensitivity analysis was carried out on costs to determine the level of profit with costs at 90% of the BCIS recommended level.

- 1) The conversion appraisal shows a profit on costs of 8.76% with the land at NIL cost. Using costs at 90%, the profit on costs is 20.20%, and the margin for land value is therefore 0.2% or £0.006m. It is unlikely that the costs can be reduced sufficiently to produce an acceptable land value.
- 2) The new build appraisal with profit on costs at 20% produces a land value of £0.335m. Using costs at 90%, the profit on costs is 30.60%, which gives an increased land value around £0.370,

It is likely that, if the consent for demolition and new build was obtained, a developer might pay in the region of £0.450m – £0.500m for the complete site. However, if the plots were sold individually to 'self-builders', then the entire site may realise around £1m clearly making this the preferred option

5) Financial implications and timing of receipts

To sell 4 individual plots it is necessary to take all the services, (electricity, water, telephone, gas, drainage) to the curtilage of each plot. Investigation of this work is on-going however early estimates are at £0.015-£0.020m per plot, plus fees, hence the initial funding requirement of £0.100m. This will have an impact on the 2015-16 revenue budget of approximately £0.010.

Planning applications are currently being finalised and will be made on a plot by plot basis. It is anticipated that consent will be obtained in the spring and summer of 2015, with sales between late summer 2015 and spring 2016. The woodland area will be sold separately to give all four plot owners the opportunity to purchase the woodland individually or as a collective with bids considered against a wider market. The Woodland has not been valued at this stage.

6) Implementation plan and risk management

There is a risk of some abortive fees if for any reason planning consent for individual plots is not forthcoming. This can be mitigated by maintaining a dialogue with the planning authorities during the application process. Consequently this is considered to be a low risk.

There is a risk of delay driven by archaeological finds. This is considered to be a medium risk.

Following funding approval further work will be commissioned and tenders obtained for the provision of services working in tandem with the planning applications.

Policy and Resources Committee

Item No 8

Report title:	Performance monitoring report
Date of meeting:	29 September 2014
Responsible Chief Officer:	Head of Business Intelligence and Performance Service & Corporate Planning and Partnerships Service
Strategic impact Performance monitoring and management information helps committees undertake some of their key responsibilities – informing Committee Plans and providing contextual information to many of the decisions that are taken.	
Executive summary <p>This paper reviews quarter one (April to June 2014) performance results for the council as a whole and also for those specific service areas that are covered by this Committee. Overall performance is good, when judged against the indicators that make up the performance dashboard.</p> <p>Key highlights for this quarter include:</p> <ul style="list-style-type: none"> • Services are being re-designed to reduce costs, enable more self-service and increase ease of use and access. More people are using pre-paid smartcards for their bus journeys and library public-facing ICT systems are being updated. • Efforts continue to be made to reduce the Council's running costs. The amount of money that is spent on energy is falling, and sickness absence is reducing year on year. • Adult social care services are focussing on those people who are most in need of support, enabling more people to live independently at home for longer and take greater control of their own social care. More people are being signposted to alternative social support services and more people are taking up personalised budgets. • Children's social care services are working hard to ensure that children and young people receive an appropriate level of service at the right point in time. The number of Looked After Children is starting to reduce as is the rate of re-referrals to social care. • There remains a strong focus on improving educational attainment in the county. Provisional GCSE results suggest no change in performance from last year for the county as a whole but there are significant improvements in some schools. • There are new opportunities to increase recycling and new ways of managing the county's waste are being explored although challenges remain. From October, more materials that would have otherwise gone in the waste bin will now be recycled. • The local economy is growing and diversifying. Fewer people are claiming JobSeekers Allowance, more businesses are starting up and entrepreneurial activity is being supported and encouraged. <p>A more detailed analysis of performance is provided in the main body of the report.</p>	
Recommendation Committee members are asked to: <ul style="list-style-type: none"> • Review and comment on the performance information • Consider any areas of performance that require a more in-depth analysis • Determine whether the performance indicators that form the basis of this report enable a robust assessment of performance across the service areas covered by this Committee. 	

1 Introduction

- 1.1 This paper enables Policy and Resources to undertake its responsibilities for providing a 'whole council view' of performance in addition to its responsibilities for monitoring performance of key cross-cutting services, including ICT, human resources, finance, property and asset management.
- 1.2 This report largely focusses on performance in Quarter 1 i.e. between April and June 2014, but makes use of the latest available data wherever possible.
- 1.3 In discussing this report, Members may identify additional specific areas that they want to cover routinely or items that they want to see as the subject of a more in-depth analysis for future meetings. Such items will then be included in the Policy and Resources Forward Plan.
- 1.4 Detailed financial reporting is being presented to this Committee on a monthly basis in the 2014-15 Revenue Finance Monitoring Report. To avoid duplication, only data on the performance of the finance service is provided here.
- 1.5 Following the July round of Committee meetings, members queried the rationale for not setting targets for some performance indicators and opting instead to keep them under surveillance (SURV notation on the performance dashboard in Appendix A). In response, all of the performance indicators have been reviewed and targets set against them, unless there was a strong case for not doing so. Typically, this was where the service has limited or no control/ direct influence over the indicator, or where it is inappropriate to set a target.
- 1.6 At the July meeting of the Committee, members also asked for more benchmarking information and trend analysis. This has been added into this report where it is available and where it helps to explain what is happening with performance.

2 Managing Change – Whole Council view

- 2.1 The County Council continues to manage significant changes to the way it works and the services that it provides to the people of Norfolk. The setting up of a refreshed organisation-wide change programme was set out in the 4 November 2013 Cabinet paper (Norfolk Putting People First Transformation Programme: Implementing An Accelerated Programme of Organisational Change for Norfolk County Council) by the Acting Managing Director.
- 2.2 The directorate transformation programmes include projects to deliver our financial, organisational and operational goals. These projects currently account for savings of £61.14m over three years.

Table 1: Transformation programme savings

2014/15	2015/16	2016/17	Total over 3 years
£25.26m	£19.077m	£16.807m	£61.144m

- 2.3 The programme is currently reporting as Amber for the period up to the end of July 2014 due to some delays in timescales and shortfalls in achievement of 2014/15 savings targets. An update on this will be provided in the 2014-15 Revenue Finance Monitoring Report.

Table 2: Dashboard Assessment by Programme					
Programme	Overall	Timescales	Benefits	Budget	Resources
Shared Services	AMBER	AMBER	AMBER	GREEN	AMBER
Adult Social Care	AMBER	GREEN	AMBER	GREEN	GREEN
Cultural Services	GREEN	GREEN	AMBER	GREEN	GREEN
Children's Services	AMBER	AMBER	AMBER	GREEN	AMBER
ETD	GREEN	GREEN	GREEN	GREEN	GREEN
Fire & Rescue	AMBER	AMBER	GREEN	GREEN	GREEN
County Hall (WorkStyle)	GREEN	GREEN	GREEN	GREEN	GREEN

2.5 The Adult Social Care programme aims to make best use of all aspects of Community Services to deliver legislative changes, to help ensure value for money, and a more individualised, localised and community based approach to adult care. Adult Social Care is working to achieve savings of £25.094m over three years. Updates on key activities as at the end of June include the following:

- Changes to the Resource Allocation System (RAS) which calculates people's personal budget allocations were implemented on 1 April 2014. This means that people have payments more effectively matched to their identified social care need.
- The new service model for the mental health social care project has been completed. The staff will be transferring back to NCC from the Norfolk and Suffolk Foundation Trust on 1 October.
- A project has been established to manage the Implementation of the Care Act and a lead officer appointed to oversee its implementation.
- The Independent Living Fund (ILF) project has restarted following a Government decision to resume plans to close the Fund on 30th June 2015 and transfer responsibility for supporting ILF users to local authorities.

2.6 The Cultural Services programme aims to work with people to achieve their potential and to build strong communities, redesigning services and business models in libraries and museums. Cultural Services is also working to achieve savings of £1.534m over three years. Updates on key activities at the end of June include the following:

- Reduced staffing in libraries – develop and implement a policy to allow some libraries to be staffed with only one person. Libraries introduced new staff timetables in June as planned and customer service levels are being reviewed.
- The library PC rollout and Library Management System (LMS) implementation both completed in June. This means that there will be improved customer service and more self-service as a result of the increased functionality of the new PCs and the LMS.
- Wedding licences for museums are being finalised for Norwich Castle, Strangers' Hall, Elizabethan House and Gressenhall as part of the income generation initiative within museums.
- Adult Education is delivering more courses from libraries as part of the project to work with communities to ensure libraries are hubs in local communities.

- 2.7 Children's Services has an improvement plan to meet their aim for all children in Norfolk to achieve their full potential and have their needs met at the earliest possible opportunity so that no child in Norfolk is left behind. Children's Services is working to achieve savings of £22.228m over three years. Updates on key activities at the end of June include the following:
- The Children's and Families Act (Special Education Needs (SEN) and Disability) project is changing the way that we work with health services to jointly commission education, health and social care services. A "Local Offer" will provide comprehensive and accessible information about the integrated support and opportunities that are available for young people 0 to 25 who have SEN. Overall the project is making good progress and is on track for the launch on 1 September.
 - The Children's Services Reorganisation proposal is progressing and discussions will take place with Members from September.
- 2.8 Norfolk Fire and Rescue Service (NFRS) is reshaping its services by: changing how it responds more effectively and efficiently to emergencies; making changes to how staff work shift duties; improving the way the service buys and uses large and small vehicles; making better use of fire stations and other resources, redesigning and transforming the way the Service operates. The Fire and Rescue Service is working to achieve savings of £2.171m over three years.
- 2.9 The Environment, Transport and Development (ETD) department's transformation programme aims to deliver a range of projects focusing on how ETD could do things better, faster, cheaper and more efficiently. ETD is working to achieve savings of £5.486m over three years.
- 2.10 The County Hall programme brings together the repair and refurbishment of the building with new ways of working to provide a modern office environment and develop more efficient use of office space within the building. The programme continues to progress well:
- Staff have been moved to the refurbished 8th floor
 - Work on the 7th floor is progressing well and staff are scheduled to move to this refurbished floor from the end of the month
 - The ground floor (south wing) and the 6th floor have been cleared and building work has started on these floors.
 - The touchdown area on the 2nd floor is available, for people looking for an alternative place to work.

3 Managing Resources– Whole Council view

- 3.1 Detailed financial reporting is contained within the '2014/15 Revenue Finance Monitoring Report' elsewhere on this agenda. To avoid duplication financial data is not reported here. Instead this section focusses on how well the Council is managing its people and property as these assets are essential to the delivery of good services.

Reducing energy costs and carbon dioxide emissions

- 3.2 Work to reduce carbon dioxide emissions results in reduced energy costs to the Council. For the last five years we have been actively working to achieve a 25% emissions reduction target, based upon a 2008/09 baseline. Progress against this was reported to EDT Committee at their meeting on 18 September 2014. What follows is a brief summary of the main elements of that report.
- 3.3 Phase 1 of the programme was to achieve a target of a 25% reduction in the Council's carbon footprint by 2013/14 (compared to the baseline year 2008/09) along with associated energy cost savings across all departments. Although this target was not achieved there

have been significant carbon savings across all services of 17.1% when compared to the baseline. In addition, while energy prices have risen steadily by an average of 7% each year, the energy consumption and energy costs have reduced by 20.1% and 21.7% respectively against the 2008/09 baseline.

- 3.4 Under the Government's statutory Carbon Reduction Commitment (CRC) energy efficiency scheme, public sector and private organisations that are high energy users must pay a tax liability for each tonne of carbon emission produced. The financial year 2013/14 is the fourth reporting year for the Council's carbon footprint and the tax liability was £622,536. This was covered through Finance general funds, with the schools component of £500,226 extracted from the Dedicated Schools Grant.

The tax liability for the past three years was:

- 2011/12 - £650,184
- 2012/13 - £678,102
- 2013/14 - £622,536

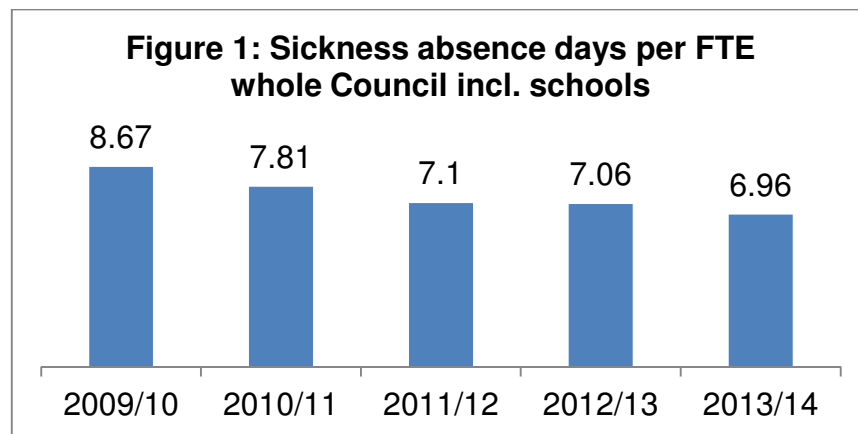
- 3.5 The next phase of the programme, agreed by Cabinet on 4 November 2013, is a 50% reduction in our carbon footprint by 2020. Despite missing the target for 2013/14, the 2020 target is seen as being challenging but realistic. In part, this is due to the removal of the schools estate from the Council's carbon footprint, in line with central government guidance. Also, the progress that is being made with corporate buildings, street lighting and traffic signals, business mileage and fleet management, and Digital Norfolk Ambition.

Spending less on business travel

- 3.6 In transforming the way that employees work by making greater use of technology and more flexible ways of working, the Council is looking to reduce the need for staff to travel. The benefits to the Council are an increase in productive working time and financial savings arising from a reduction in the amount spent on business travel and a lower level of carbon tax under the CRC.
- 3.7 In 2014/15 the Council adopted a new target to reduce the amount of business mileage paid by 20% when compared to 2013/14, saving £673,258.
- 3.8 Between April and July 2014 the Council (excluding schools) spent £39,296 less on business mileage when compared to April to July 2013. However this is only a 3% reduction compared to the £195,331, 20% reduction that we have set as our profiled target for July.
- 3.9 Additional work is now underway to re-promote and champion the importance of managing business travel across departments. It is recognised that there will always be a need to balance savings in business travel with operational effectiveness.

Reducing sickness absences

- 3.10 Fewer staff are absent from work due to sickness. Since 2009/10 the average number of days sickness absence per FTE (Full Time Equivalent) recorded for the whole Council (including schools) has reduced each year reaching a low of 6.96 days in 2013/14 (see Figure 1). Whilst we just failed to meet our 0.25 day reduction target we did reduce sickness absence by 0.1 day. The target for 2014/15 has been set at 0.25 days lower than 2013/14 at 6.71 days per FTE.



- 3.11 The data for Quarter 1 2014/15 shows that absence levels have reduced slightly against our performance in 2013/14 with an average 1.35 days absence per FTE this year compared to 1.55 days in 2013/14. Whilst this is a positive indication, it is too early to predict whether we will meet our target in respect of this measure. HR continues to work closely with managers to make reductions in sickness absence a priority.

Workforce profile

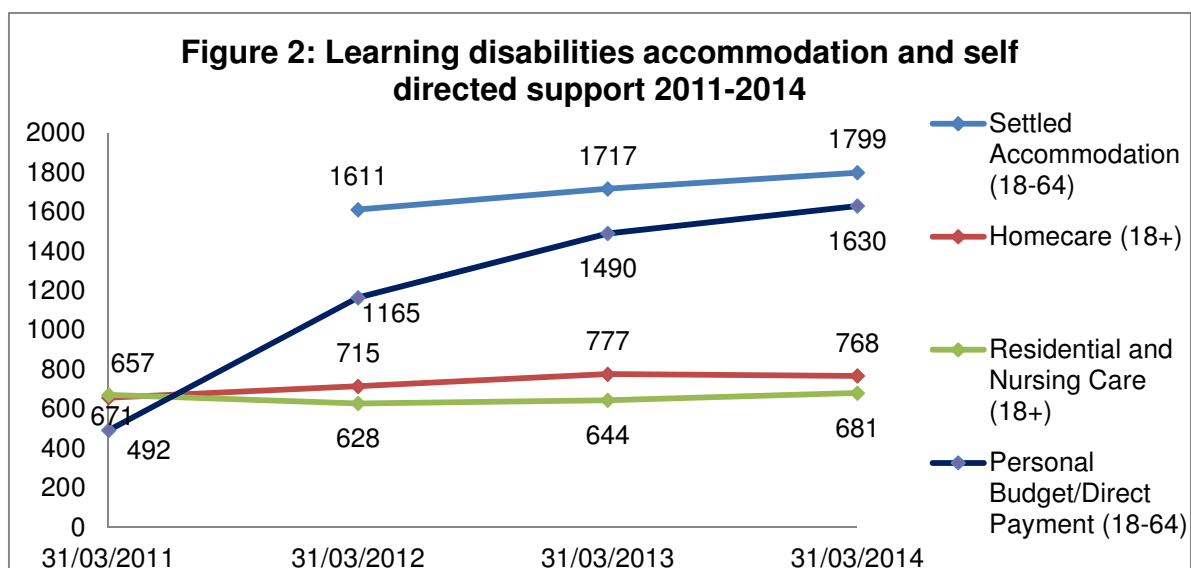
- 3.12 At the July meeting of the Committee, Members queried whether a more detailed breakdown of changes in the workforce over the period 2011/14 could be provided. The annual Workforce Profile Report will be discussed on today's agenda. This report covers areas such as: total employee numbers; redundancies and redeployments; the workforce profile; and temporary workforce trends.

4 Service performance– Whole Council view

Supporting people with learning disabilities

- 4.1 A learning disability affects the way a person understands information and how they communicate. More adults with learning disabilities are receiving social care support and intervention when living in settled accommodation, such as supported living, own homes and secure tenancies. Since 2011, the number of adults with learning disabilities in residential and nursing homes has stayed constant, while the number of people in settled accommodation, receiving homecare and receiving self-directed support has grown (Figure 2).

NHS Choices estimates that there are about 1.5m people in the UK with a learning disability, of which 350,000 people are considered to have a severe learning disability.



- 4.2 Whilst residential or nursing care may be appropriate in some cases where people have complex needs, the emphasis both nationally and locally is upon supporting people to live independently in the community. A key part of this is through self-directed support in the form of personal budgets and direct payments. Over the past four years, the number of people with learning disabilities receiving self-directed support has increased markedly from 492 in 2010/11 to 1630 in 2013/14.
- 4.3 The 2013/14 annual survey of the views of all those people who are receiving adult social care suggests that there is a high level of satisfaction, amongst adults with a learning disability, with the level of choice that people have in their care and the safety of their surroundings:
- The percentage of people with learning disabilities who said that care and support services helped give them control of their daily lives was 96% up from 82% the previous year.
 - The percentage of people with learning disabilities who said that they were able to spend all or enough of their time as they wanted was 99% up from 88% the previous year.
 - More people responded that they felt safe in their surroundings and that the care they received helped this.

The last of these is particularly significant when the findings of the recommendations of the Winterbourne View Enquiry, into abuse in a private sector assessment and treatment facility for adults with a learning disability in Gloucestershire, are taken into account.

- 4.4 Despite the good progress that has been made in work to support independent living, concerns have been raised by family carers and service users through the Norfolk Learning Disabilities Partnership Board that personal budgets do not always provide choice. The rationale being that some peoples care remained the same despite them receiving a personal budget. There have also been concerns expressed about the reductions in the well-being and transport components of the personal budget. In response to this, the reductions are being phased over a two year period and service users are being signposted to a range of other services that may be able to help them.

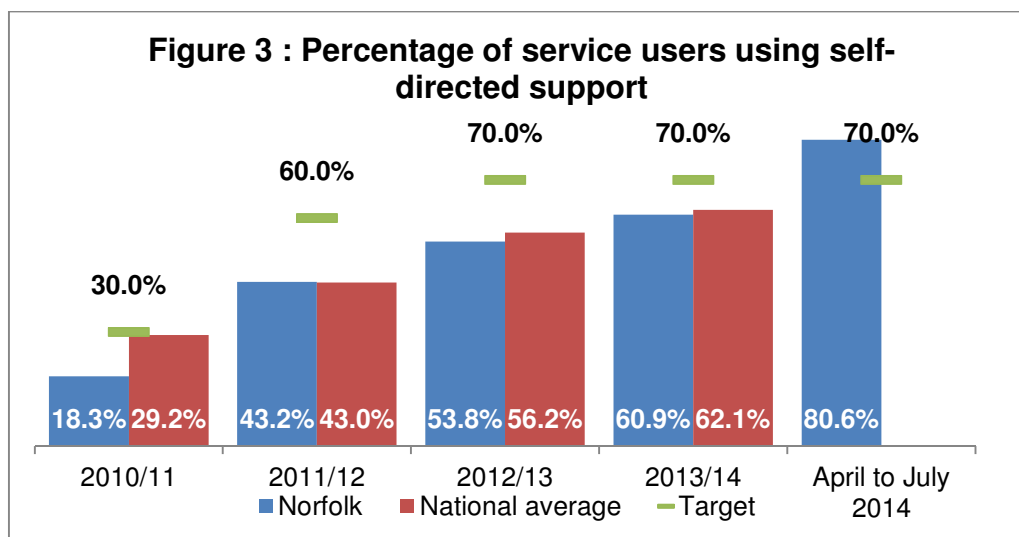
Enabling people to manage their own care and live at home longer

- 4.5 We are giving people more choice and control over their social care support through the local implementation of self-directed support and personalised budgets. The number of adult social care service users in Norfolk using self-directed support has been steadily increasing over the past four years, reaching 60.9% in 2013/14.

