Norfolk County Council

Digital Innovation and Efficiency Committee

Date: **Monday, 18 September 2017**

Time: **10:00**

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

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

Membership

Mr T Garrod - Chairman
Mr D Bills - Vice-Chairman
Mr E Colman
Mr S Eyre
Mr T FitzPatrick
Dr C Jones
Mr D Rowntree
Ms S Squire
Dr M Strong

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

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A g e n d a

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

2. **Declarations of Interest**

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

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

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

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

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

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

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

4. **Public QuestionTime**

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

Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk) by **5pm Wednesday 13th September 2017.** For guidance on submitting public question, please view the Consitution at www.norfolk.gov.uk.

5. **Local Member Issues/ Member Questions**

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) by **5pm on Wednesday 13th September.**

6. **Chairman's Update**

Verbal update by Cllr Tom Garrod

7. Strategic and Financial Planning 2018-19 to 2021-22 **Page 4**
Report by the Executive Director of Community & Environmental Services and Executive Director of Finance and Commercial Services.

8. IMT Performance **Page 18**
Report by the Executive Director, Community and Environmental Services and Executive Director, Finance and Commercial Services

9. Better Broadband for Norfolk Programme update **Page 30**
Report by the Executive Director of Community & Environmental Services.

10. Digital Inclusion **Page 35**
Report by the Executive Director of Community & Environmental Services.

Group Meetings

Conservative	9:15am	Leader's Office, Ground Floor
Labour	9:00am	Labour Group Room, Ground Floor
Liberal Democrats	9:00am	Liberal Democrats Group Room, Ground Floor

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

Date Agenda Published: 08 September 2017

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Digital Innovation & Efficiency Committee

Item No……

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

Strategic impact

This report provides an update on the Council's budget setting process, and summarises the Policy and Resources Committee's guidance to Service Committees on the actions required to enable the Council to set a balanced budget for 2018-19. It also provides the Committee with an update on the Council's overall forecast financial position and in particular sets out details of the forecast budget gap for 2018-19 to 2021-22, and the strategic and financial planning framework recommended by the Policy and Resources Committee.

It also confirms key themes to be taken into account in the development of the next iteration of the Council Plan and sets out an overview of the organisational response to financial pressures.

Executive summary

The report sets out Policy and Resources Committee's guidance to the Committee on the actions required to support preparation of a balanced budget for 2018-19. This includes an overview of the Council's budget planning process, the principles for this year's budget-setting activity, and the latest forecast gap for budget planning purposes for the period 2018-19 to 2021-22.

Recommendations:

Digital Innovation & Efficiency Committee is recommended to:

1) **Note the budget planning guidance for 2018-19 agreed by Policy and Resources Committee and in particular note:**
    a. **the budget assumptions set out in this report;**
    b. **the budget planning principles for 2018-19;**
    c. **the forecast budget gap of £100.000m reflected in the Council's latest financial planning;**
    d. **the allocation of saving targets for the MTFS period 2018-19 to 2021-22 to Departments and Committees, noting the existing savings for 2018-19 and beyond which were agreed as part of the 2017-18 budget round;**

2) **Consider and agree the service-specific budgeting issues for 2018-19 as set out in section 3,**
3) **Consider whether any planned 2018-19 savings could be implemented during 2017-18 to provide an in-year saving; and**
4) **In order to help close the forecast 2018-19 budget gap (as defined in recommendation 1)c, commission officers to report to the October Committee cycle:**
    a. **whether any savings identified for 2019-20 have the capacity to be brought forward to 2018-19;**
    b. **to identify alternative new savings for 2018-19;**
    c. **to identify further savings for the future years 2019-20 to 2021-22 to close the budget gap identified in those years.**

1. Introduction

1.1. The County Council agreed the 2017-18 Budget and Medium Term Financial Strategy (MTFS) to 2019-20 at its meeting 20 February 2017. At this point, the MTFS identified a gap for budget planning purposes of £35.015m. The Council has a robust and well-established framework for strategic and financial planning which updates the MTFS position through the year to provide Members with the latest available financial forecasts to inform wider budget setting work across the organisation. At its meeting 3 July 2017, Policy and Resources Committee therefore received a report "Strategic and Financial Planning 2018-19 to 2021-22" which updated Members on the Council's financial position forecasting a gap of £100.000m for the period to 2021-22, and represented the beginning of Committees' budget planning for 2018-19.

1.2. In 2018-19 the budget-setting process will also be closely aligned with development of the new Council Plan and associated corporate strategy work, to be completed in the autumn. Further details of this approach were set out in the report "Caring for your County" and also in the Strategic and Financial Planning report considered by Policy and Resources Committee in July.

2017-18 budget position

1.3. The latest details of the 2017-18 budget position are set out in the budget monitoring report elsewhere on the agenda. The budget planning assumptions for 2018-19 set out later in this report include an assumption that the 2017-18 Budget is fully delivered (i.e. that all savings are achieved as planned and there are no significant overspends).

Use of reserves to support the budget in 2017-18

1.4. The 2017-18 Budget included plans for available reserves totalling £5.813m to be identified during the process of closing the 2016-17 accounts. This work has now been completed with sufficient reserves to support the Budget having been successfully identified. As a result the potential mitigating actions anticipated at the time the Budget was set will not be required in this respect. Further details of the proposed reserves to be used were provided in the 2016-17 Finance Monitoring Report Outturn to Policy and Resources Committee.

£0.456m of reserves relating to the Digital Innovation & Efficiency Committee have been identified to support the £5.813m requirement.

2. 2018-19 Budget planning

2017-20 Medium Term Financial Strategy

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

Table 1: Agreed MTFS savings 2017-20 by Committee

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

2.2. The MTFS position represents the starting point for 2018-19 budget planning.

Budget planning principles 2018-19

2.3. Policy and Resources Committee have agreed the following key principles for budget planning in 2018-19:

- Budget planning will cover the four year period 2018-19 to 2021-22;
- Budget planning will have an emphasis equally on increasing income as much as reducing cost;
- Budget planning will seek the early identification, and Member agreement, of 2018-19 savings where possible (i.e. before February 2018), in order to facilitate implementation and delivery; and
- Savings targets will be profiled to require savings towards the beginning of the budget period in order to seek to ensure that no savings are necessary in the final year of the Medium Term Financial Strategy 2021-22.

2.4. The outline budget-setting timetable for 2018-19 is set out in Appendix 2 to this report.

Latest forecast budget gap 2018-19

2.5. As set out above, the budget gap identified in the MTFS at February 2017 was **£35.015m**. In spite of the four-year funding settlement from Government for the

period 2016-17 to 2019-20, there is considerable uncertainty about future funding levels, in part as a result of the general election. Financial forecasts have now been extended to cover the four year budget period, although the levels of funding to be received in the final two years, 2020-21 and 2021-22, are unknown. There is currently particular uncertainty about the implementation of 100% rates localisation. **Based on previous indications from the government, this forecast assumes that Revenue Support Grant will substantially disappear in 2020-21. This equates to a pressure of around £36m, but significant uncertainty is attached to this and clearly the level of savings required in year three could be materially lower should this loss of funding not take place.**

2.6. With these caveats, the latest estimate of the budget gap for the four year planning period up to 2021-22 is **£100.000m**. The table below sets out the summary County Council forecast position. Further details of the budget planning changes as reported to Policy and Resources Committee are shown in Appendix 3.

Table 2: Revised Norfolk County Council budget gap forecast

	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m
Gap as at MTFS February 2017	**16.125**	**18.890**	**0.000**	**0.000**	**35.015**
New pressures	13.135	-6.897	20.773	21.366	**48.377**
Funding changes	-11.612	5.998	42.343	0.000	**36.729**
Savings changes	0.878	0.535	-10.000	0.000	**-8.587**
Council tax increase *(1.99% 2020-21, 0% 2021-22)*	0.000	0.000	-7.657	0.000	**-7.657**
Council tax base growth *(0.5%)*	0.000	0.000	-1.914	-1.962	**-3.877**
Revised gap as at P&R July 2017	**18.526**	**18.526**	**43.544**	**19.404**	**100.000**
Reallocate year 4 saving to years 1-3 *(split 20/60/20)*	3.881	11.642	3.881	-19.404	**0.000**
Total new savings to find ***(in addition to savings in 2017-18 MTFS)***	**22.407**	**30.168**	**47.425**	**0.000**	**100.000**
Note: Budget planning assumes:					
Forecast council tax	**373.535**	**382.873**	**392.445**	**394.407**	**n/a**
Forecast increase in council tax in budget planning *(including ASC precept, council tax increase and council tax base growth)*	14.723	9.338	9.572	1.962	35.595
Council tax increase	1.9%	2.0%	2.0%	0.0%	
Adult Social Care precept increase	3.0%	-	-	-	

Budget assumptions 2018-19

2.7. The 2018-22 MTFS **forecast position assumes**:

- 2017-18 Budget and savings delivered in line with current plans (no overspend);
- Use of additional Adult Social Care funding during 2017-18 and future years as agreed by Adult Social Care Committee 10 July 2017;
- Substantial loss of RSG will occur in 2020-21;
- Council tax increases are agreed (subject to annual decision by Full Council) as shown in the table above for 2018-19 to 2020-21 (including Adult Social Care precept in 2018-19) with no increase in council tax in 2021-22; and
- Moderate council tax base growth over the period of the MTFS.

2.8. Uncertainties remain about a number of items which **have <u>not</u> been reflected** in the budget planning assumptions, but which could potentially result in an increase in the overall gap. Risks include:

- Implications of work on the National Pay Spine resulting from the National Living Wage (potentially costing 6-7% over three years) this could result in an additional 1% pay pressure each year, as 1% is already included within the MTFS; and
- The potential for transfer of the Fire and Rescue Service to the Police and Crime Commissioner.

2.9. This budget position and the associated assumptions will be kept under continuous review, and updated to reflect any changes arising from the Government's Autumn Budget, or further information about the Council's funding position as it becomes available. Reports on the latest financial planning position will be presented to Policy and Resources Committee up until budget-setting by County Council in February.

Allocation of savings required

2.10. The following table sets out indicative savings by department (excluding Schools and Public Health) as approved by Policy and Resources Committee. Savings have been based on allocating the budget gap with reference to the planned departmental net budgets for 2018-19. Recognising that Adult Social Care is delivering a significant proportion of the savings planned in the 2017-20 MTFS (see Table 1), and further savings enabled by the additional funding reflected in the budget planning gap, the indicative savings do not include a further apportionment to Adult Social Care for 2018-19. Adults do however receive a share of the year 4 (2021-22) saving to be achieved.

Table 3: Allocation of 2018-19 savings required by Department[1]

Allocation of savings by Department excluding Schools and Public Health	Net previously agreed savings 2018-19	Share of new savings 2018-19	Share of year 4 savings 2021-22	Total new savings to find	New savings and proposed changes to agreed savings identified in budget planning	Total net savings to deliver 2018-19
	a	b	c	(b+c)	d	(a+b+c+d)
	£m	£m	£m	£m	£m	£m
Adult Social Care	-18.716	0.000	-1.477	-1.477	0.250	**-19.943**
Children's Services (Non Schools)	-0.859	-6.314	-0.819	-7.134	0.450	**-7.543**
Community and Environmental Services	-0.178	-8.373	-1.087	-9.460	0.000	**-9.638**
Managing Director's Department	-1.016	-0.339	-0.044	-0.383	0.300	**-1.099**
Finance and Commercial Services	-3.489	-0.991	-0.129	-1.119	0.000	**-4.608**
Finance General[2]	10.599	-2.509	-0.326	-2.835	-0.122	**7.642**
Total	**-13.659**	**-18.526**	**-3.881**	**-22.407**	**0.878**	**-35.188**

Table 4: Allocation of new MTFS 2018-22 savings required by Department

Allocation of new 2018-22 MTFS savings by Department excluding Schools and Public Health	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m
Adult Social Care	-1.477	-11.480	-18.047	0.000	**-31.004**
Children's Services (Non Schools)	-7.134	-6.369	-10.013	0.000	**-23.516**
CES	-9.460	-8.447	-13.279	0.000	**-31.185**
Managing Director's Department	-0.383	-0.342	-0.537	0.000	**-1.261**
Finance and Commercial Services	-1.119	-0.999	-1.571	0.000	**-3.689**
Finance General	-2.835	-2.531	-3.979	0.000	**-9.345**
Total	**-22.407**	**-30.168**	**-47.425**	**0.000**	**-100.000**

2.11. The County Council has approved the establishment of two new Committees, the Business and Property Committee, and the Digital Innovation

[1] Savings have been considered by Policy and Resources allocated by Department. Work has been undertaken to determine the apportionment of savings to Service Committees following confirmation of the Committee structure. Indicative savings by Committee are shown in this report, subject to confirmation by Policy and Resources Committee of the budgets which are the responsibility of the Business and Property Committee and the Digital Innovation and Efficiency Committee.

[2] The net position of Finance General savings reflects the reversal of a number of one-off savings from 2017-18. Further details can be seen in the 2017-18 Budget Book.

and Efficiency Committee. Taking account of the budgets relating to these Committees, the allocation of savings by Committee is shown below.

Table 5 Allocation of new MTFS 2018-22 savings required by Committee

Allocation of new 2018-22 MTFS savings by Department excluding Schools and Public Health	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m
Adult Social Care	-1.477	-11.480	-18.047	0.000	**-31.004**
Children's Services	-7.134	-6.369	-10.013	0.000	**-23.516**
Communities	-2.461	-2.197	-3.454	0.000	**-8.112**
Environment, Development and Transport	-6.663	-5.950	-9.353	0.000	**-21.966**
Policy and Resources	-3.553	-3.172	-4.987	0.000	**-11.712**
Business and Property	-0.362	-0.323	-0.507	0.000	**-1.192**
Digital Innovation and Efficiency	-0.757	-0.677	-1.064	0.000	**-2.498**
Total	**-22.407**	**-30.168**	**-47.425**	**0.000**	**-100.000**

3. Committee response

3.1. The Council is responding to the financial challenges through a number of strategic initiatives focused on demand management, prevention and early help, and a locality focus to service provision.

3.2. Work in the directorates relating to this Committee includes a continued focus on taking forward the digital transformation agenda for NCC to drive efficiency savings.

