

Cabinet

Date: **Monday 7 June 2021**

Time: **10 am**

Venue: **Norfolk Showground, NR5 0TP**

**(situated just off the A47 Norwich Southern Bypass
at the A1074 Longwater Interchange.)**

Membership

Cabinet Member:

Cllr Andrew Proctor

Cllr Graham Plant

Cllr Bill Borrett

Cllr Margaret Dewsbury

Cllr John Fisher

Cllr Tom FitzPatrick

Cllr Andy Grant

Cllr Andrew Jamieson

Cllr Greg Peck

Cllr Martin Wilby

Responsibility:

Chair. Leader and Cabinet Member for Strategy & Governance.

Vice-Chair. Deputy Leader and Cabinet Member for Growing the Economy.

Cabinet Member for Adult Social Care, Public Health & Prevention

Cabinet Member for Communities & Partnerships

Cabinet Member for Children's Services

Cabinet Member for Innovation, Transformation & Performance

Cabinet Member for Environment & Waste

Cabinet Member for Finance

Cabinet Member for Commercial Services & Asset Management

Cabinet Member for Highways, Infrastructure & Transport

Advice for members of the public:

This meeting will be held in public and in person.

It will be live streamed on YouTube and, in view of Covid-19 guidelines, we would encourage members of the public to watch remotely by clicking on the following link:
<https://youtu.be/oQPNDBeShfQ>

However, if you wish to attend in person it would be most helpful if, on this occasion, you could indicate in advance that it is your intention to do so. This can be done by emailing committees@norfolk.gov.uk where we will ask you to provide your name, address and details of how we can contact you (in the event of a Covid-19 outbreak). Please note that public seating will be limited to 30 spaces.

Councillors and Officers attending the meeting will be taking a lateral flow test in advance. They will also be required to wear face masks when they are moving around the room but may remove them once seated. We would like to request that anyone attending the meeting does the same to help make the event safe for all those attending. Information about symptom-free testing is available [here](#).

A g e n d a

1 To receive any apologies.

2 Minutes

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To confirm the minutes from the Cabinet Meeting held on Monday 12 April 2021.

3 Members to Declare any Interests

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

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

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

If you do not have a Disclosable Pecuniary Interest you may nevertheless have an **Other Interest** in a matter to be discussed if it affects, to a greater extent than others in your division

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

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

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

4 Matters referred to Cabinet by the Scrutiny Committee, Select Committees or by full Council.

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

6 Public Question Time

Fifteen minutes for questions from members of the public of which due notice has been given. Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk) by 5pm on Wednesday 2 June 2021. For guidance on submitting a public question, view the Constitution at <https://www.norfolk.gov.uk/what-we-do-and-how-we-work/councillors-meetings-decisions-and-elections/committees-agendas-and-recent-decisions/ask-a-question-to-a-committee>.

Any public questions received by the deadline and the responses will be published on the website and can be viewed by clicking this link once uploaded: [Click here to view public questions and responses](#)

7 Local Member Issues/Questions

Fifteen minutes for local member to raise issues of concern of which due notice has been given. Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk) by 5pm on Wednesday 2 June 2021.

8 Norwich Western Link

Report by the Executive Director of Community & Environmental Services.

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9 Authority to enact capital programme

Report by the Executive Director of Finance and Commercial Services

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10 Norfolk Armed Forces Covenant Annual Report

Report by the Executive Director of Community & Environmental Services

Page 79

11 Joint Committee for Transforming Cities Fund Projects – Revision to Terms of reference

Report by the Executive Director of Community and Environmental Services

Page 86

12 Annual Treasury Management Outturn Report 2020-21

Report by the Executive Director of Strategy and Transformation

Page 92

13 Finance Monitoring Report 2020-21 Outturn

Report by the Executive Director of Strategy and Transformation

Page 111

14 Reports of the Cabinet Member Delegated Decisions made since the last Cabinet meeting:

To note the delegated decisions made since the last Cabinet meeting.

Decision by the Cabinet Member for Commercial Services & Asset Management.

- [County Hall - South Wing cladding replacement](#)
- [Acquisition of House in Norwich for conversion to New Roads Trainer flats for children in care](#)
- [Acquisition of House in Toftwood for conversion to New Roads Trainer flats for children in care](#)

15 Exclusion of the Public

Cabinet is asked to consider excluding the public from the meeting under section 100A of the Local Government Act 1972 for consideration of the items below on the grounds that they involve the likely disclosure of exempt information as defined by paragraph 3 of Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Cabinet will be presented with the conclusions of the public interest test carried out by the report author and is recommended to confirm the exclusion.

16 Norwich Western Link

Exempt Appendix to the report by the Executive Director of Finance & Commercial Services.

Tom McCabe
Head of Paid Service
Norfolk County Council
County Hall
Martineau Lane
Norwich
NR1 2DH

Date Agenda Published: 27 May 2021



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Cabinet

Minutes of the Virtual Teams Meeting held on Monday 12 April 2021 at 10am

Present:

Cllr Andrew Proctor	Chairman. Leader & Cabinet Member for Strategy & Governance.
Cllr Bill Borrett	Cabinet Member for Adult Social Care, Public Health & Prevention.
Cllr Margaret Dewsbury	Cabinet Member for Communities & Partnerships.
Cllr John Fisher	Cabinet Member for Children's Services.
Cllr Tom FitzPatrick	Cabinet Member for Innovation, Transformation & Performance.
Cllr Andy Grant	Cabinet Member for Environment & Waste.
Cllr Andrew Jamieson	Cabinet Member for Finance
Cllr Greg Peck	Cabinet Member for Commercial Services & Asset Management.
Cllr Graham Plant	Vice-Chairman and Cabinet Member for Growing the Economy.
Cllr Martin Wilby	Cabinet Member for Highways, Infrastructure & Transport.

Executive Directors Present:

James Bullion	Executive Director of Adult Social Services
Simon George	Executive Director of Finance & Commercial Services
Tom McCabe	Executive Director of Community & Environmental Services and Head of Paid Service.
Paul Cracknell	Executive Director of Transformation and Strategy
Sam Pittam-Smith	Director of Transformation
Helen Edwards	Director of Governance
Sara Tough	Executive Director Children's Services

The Chairman opened the meeting by paying tribute to His Royal Highness The Duke of Edinburgh. Cabinet members, officers and people watching the meeting were asked to pay their own tribute to Prince Philip by observing a minute's silence before the meeting began.

The Chairman welcomed everyone to the Cabinet meeting and advised viewers that pursuant to The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020, the meeting was being held under new Regulations which had been brought in to deal with the restrictions under Covid 19. Decisions made in the meeting would have the same standing and validity as if they had been made in a meeting in County Hall.

Cabinet Members and Executive Directors formally introduced themselves.

1 Apologies for Absence

1.1 There were no apologies for absence.

2 Minutes from the meeting held on Monday 8 March 2021.

2.1 Cabinet agreed the minutes of the meeting held on Monday 8 March 2021 as an accurate record of the meeting.

3 Declaration of Interests

3.1 No interests were declared.

4 Matters referred to Cabinet by the Scrutiny Committee, Select Committees or by full Council.

4.1 There were no matters referred to Cabinet.

5 Items of Urgent Business

5.1 There were no items of urgent business.

6 Public Question Time

6.1 The list of public questions and responses is attached to these minutes at Appendix A.

7 Local Member Questions/Issues

7.1 The list of Local Member questions and the responses is attached to these minutes at Appendix B.

7.2 Supplementary question from Cllr Alexandra Kemp

7.2.1 Cllr Kemp noted that the Government had refused funding for the Queen Elizabeth (QE) hospital rebuild twice and was granting funding to hospitals with lesser need. The Cabinet Member had stated in his response that he was trying to get the hospital rebuilt before 2030 but Cllr Kemp felt this was an urgent issue and asked members to “bang on the door” of Government, and suggested that the hospital be re-built in the memory of the His Royal Highness the Duke of Edinburgh.

7.2.2 The Cabinet Member for Adult Social Care, Public Health and Prevention replied that the case for replacing the QE hospital had been made by the Government’s agreement to fully replace the James Paget hospital, which was an identical hospital built at an identical time. The Cabinet Member for Adult Social Care, Public Health and Prevention, the Health and Wellbeing board and the Health and Care Partnership were making the case to the NHS Capital Priorities Board and Government for the QE to be rebuilt.

7.3 Supplementary question from Cllr Emma Corlett

7.3.1 Cllr Corlett asked whether the Cabinet Member had read the Bat Conservation

Trust statement on the scheme dated 4 March 2021. The threat to this bat colony was the reason for making this statement and Cllr Corlett therefore asked whether the Cabinet Member agreed that this would put the Council at financial risk as she felt this would hinder the planning process.

7.3.2 The Cabinet Member for Highways, Infrastructure and Transport replied that he had read this statement but did not agree that this would put the Council under financial pressure due to the high level of support for the Norwich Western Link, particularly from people in West Norwich suffering from rat running and needing better connectivity; this was a crucial infrastructure development for Norfolk.

7.4 The written supplementary question submitted was responded to in writing (Appendix C).

8 NCC Customer Experience Strategy 2021 to 2026

8.1 Cabinet received the report by the Executive Director for Community and Environmental Services setting out the Council's customer experience strategy, developed by the Customer Services team in consultation with key service departments, to reflect and support delivery of the Council's overarching priorities and target outcomes outlined in 'Together for Norfolk', Norfolk County Council's business plan for 2019-2025.

8.2 The Cabinet Member for Communities and Partnerships introduced the report and moved the recommendations:

- The strategy would take a "digital by design not by default" approach to extend the range of service and ensure accessibility to all customer groups; it was recognised that not all people wanted to access help online and that some would prefer to use the phone, visit libraries, interact face to face or have information posted to them.
- The strategy aimed to provide early help and advice to people before their needs became acute; it was based on two customer surveys and a Member workshop, ensuring a customer centric approach.
- There was intention for the strategy to be as easy as possible for people to seek help.
- An equality impact assessment been carried out to ensure the strategy did not discriminate anyone.

8.3 The Cabinet Member for Children's Services noted that the strategy aligned with the 6-year plan and highlighted the importance for everyone to be able to access services either online or via other methods such as in person.

8.4 The Cabinet Member for Innovation, Transformation and Performance felt that the paper reflected the needs of the customer;

8.5 Cabinet **RESOLVED** to:

1. **approve** the Customer Experience Strategy, as set out in section 2 of the report.
2. **approve** the Customer Charter as set out in Appendix 1 of the report.

8.6 **Evidence and Reasons for Decision**

There is significant evidence this strategy proposal is right for customers and also from a financial/efficiency perspective. This includes:

- Survey responses from customers
- Growth and take up of online self-serve options provided by the Council and also traffic to the Council’s website
- ONS data on the use of digital/internet services
- The relative cost of customer interactions over digital, phone and face to face channels
- The economies of scale to be enjoyed from managing customer contact through a ‘consolidated front door’ model versus back office environment

8.7 **Alternative Options**

Further work could be carried out to develop an alternative strategy. However, this proposal is based on a strong customer and financial imperative, sound evidence base, extends an ongoing and successful direction of travel and is aligned to support delivery of the Council’s overarching priorities and target outcomes outlined in ‘Together for Norfolk’, Norfolk County Council’s business plan for 2019-2025.

9 **NCC Digital Strategy and Roadmap for the 2020s**

9.1 Cabinet received the report by the Executive Director of Finance & Commercial Services setting out the Digital Strategy and Roadmap for the 2020s, designed to define how technology, digital infrastructure and digital services will be delivered and exploited in order to achieve the Council’s strategic vision and objectives.

9.2 The Cabinet Member for Innovation, Transformation and Performance introduced the report and moved the recommendations:

- The roadmap built on work done in the 2018-21 Digital Norfolk Strategy with connectivity having been improved across the county.
- In the first lockdown in 2020, Norfolk County Council was ready for the changes needed to enable staff to work from home thanks to the preliminary work of IMT staff and other teams in the Council to support remote working.
- Norfolk County Council had been awarded Connected Britain Digital Council of the Year 2020
- There was an aim to be an exemplar and work with organisations across the county and country, such as the police, Chamber of Commerce and District Councils to support growth and the strategic agenda of inclusive growth and exploit digital opportunities.
- Lots of improvements had been made to digital infrastructure but work continued to improve broadband and mobile phone coverage further.
- Digital inclusion included roll out of laptops to school children during the lockdowns in 2020-21, with all children who needed one receiving one.
- Work to mitigate risks continued, including work at a national level.
- The roadmap had been designed in a presentation format so it could be easily disseminated to partners.

9.3 The Cabinet Member for Adult Social Care, Public Health and Prevention reported that it had been possible to provide services to vulnerable people and those who required it during the pandemic due to staff being able to work from home thanks to resources being available digitally. He also noted the effective

joined up working of partners, such as between social care and health partners, in the past year and a half; the preliminary work of the digital strategy had supported this to move forward positively.

9.4 The Vice-Chairman endorsed the report and noted the free digital support available through the strategy for businesses and small and medium enterprises (SMEs) which would help them to recover from the pandemic.

9.5 The Cabinet Member for Finance welcomed the way the strategy drove forward “Together for Norfolk” and noted that work with the police and District Councils was positive.

9.6 The Chairman congratulated the IMT team for receiving the Connected Britain Digital Council of the Year 2020 and commented that the strategy was positive and forward looking.

9.7 Cabinet **RESOLVED** to:

- approve the Digital Strategy and Roadmap for the 2020s, as set out in Appendix 1 of the report.

9.8 **Evidence and Reasons for Decision:**

Development of the Digital Strategy and Roadmap for the 2020s has been informed by extensive research and consultation. It builds upon learning from the successes of the 2018-2021 NCC Digital Strategy as well as methodical consultation with Council departments, elected members and various service delivery partners. Sector and industry best practice research has been used particularly from Gartner and also Socitm (the professional network for leaders engaged in the innovation and modernisation of public services).

9.9 **Alternative Options**

Further work could be carried out to develop an alternative strategy. However, this proposal is based on extensive research and consultation. It builds upon previous successful approaches and is aligned to support delivery of the Council’s overarching priorities and target outcomes outlined in ‘Together for Norfolk’, Norfolk County Council’s business plan for 2019-2025.

10 Trading Standards Service Plan 2021/22

10.1 Cabinet received the report by the Executive Director of Community and Environmental Services detailing the Trading Standards Service Plan and associated sub-plans (as annexed to the main plan) which set out the service priorities for 2021-22, taking account of the service budget set in February 2021, and focusing on economic recovery for the county.

10.2 The Cabinet Member for Communities and Partnerships introduced the report and moved the recommendations:

- Trading standards’ plans were significantly impacted by Covid-19 in 2020.
- Trading standards continued with their statutory duties and supported public health and enforcement partners with responding to the pandemic by helping ensure businesses complied with Government restrictions, farmed animal

welfare was not compromised due to Covid-19 outbreaks in meat businesses, and worked with Norfolk Against Scams Partnership to raise awareness of Covid-19 related scams and frauds.

- Alongside this there were also five avian flu outbreaks in Norfolk and Brexit related issues.
- The everyday work of the team included ensuring food and good were safe, trade was safe and legal, investigating criminal offences and taking legal action when necessary. Four prosecutions were taken forward in 2020.
- The team helped protect people with “no cold calling zones”, the Trust a Trader scheme and Norfolk Against Scams Partnership.
- A new case management system had been invested in to increase efficiencies by reducing admin.
- There had been difficulty in recruiting qualified trading standard officers so trainees would be recruited and trained in-house.

10.3 The Chairman noted the importance of working to retain trainees.

10.4 The Cabinet Member for Innovation, Transformation and Performance commented on the scams which had been arisen during the pandemic and noted the impressive work of trading standards to highlight these scams to help protect vulnerable people.

10.5 Cabinet **RESOLVED** to:

- **agree** and **adopt** the Trading Standards Service Plan and associated Annexes set out in Appendices 1 to 5

10.6 **Evidence and reasons for Decision**

The Trading Standards Service Plan is considered to be the most effective way to demonstrate how the service intends to fulfil its regulatory/statutory responsibilities taking into account the available intelligence, resources and the Together for Norfolk outcomes we are seeking to achieve.

10.7 **Alternative Options**

The proposed Plan and associated documents are considered to set out the most effective approach. Alternative approaches could be taken, but these would require further work to develop and may result in a need to secure additional funding to deliver.

11 **Regulation of Investigatory Powers Act 2000 and Investigatory Powers Act 2016**

11.1 Cabinet received the report by the Head of Paid Service detailing the use of RIPA and the IPA by the Council for 2020, informs members of the recent inspection conducted by the Investigatory Powers Commissioner’s Office (IPCO) and seeks approval of the current policies, which have been reviewed and slightly amended.

11.2 The Head of Paid Service introduced the report by noting that substantial powers were available to the Council which were only used sparingly and when appropriate.

- 11.3 The Cabinet Member for Communities and Partnerships introduced the report and moved the recommendations
- The current powers were approved in 2020 providing a framework of investigatory techniques. The appendices of the report ensured the Council's use of investigatory powers were compliant with legislation including the Human Rights Act 1998.
 - These powers could be used by any of the Council's services but were mainly used by trading standards who had used them four times in the past year.
 - The powers were only to be used for preventing and detecting crime
- 11.4 The Vice-Chairman was pleased to note that the powers were compliant with legislation and the Human Rights Act.
- 11.5 The Cabinet Member for Innovation, Transformation and Performance reiterated that these were necessary powers and investigations were only carried out when necessary.
- 11.6 The Cabinet Member for Children's Services also noted that the report indicated the correct procedures were being carried out and endorsed the report.
- 11.7 The Chairman highlighted the reference to the IPCO inspection at paragraph 2.3 of the report, which was conducted remotely and validated the issues discussed.
- 11.8 Cabinet **RESOLVED** to:
1. **note** the use of RIPA and the IPA by the Council for 2020, as set out in Appendix A of the report; and
 2. **approve** the revised policy documentation provided at Appendix B and Appendix C of the report; and
 3. **note** the outcome of the recent IPCO inspection.
- 11.9 **Evidence and Reasons for Decision**
- The two Acts, the associated Regulations and Codes of Practice set out expectations for local authorities in relation to the oversight of RIPA authorisations for directed surveillance and CHIS and for the acquisition of communications data under the IPA. The recommendations set out in this report meet the requirements of the legislation. There are no other reasonably viable options to the recommendations above.
- 11.10 **Alternative Options**
- These corporate policies are considered to be the most effective way to ensure the Council fulfils its legal responsibilities, when using covert investigatory techniques to gather intelligence for the purposes of one of its regulatory functions.
- 12 Corporately Significant Vital Signs Performance Report**
- 12.1 Cabinet received the report by the Director of Transformation outlining the actual performance of the Council against its targeted performance for quarter three of 2020/21.

- 12.2 The Cabinet Member for Innovation, Transformation and Performance introduced the report and moved the recommendations:
- This was a quarterly report providing an ongoing health check of work done by the Council, indicating what was being done to keep processes on track and identify changes needed to improve.
 - This worked as part of the Council plan, “Together for Norfolk”, and helped ensure work was business like, best value for money and meeting statutory requirements
- 12.3 The Cabinet Member for Children’s Services reported on measure 416: “Percentage of Education, Health & Care Plans (EHCP) completed within timescale”; this measure was improving, and the Department for Education had confirmed Norfolk County Council as the second highest improved authority in this area. The Cabinet Member for Children’s Services was confident that the department could reach the target for this measure.
- 12.4 The Cabinet Member for Finance commented on the red rating for measures related to the inability of the Council to meet targets for savings; it had not been possible to take forward the transformation programme and income had been lost due to the pandemic. Most of the savings had been made up by Covid grants received from Government
- 12.5 Cabinet **RESOLVED** to:
1. **Review** and comment on the current performance data
 2. **Agree** the planned actions as set out in Appendices 1 and 2 of the report.
 3. **Agree** the proposed reduced target for vital sign 349: Number of Apprenticeship starts
- 12.6 **Evidence and Reasons for Decision**
- N/A
- 12.7 **Alternative Options**
- Information Report
- 13 Risk Management**
- 13.1 Cabinet received the report by the Executive Director of Finance and Commercial Services setting out key messages and the latest corporate risks.
- 13.2 The Chairman, Cabinet Member for Governance and Strategy, introduced the report and moved the recommendations:
- Page 371, paragraph 2.1 of the report, showed the key corporate risk messages
 - RM0032a, “Effect of COVID-19 on NCC business continuity (staff, service users, and service delivery)”, had been lowered from 20 to 16.
 - RM004, “The potential risk of failure to deliver effective and robust contract management for commissioned services” had been lowered from 9 to 6.

- 13.3 The Cabinet Member for Finance commented that RM004 had been reduced by work done to safeguard the Council by ensuring contract compliance was as robust as possible. RM0032a had been reduced through actions related to work of the digital strategy meaning work with customers and staff could continue effectively.
- 13.4 The Cabinet Member for Adult Social Care, Public Health and Prevention highlighted that the Central Government Strategy for Funding Adult Social Care was outside of the control of the Council, however, Norfolk County Council had been robust in supporting the need for it. The Chairman, Cabinet Member for Adult Social Care, Public Health and Prevention, the Local Government Association, County Council Network and MPs all continued to push the case for the emergence of the new strategy.
- 13.5 The Chairman noted the work done to push for the Central Government Strategy for Funding Adult Social Care.
- 13.6 Cabinet **RESOLVED** to:
1. **consider** and **agree** the key messages (paragraph 2.1 of the report) and key changes (Appendices A and B of the report) to corporate risks since the last risk management report in January 2021.
 2. **consider** and **agree** the corporate risks as at March 2021 (Appendix C of the report).
- 13.7 **Evidence and Reasons for Decision**
- Not applicable as no decision is being made.
- 13.8 **Alternative Options**
- There are no alternatives identified.
- 14 Finance Monitoring Report 2020-21 P11: February 2021**
- 14.1 Cabinet received the report by the Executive Director of Finance and Commercial Services giving a summary of the forecast financial position for the 2020-21 Revenue and Capital Budgets, General Balances, and the Council's Reserves at 31 March 2021, together with related financial information.
- 14.2 The Cabinet Member for Finance introduced the report:
- A small underspend of £183,000 was forecast at period 11. In 2020-21 the net budget had been brought in line with forecasts made prior to the pandemic and the Cabinet Member for Finance thanked the Executive Director for Finance and his team for their work in achieving this.
 - Significant pressures in Adult Social Services and Children's Services had been well documented; in March 2021, Children's Services saw pressure related to costs of social care and Adult Social Care saw pressure related to the cost of care.
 - The Community and Environmental Services budget saw the impact of receipt and distribution of phase 2 of the Contain Outbreak Management Fund (COMF), detailed in Table 4b on page 429 of the report.

- Funding to Norfolk County Council through COMF was provided in stages since Government restrictions came in in November 2020 and would continue until the coming financial year as Government had agreed it could be carried forward into 2021-22; final local allocations were yet to be confirmed but Norfolk's COMF allocation for 2020-21 was forecast to be £21.267m.
- COMF allocations for January, February and March 2021 accounted for the bulk of new Covid funding to date.
- £121.16m Covid funding had been received to date. Including transfers to departmental and corporate risk reserves there was a net pressure of £14.529m above funding received.
- A corporate risk reserve had been set up to meet additional pandemic pressures.
- The Cabinet Member for Finance highlighted the work of the Council to respond to emerging financial hardship as a result of the pandemic. Cabinet approved £500,000 on top of Government funding early in the pandemic and a further £3.69m Winter Grant. Together with the core Norfolk Assistance Scheme budget of 1.138m and other grants, £6.3m would be fully allocated in the financial year 2020-21.
- The Norfolk Assistance Scheme had been central to the Council's response, with over 13,500 applications received and £3.08m distributed.
- Government funding was forecast to stop at the end of June 2021, but £1m had been set aside in addition to core funding to address underlying issues for specific cohorts as part of the Council's holistic approach for post pandemic recovery
- There were no changes to the capital programme and general balances remained.

- 14.3 The Chairman endorsed the comments on the work of the finance team, noting their good work in managing the finances of the council.
- 14.4 The Cabinet Member for Children's Services commented that Children's Services had maintained a balanced budget throughout the 2020-21, and congratulated staff for their work in achieving this. There may be increased demands depending on the move out of Covid-19 restrictions and an increase in elective home education had been seen but this may reduce over time.
- 14.5 The Cabinet Member for Innovation, Transformation and Performance commented that the forecast underspend alongside continuation of services and new services being delivered was a tribute to finance staff and staff throughout the Council.
- 14.6 The Vice-Chairman discussed how joint working had supported the Council through the pandemic, for example deployment of COMF through joined up working between the County Council and other organisations. The Vice-Chairman thanked everyone involved in partnership working for their help during the pandemic to keep people safe.
- 14.7 The Cabinet Member for Adult Social Care, Public Health and Prevention endorsed the Government roadmap, but noted it was dependent on people adhering to the guidance and maintaining social distance to allow the country to come out of lockdown more quickly.

14.8 Cabinet **RESOLVED** to:

1. **note** the period 11 general fund forecast revenue **underspend of £0.183m** **noting** also that Executive Directors will take measures to reduce or eliminate potential over-spends;
2. **note** the COVID-19 the Cabinet Member for Environment and Waste funding received of **£121.161m**, the proposed use of that funding, and the related expenditure pressures resulting in net Covid-19 pressure, of **£14.529m** taking into account proposed transfers to the Corporate Risk reserve;
3. **note** the allocation of Phase 2 of the Contain Outbreak Management Fund as set out in paragraph 5.14 and table 4b of Appendix 1 of the report;
4. **note** the period 11 forecast shortfall in savings of **£17.691m**, **noting** also that Executive Directors will take measures to mitigate savings shortfalls through alternative savings or underspends;
5. **note** the forecast General Balances at 31 March 2021 of £19.706m, before taking into account any over/under spends;
6. **note** the expenditure and funding of the revised current and future 2020-23 capital programmes.

14.9 **Evidence and Reasons for Decision**

Two appendices are attached to this report giving details of the forecast revenue and capital financial outturn positions:

Appendix 1 summarises the revenue outturn position, including:

- Forecast over and under spends
- Covid-19 pressures and associated the Cabinet Member for Environment and Waste income
- Changes to the approved budget
- Reserves
- Savings
- Treasury management
- Payment performance and debt recovery.

Appendix 2 summarises the capital outturn position, and includes:

- Current and future capital programmes
- Capital programme funding
- Income from property sales and other capital receipts.

14.10 **Alternative Options**

In order to deliver a balanced budget, no viable alternative options have been identified to the recommendations in this report. In terms of financing the proposed capital expenditure, no the Cabinet Member for Environment and Waste or revenue funding has been identified to fund the expenditure.

15 **Reports of the Cabinet Member and Officer Delegated Decisions made since the last Cabinet meeting:**

Cabinet **RESOLVED** to **note** the Delegated Decisions made since the last Cabinet meeting.

The Chairman highlighted that this was the final Cabinet meeting of 2020-21. The past year had been difficult because of the pandemic and he thanked everyone who had worked well together with staff and partners to achieve everything accomplished during this time. The Chairman thanked fellow Cabinet Members for the work they have put in on their portfolios and in supporting fellow Cabinet members. The Chairman thanked Executive Directors and their staff for the quality of the reports Cabinet has dealt with and their professionalism throughout.

The meeting ended at 11.08

Chairman

Cabinet
12 April 2021
Public & Local Member Questions

Agenda item 6	Public Question Time
6.1	<p>Question from Ashley Williams:</p> <p>I am currently in training for basic care competency through the Care Certificate, under the ‘Step into Care’ programme. Example link - https://www.wea.org.uk/north-west/step-into-care</p> <p>With four years’ experience as an unpaid carer, and two years as a paid carer - both in a domiciliary situation; including employment by someone with a Personal Budget and (in theory) a Care Plan – how is it that the Care Certificate has never been mentioned or highlighted previously by any organisation, including Social Services?</p> <p>This seems to represent a major loophole in oversight of care in people’s own homes when they also act as employers. How is this being addressed at County level?</p> <p>Response from the Cabinet Member for Adult Social Care, Public Health and Prevention</p> <p>Thank you for your question. There are many routes into paid caring and many different types of training that people can access – the WEA is one of those and I’m delighted that you have taken this up.</p> <p>Working closely with the care sector, Adult Social Services is promoting jobs, training and skills development to help recruit people to caring roles. Recruiting and retaining staff is a top priority for everyone in health and social care and we will continue to support and promote opportunities.</p> <p>In 2020, in partnership with Suffolk, we launched a large-scale programme of fully funded training and skills development. The aim of this project is to empower people working within health and social care to develop new skills and confidence so they can progress into more senior roles within the sector. We believe that this strong commitment to training will also help to attract new people into the caring profession.</p> <p>The programme includes a Level 1 qualification that embeds the care certificate, which is aimed at people who are starting out on their careers as well as colleagues who have not had the opportunity to complete this qualification before. All qualifications are available to Personal Assistants. The project has secured up to £7.58 million, with up to £3.79 million coming from the European Social Fund.</p>
6.2	<p>Question from Cllr Caroline Ackroyd, Norwich City Council:</p> <p>Brazengate Bus Gate in Norwich operates 365 days a year Monday to Friday 7:30 am to 9:30 am and was implemented to ensure that priority was given to buses and so that there would be no private motor cars using the road at these times.</p> <p>However, an Eaton resident was caught on camera and fined for using the bus gate on Christmas Day– it does seem unnecessary for the Traffic Regulation Order to include a bank holiday when no buses are running and for a fine to be involved.</p> <p>Would the cabinet member consider looking at this issue please and making appropriate adjustments as to how enforcement is carried out?</p>

	<p>Response from the Cabinet Member for Highways and Infrastructure: I would be happy to explore this issue further and make adjustments, where appropriate. It is important that the information displayed on traffic signs regarding when bus lanes are in force are easy for all motorists to understand. Bus services do run over some bank holidays, including the recent Easter weekend so all options will need to be carefully explored in order to avoid causing any confusion to motorists. This will be fully investigated and recommendations presented to a future meeting of the Norfolk Parking Partnership Joint Committee.</p>
6.3	<p>Question from Cllr James Wright, Norwich City Council: One observation following the change to modes of transport used since the start the pandemic has been the welcome increase in cycling in Norwich, but this has been coupled with the less welcome increase in cycling on pavements.</p> <p>At best, this pavement cycling is as a consequence of confusion about where shared cycle / pedestrian space ends, and pedestrian only space begins.</p> <p>Could the cabinet member please advise what steps the county council could take to improve signage, and the options for fining those who continue to ride on pavements designated for pedestrians only?</p> <p>Response from the Cabinet Member for Highways and Infrastructure: The recent observed increase in the number of people cycling around Norwich City is extremely encouraging and I recognise that we need to support this growth by ensuring that conflicts between those walking, cycling and general traffic is minimised where possible. Following recent successful bids for government funding, we will be delivering a number of highway improvement schemes aimed at improving the environment for cycling and walking through our Active Travel Fund and Transforming Cities Fund programmes. Where appropriate, this will include the introduction of new segregated cycle lanes, which will provide a dedicated, safe space for cycling, as well as additional and more comprehensive signage. We will continue to monitor and cycling trends across the county to identify where further walking and cycling improvements can be delivered when future funding opportunities arise.</p> <p>In Greater Norwich we are also in the process of developing a Local Cycling and Walking Infrastructure Plan which will provide prioritised improvements to be delivered during the short, medium and long term to develop our walking and cycling network. More information on this will be published over the coming months.</p> <p>Norfolk County Council does not hold any legal powers for fining people observed cycling on pavements illegally but will be happy to raise your concerns with the Police.</p>
6.4	<p>Question from Caroline Sykes A report by the Disabled Children's Partnership last month found that disabled children, their siblings, and parents are all experiencing extremely high levels of social isolation in comparison to the rest of the population, stating "A high proportion of families are socially isolated to a level where their health may be impacted without intervention." 91% of parents indicated their child was socially isolated.</p>

Even when they are an appropriate option for respite, families report that Personal Assistants with the right skill set are not always available.

What additional provision will Norfolk County Council offer disabled children and their families, given that the demand for respite places outweighs those available?

Response from the Cabinet Member for Children's Services

We recognise that this has been a challenging time for all families, especially those where children have additional needs.

Positively, all commissioned specialist, group based short breaks provision is back operating almost at full capacity, after a period of restricted delivery during the pandemic over the last year. Lack of such provision in West and Breckland remains a challenge, so new provision is being commissioned which will be introduced in a phased manner over the summer holidays. This process has been greatly assisted through our working alongside parent and carers forums such as Family Voice Norfolk and Sensational Families.

All Personal Assistants have continued to be paid throughout the pandemic, and all should now have returned to work unless they have health reasons for not doing so. They were prioritised for accessing vaccination and PPE. If families have issues accessing a Personal Assistant, they should contact the Short Breaks team who will help support them to find alternative staff. The team can also support them to undertake targeted advertising in local communities through the Direct Payment Support Service. Families can also access mainstream holiday schemes that are now starting to operate, as well as childminders, and the short breaks team can advise and support on these aspects.

Additionally, our recently launched Holiday Activities and Food programme, whilst targeted at children eligible for free school meals, and not specifically at children with additional needs, it has been developed to be inclusive and accessible to all. At Easter, where the focus was more on a remote offer due to continued social restrictions, all online content was assessed for accessibility, and sessions included dyslexia inclusive creative writing and sensory circuits. As part of the activity boxes delivered to over 7000 families, the equipment and activities contained sensory cards and other inclusive resources. A limited amount of direct face to face sessions were also offered, with over 500 children participating, a number of whom were identified as having additional needs. Some of them participated in activities led by a community-based provider working specifically with children with special educational needs and disabilities.

We are working with Special Schools and Short Breaks providers on planning for the Summer and exploring how this provision links with wider support.

Supplementary Question from Caroline Sykes

Families were not allowed to spend their full Short Breaks budget allocation on activities and equipment for home use this past year even when they had hundreds and in some cases thousands of unspent funds due to Covid -19 restrictions and some children needing to shield. Why will this unspent money be returned to Norfolk County Council's coffers when it could have been used to improve Disabled Children's lives?

Response from the Cabinet Member for Children's Services

In line with the Council's financial policy, unspent funding at the end of the financial

	<p>year is not carried forward. Personal Budgets are set at a level based on a family's assessed level of need. These are reviewed annually, and it is important that families are reassured that not fully using this year's Personal Budget due to the current situation, will not result in their budget being reduced next year. Any changes will be based on the assessment of their needs for the coming year, and where families have increased needs, perhaps as a result of the pandemic, this will be part of the review and assessment process.</p> <p>We have allowed more flexible use of Direct Payments during Covid-19, and a 30% increase in the number of families accessing the short breaks offer specifically to utilise that flexibility to access toys and equipment. This has been greatly appreciated by families with disabled children, and due to rising demand, Children's Services has increased the Short Breaks budget for 2021-2022.</p>
6.5	<p>Question from Maxine Webb:</p> <p>After a year of disabled children having their needs unmet, of experiencing extreme isolation and with an education and health care system still vastly behind in providing essential therapies and provision, Norfolk families are concerned by the government's recent decision not to scrap easement measures to the Children & Families Act, requiring only 'reasonable endeavours' by Local Authorities to provide the needs listed in a disabled pupil's EHC plan.</p> <p>What reassurance can Cllr Fisher give, that Norfolk County Council will ensure every child's needs are met, that disabled children will receive the full provision listed in their EHC plans, which, to their detriment, they have gone without this past year</p> <p>Response from the Cabinet Member for Children's Services</p> <p>Firstly, we would like to reassure Norfolk families that the Government's easements of Children and Families Act legislation came to an end at the end of July 2020 (for SEND provision) and end of September 2020 (for EHCP timescales). There are currently no easements in force.</p> <p>We are pleased that Norfolk's schools and settings prioritised the attendance of children with EHCPs during both lockdowns, and Norfolk's attendance of pupils with EHCPs was largely reflective of the picture nationally, meaning that many children continued to receive their special educational provision during this challenging period. Where therapy provision was disrupted, health providers worked collaboratively with the Local Authority and Norfolk settings to provide this in the most appropriate and practical way possible to meet children's needs, including the use of virtual technology. Delivery of face to face therapies and educational support from specialist teachers and other SEND professionals also continued in cases where risk assessments allowed.</p> <p>Norfolk County Council is now working very proactively with Norfolk schools and settings to support the full return of all pupils to schools and a robust action plan has been developed to achieve this overseen by Senior Officers of the Council. This includes working with our settings in the delivery of the DfE's "Wellbeing for Education" initiative focussed on providing additional support to pupils to make a successful return to school, the national catch up programme, and on delivering Norfolk's allocation of the Government's £42m for projects for children with SEND. Our EHCP Teams have developed new systems to ensure SEND provision detailed</p>

in EHCPs is being delivered in educational settings, and we are working closely with our health colleagues to ensure that important therapies and other health provision can return to face to face delivery safely.

Supplementary question from Maxine Webb:

Even before the easement measures, Norfolk County Council had one of the highest number of new EHC plan assessments and Annual Reviews being completed outside of the legal timescales stated in the Children & Families Act.

What further reassurance can Cllr Fisher give that these easement powers will not be allowed to make this unacceptable situation for Norfolk's children worse or be used to excuse the council's poor performance.

Response from the Cabinet Member for Children's Services

Norfolk was one of the few local authorities who decided not to take up the option of applying timescale easements to its EHCP 20-week timescale performance during lockdown. This is because we recognise the need for significant improvement in the timescales for both new EHCPs and annual reviews, and we wanted our data to be reflective of the actual position to aid us in our improvement journey. Norfolk had the second highest rate of improvement of the lowest performing local authorities for EHCPs completed in timescales during 2020, and our first quarter performance of 2021 for EHCPs issued in 20 weeks has improved even further. We have a rigorous action plan for EHCP timescale improvement as part of our Area SEND Inspection Written Statement of Action overseen by a Governance Board chaired by the Executive Director of Children's Services. The Board is also attended by the DfE, CQC, myself as the Cabinet Member for Children's Services, and most importantly, Family Voice Norfolk, our Parent Carer Forum.

**Cabinet
12 April 2021
Local Member Questions**

Agenda item 7	Local Member Issues/Questions																
7.1	<p>Question from Cllr Brian Watkins: The number of apprenticeships starts in Norfolk peaked in 2015/16 and has fallen each year since then. Can you give a good reason why this is the case?</p> <p>Response from Deputy Leader and Cabinet Member for Growing the Economy There are a number of factors which could have contributed to the declining apprenticeship starts in Norfolk, since the peak in 2015/16. However, before we look at those in more detail, it is worth noting the national picture, as this decline is not exclusive to Norfolk:</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th></th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> <th>2018/19</th> </tr> </thead> <tbody> <tr> <td>Total apprenticeship starts⁵</td> <td>510,200</td> <td>440,400</td> <td>499,900</td> <td>509,400</td> <td>494,900</td> <td>375,800</td> <td>393,400</td> </tr> </tbody> </table> <p>Source: DfE (2020) 'Apprenticeships in England by Industry Characteristics' [Online] Available at: https://www.gov.uk/government/statistics/apprenticeships-in-england-by-industry-characteristics-2018-to-2019</p> <p>A number of reforms to the Apprenticeship system were introduced in 2017, as a result of the Richard Review, 2015. The reforms included;</p> <ul style="list-style-type: none"> • Introduction of the levy - which aimed to increase employer investment • Moving from frameworks to new standards, developed by employer trailblazer groups - with the introduction of an independent, rigorous End-Point Assessment • Introduction of the 20% off the job training requirement • Introduction of the Digital Apprenticeship Service online portal for large organisations to manage their funding/apprenticeships <p>While the above reforms have been positive in terms of increasing the quality of apprenticeships and placing employers in the driving seat, it should be noted that challenges have arisen in the complexities of continued policy changes affecting the system; potentially contributing to the reduction in the number of new starts; locally but also nationally.</p> <p><u>The Apprenticeship Levy/Funding:</u> The levy certainly improved opportunities for businesses to fund workforce development for existing staff. It is widely acknowledged nationally that this strategy has improved much needed upskilling of staff; however, potentially at the expense of recruiting lower level apprenticeships and/or younger apprentices externally. For some large companies, this meant an increase in the use of higher and degree apprenticeships in leadership and management for existing staff – a move towards fewer, more costly apprenticeships. Furthermore, it has taken some large organisations a significant amount of time to embed the use of levy within their</p>		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total apprenticeship starts ⁵	510,200	440,400	499,900	509,400	494,900	375,800	393,400
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Total apprenticeship starts ⁵	510,200	440,400	499,900	509,400	494,900	375,800	393,400										

business workforce planning and as such have not yet fully utilised this funding opportunity.

Restricted funding allocations for colleges and training providers offering apprenticeships to non-levy businesses' have also can be equally restrictive for SMEs, restricting choice to those providers with budget.

Frameworks/Standards

The development/approval of new standards was initially a time-consuming process, causing some training providers to delay making the move to standards. There has been a lack of approved standards at Level 2 following the transition from frameworks to standards. It is widely acknowledged this has impacted on volumes of starts for young people whose attainment grades are lower. A notable example is the removal of Business Admin Level 2 which was previously a solid entry point for many businesses recruiting apprentices. This adds to the challenge where social mobility cold spots in Norfolk continue to hinder the progression of individuals into high level/higher paid roles.

20% Off the Job (OTJ) Training Requirement

The introduction of the 20% OTJ requirement had a significant impact on employers, as an apprentice is required to evidence 20% of their contracted hours are spent learning significant new knowledge, skills and behaviours. This is a funding requirement for training providers and as such, is not negotiable. This can be perceived as an obstacle (particularly for smaller employers) and the rules around this element have been widely reported as complex and confusing.

Together with the 20% OTJ funding requirement, other complexities in continued changeable funding rules and quality standards have been challenging for smaller providers to manage.

Alongside this landscape of significant change in apprenticeships policy and the system, Norfolk has seen a consistent reduction in Independent Training Provider delivery; with five notable organisations closing within the last 6 years; creating a significant reduction in the county in terms of apprenticeship offer and availability. Apprenticeship provision for some programmes (e.g. construction) is now only available at the main FE colleges in Norfolk – which creates a logistical difficulty for some apprentices based in rural parts of the county.

Apprenticeship policy and the system remains complex to navigate, particularly for smaller businesses who have yet to engage with the Apprenticeship programme. Research highlights the following challenges/barriers for SMEs engaging with Apprenticeships:

- employers' time constraints
- confusion and difficulties on deciding who to work with when different providers offered different options and services
- find the National Apprenticeship Service 'complex and confusing'

Note: The Norfolk County Council (NCC) 'Apprenticeships Strategy 2020-2023' sets out a strategic vision, aims and objectives and an operational action plan to increase the number of apprenticeships starts in Norfolk.