Every day adult social care:

- receive 250 requests for support
- assess the needs of 50 people who are not already receiving support
- reassess or review the needs of 70 people who are already receiving support
- assess or review the needs of 10 carers.

- 4.6 In the past we have failed to achieve the Government set target and, our performance has been slightly below the national average (Figure 3).

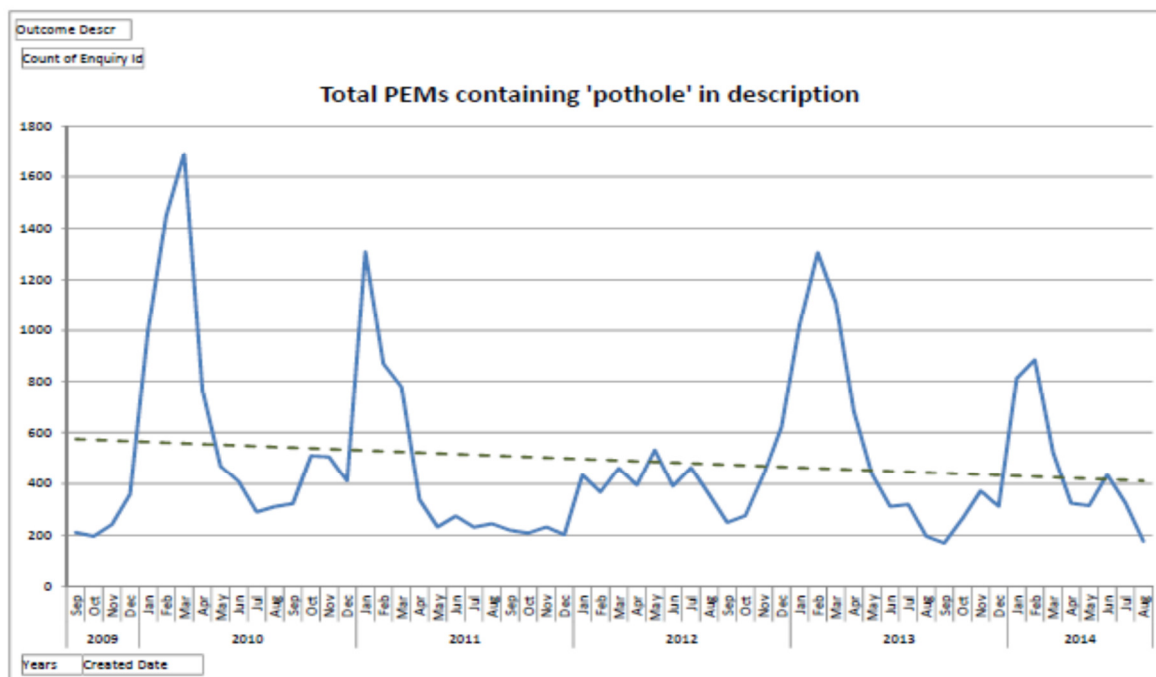


- 4.7 Earlier this year the Government changed the way in which councils were expected to calculate this measure, although the target has remained at 70%. As a result, the percentage of service users that were recorded as using self-directed support at the end of July 2014 increased to 80.6%- better than the target. Under the old methodology this figure would have been 69.6%, compared to the 60.9% at the end of 2013/14. As such, we are confident that the increase is as a result of more service users taking up self-directed support rather than just being due to a change in recording methods. Benchmarking data will not be available against the new methodology until later next year.
- 4.8 Cash payments give people the greatest choice and control over their care. Direct payments of cash to a service user or a third party, following an assessment, enables them to buy a much wider range of services from a much wider range of providers. At the end of July this figure was 34.4%, above the target of 25.5%.
- 4.9 One of the key drivers behind trying to increase the use of self-directed support and to better support carers is the Better Care Fund (BCF). This is a Government initiative aimed at accelerating the integration of health and social care services. Over the next 18 months it will:
- Improve the quality of services and patient experience of care
 - See more people cared for in their own homes, as opposed to hospitals
 - Develop more support for people to better manage their health conditions in the community, reducing the need for costly health or social care services later in life.
- 4.10 The principal means for judging how well the BCF has been implemented at a local level is against a 3.5% reduction target in non-elective admissions to hospital for the period to the end of the 2015 calendar year. In Norfolk, it is estimated that equates to 3,289 fewer admissions.
- 4.11 There is no new money associated with the Better Care Fund and performance against the 3.5% reduction target will have an impact on funding that is available to support the continued delivery of existing health and social care services in Norfolk over the next 18 months.
- 4.12 Locally, the 3.5% reduction target is assessed as being achievable, as a range of community and acute based programmes, projects and interventions have been developed by the Norfolk's Clinical Commissioning Groups (CCG) and integrated health and social care to reduce the number of non-elective admissions. These are detailed in full in the BCF submission. The Norfolk BCF was submitted to NHS England on 19 September 2014, having been formally agreed and signed off by the Norfolk Health and Wellbeing Board.

Maintaining Norfolk's network of 9,800 km of roads

- 4.13 The number of 'pot holes' on Norfolk's roads that are being reported has steadily decreased since 2009/10. The chart below illustrates the downward trend, despite seasonal variations associated with cold or wet winters, where the number of potholes reported increases.

Figure 4: Number of potholes reported



(PEM refers to Public Enquiry Manager defects, the Highways road defect reporting system.)

- 4.14 The cost of repairing dangerous potholes in Norfolk has increased only slightly in the past five years, despite annual inflation in the costs associated with highways maintenance of 15%. The cost of a repairing a dangerous pothole within two hours of it being reported was £157 in 2009/10 and is now £177. This has been achieved through changing ways of working and by using new materials to increase efficiency and minimise costs. In addition, the re-negotiation and re-commissioning of highways maintenance contracts, and the use of £5.41m of additional 'one-off' central government funding has allowed us to repair a greater number of potholes than we would normally and undertake preventative work, such as surface dressing and road patching works.

Making our services easier to access

- 4.15 The use of the smart cards makes bus journeys quicker and easier for both the bus operator and the user by removing the need for cash transactions. In Norfolk, smart cards have proved popular and uptake has exceeded expectations. Several small and large operators have already been equipped with the technology to accept smartcards and are doing so for concessionary scheme cards. The projection of performance to the year-end suggests that the target of 6 million smart journeys by March 2015 will be exceeded and the central aim of the smartcard project to achieve 20 million journeys a year by end March 2016 appears achievable.
- 4.16 The way in which people access some of our cultural services is changing and this is helping to reduce our costs. In the case of Norfolk's libraries, the number of virtual visits, including internet access to library services, contact via social media and e book borrowing, has increased steadily over the past three years from 4,317,964 in 2011/12 to 4,756,609 in 2013/14. Since 2009/10 the cost of providing library services in Norfolk, per head of population, has fallen from £13.72 to £11.51 in 2013/14. This reflects the savings that have been made by the change programme and the increasing emphasis upon self-service.

4.17 The Registration Service is responsible for registering births, deaths, stillbirths, civil marriages, and civil partnerships in Norfolk. Performance is good across all areas except for the registration of deaths, particularly Part B deaths (where a Coroner orders that a post-mortem be carried out). Performance in July 2014 was 27% registered within seven days, far short of the national target of 80% and a significant decline since the same period last year (67%). Early investigation suggests that this may be due to a delay occurring between the date of death and the date of booking to register. The Registration Service is working with the Coroner to determine what might cause this initial delay and to put processes in place that reduce it.

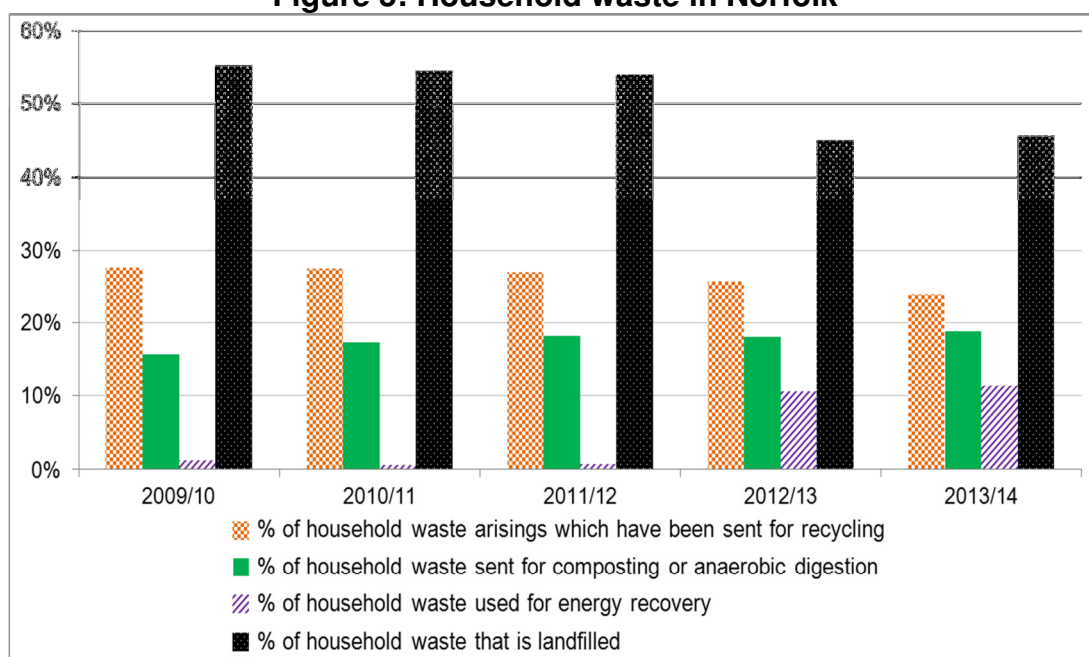
Managing our waste

4.18 The amount of household waste recycled in Norfolk has been declining over the past three years. Overall between 2010/11 and 2012/13 the total amount of household waste sent for recycling fell from 171,242 tonnes to 164,219 tonnes. The following graph summarises the principle means of dealing with the overall amount of household waste over the last five years. It shows that:

- Recycling performance has dropped in the last year linked to regulations which meant collected street sweepings could no longer be recycled, combined with the continuing reduction in weight of many materials collected for recycling.
- The increasing profile of waste used to generate energy in 2012/13 was linked to the County Council structuring its arrangements to meet the landfill allowance it had been allocated in that year, an allowance scheme which ended in 2013.

Figure 5: Household waste in Norfolk

4.19



4.20 There are a range of initiatives in place to reduce waste overall, divert waste from landfill, and to promote re-use and recycling. From 1 October 2014, it will be possible to recycle materials in the household recycling bins that are collected from the kerb-side. This will include glass bottles and jars, plastic food pots, tubs and trays and cartons.

4.21 Working with Suffolk County Council, new opportunities are being taken up to reduce the amount of household waste that goes to landfill. Under a new two year agreement, 40,000 tonnes of residual waste per year will be turned into electricity at Suffolk's Energy from Waste plant in Great Blakenham. This about 10% of the total amount of household waste Norfolk produces each year or 20% of its residual waste.

4.22 National comparative data for 2013/14 is expected to be released around November and will enable a broad comparison of performance with other authorities. Those year-end comparisons will be brought to the next appropriate committee meeting.

Waste prevention

- £700 = amount an average family could save per year by avoiding food waste
 - £4,000 = value of clothes in average UK household, 30% of which haven't been worn for at least a year
 - 23 = percentage of electronic equipment taken to Household Waste Recycling Centres which still works.
- (Source: Prevention is better than cure - The role of waste prevention in moving to a more resource efficient economy)

Improving our services and support for Children

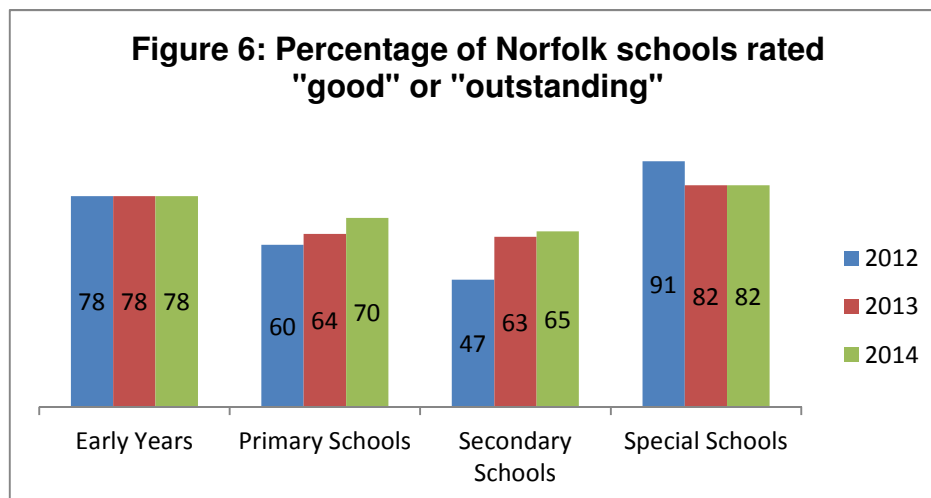
4.23 Norfolk Children's Services is undergoing an intensive period of improvement and challenge under the direction of the new Children's Services Committee and the independently chaired Norfolk Education Challenge Board, Norfolk Social Care Improvement Board and Norfolk Safeguarding Children Board. Members of the Children's Committee are closely scrutinising progress and receive monitoring reports at each meeting.

More children are being taught in schools that are good or outstanding but attainment is still below national averages

4.24 "Excellence in education" is one of three priorities where the Council is aiming to make a significant difference. We are now one year into the three year action plan to provide 'A Good School for Every Norfolk Learner' and whilst good progress is being made we recognise that there is still much more to do to close the gap between the achievement of Norfolk children and the achievement of children nationally.

4.25 An Ofsted inspection of Local Authority Support for School Improvement (LASSI) in June concluded that Norfolk County Council arrangements are now 'effective' (previously 'ineffective' in a 2013 inspection). This judgement recognised that our arrangements are having a positive impact on supporting and challenging schools to improve. For example, we have seen a significant increase in the proportion of schools judged by Ofsted as good and outstanding with more than 70% now judged good or better compared to less than 60% eighteen months ago. However, the percentage remains below the national average.

4.26



4.27 A Good School for Every Norfolk Learner continues to be the strategy to support further improvement in provision and outcomes in Norfolk schools. Following recent evaluation of the key elements of this strategy and the improvement priorities identified by Ofsted (see next section) a revised and updated plan will be published by the end of September 2014.

Improvement priorities identified by Ofsted LASSI inspection:

'To continue to improve its impact on schools, the local authority should:

- Work to increase the proportion of good and better schools still further, with a sharper focus on secondary schools and the smallest primary schools
- Challenge schools leaders to improve the achievement of vulnerable groups, including those entitled to free school meals and looked after children
- Focus support and challenge to eradicate the variability in pupils' outcomes between districts
- Develop the role of system leaders further by building on external support to rapidly increase capacity in the county.

- 4.28 A priority is to improve GCSE attainment (Key Stage 4). The provisional results for this summer show a that last year's performance has been maintained. A total of 54% of Norfolk's students achieved the gold standard of five A* to C grades, including English and Maths this year – the same figure as in 2013. There is no national comparative figure available for 2014. Early indications show that Norwich is the most improved of the seven Norfolk districts with 4% improvement in 2014.
- 4.29 There have been record improvements in the Early Years Foundation Stage, where outcomes improved in 2014 by 13% overall, narrowing the gap with the national average from 7% in 2013 to approximately 2% (based on very provisional national data). Other attainment results show:
- For Year 1 pupils, phonics results have improved by 13% but remain below national averages, although the gap has narrowed from 8% to 5%.
 - Teacher assessments for pupils at age 7 show that Norfolk children perform at the same level as those nationally
 - Outcomes for pupils at age 11 show that Norfolk's children are performing below the national averages by 5%, although data is still provisional.

We continue to address challenges in children's social care

- 4.30 Last year, Ofsted found our arrangements for protecting children, and looked-after children services, were 'inadequate'. We responded with a range of improvement plans with clear priorities and ambitious improvement targets. We are making some progress in delivering against these but many challenges still remain.
- 4.31 The number of contacts (where we are alerted to concerns about a child) continues to rise placing a high demand on staff. However, when assessed an average of only 1 in 5 of these contacts require a referral to social care. In July, 24% of contacts resulted in a referral, around 1 in 4. This has risen in line with the increase in contacts. We continue to work with partner agencies to ensure that contacts are appropriate so we can focus our resources on those children most in need of our support.
- 4.32 In addition, the rate of re-referrals reduced to just over 21% in July, which is close to the average figure for England, but is still too high. An internal 'deep-dive' review of re-referrals is being conducted to see whether there is any learning that can be applied to practice to help ensure a consistent downward trend in the numbers of children subject to repeated referrals.
- 4.33 All children referred to social care must have their case assessed within 10 days. In July the percentage of initial assessments completed within timescale dipped slightly from 57% in June to 56%. The increase in referrals during July meant that staff needed to complete more initial assessments. Therefore, whilst the percentage decreased, the number increased from 585 to 625.

- 4.34 The number of Looked After Children (LAC) is 1,119 - a 9% fall since May 2014. This means the rate of LAC per 10,000 under-18 population in Norfolk is currently 67.7%, well above the 2012/13 national average of 60% (latest available benchmarking data). Although the upward trend of recent years has been stopped, reducing the number to the target of 770 by March 2017 will be challenging.

5 Outcomes for Norfolk people and communities– Whole Council view

Creating jobs and encouraging business start ups

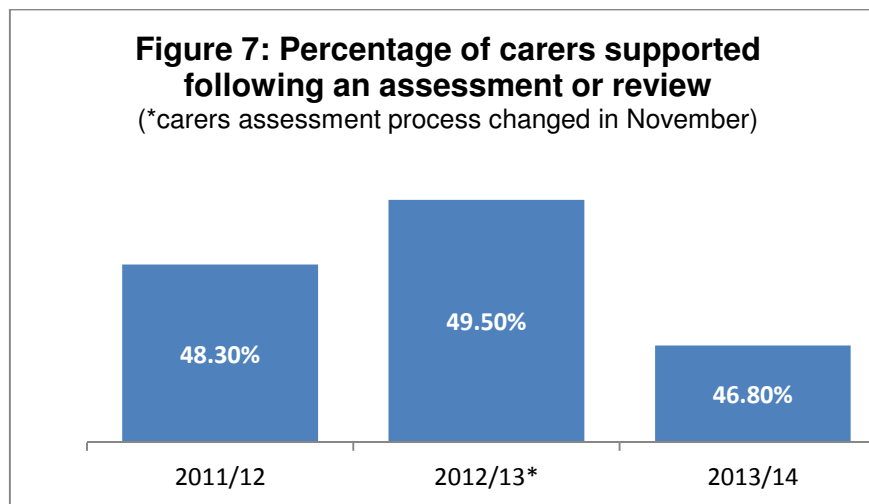
- 5.1 The number of people claiming Jobseekers Allowance (JSA) in Norfolk is falling. In June 2013 there were 16,278 claimants, compared to 10,450 in June 2014. The number of claimants as a percentage of the working age population was 2% in June 2014, better than the England average of 2.4% but worse than the East of England average of 1.8%.
- 5.2 The most recent data, year to December 2013, suggests that 28,300 people were unemployed in Norfolk, of which 13,100 were aged between 16 and 24. This equates to 46% of total unemployed people in Norfolk being aged between 16 and 24.
- 5.3 Encouraging and enabling business start-ups provides a firm basis for employment and economic growth. Working with Norfolk's district, borough and city council partners, our Economic Development and Strategy service has led on the development and implementation of the Enterprise Norfolk service. This service helps budding entrepreneurs take a business idea from conception to fruition. This highly successful two year programme has exceeded its year one target of 150 starts by enabling 288 new businesses to get up and running in the 2013 calendar year.
- 5.4 The Norfolk Rural Development Strategy was published in October 2013. It set out shared ambitions for sustainable economic growth in rural areas to 2020. It also provided a strong evidence base to support funding applications to the Department for Environment, Food and Rural Affairs (DEFRA) for LEADER funding. It is anticipated that up to £10 million could be secured for Norfolk over the 6 year LEADER programme period, which commences on 1 January 2015. The previous round of LEADER funding in Norfolk resulted in the creation of over 200 jobs and the establishment of 45 micro-enterprises in rural areas of the county.

Increasing support to carers

- 5.5 The delivery of adult social care in Norfolk, as elsewhere in the country, relies heavily upon the support that is provided by unpaid carers. Carers are typically family members or friends who may themselves have un-met social care needs.

The 2011 Census suggests that there are 94,700 unpaid carers in Norfolk.