The new savings allocation to this Committee are as follows –

	2018 – 19 £m	2019 – 20 £m	2020 – 21 £m	2021 – 22 £m
Information Technology Management	-0.757	-0.677	-1.064	0.000
Better Broadband for Norfolk	0.000	0.000	0.000	0.000
Total for Committee	**-0.757**	**-0.677**	**-1.064**	**-0.000**

4. Financial implications

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

5. Issues, risks and innovation

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

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

6. Background Papers

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

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

Norfolk County Council Budget Book 2017-20, May 2017:
https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/the-2017-2020-budget-book.pdf?la=en

Caring for your County, Policy and Resources Committee, 3 July 2017, Item 7:
http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1359/Committee/21/Default.aspx

Strategic and Financial Planning 2018-19 to 2021-22, Policy and Resources Committee, 3 July 2017, Item 9:
http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1359/Committee/21/Default.aspx

Finance Monitoring Report Outturn, Policy and Resources Committee, 3 July 2017, Item 11:
http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1359/Committee/21/Default.aspx

Additional Social Care Funding, Adult Social Care Committee, 10 July 2017, Item TBC:
http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1377/Committee/10/SelectedTab/Documents/Default.aspx

Officer Contact

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

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APPENDIX 1

Categorisation of previously agreed MTFS savings 2017-20

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

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

APPENDIX 2

2018-19 Budget Timetable

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

APPENDIX 3

2018-19 to 2021-22 Forecast Budget Gap

	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m
MTFS gap as at February 2017	**16.125**	**18.890**	**0.000**	**0.000**	**35.015**
New pressures					
Additional expenditure funded from ASC allocations announced in Spring 2017 budget	15.841	-3.733	-0.665		11.443
Pressure from ending of Section 75 protection of social care funding agreement		5.100			5.100
ASC demand and demographic growth – future years			6.100	6.100	12.200
Other pressures within Adult Social Care	0.288				0.288
Remove unspecified iBCF pressures from 2017-20 Budget round	-13.943	-12.544			-26.487
Remove 2017-18 growth for ASC 2016-17 overspend lower than forecast	-1.000				-1.000
Children's: New funding School Improvement (Monitoring and Brokering) which may come with additional responsibilities	0.635				0.635
Add back 2017-18 growth in Children's Services as ongoing pressure	9.000				9.000
Assumed waste pressures (based on average annual increase)	1.700	1.700	1.700	1.700	6.800
Coroners – additional ongoing cost for storage of bodies. (Note: may be potential to offset in future through capitalisation – i.e. construction of an NCC facility)	0.080	0.080	0.080	0.080	0.320
CRC - increased price per tonne (£16.60 to £17.20)	0.045				0.045
National Living Wage pressure for NCC staff (based on £0.15 increments)	0.026	0.121	0.271		0.418
NCC Pensions valuation 31 March 2019 for 2020-21 to 2022-23 (estimate)			1.067	1.152	2.219
Other Pensions valuation 31 March 2019 for 2020-21 to 2022-23			0.933	0.848	1.781
Environment Agency Levy pressure for annual increases experienced	0.050	0.050	0.050	0.050	0.200
IR35 Personal Service Companies additional employer's national insurance liability (estimate)	0.138				0.138
Reduced cost of borrowing - defer borrowing to 2019-20	-0.630	2.329			1.699
Inflation – higher than forecast at 2017-20 MTFS and addition of future years	0.905	0.000	11.237	11.436	23.578
Total new pressures	**13.135**	**-6.897**	**20.773**	**21.366**	**48.377**

APPENDIX 3

2018-19 to 2021-22 Forecast Budget Gap

	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m
Funding changes					
War veterans (assumed recurring)	-0.287				-0.287
Additional ASC allocations announced in Spring 2017 budget	-11.901	-5.903			-17.804
Reversal of additional ASC allocations announced in Spring 2017 budget		11.901	5.903		17.804
Children's: Troubled Families Grant less than expected	0.576				0.576
Risk of loss of Revenue Support Grant following implementation of 100% BRRS - probably addressed through increased retention of business rates (though additional responsibilities may be also given). Significant uncertainty around implementation.			36.440		36.440
Total new funding changes	**-11.612**	**5.998**	**42.343**	**0.000**	**36.729**
Revised gap / (surplus)	**17.648**	**17.991**	**63.116**	**21.366**	**120.121**
Potential changes to agreed savings					
Removal of saving ASC021 (Information Advice and Guidance)	0.250				0.250
Removal of saving CHL017 (Reducing number of social workers)	0.450	0.535			0.985
Adjustment for duplicated savings not achievable	0.300				0.300
Additional saving from reduction in Second Homes repayment to Districts to 12.5% (saving value updated for latest forecasts)	-0.122				-0.122
Total potential saving changes	**0.878**	**0.535**	**0.000**	**0.000**	**1.413**
Revised gap including changes to agreed savings	**18.526**	**18.526**	**63.116**	**21.366**	**121.534**
New savings identified					
Add in ASC saving (ASC006) re-profiled from 2018-19 to 2020-21 in MTFS February 2017			-10.000		-10.000
Revised gap including new savings identified	**18.526**	**18.526**	**53.116**	**21.366**	**111.534**
Council tax increase (1.99% 2020-21, 0% 2021-22)			-7.657	0.000	-7.657
Council tax base increase (0.5%)			-1.914	-1.962	-3.877

APPENDIX 3

2018-19 to 2021-22 Forecast Budget Gap

	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m
Final revised gap as at July 2017	**18.526**	**18.526**	**43.544**	**19.404**	**100.000**
Reallocate year 4 saving to years 1-3	**3.881**	**11.642**	**3.881**	**-19.404**	**0.000**
Total savings to find (in addition to savings in 2017-18 MTFS)	**22.407**	**30.168**	**47.425**	**0.000**	**100.000**

Digital Innovation & Efficiency Committee

Item No……

Report title:	**IMT Performance**
Date of meeting:	**18 September 2017**
Responsible Chief Officer:	**Tom McCabe – Executive Director, Community and Environmental Services, Simon George – Executive Director, Finance and Commercial Services**

Strategic Impact

This report provides an update to the new Committee for the IMT Department performance monitoring and management. It also provides the Committee with an update on current trends, some of which were previously reported to the Policy and Resources Committee. This first report forms the baseline on which to measure improvements for future updates.

Executive Summary

This paper provides an up to date view on performance management information for the IMT Department. It includes operational dashboard information which is based on the 'vital signs' performance indicators previously reported to the Policy and Resources Committee. This formed part of the Council's performance management framework introduced in April 2016.

The data covers the period to the end of August 2017.

Performance dashboard information is presented in the following appendices:

Appendix 1: presents the operational 'vital sign' dashboards
Appendix 2: presents the current status of the IMT programme of work
Appendix 3: presents the resource allocations against the IMT programme of work

Recommendations:

Digital Innovation & Efficiency Committee is recommended to:

1) **Note the information provided in this report**
2) **Consider and agree the performance reporting dashboard format for future meetings**

1. Introduction

This paper presents up to date performance management information for those 'vital signs' performance indicators that were agreed previously by the P and R Committee for the day to day operational service in IMT.

It also includes an up to date summary of the project work in IMT and the resource requirements to deliver this programme of activity.

1.2 The paper highlights any key issues or trends for members to note with more detail in the Appendices

1.3 The report cards at Appendix 1 give more detail on performance indicators where:

- Performance is off target (Red RAG rating or variance of 5% or more)
- Performance has deteriorated for the period
- Performance is adversely affecting the IMT departments ability to achieve its budget
- Performance is adversely affecting one of the councils corporate risks

2. Performance Dashboards - Vital Signs

2.1 This committee considers the detailed performance of the IMT Service within their remit. The first report to this committee analyses some recommended vital signs to help assess progress against the councils overall strategy. The six tables detailed in the Appendix 1: were previously agreed by the P and R Committee and have been regularly reported since April 2016. A summary of the performance areas covered are detailed below.

Table 1: IMT Customer Satisfaction
Table 2: IMT System Availability
Table 3: IMT Abandonment Rate Table
Table 4: IMT incidents per customer per month
Table 5: IMT First Line Fix
Table 6: IMT Incidents resolved within service level agreement

2.2 Any recommended actions are recorded against each table in the appendices below.

3. IMT Programme of Work

3.1 Since the start of the 2017/18 financial year, IMT have been monitoring resource allocations against the annual programme of work. The extent of this work covers the resource requirements against IMT skills and the resource availability against agreed delivery plans. These resources are monitored for non-operational work activities in this exercise.

Operational work is defined as the resources required to maintain everyday IMT activities such as; monitoring systems and services and maintaining system availability, which are not covered by the IMT Programme dashboard. The progress for the operational service is recoded within the vital signs dashboards.

3.2 For the non-operational activities an IMT Resource schedule is used to give a forecast of the IMT resource likely to be consumed by non-operational delivery activities within a rolling 16 week

planning window. It is compiled by a monthly review of agreed commitments with team and project managers in IMT and by a defined resource request process.

3.3 IMT are currently working on a number of projects of high importance including the following:

- Liquid Logic Implementation
- Supporting Children's Services Improvements
- Integration with Health
- CES Departments technology enabled savings
- Infrastructure refresh programme
- Finance and pensions year end preparation
- GDPR – General Data Protection Regulations
- Preparation for Norfolk Futures programme

3.4 Currently the requirements for this programme of work is at an unprecedented high. Indications are that, in the current planning window, non-operational capacity is fully booked for many IMT teams; including many key operational teams maintaining operational services.

With the high amount of demand on the IMT dashboard we are struggling to find the resource to meet requested delivery timescales in many cases, which will continue unless other work is de-prioritised.

3.5 The forecast for the first calendar quarter of 2018 is that many teams are likely to continue to have capacity constraints. Consequently, there will be little to no ability to deliver anything beyond the very highest priority work and an exercise will need to take place with service departments to agree the priority projects.

3.6 Remedial action is required to either prioritise the projects and resources or to create more resource capacity.

3.7 Table 7 and Table 8 at Appendix 2 and 3 of this document shows the current status of the IMT Programme and its Resources.

4. Recommendations

4.1. The Digital Innovation and Efficiency Committee are asked to note the content of this report and recommend any additions and changes for discussion at a future meeting.

5. Financial Implications

5.1. There are no financial implications for the Committee's Budget set out in this report.

6. Issues, risks and innovation

6.1. Significant risks or implications have been set out throughout the report.

7. Background Papers

7.1. Background papers relevant to the preparation of this report are set out below.
7.2. Policy and Resources Committee Reports for 3rd July 2017
7.3. Policy and Resources Committee Minutes from 3rd July 2017

8. Officer Contact

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

Officer Name:	**Tel No:**	**Email address**:
Simon George	01603 222400	simon.george@norfolk.gov.uk
Geoff Connell	01603 222700	geoff.connell@norfolk.gov.uk

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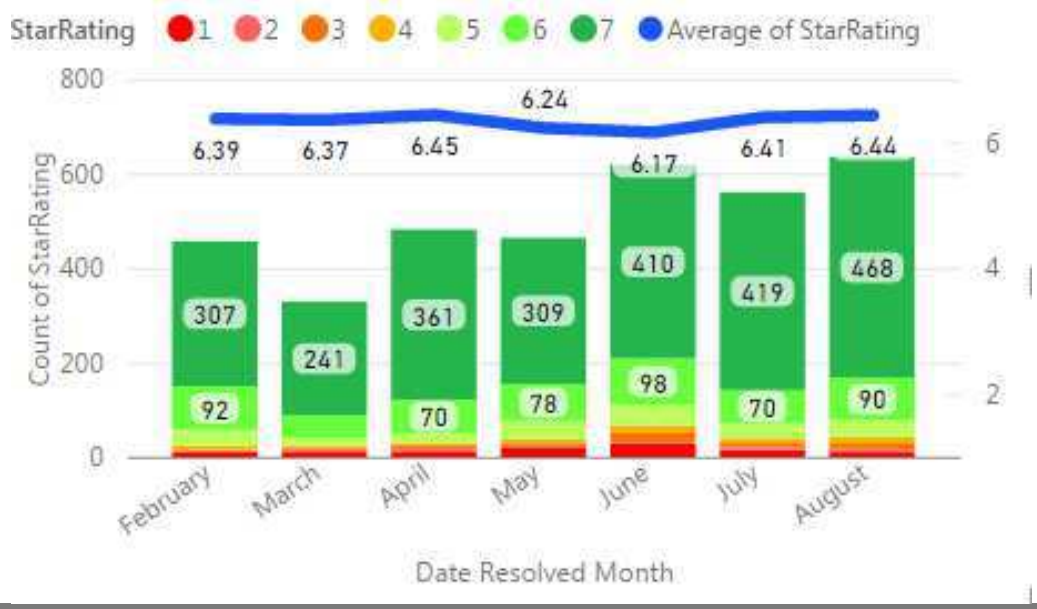
IMT Vital Signs

IMT: Customer Satisfaction

Why is this important?	
Every customer deserves to feel valued and experience an excellent journey through the IMT process	
Performance:	**What is the background to current performance?**
	• 16%% of our customers returned our survey with an average score of 6.44 • 92% of our customers have awarded IMT 5 to 7 stars • 6% of our customers have awarded IMT 1 to 3 Stars
What will success look like?	**Action required:**
• Score greater than 6	• To continue to review the low rated feedback • Customer feedback around our low scores relates to IMT improving our communication. Service Delivery Manager to build these improvements into our Service Improvement Plans
Responsible Officers:	Lead: Rob Price, Service Delivery Manager Data: Jo Carey, Service Delivery Analyst

IMT Vital Signs

IMT: Systems availability

Why is this important?	
Users expect systems (Care First, Oracle, Tribal, Spydus, Email, Internet Access, Intranet Access and Telephony) to be available and reliable when they want to use it, within the agreed service level agreement	
Performance:	What is the background to current performance?
	• Services availability during this period was 99%. • Out of the possible 118,800 minutes for the above systems the IMT service was unavailable for just 236 minutes in August
What will success look like?	Action required:
• Systems to be available to users 99% of the time	• To identify and add more business-critical systems to the measure, and to review resilience and maintainability for those already measured
Responsible Officers:	Lead: Rob Price, Service Delivery Manager Data: Jo Carey, Service Delivery Analyst

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

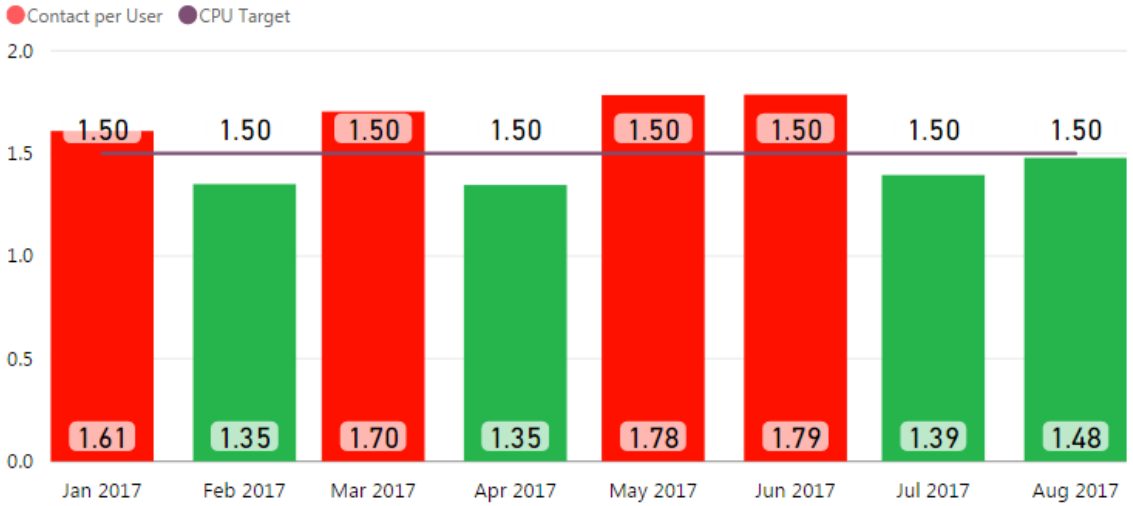
IMT Vital Signs

Why is this important?	
The inability for an IMT Customer to progress with an incident or service request hinders the Customer and the Council from working effectively and efficiently.	
Performance:	**What is the background to current performance?**
The Percentage of Customers (excluding Schools) that abandon their call to IMT service desk 	• 3% below target and consistently below the target since May 17
What will success look like?	**Action required:**
• IMT Service Desk call abandonment rate to fall below the target of 10% • Users routinely using the new Assyst IMT Service Desk system self-service functionality rather than calling or emailing the Service Desk.	• To promote the self-service facility • IMT Self Service Catalogue to be introduced as per the IMT Service Improvement Plan, delivered Q3 17 to bring extra value to the IMT Self-Service Portal
Responsible Officers:	Lead: Rob Price, Service Delivery Manager Data: Jo Carey, Service Delivery Analyst

