



Norfolk County Council
at your service

Economic Development and Cultural Services Overview & Scrutiny Panel

Date: **Wednesday 10 March 2010**

Time: **10.00am**

Venue: **Main Studio, EPIC TV, Magdalen Street, Norwich**
**NO BUS – Panel members are asked to arrange
shared transport within their groups.**

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

Membership

Richard Rockliffe (Chairman)	Graham Jones
Michael Langwade (Vice Chairman)	Janet Murphy
Michael Carttiss	George Nobbs
Stuart Clancy	Graham Plant
John Dobson	Marie Strong
Phillip Duigan	Hilary Thompson
Stuart Dunn	Tony Tomkinson
Ron Hanton	Fiona Williamson
Marcus Hemsley	

Non-Voting Cabinet Member

Derrick Murphy	Cultural Services
Ann Steward	Economic Development

Non-Voting Deputy Cabinet Member

Bertie Collins	Economic Development
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**For further details and general enquiries about this Agenda
please contact the Committee Officer:
Catherine Wilkinson on 01603 223230
or catherine.wilkinson@norfolk.gov.uk**

A g e n d a

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

2 Minutes

To confirm the minutes of the meeting held 13 January 2010.

(Page 1)

3 Members to Declare any Interests

Please indicate whether the interest is a personal one only or one which is prejudicial. A declaration of a personal interest should indicate the nature of the interest and the agenda item to which it relates. In the case of a personal interest, the member may speak and vote on the matter. Please note that if you are exempt from declaring a personal interest because it arises solely from your position on a body to which you were nominated by the County Council or a body exercising functions of a public nature (e.g. another local authority), you need only declare your interest if and when you intend to speak on a matter.

If a prejudicial interest is declared, the member should withdraw from the room whilst the matter is discussed unless members of the public are allowed to make representations, give evidence or answer questions about the matter, in which case you may attend the meeting for that purpose. You must immediately leave the room when you have finished or the meeting decides you have finished, if earlier.

These declarations apply to all those members present, whether the member is part of the meeting, attending to speak as a local member on an item or simply observing the meeting from the public seating area.

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

5 Public Question Time

15 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 Officer by 5.00pm on **Friday 5 March**. Please submit your questions(s) to the person named on the front of this agenda. For guidance on submitting public questions, please view the Council Constitution, Appendix 10, Council Procedure Rules at www.norfolk.gov.uk/reviewpanelquestions.

6 Local Member Issues/Member Questions

15 minutes for local members to raise issues of concern of which due notice has been given. Please note that all questions must be received by the Committee Officer by 5.00pm **Friday 5 March**. Please submit your question(s) to the person named on the front of this agenda.

7 Cabinet Member Feedback on Previous Overview and Scrutiny Panel Comments

8 Presentation by Graham Creelman (Chair of the EPIC Strategic Board)

Items for Scrutiny

- 9 East of England Production and Innovation Centre (EPIC) Business Plan 2010-13** (Page **5**)
A report by the Director of Environment, Transport and Development
- 10 Effective Broadband and Mobile Phone Coverage in Norfolk** (Page **21**)
A report by the Chairman of the Broadband and Mobile Phone Coverage Working Group
- 11 Forward Work Programme: Scrutiny** (Page **24**)
A report by the Director of Corporate Resources and Cultural Services

Items for Overview

- 12 Cultural Services Department Integrated Performance and Finance Monitoring Report** (Page **28**)
A report by the Director of Corporate Resources and Cultural Services
- 13 Cultural Services Service and Plans and Priorities 2010-11** (Page **39**)
A report by the Director of Corporate Resources and Cultural Services
- 14 Economic Development Integrated Performance and Finance Monitoring Report** (Page **47**)
A report by the Director of Environment, Transport and Development
- 15 Economic Development Service Plan Priorities 2010-11** (Page **58**)
A report by the Director of Environment, Transport and Development
- 16 To consider any items of business which the Chairman decides should be considered as a matter of urgency**

Following the Panel meeting there will be an opportunity for all Panel members to tour the EPIC facilities.