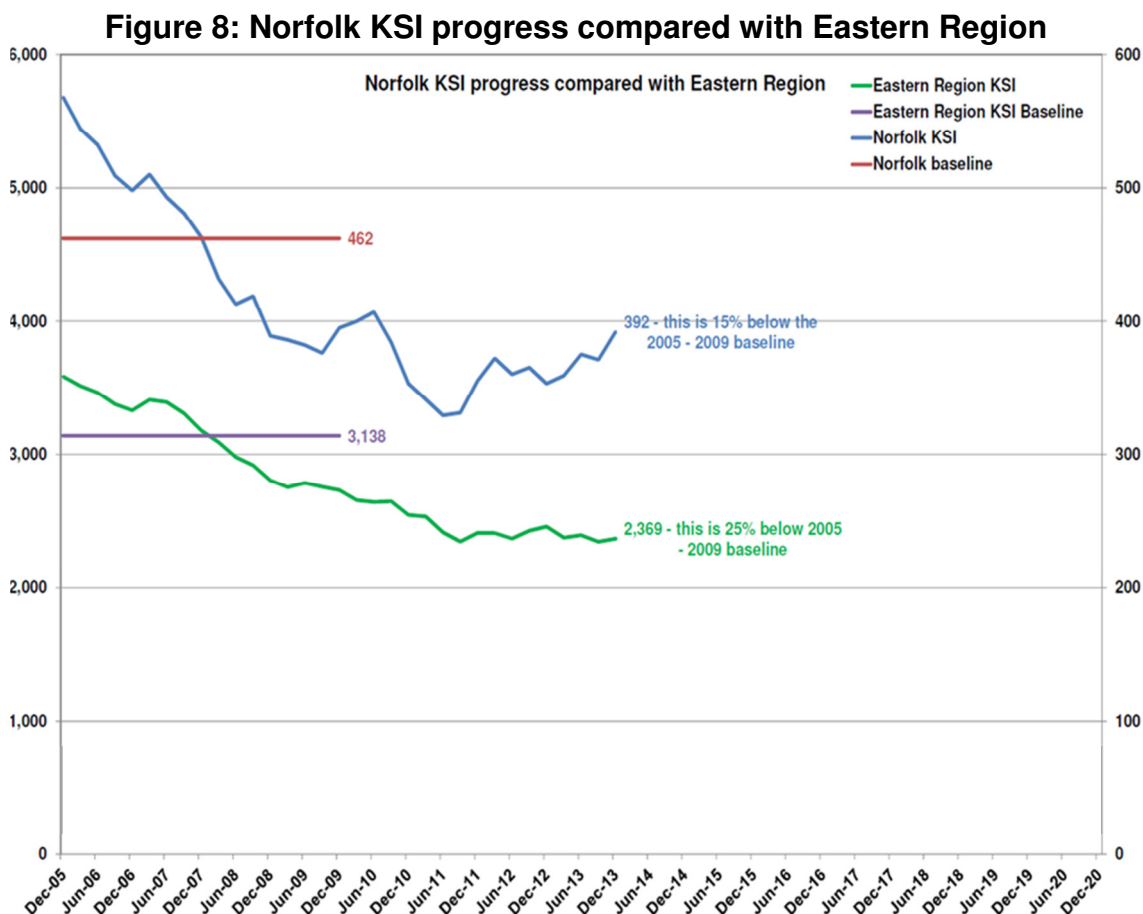
- 5.6 Since November 2012, all carers of people who have received a social care assessment have a received an assessment of their needs, in their own right as opposed to it being part of the assessment of the person that they care for. This has improved the quality of the carers' assessment but led to an anticipated drop in performance in 2013/14 for the percentage of carers supported following an assessment or review (Figure 7). This is because a more robust assessment takes longer to complete so fewer can be carried out. In response, seven carers assessor posts have been formed to undertake the more complex assessments or carers' needs, which take up the most time. They also act as champions for the assessments and mentor colleagues.



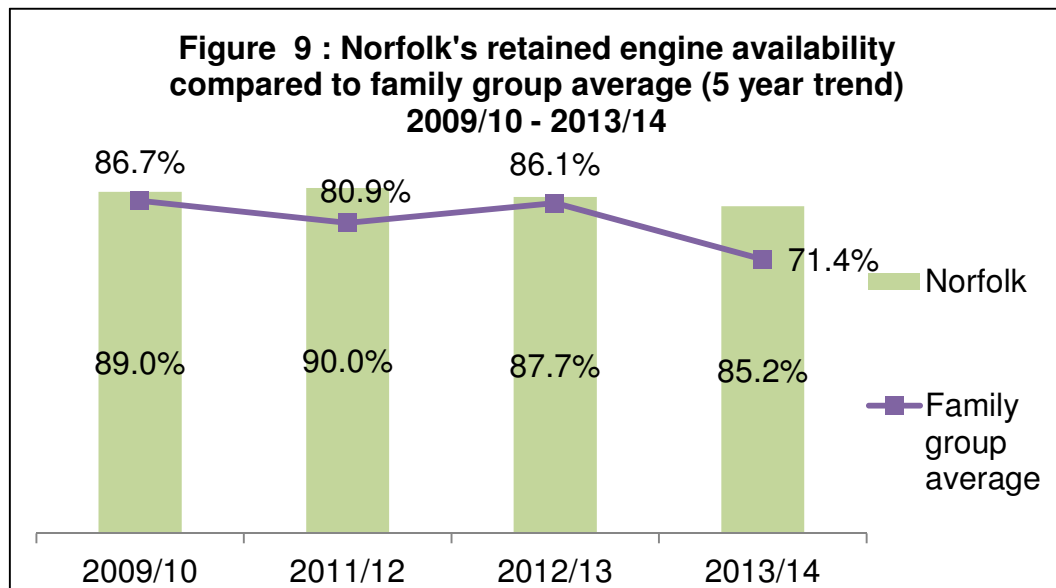
- 5.8 2014/15 is the first year in which the Government's stretching 70% target has been applied to this indicator, and Norfolk's performance levels is likely to be similar to other councils when benchmarking data is made available later in the year.

Keeping people safe

- 5.9 The data for the 12 months to July 2014 shows that the number of people Killed and Seriously Injured (KSI) on the roads is 394. There has been a steady increase in the number of KSI since 2011 and projections suggest that, if nothing changes, the 33% reduction by 2020 target will not be achieved. For comparison, the July 2011 KSI was 325-69 (or nearly 18%) less than July 2014.
- 5.10 A comparison of the number of people KSI on Norfolk's roads with the most recent regional and national data shows that Norfolk performs relatively poorly and that other areas are making greater reductions. Norfolk was 15% below its performance baseline, whilst national and regional performance over the same period shows reductions below baselines of 22% and 25% respectively (Figure 8).



- 5.11 At the time of writing, Norfolk Fire and Rescue Service have not been notified of any deaths as a result of an accidental fire in a home. There have been three deaths as a result of fires that were judged to have been started deliberately. These have been referred to the Coroner for verdict.
- 5.12 The Fire and Rescue Service aims to have fire engines crewed by retained fire fighters available at least 90% of the time. Whilst there has been a slight increase in availability, this indicator continues to be Red as performance for April to June 2014 is 81.6%. This can impact upon how quickly the Fire and Rescue Service attends an emergency, as the fire engine that attends may not come from the nearest fire station. However, when compared to other fire and rescue services in our family group, Norfolk has performed consistently well on the availability of retained firefighters, being better than the family group average over the last five years.



Note: benchmarking data is not available for 2010/11 so is not included above.

Health and Wellbeing

- 5.13 The Norfolk Healthy Communities programme was developed by Public Health to apply many of the lessons learned from the Thetford Healthy Town. Supported by the Norfolk Health and Wellbeing Board, the healthy communities approach is asset-based, working with existing groups and organisations to build self-sustaining health initiatives that either prevent or reduce the impact of serious diseases like diabetes, cardiovascular disease and cancer. The approach includes health checks, health fairs, healthy eating cooking events and training in areas such as dementia and mental health first aid.

The current or prospective healthy communities in Norfolk are:

- Attleborough
- Cromer
- Dereham
- Diss
- Downham Market
- Great Yarmouth
- Fakenham
- Hunstanton
- King's Lynn
- Norwich
- North Walsham
- Swaffham
- Thetford
- Watton
- Wymondham

- 5.14 Public Health is working with the Environment Team to promote physical exercise through access to green space, including use of using Norfolk Trails. The Norfolk Trails network extends to over 1,200 miles of walks, cycle and bridle routes across Norfolk. It provides access to the countryside which in turn helps to improve health and wellbeing, promote tourism and employment, and engage people in and raise awareness of the importance of protecting the natural environment.

- 5.15 The projects include: a 'Dementia Support and carers Walks Scheme' in 2 localities (using the trails in those areas); a Children and Families projects using the concept of treasure trails, maps and interactive markers; a schools and active travel walking and cycling project; walking as a treatment for people with a BMI of over 25 or other long term conditions linked to physical inactivity.
- 5.16 In March 2014, the Environment Team secured £200,000 of Coastal Community Funding from Government for a two year environmental tourism project to help boost coastal economies between Cromer and Great Yarmouth. It is estimated that this project, known as 'Explore More Coast', will bring £500,000 of economic benefit to the area through a 20% increase in visitor numbers, the creation of 30 new indirect jobs and safeguarding 20 others. Natural England is funding the extension to the Coast Path as part of the English Coast Path programme. The first stretch of the coastal path will run 41 km east from Weybourne to Sea Palling and is due to open this winter. Stretch two from Sea Palling to Hopton follows next year.

Corporate level risks

- 5.17 Within each department, risks are identified and regularly reviewed. Risks are escalated to the corporate risk register where it is considered the Chief Officer Group (COG) needs to take responsibility for the risk and that occurrence of the event will have a significant impact on the County Council. Similarly risks can be removed from the corporate risk register when the mitigation progress has significantly sufficiently reduced the risk impact and it can be managed by the department. The full corporate risk register is reported to Audit Committee at least four times a year following review by COG.
- 5.18 The current corporate level risks are listed in the performance dashboard in Appendix A and a summary of the corporate risk register is included at Appendix C.

6 Performance of cross-cutting services

- 6.1 As well as the Committee's responsibility for maintaining an overview of the whole council's performance, it is also responsible for some specific services – those 'enabling' services which support all departments. These are: ICT and Information Management, Property and Asset Management, Legal and Governance, Business Continuity, Corporate Planning and Partnerships, Programme Office, Communications and Public Affairs, Business Intelligence and Performance, Human Resources – organisational development, Finance, Risk Management and Procurement. The performance dashboard for these service areas is presented in Appendix B.

7 Managing change - cross-cutting services

- 7.1 The Shared Services programme involves the continued redesign of support services (HR and OD, Finance, Procurement, nplaw, ICT, Business Intelligence & Performance Service and Corporate Planning & Partnerships, Democratic Services and Corporate Programme Office) whilst at the same time supporting change across the whole organisation. Shared Services has a total savings target of £4.631m over three years. Updates on key activities at the end of June include the following:
- Amendments to the Local Government Pension Scheme (LGPS) were implemented in time for the April 2014 statutory changes
 - April 2014 also saw the completion of the Invoice Management Project which enabled the Finance Exchequer Service to reduce its staffing budget by £80,000 per annum through the: automatic validation of invoices against Oracle; electronic transfer of invoices through to the payment team; and introduction of a no purchase order/no payment policy.

8 Managing our resources - cross-cutting services

- 8.1 Detailed financial reporting is contained within the '2014-15 Revenue Finance Monitoring Report' elsewhere on this agenda. To avoid duplication, only data on the performance of the Finance Service is provided here.
- 8.2 The amount of business mileage paid to staff within Resources between April and July was £55,622.92. Whilst this is £3,524 less than the same time period in 2013, it is well above the target for April to July 2014 resulting in a Red rating.

8.3 Sickness absence – Resources (excluding ICT)

Whilst sickness absence levels in Resources have been higher than average in the council, the number of days sickness absence per FTE (Full Time Equivalent) reduced in 2013/14 to 7.77 days from 8.47 days in 2012/13. This followed targeted work in respect of long term sickness absence. A stretch target for 2014/15 has been set at 7.47 days per FTE to support further improvement.

- 8.4 The data for Quarter 1 2014/15 shows that absence levels are broadly comparable with our performance in 2013/14 with an average 1.84 average days absence per FTE this year compared to 1.83 days in 2013/14. Whilst it is positive that absence levels have been maintained, it is too early to predict whether we will meet our target in respect of this measure. HR continues to work closely with managers to make reductions in sickness absence a priority.

9 Service performance - cross-cutting services

- 9.1 What follows is a summary of key activity undertaken by some of the cross-cutting services that fall within the scope of this committee in the past quarter.

Business continuity

- 9.2 The Resilience Team in ETD lead on Business Continuity for the Council. The importance of having and maintaining effective business continuity plans and processes has been highlighted by recent events, such as storm surge in December 2013 and the email outage in April/May 2014. The Corporate Business Continuity (BC) Plan and Framework have been reviewed and are being considered by Chief Officers, who have already signed off the list of agreed critical activities for the Authority. Departmental Business Continuity plans are currently under review and all departmental management teams are being visited by the Resilience Team.
- 9.3 Business continuity plans are regularly tested to help ensure that they are effective and can be implemented when needed. Departmental business continuity exercises and under development and a corporate business continuity exercise is being planned for early next year.

Business Intelligence and Performance Service

- 9.4 The Business Intelligence and Performance Service (BIPS) has continued to write bespoke reports and produce guidance to support the submission of statutory returns to Government. Since April the service has been directly involved in the submission on time of over 750 returns – these include early years settings, school pupils, key assessment data and about service users in children's social care, adult social care and museums.
- 9.5 Each month the BIPS team produces and distributes over 90 reports to leadership teams, operational managers, case workers, social workers to manage their services and ensures that a number of self-serve reports are also available.

- 9.6 This quarter the service has responded to over 400 ad hoc requests from services for information and data to support decision making and performance analysis. In addition it has also provided information to services to support the response to 55 Freedom of Information requests.

ICT Shared Services

- 9.7 There are three indicators for the performance of ICT Shared Services. These are the: call abandonment rate; service restoration requests received; and service request average response time. The performance in these areas is largely determined by the implementation of Digital Norfolk Ambition and it is possible that performance may dip before rising again as the transition is made from old to new ICT equipment. No targets have been set for these indicators as but will be once DNA has been implemented.

10 Outcomes for Norfolk people and communities - cross-cutting services

- 10.1 The cross cutting services provide support to the work of the council which enable the front line to deliver improved outcomes for Norfolk people. It is difficult to demonstrate a direct causal link between the work of cross cutting services and improved outcomes of Norfolk people. However, cross cutting services play an essential role in ensuring process are more efficient so that it is made easier for front line staff to carry out their duties and focus on the most important issues. Further work will be done to illustrate this ahead of the next meeting of the Committee.
- 10.2 The annual NCC/Ipsos MORI Tracker Survey includes a question as to how well people are informed of our services. This helps us to better understand the effectiveness of our communication and engagement with the public on the services that we provide. The results of the 2013/14 survey are currently being analysed and will be reported to this committee when available.

11 Recommendation

Committee Members are asked to:

- 1) Review and comment on the performance information
- 2) Consider any areas of performance that require a more in-depth analysis
- 3) Determine whether the performance indicators that form the basis of this report enable a robust assessment of performance across the service areas covered by this Committee.

12 Financial Implications

- 12.1 There are no significant financial implications arising from performance dashboards or the suggested approach to performance monitoring.

13 Issues, risks and innovation

- 13.1 Performance reporting brings together complex information in order to assist members with decision making and understanding of issues facing the organisation. Over time these will develop, alongside Committee plans to drive a number of complex issues. They will help to monitor and manage issues and risks to the services we deliver.

14 Background

- 14.1 Within the Committee system of governance, individual committees are responsible for monitoring their performance, and taking corrective action where this is needed. However, it is important that there is an overview of performance across the Council, and this responsibility rests with the Policy and Resources Committee. The relevant section from the Constitution says:

“The Policy and Resources Committee provides a 'whole council' view of performance, budget monitoring and risk. In addition the Committee has responsibility for developing and monitoring the specific enabling corporate services, including ICT, finance and risk management, property and asset management, human resources and organisational development, legal and governance, communications and public affairs and business continuity.”

This report and accompanying performance dashboards at Appendix A and B support Members of this Committee in fulfilling this responsibility.

15 Officer Contact

15.1 If you have any questions about matters in this paper, then please contact:

Officer Name: Daniel Harry **Tel No:** 01603 222568

Email address: daniel.harry@norfolk.gov.uk






















































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Overview of Performance April to July 2014

(A key to the symbols used is provided at the end of Appendix B)

Managing change					
	Date	DoT	Rating	Target	
Transformation programme overall (A progress report of individual projects is in the main body of the report).	July 2014	→	AMBER	GREEN	
Managing our resources					
Measure	Value	DoT	Date	Rating	Target
Premises related costs per FTE (excl. schools) [A]	£3,164	↑ X	March 2013	SURV	SURV
Reduction in carbon dioxide emissions (All sources, whole council incl. schools) Target: 25% reduction equals 75% of baseline)	82.9%	↓ ✓	March 2014	▲	75%
% CO ² emissions from automatically metered buildings compared to 08/09 baseline [M]	58.43%	↓ ✓	Jul 2014	SURV	SURV
Business mileage expenses paid (NCC excl. schools)	£1,133,845	↓ ✓	July 2014	▲	£2,748,891
Average number of days employee sickness per FTE (Whole council incl. schools) [Q]	1.35	↓ ✓	July 2014	★	6.71
Corporate level risks					
Risk					Current risk score
Residual Waste Treatment Contract termination process					15
Capacity for change - Insufficient capacity for business transformation					12
Staffing - The speed and severity of change in work activities					12
Shortage of personnel for a variety of reasons e.g. illness, industrial action, inclement weather etc. including loss of key senior personnel					12
Incident at key NCC premises or adjacent causing loss of access or service disruption					9
Loss of key ICT systems					12
Failure to follow data protection procedures					20
Liability for legal challenge to procurements conducted by ESPO					6
Failure of tender process					8
Failure to deliver planned revenue budget savings in 2014/15					9
Failure to effectively manage County Hall refurbishment and maintenance					15
Embedding the committee system					4
Loss of internet connection and the ability to communicate with Cloud provided services					12
Successful cyber attack					8
Service performance					
Measure	Value	DoT	Date	Rating	Target
% Pupils achieving 5 GCSEs grades A*-C inc. English & Maths [A]	54%	→	July 2014	●	60%
Child protection: Percentage of contacts resulting in a referral to social care	24%	↑ ✓	July 2014	SURV	SURV
Child protection: Percentage of re-referrals to social care	21.3%	↓ ✓	July 2014	SURV	SURV
Child protection: Percentage of initial assessments completed within timescale	56%	↓ X	July 2014	SURV	SURV

Measure	Value	DoT	Date	Rating	Target
Number of Looked After Children	1123	 	July 2014		770 by March 2017
Percentage of Looked After Children with care plans	82.1%	 	July 2014	SURV	SURV
Service users using self-directed support at the end of the reporting period	80.6%	 	July 2014		70%
Service users using self-directed support at the end of the reporting period who receive cash payments	34.4%	 	July 2014		25.5%
Library and Information Services – actual and virtual visitors	Data not available due to change of system				
Museums - actual visitors	135,533	 	June 2014		131,276
% of dangerous highway defects dealt with within agreed timescale	98.9%	 	Jul 14		100%
% of journeys undertaken using Demand Responsive Transport (DRT) against all subsidised bus services	11%	 	Jul 14		9%
Diversion of local authority collected municipal waste from landfill (Q)	181,253t landfilled	 	Year-end 2013/14	-	177,172t landfilled
Improve % Early Years settings judged good or better	78% (700/894)		July 2014		82%
Improve % Primary phase schools judged good or better	70% (237/345)		July 2014		79%
Improve % Secondary phase schools judged good or better	65% (28/43)		July 2014		75%
Improve % Special schools judged good or better	82% (9/11)		July 2014		82%
Outcomes for individuals and communities					
Measure	Value	DoT	Date	Rating	Target
Satisfaction with services (annual tracker survey)	52%	 	July 2013		49%
Satisfaction with the way in which we handled customer complaints (annual tracker survey)	44%	 	July 2013		44%
% residents who feel they can influence decision affecting their local area (annual tracker survey)	35%	 	July 2013		33%
% of carers supported following an assessment or review	46.8%	 	June 2014		46%
Number of people killed and seriously injured on the roads	394	 	Jul 14		389
Number of accidental fires in the home	139	 	July 2014		481
NHS Healthchecks uptake in Norfolk	50%	 	2014/15 Q1		66%

Appendix B

Cross-cutting services performance April to July 2014

Note - a key to the symbols used is provided at the end of the dashboard.

Note – a key to the symbols used is provided at the end of the dashboard.

Managing change					
	Date	RAG	DoT	Target	
Shared Services Programme	Q1	AMBER	↓ X	GREEN	
County Hall (Workstyle)	Q1	GREEN	→	GREEN	
Managing our resources					
Measure	Value	DoT	Date	Rating	Target
% of total spend on contract (where systems permit this to be measured)[M]	85.2%	↑ ✓	Aug 2014	SURV	SURV
Business mileage expenses paid (Resources)	£55,622	↓ ✓	July 14	▲	£131,083
% CO ² emissions from AMR metered buildings compared to 2008/09 baseline (Resources)	73.87%	↓ ✓	March 2014	SURV	SURV
Average number of days employee sickness per FTE (Resources) [Q]	1.84	↑ X	June 2014	▲	7.47
Service performance					
Measure	Value	DoT	Date	Rating	Target
Percentage of invoices paid by authority within 30 working days of receipt [M]	91.3%	↓ X	July 2014	★	90%
ICT Shared Services call abandonment rate	14.10%	↓ ✓	Aug 2014	SURV	SURV
Service Restoration requests received by ICT Shared Services	59.35%	↑ X	Aug 2014	SURV	SURV
ICT Service Request Average Response Time (Days)	6.38	↓ ✓	Aug 2014	SURV	SURV
Percentage of FOI responded to within timescale	Under development				
Outcomes for individuals and communities					
Measure	Value	DoT	Date	Rating	Target
Percentage of people who felt that they were well informed of our services (through tracker survey) [A]	56%	↓ X	July 2013	SURV	SURV
Percentage of press releases taken up by at least one media outlet.	95%	↑ ✓	July 2014	★	90%
Percentage of positive news articles in the printed media	38%	↑ ✓	July 2014	★	30%

★	Performance is on target, no action required.
●	Performance is slightly off-track.
▲	Performance is worse than the target, action required.