IMT Vital Signs

IMT: IMT incidents per customer per month

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

Performance:	What is the background to current performance?
How many times within a month the customers contact the Service desk, (by any method) 	• 1.48 contacts per user back within target of 1.5

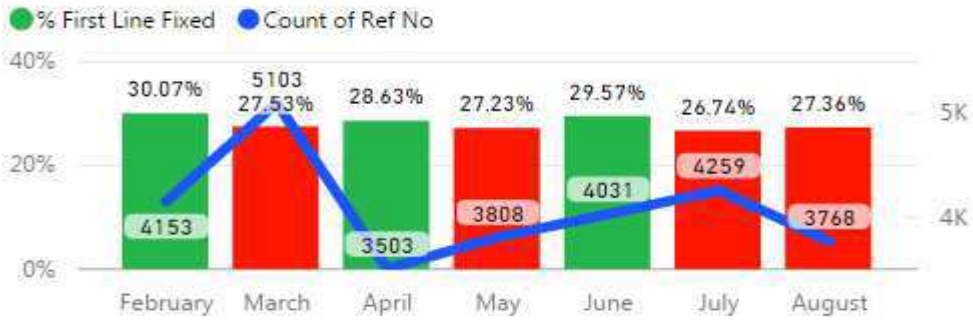
What will success look like?	Action required:
• The contacts per user per month to align with an industry (Gartner) best practice baseline of 1.5 or below • Fewer Priority 1 Incidents (i.e. significant IMT problems affecting multiple users).	• The level of contact correlates to the availability of systems • IMT to be mindful of user impact when implementing any changes to ensure stability of Service

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

IMT Vital Signs

IMT: First Line Fix

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

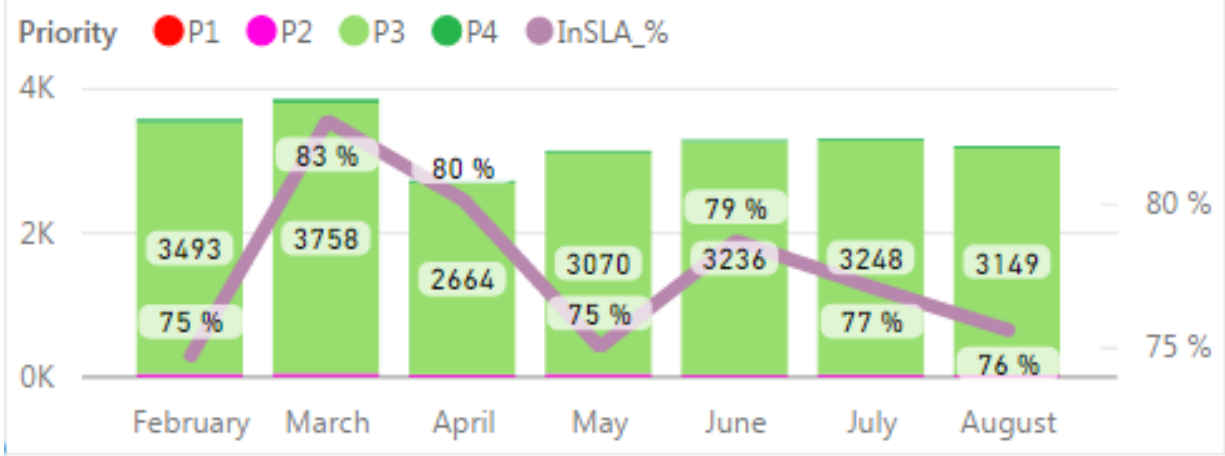
Performance:	What is the background to current performance?
The percentage of customers that have their incidents resolved by the First Line support (Service Desk)  This graph shows the first line fixed performance and target of 28%.	• The implementation of Direct Access has resulted in a number of Incident calls that could not be fixed until the route cause has been established. The route cause for these issues are being work on.
What will success look like?	**Action required:**
• A first time fix rate of over 50% and improved IMT Customer Satisfaction.	• IMT are working to increase their Technical Knowledge base to enable the Service Desk to resolve a higher number of queries at First Line, we believe that this will increase the % achieved in a month, however this is a large task and therefore we would expect a gradual increase rather than a quick noticeable difference

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

IMT Vital Signs

IMT: Incidents resolved within Service Level Agreement

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

Performance:	What is the background to current performance?
The Incident Resolution Performance and Target  *Note* the number of Incidents listed represents those which were Categorised as P3 (3149), although the Percentage represents the % of Incidents of all Priorities that were resolved within their SLA priority (76%).*	• Implementation of CRM and Direct access resulted in resources being assigned to Project work to address initial issues that arose. This impacted the percentage of Incidents being resolved within SLA
What will success look like?	**Action required:**
• Reduction in our outstanding calls in the short term. • Achieve 80%Target	• Review of internal Processes to identify time saving and increase throughput
Responsible Officers:	Lead: Rob Price, Service Delivery Manager Data: Jo Carey

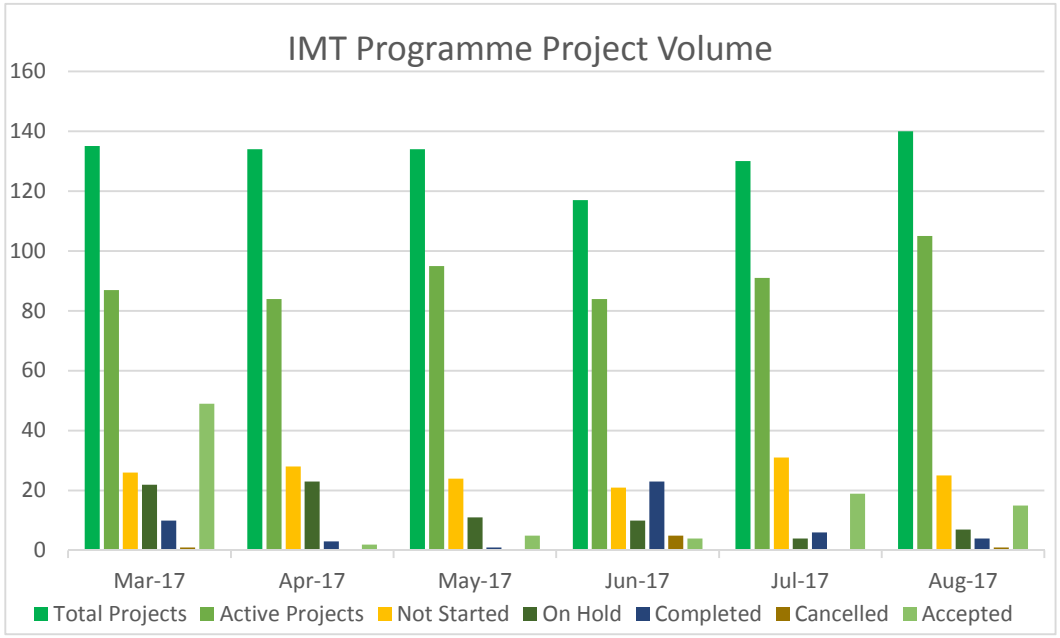
APPENDIX 2

IMT Programme

What it is

The IMT Programme includes all projects and over-arching programmes requiring IMT input, for both service departments and internal IMT projects. The IMT Programme is managed with fortnightly board meetings and updates are provided by project managers and project staff on a regular basis to enable the management of resources and delivery targets.

Project Volume



Background

- This shows an overview of project volume within the IMT Programme over the last 6 months.
- There are currently 140 projects on the programme, 121 are Norfolk County Council projects and 10 are projects IMT are completing for partners, such as Great Yarmouth Borough Council.
- Currently the Corporate, CES and IMT portfolios make up 55% of all projects within the IMT Programme.
- The trend is that more projects are being accepted onto the programme than projects that are completed or cancelled.
- Over the last 6 months, 40% more projects were accepted onto the programme than were cancelled or closed.
- It is forecasted that project volume will increase, as there are a number of projects initiating over the next coming months and only a few small projects are scheduled to complete before December 2017.
- As highlighted by the resource scheduling, there are currently is enough IMT resource to deliver all of the projects currently within the IMT Programme.

What would success look like?

- Projects completed would be a similar volume to the number of projects accepted onto the IMT Programme at the end of the Programme year.
- Delivering and prioritising projects in line with corporate priorities.
- Maximising the benefit realised from the projects within the programme

Action required

- Update the IMT strategy and create a forward plan in order to identify key projects.
- Prioritise projects within the IMT Programme to align with the resource available.

Responsible Officers:	Carol Lock - Service Manager - IMT Programme and Resources

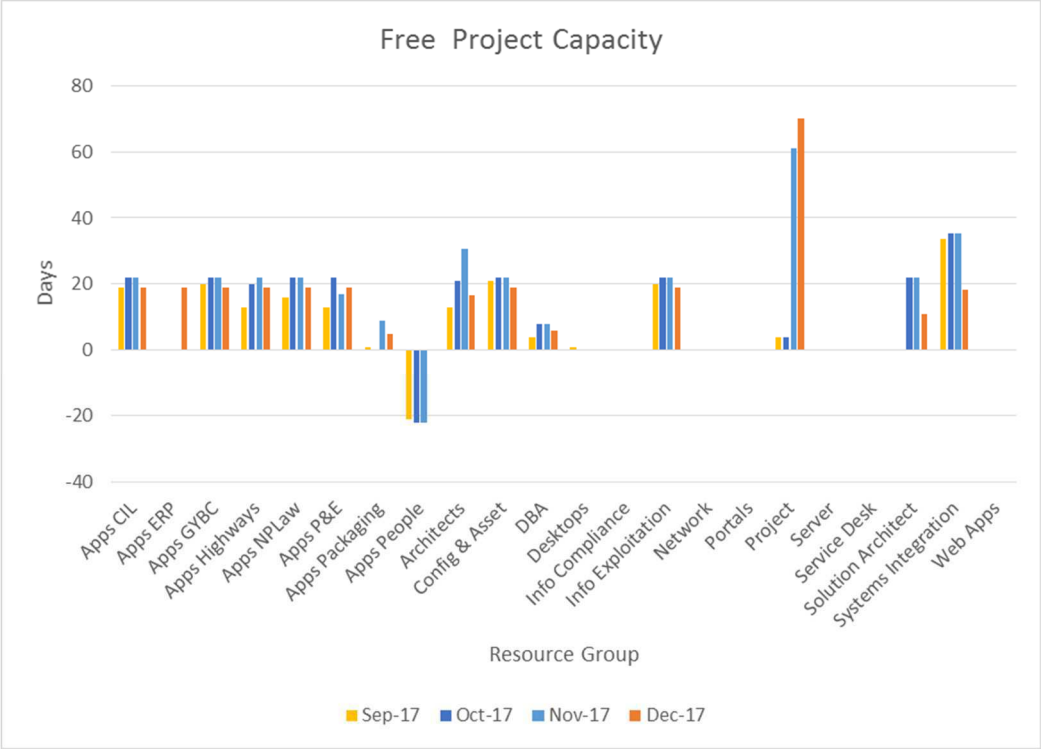
APPENDIX 3

IMT Resources

What it is

An IMT Resource schedule is used to give a forecast of the IMT resource likely to be consumed by non-operational delivery activities within a rolling 16 week planning window. It is compiled manually by monthly review of agreed commitments with team and project managers in IMT and by a defined resource request process.

Free Capacity



Background

- This shows the capacity that remains available for allocation to projects after known commitments have been scheduled.
- There is no free capacity throughout the period for key Infrastructure teams i.e. Server, Network and desktop.
- The Web and Portal teams are also without available capacity.
- People Applications team is over allocated as they continue to be forecast to use what should be operational resource for the Liquidlogic project.
- The trend is for less free capacity to be available. Previously there has been some capacity towards the end of a window, although networks have been at maximum capacity for some time.
- Overall project capacity has been steady for most teams and is expected to remain so, with a dip in December to allow for the Christmas period and associated change freeze.
- Project Management Capacity will reduce at the end of October as two temporary posts for the Voice & Data programme come to an end.
- Server capacity reduces temporarily as more is forecast to be needed for operational initiatives e.g. PSN re-accreditation.

What would success look like?

- Items on the dashboard have clear relative priorities.
- Sufficient capacity in place to deliver all priority projects within required timescales

Action required

- Build sufficient capacity to deliver all items on the dashboard OR
- Reduce items on the dashboard to match available capacity.
- Provide clear relative priorities for items on the programme.

Responsible Officers:	Carol Lock - Service Manager - IMT Programme and Resources Dave Radley – IMT Project Manager

Digital Innovation and Efficiency Committee

Item No.

Report title:	**Better Broadband for Norfolk Programme update**
Date of meeting:	**18 September 2017**
Responsible Chief Officer:	**Tom McCabe - Executive Director, Community and Environmental Services**

Strategic impact

The Government has identified the vital role the Digital Economy will play in the UK's future. The concept of the Digital Economy is wider than the digital sectors such as technology companies and is described in detail in the Government's UK Digital Strategy which was published during March 2017.
https://www.gov.uk/government/publications/uk-digital-strategy

The UK Digital Strategy includes the following themes:

1. Building world-class digital infrastructure for the UK
2. Giving everyone access to the digital skills they need
3. Making the UK the best place to start and grow a digital business
4. Helping every British business become a digital business
5. Making the UK the safest place in the world to live and work online
6. Maintaining the UK government as a world leader in serving its citizens online
7. Unlocking the power of data in the UK economy and improving public confidence in its use

This paper describes the Better Broadband for Norfolk (BBfN) Programme which underpins theme 1 within the UK Digital Strategy.

Executive Summary

The first BBfN rollout completed on time at the end of September 2015, met its contractual outcomes and thereby doubled access to Superfast broadband speeds (24Mbps+) from 42% to 84% of Norfolk properties.