Group Meetings (note change of time)

Conservative	8.30am	Colman Room
Liberal Democrats	8.30am	Room 504

Chris Walton - Head of Democratic Services

County Hall
Martineau Lane
Norwich
NR1 2DH

Date Agenda Published: 2 March 2010



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Economic Development and Cultural Services Overview and Scrutiny Panel

Minutes of the Meeting held on Wednesday 13 January 2010

Present:

Mr R Rockcliffe (Chairman)	Mr M Hemsley
Mr M C Langwade (Vice Chairman)	Ms J A Murphy
Mr M Cartiss	Mr G Plant
Mr S Clancy	Dr M Strong
Mr J Dobson	Ms H Thompson
Mr P Duigan	Mr T Tomkinson
Mr R Hanton	Dr F Williamson

Cabinet Members Present:

Mr D Murphy	Cultural Services
Mrs A Steward	Economic Development

Deputy Cabinet Member Present:

Mr B Collins	Economic Development
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1 Apologies and Substitutions

1.1 Apologies were received from Mr S Dunn, Mr G Jones and Mr G Nobbs. There were no substitutes.

2 Minutes

2.1 The minutes of the meeting held on 12 November 2009 were considered and it was noted that the Cabinet Member for Economic Development should read 'Mrs A Steward'. With this amendment the minutes were agreed as a correct record and signed by the Chairman.

3 Declarations of Interest

3.1 Mr Rockcliffe declared a personal interest as a member of the Nar Ouse Steering Group.

3.2 Mr Hemsley declared a personal interest in item 10 as the business owner of an internet marketing company.

4 Matters of Urgent Business

4.1 There were no matters of urgent business.

5 Public Question Time

5.1 There were no public questions.

6 Local Member Issues/Member Questions

- 6.1 The Local Member for Wells noted that residents in North Norfolk were unhappy with the second home money being reallocated, especially with funding cuts. The Chairman clarified that this would be discussed by a different group.

7 Cabinet Member Feedback

- 7.1 The Cabinet Member for Economic Development reported that the World Class Norfolk campaign had received 1,200 visits to the website, 785 online posts and 50 tweets on Twitter in December 2009. The Farming Conference on 25 February 2010 was highlighted to Panel members. Four business breakfasts had recently been hosted with a good attendance. The Future Jobs Fund had been successful in securing £2.3m for 356 entry level jobs. Communication was being made with Scottish Renewables, who had been successful in winning the license to deliver the Norfolk Array offshore wind farm.
- 7.2 The Cabinet Member for Cultural Services noted that in a recent Audit Commission report, Cultural Services was commended as one of the best in the country. Planning was ongoing for the 2012 Olympic and Paralympic Games. On 15 January Baroness Hayman was due to open a new exhibition at the Archive Centre. Libraries had seen an increase in usage and Adult Education had received a strong Audit Commission report. Adult Education staff who were based at Tanner House in Thetford would shortly be moving to a new, more modern premises.
- 7.3 In response to Member questions, the Head of Adult Education briefed that from April 2010, work previously undertaken by the Learning and Skills Council (LSC) would be moving to Children's Services for 14 – 19 year old learning. Over 19 year old learners would be overseen by the Skills Funding Agency. Provision for young people who are not in education, employment or training (NEET) was building momentum, with NCC having some apprentices and £250k funding for adults, which mainly focussed on health and social care opportunities.

Items for Overview

8 Cultural Services Department Integrated Performance and Finance Monitoring Report

- 8.1 The annexed report (8) was presented by the Finance and Business Support Manager. It was noted that this was an interim report and that a full quarter report would be available for the March meeting.
- 8.2 The following comments were made in response to questions from the Panel:
- It was noted that the recurring budget shortfall related to the Record Office had been rectified.

- 8.3 The Panel **noted** the contents of the report.

9 Cultural Services Service and Financial Planning 2010-13

- 9.1 The annexed report (9) was presented by the Finance and Business Support Manager. The

main updates from the November Panel paper were noted to be the lower contract prices for utilities, and the removal of the Record Office historic deficit (£100,000) which would be funded through lower costs and transfer of money from the museums and library services.

9.2 The following comments were made in response to questions from the Panel:

- It was noted that the 'damping' mechanism relating to the grant formula introduced in 2006/7 had an unknown timescale for being phased out. This had been lobbied at a national level.