DoT – Direction of travel i.e. better or worse than the previous period.	
↓ X or ↑ X	Value has worsened.
↑ ✓ or ↓ ✓	Value has improved.
→	Value has stayed the same.

Notes

- Targets are as at March 2015 unless otherwise stated. Some targets will be profiled - thus performance in a month, whilst lower than the year-end target, may be on track.
- All performance indicators are reported monthly, unless otherwise noted by 'Q' (denotes quarterly reporting) or 'A' (denotes annual reporting).
- SURV – denotes an indicator where no target is set but trends in performance are reported.
- BLUE – rating for change projects that indicates that a project has been successful completed.

Risk Register - Norfolk County Council - Appendix C

Risk Register Name		Corporate Risk Register										Red	
Prepared by		Steve Rayner						High				Amber	
Date updated		August 2014						Med				Green	
Next update due		December 2014						Low				Met	
Area	Risk Number	Risk Name	Risk Description	Current Likelihood	Current Impact	Current Risk Score	Target Likelihood	Target Impact	Target Risk Score	Target Date	Prospects of meeting Target Risk Score by Target Date	Risk Owner	
Environment Transport and Development <i>(EDT and P&R Committee)</i>	RM14172	Residual Waste Treatment Contract termination process.	Contract termination notice on 24 April effective on 16 May 2014. Payments would be due in July 2014 but there is the risk that payments could be delayed, the process could become protracted or a claim for a higher compensation figure could be made. The three heads of cost are: the capped compensation figure of £20.3 million as well as any overhedging payments, the payment for cancelling arrangements in place to mitigate risks of interest and foreign exchange risks at £11.8368 million and the County Council's share of the public inquiry costs estimated at around £1.6 million and now expected to be slightly lower.	3	5	15	1	5	5	01/09/2014	Amber	Tom McCabe	
Corporate <i>(P&R Committee)</i>	RM0200	Capacity for change - Insufficient capacity for business transformation	The proposals require significant transformation and change to services and there is a risk that there will be insufficient capacity to re-design services and implement new ways of working. Insufficient capacity and resources in the organisation to make required business transformation resulting in change projects not being delivered on time and risk that business as usual could fail in some areas.	3	4	12	2	4	8	31/03/2017	Amber	Anne Gibson	
HR Shared Services <i>(P&R Committee)</i>	RM13918	Staffing - The speed and severity of change in work activities.	The risk that skills and knowledge may be lost as people leave or are made redundant, and that staff morale is adversely affected. The speed and severity of the changes in service activities, service redesign and job cuts necessary to achieve budget savings targets could significantly affect the engagement and wellbeing of staff. This could lead to increased sickness absence, reduced engagement and a reduction in productivity and performance.	3	4	12	2	4	8	31/03/2017	Green	Audrey Sharp	

Area	Risk Number	Risk Name	Risk Description	Current Likelihood	Current Impact	Current Risk Score	Target Likelihood	Target Impact	Target Risk Score	Target Date	Prospects of meeting Target Risk Score by Target Date	Risk Owner
HR Shared Services Business Continuity (P&R Committee)	RM14097	Shortage of personnel for a variety of reasons e.g.. illness, industrial action, inclement weather etc., including loss of key senior personnel	The risk of a shortage of personnel could result in inadequate capacity to deliver our services, reputational damage for the organisation, and litigation in the case of being unable to deliver our key statutory obligations. This is particularly the case with Payroll specialist and Oracle functional/ technical staff given the high level of payroll legislative changes (Real Time Information, Pension Scheme changes (LGPS 2014, TP & NHS 2015)) impacting at the same time as extensive organisational change.	3	4	12	3	2	6	30/09/2014	Amber	Audrey Sharp
Environment Transport and Development Business Continuity (EDT and P&R Committee)	RM14098	Incident at key NCC premises or adjacent causing loss of access or service disruption	The risk that fire, flood or structural damage could cause disruption for services due to loss of the building or loss of access to the building.	3	3	9	3	2	6	31/06/2014	Amber	Tom McCabe
ICT Shared Services Business Continuity (EDT and P&R Committee)	RM14100	Loss of key ICT systems	Loss of core or loss of a key ICT systems, communications or utilities for a significant period could impact on delivery of critical services.	3	4	12	2	3	6	31/03/2015	Amber	Tom Baker
Information Management (EDT and P&R Committee)	RM13968	Failure to follow data protection procedures	Failure to follow data protection procedures can lead to loss or inappropriate disclosure of personal information resulting in a breach of the Data Protection Act and failure to safeguard service users and vulnerable staff, monetary penalties, prosecution and civil claims.	4	5	20	1	4	4	31/03/2015	Amber	Tom Baker
Resources Procurement (P&R Committee)	RM14156	Liability for legal challenge to procurements conducted by ESPO	The Eastern Shires Purchasing Organisation is a joint committee and the council, as a member authority, is liable for a share of any legal claim against ESPO which exceeds ESPO's modest reserves.	2	3	6	2	3	6	27/02/2015	Green	Peter Timmins
Resources Procurement (P&R Committee)	RM14080	Failure of tender process	If we do not manage the commissioning and tendering process effectively we may be subject to legal challenge from an unsuccessful bidder or we may appoint a bidder which is not capable of delivering the contract effectively.	2	4	8	1	4	4	30/06/2015	Green	Al Collier

Area	Risk Number	Risk Name	Risk Description	Current Likelihood	Current Impact	Current Risk Score	Target Likelihood	Target Impact	Target Risk Score	Target Date	Prospects of meeting Target Risk Score by Target Date	Risk Owner
Finance (P&R Committee)	RM14169	Failure to deliver planned revenue budget savings in 2014/15	The risk that planned budget savings are not delivered in full and on time could lead to imposed in-year cuts and reductions in planned service delivery. This could impact on services delivered to the public, as well as generating adverse public and media comment if cuts are made in areas that were not included in the Putting People First consultation.	3	3	9	2	3	6	31/03/2015	Green	Peter Timmins
Resources Corporate Programme Office (P&R Committee)	RM14146	Failure to effectively manage County Hall refurbishment and maintenance.	Failure to effectively manage County Hall refurbishment and maintenance during the project may lead to: Excessive dust and noise resulting in interruption to work-related activities Release of asbestos resulting in the contamination of working areas and long term health issues. Flooding, specifically of the server room, resulting in delays to service delivery. Heightened risk of fire damage and personal injury due to inadequate fire alarm and evacuation systems.	3	5	15	1	5	5	31/03/2016	Green	Harvey Bullen
Corporate (P&R Committee)	RM14155	Embedding the committee system	Failure to embed a successful and fit for purpose committee system of governance within Norfolk County Council to cover the statutory five year period from 2014 to 2019 may lead to flawed and/or delayed decision making. Likely consequences include missed opportunities, increased workloads for officers and Members, increased costs, reduced service levels and reputational damage to the County Council.	1	4	4	1	4	4	31/12/2014	Green	Debbie Bartlett
Environment Transport and Development (EDT and P&R Committee)	RM14183	Loss of internet connection and the ability to communicate with Cloud provided services.	The loss of ability to communicate over the internet will result in a failure to deliver IT based services leading to a loss of reputation, service delivery and additional costs.	3	4	12	2	4	8	01/03/2015	New	Tom McCabe
Environment Transport and Development (EDT and P&R Committee)	RM14184	Successful cyber attack.	A successful cyber attack will result in the loss or reduction of ICT capability leading to an inability to deliver or a restriction in our services. It will also result in a loss of sensitive data and/or information relating to service users and/or staff that could result in fines or legal challenge.	2	4	8	1	4	4	01/03/2016	New	Tom McCabe

Policy and Resources Committee

Item No 9

Report title:	Norfolk Communities First; Norfolk's Transformation Challenge Award bid
Date of meeting:	29th September 2014
Responsible Chief Officer:	Sheila Lock, Interim Director of Children's Services Harold Bodmer, Director of Community Services
Strategic impact Our proposal, for an investment from the Transformation Challenge Award of £963,000, could make savings in the region of £39million over 10 years, by changing the way we work and permanently reducing demand for expensive high end services. We are looking to build on our early help programmes by; <ul style="list-style-type: none">• creating a new front facing model of public services for individuals, families and communities from early years to old age.• invest in building the capacity of our communities. This award increases the scale and pace of the early help offer that Norfolk County Council has started in South Norfolk, with South Norfolk Council.	

Executive summary

<p>This paper outlines the proposals for Norfolk's Transformational Challenge Award 2015/16 bid. These include;</p> <ul style="list-style-type: none">• Community capacity building by facilitating a sustained focus on harnessing capacity within existing communities and neighbourhoods.• Delivery hubs; physical hubs where people could go as a first point of contact with agencies• Collaboration hubs at a district level - physical locations where professionals from different public sector organisations sit together, share information in a close and safe environment, to establish and resolve the current and future needs.• Cultural Change Programme to support the need for a new style of working for front line staff. <p>These proposals are in response to the need for the County Council to improve services at a time of reducing resources, by reducing demand through meeting need better and earlier. They also respond directly to the feedback we have had from service users about getting help; early, fast and local.</p> <p>Recommendations:</p> <p>1) Support the proposals for the Norfolk Transformation Challenge Award bid</p>
--

1. Proposal

- 1.1 The Transformational Challenge Award, from DCLG, has been set up to reward Council plans to improve services for people and to support imaginative ideas that will have a significant impact.

- 1.2 There is £305 million funding available for 2015-16; £105million revenue grant and £200million flexible use of capital receipts.
- 1.3 The '**Norfolk Communities First**' bid focuses on the element within this Award that is 'encouraging places that have ambitious plans to work in partnership across the public sector and with the voluntary and community sector or private sector to re-design services'.
- 1.4 An initial bid led by Norfolk County Council, with South Norfolk Council, Great Yarmouth Borough Council and King's Lynn & West Norfolk Borough Council was developed focusing on early help. This bid has been successful in getting through the Expression of Interest stage and we have been invited to complete the final application process, involving more detail on our plans and finances; both costs and savings, by 1st October 2014. The successful applicants are due to be announced in November 2014, alongside the Local Government Financial Settlement.
- 1.5 The core elements being developed for our proposal are:
Community capacity building – facilitating a sustained focus on harnessing capacity within existing communities and neighbourhoods. There is much evidence to suggest that the most successful communities are those with strong social bonds, connection and cohesion. This is more than early help or prevention. It seeks to build sustained well-being and needs reliable investment. This would build on the work already in place in some of our most deprived communities e.g. King's Lynn & West Norfolk and Great Yarmouth. We are not dictating a 'how-to toolkit' but a set of principles based on an Asset-based Community Development model, with practical help for people.

Case study – family connectors

'Family Connectors' in Great Yarmouth focus on developing "connectedness" and strong family bonds, through a targeted peer based model. The pilot understands that people and families in low socio-economic environments, who are engaged with multiple service interventions, do not feel in control of their lives- the system is doing 'things' to them- resulting in unsustainable and fragmented solutions. The Family connectors are neighbours to residents in the community, working on a peer level with people and families to create and/or maintain 'wellness' for themselves, linking people to others, or to activities where they can develop interests, skills and a sense of purpose, leading to improved and sustained wellbeing.

- 1.6 **Delivery Hubs** – in market towns and neighbourhoods. These would be physical hubs where people could go as a first point of contact with agencies. These hubs, staffed initially by generic workers, and supported by multi-agency teams would aim to solve the root cause of their difficulties, connecting them with existing community support, not trying to 'fit' them into services which are already commissioned.
- 1.7 **Collaboration hubs at a district level** - physical locations where professionals from different public sector organisations sit together, share information in a close and safe environment to establish and resolve the current and future needs. This would see an expansion of the current South Norfolk model to include Community Services as well as Children's Services, to extend the early help offer to families and older people.

Case study from South Norfolk collaboration hub

The Revenues and Benefits team was notified that a family was due to be evicted from their social landlord in the next month owing a substantial amount in rent. It quickly became clear that the mum was under-claiming and need not have been in arrears. A further check with the collaboration hub showed the family was not connected with children's services or the police, but eviction would easily put the family off the universal pathway and into costly welfare support. The hub was able to act swiftly, arranging a meeting with mum to keep her in her home and help improve the children's attendance at school.

1.8 Cultural change programme

Underpinning this change in service delivery is the need for a new style of working for front line staff, which focuses on interpersonal skills, relationship building and empowerment to work across agency boundaries. This includes building staff capacity to recognise and interpret customer triggers, responding to needs earlier and facilitating generic working across agencies to boost capacity and to prevent unnecessary referrals and escalation. It will also encourage the use of social marketing and customer insight to help people improve their own lives. The bespoke teams of generic staff will embed the new ways of working, sharing the skills as the hub teams develop. This programme will sit alongside the changes taking place to streamline the processes and systems across agencies e.g. Digital Norfolk Ambition.

1.9 The 'Norfolk Communities First' bid is proposing a three year programme;

	Current position	Future position 2015-2018
Community capacity building	Family connectors and community advocates in Great Yarmouth. Time Credits Programme in West Norfolk. Healthy Communities and Ageing Well programme, building on community assets.	An agreed set of guiding principles based on asset-based community development. Tactical investment in neighbourhoods and communities to strengthen and sustain a strategic architecture of peer-to peer support
Single front door in communities	Market town delivery hub in Diss as a demonstrator site	3-5 delivery hubs established in each of the remaining 6 districts in Norfolk.
Collaboration hubs	First collaboration hub set up in South Norfolk, bringing together professionals who sit together, share information in a close and safe environment to establish and resolve the current and future needs	Further collaboration hubs in Great Yarmouth and King's Lynn and West Norfolk (2015/16), and in Norwich, North Norfolk, Breckland and Broadland in 2016/17.
Cultural change programme	Strong leadership from Director of Children's Services, Director of Community Services, Chief Executive of South Norfolk Council and Chief Officer of South Norfolk CCG	Bespoke teams of generic staff in all districts who model a new way of working, addressing the causes not the consequences of people's issues.

- 1.10 We strongly believe that the impact and benefit of implementing these proposals over the next 3 years will be;
- Reduction in number of children in high cost-care placements, as we have focused our efforts on our initial contact, early intervention and community support
 - More vulnerable older people or people with dementia supported in communities
 - Increase in the number of families being supported by local communities
 - Increase in co-production of services with local communities creating services that respond to and reflect true needs.
 - Single point of contact for communities, making it easier for people to access care
 - Removing duplication across agencies, with more effective use of resources across partner agencies, who are more informed about needs and making the most impact
 - Reduced social isolation and increased social capital
 - Increase in informal solutions/support in communities
 - Improve emotional wellbeing and mental health through social engagement.
- 1.11 The Norfolk bid has been developed with South Norfolk Council, building on the development of their Early Help Hub. The Borough Council of King's Lynn and West Norfolk and Great Yarmouth Borough Council have also been involved, incorporating their established community development initiatives.
- 1.12 Three Committee Chairmen have been consulted in the preparation of this paper; P&R Chairman, Children Services Committee Chairman and Adult Social Care Committee Chairman.

2. Evidence

- 2.1 The compelling case for early help has been made nationally in the Field report on preventing generational poverty, the Munro review of children's social care services, the Tickell review of early years and the Marmot review of health and the Graham Allen report on intervening early in a child's life. These reports alongside evidenced based research clearly demonstrate that early help results in positive benefits to the social, personal, emotional and economic lives of children and young people, their parents and carers.
- 2.2 Across Norfolk there has been a sustained increase in the number of children referred to statutory interventions by children's services and a 17% increase over two years in the number of Looked After Children. Meeting the needs of these children requires intensive, high cost, multi-agency resources which often do not achieve the positive outcomes hoped for.
- 2.3 Norfolk has historically had high levels of admissions to permanent residential care when measured against the national average.

3. Financial Implications

- 3.1 The bid is seeking £963,000 from DCLG, as the transformation costs for 2015/16;

Transformation costs	Total
Community Capacity building (£50k per districts)	£350,000
6 x Single front doors and 2 x collaboration hubs	£263,000
Cultural change programme (bespoke teams of 3 generic staff x 3 districts)	£300,000
Cultural change programme	£50,000
	£963,000

- 3.2 The costs and savings in the Expression of Interest were based on Norfolk's data and assessed using the Transformation Challenge Award; Expression of Interest Bid Calculator (Annex A). The projected £39m savings over 10 years is based on the consequent benefits of early help annually;

- Reduction in the number of Looked After Children, £2.2m
- Reduction in admissions of older people into Residential Care, £6.9m
- Reduction in number of older people requiring Home Care, £2.2m
- Reduction in the number of Children Just Coping, £1.1m

- 3.3 The costs over and above the £938,000 spent from the TCA funding are in the region £5.4 million a year (once we have hit our targets) i.e.

Cost of keeping children just coping as opposed to LAC	£224,000
Cost of keeping children coping opposed to just coping	£175,000
Cost of home care as opposed to residential care	£2,244,200
On-going district spend (this includes DFGs, running costs of hubs and early intervention around falls)	£2,415,000
NCC on-going share of Hub costs	£315,000
Total on-going costs	£5,373,200

- 3.4 The final bid finances are being collected using the New Economy Cost Benefit Analysis (CBA) Tool, provided by DCLG and will be checked by New Economy.

- 3.5 The overall level of support requested through expressions of interest for the Transformation Challenge Award revenue grant is over subscribed. In developing final proposals, authorities are being asked to consider whether there is an opportunity to fund through a mix of grant and flexible use of capital receipts. Requesting a mix of funding will reduce the overall requirement for grant, and will increase the number of service transformation proposals that will receive grant support

- 3.6 The aim of the Capital receipts policy is to allow local authorities flexibility to spend their capital receipts from asset sales, which can normally only be used for capital expenditure, on the one-off revenue costs of service reform. This only applies to new asset sales, so capital receipts obtained prior to the issue of consultation will not be allowed to be used for this purpose. Permission will be given to each authority through a capitalisation direction, which the Secretary of State has the power to issue under section 16(2)(b) of the Local Government Act 2003. Authorities will have up to March 2017 to sell an asset and use the revenue.

- 3.7 We are looking at the options for new asset sales and will be able to give the committee an update at their meeting on 29th September 2014.

4. Issues, risks and innovation

- 4.1 Norfolk County Council is completing the bid with district councils and addressing the criteria required for the bid including a risk register and governance.
- 4.2 This bid enables Norfolk to;
- develop a way of working that resolves issues at family and community level
 - accelerate the scale and pace of our early help programmes
 - develop an early help model for adults and children, organised around 'help me solve my problem' not 'this is the service we deliver'
 - mainstream community development, rather than based on one-off funding.

5. Background

[Norfolk's Early Help Offer, Cabinet, 14th April 2014 \(item 19\)](#)

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: Caroline Money **Tel No:** 01603 228828 **Email address:**
caroline.money@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.

Department for Communities and Local Government - Transformation Challenge Award: Financial Case Bid Calculator

Bidding organisation:	Norfolk County Council
Short project title:	The Norfolk Turning Point Programme
TCA scheme bid for:	Supporting ambitious partnership plans (2015_16 B)

PLEASE NOTE:
Section F of 2014/15 B and 2015/16 A and B application forms asks for 'Net present value of new arrangements'. Please input the figure calculated in cell B56 'Net present value of cost savings' to complete this section of the application form.