7.2	<p>Question from Cllr Tim East: What level of funding has the Council provided to the Citizens Advice Bureau since 2017/18 and which services provided by the Citizens Advice Bureau is this funding for?</p> <p>Response from Cabinet Member for Adult Social Care, Public Health and Prevention Thank you for your question. The Citizens Advice Bureau (CAB) receives approx. £380k of funding annually from Norfolk County Council. Funding is uses to provide information and knowledge about rights, entitlements and services to enable individuals to make choices and meet their needs, including directing people to further sources of help or specialist advice. This can also include support to address a problem including practical help to meet that need.</p>
7.3	<p>Question from Cllr Dan Roper: What are the current working assumptions on a third wave of Covid infections in Norfolk?</p> <p>Response from Cabinet Member for Adult Social Care, Public Health and Prevention Thank you for your question. As you are aware ongoing modelling of a possible third wave of Covid infections in Norfolk is currently being carried out. This is based on the assumptions issued by the national modelling subcommittee of SAGE (SPI-M-O). These are as follows:</p> <ol style="list-style-type: none"> 1. It is <i>“highly likely that there will be a further resurgence in hospitalisations and deaths after the later steps of the Roadmap”</i>. 2. Although a third wave is likely, <i>“the scale, shape, and timing of any resurgence remain highly uncertain”</i> although most models suggest that it is highly unlikely that the timing will be earlier than late July/early August 3. Most models suggest that a third wave peak will be <i>‘smaller than the wave seen in January 2021’</i> but it is still plausible that we could see <i>‘hospitalisations of a similar scale to January 2021’</i> <p>This is why it’s still so important that everyone sticks to the restrictions that are still in place and vital that people continue to social distance and continue with the advice: “hands-face-space-fresh air”.</p>
7.4	<p>Question from Cllr Steffan Aquarone: After spending millions of pounds refurbishing the council chamber and meeting rooms at County Hall at an increasing cost and delay when do you anticipate they will be able to be used for Council meetings?</p> <p>Response from Cabinet Member for Commercial Services and Asset Management Cllr Aquarone is correct that as works have proceeded on the refurbishment of the North Wing meeting rooms, we have identified both urgent Health and Safety issues, but also significant degradation to the building fabric in this area, in sites that could not have surveyed or assessed previously (such as on a fragile roof). These have been driven by historic underinvestment in a building that has had limited work undertaken on it, since it was constructed.</p> <p>It is important that well used Council facilities are invested in to ensure they are fit</p>

	<p>for purpose. We cannot always choose the timing when this is needed to be done, but Leadership, unlike opposition requires difficult decisions. Perhaps it is the Liberal Democrat position that the meeting rooms should have leaks in the roof, be inaccessible to disabled people and have low environmental standards.</p> <p>It will be national Covid regulations (and the need for social distancing), alongside the current judicial review into continuing virtual meetings – that will decide when they are used for Council Meetings.</p>
7.5	<p>Question from Cllr Alexandra Kemp NCC is now part of the Integrated Care System (ICS) with the NHS and takes joint responsibility with the NHS for the quality of care for Norfolk residents.</p> <p>The Queen Elizabeth (QE) is a major acute hospital, is 41 years old, built to last for only 30 years. The roof is caving in and is being held up by props in over 150 places.</p> <p>I have written to Cabinet Ministers and to the Chancellor to ask for funding for the rebuild. I asked the Norfolk Health Committee to write to the Govt.</p> <p>What is the Cabinet doing to promote the speedy rebuild of the QE?</p> <p>Response from Cabinet Member for Adult Social Care, Public Health and Prevention Thank you for your question and for continuing to raise this important matter both locally and nationally.</p> <p>The Chairman of Norfolk Health Overview and Scrutiny Committee has now written to the Secretary of State for Health & Social Care and the nine Norfolk MPs about the situation at the QEH.</p> <p>The Cabinet Member for Children’s Services and I sit on the Interim ICS Partnership Board which sees local health and care organisations working together to improve the health, wellbeing and care of people living in Norfolk and Waveney. Personally I have called for government to provide the funds to sort out the problem and as a partnership we will continue to support the Trust in their case for the QEH to be one of the further 8 new or part new hospitals by 2030.</p>
7.6	<p>Question from Cllr Danny Douglas: Councils have to produce an improvement plan by July 2021 in respect of improving the bus network. Will the Cabinet member for Highways and Infrastructure commit to stopping polluting vehicles in Norwich City Centre, for example Sanders buses on Magdalen Street, as well as stopping inappropriate bus routing such as using Surrey Street when vehicles can go down Queens Road?</p> <p>Response from the Cabinet Member for Highways and Infrastructure: As part of the government’s new National Bus Strategy, local transport authorities and local transport operators have to commit to an Enhanced Partnership by July 2021 and Bus Service Improvement Plans have to be developed and published by the end of October 2021. We do not yet have the detailed guidance about these plans or how to access the potential funding available so I cannot yet commit to specifics, but we will be looking to develop an aspirational plan that improves the public transport network and experience for passengers, working with the transport</p>

	<p>operators. This will include taking into consideration environmental factors and routing of services.</p>
7.7	<p>Question from Cllr Brenda Jones: Staff were told last year that returning to County Hall would see desk capacity reducing from 160 to 60 on each floor. Can the Cabinet Member for Innovation, Transformation and Performance confirm what impact that will have on the total number of staff working out of NCC at any one time?</p> <p>Response by the Cabinet Member for Innovation, Transformation and Performance As we start to return to the office, Norfolk County Council has been clear that it will carefully manage the return to work. As we have communicated to staff, we are limiting the numbers of our staff in all of our key offices (including County Hall) to help with infection control, and in some cases for practical reasons whilst capital works are undertaken at sites.</p> <p>A managed return to offices is a sensible approach, which is reflected across many companies and public sector organisations across the country, whilst the vaccinations rollout continues, and the positive impact is assessed. [Impact on transmission, severity of illness and new strains]</p> <p>The desk capacity limits across our estate, as was communicated to staff, a temporary measure. Staff wellbeing has to be a priority during this pandemic.</p> <p>As we have communicated to Cllr Jones previously, Norfolk County Council is consolidating staff onto the County Hall campus and that the site will be fully utilised. When we as an organisation are content to relax our covid restrictions, we would envisage the building being fully occupied – as one of the key public sector facilities in the County.</p>
7.8	<p>Question from Cllr Emma Corlett Validated data has been shared with Norfolk County Council which shows the Barbastelle bat colony on the proposed route of the Norwich Western Link is the largest maternal colony in the UK, yet there is still no Environmental Impact Assessment for the scheme. Given the serious implications this will have on the future of the scheme, will the Cabinet commit to undertaking one at the earliest opportunity, to reduce the financial hit the Council will take when the project is pulled?</p> <p>Response from the Cabinet Member for Highways and Infrastructure: The summary document the council has received doesn't provide the supporting evidence behind the conclusions made, including key information such as the location of any barbastelle roosts. The project team have asked for this information to be shared with them on several occasions, but it has not been provided to date.</p> <p>We have carried out extensive bat surveys over the last two years across a wide area to the west of Norwich, with further surveys being carried out in 2021. We are developing our mitigation proposals to take account of the data collected and are planning to put in considerable measures designed to support local bat populations, including green bridges, underpasses, and improving existing habitats and creating</p>

	<p>new ones. Our work will continue to be informed by national guidance and advice from statutory environmental bodies.</p> <p>The presence of barbastelle bats in the area to the west of Norwich has been a significant consideration for the council in how we go about creating the Norwich Western Link. At its closest point, the road is 1.1km from the recorded barbastelle bat colony at Weston/Morton and limiting potential impacts on this colony and barbastelle bats in general was a factor which informed the selection of the route.</p> <p>Environmental assessments have been carried out at various stages of the project which have informed the development of the scheme. Work on the Environmental Impact Assessment is ongoing and the outputs from this, as well as mitigation proposals, will be presented in the project's Environmental Statement which will be submitted as part of the planning application. We also intend to carry out a public consultation before submitting the planning application which will include details on our proposed environmental mitigation and enhancement measures.</p>
7.9	<p>Question from Cllr Mike Smith-Clare Schools up and down the country will miss out on funding because the Government has changed how it calculates the Pupil Premium Funding, taking the eligible figure of children from October 2020 figures rather than January 2021. What has been the impact of this change to Norfolk County Council's Pupil Premium funding?</p> <p>Response from the Cabinet Member for Children's Services My sincere apologies to Cllr Smith-Clare but, as a local authority, we do not have the necessary data, at the current time, to calculate whether there is any impact for Norfolk schools, or the size of any impact, as a result of the change from January 21 to October 20 data.</p> <p>Individual schools rather than the local authority receive Pupil Premium Funding based upon the number of pupils they have that meet the relevant criteria and is designed to allow schools to help disadvantaged pupils by improving their progress and the exam results they achieve. Schools must show how they are using their pupil premium funding effectively.</p> <p>If, and when, we have further information regarding any impact for Norfolk schools, this can be shared"</p>
7.10	<p>Question from Cllr Julie Brociek-Coulton What steps is the Council taking to ensure that Covid recovery plans are built with people affected by dementia at their centre?</p> <p>Response from Cabinet Member for Adult Social Care, Public Health and Prevention Thank you for your question. The Council will be working with partners to help the county to recover from Covid-19 in accordance with the Council's long-term strategy, Together, For Norfolk. One of the outcomes that the strategy sets out is that all families, older people and people with learning or physical disabilities are supported to live well and independently in their community.</p> <p>In Adult Social Services, we are appointing a new Dementia Lead post to help us design and implement a new strategy that will meet the future social services</p>

	<p>demand for dementia support, as well as developing new capacity and leading innovation in care and support. Day Services are also looking at creative ways of utilising resource to provide more community-based support options for people with Dementia and others, taking learning and experience from the pandemic response.</p>
7.11	<p>Question from Cllr Colleen Walker The Travel Plan mode shift target for Great Yarmouth set in January 2019 was 15%. Was this target met and by how much?</p> <p>Response from the Cabinet Member for Highways and Infrastructure: NCC set modal shift targets based on Medium Super Output Areas (MSOA) data from the 2011 census of population recorded by the Office of National Statistics (ONS). Where a Travel Plan is required as part of a new development, it must contain measures to support the required modal shift targets. There are a number of Business Travel Plans, Residential Travel Plans, and Overarching Travel Plans that are currently being implemented within Great Yarmouth, and the modal shift of each Travel Plan will be monitored by NCC over its lifetime. Information on modal shift performance of a particular Travel Plan can be provided on request.</p>
7.12	<p>Question from Cllr Terry Jermy At the Council meeting on 22nd February, the Cabinet member for Environment and Waste referred to the issue of fly tipping as a “fake debate.” I’m reporting fly tipping almost daily in my division and it’s an issue which is continuing to blight our county. Will the Cabinet Member therefore revise his position on fly tipping to start addressing this very real issue?</p> <p>Response by the Cabinet Member for Environment and Waste The latest national data published by the Government shows that reported flytipping incidents in Norfolk for 2019/20 were 9% down from the previous year while England as a whole saw a 2% increase.</p> <p>The County Council continues to work alongside authorities across Norfolk and through the Norfolk Waste Partnership to deliver campaigns, including the anti-flytipping SCRAP campaign. The SCRAP fly-tipping campaign was launched in 2019 with the Norfolk Waste Partnership to highlight what steps can be taken to help prevent the crime and report it. This is a combined project with Norfolk Police, the Environment Agency, the NFU and the CLA working closely together to prevent and take action on fly-tipping in Norfolk. This campaign has continued throughout 2020 where people were encouraged not to leave donations outside closed donation points and recycling centres and to report cases where seen.</p>

**Written Supplementary Questions requiring written responses from the Cabinet Meeting held on
Monday 12 April 2021**

Agenda item 7 Local Member Questions	
Written supplementary question from Cllr Danny Douglas	<p>Thank you for the response. The Cabinet Member has committed to look at the issue of routing of services in the bus service improvement plan? Could he commit to review the return of bus services to Old Palace Road and the frequency of services along Heigham Street in the bus service improvement plan?</p> <p>Response from the Cabinet Member for Highways, Infrastructure and Transport:</p> <p>As part of the government's new National Bus Strategy, local transport authorities and local transport operators have to commit to an Enhanced Partnership by July 2021 and Bus Service Improvement Plans have to be developed and published by the end of October 2021. We do not yet have the detailed guidance about these plans or how to access the potential funding available so I cannot yet commit to specifics, but we will be looking to develop an aspirational plan that improves the public transport network and experience for passengers, working with the transport operators. This will include taking into consideration environmental factors and routing of services.</p>

Cabinet

Item No: 8

Decision making report title:	Norwich Western Link
Date of meeting:	7 June 2021
Responsible Cabinet Member:	Cllr Martin Wilby (Cabinet Member for Highways, Infrastructure and Transport)
Responsible Director:	Tom McCabe – Executive Director, Community and Environmental Services
Is this a key decision?	Yes
If this is a key decision, date added to the Forward Plan of Key Decisions.	11 August 2020

Introduction from Cabinet Member

In December 2016 the Council agreed a motion which stated the ‘...Council recognises the vital importance of improving our road infrastructure and that this will help to deliver the new jobs and economic growth that is needed in the years ahead.’ The Norwich Western Link (NWL) was included as one of three priority infrastructure schemes and is highlighted in the Norfolk Infrastructure Delivery Plan 2017-2027.

The County Council has also continued to make significant investments in the ‘Transport for Norwich’ transport plans. This includes over £40m of investment currently being delivered as part of the 3 year programme of Transforming Cities Funding (TCF), which is seeing improvements in sustainable travel, more Active Travel investments and, in addition, an £18m commitment from First Bus to improve their fleet within the City.

Highways England are also bringing forward major improvements to the A47, including a dual carriageway between North Tuddenham and Easton. The delivery of this improvement further highlights the need to deliver the NWL, to connect the A47 to the Major Road Network (Broadland Northway) to the west of Norwich.

The NWL is a proposed new 3.8-mile-long dual carriageway between the western end of Broadland Northway and the A47. Traffic congestion, rat-running through local communities and delays to journeys are all significant issues on minor roads to the west of Norwich. Without intervention, these problems are expected to get worse with anticipated population and job growth in and around the city.

If the NWL was completed and open for use, planned for late 2025, it would:

- reduce travel times and increase journey reliability through the area (including improving emergency response times);
- better connect people to key employment, retail, health, leisure and educational sites;
- support local businesses and the economy by cutting transport time and costs, improving accessibility from west Norfolk and the Midlands, including to Norwich Airport, and also improving access for Norfolk's tourism sector;
- help to improve air quality in residential areas and support people to walk, cycle and use public transport;
- improve the quality of life for those residents in these areas which suffer from high traffic levels within those communities (e.g. Weston Longville is predicted to see an approximate 80% reduction in through traffic).

Complementary measures designed to maximise these benefits and support sustainable forms of transport are also intended to be delivered as part of the NWL project.

The benefits of the project set out above and the level of support are being carefully balanced against the environmental impacts and concerns that have been raised. The council is taking its environmental responsibilities on this project very seriously and there are significant allowances, increased by £22m in the project budget, for necessary mitigation measures and for delivering biodiversity net gain - the proposed level of investment per mile is more than six times that on the Broadland Northway project. Through understanding the local landscape and habitats, and with an investment in appropriately designed measures, the project will aim to minimise and mitigate adverse effects it may have on nature and wildlife, and will seek to create new habitats for wildlife and improve existing ones across a wide area to the west of the city.

In July 2019, the project was confirmed as a regional priority by Transport East, and a Strategic Outline Business Case (SOBC) was submitted to the Department for Transport (DfT). The SOBC was approved on 15 May 2020 by the DfT giving provisional entry into the DfT's Large Local Majors programme alongside funding to support the submission of the Outline Business Case (OBC). When the Government launched its National Infrastructure Strategy in November 2020, they set out that investment in infrastructure would be a crucial part of the country's economic recovery following the coronavirus pandemic.

This report provides an update on work to date and summarises the development of the OBC and recommends its submission to the DfT. This important submission will take the project closer to delivery and support Norfolk and the region in realising the benefits of the NWL as described in this report.

The selection process to appoint a design and build contractor for the project has also been completed. The conclusions of this process are presented and a recommendation made to appoint a strong delivery partner with the necessary skills and experience who have demonstrated quality and value for money in their tender offering through the competitive procurement exercise.

The conclusion of the procurement process has informed the budget required to complete the project, which is included in the OBC. This has resulted in an increase in the budget required from the County Council since the SOBC was submitted. As a consequence, the

County Council's underwritten 'local contribution' to the project will need to increase from £23m to £30m. As a project supported by Transport East, the Council achieves very significant leverage from its contribution with the majority of the funding being provided from the DfT as the project is a regional priority. With a cost benefit ratio of 3.4, putting it in the 'high' value for money category according to DfT criteria, the NWL would create very significant benefits for Norfolk and the wider region, many of which are detailed in this report, and should be considered an investment priority for this council.

The report also sets out the intention to hold a public consultation in the autumn of 2021 on the details of the project, as part of the preparation for the submission of a planning application early next year. There are also details in the report that relate to the land acquisition Compulsory Purchase Order and highways Side Road Order processes.

Recommendations

- 1. To agree to the continued delivery of the project and to the submission of the Outline Business Case to the Department for Transport (DfT), to secure a total of c.£169m of government funding for the project for Norfolk.**
- 2. To recommend to Council to include £186.836m in the forward capital programme, funded from £167.605m of DfT Grant and £19.231m local contribution, underwritten by the County Council (which would be funded through additional prudential borrowing if necessary).**
- 3. Following the outcome of the procurement process for the project, to agree to award the contract to the bidder that has achieved the highest score in accordance with the evaluation criteria, and to delegate to the Executive Director of Community and Environmental Services in consultation with the Cabinet Member for Highways, Infrastructure & Transport, the authority to approve the finalisation and signing of the contract**
- 4. To refer this decision to Full Council at its meeting on 7 June 2021 as required by the Constitution at Appendix 15 para 3.6.1 and ask Council to endorse the decision made by Cabinet today**
- 5. To agree to the commencement of the non-statutory pre-planning application consultation in the autumn of 2021 and to delegate to the Cabinet Member for Highways, Infrastructure & Transport in consultation with the Executive Director of Community and Environmental Services, the authority to approve the details for that consultation, which will be based on the design solution developed by the successful bidder (see item 3 above).**
- 6. To authorise the Executive Director of Community and Environmental Services to take all appropriate actions necessary for the purpose of negotiating the terms and conditions to acquire by agreement (in advance of the CPO) the land and new rights over land which are needed to allow the construction, operation and maintenance of the NWL.**
- 7. To agree to acquire land required for the delivery of the NWL project by negotiated agreement and if this is not achievable in the timescales required, to agree in principle to the Council's use of compulsory purchase powers, and for authority to be delegated to the Executive Director of Community and**

Environmental Services to proceed with preparatory work (including land referencing and requisitions for information) to facilitate the drafting of, and all necessary steps to prepare for the making, publication and submission to the DfT for confirmation, of a compulsory purchase order (CPO) in support of the NWL project (noting that a further Cabinet resolution will be sought in due course, to authorise the making, publication and submission of the CPO and confirming the final details therein).

- 8. To agree in principle to the Council's making of a side roads order (SRO) under the Highways Act 1980 to authorise works necessary in connection with the delivery of the NWL project, and to the subsequent making, publication and submission of the SRO to DfT for confirmation, and for authority to be delegated to the Executive Director of Community and Environmental Services to proceed with preparatory work to facilitate the drafting of, and all necessary steps to prepare for the making, publication and submission of the SRO to the DfT for confirmation (noting that a further Cabinet resolution will be sought in due course, to authorise the making, publication and submission of the SRO and confirming the final details therein).**
- 9. To delegate to the Executive Director of Community and Environmental Services, the authority to approve purchase orders, employer's instructions, compensation events or other contractual instructions necessary to effect changes in contracts that are necessitated by discoveries, unexpected ground conditions, planning conditions, requirements arising from detailed design or minor changes in scope subject always to the forecast cost including works, land, fees and disbursements remaining within the agreed scheme budget.**

1. Background and Purpose

1.1. Background

- 1.1.1.** There are ambitious transport plans for Norwich, developed and already being delivered as part of the adopted Norwich Area Transport Strategy (NATS) Implementation Plan, adopted in 2010 and updated in 2013, and since known as the 'Transport for Norwich' (TfN) implementation plan. This has provided focus on delivering increased levels of public transport usage and supporting people to walk and cycle where journey distances are appropriate. The TfN plans also acknowledge that Norfolk is a rural county, where car use is still often essential, and therefore seeks to accommodate this by encouraging better use of the existing park and ride facilities between the city outskirts and centre.
- 1.1.2.** Through TfN, the County Council made Tranche 1 and 2 applications to the DfT as part of the Transforming Cities Fund (TCF). The TCF aims to provide infrastructure that makes it easier for people to access jobs, training and retail, and to respond to issues around air quality. This is a major investment opportunity to continue and accelerate the delivery of TfN. The Council was successful in these applications and received significant funding towards schemes which will promote intra-city connectivity and significantly improve public

and sustainable transport in Greater Norwich. In total, the TCF is providing over £40m of investment, with a further £18m commitment provided by First Bus to improve their Norwich fleet. This will be provided by 2023 and is in addition to over £40m of investment already made since the NATS implementation plan was adopted in 2010 (updated in 2013 and known as TfN). A further update to the TfN Strategy is currently being developed. This will build on the work already completed and that being delivered through TCF, and will set out future transport proposals for across the Greater Norwich area.

- 1.1.3. The Tranche 2 of TCF is an ambitious programme of works which aims to make significant improvements in the level of public transport available within the Greater Norwich area. In addition to this, a series of walking and cycling improvements across the area is proposed. In combination these improvements aim to reduce reliance on private cars and encourage more sustainable transport options to access areas of employment and education.
- 1.1.4. Part of the plan to improve the way people travel is to provide improved transport infrastructure so that trips that do not need to be routed through the city have viable alternatives, such as the outer ring road, associated radial routes and Broadland Northway (formerly known as the NDR). The NWL, a scheme to improve travel between the A47 and Broadland Northway, west of Norwich, forms part of this improved infrastructure. It is expected that the Transforming Cities funding, being delivered between 2019 and 2023, will enable the transport plans for Norwich to be accelerated during this period. To maximise the benefits of enhanced sustainable travel opportunities and achieve more active travel, the Council needs to consider and improve the wider transport infrastructure.
- 1.1.5. Large-scale housing and employment development is planned or being delivered to both the north and south west of Norwich - such as employment development at the Norwich Research Park (NRP) and in the Food Enterprise Park (FEP) and Airport areas. These locations provide a strategically significant focus for employment and business development, and major housing growth is planned or underway at Hethersett, Cringleford, Costessey and Easton. The emerging Greater Norwich Local Plan could further increase development in the area above that already planned.
- 1.1.6. There remains a significant physical barrier to traffic movements to the west of Norwich. The traffic issues highlighted by local communities that were prevalent when the 2005 decision was taken to proceed with the Broadland Northway have become more pronounced over time, and since the completion of the Broadland Northway. There are no suitable alternative routes between Broadland Northway and the A47 and the physical and environmental challenges that the area presents have left this area without a Primary A-Road Standard route. Modelling data is indicating that there are as many as 45,000 daily trips on the wider network, crossing through the area west of Norwich between these two major roads. The NWL would provide a similar high standard route and is predicted to accommodate more than 30,000 vehicle movements a day. This would significantly and positively affect those local communities who currently have tens of thousands of trips passing through their towns and villages each day.
- 1.1.7. In 2005, the Council's Cabinet agreed an adopted route for Broadland Northway, excluding a link between the A47 (to the west of Norwich) and the A1067. Early plans to link the A47 (west) to the A47 (east), which included a link between the A1067 and A47 (west), were not progressed. This was, in part, due to the added complexity related to the environmental

challenge of crossing the River Wensum with its status as a Special Area of Conservation (SAC). Alongside this it was determined that the objectives of the wider Transport for Norwich delivery plan, that included the Broadland Northway as an important distributor road, could still be delivered without the link to the A47 (west). It was also acknowledged during the delivery of the Broadland Northway (NDR) that traffic and transport issues in the west of Norwich would need to be kept under review.

- 1.1.8. In 2014 the government published its national Roads Infrastructure Strategy (RIS), including, in its first funding period, RIS1, from 2015 to 2020, improvements to the A47 around Norwich. One of those projects was the dualling of the section of the A47 from North Tuddenham to Easton. RIS1 was published as the Broadland Northway was moving to its construction phase, and further highlighted the notable gap in modern infrastructure around Norwich. In December 2016, the Council confirmed, in its motions, its desire to see key infrastructure projects delivered, including the NWL.
- 1.1.9. Following repeated calls to ease traffic problems in the area and enhance strategic connectivity via a completed link, discussions have been held with the Environment Agency and Natural England, since 2017, regarding the type and positioning of a proposed viaduct for crossing the River Wensum. Such a viaduct with sufficient clearance over the River Wensum and its flood plain is anticipated not to affect the integrity of the SAC and is a feature of the current NWL proposals.
- 1.1.10 As outlined above, as part of the RIS1 programme, and adjoining the NWL route, Highways England are currently working to deliver a scheme to dual the existing A47 between North Tuddenham and Easton with a start of construction planned in early 2023. In March 2021, Highways England submitted an application for a development consent order under the Planning Act 2008 (DCO) for the A47 North Tuddenham to Easton Improvement scheme; in April 2021 the DCO application was accepted for examination by the Planning Inspectorate. Highways England are also planning to deliver committed improvements to the A47/A11 Thickthorn Interchange and dualling of the A47 from Blofield to North Burlingham and have also submitted – and had accepted for public examination – applications for development consent (under the Planning Act 2008) for these two schemes. The A47 Alliance, a collective of businesses, local authorities, MPs and others from across the region, have also set out their ambition to see the entire A47 completed to dual carriageway standard from Lowestoft to the A1 at Peterborough, which will remove existing constraints on traffic movements to and from Norfolk from the west.
- 1.1.11 These funded improvements to the A47 have been planned since 2015 and, when delivered, would further exacerbate the traffic problems and issues already experienced in communities to the west of Norwich, unless adequate mitigatory measures are introduced. The County Council has therefore been working closely with Highways England to ensure that the A47 improvements are integrated with the complementary measures that are part of the NWL proposals. In 2018 the DfT also announced the new designation of a Major Road Network (MRN), which provides a recognition of more significant routes within the local network that connect with the Strategic Road Network (SRN). The A1270 Broadland Northway and the A140 to the north of Norwich have been designated as part of the MRN, while the A47 forms part of the SRN, resulting in a clear gap in the network between the A47

trunk road and the western end of the A1270 Broadland Northway. The Norwich Western Link would resolve this gap between the MRN and the SRN to the west of Norwich.

1.1.12 The NWL is complementary to the TfN programme and would provide an important link between housing and employment sites in and around Norwich, a major growth area for the wider region. It would provide a direct, high-standard transport link between the western end of the A1270 Broadland Northway and the A47, reducing the need for traffic to enter the city and alleviating local transport issues within the western area of Greater Norwich.

1.2. Latest Position

1.2.1. In July 2019, the project was confirmed as a regional priority by Transport East, the sub-national transport body, and a Strategic Outline Business Case (SOBC) was submitted to the Department for Transport (DfT) along with the Regional Evidence Base developed by Transport East. DfT comments were received in the autumn of 2019 and these were addressed in an updated SOBC submission in December 2019. The SOBC was approved on 15 May 2020 by DfT which confirmed entry into their Large Local Majors programme. DfT also confirmed more than £1m of funding to support the development and submission of the Outline Business Case (OBC).

1.2.2. The DfT funding application process for Large Local Major (LLM) schemes has been described in the 8 March 2019 EDT Committee report [link](#). The OBC is the second of three successively more detailed business case submission stages, the final being the Full Business Case (FBC). If the OBC is approved by DfT, this would unlock up to 85% of the total funding for the project, subject to closing FBC process, which will only be possible following the completion of the statutory approvals processes (i.e. the granting of planning permission and the confirmation of compulsory purchase and highway orders to enable land assembly and highway works).

1.2.3. The OBC is required to use the DfT's five case model as described below:

- Strategic Case – demonstrate the scheme is supported by a robust case for change that fits with wider public policy objectives;
- Economic Case – demonstrate the scheme's value for money;
- Commercial Case – demonstrate the scheme's commercial viability;
- Financial Case – demonstrate the scheme is financially affordable;
- Management Case – demonstrate the scheme is achievable.

1.2.4. The NWL scheme is being developed so that it can be delivered in an environmentally responsible way and this is reflected in the project objectives (as updated and included in the February 2020 report to Cabinet [link](#) and summarised in section 4 below). By gaining a thorough understanding of the local landscape and habitats, and the species supported by those habitats (through the process of establishing the environmental 'baseline') and by investing in appropriate design measures, we aim to minimise and mitigate adverse effects the NWL may have on nature and wildlife. The preferred route of the NWL was selected for a number of reasons, including its less pronounced effects on the environment and wildlife compared to the other options considered (further details are included in the Options Selection Report, referenced in the Cabinet report in July 2019 [link, in particular table 5.33](#)).

We are following Biodiversity Net Gain (BNG) principles, which means we will aim to leave all applicable habitats for wildlife in a measurably better state than before construction began. This approach is both aspirational and prudent, given the current passage through Parliament of the Environment Bill, which is expected to receive Royal Assent in the coming months and which is therefore likely to be in force by the time the Council submits its application for planning permission for the NWL. This would make BNG mandatory, through compulsory planning conditions requiring the discharge of a biodiversity gain plan delivering at least a 10% biodiversity net gain.

Biodiversity Net Gain is currently measured by a metric created by Defra, and it is anticipated that the same or a similar metric would be applied under the Environment Bill, if it became law; so our success in delivering BNG would be measured by nationally-set criteria. We are currently working on our proposals for how we could achieve Biodiversity Net Gain, using information gathered through our surveys and following advice from Natural England and the Environment Agency. It is likely to focus on improving and creating woodland and wetland habitats.

- 1.2.5. By reducing traffic congestion on the local road network, the NWL will support people to walk, cycle and use public transport. To build on these benefits, delivery of the project will include non-motorised user provision and additional sustainable transport interventions to complement the highway scheme – these measures are set out in the Sustainable Transport Strategy (STS) which is Appended to the draft OBC [link here](#).

Consultation to date

- 1.2.6. Since Broadland Northway fully opened to traffic in April 2018 and before the preferred route for the NWL was agreed in July 2019, two public consultations (summarised below) were carried out relating to the prospect of creating the NWL. These consultations also identified similar problems and issues as had been previously raised on transport issues in the area, with some consultees also adding that they consider the situation has worsened since the delivery of Broadland Northway.
- 1.2.7. There were a high number of responses to these consultations and strong support for an NWL to be delivered. In the initial consultation in summer 2018, 86% of respondents to a question about which options they wanted the council to consider in order to tackle transport issues in the area selected the option of a new road link between the A47 and Broadland Northway. In the consultation on a shortlist of options for the NWL in winter 2018/19, 77% of respondents either agreed or mostly agreed there was a need for an NWL. Some responses to the initial consultation suggested that improvements to public transport, cycling and walking routes, together with further traffic calming were options that should be explored, and a small number preferred taking no action ('do nothing'). Many consultees set out in their responses that the existing roads are simply not able to cope with the levels of traffic that are now routinely using them. Since opening the Broadland Northway, monitoring of traffic conditions by the County Council has confirmed that there are greater levels of traffic travelling through the area west of Norwich. Many of the existing routes are exhibiting this with significant verge over-running, increased maintenance requirements and debris from non-reportable collisions.

- 1.2.8. The third public consultation; the Local Access Consultation, ran for eight weeks between Monday 27 July and Sunday 20 September 2020. The consultation asked for people's views on how the council could best support people to walk, cycle and use public transport in the area to the west of Norwich, and for opinions on proposals for local roads that cross the planned Norwich Western Link, as well as for Public Rights of Way in the vicinity of the new road. The consultation report and full details on the sustainable transport measures are included in the STS which is included in the OBC ([see link](#)).
- 1.2.9. Nearly 440 responses were received with more people agreeing with the proposals for the local roads and Public Rights of Way than disagreeing. The exception to this was the responses to the two options presented for Ringland Lane, which were fairly evenly split between keeping the road open to all traffic and restricting it to non-motorised traffic only, with slightly more support for the option which severed the route for motorised traffic.
- 1.2.10 Of the eight potential sustainable transport measures across the wider area that were consulted on, seven received a similar level of support with only the measure to improve cycle parking at and access to the Airport Park and Ride site from Drayton receiving considerably less support.
- 1.2.11 Regarding the possible new Western Arc bus service the Norwich Western Link could help to enable, more than a third of respondents to the question selected Option A (a service to connect Thorpe Marriott to the Norfolk and Norwich University Hospital and University of East Anglia via Taverham, Queen's Hills, Longwater and Bowthorpe) as the route they would be more likely to use, compared to Option B (a service to connect Thorpe Marriott to Norfolk and Norwich University Hospital and University of East Anglia via Drayton, Norwich Airport, Hellesdon and Earlham), which was selected by fewer than a fifth of respondents. Just under half of the respondents to the question said they would be likely to use neither service.
- 1.2.12 The responses gathered from the Local Access Consultation have been used alongside further technical assessment, including consideration of synergies with the TfN / TCF and the A47 North Tuddenham to Easton dualling scheme, to determine the proposed sustainable transport measures to be taken forward as part of the NWL scheme. Decisions on the measures consulted upon in the Local Access Consultation are summarised in the Sustainable Transport Strategy section below, and more details are included the STS included in the OBC (weblink to be added).
- 1.2.13 In addition to the consultation processes set out above, there has also been significant engagement with local parish councils, both individually and via the Local Liaison Group, a group made up of parish council representatives which provides local insight on both the NWL and Highways England's A47 North Tuddenham to Easton dualling scheme. This has helped steer the details developed in relation to non-motorised users and the Sustainable Transport Strategy, and proposals for the local road network in light of the changes the NWL and A47 dualling would make to the way people travel through the area. There remains some work to complete on this, including working with Highways England as they take their A47 project through its statutory processes in 2021.

Procurement

- 1.2.14 Following approval of the SOBC the procurement process to appoint a Design and Build (D&B) Contractor commenced on 26 June 2020. Following a high level of interest, three bidders were shortlisted to tender for the NWL scheme using a competitive dialogue process. The process was set out in the February 2020 Cabinet report and is discussed further in section 2 below.

A contractor procurement strategy has been developed to manage commercial risks to the Council and also integrate with other activities required to deliver the project. Notably, in order to deal with the environmental constraints and engineering challenges of constructing a viaduct, it was recognised that contractor input into the planning process was highly desirable.

- 1.2.15 The contract is similar in its structure to that used for the Great Yarmouth 3rd River Crossing. It has been developed so that the project will be informed by the contractor's design solution at the tender stage and this will be priced by the contractor in a competitive process.

The contract has three stages, with Stage One being the design and support through the statutory approvals process, Stage Two being construction and Stage Three initial maintenance, particularly in relation to the environmental measures. It should be noted that the contract will be monitored closely during Stage One to ensure that any impacts to the tendered price for construction are managed in accordance with the contract. The contract includes provisions that safeguard the County Council, and a decision to award the contract to commence Stage One does not bind NCC to Stage Two should the project fail to achieve statutory approvals, or if the costs of the project are beyond the budget provisions.

1.3. Purpose

- 1.3.1. This report provides a project update on the work undertaken since the February 2020 Cabinet report and seeks continued support for the delivery of the NWL project, approval of the necessary capital expenditure and approval to submit the OBC for the project to the DfT. As part of the continued delivery, it also seeks agreement to undertake a public consultation this summer ahead of the planning application being submitted. This report also seeks authorisation to commence work in connection with the preparation of statutory orders (a CPO and a SRO) which will be required (in addition to the planning application) in furtherance of the NWL project.

Furthermore, the report provides a summary of the procurement process undertaken to select a suitable design and build contractor to deliver the detailed design and construction of the NWL. The report recommends appointment of the bidder that has achieved the highest score in accordance to the evaluation criteria as a result of this competitive process.

2. Proposals

2.1. OBC Submission

- 2.1.1. It is proposed to submit the OBC to DfT's Large Local Majors programme. This is a successive step following acceptance by DfT of the SOBC. The OBC sets out the case for the scheme in greater detail following the Government's five case business model. The

case for the scheme is included in the 'Strategic Case' within the OBC and is summarised in the following section.

Case for the scheme

- 2.1.2. Throughout the development of the Broadland Northway project, particularly since its preferred route was adopted in 2005, there have been sustained calls for it to be continued to connect from its western end to the A47 trunk road. Responses to consultations frequently asked for this link to also be completed. The reasons given were varied, with many saying that the existing network was not able to cope with the traffic levels and expressing concern that this would only get worse.
- 2.1.3. Those living in communities to the west of Norwich in particular raised concerns about traffic problems they were seeing and experiencing on a daily basis, most notably during the peak hours when their villages, and the small, often single-track rural roads running through and between them, were congested with traffic. There were concerns raised relating to the volume and speed of traffic, the severance it causes and the loss of amenity within their communities. People reported not feeling safe to walk or cycle within and between their local communities due to the level of traffic on local roads.
- 2.1.4. These issues were examined during the course of the consideration of the case for Broadland Northway by the Examining Authority and the Secretary of State for Transport and, in the context that the Broadland Northway was intended as a distributor road connecting the radial routes serving Norwich, they concluded (in agreement with the case being put forward by the County Council) that, on the evidence then available, a further link on the western side of Norwich to connect the road with the A47 was neither required for nor was precluded by the provision of Broadland Northway. They considered that issues of existing and additional traffic using rural roads to link between Broadland Northway and the A47 could be addressed by a package of traffic management/traffic calming measures and commitments to further monitoring, as set out in the Requirements of the Development Consent Order (DCO) which authorised Broadland Northway. Those measures have subsequently been implemented and monitoring has been undertaken in line with the DCO.
- 2.1.5. Since the development phases of Broadland Northway, there have also been notable changes that further strengthen the case for the NWL. These include the planned improvements to the A47, particularly the upcoming dualling of the section from North Tuddenham to Easton to the west of Norwich. This improvement, removing the associated constraints and delays at peak hours, will improve access via the strategic road network to employment, housing and leisure sites. This trunk road improvement will increase demand for a better western link between the A47 and the north of Norwich. Based on modelled data, it is anticipated that without the NWL, or other suitable mitigatory measures, the improvements to the A47 will exacerbate the issues currently experienced in the communities north of the A47, which helps to support the case for the NWL as an effective intervention to ensure these communities see their existing problems resolved.
- 2.1.6. The A47 Alliance has also set out its ambition to see the A47 SRN upgraded to dual carriageway standard from the A1 at Peterborough through to the eastern ports at Great Yarmouth and Lowestoft. The timeline is to see this funded by 2030 and they will continue to press Government for this. In the shorter term however, the existing projects already

allocated funding will see the A47 dualled from Dereham (west of Norwich) to Acle (east of Norwich) and therefore it is expected that traffic delays and constraints along the A47 corridor will be reduced.

- 2.1.7. Norwich Airport, a key asset for the region and focus for economic development, is also seeking to increase its passenger numbers from 500,000 in 2017 to 1,400,000 by 2045. Feedback from the airport has confirmed that these long term aims have not changed as a result of the Covid-19 pandemic. This will increase demand from the south and the west for high quality transport infrastructure to assist this growth. The Airport is fully supportive of the NWL and their growth plans will increase their value to the local economy from £70m to £170m by 2045.
- 2.1.8. The Food Enterprise Park (FEP) development area has been established to the west of Easton and construction is underway on a number of units. Significant growth is planned. As well as increasing general traffic wishing to access this new employment site, haulage operators will require improved links to reach the FEP from the north and west of Norwich. Evidence and feedback from the haulage industry demonstrates that the existing road network to the west of Norwich is not suitable for the size and weight of their vehicles and this is significantly slowing down the movement of HGVs, making them far less efficient, impacting profitability and growth.
- 2.1.9. The extensive option assessment work that has been undertaken as presented in the 15 July 2019 Cabinet report has shown that, whilst initiatives to encourage greater use of more sustainable modes of travel should be an integral part of the overall approach, such initiatives on their own could not realistically be expected to address the transport issues arising to the west of Norwich. It is only with the inclusion of a road-based intervention, with the ability to cater for the full range of vehicular journeys passing through the area, that it is possible to remove sufficient volumes of inappropriate traffic from the existing rural roads, to bring a meaningful measure of relief to affected communities and to non-motorised users. Therefore, it was determined that a road-based intervention is the most appropriate transport solution, in conjunction with a package of wider measures to promote sustainable/active travel choices and needs to be brought forward.

As the Government has set out in its National Infrastructure Strategy (HM Treasury, November 2020), improving our transport infrastructure has a vital role to play in the country's recovery from the coronavirus pandemic. Many of our key industries, including agriculture, tourism, manufacturing and, increasingly, the energy sector rely on good transport links. This together with planned growth, particularly in the Greater Norwich area, means getting national investment into the county to help make journeys more efficient and reliable should be prioritised in order to support Norfolk's economy and local businesses and to protect jobs.

Views from stakeholders

- 2.1.10 Letters of support for the NWL scheme are appended to the OBC to evidence the strong backing the scheme has at both a local and regional level. Individuals and organisations who have written in support include:
- Jerome Mayhew MP for Broadland, Norfolk

- Broadland District Council
- South Norfolk Council
- Breckland Council
- North Norfolk District Council
- New Anglia Local Enterprise Partnership
- Norfolk Chambers of Commerce
- Transport East
- First Eastern Counties Buses
- Norfolk Constabulary
- Norfolk and Norwich University Hospital
- The Road Haulage Association
- Norwich Research Park
- Norwich Airport
- Chantry Place (formerly Chapelfield shopping centre)
- Food Enterprise Park at Easton

2.1.11 Common reasons cited in these letters for why an NWL is needed include traffic congestion on the existing road network in the area and the potential for improved journey times and reliability, road safety benefits for all road users, the project's potential to encourage take-up of more sustainable forms of transport, shorter response times for emergency services, improved air quality in residential areas, better access to business and employment sites and to the hospital, associated economic benefits and improved quality of life for local residents in communities that have lived with significant traffic issues for many years.

2.1.12 Norwich City Council are not included in the above list. They have set out that their support for the NWL project has always been conditional and that "the NWL needs to be set in the context of a clear and environmentally progressive strategy for the development of transport in Norwich". The County Council is continuing to work closely with the City Council in relation to the development of the updated Transport for Norwich Strategy in order to identify and take forward further measures to deliver a sustainable transport strategy across all modes for travel in the City.