The second BBfN rollout began during December 2015 and is delivering as expected against plan. Implementation is planned to be completed by the end of March 2020, by when 95% of Norfolk properties are expected to have access to Superfast broadband speeds.

This report describes the BBfN Programme and reports progress.

Recommendations:

Members are asked to review the progress of the BBfN Programme to date.

1. Proposal

1.1. Norfolk County Council signed a contract with BT Group in December 2012 for the implementation of fixed broadband infrastructure, in areas of Norfolk that would not benefit from fully commercially funded infrastructure. This contract, completed on time, delivered access to Superfast broadband speeds for over 1,000 more properties than contracted, and costs were some £12 million less than expected. Councillors agreed to invest this under-spend in the second BBfN contract.

1.2. The first BBfN contract implemented 680 fibre cabinets across Norfolk between July 2013 and September 2015 which serve 42% of Norfolk properties.

1.3. The second contract was signed in December 2015. It is expected to complete by the end of March 2020 when access to Superfast broadband speeds is expected to increase to 95% of Norfolk properties.

1.4. The second contract is more complex, requiring over 1,100 fibre structures across Norfolk, to serve approximately one quarter as many Norfolk's properties (11%) as the first contract.

1.5. Councillors agreed that to achieve the greatest coverage possible, for the investment available, the Council would not identify specific locations for upgrade as this would have created technical constraints on BT and lead to less coverage and speed uplift; instead, the Council specified the following:

- To seek the highest possible levels of Superfast Broadband (24 Megabits per second +). This means BT created a design for Norfolk based on a balance between the public subsidy required and the level of speed increase achieved.

- Implementation takes place in the most efficient technical order to deliver the maximum possible coverage.

1.6. Both BBfN contracts were let as call-off contracts under the national Broadband Delivery UK (BDUK) Framework contract. This contract both meets EU State Aid requirements and complies with procurement legislation.

1.7. Procurement legislation means that public sector contracts usually need to be let via a competitive process. In the case of the national BDUK Framework contract, 43 suppliers bid, six were taken through a full competitive dialogue process and two were appointed as suppliers. One of the two then withdrew.

1.8. The BDUK contract complies with State Aid requirements, specifically:

- Infrastructure has to be available for any Internet Service Provider (ISP) to use to offer services. There are over one hundred ISPs that use BT Openreach fibre based infrastructure to deliver Superfast broadband services. This ensures customers have choice.

- Public subsidy can only be used to fund Next Generation Access (NGA) technologies, for instance BBfN can’t subsidise local wireless services.

1.9. The basis of the contract is “gap funding”. This means the subsidy available is the cost to deploy the infrastructure, minus the revenue the infrastructure generates in the seven years following its implementation. The actual BBfN funding is:

- BT will contribute over £15 million capital and all operating costs

- Public sector investment will be £48 million, from BDUK, LEP, Norfolk County Council and the five rural District Councils

- Protections within the contracts mean if Take-up of services using the new infrastructure is higher than expected, a unit margin is recovered for each additional property that takes a fibre service, over the number specified in contract. To date, a further £5 million rebate from BT has been agreed as part of contract one. This has been re-invested via the second contract.

- Total capital investment over both contracts will be over £68 million.

2. Evidence

2.1. The programme involves public subsidy therefore BT report progress against contractual measures every quarter. Information is provided during the second month following the quarter end. BBfN then validates the information before confirming contractual commitments have been met.

2.2. This table contains information reported via the contract up to the end of June 2017 and it demonstrates progress in delivering the second contract. The table is based on speeds of 15Mbps+ (although the majority of properties have access to speeds above 24Mbps) which is the speed above which State Aid rules prevent the deliberate use of public subsidy.

AVAILABLE FROM COMMERCIALLY FUNDED ROLLOUTS	42%
AVAILABLE VIA BETTER BROADBAND FOR NORFOLK CONTRACT 1	42%
DELIVERED VIA CONTRACT 2 (End June 2017)	**5%**
WILL BE DELIVERED BY THE END OF CONTRACT 2 (March 2020)	**6%**
NO FIBRE SOLUTION PLANNED	**5%**
TOTAL COVERAGE AT 15MBPS+ End JUNE 2017	**89%**

2.3. An independent website "Think Broadband" provides levels of coverage for a whole county, unitary, region, metropolitan area, or at District or Parliamentary Constituency level.
http://labs.thinkbroadband.com/local/index.php?area=E10000020.

A range of speeds are reported, the two key UK government measures are 24Mbps+ and the percentage of properties with access to a speed of less than 2Mbps. This is the table for Norfolk, at the end of June 2017.

Think Broadband			
Superfast UK (>24 Mbps):	**88.24%**	Below 2 Mbps (USC):	**1.63%**
Superfast EU (>30 Mbps):	87.20%	Below 10 Mbps (USO):	**6.99%**
Openreach (>30 Mbps):	86.75%	Below 15 Mbps:	**9.62%**
Ultrafast (>100 Mbps):	**26.57%**	Virgin Media Cable:	26.47%
Openreach FTTP (Native):	0.07%	FTTP or FTTH	0.11%

2.4. Take-up of Superfast services is very important, both because it allows residents and businesses to take advantage of the many benefits that it can offer, but also because for every property which takes a Superfast service package a Take-up rebate is paid. At the end of June, Take-up of services using the infrastructure which was implemented as part of the first Better Broadband for Norfolk contract has risen to 43%.

2.5. People can check to see current coverage and future plans using their postcode at the Better Broadband for Norfolk website: www.betterbroadbandnorfolk.co.uk

2.6. There are 5% of properties where funding is currently insufficient to provide a Superfast broadband infrastructure. There are potential solutions:

- The Digital Economy Act 2017 which received Royal Assent in April, enabled the creation of a new broadband Universal Service Obligation (USO), giving every household and business the right to request a broadband connection at a minimum speed of at least 10Mbps, up to a reasonable cost threshold - no matter where they live or work. Following this, the Government is consulting on the specific design of the USO which would be set in secondary legislation.

  The consultation covers a number of interrelated design issues - the minimum specification, the technologies and providers that can deliver this, affordability, how it is funded and minimising market distortion. It also considers the review of the USO to ensure that it remains relevant over time.

  The consultation was launched on 30th July, with responses required by mid-day on 9th October.

- Further funding could be applied to expand coverage, for instance future Take-up rebates. Although if "new" funding is allocated this will require new State aid approval

State Aid rules govern when and how public subsidy can be applied
This means new developments usually cannot attract public subsidy for broadband infrastructure. Developers are strongly advised to register their new sites with potential Superfast infrastructure providers which will often provide infrastructure at no cost to the developer. The main two in Norfolk are:

BT Openreach: https://www.ournetwork.openreach.co.uk/

Virgin Media:): http://www.virginmedia.com/lightning/network-expansion/property-developers

2.7. Any property with access to a broadband speed of less than a minimum of 2Mbps that will not benefit from a fibre upgrade can access the Government's voucher scheme. This scheme aims to cover the set-up costs for the implementation of alternative technologies such as wireless or satellite. Details and an application form can be found on the Better Broadband for Norfolk website http://www.betterbroadbandnorfolk.co.uk/better-broadband-subsidy-scheme/

2.8. Once Superfast broadband is available, people need to contact their Internet Service Provider (ISP), or another, as their service will not automatically be moved to a fibre based service. There are over 100 ISPs offering Superfast services, people can check availability and costs using the comparison websites on the Ofcom webpage:

https://www.ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/costs-and-billing/price-comparison

There are usually good deals available and people can shop around every time their contract comes up for renewal to ensure they always have the best value available.

2.9. People sometimes raise operational service issues with BBfN or members. It is important that people raising such issues are asked to notify the problem directly to their own Internet Service Provider, rather than via the County Council. The Internet Service Provider will then either resolve the issue, or refer it to BT. This link provides information on what to do next if a problem is not resolved adequately: https://www.ombudsman-services.org/sectors/communications/who-can-we-help

2.10. Information regarding how to improve broadband speeds can be found at this Ofcom website:

https://www.ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/advice/broadband-speeds

3. Financial Implications

3.1. No further information above that is not already provided in sections 1 and 2.

4. Issues, risks and innovation

4.1. Risks have been identified and managed using the Corporate Risk Management Framework. The BBfN Steering Group reviews programme risks and proposed mitigations at its quarterly meeting.

4.2. The environmental impact of the contractor's proposals and, specifically, what steps the contractor will take to minimize the environmental impact of the programme are assessed as part of Norfolk's procurement processes.

5. Background

5.1. County Councilors identified that the lack of broadband infrastructure disadvantages large parts of Norfolk both economically and socially. This is identified in the Council's Economic Growth Strategy as key infrastructure to support economic development.

5.2. Better Broadband for Norfolk contracts are managed within nationally agreed contract management and assurance processes.

Officer Contact

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

Officer name : **Karen O'Kane** **Tel No. :** **07775 817851**

Email address : **karen.okane@norfolk.gov.uk**

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Digital Innovation and Efficiency Committee

Item No.

Report title:	**Digital Inclusion**
Date of meeting:	**18 September 2017**
Responsible Chief Officer:	**Tom McCabe, Executive Director - Community and Environmental Services**

Strategic impact
Digital inclusion is also about reducing social isolation and about people being able to benefit from technology both as citizens and consumers.

Executive summary

Digital inclusion refers to the ability and appetite of individuals and communities to access and use digital media, such as the internet, to support in accessing services, achieving higher levels of education, improving employment opportunities, finding cheaper goods and products, and finding new information, advice and entertainment options.

Although the barriers to digital inclusion are complex, research indicates that there are four main barriers:

- access: the ability to connect to the internet and go online
- skills: the ability to use the internet and online services
- confidence: a fear of crime, lack of trust or not knowing where to start online
- motivation: understanding why using the internet is relevant and helpful

Several initiatives to address these barriers are currently underway within Community Information and Learning, and the highlights are included in this report.

Recommendations: Members are recommended to:

1. **To endorse plans currently in place to improve digital inclusion in Norfolk and discuss future aspirations**

2. **Task officers to develop a digital inclusion strategy for Norfolk**

1. Introduction to digital inclusion

1.1. What do we mean by digital inclusion?

The internet can empower people – giving them skills and confidence to improve their lives, enhance the capacity for independent living and allows people to actively participate in society. Many aspects of our society and economy are now accessed digitally and being digitally excluded reinforces social exclusion and poverty. In addition to the benefits available to citizens, it is estimated that local government in the UK could save more than £420 million through digitizing transactions with citizens.

As well as having invested in a “Better Broadband for Norfolk” initiative over the

past five years, Norfolk County Council adopted a Customer Service Strategy (April 2015) that sets out plans for wide scale process redesign and digitisation of services. Together, this will help Norfolk County Council manage the demand for its services and will result in improved delivery of local services and communication with residents and will provide 24-7 access. The demand for on-line council services will be increased, allowing staff to spend more time on more complex issues and cases requiring their expertise. It will offer the potential to make efficiency savings in, for example, transactional services and could increase the income received by the council.

For businesses, it allows increased use of on-line tools, improves communication and marketing to customers, and greater flexibility in working location. It can help business viability, especially for small-medium sized firms, and overcome the disadvantage of being located in more remote rural areas.

For the UK to be a world-leading digital economy that works for everyone, it is crucial that everyone has the digital skills they need to fully participate in society.

Although we live in an increasingly online world, a significant part of the population remains digitally excluded. One in 10 adults has never used the internet[1] and many more are missing out on the opportunities the digital world offers, whether through lack of connectivity, digital skills or motivation. We must continue to address this digital divide between those who have been able to embrace the digital world and those who have not[2].

Although the barriers for digital inclusion are complex, research indicates that there are four main barriers:

- access: the ability to connect to the internet and go online
- skills: the ability to use the internet and online services
- confidence: a fear of crime, lack of trust or not knowing where to start online
- motivation: understanding why using the internet is relevant and helpful

The current situation in Norfolk and the initiatives in place to overcome exclusion are covered at a high level, within this document.

[1] Internet users in the UK: 2016, ONS statistical bulletin
[2] Taken from the 2017 UK Digital Strategy, Department for Digital, Culture, Media and Sport

1 Digital Inclusion: Norfolk Evidence

Figure 1 below shows the percentage of the adult population who have accessed the internet in the last 3 months. Norfolk has made significant progress in the last few years, but is still marginally behind the UK overall and more markedly behind the rest of the East of England.

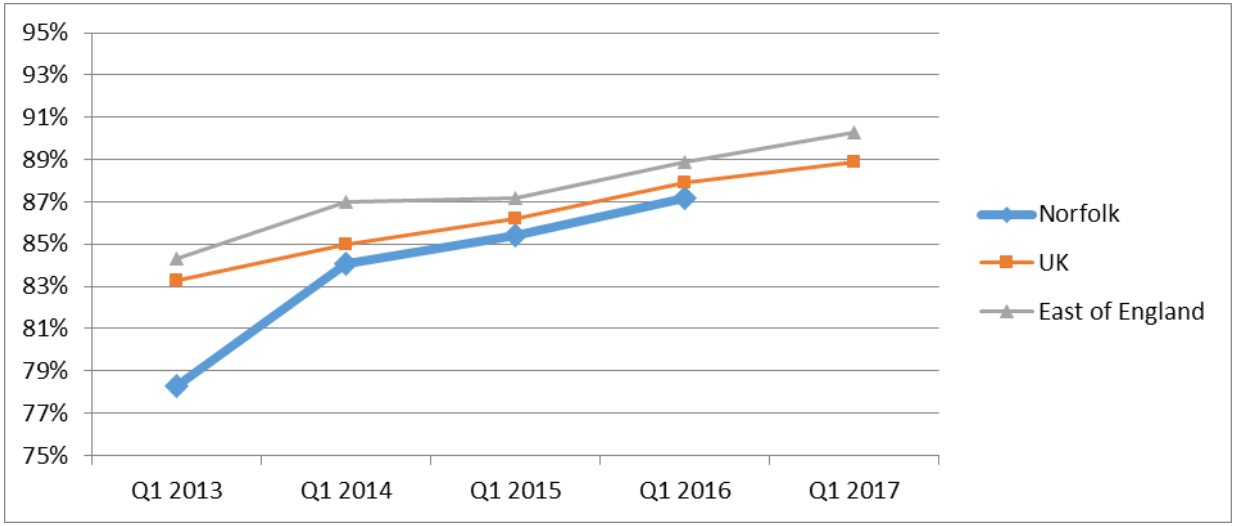


Figure 1 Norfolk internet usage in the last 3 months

Whilst figure 2 only highlights the UK level information, it does demonstrate how internet usage differs by age group. Usage in the 65 plus group has risen dramatically over the last few years and feedback from Norfolk residents highlighted that 85% of older people could access online services indirectly through family or friends even if they did not have direct access themselves.

What is particularly striking is that 99% of all 16-24 year olds have recently used the internet; for this generation the internet is a way of life and they expect to be able to interact and transact digitally. It is therefore important that NCC can meet the needs of this group.