SECTION 1. PROJECT FUNDING

Breakdown of TCA funding bid for

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
TCA grant	£ -	£ 963,000									
Capital receipt flexibility (if applicable)	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Total	£ -	£ 963,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -

Breakdown of other funding (if applicable)

Cost to bidding authority (if co-funding)	Please detail										
Other funding (if applicable)	"Our Place" Programme	£ 20,500									

SECTION 2. SERVICE SPEND WITHOUT TCA FUNDING (BASELINE OR CURRENT SERVICE COSTS)

Breakdown of service costs	Basis for estimates	Estimated service costs without TCA funding (2014/15 prices)										
Norfolk County Council		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Cost of admitting Children to Care - Tier 4	£32,000 per child	£ -	£ 480,000	£ 1,120,000	£ 1,600,000	£ 2,240,000	£ 2,240,000	£ 2,240,000	£ 2,240,000	£ 2,240,000	£ 2,240,000	£ 2,240,000
Cost of Children "just coping" Tier 3	£3,200 per child		£ 240,000	£ 560,000	£ 800,000	£ 1,120,000	£ 1,120,000	£ 1,120,000	£ 1,120,000	£ 1,120,000	£ 1,120,000	£ 1,120,000
Cost of Residential Care for Adults	£28,560 per person		£ 214,200	£ 1,142,400	£ 2,856,000	£ 4,855,200	£ 6,426,000	£ 6,997,200	£ 6,997,200	£ 6,997,200	£ 6,997,200	£ 6,997,200
Cost of Home Care for Adults	£9,160 per person		£ 68,700	£ 366,400	£ 916,000	£ 1,557,200	£ 2,061,000	£ 2,244,200	£ 2,244,200	£ 2,244,200	£ 2,244,200	£ 2,244,200

<Partner 1 name>

For example: staff costs	Please insert basis of cost estimate											
For example: IT equipment	Please insert basis of cost estimate											
For example: facilities costs	Please insert basis of cost estimate											
Insert additional rows if required	Insert additional rows if required											
Total		£ -	£ 1,002,900	£ 3,188,800	£ 6,172,000	£ 9,772,400	£ 11,847,000	£ 12,601,400	£ 12,601,400	£ 12,601,400	£ 12,601,400	£ 12,601,400

SECTION 3. SERVICE SPEND WITH TCA FUNDING

Breakdown of service costs	Basis for estimates (why change from section 2)	Estimated new service costs (2014/15 prices)										
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Cost of Children who would otherwise have been in care - from Tier 4 to Tier 3	£3,200 per child instead of £32,000	£ -	£ 48,000	£ 112,000	£ 160,000	£ 224,000	£ 224,000	£ 224,000	£ 224,000	£ 224,000	£ 224,000	£ 224,000
Cost of Children who would otherwise have been Tier 3 now Tier 2	£500 per child instead of £3,200		£ 37,500	£ 87,500	£ 125,000	£ 175,000	£ 175,000	£ 175,000	£ 175,000	£ 175,000	£ 175,000	£ 175,000
Cost of those adults who would have gone into residential care	£9,160 per person instead of £28,560		£ 68,700	£ 366,400	£ 916,000	£ 1,557,200	£ 2,061,000	£ 2,244,200	£ 2,244,200	£ 2,244,200	£ 2,244,200	£ 2,244,200
Cost of set up of Collaboration Hub & Delivery Hubs	Funding from TCA	£ 238,000										
Cost of set up of Collaboration Hub & Delivery Hubs	50% share of cost with District Council			£ 170,000	£ 30,000							
On-going running cost of Collaboration & Delivery Hubs	50% share of cost with District Council			£ 135,000	£ 315,000	£ 315,000	£ 315,000	£ 315,000	£ 315,000	£ 315,000	£ 315,000	£ 315,000
Cultural Change, Community Development & Generic working to build capacity & cope with peak in referrals	Funding from TCA		£ 725,000									
Generic working to build capacity & cope with peak in referrals	£100,000 for each new District coming online			£ 400,000								
South Norfolk Council												
Cost of Disabled Facilities Grant	£5,000 per conversion		£ 100,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000
Cost of additional early intervention around falls	£5,000 per person		£ 50,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000
On-going running cost of Collaboration & Delivery Hubs	50% of annual cost with County Council			£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000
Great Yarmouth Borough Council												
Cost of Disabled Facilities Grant	£5,000 per conversion		£ 100,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000
Cost of additional early intervention around falls	£5,000 per person		£ 50,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000
On-going running cost of Collaboration & Delivery Hubs	50% of annual cost with County Council			£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000
Borough Council of Kings Lynn & West Norfolk District Council												
Cost of Disabled Facilities Grant	£5,000 per conversion		£ 100,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000
Cost of additional early intervention around falls	£5,000 per person		£ 50,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000
On-going running cost of Collaboration & Delivery Hubs	50% of annual cost with County Council			£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000

Norwich City Council												
Cost of Disabled Facilities Grant	£5,000 per conversion		£ 100,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000
Cost of additional early intervention around falls	£5,000 per person		£ 50,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000
Cost of set up of Collaboration Hub & Delivery Hubs	50% share of cost with County Council		£ 42,500	£ 7,500								
On-going running cost of Collaboration & Delivery Hubs	50% of annual cost with County Council			£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000
North Norfolk District Council												
Cost of Disabled Facilities Grant	£5,000 per conversion		£ 100,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000
Cost of additional early intervention around falls	£5,000 per person		£ 50,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000
Cost of set up of Collaboration Hub & Delivery Hubs	50% share of cost with County Council		£ 42,500	£ 7,500								
On-going running cost of Collaboration & Delivery Hubs	50% of annual cost with County Council			£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000
Breckland District Council												
Cost of Disabled Facilities Grant	£5,000 per conversion		£ 100,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000
Cost of additional early intervention around falls	£5,000 per person		£ 50,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000
Cost of set up of Collaboration Hub & Delivery Hubs	50% share of cost with County Council		£ 42,500	£ 7,500								
On-going running cost of Collaboration & Delivery Hubs	50% of annual cost with County Council			£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000
Broadland District Council												
Cost of Disabled Facilities Grant	£5,000 per conversion		£ 100,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000	£ 200,000
Cost of additional early intervention around falls	£5,000 per person		£ 50,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000	£ 100,000
Cost of set up of Collaboration Hub & Delivery Hubs	50% share of cost with County Council		£ 42,500	£ 7,500								
On-going running cost of Collaboration & Delivery Hubs	50% of annual cost with County Council			£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000	£ 45,000
Insert additional rows if required												
Total		£ -	£ 1,567,200	£ 3,075,900	£ 3,991,000	£ 4,686,200	£ 5,190,000	£ 5,373,200	£ 5,373,200	£ 5,373,200	£ 5,373,200	£ 5,373,200

SECTION 4. AUTOMATIC CALCULATIONS - PLEASE DO NOT EDIT

		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Net annual cost saving (£)		£ -	-£ 564,300	£ 112,900	£ 2,181,000	£ 5,086,200	£ 6,657,000	£ 7,228,200	£ 7,228,200	£ 7,228,200	£ 7,228,200	£ 7,228,200
Discounted net annual cost saving (£)		£ -	-£ 545,217	£ 105,393	£ 1,967,137	£ 4,432,329	£ 5,605,015	£ 5,880,145	£ 5,681,300	£ 5,489,179	£ 5,303,554	£ 5,124,207
Net present value of savings (£)	£ 39,043,043											
Discounted total bid (£)		£ -	£ 930,435	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Present value of bid (£)	£ 930,435											
Ratio of net savings to TCA bid	41.96											

Policy and Resources Committee

Item No 13.....

Report title:	Workforce Profile 2013-14
Date of meeting:	29 September 2014
Responsible Chief Officer:	Audrey Sharp, Acting Head of HR
Strategic impact	
The directly employed workforce is a major contributor to the delivery of NCC's priorities and plans and makes up 38 % of organisational costs.	

Executive summary

This annual report provides an overview of the NCC Workforce during 2013/14. It uses data and trends, reports on work undertaken since last year's Workforce Profile and provides insights into some of the future workforce challenges facing the Council.

NCC's Core workforce (Schools and Non-Schools) has reduced by 28% over the past 5 years. This trend has continued during 2013/14 with a reduction of 9% during 2013/14. This results from transfers of schools to academy status, transfers of adult social care staff to Independence Matters (the social enterprise) and as a result of budget cuts, redundancies.

The flexible workforce has increased to support service priorities including Ofsted Improvement Plans. Internal banks for specialised temporary staff like Social Workers have been developed and reduced costs have been negotiated with external agencies.

Staff turnover has increased to 15%, the highest level for 8 years. Within the overall turnover, the percentage of voluntary leavers which are employee initiated has also increased to 11%. Career development is the primary reason for leaving a role.

In an increasingly challenging recruitment market, 69% of adverts lead to successful recruitment. To meet the demands of skills shortages and increasing the 16-24 year old age profile, there are some innovative examples of schemes to 'growing our own' future workforce.

The pace of change requires us to focus even more on what we expect from our employees. We are seeking to strengthen key behaviours across the organisation.

Recommendation:

Members are asked to review and comment on trends relating to the current workforce, the work undertaken and the future skills and behaviours required.

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1. Introduction and context

Demographics, legislation, changes to service delivery and political priorities all impact on the context of the workplace. In Norfolk, we have an increasingly elderly population that increases the demand for our services. Legislation has led to the transfer of Public Health into NCC. Changes to service delivery have resulted from the transfers of Schools to academies and the challenge of meeting Ofsted outcomes. The transfer of the Personal and Community Support Service to Independence Matters happened during the year. There have also been major County wide projects like Digital Norfolk Ambition involving external partners.

This is in the context of significant changes to meet £140m budget reductions in 2011-14, with further reductions needed over 2014-17. Continued financial constraint for the foreseeable future alongside increased demand for services drives service transformation and the need to find effective and innovative ways of delivering services.

1.1. In October 2013, the Putting People First consultation on budget reductions stated:

“Our ambition for Norfolk is for everyone in Norfolk to succeed and fulfil their potential. By putting people first we can achieve a better, safer future, based on education, economic success and listening to local communities.”

Our priorities are:

- Excellence in education
- Real jobs
- Good infrastructure

2. Improvements during 2013-14

Based on issues identified in last year's Workforce Profile, the following are examples of actions that have been taken:

Temporary workforce – To meet our flexible workforce needs, the internal bank for Adult Social Care has grown significantly since last year. Contracts with neutral vendors and other suppliers have been renegotiated to maximise value for money and quality. The contract with Comensura has been used to respond to the shortage of experienced Social Workers, within short timescales, to help us meet Ofsted outcomes.

Leavers – The revised exit questionnaire has led to improved understanding of the reasons for leaving and the scope to benchmark against some of the Employee Survey questions.

Employee Resourcing – The 'Get Britain Working Scheme' is continuing and a new Traineeship and Apprenticeship Scheme is starting in October 2014. 'In house schemes have been developed to respond to critical skill areas identified in last year's profile. Redeployment policy and practice have been developed to meet current organisational and individual outcomes.

Sickness absence – Sickness absence rates have continued on a downward trend following the implementation of a new sickness reporting system. HR Direct contacted Resources' managers of employees' with long term absence which has reduced as a result.

Equalities – A review of HR policies and practice has led to new guidance that includes how to support people with disabilities involved in office moves and advice on reasonable adjustments.

Organisation Development and Learning & Development – There has been a continued emphasis on performance management. NCC's Ways of Working has been developed to provide clarity on the behaviours expected of employees to support the changing organisation. Cost effective approaches to learning and development have been used, for example using 'super users' with the training 'roll out' to support Digital Norfolk Ambition (DNA). E-learning is one flexible response to address some of the critical skills identified in last year's profile, including Health Commissioning and Questionnaire Design.

Wider workforce – Local Authorities have a statutory responsibility to ensure occupational standards are maintained when services are commissioned. The external workforce is increasingly important to social care delivery, so as a strategic contribution to workforce development the authority has contributed £130,000 to the Norfolk and Suffolk Dementia Alliance for Norfolk's residents. This has funded the development of 170 Norfolk Dementia Care Coaches to act as role models and mentors in their workplaces and the wider community. 16 Community Hubs will enable carers to learn from each other.

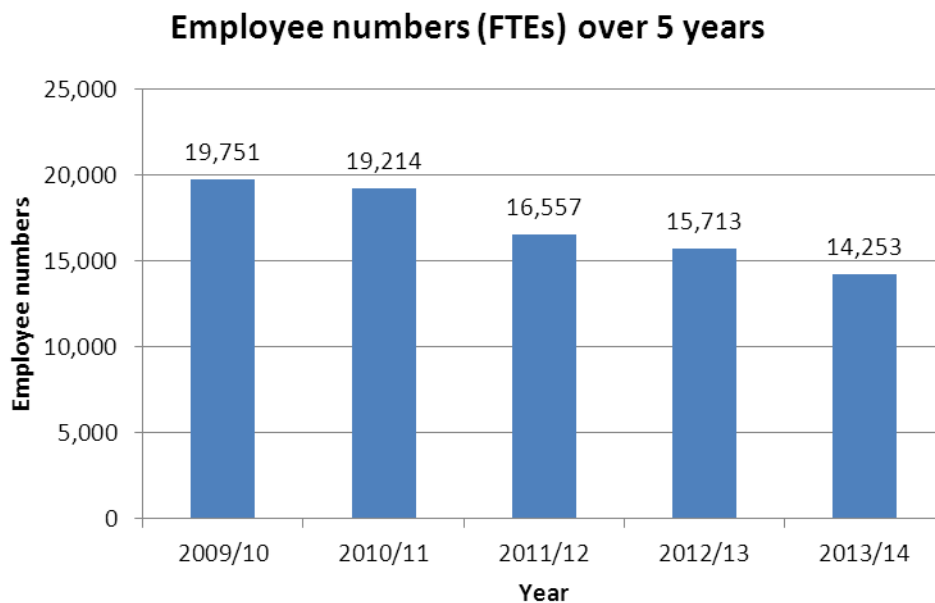
3. Workforce numbers

Key insight

The core employed workforce has decreased by 9% overall during 2013/14, with significant reductions resulting from Schools converting to Academy Status, the transfer of staff to Independence Matters and staff reductions to meet budget cuts. The workforce profile by department is in Appendix 13.3. Although overall staff numbers have reduced, our use of a flexible workforce, employing temporary and agency staff, has increased to meet service priorities and short term fluctuations in demand.

3.1. Trends

NCC's Core workforce (Schools and Non-Schools) has reduced by 28% over a 5 year period. The graph below illustrates this.



The table below shows the changes in workforce numbers by department between March 2013 and March 2014, by Full Time Equivalents (FTE) and Headcount.

Department	FTE Mar-13	FTE Mar-14	Change	Headcount Mar-13	Headcount Mar-14	Change
Children's Services (Non- Schools)	1589.2	1427.4	-161.8	1883.0	1698.0	-185
Children's Services (Schools)	9877.8	9141.1	-736.7	18078.0	16862.0	-1216
Community Services (Adult Social Care)	1458.9	831.2	-627.7	1896.0	1058.0	-838
Community Services (Cultural Services)	570.5	511.7	-58.8	1360.0	1199.0	-161
Environment, Transport & Development	705.7	708.0	2.3	754.0	758.0	4
Fire Service	381.8	382.9	1.1	391.0	395.0	4
Resources (Incl. Shared Services)	1129.5	1198.7	69.2	1380.0	1468.0	88
Public Health	0	52.2	52.2	0	58	58
Total	15713.4	14253.2	-1460.2	25742	23496	-2246

The reduction from 2013 to 2014 continues a trend over the past 4 years. The reduction between the start and end of this financial year amounts to 9%. The core employed workforce numbers decreased during 2013-14 by 1,460 FTE, (737 from Schools and 723 from Non-Schools). Schools account for 64% of the workforce.

The reduction in Schools is primarily because of schools moving to Academy status. In Community Services (Adult Social Care), this is because of the transfer of staff in the Personal and Community Support Service to Independence Matters, a social enterprise.

Other main changes have included:

- In Children's Services (Non-Schools):
 - the Short Stay School for Norfolk (SSSfN) transferred to Children's Services (Schools) leading to a decrease.
 - there has been an increase in Social Workers, school improvement and governor support posts to meet Social Care and Schools Improvement Plans. Increases are being phased over 2013/14 and 2014/15.
- In Community Services (Cultural Services), there have been reductions in Adult Education and other services due because of budget pressures and reduced external funding.
- In Resources:
 - Care Connect staff transferred from Adult Social Care to the Customer Service Centre as a result of the Community Services Assessment and Care Management review.
 - Some departmental area finance staff transferred into the Finance Shared Service.
 - Public Health became a local authority function in April 2013, with staff transferring into NCC.
 - Reductions of Shared Service staff (ICT, HR and Finance) are being phased over 2013/14 and 2014/15 as part of the budget reductions programme.

Appendix 13.2 illustrates the trend in FTEs and Headcount over the last 4 years. Appendix 13.3 shows the current breakdown of departments graphically.

3.2. Redundancy and redeployment

Budget reductions have continued throughout 2013/14. As a result, 261 Non-Schools employees were made redundant (compared with 133 in 2012/13). Of these redundancies, 102 were 'compulsory' and 159 were 'voluntary'.

In Schools, 91 employees were made redundant. Of these redundancies, 41 were 'compulsory' and 50 were 'voluntary'.

NCC operates redeployment services for Non-Schools and Schools employees. In Non-Schools, of the 84 people entering redeployment, 64 were redeployed. This retained skills and knowledge and avoided £326,787 redundancy costs (excluding pension strain). For Schools, there were 29 redeployments which saved £258,177 in redundancy costs (excluding pension strain). The use of the Schools redeployment service is increasing.

3.3. Trends in the flexible workforce

NCC uses a combination of temporary employees and agency staff to cover short term peaks of work and ensure continued delivery of operational/critical services

Internal:

NCC employs temporary staff through a Temporary Staff Register and internal banks for Social Workers. The table below shows the requests and the number of placements made for the Temporary Staff Register.

Temporary Staff Register	2013/14	2012/13	2011/12
Number of placement requests	243	270	230
Number of people placed	208	260	215
Percentage of requests placed	86%	96%	93%

The main demand for the Temporary Staff Register is to cover vacancies resulting from leavers and arising from sickness. The placement rate has reduced from previous years due to greater demand in Kings Lynn and Great Yarmouth, where roles are harder to fill. Recruitment in these areas is planned.

Due to the scale of demand, and the need to provide an increased level of internal flexible response to service needs, Adult and Children's Social Worker Banks have been operating for more than a year. This involves investment in recruitment, manager time in selection and pre-employment checks. These banks provide NCC with employees who gain familiarity with our working practices and systems.

Banks 2013/14	Numbers in Bank	Numbers placed
Adult Social Care	81	37
Children's Social Care	9	4

The Adult Social Care Bank has grown considerably since last year. Further work needs to be done to see whether the lessons learnt from the Adult Social Care Bank can be applied to the Children's Social Care Bank.

3.4. External contracts to engage agency staff

The two main contracts for agency staff are supplied by Comensura and Staff Call. These are used where the service need cannot be provided through internal means. However, over the last year there has been greater need for filling of senior managerial roles and as a result a wide range of agencies have been used which are not included in this report. This includes consultants, interims and professional advisors in School Improvement. We would be looking to this decreasing with a more permanent structure in the organisation.

Staff Call provides business support, drivers and winter maintenance roles. Comensura act as a neutral vendor so that NCC can engage all other types of agency workers, including Social Workers and professional roles such as Finance, Planners, ICT and HR. The neutral vendor negotiates with a wide pool of specialist agencies on NCC's behalf.

The contracts deliver a number of benefits:

- Workers can be deployed flexibly in response to short term or service critical needs. The Comensura framework was utilised quickly to engage 44 Social Workers for Children's Services to support the Ofsted Improvement plans.
- The contracts deliver economies of scale and allow improved agency mark up fees to be negotiated on our behalf. During 2013/14 approximately £437,500 was saved as a result of using the Comensura framework rather than negotiating directly with individual agency providers.

The overall spend is:

	2012/13	2013/14
Staff Call	£1,673,473	£1,066,764
Comensura	£3,649,049	£5,278,956

The Non-Schools temporary and agency staff account for 10.7% of the total payroll spend (up from 8.3% in 2012/13). Chartered Institute for Personnel and Development's (CIPD) Labour Market Outlook, Spring 2014 research evidences that "Temporary contracts are more prevalent among public sector employers (83%) than private sector employers (65%). Where temporary contracts are used, a median of 10% of the workforce is employed under such contracts."

79% of the 2013/14 spend is as a result of increased staffing of Social Work professionals to support the Children's Services Improvement Plan. Community Services accounts for around 9% of the remaining spend, however this is likely to reduce in future following the TUPE transfer of staff to Independence Matters in November 2013.

The majority of placements are short term in nature, evidencing that the contract is being used correctly. A closer analysis of assignments lasting more than 12 months shows that these are for very specialised, skills shortage areas such as Planners and legal professionals, where it has not been possible to recruit to vacancies.

In 2014/15, we plan to:

- Look at ways to maximise the use of internal temporary resources before external routes are pursued.
- Embed the new Staff Call contract (which took effect from 1 May 2014) using improved Management Information to identify further benefits for NCC.
- Understand reasons where the Comensura framework has difficulty in sourcing some candidates.
- Undertake regular contract reviews to ensure that key performance indicators and savings are delivered, and that candidates are of the right quality in terms of skills and experience.
- Retender or extend the Comensura framework during 2015.

Summary

Although overall staff numbers have reduced, our use of temporary and agency staff have increased, in terms of total payroll costs and agency usage. The flexible workforce accounts for 10.7% of the workforce spend. This trend is in line with other public sector organisations where the trend is to drive down fixed costs of core

workforce and use flexible workforce to respond to peaks in demand or workforce shortages.

Future workforce

Some known changes on the horizon are that the Mental Health Trust's Social Worker service is transferring back to NCC in October 2014. This involves 68 FTEs and 45 vacancies at the time of writing.

The implications of the Care Act 2014 are yet to be worked out in detail, but there is likely to be an increased number of assessments and reviews required. This will include new groups who currently fund their own care and carers, as well as re-assessment of existing groups.

Key Implications

To maximise the use of internal temporary resources, including building on the success of the Adult Social Care Bank and apply this learning to other areas.

4. Employee transfers, turnover and movement

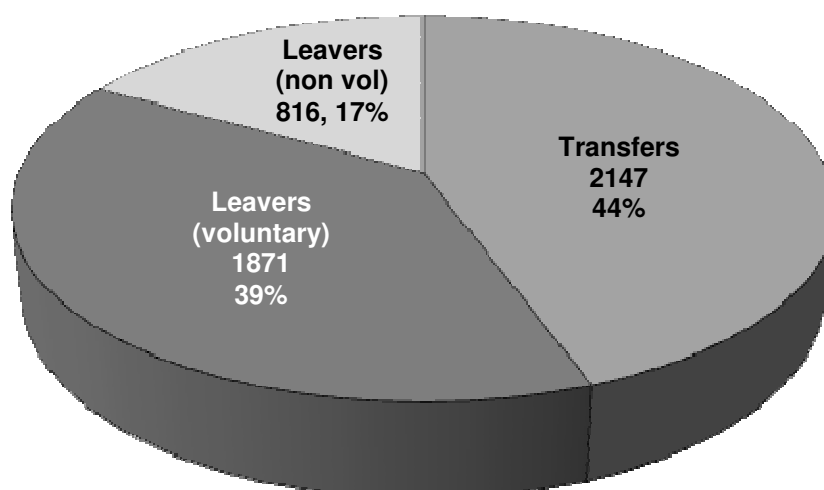
Key insight

NCC overall turnover has increased to 15.1%, the highest level for 8 years. The number of voluntary leavers has increased to 1,871 (up from 1,794). This accounts for 10.5% of employees (up from 8.7%).