The council has also received representations expressing concerns and/or objecting to the project, with concerns about the NWL's impact on the environment and wildlife most commonly cited. Individuals and organisations who have written to the council with their concerns include:

- Clive Lewis MP
- Norfolk Wildlife Trust

- Norfolk Rivers Trust
- CPRE Norfolk
- Bat Conservation Trust
- Stop the Wensum Link Campaign Group
- The Green Party
- Norfolk Labour Group
- Norwich Friends of the Earth
- Wensum Valley Alliance
- Friends of North Norfolk
- Wild Wings Ecology

The issues raised by these organisations include concerns about the project's impact on woodland and trees, the River Wensum Special Area of Conservation and wildlife in the Wensum Valley, particularly the protected barbastelle bat. Although the majority of negative comments so far have centred on barbastelle bats and ancient / veteran trees / woodland, the Council is committed to minimising the impact of the NWL on all ecological aspects.

The Council recently received two 'open letters' [linked here](#). These letters raise concerns about the potential effects of the NWL on the Barbastelle bat species; they make a number of comments about the ecological surveys carried out by the Council to date, about the findings of ecological surveys carried out by third parties; and about the potential effects of the NWL on protected species of bats and their supporting habitat. The letters are considered further in section 3.1.4 of this report.

Concerns also commonly raised relate to the investment in road-building, both through the Wensum Valley and in general, and the detrimental environmental impact this may create in its construction and in its use, with views expressed that road-building creates more traffic.

Economic Case

- 2.1.13 The adjusted benefit to cost ratio (BCR) is 3.4 based on the latest assumed overall budget position, which means it is considered to be in the 'high' value for money category (BCR between 2.0 and 4.0) according to DfT criteria for a transport infrastructure project.

The Norwich Western Link is expected to significantly reduce journey times for vehicles travelling north to south or south to north to the west of Norwich, with some journey times more than halving.

Three journeys to the west of Norwich during the morning rush hour (8 – 9am) have been plotted in the traffic model using the 2025 road network without the Norwich Western Link. These are:

- A) Easton (junction of Dereham Road and Marlingford Road) to Fir Covert Road roundabout on Broadland Northway via Ringland Hills and Taverham;

- B) South of Honingham (junction of Berrys Lane and Mattishall Road) to Fir Covert Road roundabout on Broadland Northway via Weston Longville;
- C) The A47 junction north-west of Honingham to the Cromer Road roundabout on Broadland Northway via Dereham Road and the outer ring road.

The expected reductions in time spent travelling for these three journeys if the Norwich Western Link is built are shown below:

Journey	Without NWL in 2025 (journey time in minutes)	Using NWL in 2025 (journey time in minutes)	Reduction in journey time in minutes
A northbound	17	10	-7
A southbound	16	9	-7
B northbound	15	9	-6
B southbound	15	9	-6
C northbound	29	10	-19
C southbound	27	9	-18

In addition, in providing traffic relief on the local road network, including in the city, journey times and reliability on other routes are also forecast to improve if the NWL is delivered.

The economic benefits the NWL is expected to create for Norfolk, at 2020 prices, include:

- £315million worth of travel time benefits over 60 years, an average of just over £5million a year. This figure includes efficiencies and cost savings for businesses, people commuting to work and people travelling for all other purposes as well as reduced vehicle operating costs.
- £31million worth of journey reliability benefits over 60 years, an average of £517,000 a year. More certainty over journey times allows for greater efficiency, with less time allowed for the journey which increases the number of journeys that can be made in a day (a significant benefit for businesses that rely on transporting goods or people).
- Productivity gains of £107 million over 60 years, an average of £1.8 million a year, as a result of workers becoming more productive due to improvements in connectivity, leading to improved labour market interactions and knowledge sharing and linkages between intermediate and final goods suppliers.

The NWL is also expected to lead to improvements in road safety, with 515 fewer accidents involving a motor vehicle over 60 years, an average of nine accidents a year. This in turn would create a saving worth £22million in costs associated with road traffic collisions.

2.1.14 The cost of the NWL project has increased compared with the figures that were forecast previously in the SOBC submission. Based on the tendered submissions from bidders, we are anticipating that the budget provision required to deliver the project will be in the order of £198m. The details of this increase and explanation are provided in the Finance section of this report below.

2.1.15 The final details within the OBC submission will be based on the actual tendered prices from the successful bidder. This provides a significant advantage, in that at this crucial budget setting stage there is a construction price that is based on a design developed and costed

by the contractor that will ultimately deliver the project. Whilst this does not provide price certainty, it does give far more confidence to the budget allocation at this stage. It should be noted that once the OBC is approved by DfT, the allocation of funding from them will not change, so it is important to get this figure as accurate as possible at this stage.

2.2. Sustainable Transport / Active Travel

- 2.2.1. The wider NWL project has been developed to enable active and healthy travel and uptake of public transport within the western Greater Norwich area, focussing on stimulating more sustainable modes for shorter distance trips, particularly between the local communities.
- 2.2.2. Proposed measures encourage mode shift away from private car use by providing the means to travel sustainably by bike, on foot or by bus, as well as linking up the existing network of Public Rights of Way to maximise local connectivity for pedestrians, cyclists and equestrians. An Equalities Impact Assessment is being carried out at each stage of the project to ensure that the proposals do not discriminate against those with protected characteristics.
- 2.2.3. This work is detailed in the Sustainable Transport Strategy (STS) which is an important aspect of the scheme and will be incorporated in the OBC. The proposals fit with the aspirations of the TfN which seeks a mode shift away from private cars and improvements in air quality. There are opportunities for geographical linkage where the NWL and TfN interface at the western fringe of Norwich. This offers an integrated approach which offers good synergy with wider sustainable transport proposals across Norwich.
- 2.2.4. Key interfacing projects to the west of Norwich have also been recognised as part of the work, seeking to maximise the synergy between the proposals being brought forward in parallel. These projects include the A47 North Tuddenham to Easton Dualling, the Food Enterprise Zone and TfN / TCF.
- 2.2.5. The STS has been shaped by stakeholder liaison including access groups, public transport operators and communities that may be affected by the scheme, with the initial proposals being shared in the Local Access public consultation and plans developed as a result of the feedback received.
- 2.2.6. The measures would ensure that enhanced access to Public Rights of Way is achieved, with the standard of routes following latest design guidance. Routes would connect from the Broadland Northway at the northern end, to the A47 at the south, providing a continuous route connecting the villages of Honingham, Ringland and Weston Longville. The measures are forecast to increase the number of walking and cycling trips across the study area by making the route attractive and safe for users, as well as logically placed to connect key amenities. The local roads across the study area are also expected to receive levels of traffic reduction and therefore also benefit from the scheme.
- 2.2.7. The Side Road Strategy has been developed under the umbrella of the STS to deter rat-running through local villages close to the scheme and protect residential amenity. The proposed strategy has been tested with local residents via a Local Access Consultation in July 2020 which indicated good levels of support for the closure of existing roads crossing the NWL, other than Ringland Lane.

2.2.8. Cycle friendly routes across the wider network are incorporated into the measures and the following have been identified for development:

- Cycle friendly on existing side road link from Attlebridge and Weston Longville and towards Norwich via Ringland and Taverham.
- New pedestrian and cycle crossing on Drayton High Road to improve connectivity with the well-used and traffic free Marriott's Way route.
- Cycle friendly on existing side road link from Ringland to Easton.
- Cycle-friendly on existing side road link south of A47 from Easton to the Norfolk and Norwich University Hospital & University of East Anglia.
- New pedestrian and cycle crossing on the A1067 Fakenham Road at Attlebridge.

2.2.9. The STS document describing the principles, work done and proposals in full has been included with the draft OBC (weblink to be added).

2.3. Design and Build Contractor Appointment

2.3.1. At its meeting of 3 February 2020, Council resolved to:

- Approve the contracting strategy outlined in the report and agree that an OJEU (Official Journal of the European Union) contract notice should be published in due course.
- Agree the proposed approach to social value.
- Agree the proposed high-level evaluation criteria set out in the report.
- Delegate to the Executive Director of Community & Environmental Services authority to approve the detailed evaluation criteria and weightings, in consultation with the Cabinet Member for Highways, Infrastructure & Transport and the Head of Procurement, taking account of the views of the Norwich Western Link Working Group.

The details of the evaluation criteria and results are included in Appendix A. This appendix contains exempt information within the meaning of paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended. It contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because disclosure to the public would prejudice the position of the authority during the negotiation of the contract.

The OJEU contract notice was submitted on 26 June 2020 and seven contractors returned the pre-qualification questionnaire. These were reviewed and three preferred bidders were shortlisted and taken forward to the next stages of the procurement process. They entered the 'competitive dialogue' stage, whereby each bidder developed their design solution for the project, taking into account the reference design and constraints provided, and they were able to discuss their proposals and the contract requirements during the dialogue sessions with the project team and procurement leads.

2.3.2. The evaluation criteria was fixed at the start of the process and it includes the assessment of:

- Construction Methodology;
- Engineering Design;
- Architectural Design;
- Programme;
- Supply Chain;
- Price;
- Robustness of Price.

In addition, the financial status (credit-worthiness) of each of the bidders, evaluated at the shortlisting stage, was evaluated again at this tender submission stage and the bidders' status was considered to be satisfactory.

2.3.3. All of the three bidders provided compliant tender submissions and all were evaluated and scored using the previously agreed criteria. The highest scoring bidder has a score that is a sufficient margin ahead of the other two bidders. There was however one area of their submission that did require further evaluation, and this was related to the 'robustness of the price'. The further work necessary by the project team to assess this further and seek clarifications from the highest scoring bidder did result in a need to extend the tender evaluation process. The conclusion of this further work is that the project team has determined that the award of the contract to the highest scoring bidder is appropriate. The further work completed ensures sufficient confidence regarding the quality and scope of detail provided and will ensure the various stages of the contract can be adequately managed and administered.

2.3.4. The procurement has resulted in a proposed contract which is higher than the budget set out in the SOBC. There are a number of reasons for this which include:

- Additional ecological mitigation, such as additional green bridges;
- Changes in the market's appetite for risk;
- Market conditions – other projects, labour and material supply, Covid-19.

2.3.5. The contract is not for a fixed price and is subject to:

- indexation for inflation;
- budget events (change before works start);
- compensation events (e.g. Client change in Stage Two, severe weather encountered in Stage Two, the effect of COVID-19 after the starting date for Stage Two, flooding in the Wensum Valley outside a defined area);
- the standard NEC pain/gain share mechanism.

It is necessary therefore to consider the risks associated with the award of the contract and the potential for change. The contract will be subject to robust management, in terms of delivery and costs.

2.3.6. Contract Assurance

The contract was drafted based on the contract for the Great Yarmouth Third River Crossing and the experience gained from that project. It was quality assured by a third party, who were appointed following a competition which included a need for specialist experience in the NEC (“New Engineering Contract”) contract. Specialist insurance advice was also obtained from insurance brokers following a competitive exercise.

2.3.7. The proposal is for Cabinet to consider whether to award the contract following completion of the evaluation process. In considering this, there are implications that are set out in the Risk and Finance sections of this report below.

2.4. Planning Process and Project Timescales

2.4.1. Further to Regulation 3 of the Town and Country Planning General Regulations 1992, the relevant Planning Authority and decision maker on the NWL is Norfolk County Council, unless the application is called-in by the Secretary of State.

As a matter of standard practice, but also as required by Regulation 64(2) of the Town and Country Planning (Environmental Impact Assessment) Regulations 2017, the Council has put in place appropriate administrative arrangements to ensure that there is a functional separation between the officers and their external advisors bringing forward a proposal for development, and the officers (and any external advisors) responsible for determining that proposal. In this context, a note explaining the formal administrative arrangements that have been put in place in respect of the NWL proposal will be published on the Council’s NWL project webpage shortly.

Discussions with the Local Planning Authority by the NWL project team have continued to define the requirements of the planning application. This has included receipt of a Scoping Opinion from the Local Planning Authority on the Environmental Impact Assessment (EIA) in October 2020 and the NWL project team’s work on the EIA has now commenced. The purpose of an EIA is to ensure that the environmental effects of a proposed development are properly considered. The findings of the EIA will inform the Environmental Statement which is required to be submitted with the planning application for the NWL.

Further discussions have been held with consultees on specific elements of the scheme, and these will continue in the run up to submission of the planning application as the design and related assessments are further developed.

2.4.2. The current project milestones / programme is given below and includes provision for a public inquiry should this be required as part of the statutory process.

- Transport East endorsement of NWL OBC for submission to DfT – November 2020

- D&B Contractor Appointment - June 2021
- Formal OBC submission to DfT – June 2021
- Pre-application public consultation – Autumn 2021
- Cabinet approval to submit planning application – Early 2022
- Confirmation of all statutory orders / consents and Full Business Case (FBC) submission – mid 2023
- Completion of Stage One (design) of D&B contract – late 2023
- Start of construction work – late 2023
- Scheme open to public – late 2025

2.4.3. It can be seen in the above programme that a pre-planning application public consultation is proposed during autumn 2021. The details that will form the basis of the consultation are to be developed based on the design provided by the successful contractor. Assuming the recommendation to award the contract is made by Cabinet, there is limited time to develop the details for the consultation and therefore it is requested that Cabinet agree to go ahead with the consultation, with exact timescales and the details to be agreed with the Cabinet Member for Highways, Infrastructure & Transport in consultation with the Executive Director of Community and Environmental Services.

2.4.4. The programme allows for a period to assess the feedback from the consultation before finalising the details for the planning application, which is currently intended to be submitted in early 2022.

2.5. Member Group

2.5.1. A cross-party Member Group receives updates on project progress and key issues such as statutory processes, procurement/commercial, contract/legal, programme/budget position of the project, and risks. The Group provides questions and comments to the NWL Project Team and also draws on experience from other major projects to identify best practice and ongoing learning. It also provides opportunities to highlight and discuss the benefits of the project, including for the local communities and businesses.

2.5.2. A recent review of the Member Group processes has been completed and the findings of that review and actions from it were reported separately to Cabinet at the 8 March 2021 meeting.

3. **Impact of the Proposal**

3.1.1. **Economic:** The NWL would improve overall access to and around Norwich, the primary economic and major urban centre for the wider sub-region. It would improve access and journey times and journey reliability to the wider western area which would support the delivery of new and expanded business sites by providing the necessary highway infrastructure. Quicker more reliable journeys will reduce business costs, increase labour market catchments, improve access to key strategic growth sites and support the visitor economy, both in and around Norwich, but also to major tourism areas to the north of Norwich. The project would also provide greater connectivity between employment and housing areas, which is a consideration for employers planning to locate to new areas. While no housing development is dependent upon the NWL being delivered, increasing

capacity on Norfolk's transport networks also supports the county to reach its targets for the provision of new housing.

- 3.1.2. **Local Communities:** The NWL would provide traffic relief to rural and suburban communities to the west of Norwich, improving local residents' quality of life, environment and wellbeing. It is expected that there would be significant reductions in traffic through the existing communities to the west of Norwich. There would be a need for some mitigation measures to be introduced to ensure that traffic is re-routed to more appropriate roads and work will continue to develop these proposals with those communities. Benefits would also be seen on the radial routes into the city and on the outer ring road. These benefits align well with the ongoing Transforming Cities work and longer-term Transport for Norwich programme. The changes in traffic flows across the network result in benefits in terms of greenhouse gas emissions and localised air quality benefits within communities. In addition, there would be significant improvements to local walking and cycling links, to enable more active and sustainable transport options to be realised.
- 3.1.3. **Active Travel/Sustainable Transport:** The NWL project has been developed to enable active and healthy travel and uptake of public transport within the western Greater Norwich area, focussing on stimulating more sustainable modes for shorter distance trips, particularly between the local communities.
- 3.1.4. **Environment:** The effects of the NWL scheme on the environment have been a key consideration throughout its development. Assessments at each stage of the project have been undertaken to understand the potential effects of the scheme on the environment, and how they can be minimised and mitigated. The appointment of the design and build contractor at this stage in the project would enable the contractor's developing design and construction proposals to inform the Environmental Impact Assessment (EIA). The findings of the EIA will be reported in the Environmental Statement that will be provided as part of the planning application. The findings of the EIA will also influence the scheme design, particularly in terms of the environmental mitigation measures which the scheme will need to include. There is a wide range of environmental considerations including designated sites, noise and air quality, protected species, heritage, climate change and sustainability. These considerations, their impact on the project and their impact on the optioneering process, will also be set out in the Environmental Statement, to meet the statutory requirement to describe the reasonable alternatives considered, including a comparison of the environmental effects of those alternatives.

For example, significant work has been undertaken with regards to bats in the vicinity of the scheme, particularly the Barbastelle bat. It should be noted that, in the context of the statements about conservation status which are made in the open letters received ([see link here](#)), whilst the Barbastelle bat is a European protected species, unless or until steps are taken by the relevant regulatory bodies to make the relevant designations, their habitat has no status as a Special Area of Conservation or Site of Scientific Special Interest (and accordingly, the legal and policy considerations associated with those designations are not applicable).

Nevertheless, survey work is ongoing in order to ensure that the considerable mitigation and enhancement measures we are planning can be optimally designed to support local bat populations as part of the project, including green bridges and underpasses which should

help bats to safely cross the new road. Careful consideration is also being given to mitigation and enhancement measures to support foraging and roosting habitats. These measures, and the consideration of whether alternatives to the proposals could have been brought forward, will also need to be considered by Natural England in determining whether a European Protected Species Licence can be granted in respect of impacts to Barbastelle bats; and, at the planning decision stage, the Council, in its capacity as planning application decision-maker, will have to take into account the views of Natural England on whether an EPS licence is likely to be granted.

The environmental assessment work (including the consideration of alternatives) and proposed mitigation for the NWL will be underpinned by the continued development of the Council's understanding of the environmental baseline of the land that will be affected by the preferred route, including in respect of Barbastelle bats and ancient/veteran trees/woodland, as well as other species present in the area.

In doing so, the Council will continue to ensure that environmental / ecological surveys and assessments are carried out in a manner that involves appropriate methodologies and techniques, in line with current best practice. It will also endeavour to work collaboratively with interested parties to ensure that its understanding of the environmental baseline, which is to be gained through these surveys and assessments, is as robust and well informed as possible. In furtherance of this objective, the NWL project team will endeavour to work with the signatories of the open letters whose views on the potential impacts of the NWL scheme on Barbastelle bats are noted. However, for the Council's assessments to be robust, they must be based on available scientific data (whether collected from surveys carried out by the Council's project team or by third parties). The Council cannot rely on or give significant weight to assertions, summaries or interpretations of data where the data on which those assertions, summaries or interpretations are based is not made available, irrespective of the reasons why that is the case (as outlined in the open letters).

The Council's environmental assessment work will be examined through the planning application and all interested parties will have the opportunity to scrutinise the proposals and submit their views to Norfolk County Council's Planning Authority, as the determining authority, as part of the planning application process. As set out in para 2.4.1, administrative arrangements are in place to ensure that the role of the County Council as Planning Authority is kept completely separate from its role as the NWL scheme promoter.

The Council are committed to building the Norwich Western Link in an environmentally responsible way and as part of this, will seek opportunities to enhance the biodiversity of the area, for example by transforming arable land, which is of low ecological value, into woodland and wetland. While the road is clearly a significant focus, considerable effort is being put into wider measures around the road too, such as those that will support ecology and sustainable travel across the area. To maximise the benefits created by the project the Council are working with independent groups and advisors, including local communities, to achieve this and get the best end result.

The analysis undertaken to date, following the latest guidance, is indicating that overall, when considering both construction and operation, it is expected the Norwich Western Link

will be beneficial in achieving reductions in carbon emissions, supporting national and regional policy (more detail is provided in section 8.5 below).

- 3.1.5. **International Gateways:** The NWL will provide enhanced connectivity to Norwich Airport, vital to existing businesses and residents as well as supporting the Norwich Aeropark proposals for aviation-related enterprises adjoining the airport, and around 30 hectares of other employment uses in the new Airport Business Parks. Norwich Airport, a key international gateway and employment hub for the region and the UK, is also seeking to increase its passenger numbers from 500,000 in 2017 to 1,400,000 by 2045 which will increase demand from the south and the west for high quality infrastructure to enable this growth. The Airport is fully supportive of the NWL and their growth plans will increase their value to the local economy from £70m to £170m by 2045.
- 3.1.6. **Norwich:** The NWL will support existing businesses and unlock opportunities for economic growth in Norwich by reducing traffic movements in and around the city. The NWL would reduce through movements from the outer ring road freeing up capacity to accommodate planned housing and employment growth, improve public transport journey times and reliability and the conditions for active travel. The sustainable travel proposals fit with the aspirations of TfN which seeks a mode shift away from private cars and improvement in air quality, including the geographical linkage where the NWL and TfN schemes interface at the western fringe of Norwich. This offers an integrated approach which offers good synergy with wider sustainable transport proposals across Norwich.
- 3.1.7. **Emergency response times:** The NWL will also help to improve emergency response times by providing a higher quality, more resilient link through the area to the west of Norwich.
- 3.1.8. **Broadland and North Norfolk:** The NWL will provide better access and improved journey time reliability to the A47 and A11 strategic road corridors from market towns such as Fakenham, Aylsham and North Walsham, and large parts of Broadland and North Norfolk, avoiding the need for slow and congested journeys.
- 3.1.9. **Public Transport:** The NWL will provide opportunities for improvements in public transport routes and bus journey time reliability due to reduced traffic along existing routes. This will complement the wider TfN and TCF objectives for enhancing public transport.
- 3.1.10 **Resilience:** The NWL will provide resilience to the road network, as it will provide a high standard alternative route at times of maintenance and incidents on the network.

4. Evidence and Reasons for Decision

4.1. OBC Submission

- 4.1.1. The DfT needs to ensure that when decisions are made by Ministers regarding funding, they are done so on an evidence-based approach in line with Treasury advice. The Transport Business Case process requires that schemes demonstrate they:
- are supported by a robust case for change that fits with wider public policy objectives – the ‘strategic case’;
 - demonstrate value for money – the ‘economic case’;
 - are commercially viable – the ‘commercial case’;

- are financially affordable – the ‘financial case’; and
- are achievable – the ‘management case’.

4.1.2. The OBC sets out the reasons why the Council believe the proposed NWL should receive funding from the DfT’s Large Local Major (LLM) fund. The NWL would provide an essential link between the Broadland Northway, which forms part of the Major Road Network (MRN) and the A47 Strategic Road Network (SRN). The MRN is the highest classification of local authority roads in England and the middle tier of England’s busiest and most economically important A-road network. The MRN has been developed to provide the important link between the Highways England controlled SRN and the other local authority-controlled A-roads.

4.1.3. The five cases within the OBC (Strategic, Economic, Financial, Commercial and Management) follow DfT guidance, and are based on the development work completed since submission of the SOBC and are therefore consistent with each other. This includes consideration of the design of the scheme, preparation of cost estimates, traffic modelling, economic appraisal and consideration of constraints and environmental impacts.

4.1.4. The strategic case includes a range of topic areas that comprise the overall strategic evidence for the scheme. The background to the scheme, geographical context and fit with national, regional and local strategies and policies are described.

The strategic case provides detail of the opportunities for growth / inward investment, the existing problems and the impact of not changing. It considers the project objectives (set out further below), measures for success, and constraints / interdependencies (such as the various environmental designations and the A47 North Tuddenham to Easton dualling project).

4.1.5. The strategic case demonstrates that:

- A review of policy and guidance indicates a large amount of planned development in and around Norwich; therefore there will be increases in traffic on the road network. There are locations that already suffer from congestion in the peak periods. The additional traffic at these congested locations caused by development will exacerbate the existing delay and queuing issues and could lead to more traffic diverting onto less appropriate routes, including the north-south routes that connect with the A47.
- Expected increases in traffic and associated congestion will hamper potential investment due to perceived issues with connectivity and the NWL will help to address these accessibility issues and increase the potential for investment. It will provide a connection with business and economic growth areas both regionally and nationally.
- The NWL also provides an important link between housing and employment sites in and around Norwich, which is a major growth area for the East of England. Significant new housing is being delivered to the north of Norwich while major employment centres exist in the south-west of Norwich, including the key Norwich Research Park (NRP) development, which encompasses Norfolk and Norwich University Hospital (NNUH) and the University of East Anglia (UEA). The growth potential for Norwich, in both housing and employment, will become constrained without adequate infrastructure. This is recognised by the business community in particular where there is good support for the delivery of the NWL.

- The NWL will improve the resilience of both the strategic and local road network, providing an alternative route around Norwich to the existing A47 (which orbits Norwich to the south) and the outer ring road. The outer ring road has residential properties located in close proximity and Noise Important Areas – ‘hotspots’ of transport noise, according to DEFRA criteria - are defined on the outer ring road. By providing an alternative route, traffic levels on the existing roads would reduce and journey time reliability would improve for all modes. This is important for business as it improves efficiency and contributes towards improved profitability.

4.1.6. The OBC and its strategic case has been developed taking into account the High-Level (H) and Specific Objectives (S) for the project, that remain as set out in the report to Cabinet in February 2020. These are:

- H1 Support sustainable economic growth;
- H2 Improve the quality of life for local communities;
- H3 Promote an improved environment;
- H4 Improve strategic connectivity with the national road network;
- S1 Improve connectivity and journey times on key routes in Greater Norwich;
- S2 Reduce the impacts of traffic on people and places within the western area of Greater Norwich;
- S3 Encourage and support walking, cycling and public transport use;
- S4 Improve safety on and near the road network, especially for pedestrians and cyclists;
- S5 Protect the natural and built environment, including the integrity of the River Wensum SAC;
- S6 To improve accessibility to key sites in Greater Norwich.

4.2. Procurement

- 4.2.1. The procurement process was previously agreed by Cabinet, including the evaluation criteria. That process has now been undertaken and three compliant bids have been submitted and evaluated. The details are captured in Appendix A. This appendix contains exempt information within the meaning of paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended. It contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because disclosure to the public would prejudice the position of the authority during the negotiation of the contract.
- 4.2.2. The procurement process has identified a successful bidder, being the bidder that has achieved the highest score in accordance with the evaluation criteria. They have provided the highest scoring submission taking into account the price and quality components of the evaluation process. The financial implications of this successful bid are set out in more detail below in the Finance section of this report.
- 4.2.3. In order to maintain the project delivery programme, it is important to make the award of contract now. The next steps are to commence the planning application process and this involves a pre-application consultation which will provide more details of the proposals for the project based on the contractor's design solution. In order to achieve this, further work

with the contractor will be necessary to develop the details for the consultation, and this work will need to start as soon as possible if the planned consultation in the autumn of this year is to be achieved. For the reasons set out in paragraph 3.1.4 above, there are also benefits to be gained from enabling the scheme design development and the environmental surveys and assessment work to progress simultaneously.

- 4.2.4. The contract award will effectively be instructing the contractor to enter into the three phases of the contract (1. Design; 2. Construction; 3. Maintenance). However, there are necessary safeguards within the contract that do not require the County Council to enter into Stage 2 of the contract if certain criteria are not achieved, most notably if the overall budget is exceeded, if funding is no longer available or if the statutory approvals are not confirmed. There is also a short-term risk of entering into the contract without the approval of the OBC, however this risk is discussed in the Risk section below.

4.3. Planning Process

- 4.3.1. The NWL is being developed in accordance with the legal process under the Town and County Planning Act 1990 rather than as a Development Consent Order under the Planning Act 2008, which was the consenting process that was recently used for the Great Yarmouth Third River Crossing scheme. The NWL planning application is due to be submitted in early 2022, incorporating the chosen Design and Build Contractor's design and construction proposals. As set out in para 2.4.1, arrangements are in place to ensure that the role of the County Council as Planning Authority is kept completely separate from its role as the NWL scheme promoter. In order to be able to carry out the project, Compulsory Purchase Order (if the acquisition of land for the project cannot be negotiated through agreement), Side Road Order and Traffic Regulation Order procedures will also be undertaken.

4.4. Statutory Orders – CPO and SRO

- 4.4.1. This report seeks approval for the acquisition of land and new rights over land by agreement, and agreement in principle to the making, publication and submission to DfT for confirmation of a compulsory purchase order (CPO) and a side roads order (SRO), required to facilitate the land assembly and highway works necessary in connection with the delivery of the NWL.

Whilst it is prudent to make CPO in parallel with carrying out negotiations to acquire land by agreement, the compulsory purchase powers in the CPO would only be used where attempts to buy the necessary land by agreement were unsuccessful. Given the number of affected landowners and nature and extent of the acquisitions which will be necessary, resolving all of this by agreement is considered unlikely. It is therefore prudent for the Council to make a CPO, to ensure the deliverability of the NWL scheme in the event that some, but not all, of the land is acquired by agreement. All landowners whose land, or a portion of it, will need to be purchased in order to deliver the NWL have already been made aware of this acquisition requirement.

Whilst negotiations have been held with some landowners a more formal approach to commence discussions on all outstanding affected landowners will be made if Cabinet agree to proceed as recommended in this report. The Council prefers to acquire land by agreement wherever possible, and indeed evidence of genuine attempts to acquire land by agreement will be necessary as part of the CPO process. It should be noted that one parcel

of woodland together with the two residential properties directly affected by the route have already been purchased by the Council – no other residential properties are required.

A Side Roads Order will be necessary in any event due to the changes required to the existing highway network and for the creation of new highway rights (and changes to private means of access) resulting from the scheme.

There is a need to progress the NWL scheme in a timely way. Cabinet is recommended to agree to the Council carrying out the necessary preparatory work towards making a CPO and SRO for the NWL as the most appropriate way of ensuring this infrastructure scheme can be delivered at the earliest opportunity at the same time as continuing discussions with all directly affected landowners.

It is anticipated that the CPO would be made under the Highways Act 1980, which provides powers to acquire land compulsorily for the purposes of constructing new highways and improving existing highways, for improving frontages to a highway or improving land adjoining or adjacent to a highway; for carrying out works authorised by a SRO (including creating new means of access to premises, using land in connection with the construction and improvement of highways, including for the provision of working space and access to construction sites, and for the diversion of non-navigable watercourses); and for mitigating the adverse effects of the existence or use of highways.

In addition to the CPO, the scheme design for the NWL also has implications for existing highways, side roads, public rights of way and private means of access and therefore requires the making of a Side Roads Order (SRO). The SRO will need to be made by the Council and confirmed by the Secretary of State for Transport to authorise the stopping up, alteration, creation and improvement of highways which will connect with the new classified road (NWL mainline) to be delivered as part of the NWL scheme, and also to authorise the construction of new highways, the stopping up of private means of access, the provision of new private means of access and other associated works, including alterations to public rights of way.

Once the CPO and SRO (together, 'the Orders') are made by the Council (authorisation for which will be sought via a further Cabinet resolution in due course), they will need to be publicised in accordance with legislation, prior to being submitted to the DfT (c/o its National Transport Casework Team) for confirmation by the Secretary of State for Transport. In the event that objections are received in relation to one or both of the Orders, it is likely that the Secretary of State for Transport will require a public local inquiry to be held so that the Orders and any objections to them can be considered by an Inspector (independently appointed by the Planning Inspectorate). Either the Inspector or the Secretary of State for Transport will make the final determination upon whether or not to confirm the Orders (and if to confirm the Orders, whether with or without modifications).

The confirmation of the Orders will be dependent on the Council demonstrating the following:

- that there is a clear need for the NWL scheme;

- that alternative options have been considered (including alternative options to the NWL scheme as now proposed, and alternatives to the compulsory acquisition of land):
- that there is a compelling case in the public interest (where the public benefits to which the NWL scheme would give rise outweigh the private losses that would be suffered if the NWL scheme was delivered) justifying the use of CPO powers;
- that human rights and equalities impacts have been considered and the impact of the NWL scheme on persons affected by it is lawful, justified and proportionate, and that the private losses would, on balance, be outweighed by the benefits that the NWL scheme would deliver;
- that there is clarity and certainty on the funding and viability of the NWL (including availability of funding to enable the acquisition of land which is proposed to be acquired, either compulsorily or by agreement);
- that the Council has a clear idea of how it intends to use the land which is proposed to be compulsorily acquired and would do so within a reasonable timescale;
- that the Council has made genuine efforts to acquire land by agreement for the purposes of delivering the NWL;
- that CPO powers would only be used to acquire land as a last resort, where the Council's efforts to acquire land or rights over land by agreement are ultimately unsuccessful within the requisite timescale;
- that planning permission for the NWL scheme is, or can be, secured;
- that the presence of any special category land (enjoying statutory protection from CPO) does not constitute an impediment to the implementation of the NWL scheme; and
- that the statutory tests associated with the SRO have been met.

The above matters will need to be addressed in the Council's Statement of Reasons in support of the CPO and SRO, preparatory work towards which is intended to commence in the event that the authorisation sought in this report is granted. When authorisation to make the Orders is sought via a further Cabinet resolution in due course, a draft Statement of Reasons will be submitted alongside the relevant Cabinet Report, together with a plan showing the boundary of the land which is proposed to be included in the CPO.

5. Alternative Options

- 5.1. The preferred route decision at 15 July 2019 Cabinet was made as a result of extensive studies and consultation to deal with the transport issues in the area, whilst also having regard to environmental constraints. This included details of the Options Assessment Report (OAR), which considered a wide range of interventions and determined a shortlist that best met the transport issues and the objectives of the scheme. The Options Selection Report (OSR), which assessed the shortlisted options in more detail, including weighing up the environmental impacts of the options, before arriving at the preferred route recommendation, was also considered by Cabinet.
- 5.2. Since the preferred route decision was made, the Council's understanding of both the economic and environmental baseline has developed, in the context of both the impacts of Covid-19 and on-going developments in the understanding of the presence and movements

of Barbastelle bats, particularly in light of the Council's own surveys. Correspondence from third parties is also noted, in particular where, as in the case of the open letters received, [link here](#), reference is made to independent assessments having been carried out, although, as explained in paragraph 3.1.4 above, the Council's reliance on third party information is necessarily limited in the absence of supporting data.

The likely impacts of the NWL scheme on these matters will be considered in the material prepared in support of the NWL planning application. In considering the NWL planning application, the Council as decision-maker will be required to:

- weigh the identified benefits against the likely adverse impacts of the scheme;
- take into account material considerations, which can include alternative sites, where there are clear planning objections to development on a particular site, for reasons such as impacts on biodiversity, and in doing so, may have regard to submissions made by interested parties presenting evidence-based objections to the chosen site;
- consider whether the Environmental Statement is 'adequate' in terms of explaining the reasons for the selection of the preferred route, including a comparison of the environmental impacts of each alternative option; and
- consider whether an EPS Licence is likely to be granted by Natural England.

Given that the NWL planning application will need to address the matters outlined above, it is not considered necessary at this stage (notwithstanding the evolving economic and environmental baseline) for the Council to re-examine the options selection decision that it made in July 2019 on the basis of the information available to it at that time. In developing the NWL proposals the Council is following industry standard good practice for the development of a scheme of this significance – from initial feasibility studies, through to the development of a planning application and supporting statutory orders. This standard practice has involved identifying the need for an intervention, assessing potential options to address that need, identifying the optimal intervention (in this case, the principle of a highway link between the SRN/A47 and MRN/Broadland Northway) and then considering alternative route options for that intervention, leading to the selection of the NWL preferred route, which is now proposed to be the subject of a planning application.

The planning application process will provide an opportunity for further scrutiny by the decision-maker, and by third parties, of the options selection process and the consideration of alternatives, including consideration of the environmental factors influencing the decisions made during that process as well as the environmental acceptability of the chosen route itself, including any mitigation and compensatory measures proposed.

- 5.3. As a large proportion (85%) of the scheme cost is being sought from DfT through the LLM programme, delivery of the project is reliant on this. The NWL was established as a priority for LLM by Transport East who have re-affirmed their support for and endorsement of the OBC submission at their meeting on 3 November 2020.

If the OBC is not submitted to the DfT in accordance with the timeline described in this report then there is likely to be a delay in the delivery of the NWL scheme.

- 5.4. No decision to award the contract at this stage could be taken and there would be the option to go back to the market and start the procurement process again. However, it is unclear

that this would generate a lower cost outcome. The scope of the project and the contract would be unlikely to change, and it is considered that the procurement process has been appropriate for the scale and complexity of the project. Therefore, going back to the market would bring a significant delay to the project (of approximately 9 months), but it is considered that it would be unlikely to provide a notably different outcome.

6. Financial Implications

- 6.1. The previous sections of this report describe the need for and benefits of the NWL scheme along with its financial viability / value for money. The DfT guidance requires a minimum of 15% local funding contribution. The NWL project has been included in the LLM programme for the 2020-25 period with funding from the National Roads Fund. With the approval of the SOBC DfT provided £1.024m toward the development of the OBC.
- 6.2. The scheme cost estimates are below and are based on the spend profile included in the draft OBC document (weblink to be added), which is based on an estimated project cost. The current scheme cost estimate gives an adjusted benefit to cost ratio (BCR) of 3.4, which is high value for money as defined by DfT's criteria and provides excellent leverage from the Council's own investment.

The overall budget allowance has increased to £198.4m (compared with the £152.7m included in the SOBC), and the reasons for the increase are included in the budget increase section below.

Table: Breakdown of Scheme Costs (£000's)

Scheme element	pre 20/21	20/21	21/22	22/23	23/24	24/25	25/26	26/27	Total
Design, Investigations, Surveys, Procurement, Supervision and Client Costs	4,890	4,066	8,869	5,373	566	17	0	0	23,781
Statutory Undertakers Works	0	0	0	549	0	183	0	0	732
Land	1,466	1,069	327	129	8,638	2,888	-1,774	0	12,743
Construction Contracts	7	52	5	595	8,431	63,045	31,190	188	103,514
Total Cost (excluding risk)	6,364	5,187	9,201	6,646	17,634	66,134	29,416	188	140,770
Risk	0	0	3,094	4,765	6,315	17,441	8,310	8	39,934
Total Cost at 2020:Q3 Prices	6,364	5,187	12,295	11,411	23,950	83,575	37,727	196	180,704
Adjustment to outturn (inflation)	0	0	1	64	1,884	10,245	5,489	0	17,683
Scheme Cost (outturn prices)	6,364	5,187	12,296	11,475	25,834	93,819	43,216	196	198,387

Table: funding profile (£000's)

	17-20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	Total

Government/ DfT funding		1,024	12,245	9,754	21,959	86,746	36,734	167	168,629
Local contribution	6,364	4,163	51	1,721	3,875	7,073	6,482	29	29,758
Total	6,364	5,187	12,296	11,475	25,834	93,819	43,216	196	198,387

The scheme estimates now have the benefit of including a review of tendered construction pricing information provided by bidders as part of the design and build contractor procurement process. Other elements of the scheme estimate related to fees and risk are consistent with the proportions allowed for in the Great Yarmouth Third River Crossing project, which was recently approved by the Secretary of State for Transport.

It is recommended in this report that the future schemes costs of £186.836m and spend profile as set out above is included in the forward capital programme.

The base costs and risk stated include an allowance for land costs / blight. Some land costs have already been realised as properties impacted by the preferred route decision in July 2019 have been acquired under the rules associated with statutory blight. To date, the Council has assessed blight notices received to ensure their compliance with the guidance related to blight, and has moved quickly to work with the property owners to resolve their purchase. It should be noted that all purchases to date include a residual resale value that will be realised on completion of the project. They have also been within the allowances made when setting the land acquisition budget. More details on purchases to date are given below in the property implications section.

- 6.3. The cost estimates for the development of the scheme exclude Part 1 Claims under the Land Compensation Act 1973 in accordance with DfT guidance as they cannot be quantified at this stage and do not form part of the direct capital cost of the project that is assessed using the DfT guidance. The Part 1 claims process is primarily there to protect property owners in terms of any demonstrable loss of value or amenity that is suffered as a consequence of new highway infrastructure.
- 6.4. Engagement with potential funding sources is underway to identify opportunities to meet the 15% local funding contribution (which the total is estimated to be c.£30m). This has included Business Rates Pool matched contributions of £0.974m in 2019-20 and £1.657m 2020-21. We will also work with others to pursue funding including via the New Anglia Local Enterprise Partnership Norfolk and Suffolk Infrastructure Fund and the Greater Norwich Infrastructure Investment Fund.
- 6.5. A requirement of the OBC application process is that the local contribution (c.£30m) is underwritten by the scheme promoter, which is the County Council. Therefore, any shortfall in local funding obtained would need to be met by the County Council and a likely source would be prudential borrowing, the annual cost of borrowing would be £0.543m, which offers good value for money in terms of its investment in the project.

6.6. Budget increase

6.6.1. SOBC budget estimate (£152.7m)

In order to explain the budget increase it is important to assess the basis of the original estimated £152.7m budget used for the SOBC. This was developed based on the information that was known at that time and was considered to be appropriate. In terms of the options evaluation completed when the preferred route was selected (see previous Cabinet reports listed earlier), the original pricing provided a comparative basis on which to evaluate the options. The increased budget required for the project would have applied to all options. Current budget assessment has been carried out on the basis of information known now, and whilst the Council has done and will continue to do what it can to minimise any increases, there is the possibility of unforeseen events increasing the budgets.

- 6.6.2. To assess the original estimated NWL SOBC budget, and to better understand the reasons for the budget increase, a high-level comparison of cost per kilometre with the Broadland Northway (BNW), based on the known out-turn cost for that project, shows that the original budget allowance of £152.7m for the NWL was reasonable. However, there are a number of reasons why the budget for the NWL has increased to £198m, which are set out below.

Reasons for budget increase compared with original SOBC estimate

- 6.6.3. **Environment (c.£22.2m increase):** One of the elements of cost that has significantly increased since the SOBC budget was developed is in respect of environmental mitigation, compensation and delivering Biodiversity Net Gain (more details are provided in section 8 below). There is a significant increase in provision and this has developed further as we have more details following ongoing survey work and discussions with stakeholders. Given the prevailing concerns about climate change and conservation of biodiversity, the project is being developed on the basis of adopting a highly robust approach to the Council's environmental responsibilities and this approach has driven the need to consider further mitigation measures. The project proposals now include more green bridges, now three in total, as well as bat underpasses, along with other allowances for significant improvements to woodland and wetland habitats and other potential mitigation measures in respect of Barbastelle bats and other European protected species. To provide an indication of the magnitude of this commitment, the budget for environmental elements is almost double that for the Broadland Northway project, which to put in context is three times the length of the NWL project.
- 6.6.4. **COVID-19, Inflation and external factors (c.£17.7m increase):** COVID-19 has affected the construction industry. Compliance with the Site Operating Procedures issued by the Construction Leadership Council in conjunction with guidance from Government and the Health and Safety Executive has manifested itself in increased site welfare, site running costs, increased travel requirements, accommodation costs and reduced productivity leading to programme delays and additional costs.