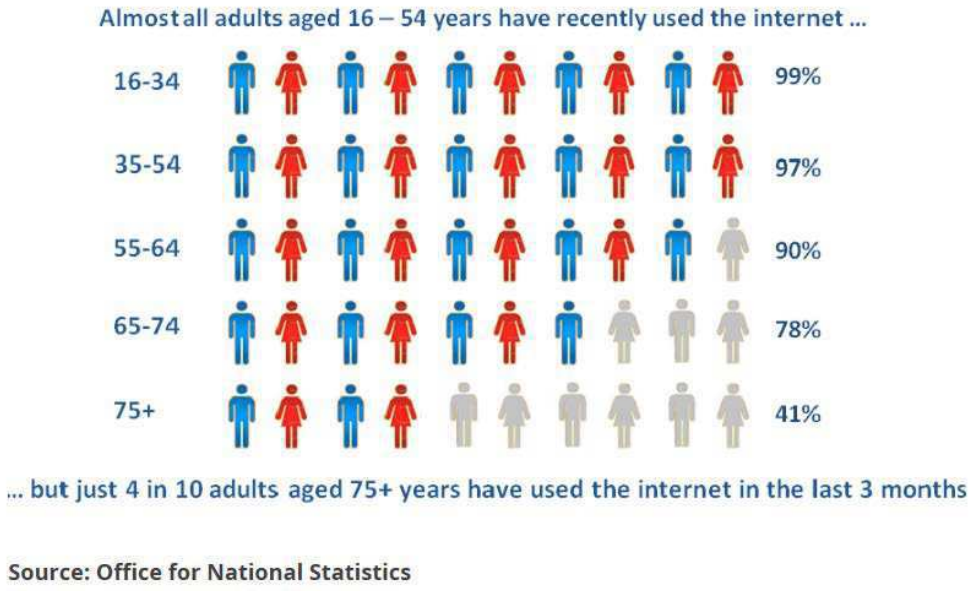


Figure 2 UK age profile for internet use

In order to better understand digital inclusion in Norfolk, we have used some demographic profiling tools (Public Sector Mosaic) to categorise Norfolk households into their likelihood to be frequent internet users. Households were categorised into one of three groups:

- Digitally engaged – comfortable using the internet and do so on a frequent basis for information provision, transactions, banking and "official" processes e.g. passport application. Many of these households prefer to interact digitally

- Digitally disengaged – have access to the internet but are reluctant to use it to its full potential. Often this group will be happy to use the internet for information provision and social interaction (e.g. keeping in touch with Facebook, etc), but would not be comfortable carrying out functions like banking or buying goods and services. They may also be nervous buying internet packages and buying/ maintaining technological equipment.

- Digitally excluded – have no or very limited access to online services due to access, cost or confidence.

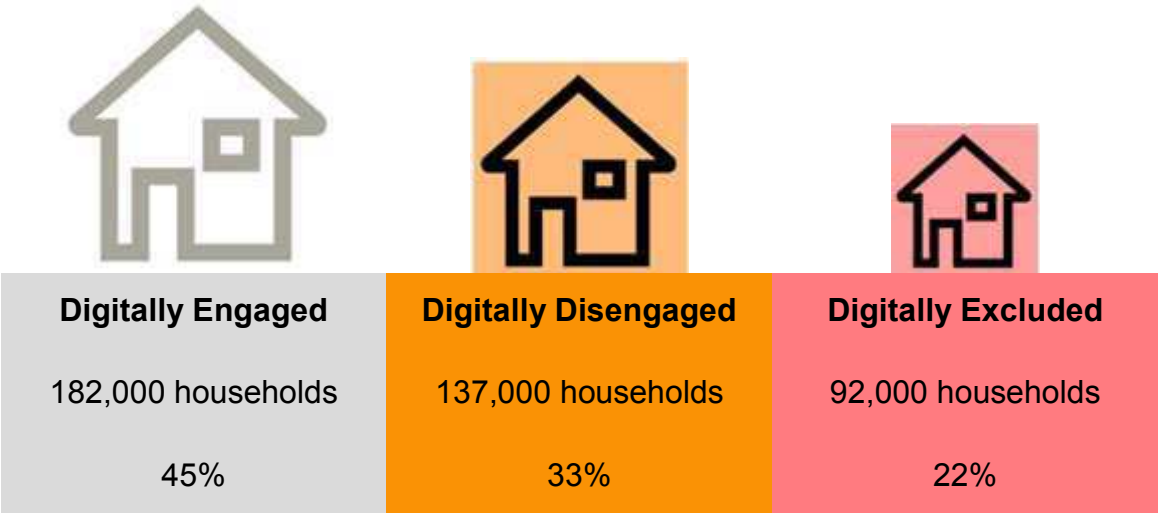


Figure 3: Digital Exclusion in Norfolk

The data suggests that around 22% of Norfolk households are digitally excluded (2016) – this compares with a rate of around 15% for London residents using a similar analysis. These Norfolk Households that are unlikely, or unable, to use the internet include significant numbers of:

- older people;
- low income families; and
- those in social housing.

Figures 4 and 5 provide an overview of the digitally exluded households, based on our demogrphic profiling, and the current availablity of fast broadbacnd. Due to commercial sensitivities we are not able to provide the take up of households where broadband has been rolled out. However, what we can see, from the information we have, is that many areas where households are classed as digitally excluded are located in areas where “fast” broadband provision is already available. We also know that many internet users use mobile devices to access the internet via 3G and 4G, so access to broadband is not the only answer to eradicating digital exclusion.

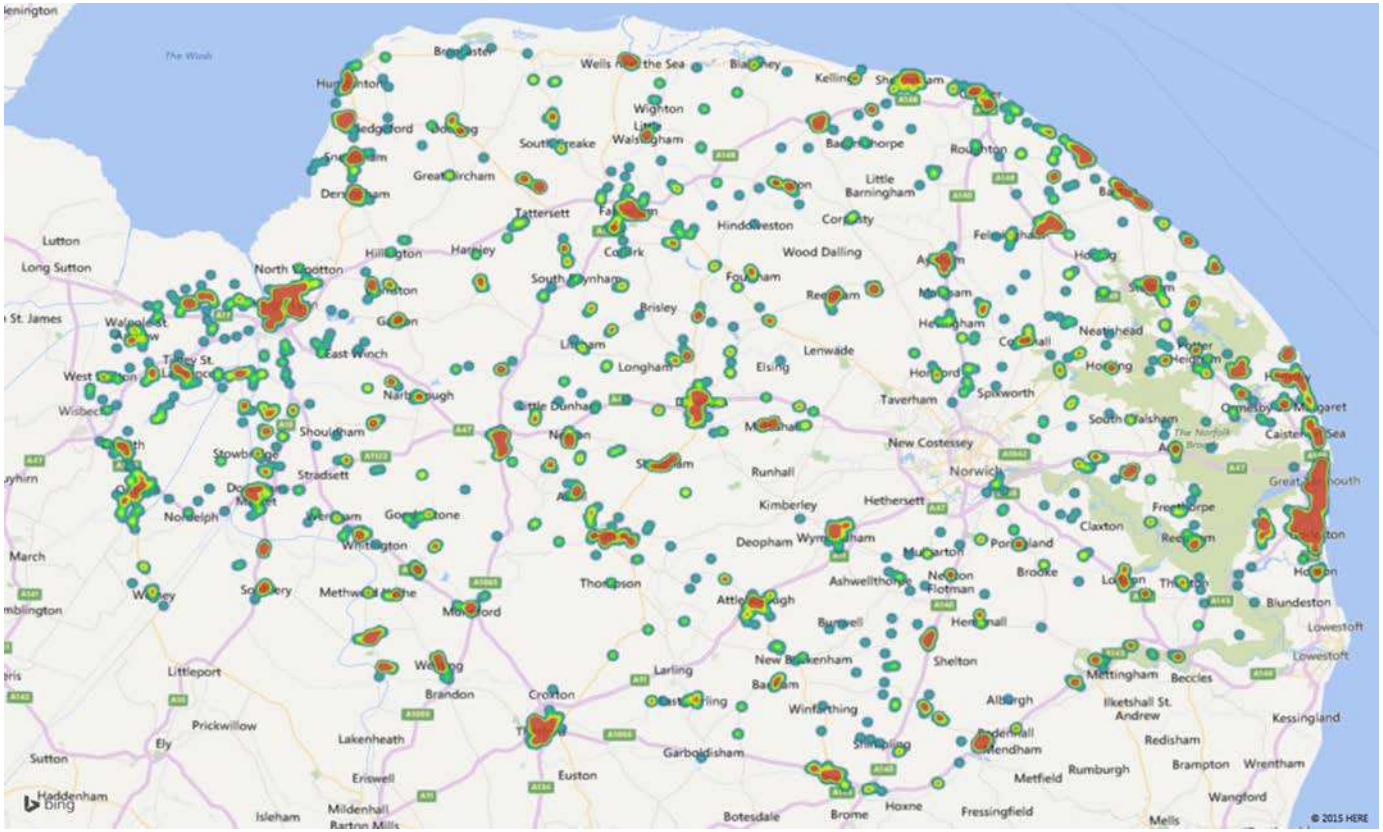


Figure 4: Digitally Excluded Households in Norfolk

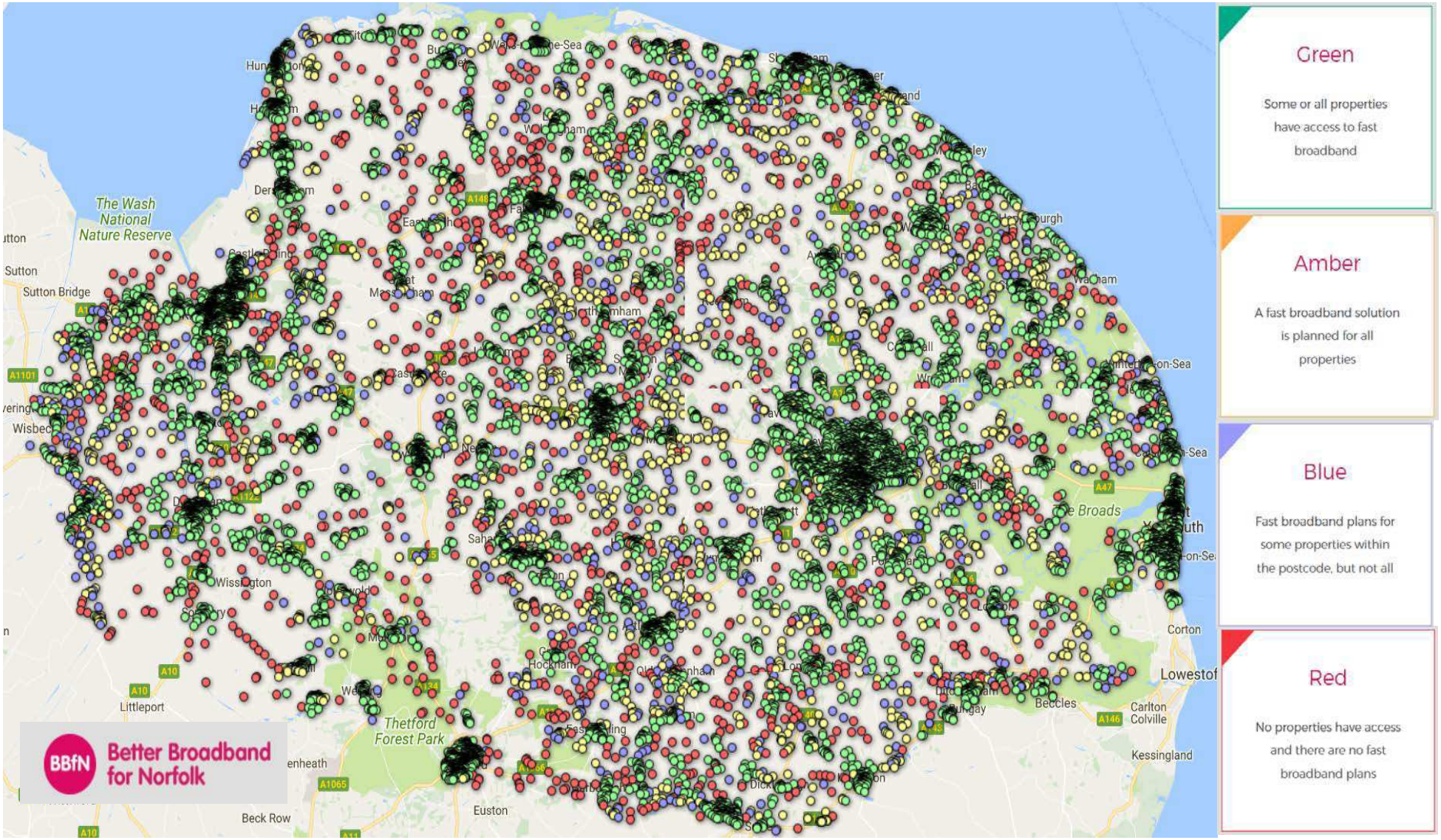


Figure 5: Current Fast Broadband Availability in Norfolk (does not include take up figures)

Work carried out by The Tech Partnership (a network of employers collaborating to create skills for the UK digital economy) has produced a digital skills heat map of the UK. It uses eight different digital and social metrics to calculate the overall likelihood of exclusion. These include 4G mobile data coverage and digital skills amongst the adult population, as well as the availability of broadband services and average income.