Career development is the main reason for employees leaving their current role (55%). Of this 'push' factor, 33% leave for career development outside NCC and 22% seek career development by moving within the Council. Fewer organisational levels and greater numbers of staff reporting to managers can reduce career opportunities.

The overall distribution of leavers, from NCC, by headcount is shown in the chart below.

NCC Leavers and Transfers 13/14



4.1. Turnover

Employee turnover refers to the proportion of employees who leave an organisation over a year, expressed as a percentage of the total workforce. It does not include transfers of staff.

Turnover is analysed by voluntary and non-voluntary reasons. Voluntary leavers are where exits are employee initiated. Non-voluntary turnover is where the organisation needs to end the contract of employment. Where skills are relatively scarce, where recruitment is costly or where it takes several weeks to fill a vacancy, turnover is likely to be problematic for the organisation. It can also be an opportunity to acquire needed skills and fresh perspectives.

The overall NCC turnover of 15.1% is higher than in 2012/13 (12.3%).

The latest average turnover for counties/single tier authorities was 11.4% for 2012/13. In NCC, our increased turnover does not correlate with low unemployment figures, so other factors must be contributing to the higher voluntary turnover of 10.5%. The 2014 Employee Survey results may provide further clarity on the NCC factors.

4.1.1 Non-Schools

According to the most recent 2013 Xpert HR Survey, the median voluntary resignation rate is 8.9% in 2012. The survey also identifies that voluntary resignation rates are on the rise across all sectors of the UK economy, with the public sector experiencing the sharpest rise.

The Non-Schools employee turnover has increased to 14.4% (up from 11%). Of this, 350 (6.2%) employees left for non-voluntary reasons, largely redundancies to meet budget savings. 464 (8.2%) of employees left for voluntary reasons.

	Headcount 11/12	Headcount 12/13	Headcount 13/14
Non Voluntary leavers	556	225	350
Voluntary leavers	494	487	464
Total	1050	712	814
Turnover rate	14.6%	10.6%	14.5%

4.1.2 Schools

Schools employee turnover has increased to 15% (up from 13%). Of these 1407 (11%) employees left for voluntary reasons. The proportion of voluntary leavers in Schools is probably higher due to the flux in the local market, with academies and free schools appointing to roles.

	Headcount 11/12	Headcount 12/13	Headcount 13/14
Non Voluntary leavers	594	522	466
Voluntary leavers	1344	1305	1407
Total	1938	1827	1873
Turnover rate	12.9%	13.1%	15.4%

4.2. Voluntary leavers

Voluntary leavers are of particular interest as they are employee initiated and result in costs of replacement and induction. When looking at voluntary leavers it is interesting to note:

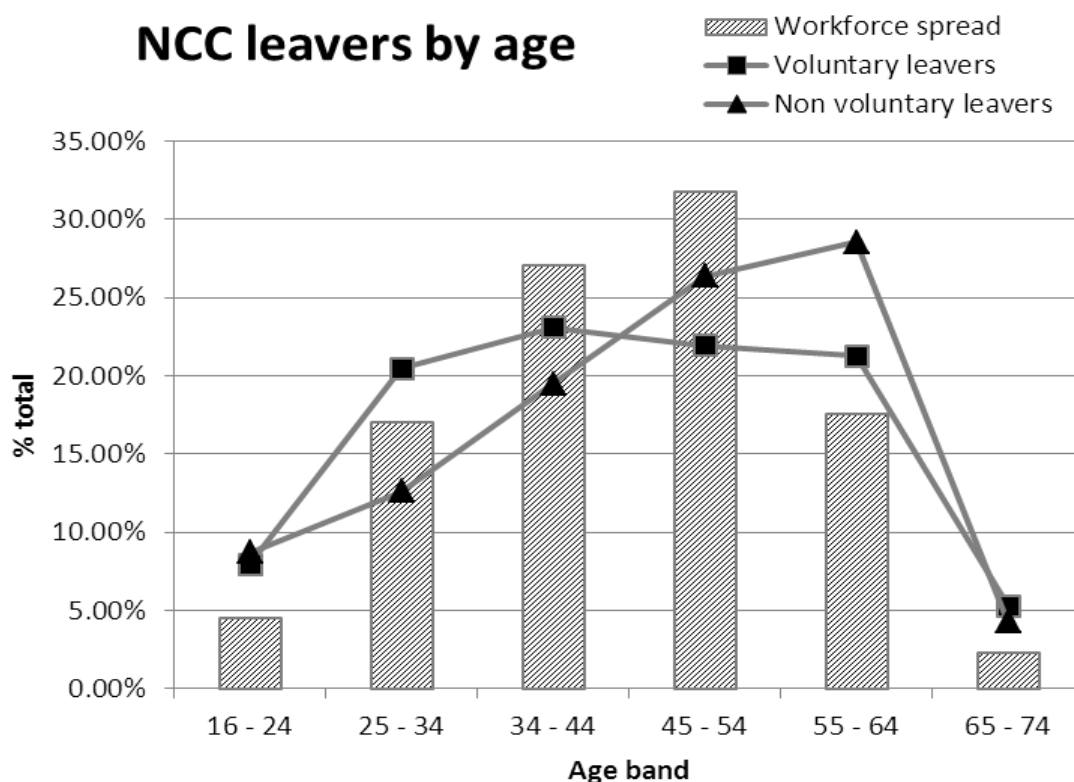
- **Length of service:**

The turnover rate for employees with less than 2 years' service has reduced to 28% from 38% in 2012/13. 40% of voluntary leavers left within 5 years, which is also down from 61%. Once employees have been at NCC for more than 12 months they are more likely to stay than last year, so further analysis of the under 12 month leavers will be undertaken due to the recruitment costs involved.

- **Age profile of Leavers:**

Just over 36% are aged 16-34; this has increased from 28% in 2012/13. This is in part because Schools' employees have a younger age profile and there is flux in the local market. This percentage rises to 52% if extended to all voluntary leavers aged 44 or less and is at a similar level to the previous year. Turnover is higher among young people than older age groups in the economy. So it is not unusual for organisations to experience this level of attrition. For NCC Non-Schools this is a challenge as our percentage of 16-34 year olds is lower than the whole economy and the private sector.

The graph below illustrates that the percentage of total leavers in the 16-34 and 55+ age groups are more likely to be voluntary leavers when compared to the percentage of the workforce in those age categories. The percentage of total leavers in the 55+ age group are more likely to be non-voluntary leavers. As this group are likely to have knowledge and experience, effective approaches to transfer knowledge and experience is important for NCC.



4.3. Exit questionnaire

Obtaining accurate information on reasons for leaving or moving roles can be challenging. Over the last year, a redesigned, confidential questionnaire has been used to improve understanding of employees' reasons for leaving roles. It was completed by 28% of leavers/movers in 2013/14 (up from 23%).

Of those who completed the questionnaire, 95% were voluntary leavers. The top three reasons for leaving were:

- Career development outside NCC (33%)
- Other/personal (23%)
- Career development within NCC (22%)

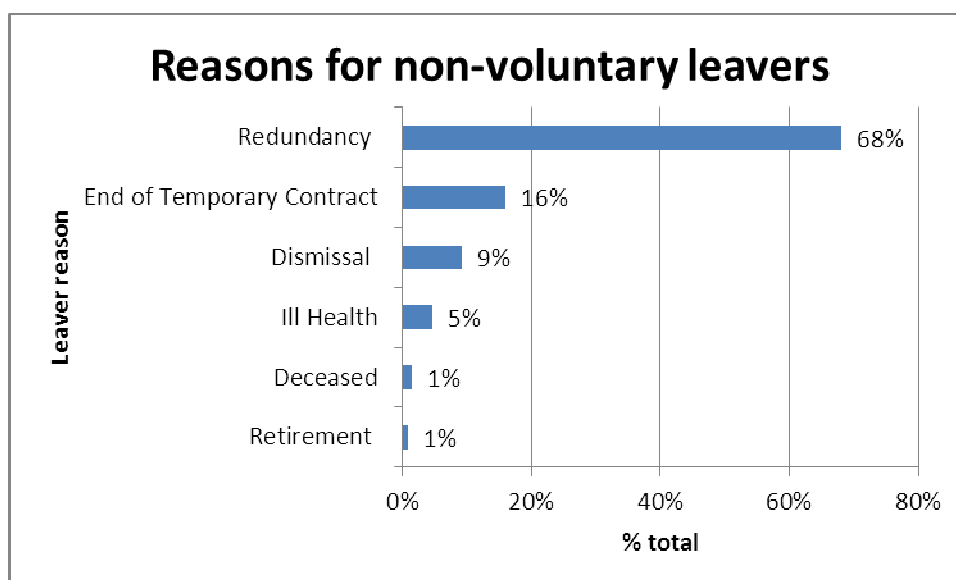
Career development accounts for 55% of the 'reasons for leaving'. Sometimes it is the attraction of a new job or the prospect of a period outside the workforce that 'pulls' them. On other occasions they are 'pushed', as a result of dissatisfaction in their present jobs. Flatter structures in organisation design can reduce career opportunities and reduced learning and development budgets can reduce opportunities for learning.

From those who completed the exit questionnaire, 77% of respondents would speak 'highly of NCC without being asked'. The challenge is to maximise opportunities for employees to develop skills and develop in their careers. Where promotions are not feasible, encouraging sideways moves that can vary experience and provide 'development stretch' become more important.

4.4. Non-voluntary leavers

Although the majority of leavers left for voluntary reasons, a greater number of non-voluntary leavers left than last year, 816 (up from 742 in 2012/13). Non-voluntary reasons include an increased percentage of redundancies detailed in Section 3.2 of this report. The average age for retirement is 61.8 years.

The profile of non-voluntary leavers differs from voluntary leavers, with 48% having more than 5 years' service (voluntary 40%). In the non-voluntary leaver group, 21% of former employees are aged 16-34 (voluntary 36%).



Key Implications

Look at building on learning from 'In house' approaches to skills development, detailed in Section 5 and learning from other approaches to career development.

5. Employee Resourcing

Key insight

With increased operational demands, increased turnover and an upturn in the public sector recruitment market, skills gaps are becoming more evident.

Within NCC there is increased advertising for temporary roles, greater internal movement. Managers are also requiring tighter timescales on recruitment.

NCC has developed some innovative developmental approaches to respond to skills shortages and contribute to NCC's strategic priority for preparing young people for employment.

5.1. Redundancy and redeployment

In the light of employee and manager feedback on the approach to redeployment in Non-Schools, a new Redeployment and Retention policy was introduced on 1 February 2014. This enables improved matching of redeployees' transferable skills to advertised roles. The main changes are:

- Redeployees complete application forms via Applicant Tracking System (ATS) to reflect all their skills, achievements and experience, including work in other sectors and voluntary work. Redeployees applying for more than one role can re-use or tailor previous applications on ATS.
- Managers have better quality information on redeployees through application forms and references from existing managers.
- Trial periods are used consistently, with objectives and timescales for managers and redeployees to assess progress.

5.2. Recruitment

2013/14 has been the first full year of operation for the Applicant Tracking System (ATS), NCC's on line recruiting system. The demand for staff is reflected in the table below. This shows the numbers of internal and external job advertisements.

2013/14	Recruitment Adverts	Appointments Made	Recruitment Adverts where an appointment has been made
Internal	436	452	299 (69%)
External	491	493	340 (69%)
Total	927	945	639

Note: 'Appointments Made' is greater than the number of adverts placed because some adverts cover more than one job.

31% of adverts have not resulted in an appointment, which can have significant operational implications.

Over this year there has been an increase in:

- Social Care vacancies including Social Workers, Reablement Workers and Family Support Workers (across Children's and Adults Services)
- Temporary posts

5.3. Skills shortages

In recruitment, some vacancies are noticeably harder to fill than others including:

- Experienced Children's Social Workers
- Head Teachers
- Mathematics and Science Teachers
- Schools roles in the west of the county
- Advisory and School Improvement roles
- Reablement workers in the west of the county
- Approved Mental Health Care Professionals
- ICT specialists
- Some planning, legal, finance and procurement roles

5.4. Recruitment trends

The Labour Market Outlook Spring 2014 from Chartered Institute of Personnel and Development (CIPD) indicates employment prospects have improved in the public sector. The rise is largely due to an increase in recruitment intentions, which have risen to their highest level for almost two years.

The three top reasons cited by employers for hard-to-fill vacancies are skills (57%), lack of applicants (42%) and lack of experience (38%). Employers are planning to invest more in development schemes to address these difficulties by recruiting more graduates, apprentices and internships. In addition, the report suggests that more public sector employers (52%) are currently having difficulties filling vacancies than the private sector (37%) or voluntary sector employers. The report concludes that UK employers need to offset the risks associated with further skills shortages.

5.5. Developing skills 'In House' – Examples of Schemes

5.5.1. Norfolk Institute for Practice Excellence

The aim of the Norfolk Institute is to develop experienced Social Workers within NCC to respond to the Social Care Improvement Plan. Children's Services has developed an innovative approach of placing Newly Qualified Social Workers in 2 small teams of 8 with Team Managers. These teams work alongside Duty Teams. The Team Managers' role is to plan workload and supervision using cases from the Duty Teams, so that knowledge and expertise are deepened. The Team Managers are also joint reviewers of cases and assessors. The two "pilot" teams started in June 2014. A further 27 NQSWs will start in September in 4 other NQSW teams.

The benefits are:

- Newly Qualified Social Workers (NQSW) are in a team with a Team Manager who is focussed on supporting their Assessed and Supported Year in Employment (ASYE).
- Planned workload and experiences are used to both broaden and deepen knowledge and expertise.
- An opportunity to work across Children's Services Social Care
- Retention of ASYE Social Workers within NCC

5.5.2. Norfolk Commissioning Academy

This programme brings together senior commissioners from Norfolk's public sector organisations. All our commissioners are operating in a very challenging environment of reducing resources and increasing demand. This programme of collaborative learning brings together public sector colleagues in similar commissioning leadership roles, providing them with access to innovative approaches from a range of sectors.

There are 28 participants from District Councils, Norfolk County Council, Norfolk Constabulary and the NHS.

The programme is based around tackling together the real, intractable commissioning challenges we have across our local landscape. We have many examples in Norfolk of good commissioning practice; this is an opportunity to share these and explore even better 'join up' of our work. This programme seeks to bring some 'fresh thinking' and research from the Cabinet Office national programme to strengthen our collective local commissioning transformation work.

5.5.3. Museum Trainee Scheme

The Teaching Museum Trainee Programme was set up to offer an alternative, vocational route into the museum profession enabling people from diverse backgrounds to start a career in the sector. Trainees in the first cohort ranged from 20-50 in age. 8 Museum Trainees started work in January 2013 with a further 8 starting in January 2014. Trainees were not required to have any previous museum qualifications or experience, but were recruited for their positive attitude and potential to learn the skills needed to work in a museum. They were placed across the service supporting work in Archaeology, Digital, Learning, Natural History, Social History and Collections. The 12 month traineeships provide experience of doing a real museum job and a comprehensive development programme involving skills development as well as mentoring. The posts are funded by Arts Council England, Esmée Fairbairn Collections Fund and the Heritage Lottery Fund Skills for the Future programme.

The benefits so far have been:

- The trainees have gained real experience of, and insight into, the work of museums and in turn they have helped us to evaluate and develop the programme.
- All of their posts include work to increase access to collections for the public and this extra capacity provides more opportunities to engage local communities and visitors.
- Staff across the service have supported the scheme through supervising, mentoring and training trainees and in turn have developed their own skills and strengthened links between different parts of the service.
- Of the first 8 trainees, 7 have secured museum roles, 2 in the Norfolk Museums Service and 1 is taking a Museology qualification.

5.5.4. Customer Services and Communications Scheme

The aim of the scheme is to boost capacity across the team and offer graduates significant practical experience across marketing, internal communications, media, events, web and customer insight. This is intended to increase their chances of finding permanent employment in a highly competitive area by matching their theoretical knowledge with practical experience in an award winning service. Since September 2011, there have been 7 paid internships, each lasting 11 months. The scheme was initially funded by income generated from advertising and selling expertise to partner organisations. A further 4 internships each lasting 11 months will start in September. They will be funded by areas of the council needing additional communications resource, but they will continue to be managed and mentored by communications professionals.

The benefits so far have been:

- The unit has benefitted from the new ideas, technical skills, enthusiasm and energy of recent graduates.
- All of the 7 interns have secured permanent employment in communications roles outside NCC.

5.5.5. NCC Apprenticeship Scheme

This scheme aims to improve the employability and skills of 30 young people (aged 16-24) by providing paid workplace experience and access to apprenticeship qualifications. This was to support the work of Economic Development in promoting apprenticeships across private sector employers in Norfolk. A positive effort was made to recruit young people who faced 'barriers to employment'. The Scheme started in March 2013, on a phased basis with the last apprentices due to finish September 2014. Apprentices undertook either Information Technology (ICT Level 2) or Health and Social Care (H&SC Level 2) or Business and Administration (Level 2 or 3). This scheme also contributes to redressing the balance in NCC's age profile.

Outcomes:

- 9 of the apprentices recruited declared a disability.
- 97% retention rate compared to a national rate of 70%.
- There were 18 completions as at the end of March 2014, with 4 achieving ICT Level 2, 5 Bus Admin Level 3, 4 Bus Admin Level 2 and 5 H&SC Level 2.
- Of the 18 completions, 3 have permanent posts within NCC, 11 have temporary posts within NCC and 2 have temporary posts outside NCC, with 2 unknown.

NCC will be appointing 20 trainees, with funds assigned (approximately £67,000) to offer 10 supernumerary apprenticeship posts at the end of their traineeship. The traineeships are starting October 2014. (Traineeships have three elements; work preparation training, English and maths development and a high quality work placement and last approximately 3 months). In addition, departments and Schools continue to recruit apprentices to structures where possible.

5.5.6. Graduate Placement Scheme (Get Britain Working Initiative)

NCC committed to offering and managing 30-50 Placements (from Feb 2012 to March 2014) in support of the Governments' 'Get Britain Working' initiative. The candidates are sourced through the Job Centre and are recent, unemployed graduates aged between 21 and 25. Successful candidates are offered 6-8 weeks' work experience and are expected to work between 25 and 30 hours a week.

In total, 31 placements have been offered and feedback has been positive. Additionally, four opportunities have been offered to graduates through our links with external organisations and these have been passed to the Job Centre to be filled. As the scheme has developed, the time taken to match graduates to placements has reduced, to an average of 3 weeks.

Placements

Placements filled within NCC	31
Placements referred to Job Centre	4

Known candidate outcomes

Joined Temporary Staff Register	4
Gained employment within NCC	6
Gained employment outside NCC	5

Referrals from the Job Centre have fallen since their peak in 2013, with less than 20 during the first half of 2014. This would initially seem to be a promising sign of increased employment levels and a more competitive job market. NCC will continue to participate in the scheme.

5.5.7. Other work placements

NCC has offered 142 placements to Social Work students (observation and practice placements), Environmental Science 'Year in Industry', Speech & Language Therapy and BA in Education.

22 work experience placements were offered to school students in Year 10 of secondary education. This latter group has reduced because of lack of organisational capacity.

Key Implications

There is a need to gain additional intelligence on recruitment within the Norfolk market, particularly shortages in the west.

Use the innovative and practical case studies to respond to skill or capacity shortages.

6. Sickness absence

Key insights

Overall sickness absence for 2013/14 has fallen to 6.96 days per FTE. There has been an overall reduction in sickness absence of 1.7 days per FTE over the last 5 years.

This is lower than benchmark comparisons and continues to reduce. There has been a marginal increase in staff (46%) having no sickness absence at all.

Long term sickness continues to account for more absence than short term sickness, with some variations between Schools and Non-Schools.

When comparing with 2012/13, the percentage of absence due to 'short term viral infections' and 'musculo-skeletal conditions' have decreased, while mental well-being has increased.

NCC has achieved a considerable reduction in time lost due to sickness. The table below sets out the trend data for the last 5 years, including the end of year outcome for 2013/14. This is shown in the graph in Appendix 13.4.

	2009/10	2010/11	2011/12	2012/13	Target 2013/14	2013/14
NCC (All)	8.67	7.81	7.10	7.06	6.81	6.96
NCC (Non-Schools)	10.83	9.13	8.51	8.48	8.23	7.91
Schools	7.24	6.88	6.30	6.26	n/a	6.44

Note: There is no target for Schools as NCC has limited scope to influence schools' sickness levels.

Overall absence levels continued to reduce in 2013/14, although the target was just missed. It is positive to note however that the downward trend has continued within NCC Non-Schools, with a reduction of 2.92 days per FTE, or a 27% reduction in the last 5 years.

Overall, 9,528 fewer days' sickness absence were taken in NCC during 2013/14 compared to 2012/13. This delivered notional savings equating to approximately £605,114, based on an average day's pay.

6.1. Comparative trend data

In the latest Local Government Workforce Survey, 2012/13 Councils reported a median of 8.8 days lost per FTE. NCC's sickness absence is at 6.96 days per FTE.

An alternative method of calculation is days lost to sickness per employee. In NCC this is 6.7 days. This is the method of calculation used in the CIPD Annual Absence Management Survey 2013. NCC's absence levels compare favourably with relevant comparators.

	Average days absence per employee
NCC	6.7
All employers	7.6
All local government employers	8.8
All employers with 5,000+ employees	9.2

It is encouraging to note that while local government and large organisations have experienced increases in the last 12 months, NCC is continuing a downward trend, albeit at a slower rate than previously.