The Stage 2 works (construction phase) are not due to commence until November 2023 and it would be reasonable to conclude that many of the effects of COVID-19 should have passed before construction starts. Notwithstanding this, the timing of the current NWL procurement and the uncertainty surrounding COVID-19 at this time will have impacted on

contractors' tender pricing, with key supply chain members providing quotations at current rates which will be impacted by the effects of COVID-19.

In addition to the indirect effects noted above, COVID-19 has had a direct effect on the project to date, including impacting site investigation and survey works, with delay and additional costs associated with travel arrangements and landowners' permissions affecting seasonal surveys and additional specific COVID-19 sensitivity analysis/modelling being required for the Outline Business Case (OBC) and Final Business Case (FBC).

The impact of COVID-19 to the future year economy is generating significant uncertainty in terms of allowances for inflation and therefore an increased provision has been included.

Uncertainty related to labour and material supplies will impact and influence contractors' risk pricing. This will also include considerations of exchange rate uncertainty, where applicable, and delays that could occur due to changes in border controls and customs.

- 6.6.5. **Market Forces (c.£11.4m increase):** There is currently considerable work within the construction sector (e.g. HS2), which is also fuelled by the Government's response to the coronavirus pandemic (COVID-19) and the stated delivery of investment in infrastructure projects to boost the economy.

Significant recent events within the construction industry, such as the collapse of Carillion in January 2018, the collapse of Interserve in March 2019, and losses incurred by major contractors on the A465 (design and build project) and on the Aberdeen bypass, as well as repeated profit warnings issued by multiple contractors in prior years, appears to have driven contractors to introduce more robust corporate governance measures. These are directly related to their tendering processes, with specific focus on contractual provisions that could affect their financial performance through the delivery of the associated contract.

Contractors' managerial, supervisory and general running costs (preliminaries) are greater than anticipated, with the indicative costs being notably in excess of preliminaries costs seen on previous projects such as the Broadland Northway (which is directly comparable) and the Great Yarmouth Third River Crossing. Whilst increases are primarily driven by the events outlined above, increases can also be attributed to increased rigour to manage major projects from a corporate level, the contractual risk allocation, the nature and extent of temporary works required for a sensitive site and the associated environmental mitigation measures required in the Wensum Valley, given the designated status of the river as a Special Area of Conservation (SAC).

The contracting strategy and transferring of risk to contractors has resulted in risk pricing that is higher than anticipated, as described above.

- 6.6.6. **Programme and other effects (c.£2.0m increase):** The events set out above introduce delay, prolongation and disruption by comparison to the programme contemplated in the SOBC. The primary effect is a delay to the commencement of construction by 12 months. Notwithstanding this, the delay to construction starting can be mitigated (in part) by adopting a traditional construction methodology for the viaduct to reduce the construction period. The overall delay is therefore around 9 months. The delay and prolongation of the works attracts an increased inflationary burden.

Other impacts relate to traffic model updating and development of the design resulting in readjustments to the project to take account of changes/impacts by 3rd parties, including for example the Highways England A47 project.

- 6.6.7. **Project development savings (c.£7.6m reduction):** Change driven by design development of the preferred route has resulted in savings linked to further investigation, including revised estimates from statutory undertakers achieving a reduction in the estimated costs; the stopping up of Weston Road and Breck Road following consultation, that has enabled a reduction in bridge structures; and changes to the viaduct design and construction methodology.
- 6.6.8. The above details of cost increases and reductions equate to the £45.7m increase in overall budget allowances (summarised in the table below) from the previously estimated £152.7m to £198.4m. The County Councils local contribution to this has therefore increased from £22.9m to £29.8m, an increase of £6.9m. By undertaking the procurement process at this earlier stage in the project's development, it has enabled a review of the project costs to ensure a more accurate budget based on a contractor proposed design and their associated tendered pricing for the construction works. This has provided the ability to include this more accurate assessment of costs within the OBC submission to DfT. This provides for improved cost information at this early stage and ensures that 85% of the required funding will be provided by the DfT, if they approve the OBC.

Element	Cost effect (£000's)
Environmental Mitigation	£ 22,200
COVID-19, Inflation and external factors	£ 17,700
Market Forces	£ 11,400
Programme and other effects	£ 2,000
Project development savings	-£ 7,600
Net total effect	45,700

7. Resource Implications

- 7.1. **Staff:** The project has a dedicated delivery team. This has been developed utilising specialist input provided by the in-house Infrastructure Delivery Team, supported by WSP (the highways service term consultants), specialist legal advisors (including nplaw), and contract administration and cost specialists.
- 7.2. **Property:** None directly, but the identification of the preferred route in July 2019 opened up two lines of potential land acquisition for landowners affected by the NWL scheme, by virtue of owning land either on or adjacent to the route corridor. These are Blight, where land is required for the scheme itself, and discretionary purchase where no land is required.

Any land or properties acquired under either Blight Notice or Discretionary Purchase have to be managed by the Council during the period between acquisition and either their use for the Scheme or disposal through re-sale afterwards.

A Land Acquisition Audit Assurance Group was established for the NWL in 2019 in order to ensure the appropriate assurance and oversight of land related matters in regard to the scheme. The group comprises NCC Corporate Property and Finance and Commercial

services teams alongside the Project Team and the land agents NPS acting on behalf of the Council. All decisions are presented to and made by the Project Board.

To date three parcels of land have been acquired, two via the acceptance of valid blight notices, and the other being a directly affected woodland plot, following discussions with the landowner. All purchases to date have been within the allowances made when setting the land acquisition budget.

The project is anticipating the potential need to acquire land by compulsory purchase order (CPO) and time has been allowed for this in the delivery programme. The case for CPO will be made as part of that process, however it is also important that the project has also tried where possible to acquire all necessary land by agreement. Accordingly, this report recommends that Cabinet agrees in principle to the Council's use of CPO powers and agrees to its taking the necessary preparatory steps towards making a CPO in parallel with acquiring land for the scheme by agreement wherever possible.

7.3. **IT:** None.

8. Other Implications

8.1. **Legal Implications** : None directly, the project has been and will continue to be supported by the Council's procurement team as well as nplaw and such external legal advisers (including Counsel) as necessary.

As well as a CPO (see property section above), a Side Roads Order (SRO), promoted by Norfolk County Council, under Sections 14 and 125 of the Highways Act 1980, will be required to make all the necessary changes to existing highways and private means of access (PMA), as well as incorporating any new highway and PMA provision required to accommodate the NWL itself. The SRO will also include any changes to Public Rights of Way required as a consequence of delivering the project. The SRO will be promoted in parallel with the CPO for the scheme, following the submission of the planning application. It is anticipated that the CPO and SRO (together, 'the Orders') will be made by the Council and submitted to the DfT in the spring of 2022 for confirmation by the Secretary of State for Transport. If objections to either or both of the Orders are received, it is likely that the DfT, in conjunction with the Planning Inspectorate (MHCLG), will hold a public local inquiry into the Orders before the Secretary of State decides whether to refuse the Orders or to confirm them either with or without modifications.

8.2. **Human Rights implications**

The submission of the OBC does not directly have any implications. However, the delivery of the scheme will by its nature have some implications for the human rights of those affected by it, for example via the Compulsory Purchase Order process. Where human rights will be impacted these impacts will only be justifiable if they are legitimate, proportionate and outweighed by the public benefits the scheme will provide. Further details on any proposed infringements of human rights, in connection with the scheme, will need to be considered in this context, and a balancing judgment made; the implications of this exercise would be provided in future relevant reports that are provided in respect of the processes involved in bringing forward the NWL project, in particular the CPO and SRO.

8.2.1 Aarhus Convention implications

The decision to deliver the NWL project has been established by the Council since December 2016. The project has since been the subject of three wide scale public consultation processes (as outlined earlier in this Report) and, in addition, the Council plans to carry out further non-statutory consultation before the submission of the planning application. There will also be public consultation as part of the formal planning process once the planning application has been submitted.

8.2.2 The NWL project is being progressed through the planning system regulated through the Town and Country Planning Act 1990. When submitted, the planning application will be located on the Planning Authorities planning portal and will include environmental assessment documents and associated evidence. The Aarhus Convention is implemented in the UK through domestic legislation, where this provides for public participation in planning and environmental decision-making. In this context, the Council's approach to public consultation (as outlined above) has already provided opportunities for communities, stakeholders and statutory consultees to be involved in and consulted on the NWL proposals. As those proposals are progressed further (as the scheme develops) there will be further consultation opportunities, including a public consultation exercise in Autumn 2021 which will include environmental information, thereby allowing the public, communities, stakeholders and statutory consultees to provide input and allowing the Council to have regard to that input, in advance of the submission of the planning application.

8.2.3 As noted, NCC has already carried out significant formal consultations associated with the development of the project, and details of those consultations have been published on the county council's project website.

8.2.4 The requirement for the scheme has already therefore been consulted on in public and the planning application documentation will be subject to further consultation and all documents, including those related to the environmental statements, will be updated and available to view via the Council's planning portal. Given the case for the scheme that is set out in the OBC documents, the public availability of the OBC and planning documents and details, the consultations already completed and to be completed for the planning application process, and the public decision-making process that exists via the planning decision making process, we consider that the provisions within the Aarhus Convention will have been satisfied.

8.2.5 There will be Human Rights implications associated with the Compulsory Purchase Order required to safeguard the delivery of the proposal. The CPO is likely to engage Article 1 of the First Protocol - right to peaceful enjoyment of one's property and Article 8 - right to a private and family life. In the event that a public local inquiry is held into the CPO and SRO, Article 6 – right to a fair and public hearing by an independent and impartial tribunal – will also be engaged. Impacts on Human Rights will need to be justified, as part of the process of the Council being able to demonstrate that there is a compelling case in the public interest in support of the CPO. In that context, the Council will need to consider how the impacts of the scheme could lead to private losses being suffered by individuals; it will also need to consider the public benefits to which the scheme, if delivered, would give rise. It must then weigh those public benefits against those private losses, which would only be justified if, on

a proportionate basis, the losses are outweighed by the benefits. In any event, compulsory purchase is a tool of last resort and the Council will only pursue the Compulsory Purchase if negotiations to acquire land by agreement cannot be concluded voluntarily within an appropriate timescale for timely delivery of the project. The Council's interference with human rights would need to be entirely lawful, proportionate and justifiable in the circumstances. In the event that the Council makes a CPO, the Statement of Reasons in support of the CPO will need to address the human rights considerations outlined above. In seeking future Cabinet authority to make a CPO, the Council's NWL project team would submit a draft CPO Statement of Reasons to Cabinet alongside the relevant Cabinet report.

8.3. Equality Impact Assessment (EqIA)

It is recognised that there could be equality implications arising from the construction and operation of the NWL scheme. These implications are addressed through appropriate actions within the EqIA that has been developed for each stage of the project so far and will continue through the delivery of the scheme.

It is anticipated that when the proposed scheme progresses through key delivery milestones (Detailed Design, Stage 2 Safety Audit, and during the production of a Construction Management Plan), the EqIA will be revisited to ensure that the proposals and assessment are still complimentary.

The Public Sector Equality Duty will continue to be considered at all stages in the process.

8.4. Health and Safety implications

The NWL would encourage a reassignment of traffic away from existing lower standard routes onto the new high standard highway link proposed between the A47 and A1067. It is expected that this would produce an overall reduction in accidents in the study area and deliver a beneficial outcome.

The removal of some through traffic from villages in the study area has the potential to realise further health benefits, through local improvements in air quality and by making cycling and walking more attractive.

As proposals develop the health and safety implications will be a key factor in design to ensure risks are eliminated or reduced as far as practicable for the construction and operation / maintenance of the scheme.

8.5. Sustainability implications

By taking traffic off the existing road network, the NWL is expected to enable people to choose more sustainable forms of travel, particularly across shorter distances. With less traffic, local roads and communities will be safer and more pleasant places to walk and cycle, and bus services will be more efficient and reliable.

To build on these benefits, additional measures in the area to the west of Norwich are proposed to be included as part of the NWL project to support more sustainable forms of transport, particularly for journeys over shorter distances. These are described in the Sustainable Transport Strategy outlined previously in the report. These include introducing or improving road crossings for pedestrians and cyclists on busy routes and improving cycle

priority and safety between residential areas and key sites and onward routes, such as retail and employment sites and the Marriott's Way into central Norwich.

In November 2019, Norfolk County Council adopted a Corporate Environmental Policy which contains broad environmental themes, reflective of the Government's 25-year Environmental Plan. The NWL project team are working closely with the environment team to ensure the project contributes to the policy's aims and that its delivery is taken account of as part of the council's wider work.

The forthcoming updates to the Local Transport Plan will consider the recent carbon reduction target adopted by Norfolk County Council, which seeks to work toward carbon neutrality within the County by 2030. This is set against a backdrop of the government's own 'net zero' target by 2050 which is now a statutory obligation within the Climate Change Act 2008.

The latest guidance for the calculation of emissions for transport schemes, as given in the DfT's Greenhouse Gas Workbook has been used to assess changes to vehicle carbon emissions as a result of the NWL. The projections show that delivery of the Norwich Western Link would result in a reduction of over 450 000 tCO₂e (equivalent tonnes of carbon dioxide) over the 60 year appraisal period, supporting local and national carbon reduction targets.

These figures incorporate DfT's current projections for future uptake of electric vehicles. Given the government's recent announcement that sales of new petrol and diesel cars will be banned after 2030, and the developing transport and electric vehicle strategies locally, the assumptions made for the assessment are likely to be an under estimate. The figures also do not take account of the sustainable / active travel measures proposed as part of the scheme, which - in addition to the above - are expected to result in a significant reduction in vehicle miles travelled.

Carbon emissions resulting from the construction, operation and decommissioning of the road will be further developed once a Contractor has been appointed. Contractors will adhere to the principles set out in Carbon Management in Infrastructure guidance (PAS 2080), the leading specification for quantifying carbon infrastructure in the UK, when designing and constructing the project, minimising emissions where practicable. Significant levels of planting, included as part of the project's environmental mitigation and enhancement aims, will also help to offset carbon emissions. Overall, when considering both construction and operation, it is anticipated the Norwich Western Link will be beneficial in achieving reductions in carbon emissions, again supporting national and regional policy. Details will be provided in the Environmental Statement submitted as part of the planning application.

Current national planning policy and the Council's own Environmental Policy encourages new or proposed development to demonstrate Biodiversity Net Gain, and, through the Environment Bill, the government has committed to making this mandatory. Biodiversity Net Gain involves leaving habitats in a measurably better state than before development took place. The national policy produced by Defra for biodiversity net gain seeks a 10% uplift in biodiversity after development and is based on the area of habitats directly and indirectly affected by a scheme. If the Environment Bill receives Royal Assent in the coming months

(as it is expected to do) it will likely be in force by the time the Council submits its application for planning permission for the NWL. This would make Biodiversity Net Gain mandatory, through compulsory planning conditions requiring the discharge of a biodiversity gain plan delivering at least a 10% biodiversity net gain,

Regardless of this, the County Council is already aiming to achieve biodiversity net gain on all applicable habitats, as set out by Defra, as an integral part of the NWL scheme. This will see new habitats created and existing ones improved in the local area to support a wide range of ecology and wildlife. It is likely that this will focus on creating and improving significant areas of woodland and wetland habitat.

The NWL design seeks, as far as possible, to avoid impacts on designated ancient woodland and veteran trees, however some individual ancient and veteran tree loss will be unavoidable. A separate compensation strategy is being developed for any ancient and veteran trees that will be impacted by the project, which is likely to see a significant number of trees planted.

The impacts of the NWL on biodiversity and climate, along with other environmental topics, will be robustly assessed as part of the Environmental Impact Assessment. Surveys are being carried out to establish a robust baseline and the Contractor's design will be used to inform the assessment of likely scheme impacts. The findings of the assessment will be reported in the Environmental Statement submitted as part of the planning application and will be subject to public scrutiny as part of the planning application process.

In addition to the above as part of the planning application, the appointed Contractor will develop a sustainability statement which will set out how the project complies with sustainability principles and promotes sustainable design and construction practices.

Any Other implications

8.6. None applicable.

9. Risk Implications/Assessment

9.1. The contract is not for a fixed price and is subject to:

1. indexation for inflation
2. budget events (design/scope changes before works start)
3. compensation events (e.g. significant flooding in the Wensum Valley outside of the usual seasonal periods)
4. the contract pain/gain share mechanism.

The contract is developed such that it follows industry good practice and allows for a balance of risk ownership between the client and the contractor. For this contract responsibility for the design and construction rests with the contractor and they have an allowance in their pricing for these risks should they occur. Equally, the client also has a risk allocation within the budget (this is £40m) for those risks that are not 'owned' by the

contractor – such as the need to instruct a change to the scope of the work required (e.g. as a result of the statutory approvals processes).

- 9.2. The submission of the OBC sets in motion the approvals process by the DfT. By awarding the contract before the approval of the OBC there is a financial risk to NCC, particularly if DfT do not approve the OBC and confirm the necessary funding for the project. It is a short-term risk, and the costs during that period would be in the order of £3.5m (including fees, land and risk). However, this risk needs to be balanced against the risk of delay to the project. If the contract is not awarded until after the DfT approval this could delay the project by a number of months, which will inevitably increase costs.

As the funding from DfT is subject to final approvals of all statutory processes, there is an overarching risk in any case, so it is considered prudent to continue the project programme as planned whilst waiting for DfT approval. It should be noted that by entering into the contract, NCC is not obliged to continue to the next stages of the contract, and during Stage One would only be paying the project development fees incurred by the contractor. Whilst this provides reassurance that there are no penalties under the contract for not progressing to the construction stage, if ultimately the project does not get constructed there is a risk that any funding already provided by DfT would need to be repaid and that the capital expenditure up to that stage could need to be repaid from revenue funds (as there would be no capital asset to justify the use of capital funding). The value of this, based on the table in section 6.2 above, would be in the order of £11.5m up to the end of 2020/21, and a further £12m to the end of 2021/22.”

- 9.3. Construction of the NWL is currently scheduled to begin shortly after the stated start of works on the A47 North Tuddenham to Easton improvement scheme. The DCO submission for the scheme made by Highways England was accepted by the Planning Inspectorate in April 2021. Should the A47 DCO application be unsuccessful or the A47 DCO scheme not be brought forward for delivery, this would have an effect on the NWL scheme in its present form as Highways England have included in their A47 DCO application provision for the improvements to the A47 Wood Lane junction and the NWL’s future connection with that improved junction. It will remain important for the project team to continue to work closely with Highways England to ensure the successful management of the interface between the two schemes and the potential overlap in construction periods.
- 9.4. Within the NWL study area there are a number of important environmental considerations. Engagement is continuing with statutory environmental bodies to ensure any proposals meet the scheme objectives and minimise impacts on the environment and incorporate any necessary environmental mitigation, particularly taking account of the points already made in discussion with the Environment Agency and Natural England and the issues raised by interested third parties, such as the signatories of the open letters [see link here](#).
- 9.5. Ecological surveys to establish the environmental baseline for the NWL scheme have in the past been disrupted by objectors to the scheme. This risk will be monitored going forward and preventative measures put in place to ensure the project team is able to collect the survey data required.

As noted in paragraph 3.1.4, environmental assessment can only be based on the survey data that is available to inform it (it would be inappropriate for the Council to place reliance

on data it had been unable to observe, or which had only been reported to it). Where data is currently held, but not made available by, third parties, there is a risk that such data, if made publicly available at a later stage in the consenting programme, could cause delay whilst its implications were considered. To mitigate this risk, the Council is seeking to ensure that comprehensive surveys are undertaken by the project team, that robust assumptions are made and that the NWL scheme is sensitively designed, incorporating suitable mitigation measures to account for known ecological species present in the area, and for their specific requirements in terms of facilitating movement and accessing foraging and breeding habitat.

- 9.6. As work on understanding the ecological baseline continues, this will also affect the requirements for Biodiversity Net Gain as the 'biodiversity value' of the land affected by the NWL is able to be calculated and confirmed, thereby informing what a 10% gain will require in terms of land assembly and associated costs.

It is important to note, however, that a 10% gain in value does not necessarily mean a 10% gain in land itself, compared to the baseline but a gain in the value of biodiversity as calculated using the Defra metric. As such, the focus is on the nature of the biodiversity provision on the land that is utilised for net gain purposes to ensure that gain can be realised. As such, the Council will be working with stakeholders and landowners to ensure that the land and cost implications of the Biodiversity Net Gain requirement are minimised even as the baseline understanding develops.

- 9.7. Covid-19 restrictions have had an impact on the way we and our stakeholders work. Along with the rest of the Council, we have adapted to remote working practices, which have shown benefits, particularly during the procurement process. Furthermore, allowances have been made within the scheme cost estimate for impacts to construction activities, should the effects of the pandemic continue.
- 9.8. When considering the impacts of the NWL on carbon emissions, the scope of the recent case law in respect of Heathrow Expansion has been considered. In the Heathrow Expansion litigation, the Courts' decisions related to the Airports National Policy Statement (ANPS) and were focused on a legal point specific to the application of the Planning Act 2008 and the legal requirements that apply to the Secretary of State when designating (or adopting) National Policy Statements. The 2008 Act requires the Secretary of State to take account of Government policy on climate change when designating National Policy Statements and the question before the Court of Appeal was whether the Paris Climate Agreement constituted 'Government policy' for these purposes. In the Court of Appeal, the claimant successfully argued that the Paris Climate Agreement did form Government Policy; and because the Paris Climate Agreement had not been considered by the Secretary of State when designating the ANPS, the ANPS was declared unlawful by the Court of Appeal. However, the Supreme Court subsequently reversed the Court of Appeal's decision, considering that the net zero commitment was not Government policy at the time when the National Policy Statement was designated. It is therefore not the case that in the light of the Heathrow Expansion litigation, projects with potential or perceived negative carbon impacts cannot be brought forward.

The Government's Energy White Paper: Powering our Net Zero Future outlines the path to net zero emissions by 2050. In addition, the Government is preparing to set legally binding

targets to cut carbon emissions in line with the recommendations of the Climate Change Committee in the UK's Sixth Carbon Budget. Notwithstanding this trajectory, a judicial review challenge is being pursued against the Secretary of State for Transport relating to Highways England's Road Investment Strategy 2 (RIS2) on grounds that when setting that strategy, the Secretary of State failed to take account of the impact of RIS2 on achieving the UK's climate change objectives.

The above-mentioned legal challenges to the ANPS and to the Department for Transport's RIS2 are all founded on matters which specifically relate to National Policy Statements, NSIPs, DCOs and the Planning Act 2008 regime, and therefore not specifically related to the NWL. That said, all of these legal challenges seek to demonstrate that infrastructure development is incompatible with the achievement of the UK's current environmental objectives and climate change obligations. Against this backdrop, it will be key for the Council, in bringing the NWL forward, to be able to demonstrate that, if planning permission for the NWL is granted, delivery of the NWL would not impede the Government's ability to meet the relevant Carbon Budgets, to achieve the target of net zero by 2050, and to meet its international obligations in that regard.

The planning application for the NWL will therefore need to demonstrate that in bringing forward the NWL, the Council is compliant with national and local policy; it will also need to have regard to any other material considerations relevant to the NWL scheme, carefully weighing up the potential benefits and adverse impacts, including any positive or negative carbon emission impacts forecast to arise during both the construction and operation of the NWL scheme, and considering those impacts in the context of the relevant Carbon Budgets set by the Climate Change Committee.

- 9.9. The transitional arrangements put in place when the UK left the EU were resolved by an agreement being completed by the 31 December 2020 deadline. The implications of Brexit and the transitional arrangements have been discussed in the Finance section above, which has been informed by the completion of the procurement process. Allowances have therefore been incorporated within the scheme cost estimate.

10. Select Committee comments

- 10.1. Not applicable, however as set out in section 2.5 the Project Team report regularly to the project Member Group.

11. Recommendations

- 11.1. **1. To agree to the continued delivery of the project and to the submission of the Outline Business Case to the Department for Transport (DfT), to secure a total of c.£169m of government funding for the project for Norfolk.**
- 2. To recommend to Council to include £186.836m in the forward capital programme, funded from £167.605m of DfT Grant and £19.231m local contribution, underwritten by the County Council (which would be funded through additional prudential borrowing if necessary).**
- 3. Following the outcome of the procurement process for the project, to agree to award the contract to the bidder that has achieved the highest score in accordance with the evaluation criteria, and to delegate to the Executive**

- Director of Community and Environmental Services in consultation with the Cabinet Member for Highways, Infrastructure & Transport, the authority to approve the finalisation and signing of the contract**
- 4. To refer this decision to Full Council at its meeting on 7 June 2021 as required by the Constitution at Appendix 15 para 3.6.1 and ask Council to endorse the decision made by Cabinet today**
 - 5. To agree to the commencement of the non-statutory pre-planning application consultation in the autumn of 2021 and to delegate to the Cabinet Member for Highways, Infrastructure & Transport in consultation with the Executive Director of Community and Environmental Services, the authority to approve the details for that consultation, which will be based on the design solution developed by the successful bidder (see item 3 above).**
 - 6. To authorise the Executive Director of Community and Environmental Services to take all appropriate actions necessary for the purpose of negotiating the terms and conditions to acquire by agreement (in advance of the CPO) the land and new rights over land which are needed to allow the construction, operation and maintenance of the NWL.**
 - 7. To agree to acquire land required for the delivery of the NWL project by negotiated agreement and if this is not achievable in the timescales required, to agree in principle to the Council's use of compulsory purchase powers, and for authority to be delegated to the Executive Director of Community and Environmental Services to proceed with preparatory work (including land referencing and requisitions for information) to facilitate the drafting of, and all necessary steps to prepare for the making, publication and submission to the DfT for confirmation, of a compulsory purchase order (CPO) in support of the NWL project (noting that a further Cabinet resolution will be sought in due course, to authorise the making, publication and submission of the CPO and confirming the final details therein).**
 - 8. To agree in principle to the Council's making of a side roads order (SRO) under the Highways Act 1980 to authorise works necessary in connection with the delivery of the NWL project, and to the subsequent making, publication and submission of the SRO to DfT for confirmation, and for authority to be delegated to the Executive Director of Community and Environmental Services to proceed with preparatory work to facilitate the drafting of, and all necessary steps to prepare for the making, publication and submission of the SRO to the DfT for confirmation (noting that a further Cabinet resolution will be sought in due course, to authorise the making, publication and submission of the SRO and confirming the final details therein).**
 - 9. To delegate to the Executive Director of Community and Environmental Services, the authority to approve purchase orders, employer's instructions, compensation events or other contractual instructions necessary to effect changes in contracts that are necessitated by discoveries, unexpected ground conditions, planning conditions, requirements arising from detailed design or minor changes in scope subject always to the forecast cost including works, land, fees and disbursements remaining within the agreed scheme budget.**

12. Background Papers

12.1. Links to previous committee papers:

- Cabinet 3 February 2020 – Follow this [link](#)
- Cabinet 15 July 2019 – Follow this [link](#)
- EDT Committee 8 March 2019 – Follow this [link](#)
- EDT Committee 09 November 2018 – Follow this [link](#)
- EDT Committee 12 October 2018 – Follow this [link](#)
- EDT Committee 20 October 2017 – Follow this [link](#) (Reports tab)
- EDT Committee 15 September 2017 – Follow this [link](#) (item 15, page 98)
- Business and Property Committee 08 September 2017 – Follow this [link](#) (see item 10)
- Council Meeting December 2016 - Follow this [link](#) (see section 5.4)
- EDT Committee 08 July 2016 – Follow this [link](#) (see item 9, page 25)
- EDT Committee 18 September 2014 – Follow this [link](#) (see item 11, page 28)

Links to supporting information:

- Norwich Area Transport Strategy Implementation Plan Update 2013 – Follow this [link](#)
- Transforming Cities Fund May 2020 – Follow this [link](#)

Link to Highways England Information:

- A47 North Tuddenham to Easton Improvement Scheme via this [link](#)
- DCO application for A47 North Tuddenham to Easton Improvement Scheme via this [link](#)

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Report to Cabinet

Item No 9

Report title:	Authority to enact capital programme
Date of meeting:	7 June 2021
Responsible Cabinet Member	Cllr Andrew Jamieson, Cabinet Member for Finance
Responsible Director:	Simon George, Executive Director for Finance & Commercial Services

Introduction from Cabinet Member

The capital programme approved by council sets out an ambitious series of investments in the county's future. The budget having been approved, Cabinet is now asked to take the necessary executive decisions for the programme to be enacted.

Recommendations

Cabinet is asked to agree:

- A To undertake a programme of capital works for which Council has agreed a budget, as further set out in the paper *Capital strategy and programme 2021-22* (the "Programme Paper") approved by Cabinet on 1 February 2021.
- B To delegate:
- B1) To the Director of Procurement authority to undertake the necessary procurement processes including the determination of the minimum standards and selection criteria (if any) and the award criteria; to shortlist bidders; to make provisional award decisions (in consultation with the Chief Officer responsible for each scheme); to award contracts; to negotiate where the procurement procedure so permits; and to terminate award procedures if necessary;
- B2) To the Director of Property authority (notwithstanding the limits set out at 5.13.6 and 5.13.7 of Financial Regulations) to negotiate or tender for or otherwise acquire the required land to deliver the schemes (including temporary land required for delivery of the works) and to dispose of land so acquired that is no longer required upon completion of the scheme;
- B3) To each responsible chief officer authority to:
- (in the case of two-stage design and build contracts) agree the price for the works upon completion of the design stage and direct that the works proceed; or alternatively direct that the works be recomputed
 - approve purchase orders, employer's instructions, compensation events or other contractual instructions necessary to effect changes in contracts that are necessitated by discoveries, unexpected ground conditions, planning conditions, requirements arising from detailed design or minor changes in scope
- subject always to the forecast cost including works, land, fees and disbursements remaining within the agreed scheme or programme budget.
- C That the officers exercising the delegated authorities set out above shall do so in accordance with the council's Policy Framework, with the approach to Social Value in Procurement endorsed by Cabinet at its meeting of 6 July 2020, and with the approach set out in the paper entitled "Sourcing strategy for council services" approved by Policy & Resources Committee at its meeting of 16 July 2018.

1. **Background and Purpose**

At its meeting on 1 February 2021 Cabinet recommended the programme to council. Council approved the budget for the programme on 22 February. Cabinet is now asked to take the decision to enact the programme, and to delegate to senior officers the necessary authorities to undertake the detailed work to complete specifications, let and subsequently manage contracts and acquire and dispose of land.

2. **Proposals**

2.1 Cabinet is asked to take the executive decision to undertake the programme.

2.2 So that the procurement processes can be undertaken, Cabinet is asked to delegate to the Director of Procurement authority to undertake the necessary procurement processes. This will include:

- determination of the minimum standards that must be met by bidders; of the selection criteria, if the process involves shortlisting; and of the award criteria that will be used to select the winning tender;
- the authority to shortlist bidders in accordance with the selection criteria; the authority to make provisional award decisions (in consultation with the Chief Officer responsible for each scheme) and to award contracts;
- the authority to negotiate where the procurement procedure so permits; and
- the authority to terminate award procedures if necessary – for example because no suitable or affordable offer is received.

2.3 In exercising these authorities the Director of Procurement is constrained by the council's policy framework and by two specific papers agreed by members:

- an approach to Social Value in Procurement endorsed by Cabinet at its meeting of 6 July 2020, and
- the approach set out in the paper entitled "Sourcing strategy for council services" approved by Policy & Resources Committee at its meeting of 16 July 2018.

2.4 Cabinet is also asked to delegate to the Director of Property authority to acquire and dispose of land required for schemes. This may include the permanent land but also temporary land required for the delivery of the works.

2.5 Schemes may be let using two-stage design and build contracts. In these contracts, the price will not be known until design work has been undertaken in Stage One. Cabinet is asked to delegate authority to agree the price – or to instruct that a contract be re-tendered – to the relevant Chief Officer.

2.6 Once schemes are let there will inevitably be some changes due to discoveries, unexpected ground conditions, planning conditions, requirements arising from detailed design or minor changes in scope. Cabinet is again asked to delegate authority to agree these changes to the relevant Chief Officer.

2.7 A decision to exceed the scheme or programme budget by more than the key decision threshold would require a further member decision.

3. **Impact of proposals**

3.1 The intended impact of the programme is set out in the Programme Paper.

- 3.2 The impact of the proposed delegations is that it will be possible to implement the programme, and deal with inevitable post-contract changes, in a more-expeditious manner.

4. **Evidence and Reasons for Decision**

- 4.1 Cabinet recommended adoption of the capital budget, including adoption of new schemes on the basis of the justifications set out in Appendix D to the programme paper. It is now logical that it approves enactment of the programme. Expeditious execution of the programme requires the delegations to officers set out in this programme.

5. **Alternative Options** (this must be included in decision-making Cabinet reports only)

- 5.1 Cabinet could choose not to approve the delegations set out herein. This would require a plethora of individual cabinet or cabinet member decisions and be likely to delay programme execution: this course of action is not recommended.

6. **Financial Implications**

- 6.1 Financial implications are set out in the Programme Paper.

7. **Resource Implications**

- 7.1 Management of the programme will be undertaken within existing staff resources. Where additional professional resources are required, these are included in the capital budget.

8. **Other Implications**

8.1 **Equality Impact Assessment (EqIA) (this must be included)**

A public consultation process on the 2021-22 Budget has been undertaken. As in previous years, this public consultation has informed an equality impact assessment in respect of both new 2021-22 Budget proposals and the Council's Budget as a whole, which includes the revenue impact of capital spending decisions. In addition, councillors have considered the impact of proposals on rural areas. The proposed capital programme includes a recurring capital budget specifically to resolve access and other Equality Act issues.

Detailed scheme specification or design, for staff or public-facing infrastructure will need to include appropriate considerations for use of the schemes by people with disabilities (with further EqIAs as necessary).

8.2 **Health and Safety Implications:** (where appropriate)

As set out in the Programme Paper, the proposed capital programme includes capital budgets specifically to address health and safety issues, including funding for fire safety related projects, asbestos removals, and a minor works budget to address works needed after health and safety audits.

Works will need to be designed and managed in accordance with the Construction (Design and Management) Regulations 2015.

8.3 **Sustainability Implications** (where appropriate)

As set out in the Programme Paper.

8.4 **Any Other implications**

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

9. **Risk Implications/Assessment**

9.1 As set out in the Programme Paper.

10. **Select Committee Comments**

10.1 Not applicable

11. **Recommendation**

11.1 As set out in the Executive Summary.

Background Papers

[Capital strategy and programme 2021-22](#), Cabinet, 1 February 2021

[Sourcing strategy for council services](#), Policy & Resources Committee, 16 July 2018

[Social Value in Procurement](#), Cabinet, 6 July 2020

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Report title:	Norfolk Armed Forces Covenant Annual Report
Date of meeting:	07 June 2020
Responsible Cabinet Member	Cllr Margaret Dewsbury (Cabinet Member for Communities and Partnerships)
Responsible Director:	Tom McCabe (Executive Director, Community and Environmental Services)
Is this a key decision?	No

Introduction from Cabinet Member

Since the UK outbreak of COVID-19, Norfolk’s armed forces community has played a major role in supporting the county’s recovery and resilience. I would like to put on record our thanks to all those whose efforts have kept Norfolk communities as safe as possible over recent months.

Together, for Norfolk sets out the ambitious plans we have for the county. It shows how, by working together, we can help Norfolk have a growing economy full of thriving people living in strong communities we are proud of. Fundamentally, the plan relates to all Norfolk communities, one of which is the armed forces community.

Norfolk has a sizeable armed forces community with serving personnel and their families stationed at RAF Marham, Swanton Morley Barracks and reservists living across the county. There is also a large veteran population of approximately 90,000 people and their families.

The Norfolk Armed Forces Covenant Board’s Strategy and Action Plan 2019/22 helps us to focus on ensuring that Norfolk’s armed forces community has fair access to local services.

Significant work has been carried out to deliver on the actions for 2020/2021. There have been several achievements and successes, including the following:

- Members of the Board hosted a Defence Employer Recognition Scheme webinar for town and parish councils and a number of these signed the Ministry of Defence’s Covenant Pledge as a result.
- Working with Children’s Services and the RAF Families Association, the Board published an online Service Pupil Premium Booklet, which provides head teachers and schools with advice on how to support children from serving families during their education.
- Agreed to establish a Norfolk Armed Forces Covenant Wellbeing Fund; a grants programme of up to £60K over two years to fund projects to improve mental health and reduce social isolation in the armed forces community (to be launched during 2021).

The proposed forward strategy for 2021/2022 sets out the opportunity to build on the strong work already carried out. I am pleased to welcome Norfolk’s Armed Forces Commissioner, Air Commodore Kevin Pellatt, to the meeting to hear more from him about the Board’s plan for the coming year.

Executive Summary

This paper provides Cabinet with the year-end progress report on Norfolk's independent Armed Forces Covenant Board's Strategy and Action Plan 2019/22. It also sets out the Board's forward strategy for 2021/2022 and provides an update on national policy developments.

The Board reviewed progress in September 2020 and in March 2021 and it updated the Action Plan in line with what is deliverable within COVID-19 restrictions. Overall, progress over 2020/2021 has been good. All critical activities have been delivered.

Recommendations

- 1. To note the local and national developments set out in Section 1, particularly the Government's progress towards legislating a new duty of due regard for local authorities, requiring them to consider the impact of their policies on the armed forces community, and that a further report setting out any associated implications and considerations arising from this will be brought to Cabinet once further information is available.**
- 2. To review and comment on the progress made in 2020/2021 to deliver the Norfolk Armed Forces Covenant Action Plan 2019/2022, as summarised in Section 2.**
- 3. To endorse the Armed Forces Covenant Board's forward strategy for 2021/2022, as set out in Section 3.**

1. Background and purpose

1.1. The national policy context

1.2. The Ministry of Defence (MOD) launched the National Armed Forces Military Covenant in June 2011 in recognition of the contribution and sacrifice service personnel make for their country. The Government's expectations of local authorities were summarised in its policy paper published in 2015 to ensure that the armed forces community 'has the same access to government and commercial services and products as any other citizen'.

1.3. The MOD published its ninth Armed Forces Covenant [Annual Report](#) in December 2020, demonstrating its ongoing support to the armed forces community, but also reflecting on its extensive operational activity with the NHS and civilian emergency resilience teams during the pandemic response. Of most interest to the public sector was the MOD's announcement of its intention to enshrine in law a new duty of due regard for local authorities and public sector bodies. The legislation will cover education, health and housing; strengthening current arrangements to remove disadvantage and improve the consistency of Covenant outcomes for the Armed Forces community. The Ministry of Defence is developing guidance on how this duty will be implemented in the public sector and further information is expected soon.

1.4. The Government's recently published [Integrated Review](#) defines its ambitions for the UK's role in the world and its long-term strategic aims for national security and foreign policy. The UK is the largest defence spender in Europe and the second highest in NATO. The Review describes there no longer being binary states of war and peace but a continuum of conflict; requiring UK forces to prepare for more persistent global engagement and constant campaigning against ever changing threats. On the ground, there will be a reduction in number of serving army personnel and a targeted integration of the reserve forces with the regular serving units.

- 1.5. On 4 March 2021, Sir Simon Stevens, Chief Executive of the NHS, launched the [“Healthcare for the Armed Forces Community: A Forward View.”](#) It contains nine commitments to improve the health and wellbeing of the armed forces community, be they regulars, reservists, veterans or family members. The most visible change will be the establishment of Armed Forces Family Networks across the country which will provide a single point of contact for all armed forces family related queries; incredibly helpful for families in Norfolk.
- 1.6. In March 2021, as part of the Forward View, the then Minister of Defence People and Veterans announced [Operation COURAGE](#); a much needed consolidation of the NHS’ mental health pathway for veterans, covering: the Transition, Intervention and Liaison Service (TILS), the Complex Treatment Service and the High Intensity Service (all offering increasing levels of support). A single branding will make it more recognisable and reduce the frequent use of statements such as, “I didn’t know where to go for help.” It has £16M funding p.a., rising to £20M over the coming years. Mental health services for Norfolk are provided on a regional basis through TILS in Essex. With assessments being made via Zoom, waiting times have fallen to five days.
- 1.7. Last Summer, the Government published the findings of an independent review commissioned to consider the diverse needs of service families and whether they are being met. The comprehensive report, [Living in our Shoes](#) made 110 recommendations covering housing, education, health, employment, childcare, etc, of which, the MOD has fully agreed with 87, partially accepted 20 and did not agree with three. The implementation of these recommendations will bring improvements for serving families; something the RAF, Army and Naval Families Federations have constantly lobbied the Government for.
- 1.8. The national Armed Forces Covenant Trust Fund has continued to distribute funding for armed forces projects through its “Tackling Loneliness” and “Force for Change” programmes. Norfolk has benefitted from bids made by Stand Easy, HomeStart Norfolk, Scotty’s Little Soldiers, Outside the Wire and The Bridge for Heroes.

Norfolk’s context

- 1.9. Set up in 2012, Norfolk’s Armed Forces Covenant (NAFC) is a well-established part of the national Covenant programme. It is overseen by the independent Norfolk Armed Forces Covenant Board. Details of membership and an overview of the armed forces community in Norfolk can be found here: [Members of Board](#).
- 1.10. The Board’s ambitious forward strategy and [action plan for 2019/2022](#) is focussed on four objectives:
 - **Building communities:** Promote understanding of the Armed Forces Covenant among the serving community, local authorities and the civilian community, and develop the local offer.
 - **Health, welfare and housing:** Improve understanding and promote the health and welfare support available to the armed forces community.
 - **Employment and skills:** Work with businesses in Norfolk to develop employment opportunities for the armed forces community and promote the Armed Forces Covenant Pledge.
 - **Education:** Ensure children and young people from service families in Norfolk are supported to achieve a good education and build resilience and aspiration to achieve what they want to in life.
- 1.11. Building on Norfolk County Council’s Silver Level Award under the Defence Employer Recognition Scheme, the Council has submitted a nomination for a Gold Level Award;

focusing on advocacy, its support for reservists and its guaranteed interview scheme for service leavers and veterans.

2. Progress against 2020/21 objectives

- 2.1. The Covenant Board agreed its stronger and more ambitious strategy and action plan for 2019/2022 in March 2019.
- 2.2. The pandemic impacted on progress during 2020/2021, with some activities ceasing and others being redirected. Board reviewed the Action Plan and amended it in September 2020.
- 2.3. The following paragraphs summarise progress on the four main workstreams during 2020/2021:

Building communities

- 2.4. The Board's focus is, "Developing a Covenant Pledge for Norfolk which sets out how members of the community will be supported in the county". This project will investigate various options including the development of a specific website or the improvement of the information on the Covenant's pages on the Council's website and Norfolk Community.
- 2.5. The Commissioner, key members of the Board and the MoD's Regional Employer Engagement Director attended an Armed Forces Covenant webinar hosted by Norfolk Association of Local Councils to encourage town and parish councils to sign the Covenant Pledge. To date, six have signed up as a result.