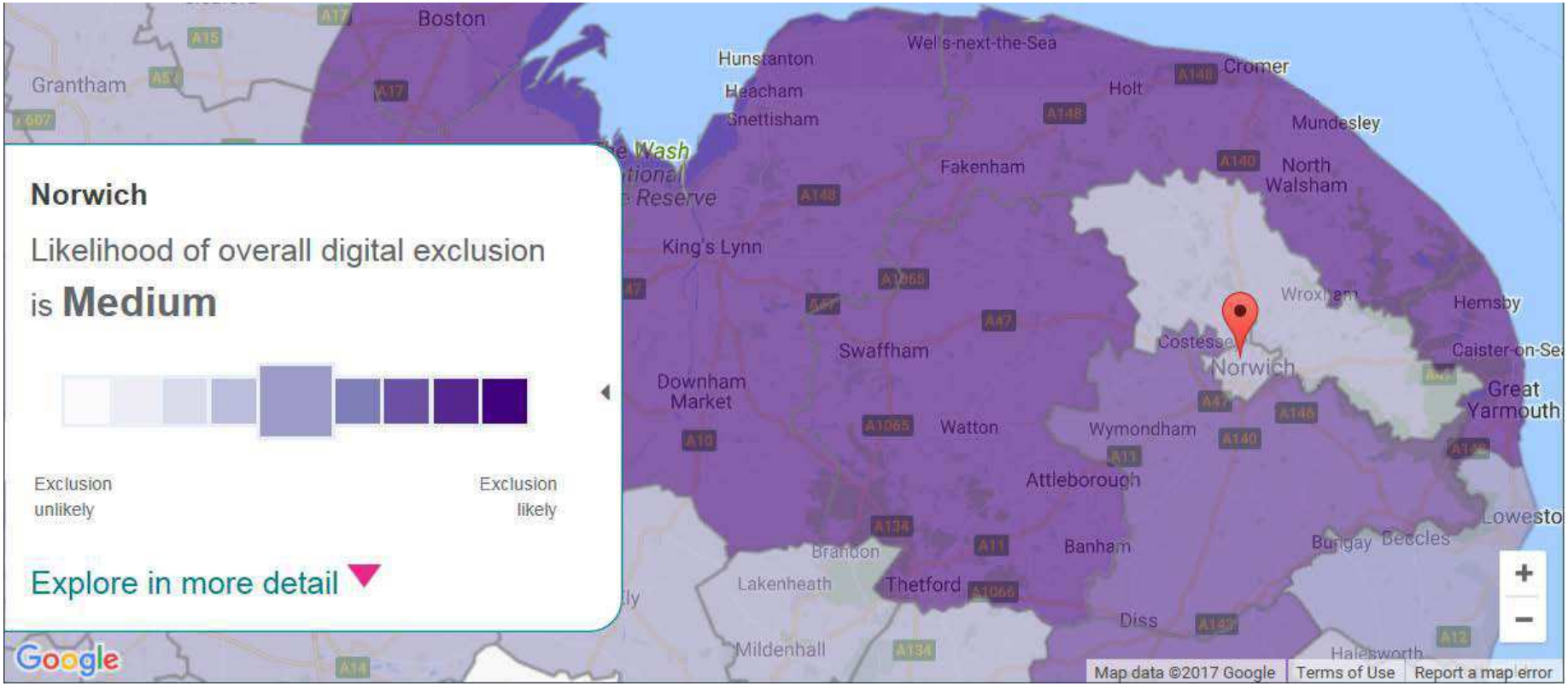


Figure 6: The Digital Exclusion Heat Map

The table on the next page summarises the digital and social metrics by District:

	King's Lynn & West Norfolk	North Norfolk	South Norfolk	Breckland	Great Yarmouth	Broadland	Norwich
LIKLIHOOD OF OVERALL EXCLUSION	**HIGH**	**HIGH**	**HIGH**	**HIGH**	**HIGH**	**MEDIUM**	**MEDIUM**
Digital Indicator (metrics)							
INFRASTRUCTURE – Percentage of households that do not receive broadband speeds of at least	**10.0 %**	**16.0 %**	**14.0 %**	**11.0 %**	**3.0 %**	**8.0 %**	**1.0 %**
INFRASTRUCTURE – Percentage of households that do not receive 4G mobile data from all	**49.7 %**	**49.7 %**	**49.7 %**	**49.7 %**	**49.7 %**	**49.7 %**	**49.7 %**
OFFLINE – Percentage of adults that have not been online within the last 3 months	**10.2 %**	**10.2 %**	**13.8 %**	**13.8 %**	**11.4 %**	**11.4 %**	**11.4 %**
BASIC DIGITAL SKILLS – Percentage of adults that have all five Basic Digital Skills	**75 %**	**75 %**	**77%**	**75 %**	**76 %**	**79 %**	**79 %**
BASIC DIGITAL SKILLS USED – Percentage of adults that have used all five Basic Digital Skills in the last three	**44 %**	**44 %**	**46 %**	**44 %**	**42 %**	**47 %**	**42 %**
Social Indicator (metrics)							
AGE – Percentage of adults over 65	**25.3 %**	**32.1 %**	**23.9 %**	**24.3 %**	**23.6%**	**25.3 %**	**14.7%**
EDUCATION - Percentage of adults with no qualifications and/or no Level 1	**43.8 %**	**41.6 %**	**36.2 %**	**43.0 %**	**48.5 %**	**37.7 %**	**35.4 %**
INCOME – Average income per taxpayer	**£20, 200**	**£18, 800**	**£22,500**	**£18,900**	**£18,700**	**£21,800**	**£20,300**
HEALTH - Percentage of adults who have a long-term illness or disability	**21.3 %**	**23.3 %**	**17.9 %**	**19.7 %**	**22.5 %**	**18.7 %**	**18.4 %**

To provide further context of the types of people who are digitally To provide further context of the types of people who are digitally excluded in Norfolk, we have looked at the largest group and provided some more information. The group is called “Outlying Seniors” and makes up around 36% of the excluded households. Half of the group have an income of less than £20k per annum. 60% are aged over 65 and are likely to hold a disabled parking permit. They are likely to own a basic mobile phone, rather than a smart phone with easy internet access. Poor health is more common than amongst other types living in more rural areas.

Understanding these digitally excluded groups is particularly important in terms of digital efficiency and take up of online council services. Information from our CRM system in relation to reporting Highways defects shows that “Outlying Seniors” made up 11.5% of the phone contacts – therefore if we could encourage this group to transact online we could make significant savings.

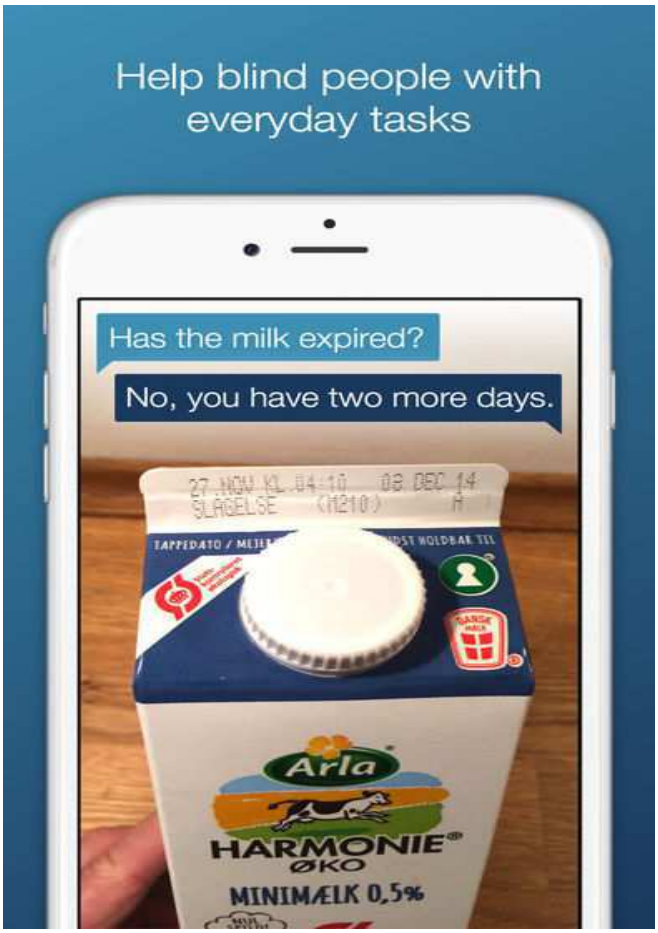
Digital Skills are not just important for Norfolk Households, but increasingly for the Norfolk economy. According to the government’s digital strategy (see Appendix 1) the UK will a need to develop a range of specialist digital skills to fill specific digital jobs both now and in the future; an estimated 1.2 million new technical and digitally skilled people are needed by 2022 to satisfy future skills needs. Similarly businesses, particularly small and medium size enterprises will need to ensure they are able to meet the needs of increasingly tech savvy and demanding customers.

1.3 Diversity and equality impact

Digital inclusion will be an increasingly critical factor in the ability of our disabled residents to live independently, access services and combat social isolation. For those who can afford them, disabled residents say their smart phone is a lifeline for enhancing access in Norfolk, and that better 4G/5G would make all the difference.

Tech innovations are constantly emerging and range from the simple 'Euan's Guide' (like TripAdvisor for disabled people), to cutting-edge 'smart city' technology and apps that, for example, help blind people navigate city centres and use public transport safely.

The long term implications are life changing – and could make a huge difference to people in Norfolk, see example below.



***Be My Eyes**, an app that connects blind people to sighted volunteers via video. Through the phone's camera, the blind person asks the sighted volunteer to assist them.*

However, many disabled people cannot afford a smart phone, home computer or the costly adaptations and software that would enable them to use the internet at home.

For many, the nature of their disabilities mean that it is unrealistic to expect them to access the internet at public locations, e.g. libraries. People with learning difficulties face particular issues, because the relative complexity and fast-changing nature of web content means it is not technically feasible to consistently provide 'Easy Read' alternatives – this is one of the reasons why local authorities will always struggle to move beyond AA web accessibility rating.

On this basis it's a combination of significant disability + low income (affordability) + older age (not confident) that are compounding factors in digital exclusion.

In addition to disabled people, other vulnerable groups also face specific issues. For example, Gypsy, Roma & Traveller children on Norfolk sites and encampments are unlikely to have internet access, yet school curriculums, paperwork and processes are increasingly technologically-based. This is an issue because GRT young people experience some of the worst outcomes of any ethnic or social group in the country or Norfolk, including below average educational attainment; low literacy levels; higher levels of ill-health, SEN and disability and reduced life expectancy.

Looking forwards, we need to develop a better understanding of the issues affecting these (and other) groups and identification of solutions will be critical to forward strategy. This is likely to include:

- Ensuring the customer voice guides our planning and commissioning
- All system software that is procured which has an interface on our internet and intranet must ensure a high level of accessibility as standard.

We cannot rely on customers having access software or knowing how to use standard access features in web browsers or on their computers – so accessibility must be fully integrated in any online portals we use for customer transactions.

2. Initiatives and proposals currently underway

2.1. In December 2012 Norfolk County Council and BT signed a deal to extend the availability of superfast broadband (24 Megabits per second plus) to more than 80% of Norfolk's homes and businesses by the end of 2015. The Better Broadband for Norfolk (BBfN) programme completed ahead of schedule in September 2015, having given 186,000 extra Norfolk premises access to high-speed broadband.

An extension to the programme is now underway, which is now set to make high-speed broadband available to more than 95 per cent of Norfolk's premises by spring 2020.
We aim to keep the people of Norfolk updated about the programme on the BBfN website
(www.betterbroadbandnorfolk.co.uk) and via a regular newsletter.

2.2. Community, Information and Learning: services to address inclusion barriers

Norfolk's Libraries and Norfolk's Community Learning Service offer a range of opportunities for local people to improve their digital skills, take advantage of being online and improve their digital literacy and online safety, tackling the barriers to digital inclusion in the following ways:

Access: free to use computer and internet facilities in every Norfolk Library, plus free to access wifi connectivity

Skills: Libraries and Community Learning offer a range of interventions and courses to give people of all ages the skills and ability to get on line and use the internet confidently and safely, ranging from complete beginners, to skills to use in the workplace. Nearly 70 different courses ran in Norfolk Libraries in 2015/16 – ranging from digital photography to Universal Credit.

For people without digital skills a programme of digital learning has been developed to specifically support

- 40-50 year old people in manual jobs who haven't used computers

before
- Unemployed adults and those in entry level jobs
- 18-25 year olds – particularly form filling
- People receiving benefits
- Older people
- Carers
- People with disabilities
- Low income parents
- People with low levels of formal education, e.g. English or maths

Confidence: Libraries assisted digital offer

Motivation: Library staff and volunteers provide free, basic computer support to people in their local community. Helping citizens learn all of the basics, including:

- Using a computer or tablet for the first time and understanding how to use the mouse and keyboard
- Using email, Skype or Facebook to keep in touch with friends and family
- Ordering groceries and having them delivered
- Searching and applying for jobs online
- Researching hobbies and interests
- Using price comparison websites to find the best deals on everything from car insurance, to utilities
- Booking appointments with doctors or hospitals online
- Looking up bus and train times and finding the cheapest fares, flights and hotel rooms
- Organising and storing digital photos and other documents
- Writing letters and printing and scanning documents
- Accessing government services, such as taxing cars renewing library books, checking rubbish collection days and paying Council Tax
- Job searching and applications

Working in partnership with the Good Things Foundation, Norfolk Libraries are all registered Online Centres, using *Learn My Way* to deliver basic digital skills via volunteer computer buddies. More than 2 million people have used this programme nationally since 2010. We are also delivering Google Digital Garage sessions across the county and working with Barclays' Digital Eagles and Halifax volunteers to provide a broad range of digital skills and opportunities for local citizens.

Whilst it is estimated that 87% of school children have internet access at home and more than 90% have at least 5 basic digital skills, the libraries are working with volunteers to provide Code Clubs at a number of sites. This is part of the Code Green initiative from the Society of Chief Librarians.

2.3 Future plans

Norfolk Libraries and Community Learning are working together to develop a vision statement and improved programme of activity. In particular in the following areas:

- *I ConnecT* informal and one to one life-long learning in libraries – helping people familiarise themselves with their own devices and improve their digital literacy
- *Get Digital* group courses for beginners and mobile tablet users – tutor led

and hosted in libraries
- Extended programme of Code Clubs across the county
- Keeping safe online, working with CEOP and local Police
- Makerspaces for creative technologies – working with partners for occasional sessions
- Maintain national links to contribute to Government Ambition to create a single digital sign on platform for library services
- Citizens Curriculum
- Leisure Stream activities
- Family Learning
- Work with Norfolk's Better Broadband team to ensure every citizen benefits from this project and builds their digital skills and literacy in safe, appropriate environments

Appendix 1 is the UK government's digital inclusion strategy. The work currently being carried and planned by Community, Information and Learning Services responds to the need to reduce digital exclusion in the county. A digital inclusion strategy for Norfolk, reflecting local needs as well as the national picture will allow a systematic and planned approach to tackling digital exclusion in the county.

Officer Contact

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

Officer name : Ceri Sumner **Tel No. :** 01603 223 398

Email address : ceri.sumner@nrofolk.gov.uk

IN TRAN
communication for all

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

Appendix 1: Digital Skills and Inclusion – taken from the UK Digital Strategy

Digital skills and inclusion - giving everyone access to the digital skills they need
Published 1 March 2017

Contents

For the UK to be a world-leading digital economy that works for everyone, it is crucial that everyone has the digital skills they need to fully participate in society.

Although we live in an increasingly online world, a significant part of the population remains digitally excluded. One in 10 adults has never used the internet[1] and many more are missing out on the opportunities the digital world offers, whether through lack of connectivity, digital skills or motivation. We must continue to address this digital divide between those who have been able to embrace the digital world and those who have not.

We also need to turn our attention to those who have basic digital skills and connectivity, but lack the confidence and knowledge to make the most of the digital economy, whether at work or beyond. Many jobs have a digital element, and it is predicted that within 20 years 90% of all jobs will require some element of digital skills.[2] Effective digital skills provision is essential to ensure the workforce is prepared for this and future technological changes.

And as the digital economy grows, there will be even greater demand for people with specialist digital skills. At present, the UK has a supply of specialist skills that scores well above the EU average[3], but to keep ahead we will have to keep improving. As we leave the European Union, it will be even more important to ensure that we continue to develop our home-grown talent, up-skill our workforce and develop the specialist digital skills needed to maintain our world leading digital sector.