6.2. Key trends

Absence due to sickness can be analysed further to understand trends, shown in the table below:

	12/13				13/14			
	Up to 5 Days	5.5 to 20.5 Days	21+ Days	% staff taking sick	Up to 5 Days	5.5 to 20.5 Days	21+ Days	% staff taking sick
NCC Non-Schools	12.36%	20.29%	67.35%	59.1%	12.22%	21.01%	66.76%	54.2%
Schools	22.9%	30.9%	46.3%	67.6%	22.1%	30.5%	47.4%	68.4%
Total	18.3%	26.3%	55.4%	64.9%	18.1%	26.7%	55.2%	63.9%

- 55.2% of absence in 2013/14 is long term (over 21 days in a year). This is in line with Local Government Workforce data on proportions of long term and short term sickness (under 21 days).
- In Non-Schools long term absence accounts for a greater proportion of total absence (66.7%) in 2013/14. This has reduced from 67.4% in 2012/13.
- In Schools, long term sickness absence is not as prevalent, because of the term time only working pattern. There are more Non-Schools staff who are absent for long term reasons, but when staff in Schools are absent on a long term basis it is for significantly longer periods.
- In NCC Overall there is a marginal increase of staff with no sickness absence during the 12 month period. However, the improvement in Non-Schools (55.8% up from 50.9% in 2012/13) is significant.
- For NCC overall, 'short term viral infections, mental well-being and musculo-skeletal', account for 66% of the absence. These proportions are in line with the Local Government Workforce Survey. In NCC Schools, 'short term viral infections' account for a third of absence due to sickness. In Non-Schools 'mental well-being' accounts for 29%. A table in Appendix 13.5 shows the reasons for absence for Schools and Non-Schools.
- Reasons for absence in this report are calculated on the basis of percentage of overall absence. The percentage of absence due to 'short term viral infections and 'musculo-skeletal conditions' has decreased from 2012/13, while 'mental well-being' has increased.
- Further information on interventions on mental well-being (Norfolk Support Line) and Musculo-skeletal (IPRS) is detailed in the Health and Safety Annual report in July's Policy & Resources meeting.

6.3. Actions taken

Over the last 12 months, the following actions have been taken to support managers:

- Proactive contact made by HR with managers of the top 50 long term sickness cases within Resources. Data shows that the feedback from managers has been positive and a reduction in sickness absence has been achieved.
- Monthly sickness absence reporting extended to include all Community Services Team managers. Work is underway to extend the reporting to all NCC line managers. Managers are starting to make contact about the reports, indicating that the information is being reviewed and actions taken.
- A presentation to Community Services Managers about managing absence identifying the support available to manage sickness absence.

Key Implications

Reviews of absence management practice were undertaken by Internal Audit and the Corporate Health and Safety Manager. An action plan is being developed.

7. Equalities

Key insights

There have been increases in the employees in the 16-24 year old age group, employees who declare a disability and those from an ethnic minority during 2013-14.

Work on enabling people with disabilities to be planned for in accommodation changes has been integrated into the NCC's approach to flexible working.

For Members who want further information on how NCC meets the Public Sector Equality Duty (PSED) for service delivery and the workforce, the information is published on NCC's Internet in: [January 2014 performance report](#).

NCC aims to ensure that all reasonable adjustments or supportive measures are considered to allow equality of access and opportunity regardless of age, gender, ethnicity, sexual orientation, disability, faith or religion, gender identity, pregnancy or marital status.

7.1. Age profile

The age profile of NCC's workforce at 31 March 2014 is outlined in the table below.

Age Group	All NCC Employees 12/13	All NCC Employees 13/14		Schools	Non-Schools
16 - 24	4.33%	4.48%	▲	5.19%	2.80%
25 - 34	16.81%	17.00%	▲	17.32%	16.26%
35 - 44	27.13%	27.05%	▼	28.63%	23.31%
45 - 54	31.46%	31.69%	▲	31.49%	32.14%
55 - 64	18.00%	17.51%	▼	15.50%	22.29%
65 +	2.28%	2.27%	-	1.87%	3.21%

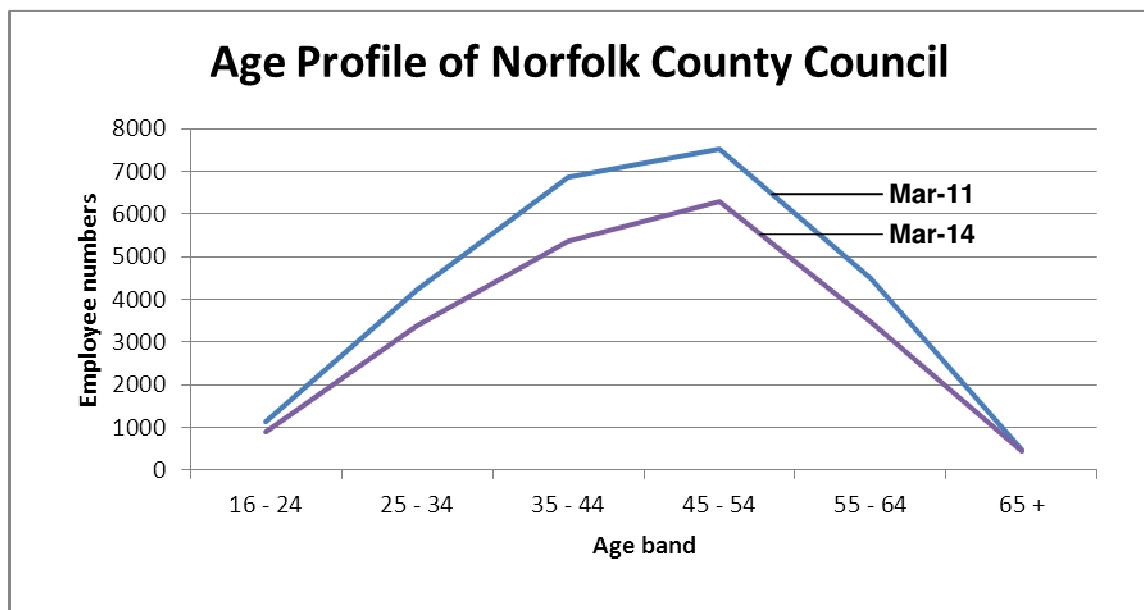
Of NCC's workforce, 51% are aged 45+, 6 % higher than 11 years ago. The profile shows an ageing group peaking at age 45-54.

The marginal increases of 16-24 year olds has continued for a third year, up to 4.48% (up from 4.18% in 2011/12). The recruitment of apprentices and the Get Britain Working Scheme has contributed to this. However, NCC as an organisation does have more of a commissioning role with the need for experienced specialists and fewer entry level roles, especially in business support.

Our percentage of 16-24 year olds is lower than the public sector employment in the East of England (8.29%) and the total of the remaining employment sectors(12.55%).

There have been small reductions in the 55+ age group.

The graph below shows our overall age profile over the last 3 years.

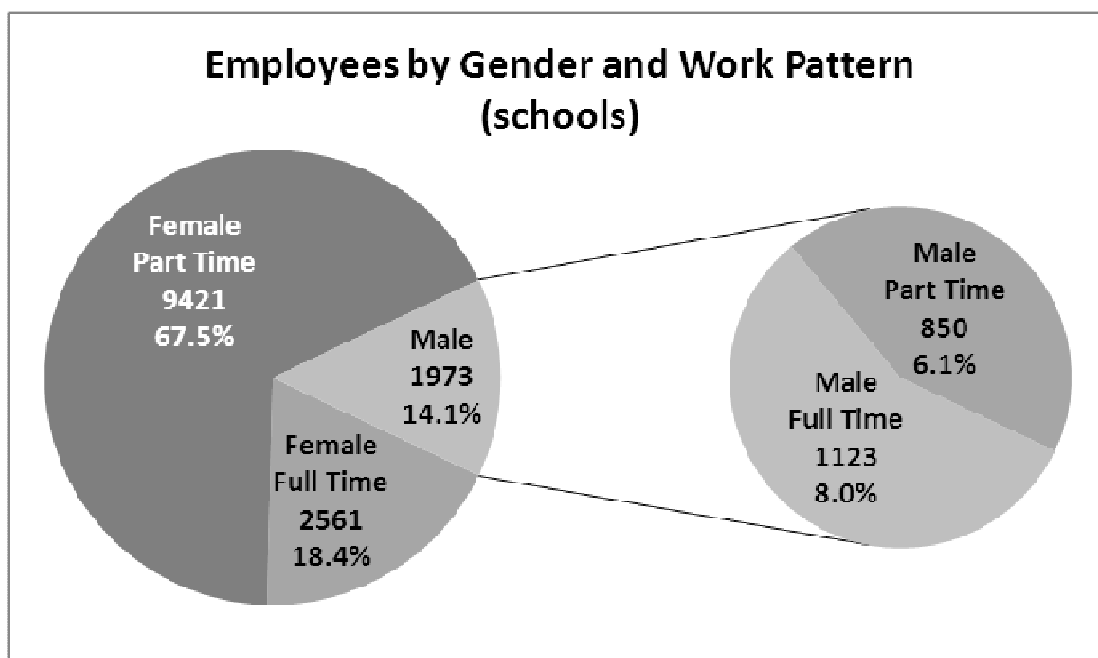
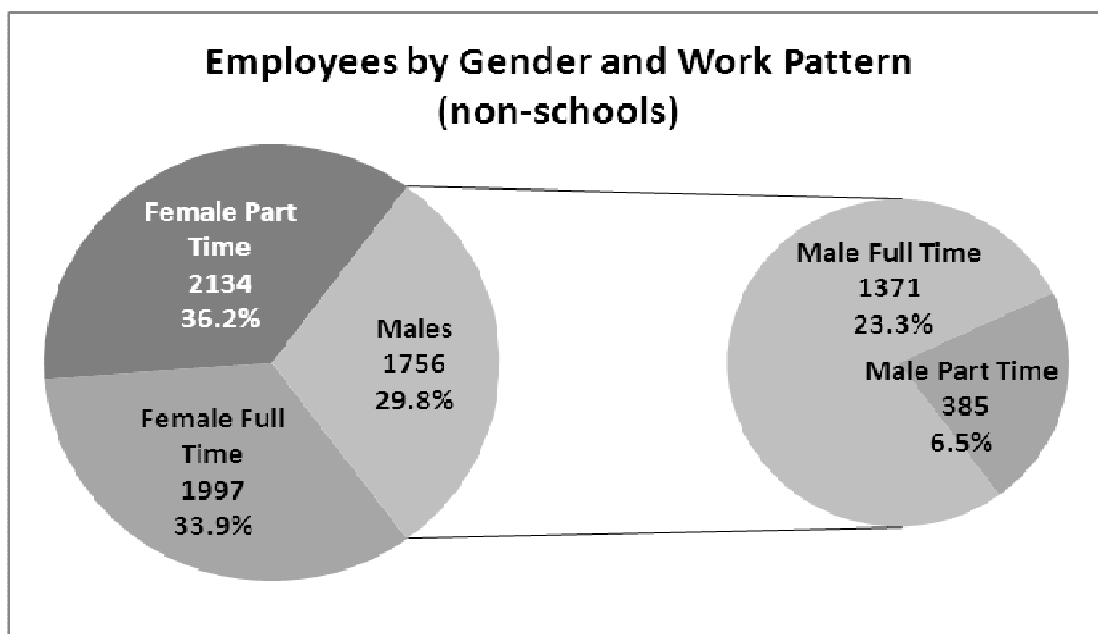


The age profiles for Non-Schools and Schools are different and are in Appendix 13.7. The average length of service profile in NCC is 8.28 years.

7.2. Gender and work patterns

Overall in NCC, 81% of the workforce is female and 64% of staff are part time. The proportions of male and female part time staff have remained at the same levels since March 2011, with male part time staff forming between 6-7% of part time workers.

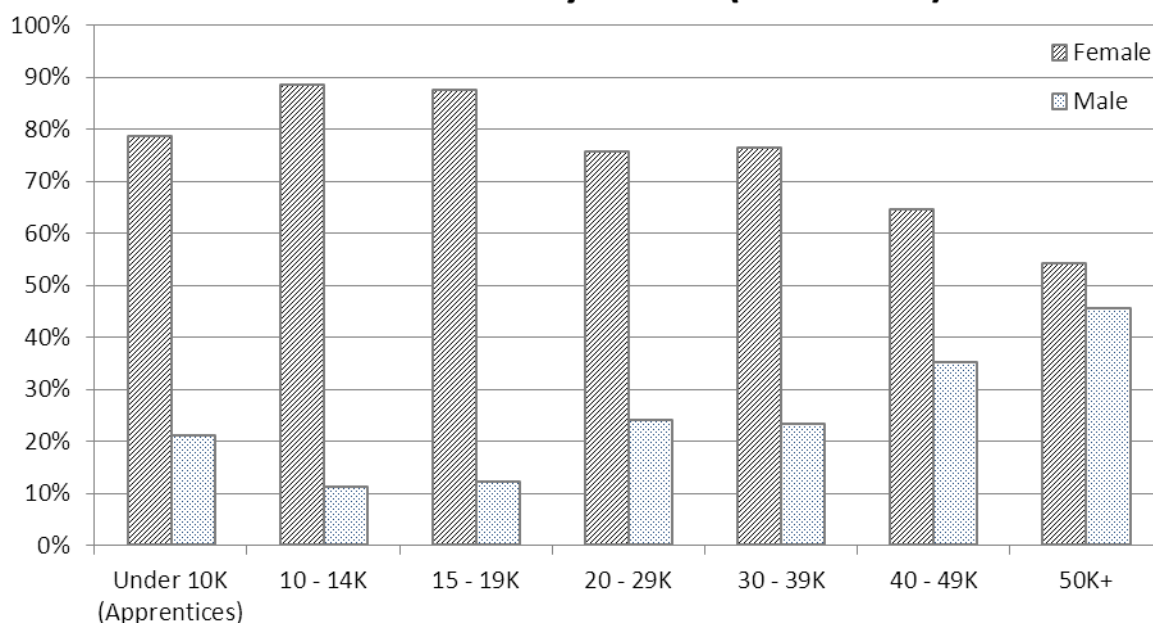
In Schools, 86% of the workforce is female and 74% is part time. The NCC profile continues to follow the profile for local government. Graphs for Non-Schools and Schools are below.



7.2.1. Gender and salary bands

The figures show females well represented in all salary levels due to greater numbers in employment. In the higher salary bands the proportion of women decreases.

Gender and Salary Bands (NCC 2014)



	Under 10K (Apprentices)	10 - 14K	15 - 19K	20 - 29K	30 - 39K	40 - 49K	50K+
Total							
Female	79%	89%	88%	76%	76%	65%	54%
Total Male	21%	11%	12%	24%	24%	35%	46%

Note: The lowest salary banding is subject to small numbers and therefore minor fluctuations in this group can cause significant changes.

As the gender profiles in Schools and Non-Schools are different, the same chart has been included in Appendix 13.6 for Non-Schools and Schools separately.

7.3. Equalities profile

	2009/10	2010/11	2011/12	2012/13	2013/14
Employees with a declared disability					
Workforce	2.12%	2.24%	2.14%	2.21%	2.24%
Top 5% Earners	3.39%	3.34%	3.34%	3.51%	3.92%
Employees from a declared ethnic minority (BAME)					
Workforce	1.43%	1.51%	1.44%	1.42%	1.55%
Top 5% Earners	0.28%	0.30%	0.38%	0.40%	0.48%
Top 5% Earners (female)	45.66%	46.52%	45.24%	45.68%	43.62%

During 2013/14, employees who declare themselves to have a disability as defined by the Equality Act now stands at 2.24% of the workforce, with 4.13% in Non-Schools and 1.26% in Schools. This represents marginal increases over 5 years. We know that on average 18% of employees in Non-Schools and 38% in Schools do not declare their status, so it is likely to be under representative. 3.92% of top earners declared a disability.

Black, Asian and Minority Ethnic declared employees (BAME) comprise 1.55% of the overall workforce, with 1.10% in Schools and 2.41% in Non-Schools. This represents marginal increases over 5 years. We know that on average 10% of employees in Non-Schools and 34% in Schools prefer not to indicate their ethnic status.

In addition to monitoring BAME employees, we monitor those declaring themselves as 'other non-white background' in recognition of the migrant workforce, not captured by BAME. 1.90% of the overall workforce declare they are of 'other non-white background'.

NCC has monitored protected characteristics of Lesbian, Gay and Bisexual (LGB) employees and employees of faith or no faith for 3 years under the Public Sector Equality Duty. 6% of the overall NCC workforce declared their LGB status, with 7.3% declaring their faith or no faith.

Work undertaken:

- An accessibility survey that will provide an opportunity to update employees' declarations.
- Improved guidance on identifying and implementing reasonable adjustments for employees with disabilities and a new policy supporting transgender employees.
- Improved manager guidance to support team members with disabilities involved in accommodation moves in order to identify potential reasonable adjustment issues at an earlier stage for effective planning and implementation.

Key Implications

Following the recent accessibility survey, we will be continuing to support employees with disabilities and also further develop the Accessibility Standards.

8. 2014 Employee Survey

Background

Employee Engagement is an area in which we place considerable emphasis, given its importance to organisational performance. The Employee Survey has taken place approximately every 2 years since 2007, with some focused 'pulse checks' in between. An Employee Survey was completed in June 2014. This year results will be provided to an increased number of managers to support targeted performance improvement.

The survey will not only measure levels of engagement, but also barriers that get in the way of people doing their job. The data focusses the key drivers of engagement; leadership, strategy and direction, performance management, pay and benefits, resources, systems and processes, development opportunities, collaboration, authority and empowerment, quality and customer focus.

This year we are able to benchmark ourselves against high performing organisations in the private sector, alongside the previous Mori public sector norm data.

Survey Outcomes and Next Steps

The Survey had just under 3850 responses, the highest participation of all our surveys. The response rate of 61% compared with 54% in 2011. The strengths and opportunities to improve from the survey are highlighted in Appendix 13.8.

Over the next few weeks managers and employees will be involved in understanding the key issues, their root causes and develop actions to address them together. This will be done through employee forums and some focused task-and-finish groups.

Senior Managers will be talking to their service areas and teams about how the survey results relate to their areas.

Progress will be monitored through regular 'pulse checks'.

9. Ways of Working

Implementing successful transformation requires NCC to ensure that the way we work, supports the challenges we face moving forward. The pace of change requires us to focus even more on what we expect from our employees and reinforce key behaviours. A set of behaviours has been developed, which 'if everyone was doing them' consistently would have the biggest positive impact on the way we work together as an organisation. We set up a programme of employee advocates to support the implementation. This work is being reinforced with managers across NCC.

10. Recommendation

Members are asked to review and comment on trends relating to the current workforce, work undertaken and future skills and behaviours required.

11. Financial Implications

There are no financial implications to bring to the attention of Members.

12. Issues, risks and innovation

Equality Impact Assessments (EqIA) have been carried out on all HR policies and procedures as well as on some of the impact of current organisational change

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: Ruth Grant
Email address: ruth.grant@norfolk.gov.uk

Tel No: 01603 223592



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

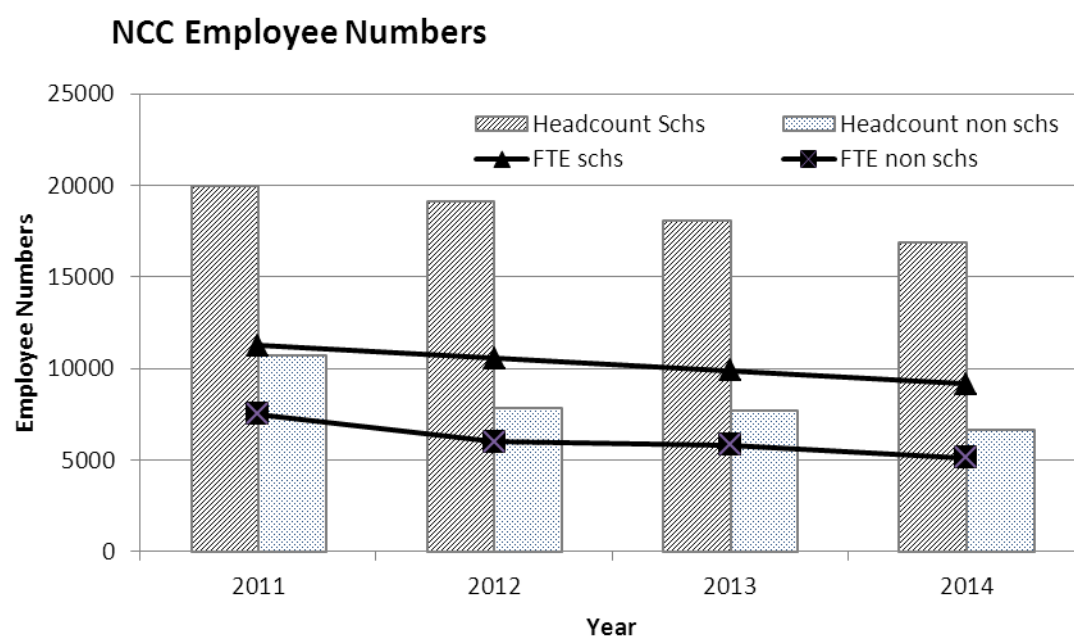
13. Appendices

13.1. Terms of reference

The table below outlines what is in or out of scope of this report, as well as relevant comparative and benchmark data sources.