Health, welfare and housing

- 2.6. This section of the Action Plan seeks to "Promote greater understanding of the support available to the armed forces community in relation to health and social care services in Norfolk". This supports the NHS's activities mentioned in paragraphs 1.5 – 1.6. As reported previously, some of this was partially progressed through face-to-face meetings with GP Practice Managers. The Board agreed this would be deferred until the NHS has capacity to engage with the Covenant again.
- 2.7. The Board discussed concerns about reports of increasing levels of mental ill-health within the armed forces community during the pandemic and decided to establish a Norfolk Armed Forces Covenant Wellbeing Fund; a grants programme of up to £60K over two years to fund projects to improve mental health and reduce social isolation in the armed forces community. It will be launched later this year.

Employment and skills

- 2.8. The objective of this section of the Action Plan is to "Develop a partnership with the renewable energy sector and key public service partners to ensure the armed forces community is considered and provided with employment and career opportunities during the rapid expansion of the renewables sector in Norfolk. This will include service leavers, veterans and family members. The Board will work with the Career Transition Partnership, the Department for Work and Pensions, local education and training providers, the East of England Energy Group and the industry leads to raise awareness of the range of jobs available. It will also encourage local and national businesses to sign the Covenant Pledge and employ people from the armed forces community".

- 2.9. The workstream has two areas of work. The first is a long-term employment project with the renewable energy sector. The Norfolk Covenant's Renewable Energy Reference Group is seeking to ensure those transitioning out of the armed forces, veterans and their family members are given the opportunity to apply for jobs and develop careers in Norfolk's rapidly expanding renewables sector. The second is a broader project to encourage organisations to sign the Covenant Pledge. This will be achieved through the delivery of a communications strategy.

Education

- 2.10. This workstream will "Explore how children and young people from service families are supported in Norfolk". The Board has published an online [Service Pupil Premium information booklet](#) for schools and parents; explaining the disruption of service life, the impact on children and where to access support.

Other related Board activities

Norfolk 2020 Commemoration Fund

- 2.11. The Board launched a fund to help communities across Norfolk commemorate the 75th anniversary of Victory in Europe (VE) Day and Victory in Japan (VJ) Day and the 80th anniversary of the Battle of Dunkirk and Operation Dynamo during 2020. The outbreak of Covid-19 disrupted many events. The Board has extended the time period in which the funding can be spent to enable the organisers to delay events for 12 months. Any unspent funding will be returned to the Board.

3. Proposals for 2021/22

- 3.1. Over the course of 2021/2022, the Covenant Board will continue to closely monitor the impact of COVID-19 on Norfolk's armed forces community and the action plan for 2021/2022.
- 3.2. Members of Norfolk's armed forces community will continue to work closely with the County Council to support Norfolk's recovery and resilience.
- 3.3. Alongside this, the core work of the Board for 2021/22 will focus on delivering the workstream priorities as set out in the Action Plan:
- raising awareness of the Armed Forces Covenant with public sector partners. To achieve this, the Armed Forces Commissioner for Norfolk will work more closely with district, town and parish councils. He intends to establish an elected member armed forces community champions network with regular meetings.
 - developing a Norfolk-wide Covenant Pledge.
 - funding a grants programme, Norfolk Armed Forces Covenant Wellbeing Fund, to improve mental wellbeing and reduce social isolation of those most affected by the pandemic in the armed forces community.
 - working with the Renewable Energy Sector to create career opportunities for the armed forces community; starting with a webinar to encourage employers to sign the Covenant Pledge; and progressing to working with local businesses and the Career Transition Partnership to signpost service leavers to relevant jobs.
 - partnering with Adult Social Services and the Norfolk Carers' Charter Group to consider how to better support members of the armed forces community who have a caring role.

4. Evidence and reasons for decision

- 4.1. The evidence for the proposals is set out in sections 1, 2 and 3. The work of the Board helps ensure a focus on supporting the needs of both serving armed forces communities and their families, as well as the 90,000 veterans and their families who live and work in Norfolk.

5. Financial Implications

- 5.1. Norfolk County Council currently provides £20,240 annual funding to the Board along with a small amount of officer resource to directly support the work of the Board.
- 5.2. The table below illustrates the budget position as of 30 April 2021.

Financial year	Balance Brought Forward	Income (NCC funding)	Start of year balance
2021/22	£43,175	£20,240	£63,415.27

- 5.3. Restrictions on community-based activity has impacted upon the Covenant budget (see para 2.11). Part of the balance from 2020/21 includes funding returned to date.
- 5.4. The Board anticipates spending £60K in total over 2021/22 and 2022/23 on the Armed Forces Covenant Wellbeing Fund, described in paragraph 2.7.

6. Resource implications

- 6.1. The objectives detailed in this report can be met within existing budgets and resources.

7. Other implications

- 7.1. **Legal implications:** the proposals in this report will enable the Council to fulfil its voluntary commitments under the Armed Forces Act 2011. As stated elsewhere in this report, the Government has indicated its intention to introduce statutory duties for local government in relation to the Armed Forces Covenant. A further report on any implications and key considerations arising from this will be brought to Cabinet when further information is available.
- 7.2. **Human rights implications:** none identified.
- 7.3. **Equality Impact Assessment (EqIA)** - the Covenant Board's Action Plan is designed to ensure fair access to local services and remove barriers to inclusion for members of Norfolk's armed forces community. This includes members of the community with protected characteristics, for example, serving families who have caring or parenting responsibilities; women and members of the community who are disabled etc.
- 7.4. **Health and safety implications:** none identified.
- 7.5. **Sustainability implications:** none identified.

8. Risk implications/assessment

- 8.1. The Norfolk Armed Forces Covenant sets out the County Council's commitment to supporting armed forces communities and the work of the Board demonstrates this commitment in action. The Board's Action Plan has been developed with significant input from groups and agencies representing armed forces communities and therefore providing some confidence that the actions address areas of greatest need or impact.

9. Select committee comments

9.1. Not applicable.

10. Recommendations

1. To note the local and national developments set out in Section 1, particularly the Government's progress towards legislating a new duty of due regard for local authorities, requiring them to consider the impact of their policies on the armed forces community, and that a further report setting out any associated implications and considerations arising from this will be brought to Cabinet once further information is available.
2. To review and comment on the progress made in 2020/2021 to deliver the Norfolk Armed Forces Covenant Action Plan 2019/2022, as summarised in Section 2.
3. To endorse the Armed Forces Covenant Board's forward strategy for 2020/2021, as set out in Section 3.

Background papers

Relevant background papers are linked within the report.

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Cabinet

Item No. 11

Decision making report title:	Joint Committee for Transforming Cities Fund Projects – Revision to Terms of reference
Date of meeting:	7 June 2021
Responsible Cabinet Member:	Cllr Martin Wilby (Cabinet Member for Highways, Infrastructure and Transport)
Responsible Director:	Tom McCabe, Executive Director, Community and Environmental Services
Is this a key decision?	No

Introduction from Cabinet Member

Work is underway to review our current transport strategy for Norwich. We want to do this utilising the successful partnership with Norwich City Council, Broadland District Council and South Norfolk Council for delivery of Transport for Norwich projects.

We already have an established means of joint working on delivery through the Transforming Cities Joint Committee, established in 2019 and this provides an excellent opportunity to jointly consider development of strategy.

Changing the terms of reference will expand the existing Joint Committee remit to provide advice and guidance on the development of the Transport for Norwich Strategy.

Executive Summary

Changes are proposed to the current joint member arrangements for delivering Transport for Norwich Schemes in the Transforming Cities programme.

Revised Terms of Reference for the current Joint Committee for Transforming Cities Fund Projects propose expanding the existing committee's remit to provide guidance and oversight of Transport for Norwich Strategy development. The proposed amendment to the terms of reference changes the name of the committee to Transport for Norwich Joint Committee.

Recommendations

- 1. To agree the revised terms of reference for the Transforming Cities Joint Committee as set out in Appendix A**

1. Background and Purpose

- 1.1. The County Council has commenced work to review the existing Norwich Area Transportation Strategy. The work is being taken forward in partnership and is partially funded by South Norfolk Council, Broadland District Council and Norwich City Council.
- 1.2. The County Council is the lead authority and as Local Transport Authority the new Transport for Norwich Strategy will be County Council policy, subject to Cabinet's approval to adopt. However, as partners are contributors to the work and a new Transport for Norwich Strategy will have cross boundary implications, there is a need for a governance mechanism to involve partner authorities in its development.
- 1.3. The existing governance arrangement for delivery of Transport for Norwich schemes (TfN) was agreed by Cabinet in May 2019. That established a Joint Committee with the responsibility for:
 - Developing business cases for funding, including development of individual schemes;
 - Overseeing the development and delivery of schemes, including carrying out and considering the results of public consultation and setting the timetable for delivery of schemes.
- 1.4. The existing joint arrangements do not have a remit to guide the development of strategy, and a governance arrangement that includes capturing key partner authority views would be beneficial.

2. Proposals

- 2.1. The proposal is that the existing Joint Committee established in 2019 has its terms of reference extended to include providing guidance and oversight of the development of the TfN strategy review.
- 2.2. In making these changes it is proposed that the Joint Committee for Transforming Cities Fund Projects, is renamed to the Transport for Norwich Joint Committee, to better reflect its spread of ongoing work.
- 2.3. The Cabinet Member (prior to the May 2021 election) supports the proposed approach to governance for the TfN strategy. The proposed arrangements have been discussed with officers from Broadland, Norwich and South Norfolk.
- 2.4. A copy of the revised Terms of Reference are included in Appendix A.
- 2.5. As part of the overall governance for TfN strategy, the existing TfN officer board and TfN coordination group terms of reference will be revised to align with the remit of the Joint Working Committee.

3. Impact of the Proposal

- 3.1. The proposal does not give executive powers to the joint committee and it will remain for the county council to adopt the TfN Strategy.
- 3.2. Changes to the terms of reference for the joint committee will give it a remit to provide guidance and oversight on the development of the transport for Norwich strategy. The changes formalise partner engagement in the development of the TfN Strategy and Action Plan and propose the renaming of the existing Joint Committee for Transforming Cities Fund Projects, to Transport for Norwich Joint Committee.

4. Evidence and Reasons for Decision

- 4.1. The existing joint committee is working well to provide a partner approach to delivery. This proposal provides a practical approach to governance for strategy development that utilises existing arrangements that are accustomed to dealing with transport issues in the Norwich area.

5. Alternative Options

- 5.1. An alternative option would be to make no change. This option is not considered to be reasonable it would not address the need to provide joint member input from partners to guide Transport for Norwich Strategy development.

6. Financial Implications

- 6.1. None

7. Resource Implications

- 7.1. **Staff:** N/A
- 7.2. **Property:** N/A
- 7.3. **IT:**N/A

8. Other Implications

- 8.1. **Legal Implications** The Constitution will need to be amended to reflect the changes
- 8.2. **Human Rights implications** N/A
- 8.3. **Equality Impact Assessment (EqIA) (this must be included)**

The proposal is a change of terms of reference of an existing committee and has no direct equality impacts however it is likely to have a positive benefit on the development of the strategy by having a partnership approach to governance.
- 8.4. **Health and Safety implications** (where appropriate) N/A
- 8.5. **Sustainability implications** (where appropriate) N/A
- 8.6. **Any other implications** None

9. Risk Implications/Assessment

- 9.1. Taking a partnership approach to the development of TfN strategy will enable views from a wider range of stakeholders to be considered and lead to the development of a better Transport Strategy for the Norwich Area.
- 9.2. This is considered the best option as it will allow views from district council partners affected to be considered in development of the Transport for Norwich Strategy

10. Select Committee comments

- 10.1. N/A

11. Recommendations

- 11.1. 1. **To agree the revised terms of reference for the Transforming Cities Joint Committee as set out in Appendix A**

12. Background Papers

- 12.1. [Norfolk County Council Cabinet report, item 6 Winning Bid for Transforming Cities, 20 May 2019](#)

Officer Contact

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Appendix A – Revised Terms of Reference

Transport for Norwich Joint Committee

Deleted: – Transforming Cities Fund Projects

(i) Membership

Norfolk County Council
Norwich City Council
Broadland District Council
South Norfolk District Council
New Anglia LEP (private sector representative from the LEP Board with a Greater Norwich connection)

The County Council appoints 4 members (one of whom will be the Cabinet Member with responsibility for transport), Norwich City Council 2 members and the remaining bodies 1 member each.

Members will be able to nominate a substitute member from their local authority to attend meetings on their behalf, and the substitute member will be able to vote.

The Joint Committee will be Chaired by the Cabinet Member with responsibility for transport.

All members of the Joint Committee will have one vote each, and the Chair will the casting vote.

A quorum for the meeting will be 6 members.

(ii) Terms of reference

The Transport for Norwich Joint Committee is responsible for:-

- Developing business cases for funding, including development of individual Transforming Cities Fund schemes
- Overseeing the development and delivery of Transforming Cities Fund schemes, including carrying out and considering the results of public consultation and setting the timetable for delivery of schemes
- Providing advice and guidance on the development of the Transport for Norwich Strategy and its Action Plan.
- Overseeing development and delivery of significant work identified in TfN Strategy Action plans and providing guidance on how outcomes shape longer term interventions.

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The Joint Committee shall:

- Make recommendations to the County Council's Cabinet on the direction of TfN strategy
- Make recommendations to the relevant delivery partner on the scope of work carried out under the TfN Strategy action plan

- Make recommendations on the outcome and delivery of work undertaken through the TfN Strategy Action plans.
- Make recommendations to the County Council's Cabinet on funding bids, including business cases
- Ensure that schemes are developed which deliver the objectives agreed as part of any business cases
- Ensure schemes are delivered within the available funding

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(iii) Rules governing the conduct of proceedings of meetings

Save as for provided here the meetings of the Joint Committee are governed by the rules relating to meetings of Norfolk County Council Committees.

(iv) Rules relating to access to meetings

Meetings of the Joint Committee shall be held in public and its agendas and minutes will be published in accordance with the County Council's usual procedures.

Report to Cabinet

Item No. 12

Report title:	Annual Treasury Management Outturn Report 2020-21
Date of meeting:	7 June 2021
Responsible Cabinet Member	Andrew Jamieson, Cabinet Member for Finance
Responsible Director:	Simon George, Executive Director of Finance and Commercial Services
Is this a key decision?	No
Introduction from Cabinet Member In accordance with regulatory requirements, this report provides information on the Treasury Management activities of the County Council for the period 1 April 2020 to 31 March 2021. It demonstrates that treasury activities have continued to comply with the strategy set out prior to the financial year, and that appropriate controls have been maintained despite the restrictions and changes to working practices throughout the year resulting from the Covid pandemic.	
Executive Summary This report and the attached annex provides details of the 2020-21 treasury activities and highlights compliance with policy and strategy previously approved by Members in relation to treasury management.	
Recommendation 1. To endorse and recommend to County Council the Annual Treasury Management Outturn Report 2020-21 as set out in Annex 1.	

1. Background and Purpose

1.1. This Annual Treasury Management Outturn Report forms an important part of the overall management of the Council's financial affairs. The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activity.

2. Proposals

2.1. The report at Annex 1 provides details of the 2020-21 treasury activities and highlights compliance with policy and strategy previously approved by Members in relation to treasury management.

3. Impact of the Proposal

- 3.1. The Annual Treasury Management Outturn Report demonstrates that during 2020-21, the Council's treasury management operations have been carried out in accordance with best practice and in compliance with legislative and regulatory requirements.

4. Evidence and Reasons for Decision

4.1. Annual Treasury Management Outturn Report

The annex attached to this report sets out details of treasury management activities and outcomes for 2020-21, including:

- Investment activities
- Borrowing strategy and outcomes
- Non-treasury investments
- Prudential indicators.

4.2. Governance, Control and Risk Management of Treasury Management Report

The Council's 22 April 2021 Audit Committee considered and agreed this report, noting that it provided assurance to the Audit Committee as to the adequacy and effectiveness of the governance, control and risk management arrangements for Treasury Management.

5. Alternative Options

- 5.1. In order to achieve treasury management in accordance with the Council's treasury management strategy, no viable alternative options have been identified to the recommendation in this report.

6. Financial Implications

- 6.1. At 31 March 2021, the Council's external debt was £749m (£706m in 2019-20) and its investments totalled £212m (£174m in 2019-20).

Long term borrowing rates were historically low during the year, particularly when the government reversed a one percentage point increase in all PWLB lending rates which had been put in place in October 2019. Following the government's decision to reverse margins to pre October 2019 levels, the Council has borrowed £50m of a planned £80m to support capital expenditure previously incurred. The remaining will be added to the planned borrowing for 2021-22 with timing based on projected cash balances and interest rates

The report covers the period to 31 March 2021 so the impact of government actions in response to the Covid-19 virus have affected the whole year treasury activities. However, the Bank of England base rate has remained at 0.1% throughout the year giving stability but resulting in very low short term cash deposit rates.

During 2020-21, the Council's treasury management operations have been carried out in accordance with best practice and in compliance with legislative and regulatory requirements.

Operationally, all treasury and banking functions have been performed successfully with staff working at home, with no break in service and controls maintained.

7. Resource Implications

- 7.1. There are no direct staff, property or IT implications arising from this report.

8. Other Implications

8.1. Legal Implications:

In order to fulfil obligations placed on chief finance officers by section 114 of the Local Government Finance Act 1988, the Executive Director of Finance and Commercial Services continually monitors financial forecasts and outcomes to ensure resources (including sums borrowed) are available to meet annual expenditure.

8.2. Human Rights implications

None identified.

8.3. Equality Impact Assessment

Treasury management activities take place to manage the cash-flows relating to the Council's revenue and capital budgets. Impact assessments are carried out in advance of setting the budget, the latest being published on page 450 of the 13 January 2020 Cabinet agenda as "Proposed budget for 2020/2021 Overall summary: [Equality & rural impact assessment report](#)".

In addition, the Council has maintained a dynamic [COVID-19 equality impact assessment](#) to inform decision making during the pandemic. Additional Covid pressures and associated government grants have had an impact on cash management, but overall the Council's net budget, and as a result planned cash requirements, remained broadly unchanged throughout the financial year. There are no additional equality and diversity implications arising out of this report

9. Risk Implications/Assessment

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

A majority of risks, if not managed, could have significant financial consequences such as failing to generate income or to realise savings, which in turn would have an impact on the Council's cash balances or the timing and amount of borrowing. Executive Directors have responsibility for managing their budgets within the amounts approved by County Council.

More specifically, the Council's Annual Investment and Treasury Management Strategy sets parameters for the selection and placing of cash balances, taking into account counterparty risk and liquidity. The strategy also sets out how the Council manages interest rate risks.

10. Recommendation

- 10.1 Recommendations are set out in the executive summary to this report.

11. Background Papers

11.1 The Annual Investment and Treasury Management Strategy 2020-21, approved at [County Council 17 February 2020](#).

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Norfolk County Council

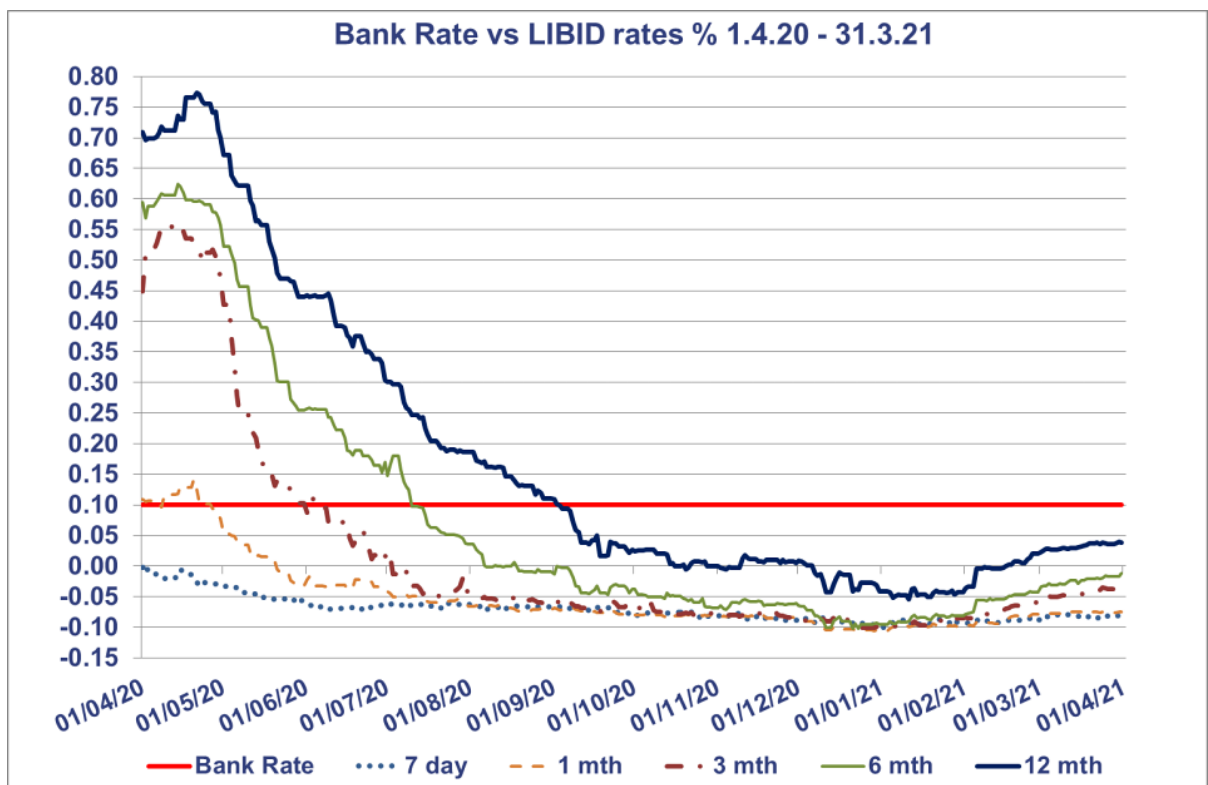
Annex 1: Annual Treasury Management Report 2020-21**1 Introduction**

- 1.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice for Treasury Management in the Public Services (the Code) requires local authorities to produce an annual report on Treasury Management activities. The County Council is required to comply with the Code through Regulations issued under the Local Government Act 2003.
- 1.2 Treasury management activities are defined as 'the management of the Council's cash flows, its banking, money market and capital market transactions; the effective management of the risks associated with those activities and the pursuit of optimum performance consistent with those risks'.
- 1.3 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report provides details of the outturn position for treasury activities and demonstrates compliance with the Council's treasury management policies.
- 1.4 For the 2020-21 financial year the minimum reporting requirements were that the County Council should receive the following reports:
 - an Annual Investment and Treasury Strategy in advance of the year (County Council 17 February 2020)
 - a mid-year treasury update report (County Council 19 April 2021)
 - a retrospective annual report following the year-end (this report).
- 1.5 The Treasury Management Panel receives all reports in advance of formal meetings. Cabinet approved the strategy for 2020-21 in January 2020 and subsequent reports have also been approved by Cabinet prior to County Council.
- 1.6 Link Group provide the Council's external treasury management support. To enhance their scrutiny role, the Treasury Management Panel received training from Link on treasury management issues and developments at their December 2020 meeting.
- 1.7 Government actions in response to the Covid-19 virus had a significant impact in the period covered by this report: The Bank of England base rate has been 0.1% throughout the year, limiting returns on short term cash deposits, although this is partly balanced by the historically low cost of borrowing. Regular cash flow forecasting takes place, a balance is maintained with the Council's bank and all investments at 31 March 2021 were with UK retail banks, UK money market funds, or UK local authorities.

- 1.8 At 31 March 2021 the Council's cash balances were higher than anticipated due to the receipt of over £100m in Covid grant funding some of which has been carried forward to be spent in 2021-22.
- 1.9 Following the government's decision to reverse margins to pre October 2019 levels, the Council has borrowed £50m of a planned £80m to support capital expenditure previously incurred. The remaining will be added to the planned borrowing for 2021-22 with timing based on projected cash balances and interest rates.
- 1.10 Non-treasury investments are classed as capital expenditure and approved and monitored as part of the capital programme. In December 2017, CIPFA issued a revised Treasury Management Code of Practice and a revised Prudential Code. These revisions have particularly focussed on non-treasury investments including the purchase of property with a view to generating income. As a result, an analysis of non-treasury investments is appended to this report.

2 Treasury Operations in 2020-21

2.1 Investment Interest Rates in 2020-21



- 2.1.1 Investment returns remained low throughout 2020-21. The expectation for interest rates within the treasury management strategy for 2020-21 was that Bank Rate would stay at 0.75% during 2020-21. This forecast was invalidated by the Covid-19 pandemic which caused the Monetary Policy Committee to cut the Bank Rate to 0.1% in March 2020 and this resulted in reduced interest receivable.
- 2.1.2 While there may have had been an impact on interest rates as a result of the UK leaving the EU the impact of Covid-19 has been far greater.

2.1.3 The Council takes a cautious approach to investing and is fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

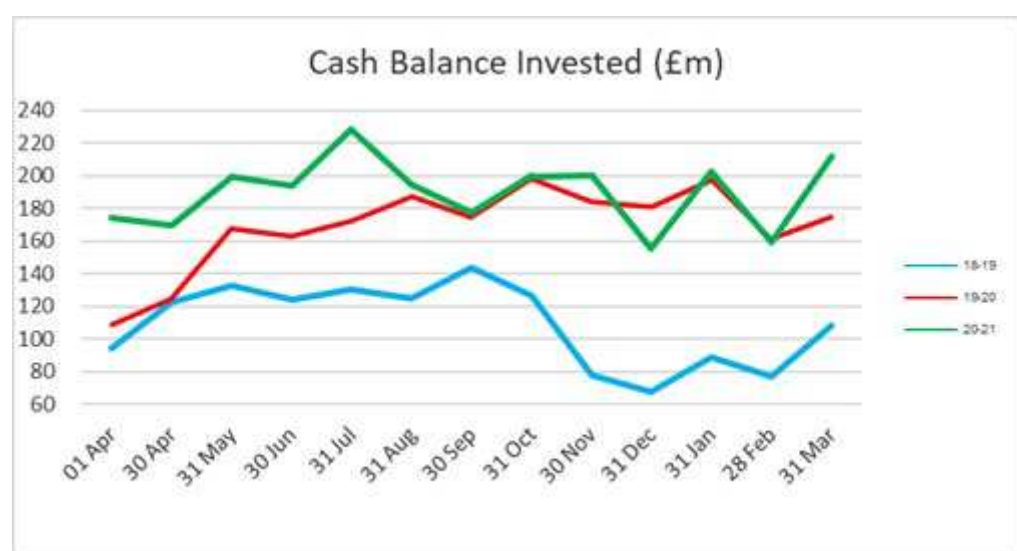
2.1.4 Investment balances have increased during the year as the Council balanced the benefits of using reserves and balances to fund capital expenditure in the short term against the historically low PWLB borrowing rates that have been available in the final few months of 2020-21.

2.2 Investment Activity

2.2.1 The Council’s cash balances comprise of revenue and capital resources, such as general balances, provisions and earmarked reserves and the timing differences between the receipt and payment of monies required to meet the cost of County Council services and its capital programme.

2.2.2 The Council’s investment policy is governed by the Ministry of Housing, Communities and Local Government’s Guidance, which is incorporated within the Council’s Annual Investment and Treasury Strategy. Investment activity during the year was in accordance with the strategy.

2.2.3 Cash turnover in 2020-21, including £50m new debt, amounted to £1,720m (£1,592m in 2019-20), while cash payments, including debt repayment, totalled £1,682m (£1,526m in 2019-20), resulting in an overall increase in cash balances of £38m. Cash balances available for investment have therefore increased from £174m at 1 April 2020 to £212m at 31 March 2021. The average level of cash balances in 2020-21 was £180m (£162m in 2019-20).



2.2.4 During 2020-21, borrowing of £50m covered the majority of debt funded capital expenditure in year, with the net increase in balances mainly due to government

grants which are being carried forward to 2021-22. As a result, cash balances increased to £212m at 31 March 2021.

2.2.5 Of the 230 bank accounts administered by the County Council, only 3 are principal accounts (one for income collection, general expenditure and salary payments). The remaining bank accounts are service specific, for example schools locally managing their devolved budgets. The corporate banking and treasury management function ensures the efficient management of cash balances across all its accounts by aggregating and investing surplus cash balances daily.

2.2.6 All cash balances are managed internally and invested in accordance with the Council's approved strategy. The Council works closely with its external Treasury Advisors to determine the credit rating criteria for 'high' credit rated institutions supplemented by other financial market information and intelligence.

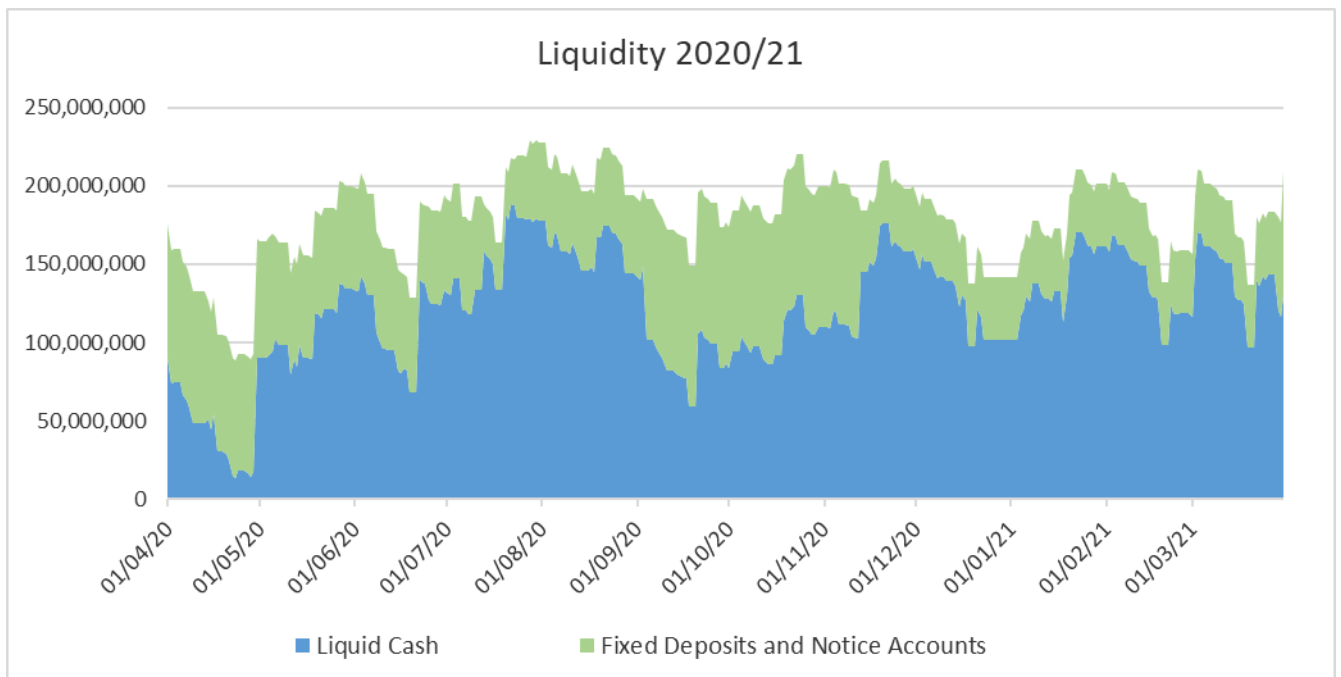
2.2.7 Investment decisions are largely driven by the timing of projected cash in-flows and out-flows, the availability of high-quality counterparties and the relative value of interest rates compared to the performance benchmark.

2.2.8 An investment profile as at 31 March 2021 is attached at Appendix A.

2.2.9 The table below provides a month by month and a cumulative comparison against the 7-day LIBID benchmark.

2020/21	Interest for Month (%)	LIBID for Month (%)	Interest Year to Date (%)	LIBID Year to Date (%)
Apr 20	0.48	-0.02	0.48	-0.02
May 20	0.37	-0.05	0.42	-0.03
Jun 20	0.31	-0.07	0.38	-0.04
Jul 20	0.19	-0.06	0.32	-0.05
Aug 20	0.15	-0.07	0.28	-0.05
Sep 20	0.23	-0.06	0.27	-0.05
Oct 20	0.22	-0.08	0.27	-0.06
Nov 20	0.16	-0.08	0.25	-0.06
Dec 20	0.15	-0.09	0.24	-0.06
Jan 21	0.13	-0.09	0.23	-0.07
Feb 21	0.13	-0.09	0.22	-0.07
Mar 21	0.13	-0.08	0.21	-0.07

2.2.10 Gross interest earned on Treasury investments for the period 1 April 2020 to 31 March 2021 is £0.382m (£1.447m in 2019-20). The significant year on year reduction is due to the bank rate reducing to 0.1% in March 2021. Despite low base rates and a conservative investment strategy, the average rate of interest on deposits is higher than benchmark largely due to the proportion of fixed deposits and notice accounts held throughout the year.



2.2.11 The average interest rate earned in 2020-21 was 0.21% (0.89% in 2019-20), compared with the average 7-day London Interbank Bid (LIBID) rate of -0.07% and the average LIBID 6-month deposit rate of 0.07%. The interest rate achieved in 2020-21 of 0.21% exceeds both these benchmarks, and this has been achieved while still maintaining daily cashflow liquidity. A year on year comparison of investment activity is summarised in the table below.

	2020-21	2019-20
Average Cash Balances	£180m	£162m
Average Interest Rate	0.21%	0.89%
Gross Interest Earned	£0.382m	£1.447m

2.3 Borrowing strategy and control of interest rate risk

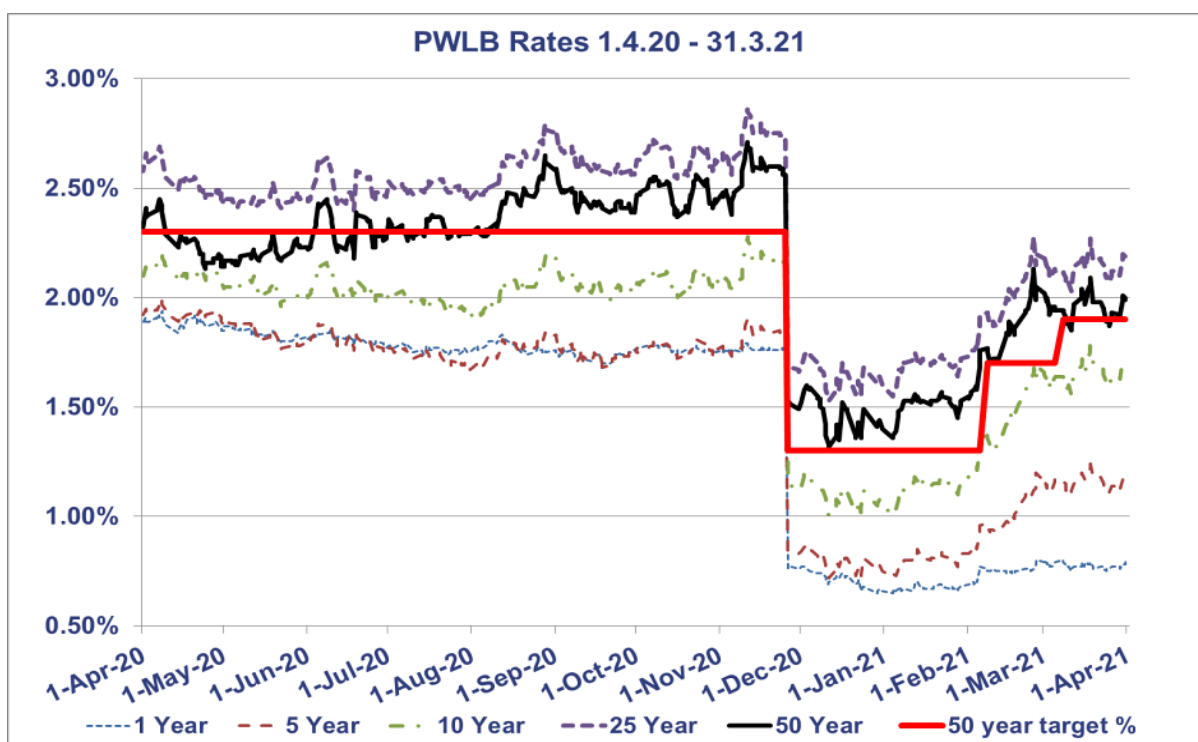
2.3.1 The County Council undertakes capital expenditure on long-term assets. This activity gives rise to the need to borrow. Part of the Council’s treasury management activity is to address this borrowing need, either through long term borrowing from external bodies (PWLB or commercial banks) or utilising cash resources on a temporary basis within the County Council.

2.3.2 During 2020-21, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council’s reserves, balances and cash flow was used as an interim measure to avoid unnecessary borrowing costs. Borrowing of £50m was undertaken to benefit from historically low long-term PWLB interest rates available in the final months of 2020-21. However cash balances remain high and borrowing of £30m (of the £80m forecast) has been deferred to 2021-22. As a result of this, the under-borrowed position stands at £93m.

2.3.3 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Executive Director of Finance and Commercial Services therefore monitored cash requirements and interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks:

- if it had been felt that there was a significant risk of a sharp FALL in long and short-term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it was felt that there was a significant risk of RISE in long term rates, then fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

2.3.4 Interest rate forecasts expected only gradual rises in medium and longer-term fixed borrowing rates during 2020-21 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.



2.3.5 PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through H.M.Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc.

2.3.6 There is likely to be only a gentle rise in gilt yields and PWLB rates over the next three years as Bank Rate is not forecast to rise from 0.10% by March 2024 as the Bank of England has clearly stated that it will not raise rates until inflation is sustainably above its target of 2%; this sets a high bar for Bank Rate to start rising.

2.4 Borrowing outturn

2.4.1 Delaying borrowing and minimising the level of investment balances can reduce the County Council’s exposure to investment counterparty risk, and there is a short-term cost of carrying debt when the cost of new borrowing exceeds short term investment returns.

2.4.2 However, delaying borrowing also exposes the costs of managing short term borrowing to maintain working capital, and the unknown costs of long term borrowing to fund capital expenditure which has already been committed. While the Council continues to delay an element of borrowing, the current borrowing environment has given the authority the chance to lock into historically low interest rates.

2.4.3 Taking the above factors in to account, the Council borrowed £50m from the PWLB during 2020-21, all in March 2021, to support previous and current year capital expenditure as follows:

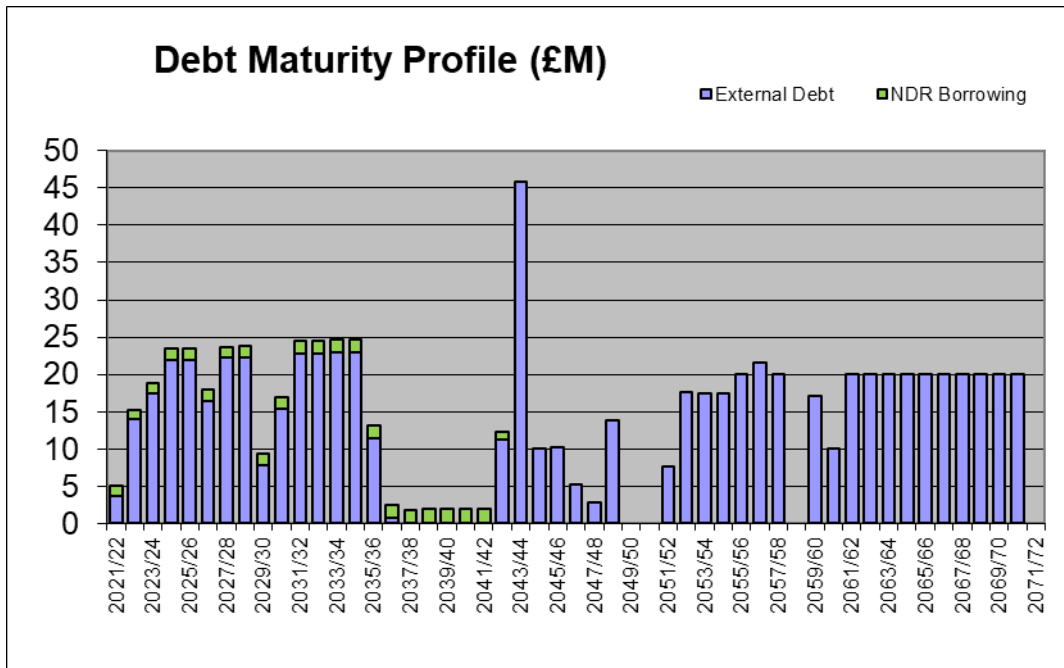
Amount borrowed	Type	Maturity date / final payment	Interest rate
£20m	Maturity	1 March 2071	1.99%
£10m	Maturity	1 September 2035	1.91%
£20m	Annuity	1 September 2036	1.47%

2.4.4 At 31 March 2021, the Council’s external borrowing (debt outstanding) totalled £749m (£706m at 31 March 2020) including £40m borrowed in 2016-17 to support the construction of the Norwich Northern Distributor Road, £100m borrowed in 2018-19 and £87m in 2019-20 and £50m in 2020-21 to support on-going capital expenditure. The weighted life of the Council’s current maturity debt at the point it was taken is 39 years. The weighted average time to maturity of current fixed term debt is 27 years.

2.4.5 The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

2.4.6 Interest paid on external borrowings in 2020-21 was £29.3m (2019-20 £29.0m).

2.4.7 The debt position at the 31 March 2021 compared to the previous year is shown below:



Actual Borrowing Position	31 March 2021		31 March 2020	
	Principal £m	Rate%	Principal £m	Rate%
PWLB Debt - maturity	£653m	4.12%	£628m	4.24%
PWLB Debt – annuity	£54m	1.82%	£36m	2.02%
Commercial Loans Debt	£42m	4.75%	£42m	4.75%
Total Debt	£749m	3.99%	£706m	4.16%

2.4.8 Appendix B shows maturity debt repaid during the last 2 years, including the rate of interest and interest savings, and Appendix C shows ratios of interest to principal and income.

2.4.9 In addition to the £749m borrowing above, £48m (provisional) of the CFR is funded through Other Long-Term Liabilities (PFI, leasing and landfill provision) giving total debt of £797m. The County Council maintained its total gross borrowing level within its 2020-21 Authorised Limit for debt of £883m. The Authorised Limit being the 'affordable borrowing limit' required by section 3 of the Local Government Act 2003.