We must also enable people in every part of society - irrespective of age, gender, physical ability, ethnicity, health conditions, or socio-economic status - to access the opportunities of the internet. If we don't do this, our citizens, businesses and public services cannot take full advantage of the transformational benefits of the digital revolution. And if we manage it, it will benefit society too. Our approach to delivering these objectives focuses on three strands:

1. Ensuring that we continue to tackle the root causes of digital exclusion and that everyone can increase their digital capability to make the most of the digital world
2. Developing the full range of digital skills that individuals and companies across the country need in an increasingly digital economy, and supporting people to up-skill and re-skill throughout their working lives.
3. Strong collaboration between the public, private and third sector to tackle the digital skills gap in a coordinated and coherent way, so the sum is greater than the parts and everyone everywhere has better access to the training they want

Digital capability for all

More than ever before, services, including public services and business transactions, are moving online. We want everyone to be able to use these digital services so they can reap the financial, health and social benefits they offer.

For those lacking basic digital capability, the reasons for this exclusion are often complex. Research suggests that there are four key barriers, and more than one may affect individuals at any one time:

- access: the ability to connect to the internet and go online
- skills: the ability to use the internet and online services
- confidence: a fear of crime, lack of trust or not knowing where to start online
- motivation: understanding why using the internet is relevant and helpful

Government is already working with industry and the voluntary sector, to increase the digital capability of those who are digitally excluded, as well as those who are online but lacking the confidence and knowledge to make the most of it. For example:

- in 2014-15, we provided **£85 million in digital skills training up to Level 2**
- over £9.5 million has been spent to support almost 800,000 people to gain basic digital skills, through the **Future Digital Inclusion** and **Widening Digital Participation** programmes; and we will be investing a further £2.5 million in the remainder of the year to support over 150,000 more people[4]
- we have recently delivered **free Wi-Fi across all libraries in England** through Arts Council England
- we created the Digital Training and Support Framework to ensure government can efficiently and effectively procure the necessary support, such as basic digital skills training or assistance to use an online government service, for citizens who have insufficient digital skills, confidence or access

And government will continue to work with partners to ensure that small businesses and charities have the skills they need to make the most of the digital economy.

But we need to do more to make sure we build a country that works for everyone and where no-one is left behind. Far too often there is a correlation between where people live, their socio-economic circumstances and whether they have basic digital capability. Unemployed adults, for example, are 5% more likely to lack the basic digital skills than the national average, and 24% more likely to lack these skills than high earners.[5] In August 2016, 22% of adults in Blackburn had not used the internet in the last three months, compared with 7% of adults in Surrey.

To close this divide we must take a more targeted approach to digital inclusion. As a first step, we will:

- Explore whether there are new ways to galvanise the sector to tackle digital exclusion. Therefore, we will **undertake a feasibility study this year on the viability of using outcome commissioning frameworks, such as payment by results or social impact bonds, to tackle digital exclusion**. This study will build the evidence base on whether there is sufficient appetite from investors, delivery partners and local authorities for this approach, and support the development of future innovative projects
- **Develop the role of libraries in improving digital inclusion** to make them the ‘go-to’ provider of digital access, training and support for local communities. To do this we will work alongside national partners such as Good Things Foundation, who recently passed the milestone of having supported two million learners and aim to support an additional one million people to know the basics of the internet by 2020
- use the newly created **Council for Digital Inclusion**, which brings senior leaders from the private and charity sectors together with government, to increase collaboration and deliver initiatives to help more citizens to confidently go online and take advantage of the internet
- Invest **£1.1 million through the NHS on projects to support digital inclusion**. This will help the most excluded groups (such as homeless people, people with disabilities, people with mental health problems, and prisoners) to develop their digital skills so they can feel confident using online tools to manage their health

Throughout this we will regularly assess our targets and metrics to make sure they are fit for purpose and accurately measure discrepancies in digital capability between different demographic groups. This will ensure we are enabling all groups to overcome barriers to full digital inclusion.

How libraries deliver improved digital access and literacy

Libraries have an important role to play in making sure everyone, in every part of the country, makes the most of the digital economy. Libraries tackle the barrier of access by providing a trusted network of accessible locations with free Wi-Fi, computers, and other technology. Over half of UK residents have a library card and 35.8% of people living in the most disadvantaged areas visit their library.[6]

With over 14,000 trained library staff, supported by volunteers, libraries also make significant inroads towards tackling the combined barriers of skills, confidence and motivation by offering skills training; helping people to understand the benefits that using the internet and accessing online services can bring; and increasing their confidence of the digital world by guiding them on their journey to become regular users of the internet.

In 2014-15, 192,000 people were supported by almost half a million digital skills sessions across the library network.[7] Public libraries work in partnership with charities and private partners such as Halifax, BT, and Barclays to improve the lives of some of the most socially and digitally excluded people. Libraries also support transformative initiatives like code clubs, Code Green and the innovative Make It Digital in partnership with the BBC.

Libraries are also increasingly helping people develop higher level digital skills. Several libraries across the country host makerspaces and FabLabs – places where people can learn new skills, and collaborate on projects. Makerspaces also are democratising access to the latest technology, making high-tech equipment like 3D printers and laser cutters available to everyone. We will bring together people from across sectors to collaborate and support the expansion of makerspaces in public libraries in England.

Digital skills for a digital economy

Individuals, businesses, government and other organisations must take steps now to ensure that we have the skilled and capable workforce needed in an increasingly digital world. As our modern industrial strategy sets out, a lack of digital skills is not only a barrier to people fulfilling their potential, but also a barrier to a more productive economy.

Digital skills embedded in education

We are already making progress to ensure that the next generation have the digital skills they need for work. In 2014, England was the first country in the world to mandate teaching coding to children at primary and secondary schools.[8] The introduction of computing in the national curriculum means that our school children will be taught the knowledge and skills that employers will need.

For the computing curriculum to be successful teachers need to be well-equipped and supported to deliver it. That is why we have provided funding for the **Computing at School Network of Teaching Excellence in Computer Science**, whose network of over 350 Master Teachers can provide continuing professional development to teachers

needing to further develop their computing expertise. We will also continue to encourage computing graduates into teaching, by providing generous bursaries of up to £25,000, and, in partnership with the British Computing Society, scholarships worth £27,500 for those training to be a teacher in 2017/18.

Outside the formal curriculum there has been a number of new innovative initiatives providing young people with opportunities to develop their digital skills. For example:

- there are now over 5,000 Code Clubs, using volunteers and top quality online material to give young people the opportunity to learn how to code
- the Raspberry Pi Foundation is providing low-cost, high performance computers to learners alongside outreach and education to make more young people access computing and digital making
- the BBC Make it Digital programme partnered with over 25 organisations to provide the micro:bit (a pocket sized codeable computer) to every child in year 7 or equivalent across the UK to inspire them to develop their interest and digital creativity and get them creating technology and not just consuming it

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The National Citizen Service working with Raspberry Pi to prepare young people for the workplace

Though young people are often thought of as 'digital natives', according to a recent Capgemini study, almost half of senior decision makers do not believe young people know how to use digital skills for work.

The National Citizen Service (NCS) helps 16 and 17 year olds to build skills for work life, take on new challenges and make new friends. The Government is committed to the expansion of the NCS so it becomes a rite of passage for all young people. In 2016, NCS reached 93,996 young people and with a high rate of engagement from young people that most need support, NCS is uniquely placed to help young people to engage with the digital economy.

We will therefore support National Citizen Service and the Raspberry Pi Foundation to take forward a pilot that will test new ways to include digital skills and careers in NCS programmes. This could include hands-on coding experience, digital making, digital entrepreneurship and contact with creative technology-focused businesses to inspire participants to consider a career in the sector.

Our Industrial Strategy green paper set out our plans to create **a proper system of technical education** to benefit the half of young people who do not go to university and to provide new, better options for those already in the workforce. The reforms will create 15 prestigious technical routes, as set out in the Skills Plan, encompassing both college-based and employment-based learning and providing a clear path to skilled employment. **Relevant digital skills will also be included in all of these routes**, meaning that everyone joining the workforce will have the digital skills required whatever job they choose. The government will work with the Institute for Apprenticeships and Technical Education and industry professionals to determine what digital content will be included in the new technical education routes.

Lifelong learning

The rapid pace of technological change means digital techniques and technologies are also constantly evolving. The pace of technological change makes it difficult to predict the nature of digital skills that will be needed in future. Requirements will change quickly

so we will need to up-skill people across their working lives. It is therefore essential for people to continue to develop their digital skills after they have left formal education.

We will ensure that adults who lack core digital skills can access specified basic digital skills training free of charge, where it is made available by providers as part of the publicly-funded adult education offer. This will mirror the approach taken for adult literacy and numeracy training. Through this we will ensure everyone has access to the support they need to realise the benefits of the digital world. We will consult on the detail of this offer shortly.

Digital skills for digital jobs

To develop and maintain our position as a leading global digital economy, we will also need to develop a range of specialist digital skills to fill specific digital jobs. An estimated 1.2 million new technical and digitally skilled people are needed by 2022 to satisfy future skills needs.[9]

At present, the UK has a supply of specialist skills that scores well above the EU average, but there are still significant improvements that must be made. For example, despite the growing need for workers with specialist digital skills, computer science graduates have the highest unemployment rate of any degree course at 10% after 6 months graduating,[10] which is in part due to some graduates not leaving with the technical or professional skills needed by employers. To tackle this and the other specialist skills challenges, we are taking action across further, higher, and employment based education.

Our reform of the technical education system will see the creation of a **specialist digital route**, with employers setting standards and specifying the knowledge, skills and behaviours that individuals will need. We have already seen employers collaborating with government in the development of **digital apprenticeship standards**, with 13 standards having already been approved for delivery and more still in development.

We have also introduced new innovative **digital degree apprenticeships**. These include a degree which is an integral part of the apprenticeship and are designed by groups of employers to make sure apprentices achieve full occupational competence. They will provide the much needed skills that industry needs. The Degree Apprentices earn a wage while doing a job in their chosen profession.

Ada, the **National College for Digital Skills**, opened in September 2016 and is supported by investment of £13 million from Government and £18 million from the Greater London Authority. The college will train 5,000 students over the next five years for a wide range of digital careers, such as software and database developers, user experience designers and tech entrepreneurs. We will fund Ada to develop a primarily online learning platform by summer 2017, which will pilot innovative techniques, gamified content and peer-to-peer elements to develop coding skills. Ada is also working with private sector organisations such as Bank of America Merrill Lynch, Deloitte and IBM. Google is partnering with the college to launch the Higher Level Apprenticeship in Digital Innovation Program. This will open up software engineering careers to students who want to experience working for a tech company, while at the same time studying towards a foundation degree in Computer Science.

We have already committed **£20 million to launch an institute to improve the quality of digital skills provision in the UK**. This funding will be released through a competition run by HEFCE, inviting consortia from universities and business to set up an independent institute which will champion innovative ways to increase digital skill provision in higher education.

We will build on this work over the coming months by:

- Taking forward the key recommendations from the **Shadbolt Review of Computer Science Degree Accreditation and Graduate Employability**. In particular, we will seek to increase the number of students undertaking work experience to develop their professional skills and will develop a revised degree course accreditation system
- developing a **common digital skills language** to help industry articulate the digital skills they are seeking in a widely understood way and to provide digital careers information in a way school children and graduates can fully understand
- working with the **Data Skills Taskforce** to help implement key elements of the Analytic Britain report - Securing the Right Skills for the Data-Driven Economy, which makes a number of recommendations on data analysis skills

Enabling a more diverse digital workforce

Women are underrepresented in both the uptake of digital qualifications and in digital roles. Just 17% of people who work in the tech sector and only 9.5% of students taking computer science A level courses are female. Yet women make up almost half of the workforce.[11] As we take forward our plans to boost digital skills in the workforce, we must ensure this imbalance is addressed.

There are already a number of programmes doing valuable and innovative work to help more women into tech. These include:

- the CyberFirst Girls competition, a competition run by GCHQ to inspire and encourage young girls to consider a career in cyber
- the TechFuture Girls programme, an out-of-the-box after-school club that has been specifically designed to encourage girls to stay engaged in IT
- Code First: Girls, which runs professional courses and networking events to help increase the number of women in tech
- Techmums, a five week course to help mums learn basic digital skills
- Mums in technology - A baby friendly coding school that offers a flexible way of learning
- Microsoft's DigiGirlz events, which aim to encourage young women to get involved in science, technology, engineering and maths
- the SheMeansBusiness Partnership (by Facebook in collaboration with Enterprise Nation) that aims to deliver digital skills training to over 10,000 female entrepreneurs across the UK
- FDM Getting Back to Business programme, which supports women looking to return to work after an extended career break

We will build on these by supporting further development of the **Tech Talent Charter**. The Charter outlines key measures that encourage organisations to think differently in support of a more diverse tech workforce. It will provide an impetus for change across the sector by providing organisations with tangible actions and principles they can adopt and embed into their organisations as outlined in the Charter for example adopting best practice guidelines for job descriptions. We have also set an ambition for **50% of students at Ada, the National College for Digital Skills, to be women by 2020**.

Alongside this work, we will ensure there is also relevant targeted support for other underrepresented groups, such as people with disabilities and those from minority background or lower socio-economic areas. This is not only the right thing to do, but it will play an important role in meeting our digital skills shortages.

Cyber security skills

Despite our world leading cyber security expertise, we also have a cyber security skills shortage. We need to address the systemic issues at the heart of this shortage. In order to understand these issues and identify the actions needed to address them, we are developing a **Cyber Security Skills Strategy**, with input from industry and academia, to build on existing work and ensure that the UK has the required skills to keep the economy secure from cyber threats. The strategy will set out the UK's long term plans to develop a self-sustaining pipeline of talent.

Alongside development of the strategy, we are undertaking immediate work to address some of the known issues, including:

- an extra-curricular Cyber Schools programme for 14-18 year olds to provide specialist cyber security education for highly motivated students
- higher and degree-level apprenticeships for critical sectors
- a retraining programme to help those looking to change careers and join the cyber security profession, for which we have already run a 50-strong pilot
- certifying university degrees to ensure high-quality courses are identified and promoted
- accreditation of continuous professional development of teachers to ensure quality teaching
- a professional chartered body on cyber security to help set standards for the profession

Working together: A more collaborative, coordinated and targeted approach to digital skills

Government is by no means the only provider of digital skills training, and nor should it be. Employers and companies - national and local - all have a role to play in developing the digital skills and businesses need to thrive in the digital economy.

Business-led digital skills programmes

Many companies are already doing innovative work on addressing the digital skills challenge some of which have already been mentioned. This is very welcome. These are just some of the many current initiatives:

Microsoft recently launched a programme to train 30,000 public servants in a range of digital skills and alongside this launched a Cloud Skills Initiative to train 500,000 people in advanced cloud technology skills by 2020 and announced plans to make free online digital literacy training available to everyone in the UK.