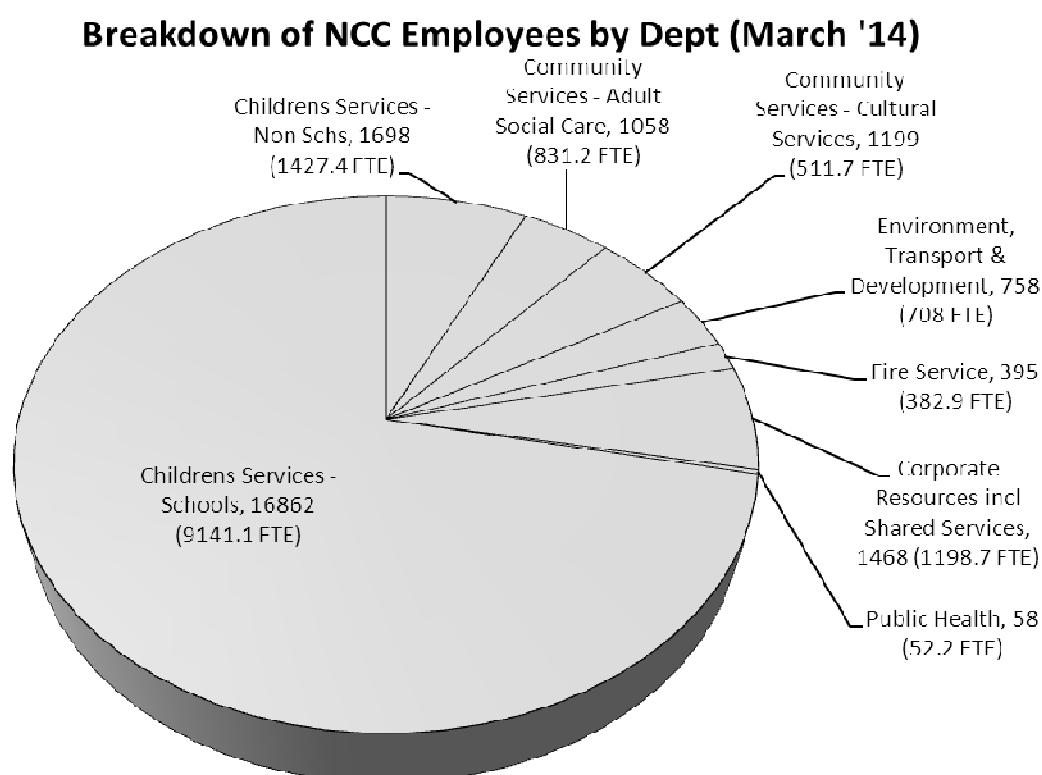
Topic	Definition	Data
Time frame	As at 31 March 2014 for the financial year 2013/14	Oracle database
Scope	<p>Included:</p> <ul style="list-style-type: none"> – Permanent Employees – Fixed Term Contract Employees – All Local Authority Schools teaching and support employees <p>Not included:</p> <ul style="list-style-type: none"> – Relief employees – Casual employees <p>Temporary and Agency employees are included in respect of costs and agency spend, however, they are excluded for all other reporting purposes.</p>	<p>The staffing budget data is presented as full time equivalents. Where headcount analysis is required, March 2014 payroll data has been used.</p> <p>Benchmark data:</p> <ul style="list-style-type: none"> – Chartered Institute of Personnel and Development (CIPD) – Local Government Association/Employment (LGA/LGE) – Office of National Statistics
Diversity measures	<ul style="list-style-type: none"> – Age – Gender – Ethnicity – Disability – Sexual Orientation – Religion or Belief 	
Local Labour Market (LLM)	Norfolk County	<ul style="list-style-type: none"> – Office of National Statistics Regional Monthly Statistics (March 2014) – Economic Development

13.2. FTE employee numbers (Schools and Non-Schools)

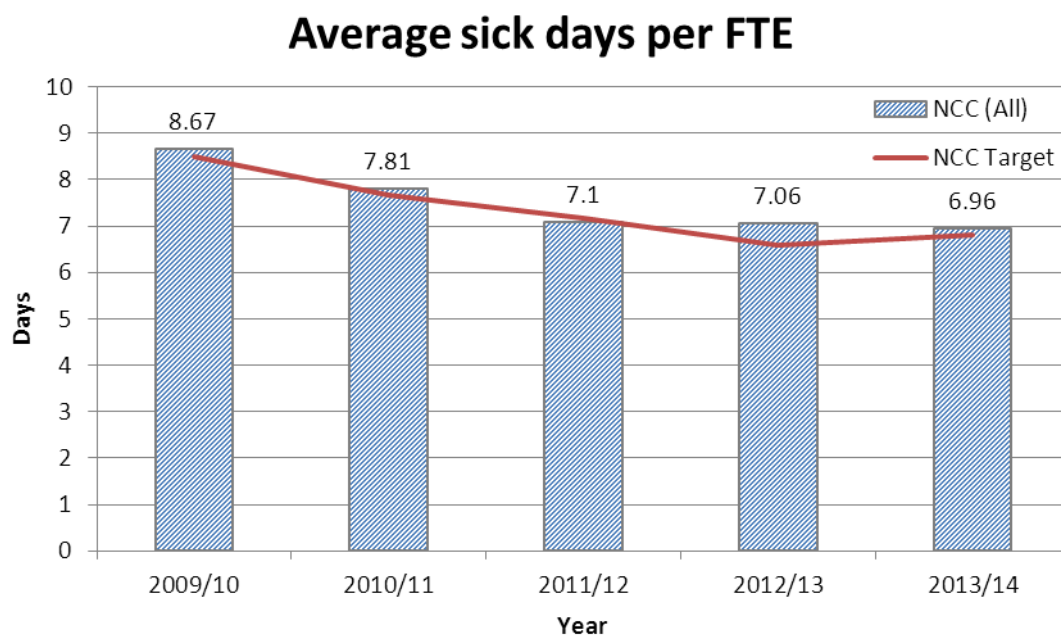


Schools	2011	2012	2013	2014
Headcount	19923	19101	18078	16862
FTE	11248.7	10543.2	9877.8	9141.1
Non-Schools	2011	2012	2013	2014
Headcount	10710	7819	7664	6634
FTE	7519	6013.35	5835.63	5112.065

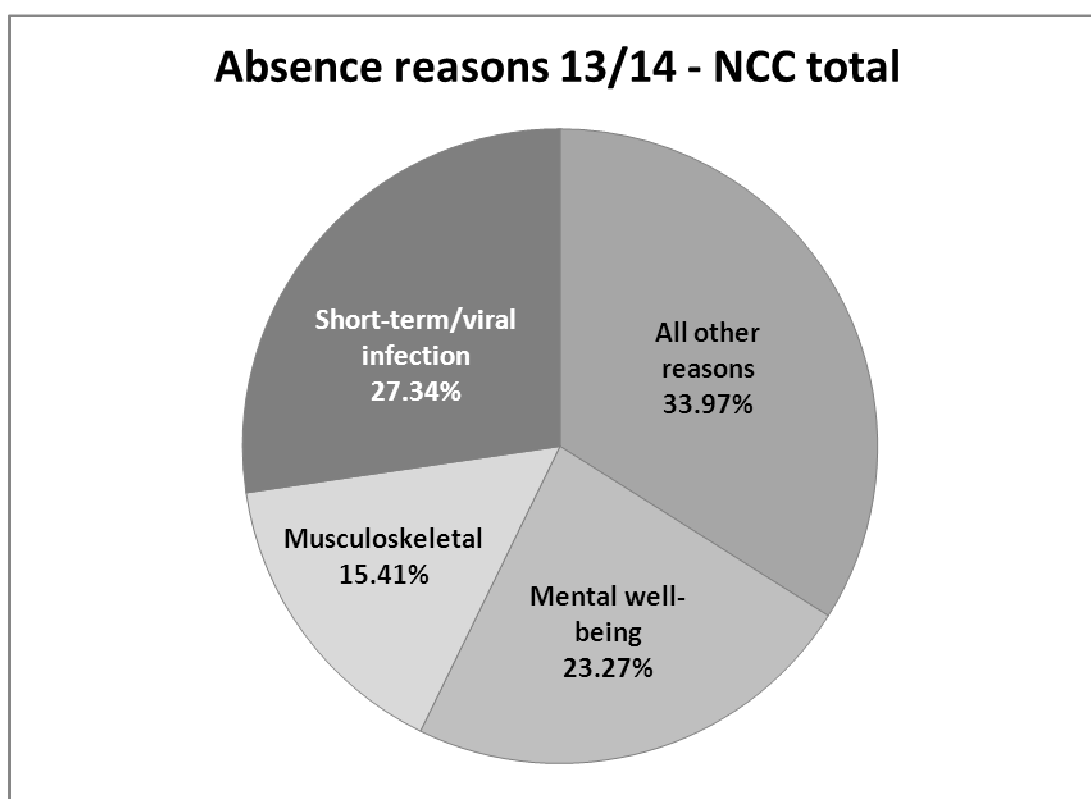
13.3. Breakdown of FTE and headcount by department



13.4. Sickness absence rates

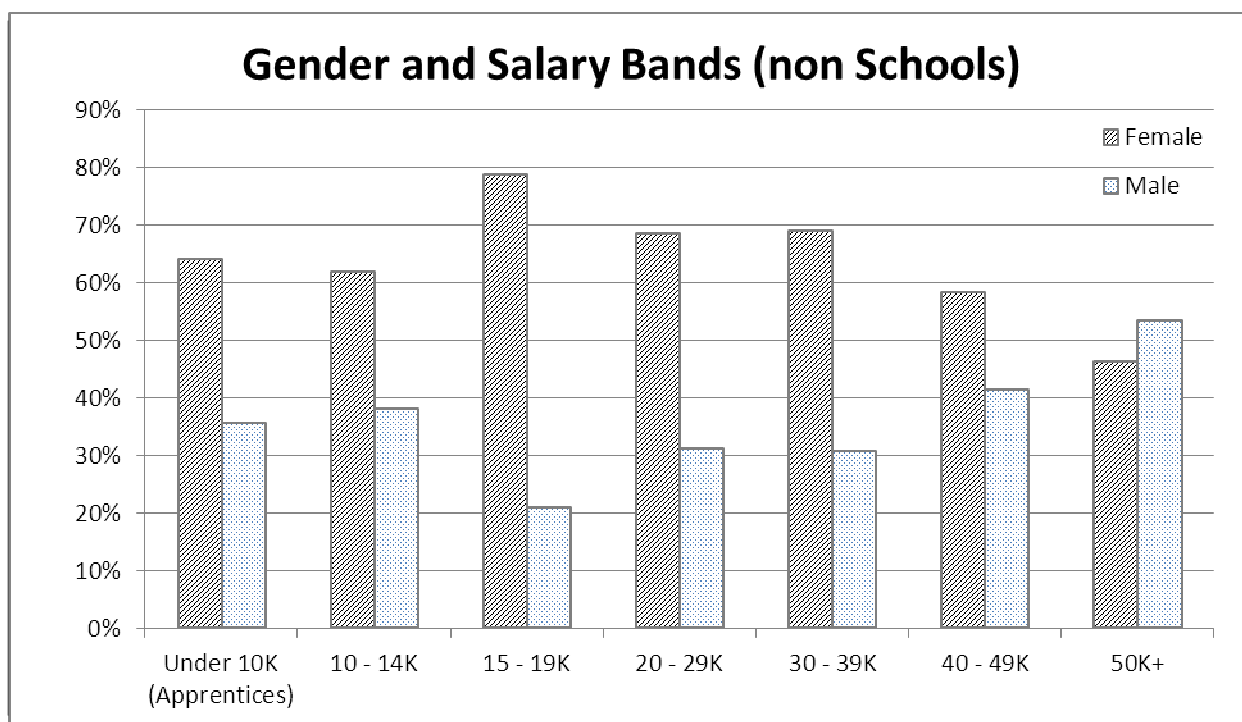


13.5. Reasons for sickness absence



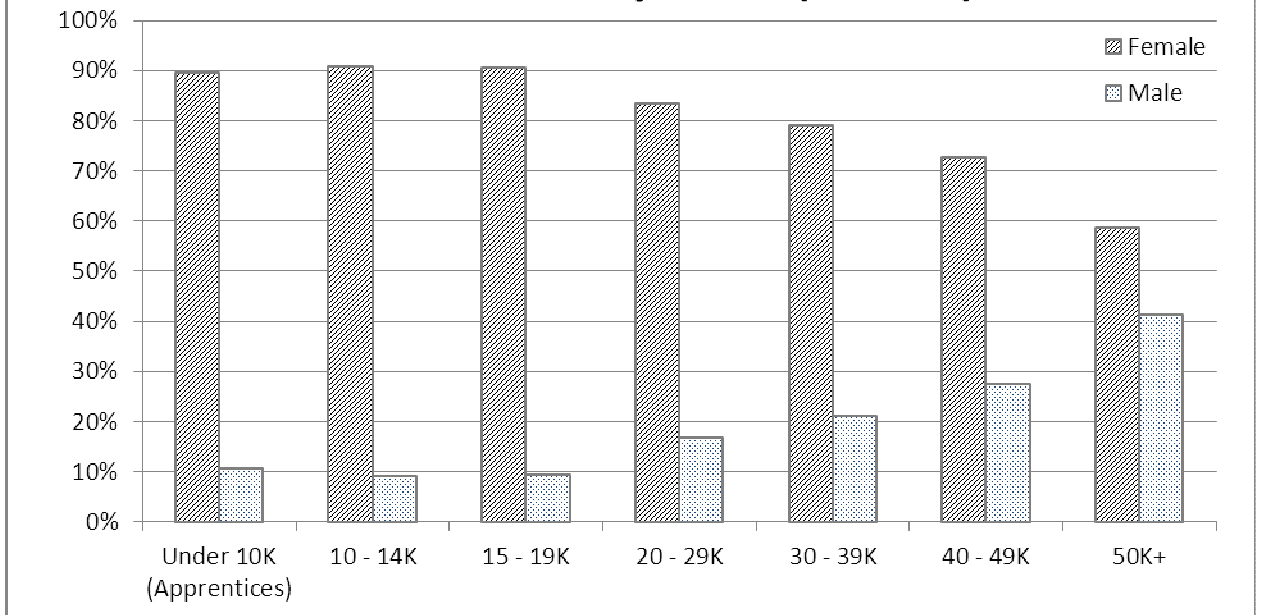
Absence Reason 13/14	Schools	NCC Services	All
Cancer	2.87%	4.70%	3.61%
Circulatory /Organ Related	1.64%	7.18%	3.88%
Diarrhoea and Vomiting	5.65%	2.98%	4.57%
Genito-Urinary	0.56%	1.11%	0.78%
Hospitalisation	8.16%	6.84%	7.62%
Mental Well-being	19.31%	29.10%	23.27%
Musculoskeletal	12.18%	20.16%	15.41%
Neurological	3.61%	4.58%	4.00%
Pandemic Flu	0.08%	0.00%	0.05%
Pregnancy Related	0.84%	1.07%	0.93%
Respiratory	2.68%	3.16%	2.87%
Short-Term/Viral Infection	33.46%	18.32%	27.34%
Skin Conditions	0.38%	0.60%	0.47%
(blank)	8.57%	0.21%	5.19%
Grand Total	100.00%	100.00%	100.00%

13.6. Gender and salary bands



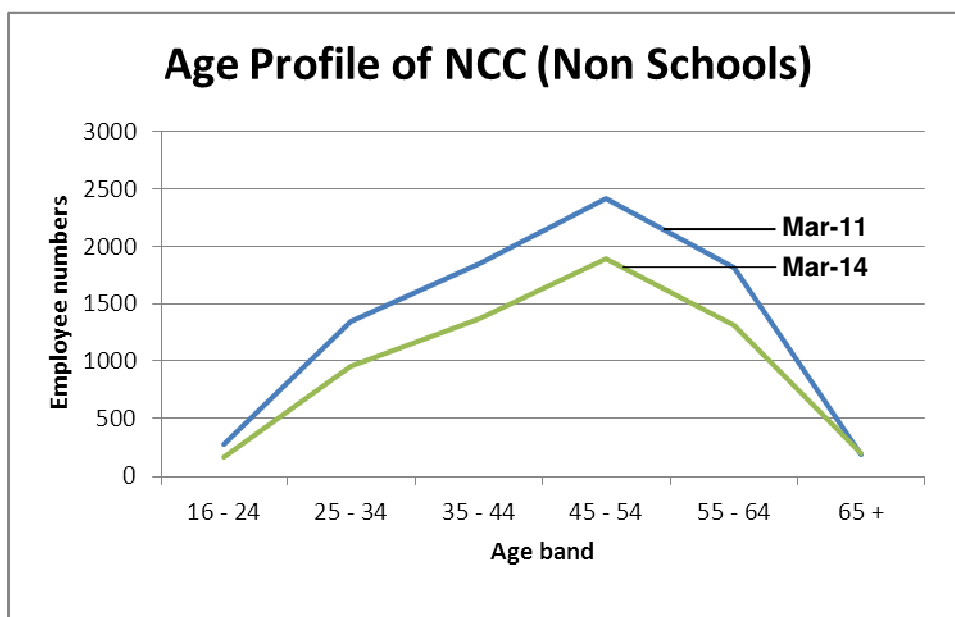
	Under 10K (Apprentices)	10 - 14K	15 - 19K	20 - 29K	30 - 39K	40 - 49K	50K+
Female % - Non- Schools	64%	62%	79%	69%	69%	58%	46%
Male % - Non- Schools	36%	38%	21%	31%	31%	42%	54%

Gender and Salary Bands (Schools)

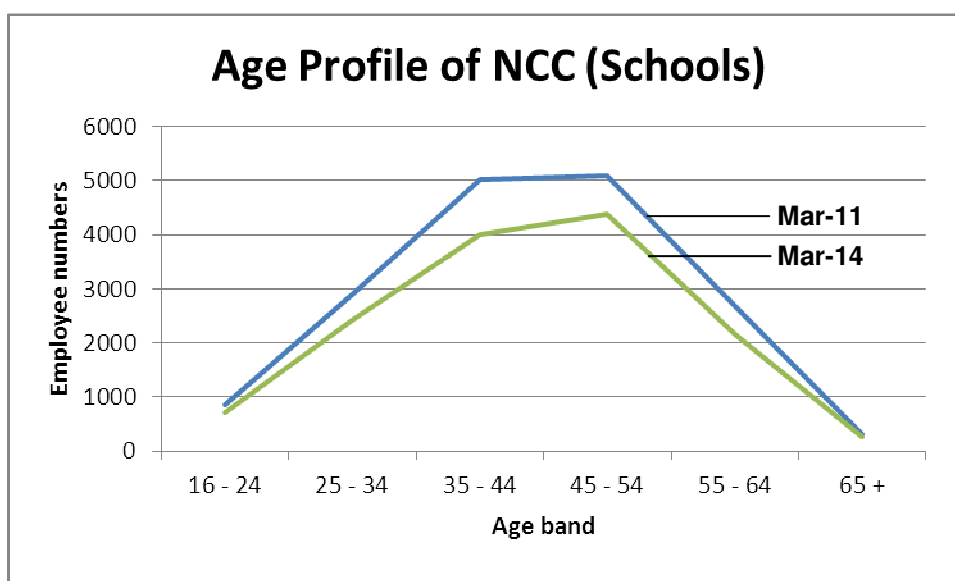


	Under 10K (Apprentices)	10 - 14K	15 - 19K	20 - 29K	30 - 39K	40 - 49K	50K+
Female % - Schools	89%	91%	91%	83%	79%	73%	59%
Male % - Schools	11%	9%	9%	17%	21%	27%	41%

13.7. Age profile



Year	16 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65 +
Mar-11	3%	17%	23%	31%	23%	2%
Mar-14	3%	16%	23%	32%	22%	3%



Year	16 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65 +
Mar-11	5%	17%	30%	30%	16%	2%
Mar-14	5%	17%	29%	31%	15%	2%

13.8 Employee Survey 2014 Strengths and Opportunities

Strengths



Progress on the improvement journey

- **Notable progress has been made since 2011** – 62% of comparable questions have improved.
- **Engagement has remained stable since 2011** – but we want to strive for more!



Local culture and climate

- **Perceptions of line managers** are positive. Managers treat employees fairly and with respect, encourage flexible working, support health and wellbeing, and encourage their team to deliver for the customer.
- **Recognition for doing a good job** is above both the High Performing and UK organisations benchmark norm.
- **Managers acting on ideas and suggestions** has improved notably since the last survey.
- **Communication and collaboration within teams and service areas** is strong – but we need to continue improving collaboration between service areas.



The job itself

- **Role clarity** – employees have a good understanding of what is expected of them, and feel NCC expects a high level of performance.
- Employees feel they have the **opportunity for challenging and interesting work** – this scores above both the HP and UK norm.

Opportunities



Connection

- **Alignment with strategy** - while employees understand their service area strategy, we have more to do to give people a clearer understanding of the council's strategic direction and how their job relates to it. These aspects have declined since 2011.
- **Clarity of messages and management of NCC** - trust and confidence in leadership has remained the same since 2011; however there is scope to improve the clarity of communication from senior leaders and managers. These areas may impact on whether employees feel NCC is effectively managed – a key driver of engagement.
- **Managing change** - although improved, involvement in and management of change initiatives need further attention. Managing change in service areas also offers scope for improvement.



Ways of working to transform our services

- Innovation, collaboration and trust all offer scope for further improvement



Enabling processes & technology

- **Structure and efficiency:** Views suggest that the work environment does not support productivity and NCC is not effectively organised and structured – there are low scores on **decision-making and resources, including ICT**.



Developing people for performance

- **Performance conversations: Feedback** - employees have concerns about the **fairness and effectiveness of performance reviews**. While they feel recognised for doing a good job, **poor performance is not being consistently managed**.
- **Career development and expectations - Opportunities to achieve career objectives, and job-related learning opportunities** are both low scoring areas.