2.4.10 The Council's Capital Financing Requirement at 31 March 2021 is £890m (estimate in the latest Treasury Strategy of £890m). Based on the other assumptions in the strategy, the lower CFR results in under-borrowing of £93m as at 31 March 2021 (compared to £60m at 31 March 2020).

2.4.11 The PWLB provides a facility to restructure debt, including early repayment of loans. This can result in net savings in overall interest charges. No early repayments were made in 2020-21 as the current low level of PWLB rates would result in unattractive premiums' being payable. Prevailing PWLB interest rates will be monitored to identify future repayment opportunities.

3 Leasing

- 3.1 During 2020-21 the Council leased new and replacement assets with lease liabilities of £0.639m. In general, where lease finance is used it is arranged by Link Asset Services Ltd and relates primarily to extensions to Highways vehicle leases. In 2020-21, the majority of the leasing related to replacement of winter gritting vehicles.

4 Non-treasury investments

- 4.1 Following updates to Treasury Management reporting requirements from 2019-20 under the revised CIPFA Code, local authorities have to report more information on their non-treasury investments. Appendix D lists non-treasury investments made or held by the authority, with short explanation of each one.

5 Prudential indicators

- 5.1 Provisional results against the treasury prudential indicators set for 2020-21 are set out in Appendix E. This shows that treasury activities have all remained within the approved indicators/limits.

Appendix A

Outstanding Deposit Profile @ 31st March 2021

Counterparty Name	Deal Date	Maturity Date	Interest Rate %	Principal £M
Aberdeen				
Aberdeen Money Market Fund	Instant Liquidity		0.01*	40
				40
Aviva				
Aviva Money Market Fund	Instant Liquidity		0.01*	40
				40
Barclays Bank				
Barclays Bank Call Account	Instant Liquidity		0.02*	40
				40
Federated				
Federated Money Market Fund	Instant Liquidity		0.01*	10.857
				10.857
Goldman Sachs				
Goldman Sachs	31-Mar-21	30-Sep-21	0.24	10
Goldman Sachs Call Account	184 Day Notice		0.31	20
				30
Santander UK				
Santander UK Call Account	95 Day Notice		0.50	30
Santander UK Call Account	180 Day Notice		0.58	20
				50
Total Deposits				210.9

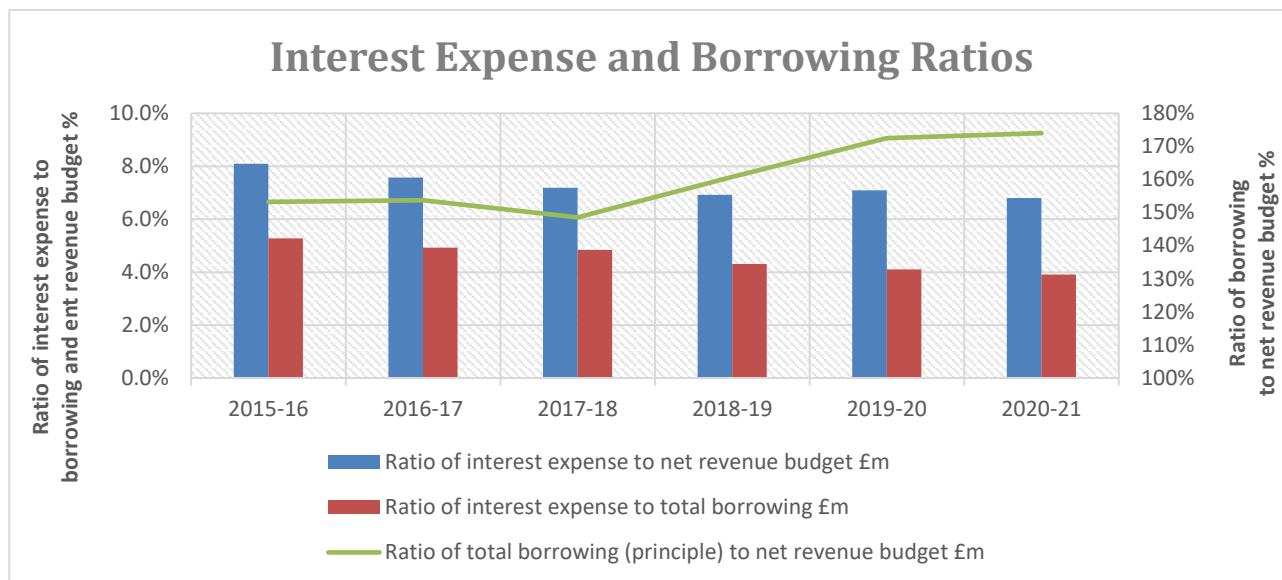
* Latest rates as at 31st March 2021

We had a balance of £1.060m in our Barclays current accounts due to unexpected income received late in the day on 31st March 2021, this left us with total balances at year-end of £212m.

In addition deposits of £39.232m were held on behalf of other bodies: Norfolk Pension Fund, Norse Group and Independence Matters.

Appendix B

Debt Maturities 2019-20 to 2020-21			
Maturity Date	Amount Repaid	Rate	Full Year Interest Saving
15 Jun 2019	£1,500,000	5.125%	£76,875
30 Sep 2019	£500,000	9.750%	£48,750
11 Oct 2019	£1,500,000	4.625%	£69,375
15 Dec 2019	£1,525,000	6.500%	£99,125
31 Mar 2020	£500,000	9.375%	£46,875
2019-20	£5,525,000		£341,000
30 Sep 2020	£500,000	9.750%	£48,750
11 Oct 2020	£589,554	4.625%	£27,267
11 Oct 2020	£1,910,446	4.625%	£88,358
15 Dec 2020	£1,525,000	6.500%	£99,125
31 Mar 2021	£500,000	9.375%	£46,875
2020-21	£5,025,000		£310,375
Apr 19 to Mar 21	£10,550,000		£651,375



Interest expenses relate to external loans and for the purposes of this graph do not include accounting adjustments in respect of leases and notional financing arrangements.

Borrowing in recent years to fund the capital programme, including £100m in 2017-18 £87m in 2019-20 and £50m in 2020-21 has meant that the ratio of borrowing to the net revenue budget (represented as a line) has increased significantly. This is due to the ambition of the capital programme, combined with MRP adjustments and the long-term benefits of borrowing at low interest rates.

Despite significant additional borrowing in the past three years, low interest rates have meant that the ratio of interest expenses to the net revenue budget (blue bars) has remained stable.

Taking advantage of low interest rates has meant that the ratio of interest paid to total borrowing (orange bars) continues to reduce.

Appendix D: Non-treasury investments

Non- treasury investments (loans) at 31 March 2021

	31 March 2021	31 March 2020
	£m	£m
NEWS	0.318	0.424
NORSE Energy (capital investment)	10.000	10.000
Norse Group (Aviation Academy)	5.867	6.000
Norse Group (capital investment)	2.687	2.965
NorseCare (Mountfield development)	2.845	3.000
Hethel Innovation Ltd (Hethel Engineering Centre)	6.583	5.105
Repton Developments Limited	1.800	
Norwich Airport Radar (relocation due to NDR)	2.194	2.194
Loans to developers in Norfolk	4.612	7.623
Other	-	-
Total loans to companies	36.907	37.311
NDR Loan – underwritten by CIL receipts	34.501	35.848
Total long-term debtors	71.407	73.159

During the year, loans of £1.8m were made to Repton Developments Limited to develop sites for housing, and £1.6m to Hethel to assist with the purchase of development land.

Additional loans were made to local developers to accelerate housing developments, net of loans repaid. The figure above for loans to developers includes rolled up interest.

A more detailed schedule showing objectives and explanations of each investment was presented in Appendix 3 to the Mid-Year Treasury Management Monitoring Report 2020-21 to Cabinet 7 December 2020.

Note: The table above does not include employee car loans and general debts secured by legal charges which are classed as long-term debtors in the Council's statement of accounts.

Proportionality of non-treasury investments:

The total value of loans (including CIL supported debt, and remaining loan facilities in the capital programme) will remain below an indicative affordable level of £100m.

At this level, with an indicative interest rate of 3.0% (giving a margin of approximately 1% over an equivalent PWLB borrowing rate) annual interest due would be approximately £3.0m pa. This is less than 20% of the Council's general reserves, 0.90% of the Council's net expenditure and 0.25% of departmental gross expenditure. As such is not considered disproportionate to the Council's statutory and traditional activities.

Appendix E: Prudential indicators outturn

Indicator		Original Indicator £m or %		Headroom: Actual - Indicator	Actual at Year End	Notes
External Debt Limit (Authorised)		1,067.665		270.222	797.443	Debt for the purpose of this indicator includes notional lease and PFI liabilities
Operational Boundary Limit		937.188		139.745		
Upper Limits for Fixed Rate Maturity Structure	Under 12 months	0%	10%	9.3%	0.7%	The Council's LOBO loans total value £31.25m are included under this indicator. The rates will become variable if interest rates exceed set percentages. This is not forecast to happen in the short or medium term.
	12 months to 2 years	0%	10%	8.0%	2.0%	
	2 years to 5 years	0%	10%	1.2%	8.8%	
	5 years to 10 years	0%	20%	7.7%	12.3%	
	10 years to 20 years	10%	30%	13.7%	16.3%	
	20 years to 30 years	10%	30%	16.6%	13.4%	
	30 years to 40 years	10%	30%	10.1%	19.9%	
40 years to 50 years	10%	40%	13.3%	26.7%		
Total principal funds invested for greater than 365 days		100.000		100.000	0.000	
Total principal funds managed by third party		n/a		n/a	0	All investment decisions currently managed internally

Report to Cabinet

Item No. 13

Report title	Finance Monitoring Report 2020-21 Outturn
Date of meeting	7 June 2021
Responsible Cabinet Member	Cllr Andrew Jamieson (Cabinet Member for Finance)
Responsible Director	Simon George (Executive Director of Finance and Commercial Services)
Is this a key decision?	No

Introduction from Cabinet Member

This report gives a summary of the financial outturn for the 2020-21 Revenue and Capital Budgets, General Balances, and the Council's Reserves at 31 March 2021, together with related financial information.

Executive Summary

The revenue outturn for 2020-21 is a **balanced budget** after transferring **£4.056m** to the general fund. The transfer is in accordance with the County Council decision on 22 February 2021 which agreed the principle of seeking to increase the general fund balances as part of closing the 2020-21 accounts. The net budget of £430.421m has remained unchanged throughout the year.

General Balances have increased from £19.706m to **£23.763m** and service reserves and provisions total **£154.1m** (before LMS balances and DSG adjustments, and subject to confirmation of the tax income guarantee and any final year end audit adjustments).

This position takes into account the financial impact resulting from actions taken to manage the impact of the Covid-19 virus throughout 2020-21, and acknowledges the extent it has been mitigated by additional government support received.

Details of these pressures and progress on achieving saving are addressed in detail in this report.

Recommendations

1. To approve the appointment of Harvey Bullen, Director of Financial Management, as a director of Legislator 1656 Limited and of Legislator 1657 Limited in accordance with Financial Regulations, to replace Simon George, Executive Director of Finance and Commercial Services, as set out in paragraph 2.2;
2. To approve the write-off 4 debts over £10,000 totalling £133,905.59 due to the exhaustion of one estate and the dissolution of three companies where there is no further possibility of recovery, as set out in Appendix 1 paragraph 9.10;
3. To note that the revenue outturn for 2020-21 is a balanced budget;

4. To note the General Balances at 31 March 2021 have increased to **£23.763m**, after transfers of **£4.056m** from non-Covid related savings and underspends in Finance General;
5. To note the year end reserves of **£154.1m** which are subject to confirmation of the tax income guarantee and any final year end audit adjustments.
6. To note the COVID-19 costs of **£103.837m**, grant funding received of **£132.701m**, and total transfers to Covid risk and grant reserves of **£54.437m** resulting in net in year unsupported Covid-19 costs of **£25.573m**, as set out in in table 4d;
7. To note the saving shortfall of **£17.255m**, as described in Appendix 1 paragraph 6;
8. To note the expenditure and funding of the revised current and future 2020-24 capital programmes.

1. Background and Purpose

- 1.1. This report and associated annexes summarise the financial outturn position for 2021-22, to assist members to maintain an overview of the overall financial position of the Council and to summarise the financial implications of the Covid-19 pandemic.

2. Proposals

- 2.1. Having set revenue and capital budgets at the start of the financial year, the Council needs to ensure service delivery within allocated and available resources, which in turn underpins the financial stability of the Council. Consequently, progress is regularly monitored and corrective action taken when required.
- 2.2. General Balances are maintained to cover financial risks faced by the Council. At its meeting on 22 February 2021, the County Council agreed to a minimum level of general balances from £19.706m in 2021-22 to £21.206m in 2022-23, £22.706m in 2023-24 and £24.206m in 2024-25. The transfer of £4.056m from non-Covid related Finance General savings and underspends has accelerated the agreed increases.
- 2.3. Legislator 1656 is a holding company jointly owned by Norfolk County Council and Norwich City Council. Each authority has 50% of the 100 voting shares and appoints one director. Legislator 1657 is wholly owned by Legislator 1656. Its principal activity is the leasing of investment properties and again each authority appoints one director.

Paragraph 5.10.6 of the Council's financial Regulations states that "the appointment and removal of directors to companies, trusts and charities in which the County Council has an interest must be made by Cabinet, having regard to the advice of the Executive Director of Finance and Commercial Services. The directors will then have a statutory duty to the company, trust or charity and must therefore act in accordance with the Companies and / or Charities Act where applicable."

Following a reallocation of roles, it is proposed that Harvey Bullen, Director of Financial Management, replaces Simon George as director of Legislator 1656 Limited and Legislator 1657 Limited.

- 2.4. Where bad debts previously provided for and all possibilities of collecting the debts have been exhausted, they are written off. Debt write-offs over £10,000 require Cabinet approval.

3. Impact of the Proposal

- 3.1. The impact of this report is primarily to demonstrate that despite financial and operational pressures not forecast at the time of budget setting in February 2020, a balanced budget has been achieved through 2020-21.

4. Evidence and Reasons for Decision

- 4.1. Two appendices are attached to this report giving details of the forecast revenue and capital financial outturn positions:

Appendix 1 summarises the revenue outturn position, including:

- Forecast over and under spends
- Covid-19 pressures and associated grant income
- Changes to the approved budget
- Reserves
- Savings
- Treasury management
- Payment performance and debt recovery.

Appendix 2 summarises the capital outturn position, and includes:

- Current and future capital programmes
- Capital programme funding
- Income from property sales and other capital receipts.

5. Alternative Options

- 5.1. In order to deliver a balanced budget, no viable alternative options have been identified to the recommendations in this report.

6. Financial Implications

- 6.1. As stated above, the revenue outturn for 2020-21 is a **balanced budget**. After transferring £4.056m from non-Covid Finance General underspends, general balances have increased to **£23.763m**. Service reserves and provisions amount to **£154.1m**. The outturn is linked to a shortfall in savings of **£17.255m**. COVID-19 costs of **£103.87m** have been incurred during 2020-21. Covid-related government grants of **£132.701m** have been received of which **£54.437m** has been transferred to reserves at the year end to defray future costs.

Within the final position are financial pressures mainly relating to Covid-19, the majority of which have been offset by additional Covid grant funding received. Overall, any service net pressures have been off-set by grants received and underspends in other areas. A full narrative is given in Appendix 1.

The Council's capital programme is based on schemes approved by County Council on February 2021 in respect of 2020-21, and schemes approved in 22 February 2021 for future years, including previously approved schemes brought forward and new schemes subsequently approved.

7. Resource Implications

- 7.1. None, apart from financial information set out in these papers.

8. Other Implications

8.1. Legal Implications

In order to fulfil obligations placed on chief finance officers by section 114 of the Local Government Finance Act 1988, the Executive Director of Finance and Commercial Services continually monitors financial forecasts and outcomes to ensure resources (including sums borrowed) are available to meet annual expenditure.

8.2. Human Rights implications

None identified.

8.3. Equality Impact Assessment

In setting the 2020-21 budget, the Council consulted widely. Impact assessments are carried out in advance of setting the budget, the latest being published on page 450 of the 13 January 2020 Cabinet agenda as “Proposed budget for 2020/2021 Overall summary: [Equality & rural impact assessment report](#)”.

The Council has maintained a dynamic [COVID-19 equality impact assessment](#) to inform decision making during the pandemic.

The Council's net revenue budget is unchanged at this point in the financial year and there are no additional equality and diversity implications arising out of this report.

9. Risk Implications/Assessment

- 9.1. Corporate risks continue to be assessed and reported on a quarterly basis to both Cabinet and the Audit Committee. The Council's key financial based corporate risk (RM002 - The potential risk of failure to manage significant reductions in local and national income streams) has been reviewed and refreshed in February 2021 to incorporate the 2021/22 budget and medium term financial strategy 2020/21 - 2024/25 being set. Key risk mitigations include amongst others regular (monthly) financial reporting to Cabinet, working to the Medium Term Financial Strategy and setting robust budgets within available resources.

Unlike many other parts of the public sector such as the NHS, local authorities are required by law to set a balanced budget. As part of their duties, the Executive Director of Finance and Commercial Services has a responsibility to report to members if it appears to him that the authority will not have sufficient resources to finance its expenditure for the financial year. Financial monitoring reports have been received at each Cabinet meeting, and where forecasts have indicated a potential net overspend, Chief Officers have taken measures throughout the year to reduce or eliminate that over-spends.

10. Select Committee comments

- 10.1. None

11. Recommendation

11.1. Recommendations are set out in the introduction to this report.

12. Background Papers

12.1. [Equality & rural impact assessment report](#) (page 450)
[COVID-19 equality impact assessment](#)
[Dedicated Schools Grant \(DSG\) Funding report \(page 550\)](#)
[About our budget - Norfolk County Council](#)
[Leader delegated decision 23 March 2021](#)

Officer Contact

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Appendix 1: 2020-21 Revenue Finance Monitoring Report Outturn

Report by the Executive Director of Finance and Commercial Services

1 Introduction

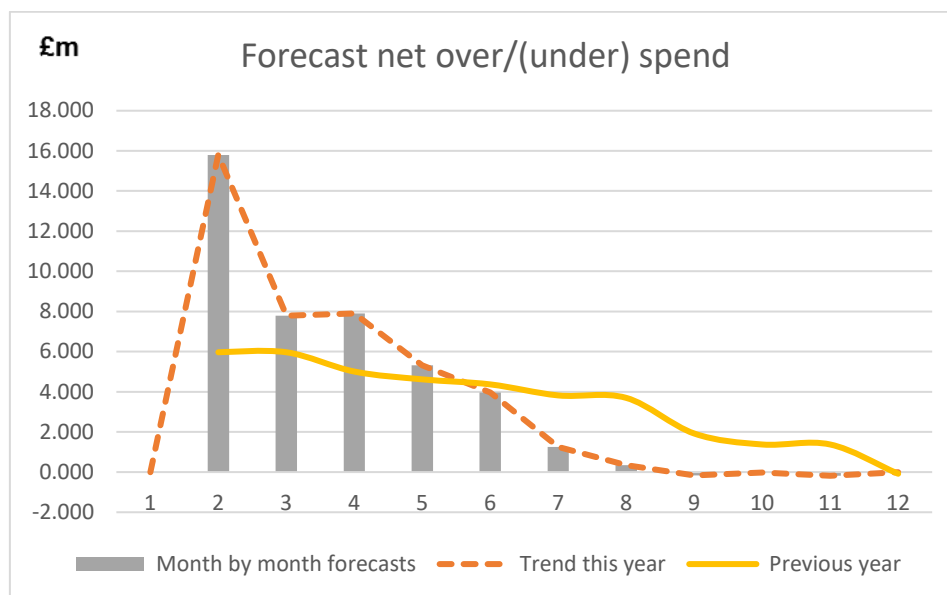
1.1 This report gives details of:

- the outturn position for the 2020-21 Revenue Budget
- additional financial information relating to the Covid-19 pandemic
- General Balances and Reserves at 31 March 2021 and
- other key information relating to the overall financial position of the Council.

2 Revenue outturn – over/underspends

2.1 **At the end of March 2021** a balanced budget was achieved on a net budget of £430.421m.

Chart 1: forecast /actual revenue outturn 2020-21, month by month trend:



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

- 2.3 Details of all under and over spends for each service are shown in detail in Revenue Annex 1 to this report, and are summarised in the following table:

Table 1: 2020-21 (under)/over spends by service

Service	Revised Budget	Net (under)/over spend	%	RAG
	£m	£m		
Adult Social Services	258.075	0.322	0.1%	G
Children's Services	199.273	-0.007	0.0%	G
Community and Environmental Services	173.372	-0.024	0.0%	G
Strategy and Governance	9.433	-0.028	-0.3%	G
Finance and Commercial Services	45.817	-0.019	-0.0%	G
Finance General	-255.549	-0.244	0.1%	G
Total service (under)/over spend	430.421	0.000	0%	G

Notes:

- 1) the RAG ratings are subjective and take into account risk and both the relative (%) and absolute (£m) impact of overspends.

- 2.4 **Children's Services:** The Children's Services outturn at March 2021 is a small underspend of 0.007m. This has taken into account the impact of Covid-19 in 2020-21, the allocated Covid-19 grants and the re-started transformation programme. The reserves position reflects some grant carry forward into 2021-22 where spend will occur in the new financial year due to the ongoing impact of Covid-19. Work is ongoing to identify the anticipated direct and in-direct financial impact and risks of Covid-19 for the new financial year and beyond, with the intention of supporting the department's ongoing financial strategy and planning.
- 2.5 The significant pressures previously identified in the areas of Learning & Inclusion (primarily lost trading income and home to school / college transport) and Social Care (primarily delays in savings delivery, approximately 6 months delay to the transformation programme, and support for the market) were apparent in the outturn, though the final Learning & Inclusion outturn improved due to the allocation of specific, relevant covid funding. Overall, the departmental pressures were offset by government grants allocated to the service.
- 2.6 business planning for 2020-21 had included significant investment in additional staffing capacity through the transformation programme and, in particular, the social care operating model. Significant progress was made to implement the new operating model despite the pandemic, but there were delays in recruitment whilst attention was focussed upon both the immediate and ongoing response to the pandemic. This has led to a one-off staffing underspend in the financial year. Any underspend that has not mitigated in-year covid pressures has been contributed to the Children's Services risk reserve to support future investment and / or mitigate risks, particularly from the ongoing and future impacts of the pandemic. This has led to a one-off staffing underspend in the financial year.
- 2.7 Through the year-end processes, it was identified that there were additional one-off underspends as a result of slippage into 2021-22 where the pandemic and, in particular, the third lockdown has caused disruption to planned investment and / or funding held for anticipated covid costs will not be required until 2021-22. Additionally, to facilitate clarity in the outturn position regarding the various Covid monies, some amendments have been made as to how these are presented in the

Revenue Annex 1. Both have resulted in some significant variances showing to the previous forecast report at period 11 (end of February 2021).

- 2.8 Any surge as a result of lockdowns, national or local restrictions, could lead to unpredictable demand for social care support and placements, and could disrupt existing, stable placements. Whilst placements, in the main, were relatively stable during the second lockdown, there was a small increase in overall numbers of children looked after towards the end of the financial year and Easter. Whilst it is difficult to be certain, this increase is likely to reflect the impact upon children and families who were already struggling and could indicate increasing pressures for the new financial year. The department continues to monitor patterns of demand carefully and flex services to meet the identified impact where appropriate, such as the significant rise in referrals both to Family Support teams (through the Childrens' Advice and Duty Service) and to the Inclusion Helpline for schools compared to the same time period last year. There has also been a significant increase in the number of parents electing to home educate, which brings additional duties to the authority. There will be sustained, long-term impacts from Covid, particularly in relation to strains upon families and emotional wellbeing of children and young people. The department anticipates that this will lead to a rise in demand for statutory intervention, though investment in effective earlier help models would be expected to mitigate, or partially mitigate, this demand in the medium-to-longer-term. These risks will continue to be kept under close review.
- 2.9 The department identified some direct one-off pandemic related expenditure that is likely to continue into the new financial year for which there is no additional government funding identified. For example increased support to schools and education providers, additional cost of provision for children and families due to ensure provision is covid secure, market pressures within social care and transport due to the uncertainty of the current trading conditions, and uncertainty regarding the impact of further peaks in infection upon transformation. The contributions to reserves aim to reflect this significant risk.
- 2.10 Given the current national context, there continues to be significant influences beyond the Council's control that continue to make delivery of the transformation programme (and, therefore, savings) difficult in light of the ongoing recovery work, ongoing Covid-related restrictions, potential surge in demand and further waves. Again, this risk will continue to be kept under close review.
- 2.11 **Dedicated Schools Grant:** The outturn position was a £12.093m overspend on the Dedicated Schools Grant at the end of March 2021, an overall increase of £0.530m. This was comprised of a High Needs Block overspend of £12.462m, and small underspends of (£0.152m) on the Schools Block and (£0.217m) on the Early Years Block.
- 2.12 Within the High Needs Block the most significant variance to previous forecasts was in relation to Independent Special School placements following review of final actuals and the forecast methodology for pre-and-post-16 placements. With the exception of these placement costs, there are various small movements as a result of amendments to placement and support that you would expect during the year as children and young people move placement and their needs change.
- 2.13 Sustainable funding for the HNB continues to be pursued and NCC recently responded to a DfE consultation regarding revising the historical basis for the national funding formula for HNB; this consultation suggests that Norfolk has been under-funded for a number of years and, even if the proposals are implemented, will

continue to be under funded due to a capping system. We await the outcome to understand the implications for the DSG recovery plan in future years.

- 2.14 Significant work continued through 2020-21 on the Special Educational Needs and Disabilities (SEND) and Alternative Provision (AP) part of Children's Services' Transformation programme both to ensure that the right specialist provision is in the right place to meet needs, whilst also progressing work to transform how the whole system supports additional needs within mainstream provision.
- 2.15 Construction work was paused during the first national lockdown, affecting builds in relation to expanding Specialist Resource Base provision and additional special school places. This work has continued through subsequent restrictions and delays were mitigated with the additional places planned for 2020-21 opened in line with pre-Covid-19 expectations.
- 2.16 Learning and Inclusion colleagues actively supported the Covid-19 response from the Council throughout 2020-21, with their focus upon supporting the schools of Norfolk (mainstream and specialist) to remain open, as appropriate, in line with government expectations and Public Health advice, as well as to support schools to support pupils to adapt to the changed expectations upon them. This work will continue for the foreseeable future, into the new financial year, to support schools to continue to adapt as the education landscape changes in response to the latest government announcements. However, wherever possible, focus has returned to the transformation programme work.
- 2.17 Whilst all schools in Norfolk returned in line with Government expectations for the Autumn term, they all operated with remote learning for the majority of pupils for the majority (or all) of the Spring term, except for those offered childcare either because parents/carers are critical workers or they are vulnerable children. The fluid situation led to considerable uncertainty as to how school budgets would be affected by Covid-19 in the medium term and, in the short-term, there was significant variances between schools with regards to the financial impact. These pressures may have an impact upon schools' abilities to meet the needs of children in future years. This could result in increases in exclusion, higher referral rates for Education, Health and Care Plans, higher requests for HNB support into mainstream or special schools.
- 2.18 There was an underspend of (£0.217m) within the Early Years Block, which has been transferred to the Dedicated Schools Grant reserve where it has partially offset the in-year overall DSG deficit. This outturn includes creditors in respect of an estimated adjustment to the 2020/21 DSG by the DfE due in 2021-22 to support Covid sufficiency claims not yet paid. The take up of the early education in the 2020-21 financial year remains consistently above 90%. Schools Block funding was allocated to schools via the agreed funding formula for 2020/21, which mirrored National Funding Formula methodologies. There was an underspend of (£0.152m) against the centrally retained Schools Block elements that can be attributed to a combination of rates savings from academy conversions and from the pro-rata clawback of budget share monies following the closure of a primary school.
- 2.19 The DSG outturn position was shared with Norfolk's Schools Forum at their May 2021 meeting. The Forum noted that the spend upon Independent special school placements had increased and noted that there has been an overall rise in the average cost of these places, primarily due to market forces. They also noted that the early years' sector felt unsupported by central government during the pandemic, but that the support from NCC had enabled settings to remain in business that would otherwise have closed.

- 2.20 Looking ahead to 2021-22, the DSG deficit forecast has been updated to reflect the 2020-21 outturn position. This position was shared with Norfolk Schools Forum at their May meeting, in line with DfE expectations, and feedback was sought. The plan will be reviewed on a regular basis to reflect amendments to assumptions and to refine the financial modelling.
- 2.21 **Adult Social Services:** The outturn (end of March 2021) is a net overspend of £0.323m after utilising Council Covid-19 grant funding and an estimated £36m of funding from the NHS to support hospital discharge arrangements. The position also includes previously reported transfers of £8m to the Adult Social Services Business Risk Reserve to mitigate some of the continuing financial risks arising from the pandemic, affecting both the current year and additional financial pressures for next financial year. The risks for the service have been highlighted to Cabinet in previous reports and are detailed below. Following the final instalment, the service has received £22.829m of infection control funding during the year, which will be allocated to the Norfolk care market and used in full to enable care providers to action infection control measures in line with government guidance. Further government announcements of funding support to the care market were made in January to help funding of costs to boost staffing levels and to support testing in care homes. In relation to the testing in care homes, which totals £149m nationally, Norfolk will receive £3.068m to help finance some of the costs of lateral flow testing in care homes. This grant will primarily be passported to care homes based on an amount per registered bed. Norfolk received £2.098m of the £120m workforce capacity grant.
- 2.22 The outturn overspend is £0.322m, a reduction of £0.002m from the Period 11 position.
- 2.23 As reported in previous monitoring reports, managing the budget has been challenging this year, due to changing legislation affecting the number and breadth of people that we are supporting; the funding routes requiring monthly reclaim of costs; the price of care during the pandemic and the difficulty delivering a significant proportion of planned savings. The three key financial risks are described in more detail below.
- 2.24 Hospital discharge – our front-line teams are supporting significantly more discharges, particularly during the second wave of the pandemic. This means many more people being supported with adult social care by the Council. This is predominately due to the hospital discharge arrangements during the pandemic, which required self-funders and people who would normally have received continuing health care to be supported through council held contracts for discharges before 1 September and for up to six week for discharges after this date. The additional costs of this have been funded via monthly claims to NHS England and Improvement (NHSEI), however, from 1 September 2020, adult social care teams and the Norfolk and Waveney Clinical Commissioning Group progressed the reinstatement of normal funding arrangements for people discharged before September. A high proportion of people have remained with NCC funded contracts post reinstatement. This has meant we are we have a volume of service users slightly above the number at the start of the year. This mainly impacts on purchase of care for older people, with the impact in 2020-21 being a £3.714m overspend on expenditure for this budget and £3.354m of additional income. This takes into account the ability to reclaim on a reducing basis for these care costs, introduction of charging for NCC service users and the reinstatement of self-funders to private contracts. The majority of Scheme 1 (discharges between 19th March and 30th August 2020) cases were reviewed and transferred to the most appropriate funding arrangement by the 31st March 2021.

- 2.25 On the 18th March 2021, the Health Secretary announced a national £594m package of support for 2021/22 to “continue the hospital discharge programme so staff will have the resources needed to enable patients to leave hospital as quickly and as safely as possible, with the right community or at-home support”. At the same time, the Health Secretary announced an additional £341m of national funding for “adult social care to enable the continuation of rigorous infection prevention control measures and to support rapid testing to keep staff and residents safe in day care, respite care, care homes and other community care settings”. For Norfolk, this means an additional £6.394m for Infection Control and Rapid testing and a share of £11m across the Norfolk and Waveney Health and Care system towards the additional costs of hospital discharge.
- 2.26 Price of care – although prices have remained relatively stable for service users that were in receipt of care prior to the pandemic, we have seen increasing prices for new care packages, particularly where there is discharge from hospital. Although some of the pressure has arisen through increased acuity of people leaving hospital, it is also due to provider concerns within the market and changes to the business models for self-funded care. The price has no doubt been affected by both health and social care needs being part of the discharge model, but the price of care is not financially sustainable for social care alone. Although the risks of this are absorbed within the outturn for this financial year, due to one-off funding, this presents a significant financial risk for 2021-22. Commissioning and operational teams are taking action to help reduce the longer-term financial impact, however this is further hindered by the current escalation of Covid-19 cases and increased demand for social care placements.
- 2.27 Delivery of savings - The service started the year having achieved good progress in 2019-20 towards demand management through the promoting independence strategy. However, the outlook for 2020-21 was challenging with a £23m savings target – mostly related to demand management – and therefore strong delivery of the savings programme, in this financial year, was critical for the service. We have £13.560m of our savings not achieved in this financial year and the allocation of the NCC covid grant funding has helped manage this financial pressure. however, there remains a significant risk for next year. As described above, we are expecting that our volume of service users will be slightly higher than at the start of the year, however, due to the level of demand management savings our budget is based on 896 fewer service users across all specialisms. It is increasingly clear that the environment that teams and providers are working within will not be back to normal overnight and will inevitably take a period of adjustment. This has meant that the higher volumes and prices compared to our base budget has not be rectified before the end of this financial year and will therefore increase budget pressures next year.
- 2.28 Covid-19 has meant that our staff have had to work differently in continuing to meet our duties. Financially this has meant that embracing a socially distanced approach to social care has meant that recruitment and staff travel have naturally slowed leading to a reduction in the associated expenditure in this area. Across our 3 core front line areas of the department we have seen the identification of vacancies, combined with a reduction in expenditure for travel and subsistence, for Care & Assessment teams within Community Social Work (£0.584m) and Community Health and Social Care (£1.033m), as well as within Early Help & Prevention (£1.336m). In addition, the reinstatement work and new hospital discharge arrangements mean that social work teams are requiring some additional capacity to manage the temporary but increased workloads. There is some funding from NHSEI to support these costs.

- 2.29 The department recognises the financial pressure the future risks, and in particular, the under-delivery of 2020/21 savings is having on the Council. The Covid-19 recovery governance includes a specific financial recovery workstream. This is predominately looking at the transition arrangements for the hospital discharge service requirements, to mitigate financial risks and to look at the price of care in the market and opportunities to manage this. The service is working to reinstate approaches that will enable some savings programme work to recommence. However, it is clear that there will be remaining financial pressures from the pandemic that will extend beyond the current one-off funding. As agreed previously funding has been transferred to the Business Risk Reserve to help support these costs next financial year and provide some additional time for both stabilisation of prices and work to be able to recommence to reduce demand. These transfers have increased the business risk reserve to £12.849m. An additional £3.005m has been transferred at year end following confirmation of the December to March income compensation grant claim.
- 2.30 With the Purchase of Care (POC) budget making up 77% of our ASC budget, and being heavily dependent on the individual needs of the 14,000+ people at any one time being supported by this budget, it is perhaps not surprising that this is the area feeling the financial pressure. One-off funding has helped to reduce the overspend on the purchase of care budget, reducing the in-year overspend to £0.359m. The department had been aiming to achieve savings of £23m in this financial year, and as described in the budget savings section of this paper, it has been extremely difficult in the current climate to deliver against this challenge.
- 2.31 The largest area of overspend is with Purchase of Care for Older People. As highlighted above for this financial year, we expect additional Covid funding to meet the majority of these additional costs. Our Living Well ethos requires a different climate to be wholly effective in preventing, reducing and delaying need for formal services. In the first four months of the year many of our care providers were paid fixed (minimum amounts whereby additional services provided are paid for in addition) payment amounts to enable them to have secure cash flow during Covid-19. Whilst this is a vital investment in sustaining a crucial market, it has meant that the spend per month was fixed at a level above which we had initially budgeted. We have also ensured that where providers have been in a position to undertake home support above this level that additional payment have been made. These costs have been offset by adjustments to spend on respite care, which has been significantly lower due to the pandemic. The transition from payment based on averages to actuals was completed earlier in the autumn. The only exception is day services where providers are delivering service below normal capacity to enable social distancing guidelines. This has meant that people continue to not be charged for these services and this has formed part of the claim to MHCLG for lost sales and fee income.
- 2.32 During the pandemic we have seen a combination of additional packages put in place to meet differing or escalating care needs and with our NHS partners have also had to manage a different hospital discharge arrangement, that has also temporarily altered our financial assessment procedures. Whilst we have been recovering the Covid-19 related costs incurred on behalf of the NHS, it has clearly meant a different approach that has required the focus of the service.
- 2.33 Whilst our income related to the NHS has increased due to the Covid-19 reclaims, our general customer contribution levels has decreased. For those that are part of the NHS discharge arrangement, we will not lose out financially in the short term, but as described above there are increasing risks as this income for many packages

ceased at the end of March 2021. Where services are not being fully supplied to the customer, but still being paid for by NCC, such as Day Care, we have not been recovering any financially assessed customer contributions. The outturn includes £0.331m for income compensation from MHCLG. In addition, we have reviewed our planned phase 2 charging policy around the Minimum Income Guarantee which will reduce our income against the associated saving target.

- 2.34 The outturn takes into account the agreed remedial action following the outcome of the recent Judicial Review regarding the Council's non residential charging policy for working age adults. Planned implementation of phase 2 of the charging policy had already been reviewed in April 2020 and the outturn has included the reduction in income throughout this financial year.
- 2.35 Outside of purchase of care, our budgets for NorseCare and Independence Matters within Commissioning both have overspent, due to non-delivery of savings. However, actions are being taken to reduce this variance in 2021-22.
- 2.36 **CES:** CES budgets have been fairly stable throughout the year with large parts of the department continuing to deliver business as usual, we have continued to review the financial impacts of Covid-19. We have achieved an outturn position of -£0.024m, after taking into account Covid-19 grant income including £6.112m, forecast recovery of income losses from the MHCLG income compensation scheme, the Local Outbreak Control Public Health grant of £3.718m and the Contain Outbreak Management Fund of £21.267m. The forecast also includes the previously agreed transfer of £1.629m to the CES Business Risk Reserve plus £0.007m transferred at year end from the income compensation grant to mitigate some of the continuing financial risks arising from the pandemic.
- 2.37 The department is currently picking up the costs of additional winter gritting routes for Covid vaccination and testing sites, with costs of £0.250m. Following on from the decision at Cabinet on 12 January 2021 the Highways service is picking up the additional cost of clearing up the flood damage of the December Floods - £0.250m. These costs are reflected in the Highways and Waste out-turn.
- 2.38 The most significant pressure for CES is the ability to achieve planned income which accounted for the majority of pressures within Community Information and learning and Culture and Heritage. Pressures on Income also account for part of the services pressure within Highways and Waste. Overall, this has been mitigated through the Local government income compensation scheme for lost sales, fees and charges.
- 2.39 The pressures within Highways and Waste also relates to waste volumes and Impacts of Dutch Incineration tax on the cost of waste disposal. As a consequence of Covid-19 the County Council's waste services have experienced a surge in the volumes of waste, recycling and garden waste. This increase in materials being generated by households is being experienced nationwide and is mainly due to changes in householder behaviours in response to Covid-19 regulations, combined with the effect of many shifting to working from home.
- 2.40 Waste levels managed by the County Council for the full 2020/21 financial year are around 6% or 14,000 tonnes more than expected. Similarly, the amount of recycling and garden waste collected by District Councils, which the County Council contributes to the cost of dealing with, around 7% or 11,000 tonnes more than expected.

- 2.41 During 2021/22 these levels of increases in waste, recycling and garden waste have been sustained, due to the prolonged effect of Covid-19 on householder behaviours. However, although in the longer term these effects are expected to reduce it is also expected that many will retain some work from home habits, such that levels of both waste and recycling in the longer term will remain at levels several thousand tonnes a year higher than the pre-Covid-19 levels.
- 2.42 The service has also incurred additional costs in relation to the re-opening of Household Waste Recycling Centres for traffic management and site security.
- 2.43 The Department has reviewed potential areas for savings to help off-set this pressure including reduced spend on travel, printing and other administration areas. There are also a number of posts that are currently vacant which have delivered a one-off saving.
- 2.44 **Corporate services:** the Governance Strategy and Transformation and Finance and Commercial Services directorates have both generated small underspends. Within this there are is an overspend in property management resulting from both additional costs and reduced income, largely offset by government grant income.
- 2.45 **Finance General:** The outturn in Finance General is a balanced budget after transferring £4.056m of non-Covid related underspends to General Balances. The transfer is in accordance with the County Council decision on 22 February 2021 which agreed the principle of seeking to increase the general fund balances as part of closing the 2020-21 accounts.
- 2.46 The non-Covid related underspends were primarily due to interest on balances being lower than budget due to the timing of borrowing, and additional business rates income. Other underspends included a dividend from the ESPO purchasing organisation and reduced costs of member's travel expenses.
- 2.47 Covid-related overspends include a large proportion of PPE and shielding costs together with £9.108m previously set aside in a Corporate Covid Risk Reserve plus £0.007m transferred at year end from income compensation grants. These pressures have been broadly off-set by MHCLG funding received to defray covid related costs.
- 2.48 The Corporate Covid Risk Reserve was created following approval at 7 December 2020 Cabinet to address financial pressures resulting from the pandemic, either in 2020-21 or in future financial years. None of the reserve was required to be used in 2020-21.
- 2.49 Further details are given in Revenue Annex 1.

3 Approved budget, changes and variations

- 3.1 The 2020-21 budget was agreed by Council on 17 February 2020 and is summarised by service in the Council's Budget Book 2020-21 (page 19) as follows:

Table 2: 2020-21 original and revised net budget by service

Service	Approved net base budget	Revised budget P11	Revised budget P12/13
	£m	£m	£m
Adult Social Services	255.740	255.793	258.075
Children's Services	196.211	196.311	199.273

Community and Environmental Services	163.471	161.718	173.372
Strategy and Governance	9.365	9.365	9.433
Finance and Commercial Services	30.811	32.668	45.817
Finance General	-225.177	-225.434	-255.549
Total	430.421	430.421	430.421

Note: this table may contain rounding differences.

- 3.2 During period 12 and the subsequent closedown period 13, there were a number of large capital accounting budget adjustments between finance general and the other services. These have not affected service budgets and the Council's net budget for 2020-21 has remained unchanged.

4 General balances and reserves

General balances

- 4.1 On 17 February 2020 Council agreed the recommendation from the Executive Director of Finance and Commercial Services for a minimum level of General Balances of £19.623m through 2020-21. Movements during the year are as follows:

	£m
General Balances – opening balance 1 April 2020	19.706
Transfer of non-Covid related Finance General underspends	4.056
Rounding	0.001
General Balances – closing balance 31 March 2021	23.763

- 4.2 The transfer of non-Covid related Finance General underspends to General Balances is consistent with the County Council decision on 22 February 2021 which agreed the principle of seeking to increase the general fund balances as part of closing the 2020-21 accounts.