Google recently offered five hours of free digital skills training to anyone in the UK who is seeking to develop their digital skills. More information on Google's Digital Garage initiative is available in Chapter 4.

Amazon Web Services (AWS) re:Start is a free training and job placement programme for the UK to educate young adults as well as military veterans, reservists, and their spouses, on the latest software development and cloud computing technologies. AWS re:Start also offers work placements to 1,000 people as part of the programme.

Lloyds Bank's 23,000 Digital Champions currently work with digital skills charities to deliver digital skills training across the community where it is most needed. Lloyds also

produces two important, large-scale annual reports (the Business Digital Index and the Consumer Digital Index), which track the digital capabilities of small businesses and charities, as well as the digital and financial capabilities of adults across the UK.

Barclays runs the Digital Eagles programme to help people develop their digital skills and confidence so they are able to fully take advantage of all things digital, including, but not restricted to, digital banking.

BT fund and run the Barefoot Computing Project which provides free cross-curriculum computer science resources and volunteer-led CPD workshops to help primary school teachers with no previous computer science background feel confident in delivering the curriculum. Working in collaboration with BCS, The Chartered Institute for IT, the project has already reached 33,000 teachers and through them, 1 million primary school children since its launch in September 2014.

HP currently runs its Digital Schools Awards programme which provides a pathway and resources for schools seeking to do more with digital technology. In the UK and Republic of Ireland more than 2000 schools have already signed up involving over 350,000 students.

The **Accenture** Skills to Succeed Academy is an innovative online learning solution designed to help young people build their employability skills and confidence. Through partnerships with the Department for Work and Pensions (DWP), National Careers Service, Careers Wales and Skills Development Scotland, the scheme has already reached more than 100,000 people across the UK.

Cisco's Networking Academy programme provides IT skills and career building material and support for learning institutions and individuals.

O2 aims to help 20 million people engage better with technology by 2020 through its online safety partnership with the NSPCC; through opening up digital skills, social action and work experience opportunities for young people through its GoThinkBig platform; and through helping customers live smarter and more sustainable through connected devices.

Apple's Everyone Can Code is a new approach to coding that lets everyone learn, write and teach coding and helps build apps that bring ideas to life. Apple Teacher Program is a free professional learning program designed to support and celebrate education using Apple products for teaching and learning. Apple retail hold regular free workshops for people of all experience levels along with youth programs such as Apple Summer Camp and Apple Field Trip.

Samsung Digital Classrooms offer an engaging and collaborative educational environment for nurturing the talent of the future. In schools classrooms are provided with a suite of Samsung technology as well as teacher training, connectivity and maintenance support. Samsung Digital Academies provide vocational training and qualifications in technology for young people to open opportunities for employment.

Sky Academy Skills Studios provide a half-day interactive experience giving 8-18-year olds the chance to come behind the scenes at Sky and make their own TV report, linked to topics they are studying at school. Sky Academy Careers Labs provide a full day careers experience to 16 to 19-year-olds offering the chance to learn about jobs in media, business and technology.

All of these initiatives and programmes are hugely welcome. However, the sheer number of programmes and offers can make it difficult for some people to know which training opportunities best suit their needs. Some programmes focus on basic digital skills for individuals; others focus on digital training for businesses. There can often be several programmes operating in one area - and sometimes none in others.

Government has no desire to centrally control these valuable initiatives and activities. But there is an opportunity for government to play an important role in convening and providing coherence to all those active in this area. **We will therefore establish a new Digital Skills Partnership, working together with partners who are passionate about closing the digital skills gap.** The Partnership will bring together technology companies, local businesses, local government, charities and other organisations. It will facilitate coordination between the various programmes, including the sharing of knowledge and best practice. The Partnership will also examine options for improving the coherence of digital skills provision, for example by setting ambitions for increasing the level of certain types of training on offer and agreeing how it can be targeted where it is needed most. In doing so, it will make it easier for individuals to find the training that's right for them, and to ensure that training opportunities are available across the country.

New digital skills commitments

To support the strategy and the aspiration of the Digital Skills Partnership, a number of organisations have committed to being even more ambitious in extending their reach and scale of their programmes:

Lloyds Banking Group as part of its Helping Britain Prosper Plan has pledged to train face to face 2,500,000 individuals, SMEs and charities on digital skills, including internet banking, by 2020.

Barclays has pledged to expand the number of Digital Eagles, there are currently 16,000, with a focus in 2017 on cyber skills. In addition to this, in 2017, Barclays has pledged to grow its UK Eagle Lab network by up to 100% (which would be a total of up to 18 sites) which supports high growth tech businesses and the wider digital enablement of their local communities; teach basic coding to 45,000 children; assist up to 1,000,000 people with general digital skills and cyber awareness; and will run an extensive and nationwide range of webinars and face to face training events, covering cyber security, data analytics and digital marketing, for SMEs.

Google has pledged to launch a Summer of Skills programme in coastal towns across the UK. It will develop bespoke training programmes and bring Google experts to coach communities, tourist centres and hospitality businesses across the British coasts. This will accelerate digitisation and help boost tourism and growth in UK seaside towns. This new initiative is part of a wider digital skills programme from Google that has already trained over 150,000 people.

BT has pledged to reach a further 500,000 children by end of 2017/18 academic year through its Barefoot Computing Project programme. BT has also pledged to offer 750 work placements to disadvantaged young people not in education or employment across the UK in 2017, to help improve their tech literacy.

Accenture, in recognition that digital skills are key to employability, is partnering with FutureLearn, and has pledged to create a brand new Digital Skills Programme, which maximises effective learning through online collaboration. Over the coming months,

Accenture will work with a number of partners, who collectively have a reach of over 100,000 people across the UK, to scale the programme nationally.

HP has pledged to introduce in the UK its HP Graphics Education Programme. This will empower the next generation of digital printing graduates with the skills they need to work in the rapidly changing digital printing space. HP will share content and knowledge with selected schools, institutions and partners and open HP's demo and training centres to the most talented students through dedicated Summer Camps. HP Inc has also pledged to expand its Learning Studios initiative to more schools across the country. This will equip these schools with the latest education technologies with appropriate support to teachers and help improve IT skills, expose students to innovative skills and concepts such as design thinking, three dimensional design, and social entrepreneurship. The HP Foundation has also pledged to bring to the UK a free online learning platform - HP LIFE to improve business, IT and digital skills for disadvantaged groups in the UK. It aims to reach 6000 new UK users over the next 5 years.

Cisco, through its Cyber Badge programme, is pledging to extend its Cyber Detective project by providing cyber security training to children aged 16-18 through free interactive online courses, and certification following successful completion of tasks related to the training. In the first instance, Cisco are aiming to reach over a thousand students through this new programme.

IBM ran three successful Summer Schools for Primary School Computing events in Warwick, Manchester and London in 2016 to help equip teachers to teach the computing curriculum more effectively. IBM has pledged three more summer schools in 2017.

The Partnership will also play a crucial role in helping people access digitally-focused jobs at a local level. We will explore how to identify digital vacancies area-by-area, and where possible look to make this data available to local authorities, combined authorities, LEPs and others. We will encourage and support local partnerships of government and business to make use of this data to tackle digital skills shortages in their area. Actions to address these shortages could include local firms offering more digital apprenticeships, or careers advice and work experience to local schools. It could also include national and international firms making training packages available to local partnerships. By identifying and acting on digital skills shortages at a local level, we will help more people across the country to access the training and information they need to move into highly-skilled, well-paid digital jobs across the economy.

Case study: Approach to identifying local skills needs in Leeds

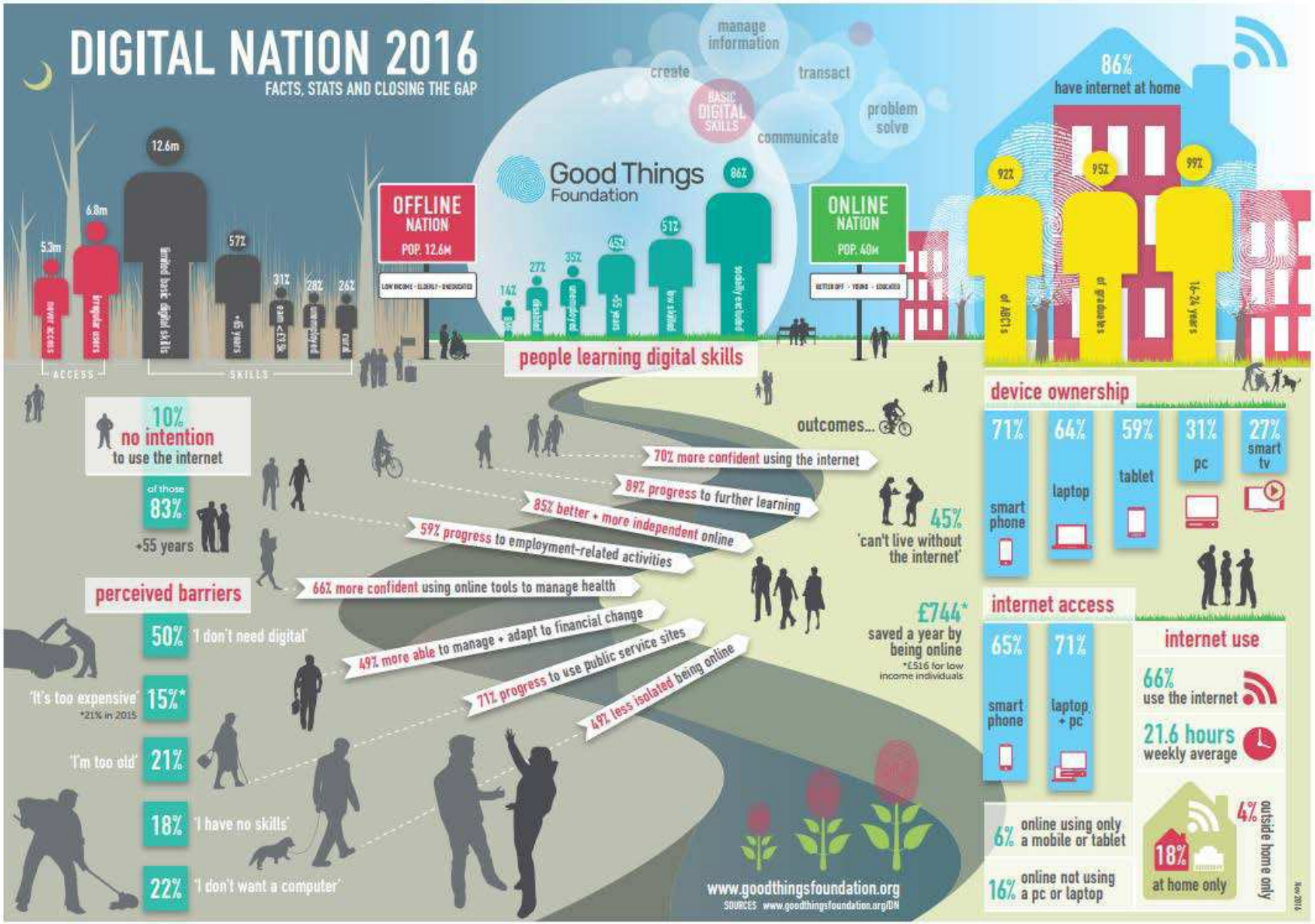
With over 15,000 digital jobs, Leeds is one of the UK's largest centres for the digital economy outside London. Leeds is benefitting from rapid growth of established digital firms such as SkyBet, aql, Call Credit, EMIS and TPP, as well as start-ups and scale ups, and also organisations with large digital teams such as Asda, DLA Piper, big financial services firms, and the NHS.

Leeds City Council convened the Leeds Digital Board, a group of digital employers, education and training providers, and the Leeds City Region LEP to work together to promote and grow the sector, and to tackle skills gaps.

The first step was to understand the issues. The Leeds-based big data consultancy, Bloom, were commissioned to identify digital employers. They collated data from Companies House, a scrape of company websites, twitter data and existing lists to identify all the businesses in Leeds undertaking digital projects. Analysis of skills gaps and vacancies was undertaken by Herd, a Leeds firm who run a job board for tech.

This analysis was used to develop the Leeds Digital Skills Action Plan. This sets out a range of short term measures to connect skilled people to digital jobs, such as the Leeds Digital Jobs Fair, promoting Leeds at jobs fairs in London, and twelve week "bootcamps" to get people job-ready for the digital sector. It sets out measures to develop the future talent pipeline, including graduate schemes, digital apprenticeships, degree apprenticeships, initiatives to encourage more women to pursue careers in tech, and the ambition for a code club in every Leeds school.

1. Internet users in the UK: 2016, ONS statistical bulletin
2. Review of publicly funded digital skills qualifications, Skills Funding Agency
3. Digital Economy and Society Index
4. Through funding for the "Future Digital Inclusion" and "Widening Digital Participation" programmes.
5. According to estimates in the Basic Digital Skills UK Report 2015, 23% of people in the UK aged 15+ lack one or more of the 5 basic digital skills; compared with 28% of those who are unemployed, and 4% of those with an income of £75,000+.
6. Taking Part 2015/16 quarter 4 statistical release, DCMS
7. Digital Skills Partnerships in Libraries, Libraries Taskforce Blog
8. D5 London: teaching children to code
9. Sector insights: skills and performance challenges in the digital and creative sector, UK Commission for Employment and Skills, June 2015
10. Higher Education Statistics Agency data, 2014/15 Academic year - Table E
11. The Women in IT Scorecard 2016, The Tech Partnership


DIGITAL NATION 2016
FACTS, STATS AND CLOSING THE GAP
manage information
transact
problem solve
communicate
create
BASIC DIGITAL SKILLS
Good Things Foundation
OFFLINE NATION
POP. 12.6M
ONLINE NATION
POP. 40M
12.6m
6.8m
5.3m
never access
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limited basic digital skills
57%
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31%
28%
26%
ACCESS
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86%
digitally excluded
people learning digital skills
86%
have internet at home
92%
95%
99%
of ABC1s
of students
16-24 years
device ownership
71%
smart phone
64%
laptop
59%
tablet
31%
pc
27%
smart tv
internet access
65%
smart phone
71%
laptop + pc
6%
online using only a mobile or tablet
16%
online not using a pc or laptop
internet use
66%
use the internet
21.6 hours
weekly average
18%
at home only
4%
outside home only
10%
no intention
to use the internet
of those
83%
+55 years
perceived barriers
50%
'I don't need digital'
'It's too expensive'
15%*
*21% in 2015
'I'm too old'
21%
18%
'I have no skills'
22%
'I don't want a computer'
outcomes...
70% more confident using the internet
89% progress to further learning
85% better + more independent online
59% progress to employment-related activities
66% more confident using online tools to manage health
49% more able to manage + adapt to financial change
71% progress to use public service sites
49% less isolated being online
45%
'can't live without the internet'
£744*
saved a year by being online
*£516 for low income individuals
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