Reserves and provisions 2020-21

- 4.3 The use of reserves anticipated at the time of budget setting was based on reserves balances anticipated in January 2020. Actual balances at the end of March 2020 were higher than planned, mainly as a result of grants being carried forward, including Covid-19 support grants, and reserves use being deferred.
- 4.4 The 2020-21 budget was approved on the basis of a forecast reduction in earmarked revenue reserves and provisions (including schools reserves but excluding LMS and DSG reserves) from £73m to £65m, a net use of £8m.

Table 3: Reserves budgets and actual reserves and provisions

Reserves and provisions by service	Actual balances 1 April 2020 (1)	Increase in opening balances after budget setting	2020-21 Budget book forecast March 2021	Actual; balances 31 March 2021
	£m	£m	£m	£m
Adult Social Services	20.291	3.395	10.371	38.611
Children's Services (inc schools, excl LMS/DSG)	6.107	4.146	3.321	17.412
Community and Environmental Services	40.416	4.569	32.612	54.370
Strategy and Governance	3.425	0.383	3.265	4.010
Finance & Commercial Services	4.301	1.832	2.472	4.635
Finance General	49.429	36.514	12.915	35.019
Reserves and provisions excluding LMS and DSG balances (see below)	123.969	50.839	64.956	154.057
Schools LMS balances	12.361	0.360	4.212	17.018
DSG Reserve (negative)	-19.703	-1.316	-18.830	- 31.797
Total	116.627	49.883	50.338	139.278

Note (1): the actual balances have been adjusted for previous rounding of school reserves, and to reflect movements of activities between services.

- 4.5 Total reserves and provisions at 31 March 2021 (excluding schools LMS and DSG reserves) are approximately £89m higher than was assumed at the time of 2021-22 budget setting. This is primarily due to
- £54.437m being carried forward in covid/risk reserves including Public Health, Provider Market Support and Clinically Extremely Vulnerable grants;
 - a Business Rates reserve of £10.017m added after budget setting
 - government other funding received after budget setting; and
- 4.6 The equivalent figure carried forward at 31 March 2020 in addition to budget book forecasts was approximately £50m due to £26.8m Covid-19 government grants received in late March 2020, plus general increases in unspent grants and contributions.
- 4.7 As can be seen in section 5 below, table 4d, the amounts carried forward in Covid and risk reserves can be summarised as follows:
- Previously agreed carry forward of Covid grants £21.646m
 - New year-end transfer to covid/risk reserves £13.236m
 - Year-end carry-forward of Covid-related grants and contributions £19.555m

4.8 **Tax Income Guarantee**

As part of the COVID-19 response, the Government announced that it would compensate local authorities for 75% of losses to council tax and business rates in 2020-21 (excluding increased bad debts or lower collection rates). The council will receive this compensation via the Local Tax Income Guarantee. However, the final values for the guarantee will not be known until NNDR3 and QRC4 figures are completed by District Councils (NNDR3 returns are not due until 30 June 2021). The accounting treatment requires amounts from the guarantee to be accounted for in 2020-21. As the values remain to be confirmed, they are not yet reflected in the outturn figures presented in this report but will be included in the final Statement of Accounts and will be reported to Cabinet as part of 2021-22 monitoring. As agreed by County Council when setting the 2021-22 Budget, any amounts from the guarantee will be transferred to the Corporate Business Risk reserve to offset tax income losses resulting from COVID-19 as they arise.

4.9 **Provisions included in the table above**

The table above includes provisions of £28.2m comprising £10.7m insurance provision, £12.6m landfill provision (this provision is not cash backed), £4.9m provisions for bad debts, and a number of small payroll related provisions.

5 Covid-19 financial impact

5.1 Details of central government funding announcements, and Covid-19 pressures are set out below.

5.2 Covid-19 funding secured to date is as follows:

Table 4a: Covid-19 funding

Funding	Actual 2020-21 £m
MHCLG tranche 1 (received March 2020)	26.932
MHCLG tranche 2	16.742
MHCLG tranche 3	6.001
MHCLG tranche 4	5.608
Contain Outbreak Management Fund to November	7.262
Contain Outbreak Management Fund: December	2.075
Contain Outbreak Management Fund: January	3.631
Contain Outbreak Management Fund: February	3.631
Contain Outbreak Management Fund: March	4.668
Infection Control Fund – first round	12.386
Infection Control Fund – second round	10.444
Home to School and College Transport Funding – Tranche 1	0.747
Home to School and College Transport Funding – Tranche 2	0.503
Home to School and College Transport Funding – Tranche 3	0.419
Wellbeing for Education Return Grant	0.146
Local Outbreak Control: test and trace service support grant	3.718
MHCLG - income compensation scheme April - July	2.658
MHCLG - income compensation scheme August - November	1.526
Emergency Assistance Grant for Food and Essential Supplies	1.016
COVID Winter Grant Scheme	2.740
Adult Social Care Rapid Testing Fund	3.068
Workforce Capacity Fund for adult social care	2.089
Clinically Extremely Vulnerable – first tranche December	0.602
Clinically Extremely Vulnerable – second tranche January	0.570
Clinically Extremely Vulnerable – third tranche February	0.694
Unaccompanied Asylum Seeking Children COVID-19 Fund	0.340
Community Testing funding grant	0.805
Suicide Prevention grant	0.145
Total previously reported P11 (adjusted for rounding)	121.165
Community Testing funding grant (revision)	-0.427
COVID Winter Grant Scheme	0.953
Home to School and College Transport Funding – Tranche 3 Top-Up	0.030
Clinically Extremely Vulnerable	1.239
Covid-19 Bus Services Support Grant	3.712
Funding for Travel Demand Management	0.075
Holiday Activity Fund Grant	0.267
Furlough (non-Schools)	1.022
MHCLG - income compensation scheme December - March (subject to confirmation)	4.665
Total outturn	132.701

Covid grants

- 5.3 **MHCLG funding:** The tranches of MHCLG funding listed above were unringfenced, and expected to address additional expenditure, lost income and delayed or irrecoverable savings while assisting those who are in most need of additional support and social care, and those at higher risk of severe illness. The latest tranche of £5.608m was transferred to the Corporate Covid Risk reserve, to mitigate against future cost pressures resulting from the pandemic.
- 5.4 **Contain Outbreak Management Fund (COMF):** From 12 October 2020, Local Authorities were eligible for funding from the Contain Outbreak Management Fund which is ring-fenced for public health purposes to tackle COVID-19. The COMF is to be used by local authorities for test, trace and contain activity to:
- reduce the spread of coronavirus in their area
 - support local economies and public health.
- 5.5 Funding to Norfolk County Council through the COMF has been provided in several stages since national restrictions came into force on 5 November and continued until the end of the financial year. Government has announced that funding can be carried forward for use in 2021-22 and a further allocation has been provided for 2021-22 (including a direct allocation to district councils). Norfolk's COMF allocations for 2020-21 totalled £21.267m, with the monthly payments shown in table 4a above. Guidance for 2021-22 has recently been published, it is broadly very similar to the guidance for the previous COMF allocations and to be spent in line with the Local Outbreak Management Plans. The allocation for 2021-22, announced 8 April 2021, is £4.859m for Norfolk County Council and a further £1.317m to Norfolk district councils.
- 5.6 Norfolk allocations are supporting the following principles:
- Norfolk's Outbreak Control Plan Aims underpin allocations – Protect Ourselves. Protect Others. Protect Norfolk.
 - Enable direct inter-agency support and capabilities.
 - Immediate response funding support to contain Covid-19 transmission.
 - Promote and enable support to hard-to-reach where there is a gap in funding.
 - Provide funding where otherwise not available to address current needs and support.
- 5.7 The plans for the deployment of COMF funding have been developed by Public Health and the Norfolk Local Outbreak Control Service in partnership with district councils, the NHS CCG, New Anglia LEP and other NCC departments, and have been considered by Health Protection Board and the Norfolk COVID-19 Engagement Board. To date, COMF monies have been allocated in phases, with £8.965m of the £9.3m received to December 2020 approved by Cabinet in February 2021. Following endorsement by Engagement Board on 25 February 2021, a Member delegated decision to approve Phase 2 allocations of £11.801m was made by the Leader which has allowed for rapid progress in expanding the work already underway, funds reaching partners at this critical juncture in our work to drive-down new infections, expanding testing, and delivering work to monitor and contain variants of the virus. Monies available through COMF Phase 2 are also enabling districts to support people to self-isolate, including through financial recourse. The agreed allocation of COMF funding to date is summarised in the table below.

Table 4b: Covid-19 funding allocation

	£m
Total COMF Phase 1 (Approved February Cabinet)	8.965
Total COMF Phase 2 (Leader delegated decision 23 March 2021)	11.801
Total COMF spending plans Phase 1 and Phase 2	20.766

- 5.8 The total COMF allocated in Phase 1 and Phase 2 includes a contingency amount and is less than the total funding received in 2020-21, due to uncertainty over the exact level of funding. As set out above, Government has confirmed that funding can be carried forward for use in 2021-22, and the allocation of any residual 2020-21 funds will be considered in the round alongside the use of allocations for 2021-22. Health Protection Board has agreed that it will continue to oversee 2021-22 funding allocations (i.e. both the County and District amounts).
- 5.9 **Infection Control Fund:** “to ensure care homes can cover the costs of implementing measures to reduce transmission”, with a proportion passed straight to care homes in Norfolk (regardless of whether they contract with the Council), with the remaining element spent on broader infection control measures. Two rounds of funding were received: £12.386m and £10.443m. Funding has been paid to care providers in line with the grant conditions. The allocation of discretionary elements has focused on wider measures for care homes and community care providers, as well as day services.
- 5.10 **Dedicated Home to School and College Transport Funding:** for transport authorities to help address the impact of social distancing rules on public transport, covering the period September 2020 to Spring 2021 half term. Total allocated to Norfolk £1.669m.
- 5.11 **Wellbeing for Education Return Grant:** this grant supported pupils’ and students’ wellbeing and psychosocial recovery as they return to full-time education in autumn 2020.
- 5.12 **Local Outbreak Control: Test and Trace Service Support Grant:** to fund expenditure relating to the mitigation against and management of local outbreaks of COVID-19 as part of the Council’s public health responsibilities.
- 5.13 **Local government income compensation scheme for lost sales, fees and charges.** This scheme compensates local authorities for irrecoverable income losses due to the impact of COVID-19, as much as 75% of lost income where losses exceed 5% of planned income. The claims are split between services as follows:

Table 4c: income compensation claims to date

	Apr-Jul	Aug-Nov	Dec-Mar
	£m	£m	£m
Adult Social Services	0.253	0.078	3.005
Children’s Services	0.647	0.278	0.468
Community and Environmental Services	1.260	1.027	1.011
Strategy and Governance	0.342	0.039	0.103
Finance and Commercial Services	0.155	0.104	0.078
	2.657	1.526	4.665

The scheme has been extended until June 2021, and further claims will be summarised in future reports.

- 5.14 **Emergency Assistance Grant / COVID Winter Grant Scheme:** to help those who are struggling to afford food, energy and water bills and other associated costs due to Covid-19.
- 5.15 **Adult Social Care Rapid Testing Fund:** Of £149m grant funding announced nationally to help increase and support testing, the allocation for Norfolk is £3.068m of which 80% must be allocated to care home providers.
- 5.16 **Workforce Capacity Fund:** In January 2021 the Government announced a £120m Workforce Capacity Fund for adult social care funding. The purpose of the funding is to enable councils to supplement and strengthen adult social care staff capacity to ensure the delivery of safe and continuous care. Norfolk's share of the funding is £2.089m.
- 5.17 **CEV:** The Council has received funding of £0.602m (December), £0.570 (January), £0.694m February and £1.239m (March) 2021 to provide support to Clinically Extremely Vulnerable (CEV) individuals.
- 5.18 The CEV funding is being provided as an unringfenced grant in recognition of additional pressures placed on councils by shielding guidance. The Government expects funding to be used to deliver the activities and outcomes outlined in the Shielding Framework. This includes the overheads of setting up and managing the local system, contacting CEV individuals within the area of intervention, assessing the food and basic support needs of CEV individuals and facilitating the delivery of that support where necessary, and reporting on the level of support provided. There is also an expectation that upper tier authorities will provide sufficient resources to lower tier authorities to carry out any responsibilities that they are asked to undertake to support CEV individuals. The Council has committed to provide £0.017m to each District. Allocation requirements are discussed as part of the Community Resilience partnership to ensure a consistency of support to CEV residents across the county as delivered by the agreed operating model.
- 5.19 **Unaccompanied Asylum Seeking Children (UASC) COVID-19 Fund:** Between 20 November and 18 December 2020, local authorities were invited to submit applications for funding to support costs incurred as a result of caring for unaccompanied asylum seeking children and former unaccompanied asylum seeking children who are now care leavers during the COVID-19 pandemic. The amount awarded to Norfolk was £0.340m.
- 5.20 **Community Testing funding grant:** This ringfenced grant from DHSC provided support to the Local Authority towards expenditure incurred or to be incurred in relation to Community Testing in response to the COVID-19 outbreak.
- 5.21 **Suicide Prevention grant** – grant received from Norfolk and Waveney CCG in 2020-21.
- 5.22 **Coronavirus Job Retention (“furlough”) Scheme.** While the scheme has not been used to duplicate other sources of public funding, such as the Covid-19 support grants, the government has recognised that there are exceptional cases where, for example, Local Authorities have needed to close venues such as museums and registry offices. Claims to the end of March 2021 totalled £1.022m, with a further £0.282m processed in respect of schools.

Covid-19 related cost pressures

5.23 The following table summarises Covid-19 related cost pressures:

Table 4d: Covid-19 cost pressures

	Adult Social Services	Children's Services	Community and Environmental Services	Strategy and Governance Department	Finance and Commercial Services and Finance General	Total
	£m	£m	£m	£m	£m	£m
Previously reported	61.998	9.238	37.656	2.070	15.620	126.582
Net changes this month	-6.659	-0.997	-13.929	-0.166	-0.996	-22.747
In year cost pressures	55.340	8.242	23.727	1.904	14.624	103.837
Previously agreed transfer to reserves and grants to be carried forward	7.857	3.000	1.681	0	9.108	21.646
New year-end transfer to reserves	10.06	2.765	0.304	0	0.107	13.236
Year-end grant carry-forward	0.041	0.653	18.276	0	0.585	19.555
Total transfers to reserves	17.958	6.418	20.261	0	9.800	54.437
Total cost pressures	73.298	14.66	43.988	1.904	24.424	158.274
Government support						132.701
Net Covid-19 in-year impact						25.573

5.24 The table above also shows previously agreed transferred to service reserves, which will be carried forward, along with year-end transfers to reserves and grants carried forward to enable the Council to meet its continuing response to the coronavirus pandemic.

5.25 Details of cost pressures by services are set out in Revenue Annex 2. The cost pressures shown in Finance and Commercial Services and Finance General include additional staff and property costs relating to the Covid-19 response and lost income from County Hall car park. Also within Finance General is the impact of the Council continuing to incur costs sourcing PPE, medical requisites, and cleaning materials for use across our services.

Other pressures

5.26 A particular risk relates to Business Rates and Council Tax income. No pressures have been included for 2020-21 with any impact expected to have an impact on the general fund in 2021-22, and this has been taken into account during 2021-22 budget setting. To assist future budgeting, the government will allow Council's to spread their tax deficits over 3 years rather than the usual one year

5.27 The costs and income pressure relating to Covid-19 vary from the overall Council net overspend shown in this report. This is due to non-Covid-19 related under and over-spends, and actions put in place by Chief Officers to mitigate the financial impacts of the pandemic.

Future year's grant funding announcements

- 5.28 **Infection Control and Testing Fund:** On 29 March 2021, the Department of Health and Social Care (DHSC) confirmed a new Infection Control and Testing Fund will consolidate the existing Adult Social Care Infection Control Fund and the Rapid Testing Fund, extending funding to June 2021. Norfolk will receive a ringfenced grant allocation of £6.394m for the period to June 2021. As a result, this allocation is not included in the table above as it will be incorporated into 2021-22 financial monitoring reports
- 5.29 **COVID Winter Grant (CWG) Scheme (2021-22):** On Monday 22 February 2021, the government announced that as part of its COVID roadmap, the COVID Winter Grant (CWG) Scheme to support vulnerable households will be extended from 31 March to the 16 April 2021, and a significant proportion will be used to provide free school meals during the Easter school holidays. Norfolk's additional allocation is £0.952m. Authorities will receive 75% of their additional allocation in April 2021 and the remaining 25% will be paid on the completion of a final management information (MI) report. As a result, this allocation is not included in the table above as it will be incorporated into 2021-22 financial monitoring reports.
- 5.30 **Grants to fund local coordination of free holiday activities and healthy food for disadvantaged children during 2021** were announced by the DfE in February 2021 and are subject to the approval of business plans. The purpose of the grant is for local authorities to make free places at holiday clubs available in the Easter, summer and Christmas school holidays in 2021. This will be made available to children in the local authority area who are eligible for and receive benefits-related free school meals. The maximum amount available to Norfolk County Council was £0.267m in 2020-21 with a further £2.389m available in 2021-22, a total of £2.656m.

6 Budget savings 2020-21 summary

- 6.1 In setting its 2020-21 Budget, the County Council agreed net savings of £40.244m. Details of all budgeted savings can be found in the 2020-21 Budget Book. A summary of the total savings outturn delivery is provided in this section.
- 6.2 The latest monitoring reflects total outturn savings delivery of £22.989m and a **total shortfall of £17.255m** (43%).
- 6.3 The savings delivery achieved is shown in the table below:

Table 5: Analysis of 2020-21 savings delivery

	Adult Social Services	Children's Services	Community and Environmental Services	Strategy and Governance Department	Finance and Commercial Services	Finance General	Total
	£m	£m	£m	£m	£m	£m	£m
Budget savings	22.897	9.250	5.013	-0.613	1.389	2.308	40.244
Period 12 outturn savings	9.343	7.001	4.326	-0.788	0.799	2.308	22.989
Savings shortfall (net)	13.554	2.249	0.687	0.175	0.590	0.000	17.255

Commentary on shortfall savings

- 6.4 The impact of the COVID-19 pandemic is having a profound effect on the Council's ability to achieve planned budget savings. Further details on the emerging financial implications of COVID-19 including the impact of non-delivery of savings are reflected elsewhere in this report.
- 6.5 Thirty-one savings are showing a shortfall, representing a budgeted total savings value of £27.762m and a forecast gross savings shortfall of £18.606m. This total is before adjustment for savings over-delivery of £1.351m detailed in the paragraphs below. Commentary on each saving is provided in Revenue Appendix 3.

Commentary on overdelivering savings

- 6.6 Three saving have been over-delivered in 2020-21.

Adult Social Services:

ASC035 Investment and development of Assistive Technology approaches, budget £0.500m, over delivery £0.910m: Outturn from the ASTEC Board shows over-delivery.

In addition, there is a favourable variance of £0.003m on ASC052 relating to the reversal of one-off use of repairs and renewal reserve.

Children's Services:

CHS002 Alternatives to care – Investing in a range of new services which offer alternatives to care using enhanced therapeutic and care alternatives, combined with a focus on support networks from extended families keeping families safely together where possible and averting family crises budget £1.200m, over delivery £0.438m: This mainly relates to the Stronger Families programme. Although face to face work has been challenging, continuing substantive support for young people to prevent them coming into care has been successful.

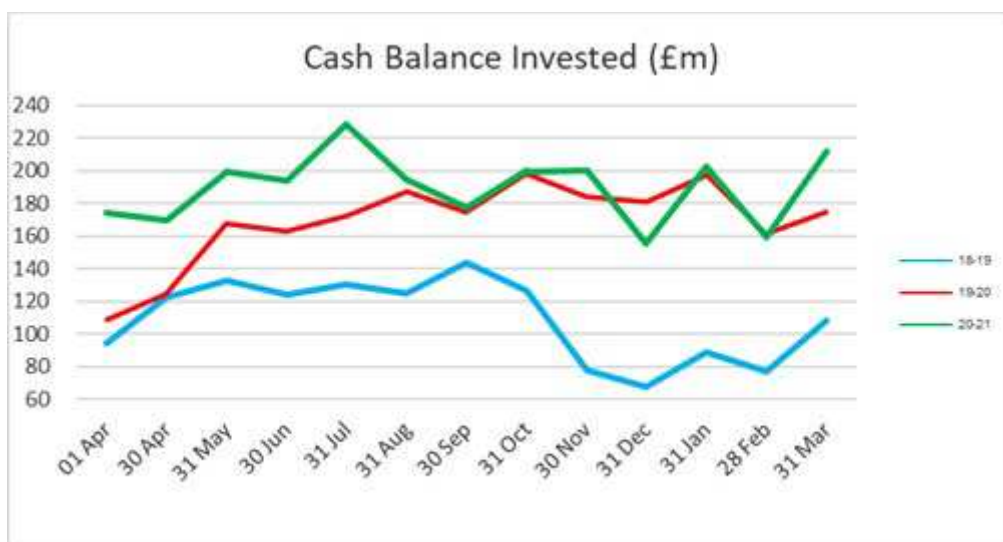
2021-22 to 2023-24 savings

- 6.7 Budget setting in 2020-21 saw the approval of £20.747m savings for 2021-22, £2.383m for 2022-23 and £0.412m savings for 2023-24. Any impact on the deliverability of these savings, including any 2020-21 savings that are permanently undeliverable, has been considered as part of the budget setting process for 2021-25.

7 Treasury management summary

- 7.1 The corporate treasury management function ensures the efficient management of all the authority's cash balances. The graph below shows the level of cash balances over the last three financial years to March 2021.

Chart 2: Treasury Cash Balances



7.2 The Council borrowed £50m in March 2021 to fund previous capital expenditure. The borrowing was in three tranches, at interest rates of below 2% which remains historically low.

Amount borrowed	Type	Maturity date / final payment	Interest rate
£20m	Maturity	1 March 2071	1.99%
£10m	Maturity	1 September 2035	1.91%
£20m	Annuity	1 September 2036	1.47%

7.3 This borrowing has increased the Council's cash balances to £211.9m as at 31 March 2021. Although the Council has healthy cash balances for the immediate future, this borrowing has reduced the Council's exposure to potential future interest rate rises.

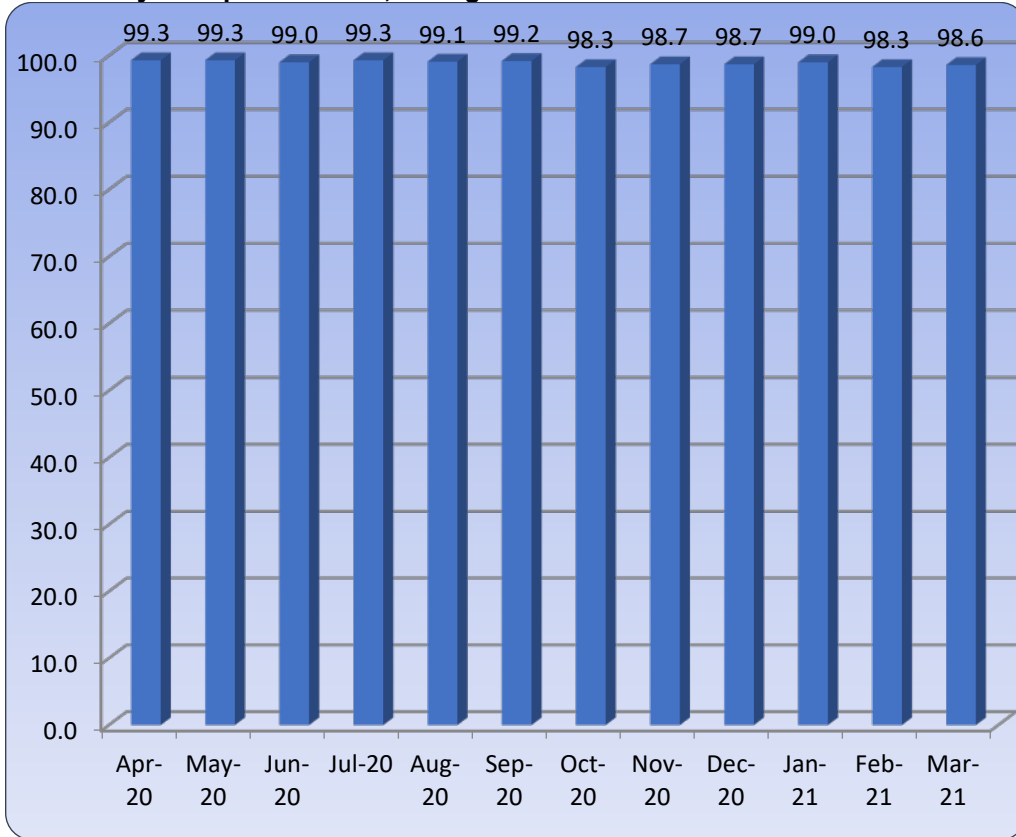
7.4 The Council's Treasury Strategy assumed as much as £80m would be borrowed in 2020-21. However, due to the increased level of grants and reserves at 31 March, and in order to minimise the cost of carrying unnecessary borrowing, £30m of borrowing has been deferred to 2021-22.

7.5 PWLB and commercial borrowing for capital purposes was £749.3m at the end of March 2021. Associated annual interest payable on existing borrowing was £29.3m.

8 Payment performance

- 8.1 This chart shows the percentage of invoices that were paid by the authority within 30 days of such invoices being received. Some 470,000 invoices are paid annually. 98.6% were paid on time in March against a target of 98%. The percentage has not dropped below the target of 98% in the last 12 months.

Chart 3: Payment performance, rolling 12 months



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

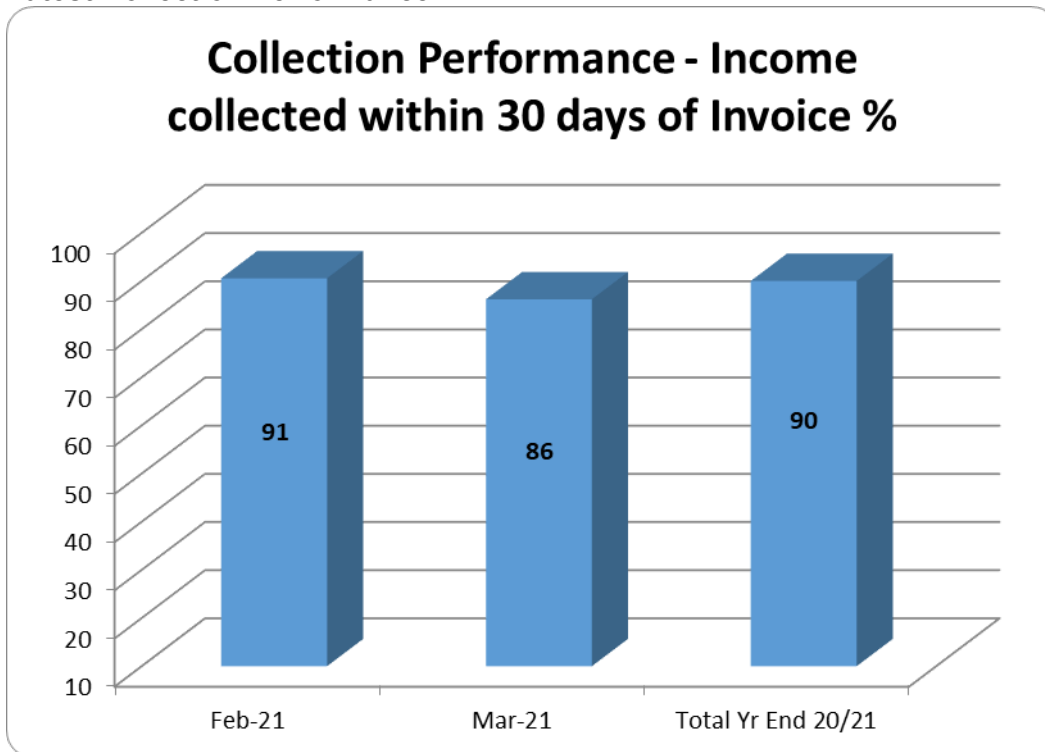
9 Debt recovery

9.1 **Introduction:** In 2019-20 the County Council raised over 160,000 invoices for statutory and non-statutory services totalling over £1.4bn. Through 2020-21 90.1% of all invoiced income was collected within 30 days of issuing an invoice, and 97.5% was collected within 180 days.

Debt collection performance measures – latest available data

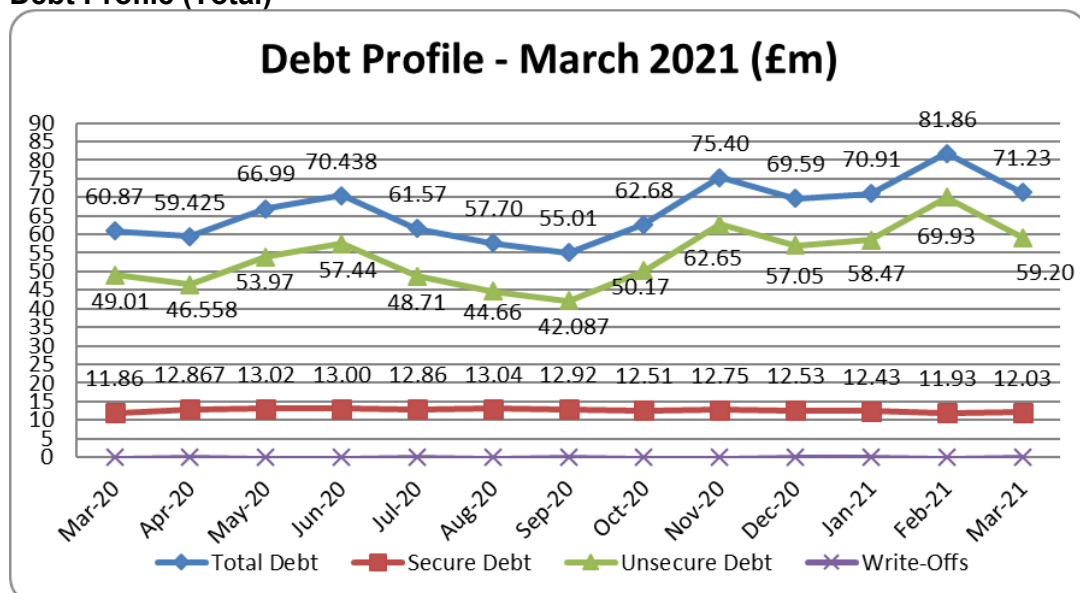
9.2 The proportion of invoiced income collected within 30 days for invoices raised in the previous month – measured by value – was 86% in March 2021.

Latest Collection Performance



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

Debt Profile (Total)



- 9.4 Of the £59.2m unsecure debt at the end of March, £16.2m is under 30 days. The largest area of unsecure debt relates to charges for social care, £45.1m, of which £22.9m is debt with the CCG's for shared care, Better Care Pooled Fund, continuing care and free nursing care.
- 9.5 Secured debts amount to £12.0m. Within this total £5.15m relates to estate finalisation where the client has died, and the estate is in the hands of the executors.
- 9.6 **Debt write-offs:** In accordance with Financial Regulations and Financial Procedures, Cabinet is required to approve the write-off of debts over £10,000. The Executive Director of Finance and Commercial Services approves the write-off of all debts up to £10,000.
- 9.7 Service departments are responsible for funding their debt write-offs. Before writing off any debt all appropriate credit control procedures are followed.
- 9.8 March 2021 Cabinet approved the removal of library charges for late returns for Children and young people in an effort to encourage more reading and to help support literacy post Covid. These charges had not been reflected as income in the financial ledger, and therefore did not require formal write-off.
- 9.9 As part of the financial year-end activity, a high-level review has been undertaken of all Children's Services outstanding debts. This review identified a number of aged debts where there is a high risk of non-recovery and so the department has taken the opportunity to provide for a number of these debts that are at risk and identify items for write-off (including the 4Children item listed below). During 2021-22, a more detailed review will be undertaken of each debt to enable a decision to be made whether to continue to pursue them or not. The outcome of this work will be reported to Cabinet as appropriate in future financial monitoring reports.
- 9.10 For the period 1 April 2020 to the end of March 2021, 361 debts less than £10,000 were approved to be written off following approval from the Executive Director of Finance and Commercial Services. These debts totalled £23,311.88.
- 9.11 For the period 1 April 2020 to 31 March 2021, there are 4 debts over £10,000 to be approved for write off totalling £133,905.59, as follows:

Debt Type	Amount	Reason
Residential Care charges	£11,701.00	Estate exhausted
Sterling Care UK Ltd Highfields Residential care home	£37,937.08	Company ceased trading and dissolved. No further funds available from liquidation.
4Children - Recovery of hardship funding and Recovery of LA Contributions	£48,710.32	Company in administration and final payments to creditors made. No further funds available.
A P Leisure - Rent	£35,557.19	Company ceased trading and dissolved. No remaining funds available.

All the debts listed above have previously been provided for in the 2020-21 accounts and any decision to write-off will not affect the outturn position.

Revenue outturn

Revenue outturn by service

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

Service	Revised Budget	Net total over / (under) spend	Over / (under) spend as %	Net spend
	£m	£m		£m
Adult Social Services	258.075	0.322	0.1%	258.397
Children's Services	199.273	-0.007	0.0%	199.266
Community and Environmental Services	173.372	-0.024	0.0%	173.348
Strategy and Governance	9.433	-0.028	-0.3%	9.405
Finance and Commercial Services	45.817	-0.019	-0.0%	45.798
Finance General	-255.549	-0.244	0.1%	-255.793
Outturn	430.421	0.000	0%	430.421
Prior period forecast	430.421	-0.183	-0.0%	430.238

Reconciliation between current and previously reported underspend

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

	£m
Forecast overspend brought forward	-0.183
Movements March 2021	
Adult Social Services	-0.002
Children's Services	-0.007
Community and Environmental Services	-0.024
Strategy and Governance	-0.057
Finance and Commercial Services	-0.054
Finance General	0.327
Outturn over/(under) spend	0.000

Revenue Annex 1 continued

The net underspend is a result of a range of underlying over and underspends which are listed below.

Revenue budget outturn by service – detail

Adult Social Services	Over spend	Under spend	Changes
	£m	£m	£m
Purchase of Care	26.745		-0.804
Commissioned Services	1.248		0.351
Community Social Work		-0.584	0.040
Business Development		-0.176	-0.087
Early Help & Prevention		-1.336	-0.214
Community Health & Social Care		-1.033	-0.140
Management, Finance & HR	1.842		0.852
Use of Infection control grant	22.829		
Covid-19 grant allocation		-49.213	
Adult Social Care Rapid Testing Fund		-3.068	
Full use of Adult Social Care Rapid Testing Fund	3.068		
Adult social care workforce grant		-2.089	
Full use of workforce grant	2.089		
WFH equipment – Covid grant allocation		-0.347	
Use of WFH equipment Covid grant allocation	0.347		
Use of final confirmed income compensation grant		-3.005	-3.005
Contribution to Business Risk Reserves	3.005		3.005
Over / (under) spends	61.173	-60.851	-0.002
Net total	0.322		
Children's Services	Over spend	Under spend	
	£m	£m	
Learning & Inclusion		-0.145	-1.524
Social Care	0.665		-0.792
Commissioning, Partnerships and Resources		-1.485	-1.285
Leadership, Finance and Human Resources	2.130		1.862
Quality & Transformation		-1.189	-1.189
Covid-19 grant allocation		-5.636	2.423
Home to School and College Transport Funding		-1.669	-1.669
Use of Home to School and College Transport Funding	1.669		
Wellbeing for Education Return Grant		-0.146	-0.146
Use of Wellbeing for Education Return Grant	0.146		
Unaccompanied Asylum Seeking Children COVID-19 Fund		-0.340	-0.340
Full use of Unaccompanied Asylum Seeking Children COVID-19 Fund	0.340		
WFH equipment – Covid grant allocation		-0.268	-0.268
Use of WFH equipment – Covid grant allocation	0.268		0.268
Holiday Activity Fund Grant		-0.231	-0.231

Use of Holiday Activity Fund Grant	0.231		0.231
Contribution to Children's Services Business Risk Reserve	5.653		2.653
Over / (under) spends	11.102	-11.109	-0.007
Net total		-0.007	
<i>Dedicated schools grant</i>			
High Needs Block	12.462		0.640
Schools block		-0.152	0.107
Early Years Block		-0.217	-0.217
Increase in net deficit to be carried forward	-	-12.093	
Over / (under) spend	12.462	-12.462	0.530
Net total	-		

Community and Environmental Services	Over spend	Under spend	Changes
	£m	£m	£m
Community Information and Learning	0.743		
Culture and Heritage	1.058		
Fire	0.298		
Growth and Development	0.906		
Highways and Waste	3.226		
Performance and Governance		-0.459	0.028
Director of Public Health		-0.053	
Covid-19 grant allocations		-8.399	
Use of August-November income compensation grant to support services	1.027		
Local Outbreak Control: test and trace service support grant		-3.718	
Use of Local Outbreak Control: test and trace service support grant	3.718		
Contain Outbreak Management Fund		-21.267	
Use of Contain Outbreak Management Fund	21.267		
Clinically Extremely Vulnerable grant		-1.172	
Use of Clinically Extremely Vulnerable grant	1.172		
Clinically Extremely Vulnerable – third tranche February		-0.694	
Use of CEV third tranche	0.694		
WFH equipment – Covid grant allocation		-0.317	
Use of WFH equipment Covid grant allocation	0.317		
Community Testing funding grant		-0.805	
Full use of Community Testing funding grant	0.805		
Suicide Prevention grant		-0.145	
Full use of Suicide Prevention grant	0.145		
Use of final confirmed income compensation grant		-0.007	-0.007
Contribution to CES Business Risk Reserve	1.636		-0.045
Over / (under) spend	37.012	-37.036	-0.024
Net total		-0.024	

Strategy, Finance and Finance General	Over spend	Under spend	Changes
	£m	£m	£m
Strategy and Governance			
Registrars and other net loss of income	0.712		-0.030
Print and phone recharges		-0.027	-0.027
Covid-19 grant		-0.713	
WFH equipment – Covid grant allocation		-0.077	
Use of WFH equipment Covid grant allocation	0.077		
Over / (under) spend	0.789	-0.817	-0.057
		-0.028	
Finance and Commercial Services			
Client Property Management	0.652		
Covid-19 related costs - loss of income/recharges	1.566		-0.054
Finance directorate reduced overheads and costs		-0.620	
Covid-19 grant allocation		-1.360	
Covid-19 income compensation scheme		-0.257	
WFH equipment – Covid grant allocation		-0.189	
Use of WFH equipment Covid grant allocation	0.189		
Over / (under) spend	2.407	-2.426	-0.054
		-0.019	
Finance General (see below for narrative)			
Pension AVC Salary Sacrifice scheme		-0.074	
Interest on balances		-2.909	0.391
Grants to outside bodies		-0.335	-0.335
Members travel		-0.120	-0.031
ESPO dividend		-0.121	
Additional business rates		-1.388	-1.388
Extended rights to free travel grant		-0.463	
Non-Covid Finance General underspends	-	-5.410	-1.363
Transfer to General Balances	4.056		4.056
	4.056	-5.410	2.693
Non-Covid Finance General underspends after tfr to General Balances		-1.354	
Finance General Covid under/overspends			
Covid-19 additional costs – including a large proportion of PPE and shielding costs.	6.568		-2.355
IT equipment for digitally disadvantaged children	0.668		
Income: transfers of PPE to partner organisations		-0.220	-0.011
DEFRA Local Authority Emergency Assistance Grant		-1.016	
Local assistance scheme	1.516		
COVID Winter Grant Scheme		-2.740	
Use of COVID Winter Grant Scheme funding	2.740		
MHCLG Covid-19 grant allocation		-5.104	
MHCLG Covid-19 grant tranche 3		-6.001	

MHCLG Covid-19 grant tranche 4		-5.608	
Transfer of Covid grant to services - working from home (WFH) equipment	1.199		
Use of final confirmed income compensation grant		-0.007	-0.007
Transfers to Corporate Covid Risk reserves	9.115		0.007
Finance General total over / (under) spend	25.862	-27.006	0.327
Net total		-0.244	

Revenue Annex 1 continued

Finance General over and underspends

Explanations for the Finance General under and overspends are as follows:

Pension AVC Salary Sacrifice scheme (underspend £0.074m)

Employer national insurance savings resulting from the introduction of a salary sacrifice arrangement for employee pension additional voluntary contributions.

Interest on balances (underspend £2.909m)

The interest payable/receivable budget was prepared on the basis of a number of assumptions including cash flows, interest rates and the amount of borrowing. The cost and timing of borrowing has resulted in a significant underspend.

Grants to outside bodies (underspend £0.335m)

Underspend compared to budget, including lower spend than anticipated with district councils on council tax/business rates improvement initiatives.

Members travel (underspend £0.120m)

Throughout the financial year, meetings have not been held at County Hall. Members have instead held meetings electronically significantly reducing the costs of travel.

ESPO dividend (underspend £0.121m)

NCC's share of Eastern Shires Purchasing Organisation surplus.

Additional business rates (underspend £1.388m)

Business rates received in excess of budget

Extended rights to free travel grant (underspend £0.463m)

Additional grant in respect of extended rights to free travel.

Covid-19 additional costs and associated income:

- Covid-19 additional costs: overspend £6.568m
- IT equipment for digitally disadvantaged children £0.668m
- Income: transfers of PPE to partner organisations: underspend £0.220m
- Covid-19 grant allocation: underspend £5.104m
- DEFRA Local Authority Emergency Assistance Grant for Food and Essential Supplies £1.016m (see paragraph below)
- Covid-19 grant tranche 3 –underspend £6.001m
- Covid-19 grant tranche 4 –underspend £5.608m transferred to corporate covid risk reserve.

Those costs related to the Covid-19 pandemic which were allocated to service departments have resulted in an overspend, off-set by government grants. Expenditure includes the purchase of medical supplies and protective (PPE) clothing to ensure continuity of supply for council staff, care homes, early years providers and others. Some of this PPE has been transferred to partner organisations at cost. To address costs of meeting pressures from further waves of Covid-19 a corporate covid risk reserve was created to meet increase staffing capacity and related costs.

Local assistance scheme / Emergency Assistance Grant

The Norfolk Assistance Scheme helps by providing emergency food, cash and household expenses. Due to the coronavirus situation, a coordinated emergency relief response was developed for Norfolk people in crisis. In period 3, government funding was made available which has been used to provide food and essential supplies for those in the greatest need. An additional 0.500m from Core Covid grant funding was allocated to the scheme, and in period 7 an additional £2.740m COVID Winter Grant Scheme government funding was received and has been fully used in 2020-21.

Covid-19 grant tranche 3 – (underspend £6.001m)

As noted in section 5 of this report, Covid-19 grant tranche 3 government funding of £6.001m was allocated to the Council to defray Covid related costs. This funding has been used to off-set central PPE costs within Finance General.

Corporate Covid risk reserve (£9.107m)

As noted in section 5 of this report, Covid-19 grant tranche 4 government funding of £5.608m was allocated to a new Corporate Covid risk reserve, since topped up with a further £3.5m so that in total £9.108m has been set aside in this reserve.

Revenue Annex 2

Impact of Covid-19 –cost pressures

Cost pressures summarised in paragraph 5 of the main report are as follows:

	2020-21 Outturn £m
<u>Identified costs</u>	
Adult Social Care	
Enhancements to packages of care where not related to hospital discharge (mainly LD and MH and includes care need escalation)	3.415
Additional Block capacity purchased from market	0.138
Provider support payments to cover liquidity/sustainability issues and any additional costs where not specifically related to a person's changing care needs	8.465
Other care market pressures	0.249
Paying for additional day time support to Supported Living/Residential providers whilst the day centres are closed	0.000
Loss of income: Adults: No charges for services not received	0.613
Equipment and Support for our teams (e.g. PPE for in-house teams)	0.016
Support for people experiencing domestic abuse	0.150
Loss of savings: Adults: Savings delivery risk	10.554
Temporary postponed implementation of the second phase of the charging policy implementation (2020-21 cost pressure)	3.000
Equipment - spike in usage and increase in costs	0.118
Weekend or Overtime staff costs	0.223
Vulnerable People Resettlement	0.052
Redeployed interims	0.100
Use of WFH equipment Covid grant allocation	0.248
Full use of infection control funding	22.830
Full use of Adult Social Care Rapid Testing Fund	3.121
Workforce Capacity Fund for adult social care	2.049
Adult Social Care Total	55.340
Children's Services	
Loss of income - Children's Services - Estimate primarily relating to trading with schools	1.296
Loss of income - Transport	0.471
Safeguarding campaign - <i>Project Stay Safe</i>	0.010
Loss of savings: Children's: Savings delivery risk	2.249
Maintaining Early Year's Provision	0.336
Education Cell Outbreak Management Centre	0.000
Additional placement costs for over-18s	0.613
Additional placement costs for under-18s	0.562
Additional costs of contracted delivery	0.076
Sustainability grants and support to the market	0.035
Enhanced Zoom licenses	0.001
Additional frontline agency costs	0.554
Book fund for Social Work apprentices	0.002
Use of WFH equipment Covid grant allocation	0.255
Use of Holiday Activity Fund Grant	0.231
Full use of Home to School and College Transport Funding	1.101

	2020-21 Outturn £m
Full use of unaccompanied Asylum Seeking Children COVID-19 Fund	0.340
Full use of Wellbeing for Education Return Grant	0.109
Children's Services Total	8.242
Community and Environmental Services	
Food boxes for older people (NCC provision)	0.306
Customer Services additional expenditure	0.079
Waste – Contract costs reflecting 15% increase in residual waste volumes	1.888
Waste – Recycling credits reflecting 15% increase in recyclables / garden waste	0.353
Reopening Recycling Centres – (traffic management, security, volume increase)	0.674
CES Public Transport - Covid Bus Services Support Grant	3.623
CES Public Transport - Funding for Travel Demand Management	0.113
Loss of income: CES including Museums / Libraries	2.306
Loss of income: CES including Adult Education / Records Office	0.810
Loss of income: CES including Highways and Public Transport	0.874
Loss of income: CES including Planning and Development	0.000
Loss of income: CES including Recreation and Sport	0.024
Loss of income: Parking Services	0.500
Loss of income: CES including Centres and Blue Badges	0.331
Loss of income: CES including On-street Parking	0.269
Loss of savings: CES	0.000
Growth and Development	0.013
Joint comms systems for the Norfolk Resilience Forum	0.078
Loss of income: Resilience Training	0.006
Use of WFH equipment Covid grant allocation	0.236
Public Health expenditure	0.763
Full use of Local Outbreak Control: test and trace service support grant	2.447
Full use of Contain Outbreak Management Fund	6.711
Full use of Community Testing funding grant	0.328
Full use of Suicide Prevention grant	0.300
Full use of Clinically Extremely Vulnerable grants	0.694
Community and Environmental Services Total	23.727
Strategy and Governance	
Norfolk Community Foundation - grant donation	0.100
Increased Coroner's costs	0.481
Loss of income: Registrars	0.761
Additional HR staff costs	0.385
Additional I&A staff costs	0.082
Use of WFH equipment Covid grant allocation	0.095
Strategy and Governance Total	1.904
Finance and Commercial Services and Finance General	
Emergency Planning Director / Strategic Command Group / MAFG Director costs	0.020
Covid response costs - redeployed staff, property costs	1.656
Mortuary facility vans provided by NORSE	0.014
Corporate procurement of PPE - ASC	3.612

	2020-21 Outturn £m
Corporate procurement of PPE	0.121
Food distribution hub - Site costs	0.107
Re-assignment of FES staff (HR and Finance System replacement) to COVID-19 response	0.305
Homeworking equipment	0.202
Extension of SWIFTS Pool Cars / Enterprise	0.021
Extension of Norfolk Assistance Scheme (NAS)	1.132
Software solution from Agilisys and Microsoft to handle the contacts to vulnerable adults in receipt of Letters and all related activities	0.000
Lost income not eligible on lost SFC scheme	0.000
Loss of income across Finance and Commercial Services including IMT Services to Schools, Property and Car Park income	0.532
Loss of income from Schools audits	0.015
Loss of income in Corporate Property Team	0.187
IMT - Infrastructure - Extra Data Bundles on mobile phone contract/Extra Ccaas Telephony re staff WFH/Staff Overtime	0.125
IT equipment for digitally disadvantaged children	0.684
Additional staff costs in Finance net of travel savings	0.076
Loss of savings: Finance and Commercial Services / Finance General	0.380
Additional costs associated with the NCC schools contracts, between NCC and Norse Eastern Ltd	0.750
Vulnerability Tracker App	0.000
Use of COVID Winter Grant Scheme funding	3.683
Provision for match funding Business Rates Pool to establish Norfolk Strategic Fund	1.000
Finance and Commercial Services and Finance General Total	14.624
Covid-19 financial pressures Norfolk County Council total	103.837

Revenue Annex 3

Commentary on savings shortfalls

Commentaries on savings shortfalls referred to in paragraph 6 of the main report are as follows:

Adult Social Services:

ASC006 Promoting Independence for Younger Adults, budget £5.000m, shortfall £2.550m: Relies on our ability to offer alternatives (including accommodation) which are not currently available. Staff teams set up for dedicated reviewing have been repurposed to directly support COVID response. There is less ability to focus on prevention when in crisis and needs may escalate due to current pandemic. The service has reviewed the schedule of LD PFAL cases expected to transition in 2020-21 and the saving has been reduced in relation to Autism costs.

ASC006 Promoting Independence for Older Adults, budget £5.000m, shortfall £4.000m: Operational teams are focused on the COVID response. Elements of plan to deliver requires governance that has not yet been set up and has been delayed due to programme manager redeployment.

ASC036 Maximising potential through digital solutions, budget £1.000m, shortfall £0.887m: The current climate adds difficulty in restructuring services and has materially impacted pricing structures.

ASC038 Procurement of current capacity through NorseCare at market value: budget £1.000m, shortfall £1.000m: The provider is focused on delivery of safe services in COVID and not on service transformation.

ASC046 Revise the NCC charging policy for working age adults to apply the government's minimum income guarantee amounts, budget £3.000m, shortfall £3.000m: At the outbreak of the pandemic, a decision was taken to mitigate the changes to the Minimum Income Guarantee (MIG) that would have been implemented in April, for four months, recognising the impact that the lockdown would have on people and the services they receive. The cost of this decision was covered by some of the Government's Covid-19 funding that the Council received. Cabinet has decided given the impact to date, and the uncertainty of the future for those affected by the changes, to continue to mitigate the impact of phase 2 of the changes to charging. This would be extended to allow for Government intentions around funding reform for social care to be published.

ASC049 Shift to community and preventative work within health and social care system – demand and risk stratification, budget £1.000m, shortfall £0.800m: The pandemic has meant that some areas of work and system changes have been delayed, although work is restarting and there will be potential for more opportunities through collaboration and remodelling of systems there remains risk in this financial year.

ASS001 Expanding home based reablement, which saves money in the long term by preventing unnecessary hospital admissions and supporting more people to swiftly return home from hospital, budget £3.000m, shortfall £0.750m: Service is focused on safe discharge and therefore long-term outcomes may suffer leading to higher ongoing costs.

ASS002 Expanding accommodation based reablement, which saves money by enabling people with higher needs to quickly return to their home from hospital without needing residential care, budget £0.750m, shortfall £0.600m: Provision of new accommodation based reablement beds has been postponed due to pandemic and those we have, have been repurposed to COVID support.

ASS003 Extending home based support for people with higher level needs or dementia so that they can remain in their home especially after an illness or hospital stay, which saves money on residential care, budget £0.200m, shortfall £0.100m: The service is fully focused on supporting discharge.

ASS004 Working better across health and social care teams to help prevent falls, which in turn helps prevent hospital admissions and saves money on residential care, budget £0.140m, shortfall £0.140m: Elements of plan to deliver requires governance that has not yet been set up and has been delayed due to programme manager redeployment.

ASS005 Supporting disabled people to access grants that are available for access to education and support to attend university, budget £0.050m, shortfall £0.050m. This saving will continue to be pursued where possible, but is identified as at risk due to change of focus for many grants and universities.

ASS006 Increasing opportunities for personalisation and direct payments, which will help both increase choice of services and value for money, through more efficient commissioning, budget £0.500m, shortfall £0.200m. Some of the work has been refocused to support the pandemic response and recovery. Although there will continue to be opportunities to increase personalisation, there will be challenges for delivering the value for money aspect of the work.

ASS007 Reviewing how we commission residential care services to save money by making sure we have the right services in the right place, budget £0.500m, shortfall £0.200m. Commissioning actions have needed to focus on the system capacity and to secure adequate capacity as part of the hospital discharge service requirements. Challenges currently faced across the market will make it difficult to deliver savings from these contracts.

ASS008 Developing consistent contracts and prices for nursing care by working more closely with health services, budget £0.190m, shortfall £0.190m. The service is currently working under the Government Hospital Discharge Service Requirements, and the council is contracting for both health and social care nursing contracts. The challenges currently faced across the social care market will make it deliver savings from these contracts in this financial year.

Children's Services:

CHS001 Prevention, early intervention and effective social care – Investing in an enhanced operating model which supports families to stay together and ensures fewer children need to come into care, budget £1.000m shortfall £0.607m: At the start of the financial year, we were unable to work as closely with some families to support resilience during isolation, family support networks reduced, and pressure of people being at home together potentially leading to an increase in domestic abuse. Additionally, resources have been diverted away from transformation activity due to the covid-19 response, resulting in delays to planning and implementation of the programme.

CHS003 Transforming the care market and creating the capacity that we need – Creating and commissioning new care models for children in care – achieving better outcomes and lower costs, budget £3.500m, shortfall £2.080m: It is been harder to move forward new foster carers, people wanting to adopt, and permanency arrangements as social workers have been restricted to essential visiting only where necessary to ensure the safety and welfare of a child. Resources have also been diverted away from transformation activity due to the covid-19 response and, additionally, construction work delays have impacted upon the opening of new semi-independent accommodation for care leavers and solo / dual placements for children looked after.

Community and Environmental Services:

CMM045 Income generation – Norfolk Community Learning Services, budget £0.125m shortfall £0.125m: Closed sites and reduced activities impacting income generation opportunities.

CMM046 Income generation – Library and Information Service, budget £0.111m shortfall £0.111m: Closed sites and reduced activities impacting income generation opportunities.

CMM060 Increased income – Trading Standards and library service, budget £0.070m shortfall £0.070m: Closed sites and reduced activities impacting income generation opportunities.

CMM061 Review of contract inflation assumptions, budget £0.006m shortfall £0.006m: Budget overspent and saving not met.

EDT065 Household Waste Recycling Centres – reuse shops, budget £0.050m shortfall £0.050m: Closed sites and reduced activities impacting income generation opportunities.

EDT068 Re-model back office support structure, budget £0.090m shortfall £0.090m: The support services have restructured following the transfer of works to Norse, however we have not been able to deliver the saving in the way that we had originally anticipated.

CES005 Adjusting our budget for recycling centres in line with predicted waste volumes, budget £0.200m shortfall £0.180m: In previous years we had seen reduced waste volumes at HWRC's, however due to the Covid-19 pandemic, based on recent activities we are expecting an increase in volumes.

CES020.1 Income generation across various Community and Environmental Services budgets. (Trading Standards calibration), budget £0.025m shortfall £0.025m: Closed sites and reduced activities impacting income generation opportunities.

CES020.2 Income generation across various Community and Environmental Services budgets. (Trading Standards trusted trader), budget £0.024m shortfall £0.024m: Closed sites and reduced activities impacting income generation opportunities.

CES020.3 Income generation across various Community and Environmental Services budgets. (Norfolk Records Office), budget £0.020m shortfall £0.020m: Closed sites and reduced activities impacting income generation opportunities.

CES020.5 Income generation across various Community and Environmental Services budgets. (Escape Room income), budget £0.015m shortfall £0.015m: Closed sites and reduced activities impacting income generation opportunities.

CES020.7 Income generation across various Community and Environmental Services budgets. (Enterprise Zone support), budget £0.015m shortfall £0.015m: Closed sites and reduced activities impacting income generation opportunities.

CES020.8 Income generation across various Community and Environmental Services budgets. (Developer travel plans), budget £0.030m shortfall £0.030m: Closed sites and reduced activities impacting income generation opportunities.

CES020.9 Income generation across various Community and Environmental Services budgets. (Equality and Diversity), budget £0.005m shortfall £0.005m: Closed sites and reduced activities impacting income generation opportunities.

Strategy and Governance Department:

CMM047 Registrars Service – external income, budget £0.150m shortfall £0.150m: Additional income could not be achieved due to Covid-19 restrictions on ceremonies.

P&R086 Coroners relocation to County Hall, budget £0.050m shortfall £0.050m: The relocation has not yet occurred.

SGD003 Reducing our spending on ICT, budget £0.025m shortfall £0.025m: Issues with implementation of a system have prevented a reduction in ICT costs.

Finance and Commercial Services:

B&P002 Property centralisation of budgets, budget £0.400m shortfall £0.230m: Finance and Commercial Services savings at risk of delay due to the Covid-19 pandemic.

P&R027 Property savings, budget £0.650m shortfall £0.360m: Finance and Commercial Services savings at risk of delay due to the Covid-19 pandemic.

Finance General:

BTP001-5 Business Transformation savings: Currently no variance on the delivery of planned Business Transformation savings. An updated plan and new business transformation baseline are being prepared.

Appendix 2: 2020-21 Capital Finance Outturn Report

Report by the Executive Director of Finance and Commercial Services

1 Capital Programme 2020-21

- 1.1 On 17 February 2020, the County Council agreed a 2020-21 capital programme of £282.688m with a further £253.909m allocated to future years', giving a total of £536.577m.
- 1.2 Additional re-profiling from 2019-20 resulted in an overall capital programme at 1 April 2020 of £645m. Further in-year adjustments have resulted in the capital programme shown below:

Table 1: Capital Programme budget

	2020-21 budget	Future years
	£m	£m
New schemes approved February 2020	21.497	24.414
Previously approved schemes brought forward	261.650	235.779
Totals in 2020-23+ Budget Book (total £543.340m)	283.147	260.193
Schemes re-profiled after budget setting	94.503	0.598
Other adjustments after budget setting including new grants	7.531	
Revised opening capital programme (total £645.972m)	385.181	260.791
Re-profiling since start of year	-225.675	225.675
Other movements including new grants and approved schemes	59.854	174.674
Total capital programme budgets (total £880.503m)	219.360	661.140

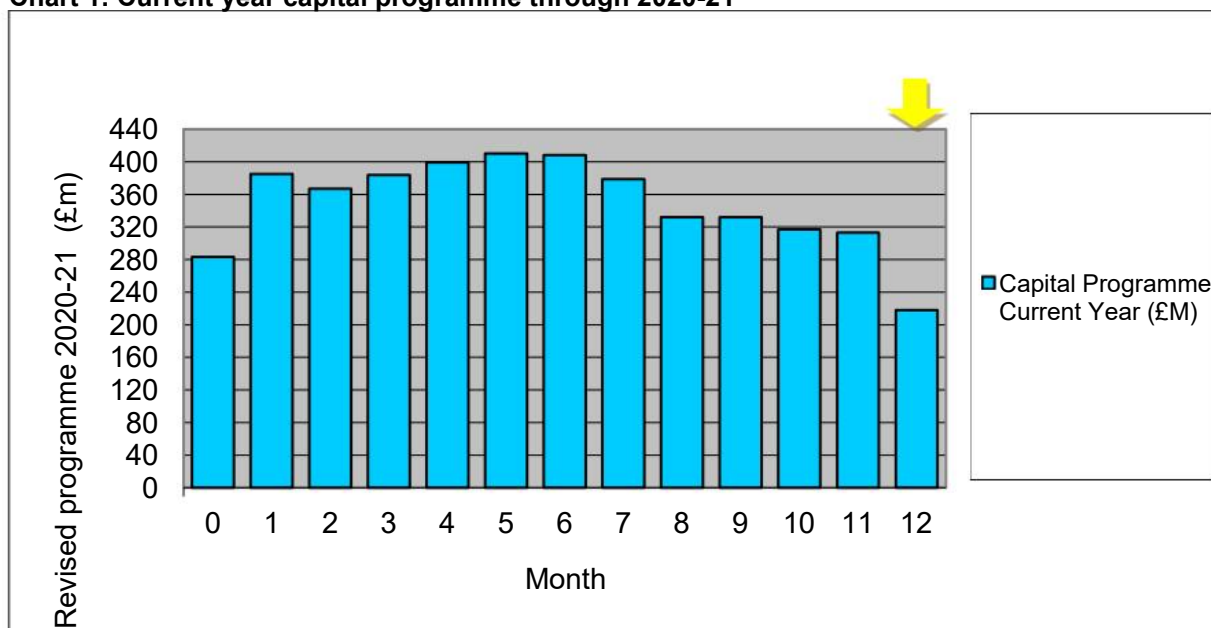
Note: this table and the tables below contain rounding differences

- 1.3 The "future years" column above includes existing and new schemes approved as part of the 2021-22 capital strategy and programme.

Changes to the Capital Programme

1.4 The following chart shows changes to the 2020-21 capital programme through the year.

Chart 1: Current year capital programme through 2020-21



1.5 Month “0” shows the 2020-21 capital programme at the time of budget approval, with schemes reprofiled after budget setting shown in month 1 followed by the most up to date programme. The current year programme will change as additional funding is secured, and when schemes are re-profiled to future years as timing becomes more certain.

1.6 The current year’s capital budget is as follows:

Table 2: Service capital budgets and movements 2020-21

Service	Opening programme	Previous report	Reprofilng since previous report	Other Changes since previous report	2020-21 latest Capital Budget
	£m	£m	£m	£m	£m
Children's Services	122.963	60.813	-10.623	-0.973	49.216
Adult Social Care	15.604	12.608	-0.362	-0.025	12.221
Community & Environmental Services	165.262	186.447	-53.870	-20.002	112.662
Finance & Comm Servs	81.252	53.494	-8.398	0.187	45.284
Strategy and Governance	0.100	0.100	-0.032	0.000	0.068
Total	385.181	313.461	-73.286	-20.813	219.451
				-94.099	

Note: this table may contain rounding differences.

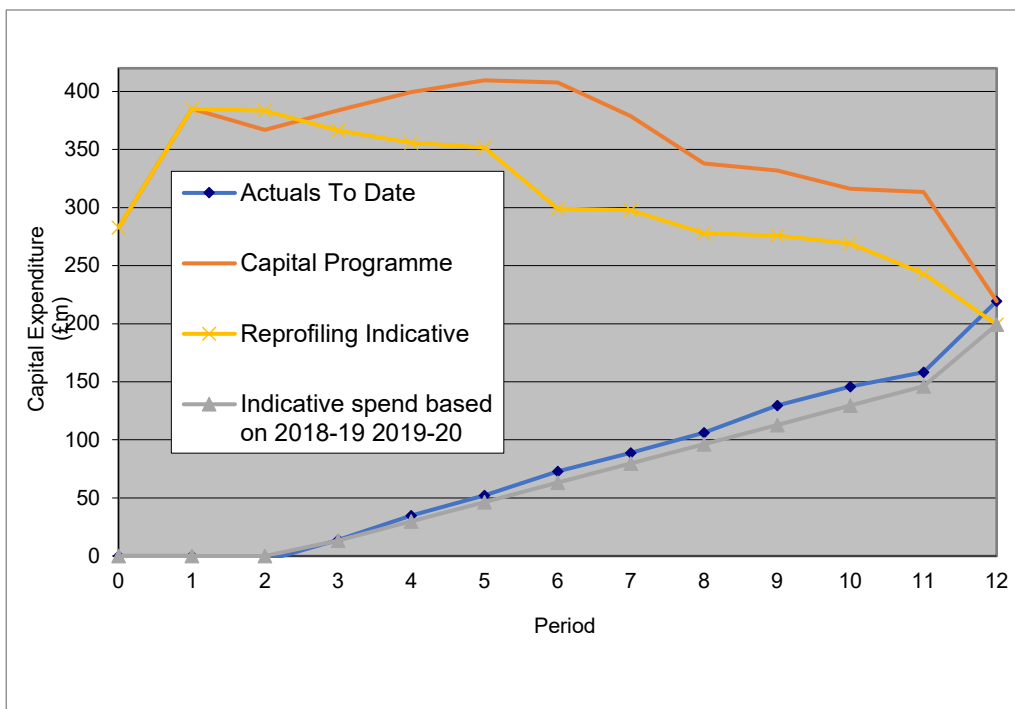
1.7 The revised programme for future years (2021-22 to 2024-25 and beyond) is as follows:

Table 3: Capital programme future years 2021+

Service	Previously reported future programme	Reprofiling since previous report	Other Changes since previous report	2021+ Future Capital Budget
	£m	£m	£m	£m
Children's Services	233.455	10.623	8.890	252.968
Adult Social Care	57.248	0.362	0.000	57.610
Community & Environmental Services	175.865	53.870	-0.370	229.365
Finance & Comm Servs	111.488	8.398	0.878	120.764
Strategy and Governance	0.400	0.032	0.000	0.432
Total	578.456	73.286	9.398	661.140
			82.684	

Note: this table contains rounding differences

1.8 The graph below shows the movement on the current year capital budget and year to date capital expenditure:



The graph shows that actual year to date capital spend is ahead of the opening forecast, which was based on the opening capital programme and an indicative calculation based on previous years' expenditure. It also shows that budgets are being re-profiled to future years as the progress on projects becomes clearer. As a result, capital expenditure of approximately £220m is expected to take place in 2020-21.

1.9 Actual expenditure in 2020-21 is as follows:

Table 4: Actual expenditure to date

Service	Expenditure year to date
	£m
Children's Services	49.216
Adult Social Care	12.221
Community & Environmental Services	112.662
Finance and Commercial Services	45.351
Total to date	219.451

The rate of capital spend has averaged approximately £18m per month. Total spend in 2020-21 was £218.3m, compared with £185.6m in 2019-20. The rate of spend has increased in 2020-21, with significant projects underway such as the Great Yarmouth Third River Crossing and the Oracle replacement project. Ongoing schemes include schools' improvements, Better Broadband and highways capital maintenance.

Despite this high level of spend, the overall programme is ambitious and a significant amount of re-profiling of schemes into 2021-22 has taken place in the final months of 2020-21 to reflect the actual timing of schemes.

2 Financing the capital programme

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

Table 4: Financing of the capital programme

Funding stream	2020-21 Programme	Future Years Forecast
	£m	£m
Prudential Borrowing	75.459	491.893
Use of Capital Receipts	0.000	0.000
Revenue & Reserves	2.371	0.154
<i>Grants and Contributions:</i>		
DfE	25.389	65.762
DfT	84.844	58.154
DoH	9.557	0.367
MHCLG	0.120	0.139
DCMS	4.503	1.213
DEFRA	0.073	2.000
Developer Contributions	5.368	29.166
Other Local Authorities	0.596	0.036
Local Enterprise Partnership	2.476	0.000
Community Infrastructure Levy	0.473	5.220
National Lottery	2.794	6.439
Commercial Contributions	3.224	0.000
Business rates pool fund	1.709	0.000
Other	0.496	0.597
Total capital programme	219.451	661.140

Note: this table may contain rounding differences

- 2.2 Additional prudential borrowing approved at 22 February 2021 County Council has been included in the table above.
- 2.3 For the purposes of the table above, it is assumed that all capital receipts will be applied directly to the re-payment of debt and transformation projects, rather than being applied to fund capital expenditure.
- 2.4 Developer contributions are funding held in relation to planning applications. Section 106 (Town and Country Planning Act 1990) contributions are held in relation to specific projects: primarily schools, with smaller amounts for libraries and highways. The majority of highways developer contributions are a result of section 278 agreements (Highways Act 1980). The Commercial Contribution referred to above is in respect of next generation broadband access (Better Broadband for Norfolk).

3 Capital Receipts

- 3.1 The Council's property portfolio is constantly reviewed to ensure assets are only held where necessary so that capital receipts or rental income can be generated. This in turn reduces revenue costs of the operational property portfolio.
- 3.2 The capital programme, approved in February 2020, gave the best estimate at that time of the value of properties available for disposal in the three years to 2022-23, totalling £14.0m.

Table 5a: Disposals capital programme forecast

Financial Year	Property sales forecast £m
2020-21	10.6
2021-22	1.5
2022-23	1.9
2023-24	1.0
	14.0

The timing of future year sales is the most optimistic case, and may slip into future years if sales completions are delayed.

- 3.3 The revised schedule for current year disposals is as follows:

Table 5b: Capital receipts and use current financial year £m

Capital receipts 2020-21	£m
Capital receipts reserve brought forward	1.347
Loan repayments – subsidiaries	0.659
Loan repayments – LIF loan repayments to date	2.919
Property sales – farms estate	2.848
Property sales - general	0.744
Sales expenses charged to capital	(0.068)
Secured capital receipts	8.449
Use of capital receipts	
Budget 2020-21 to repay debt	2.000
Use of capital receipts	2.000
Capital receipts available to fund capital expenditure or carry forward	6.449

As can be seen from this table, sufficient capital receipts have been secured to support the 2020-21 revenue budget. Further sales have contributed to the capital receipts reserve which can be used to support future debt repayments, flexible use of capital receipts or to fund capital investment.

Capital Annex 1 - changes to capital programme since last Cabinet

			2020-21	2020-21	21-22+	21-22+	
Service	Project	Funding Type	Change (£m)	REPROFILE	Change (£m)	REPROFILE	Reason
Adult Social Care	SC8120	External/NCC		-0.033		0.033	Reprofiling to reflect actual spend
	SC8140	DoH		0.010	-	0.010	Reprofiling to reflect actual spend
	SC8148	DoH		-0.086		0.086	Reprofiling to reflect actual spend
	SC8154	NCC Borrowing		-0.120		0.120	Reprofiling to reflect actual spend
	SC8121	External	-0.025				Budget reduced to reflect actual income
	SC8147	NCC Borrowing		-0.133		0.133	Reprofiling to reflect actual spend
Total Adult Social Care			-0.025	-0.362	0.000	0.362	
Children's							
EC4695	Basic need	DfE Grant			8.090		Basic need allocation 22/23
EC4998	CS Transformation	NCC Borrowing	-3.000				Budget removed as capitalisation not required 20-21
EC4995	Hubs - New Roads	NCC Borrowing		0.343		-0.343	Reprofiled to cover in year expenditure
EC4433	Fen Rivers Ph 2	NCC Borrowing	1.627				necessary accounting entry which represent an exchange transaction relating to a 07/December 2020 approved Cabinet report /funded by notional receipt/borrowing
	Trowse Primary, Hethersett Academy & Hethersett New Primary	NCC Borrowing	1.016				Donated Assets for Hethersett New Primary , Trowse Primary & Hethersett Academy playing Field
EC4822	Capital Maintenance	External	0.027				Contribution to Mousehold railings from Inclusive Trust
ECAPEQ	School based project	NCC Borrowing	-0.515				Removal of funding added twice in error
ECAPFM	School based project	DfC Grant	-0.171				142k Refresh contribution/27k refund to Academies
ECAPAA/DC	School based project	External	0.042		1.257		Contributions from Schools
EC4849	CM - Falcon Junior Modular	DfE Grant		-0.523		0.523	Reprofile budget to match in year expenditure
EC4850	Solo Dual SEND Residential Homes	NCC Borrowing		-0.490		0.490	Reprofile budget to match in year expenditure
EC4852	CS - Harford Manor Modular	DfE Grant		-0.281		0.281	Reprofile budget to match in year expenditure
EC4853	VC - Swaffham Infant Reorganisation	DfE Grant		-0.184		0.184	Reprofile budget to match in year expenditure
	Various pots	DfE Grant		-1.739		1.739	Pots reprofiled including basic need and condition
	S106 Income	Developer contributions		-0.301	-0.458	0.301	Reprofile budget to match in year expenditure
ECAPXX	School based projects	DfC/internal		-1.306		1.306	Reprofile budget to match in year expenditure
Various	schemes under 100k	NCC Borrowing/External		-2.192		2.192	Reprofile budget to match in year expenditure
EC4285	CM-Trowse Primary School	DfE Grant		-0.615		0.615	Reprofile budget to match in year expenditure
EC4344	Fen Rivers Ph2, former St Edmunds	EFA special provision		-0.802		0.802	Reprofile budget to match in year expenditure
EC4422	Easton Land Acquisition	NCC Borrowing		-0.405		0.405	Reprofile budget to match in year expenditure
EC4596	AC - Gayton Primary	DfE Grant		-0.183		0.183	Reprofile budget to match in year expenditure
EC4712	AC - Thetford Academy SRB	NCC Borrowing		-0.108		0.108	Reprofile budget to match in year expenditure
EC4724	AC - Arden Grove SRB	NCC Borrowing		-0.141		0.141	Reprofile budget to match in year expenditure
EC4727	CM - Caister SRB	NCC Borrowing		-0.117		0.117	Reprofile budget to match in year expenditure
EC4746	CS - John Grant Expansion	NCC Borrowing		-0.433		0.433	Reprofile budget to match in year expenditure
EC4797	CM-Suffield Park	DfE Grant		-0.211		0.211	Reprofile budget to match in year expenditure
EC4806	FN-St Michaels, Aylsham - Additional classrooms	Developer contributions		-0.271		0.271	Reprofile budget to match in year expenditure
EC4827	AC- Costessey Inf/ Jun amalgamation	Developer cont/DFE grant		-0.659		0.659	Reprofile budget to match in year expenditure
EC4828	CM - North Denes New School	DfE Grant		-0.288		0.288	Reprofile budget to match in year expenditure
EC4840	CM - St William's Re Roofing works	DfE Grant		-0.130		0.130	Reprofile budget to match in year expenditure
EC4862	AC - North Lynn, Lynnsport	DfE Grant		-0.451		0.451	Reprofile budget to match in year expenditure
EC4873	CM-Sprowston New Primary	DfE Grant		-0.298		0.298	Reprofile budget to match in year expenditure
EC4881	Whitlingham Outdoor Centre	NCC Borrowing		-0.143		0.143	Reprofile budget to match in year expenditure
EC4894	CM - Fakenham Infant	DfE Grant		-0.101		0.101	Reprofile budget to match in year expenditure
EC4901	AC - Wymondham Secondary Expansion	DfE Grant		-0.969		0.969	Reprofile budget to match in year expenditure
EC4911	VC - Bradwell New Primary	DfE Grant		-0.117		0.117	Reprofile budget to match in year expenditure
EC4936	Falcon Junior suitability works	NCC Borrowing		-0.727		0.727	Reprofile budget to match in year expenditure
Various	Including Gt Yarmouth SEMH & Fakenham new SEN	NCC Borrowing		3.217		-3.217	Funding moved back to cover in year expenditure
Total Children's Services			50	-10.623	8.890	10.623	

Adult Education	Wensum Lodge Development			0.014		-0.014	Reprofile to match in year expenditure
Better Broadband	Next Generation Access Broadband Contract	NCC Borrowing		-8.691		8.691	Reprofile to 21-22
	Next Generation Access Broadband Contract	Defra		-0.060		0.060	Reprofile to 21-22
	BBFN Project Management	NCC Borrowing		-0.163		0.163	Reprofile to 21-22
Ec Development	Scottow Enterprise Park	NCC Borrowing	1.100	-0.884		0.884	Ministry of Justice - Scottow Enterprise Park Solar Farm Clawback
	Development of Norfolk Infrastructure	NCC Borrowing		0.093		-0.093	Year end reprofiling
EDT - GRT	Capital Site Improvements	NCC Borrowing		-0.101		0.101	Year end reprofiling
ET - Waste	Caister Transfer Station	NCC Borrowing		-0.482		0.482	Year end reprofiling
	HWRC - Mid All Corridor	NCC Borrowing		-0.199		0.199	Year end reprofiling
	HWRC North A11/South Norwich	NCC Borrowing		-0.717		0.717	Year end reprofiling
	H W R C Equip And Vehicle	NCC Borrowing		-0.300		0.300	Year end reprofiling
	DRAINAGE ASSESSMENT	NCC Borrowing		-0.066		0.066	Year end reprofiling
	HWRC Sheringham Improvements	NCC Borrowing		-0.618		0.618	Year end reprofiling
	Replacement HWRC Norwich	NCC Borrowing		-1.006		1.006	Year end reprofiling
	HWRC Morningthorpe Improvements	NCC Borrowing		-0.150		0.150	Year end reprofiling
	Leachate Treatment	NCC Borrowing		-0.066		0.066	Year end reprofiling
	KINGS LYNN HWRC IMPROVE	External Funding		-0.085		0.085	Year end reprofiling
	LPSA - WASTE MINIMISATION	Other Grants - Funding Budget		-0.124		0.124	Year end reprofiling
EDT - Other	Single Employee Portal	NCC Borrowing		-0.027		0.027	Year end reprofiling
	E-Commerce Digital Development	NCC Borrowing		0.028		-0.028	Year end reprofiling
	CES - Customer Services Strategy	NCC Borrowing		0.001		-0.001	Year end reprofiling
	Experience Targetted Tourism	NCC Borrowing		0.007		-0.007	Year end reprofiling
	Ash Dieback Emergency Works	NCC Borrowing		-0.004		0.004	Year end reprofiling
	Accommodation Longevity	NCC Borrowing		0.002		-0.002	Year end reprofiling
	NRO Metadata Migration Project	NCC Borrowing		-0.012		0.012	Year end reprofiling
	Environment policies	NCC Borrowing	-0.091	0.091		-0.091	Transferred to Greenways to Greenspaces
EDT - Public Access	Greenways to Greenspaces	NCC Borrowing	0.091				Transferred from Environment Policies budget
Fire	Fire Hydrant Asset mgmt	NCC Borrowing		-0.100		0.100	reprofiled to 21/22 Project in demonstration stage
	Misc fire budgets	NCC Borrowing/DCLG		0.007		-0.007	Small amounts of reprofiling over a number of projects
Highways		NCC Borrowing		-40.110	0.040	40.110	NCC borrowing reprofiled to 21-22/unused Sif funding moved to NCC in 21-22
		Grants	-21.161				
		Internal	0.044				
Libraries	Poringland/Hoveton/Holt	S106 - Developer cont	0.015				Income received period 12
	Gayton/Stalham	S106 - Developer cont			0.004		Income received period 12
	Riverside/Hethersett	S106 - Developer cont			0.046		Income received period 12
	Various reprofiling	S106 - Developer cont		-0.121		0.121	Reprofiling including 64k on Attleborough
	Various reprofiling	NCC Borrowing		-0.128	-0.002	0.128	Reprofiling including 124k on Public PC refresh
	Library Building Improvements	NCC Borrowing			-0.459		Budget reallocated to Minor Works
Museums	NMS Tills	NCC Borrowing		-0.039		0.039	Year end reprofiling
	Gressenhall Playground	NCC Borrowing		-0.041		0.041	Year end reprofiling
	Norwich Castle Critical M&E Services	NCC Borrowing		-0.073		0.073	Year end reprofiling
	Gateway to Medieval England Project Management	NCC Borrowing		-0.039		0.039	Year end reprofiling
	HLF Castle Keep Delivery Phase	National Lottery Funding		0.331		-0.331	Funds moved back to cover in year expenditure
Transport	Clean Bus	DfT Grant		-0.037		0.037	Year end reprofiling
Total CES				-20.002	-53.870	-0.370	53.870
Finance ICT(NPLaw)	Nplaw IT System	NCC Borrowing		-0.032		0.032	Reprofile unspent funds to 21/22
Total Strategy			0.000	-0.032	0.000	0.032	

Minor Works	Corporate Minor Works - Other (20/21)	NCC Borrowing		-0.202	0.459	0.202	Budget reallocated from Library building improvements & year end reprofiling
	DSBLD DISCRM ACT 00			-0.048		0.048	20/21 year end reprofiling
	Corporate Minor Works Pot			0.005		-0.005	20/21 year end reprofiling
Finance - ICT	Schools ICT Refresh	DFC/NCC Borrowing	-0.038	-1.081	0.194	1.081	Refresh cont fm schools dfc
	Schools ICT Refresh 19-23	External			0.040		Refresh cont fm Diocese
	Schools ICT Refresh 19-23	Internal Funding			0.154		Schools rev cont to refresh 20/21
	Academy ICT Refresh 19-23	External	0.008		0.032		Budget adjustments for Academy refresh contributions
	Technology Improvement	Internal Funding	0.198				20-21 Additional Revenue Funding from IMT Infrastructure
	Local Full Fibre Network (LFFN)	DCMS funding		-1.030		1.030	Reprofile unspent funds to 21/22
	LoRaWAN Innovation Network	NCC/External		-0.234		0.234	Reprofile unspent funds to 21/22
	Woodside One Community Hub	NCC Borrowing		-0.175		0.175	Reprofile unspent funds to 21/22
	Fire Service budgets	NCC Borrowing		-0.847		0.847	Reprofile unspent funds to 21/22
	ICT Transformation Project	NCC Borrowing		-0.147		0.147	Reprofile unspent funds to 21/22
	Digital Transformation	NCC Borrowing		-0.117		0.117	Reprofile unspent funds to 21/22
	Strategic Co-ordinating Group Accommodation	NCC Borrowing		-0.001		0.001	Reprofile unspent funds to 21/22
	NCLS ICT Transformation Project	NCC Borrowing		-0.335		0.335	Reprofile unspent funds to 21/22
	Budget manager Licences	NCC Borrowing		-0.002		0.002	Reprofile unspent funds to 21/22
Capital Loans Facility	Repton Equity	NCC Borrowing		-0.010		0.010	Reprofile to account for amounts needed in 20/21
	Repton Loan	NCC Borrowing		-3.200		3.200	Reprofile to account for amounts needed in 20/21
	Hethel Innovation	NCC Borrowing		1.572		-1.572	Reprofile to account for amounts needed in 20/21
	GNGB	NCC Borrowing		0.231		-0.231	Reprofile to account for amounts needed in 20/21
County Farms	Farms Enhancement Work	NCC Borrowing	0.013				Additional funding for 2020-21 Farms Capitalisation Project - Sta
	Farms reprofiling	NCC Borrowing		-0.560		0.560	Farms reprofiling including 212k for purchase of farmland at Outwell and 177k for Stow, Hill farm extension
Finance	Card Payment System	NCC Borrowing		-0.026		0.026	Reprofile KF0077 budget to 21-22
	CFAT Case Management System	NCC Borrowing		-0.005		0.005	Reprofile KF0075 budget to 21-22
	NCC - HR & Finance Systems Replacement	NCC Borrowing		0.255		-0.255	Reprofile KF0088 budget using 21-22 funding
	Misc	NCC Borrowing	0.006				
Property - Fire	NFRS Changing & Assoc Facil - Cap Maint (20/21)	NCC Borrowing		-0.012		0.012	20/21 year end reprofiling
	NFRS - Reconstruction of Drill Yards (20/21)	NCC Borrowing		-0.281		0.281	20/21 year end reprofiling
	NFRS - Replacement of Training Towers (20/21)	NCC Borrowing		-0.030		0.030	20/21 year end reprofiling
	NFRS - Sandringham FS Capital Maintenance (20/21)	NCC Borrowing		-0.015		0.015	20/21 year end reprofiling
Property Other	Childrens Homes Refurbishment Programme (20/21)	NCC Borrowing		-0.376		0.376	20/21 year end reprofiling
	Kings Lynn Museum (20/21)	NCC Borrowing		-0.100		0.100	20/21 year end reprofiling
Offices	Accommodation Rationalisation Programme 2019-2021	NCC Borrowing		-2.818		2.818	20/21 year end reprofiling
	Norfolk One Public Estate Programme	NCC Borrowing		-0.325		0.325	20/21 year end reprofiling
	Old - Asbestos Survey & Removal	NCC Borrowing		-0.464		0.464	20/21 year end reprofiling
	VARIOUS:FIRE SFTY REQUIRE	NCC Borrowing		-0.381		0.381	20/21 year end reprofiling
	Flexible Workspace Desk Monitors (20/21)	NCC Borrowing		-0.102		0.102	20/21 year end reprofiling
	Whitegates Relocation/Fire Station Remodelling	NCC Borrowing		-0.149		0.149	20/21 year end reprofiling
	New - Asbestos Survey & Removal	NCC Borrowing		-0.149		0.149	20/21 year end reprofiling
	Various other offices budgets	NCC Borrowing		-0.170		0.170	20/21 year end reprofiling
Offices - County Hall	Annex Car Park 2019-20	NCC Borrowing		0.288		-0.288	20/21 year end reprofiling
	Room Booking System Replacement	NCC Borrowing		-0.010		0.010	20/21 year end reprofiling
	County Hall Forecourt - Remedial Works	NCC Borrowing		-0.035		0.035	20/21 year end reprofiling
	County Hall Heating/Cooling Systems	NCC Borrowing		-0.029		0.029	20/21 year end reprofiling
	County Hall Refurbishment - Phase II	NCC Borrowing		2.718		-2.718	20/21 year end reprofiling
Total Finance			0.187	528.398	0.878	8.398	
Total			-20.813	-73.286	9.398	73.286	