9.3 The Panel **noted** the contents of the report and made the above comments to inform the Cabinet Members' feedback.

10 Economic Development Integrated Performance and Finance Monitoring Report

10.1 The annexed report (10) was presented by the Economic Policy and Performance Manager.

10.2 The following comments were made in response to questions from the Panel:

- Details of the two Vital Rural Areas EU funding programme projects that were due to start in 2010/11 (noted on page 41 item (h)) would be circulated as a written response to all members.
- Work was under way relating to the Local Economic Assessment (LEA), and further details were available in the Member Briefing. This would be a standing update item in the Member Briefing for each Panel meeting.
- It was noted that a longer term objective of the World Class Norfolk campaign was to support the creation of 5,000 higher value knowledge based jobs by 2021 – this formed part of the 35,000 target for the Greater Norwich Area. Updates would be given via the Member Briefing.
- A report detailing the private sector membership of and participation in Shaping Norfolk's Future (SNF) was requested. It was agreed that this would be attached to the minutes.
- The importance of ensuring that jobs were available for school leavers was noted. While World Class Norfolk is targeting the creation of higher value, knowledge-based jobs, it was confirmed that World Class Norfolk was engaging with a broad range of existing employers.
- It was noted that the advertising for World Class Norfolk campaign had been put out to tender and was being delivered by The Point – a Norfolk based company. The Point were responsible for commissioning and managing all aspects of the campaign, including advertising.
- Questions relating to search engines and tweets were raised, it was agreed that these would be forwarded to officers for a reply.

10.3 The Panel **noted** the contents of the report.

11 Economic Development Service and Financial Planning 2010-13

- 11.1 The annexed report (11) was presented by the Economic Policy and Performance Manager.
- 11.2 The Panel **noted** the contents of the report and made no additional comments to inform the Cabinet Members' feedback.

Items for Scrutiny

12. Forward Work Programme

- 12.1 The annexed report (12) was presented by the Policy Officer. It was noted that the Broadband working group had not met due to the poor weather.
- 12.2 The Panel **noted** the contents of the report.

13. East of England Production and Innovation Centre (EPIC) – Progress Report

- 13.1 The annexed report (15) was presented by the Business Development Manager. It was noted that the business plan would be presented at the March meeting.
- 13.2 The following comments were made in response to questions from the Panel:
- Prior to proceeding with the project, which was originally embarked upon in response to the local business community, considerable research was carried out by an independent consultant who looked into a range of business models and opportunities - full details were presented to Cabinet in May 2006.
 - The BBC had been involved in the project and was supportive from the outset. The bulk of the funding came from the East of England Development Agency (EEDA).
 - It was noted that the new BBC regional sports programme 'Late Kick-Off' was being filmed and produced at EPIC.
- 13.3 The Panel **noted** the contents of the report.

The meeting concluded at 11am.

CHAIRMAN



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EPIC Business Plan 2010-13

Report by the Director of Environment, Transport and Development

Summary

- This report is a follow-up to the one presented to the January Panel, which provided an overview of EPIC (the East of England Production Centre) and the progress it has made over the past two years.
- This report gives highlights from the draft 2010-13 business plan, which is included in Appendix A, and describes the planned activity that will take EPIC from a deficit position of £137k in 2009/10 to breakeven in 2010/11 and the two following years.
- In addition to building on existing activity, such as developing tenancy and the provision of training in conjunction with further and higher education providers, there are a number of emerging local, national and international opportunities that EPIC plans to grasp to build its profile and secure investment. These are outlined in the report and are reflected in business plan priorities. The business plan is framed around **three main drivers - commercial activity, educational/cultural activity and strategic activity.**
- **Commercial** plans include: bidding for the government's 'Digital Britain' funding to develop and test new technologies; carving out a niche for EPIC as a UK centre for the editing of existing commercials and programmes; exploring the opportunity to develop local news provision (as ITV pulls out of this area of work) and building on the BBC relationship established with the 'Late Kick Off' football programme.
- **Educational/cultural** plans include: widening educational and training engagement with a range of further and higher education providers and working jointly with the Norfolk and Norwich Festival to use EPIC as a venue for festival events in May 2010.
- **Strategic** plans include aiming to become: a national centre of excellence for media content as well as low carbon production techniques; the regional lead for engagement with the government's Digital Britain/Digital Economy agenda; the home of the Knowledge Transfer Network for the creative industries in the region.

In 2010/11 projected income from these strands of activity is: £201k for commercial activity, £105k for creative activity and £298k from strategic activity (including grants). After overheads (amounting to £604k), this gives a balance of zero. A similar profile – with a zero outcome - is projected for 11/12 and 12/13 and can be found on the last page of Appendix A.

Recommendation / Action Required

Members are asked to consider the activity proposed under the three main drivers and identify any aspects for further scrutiny.

1 Introduction

- 1.1. A report on EPIC's performance over the past year was presented to this Panel at the last meeting in January. It provided an overview of EPIC, the progress it has made over the past two years and described how the project has delivered strong results to date in terms of outputs - new businesses started, jobs created and people trained. It has also been at the heart of a considerable number of projects, some of which have been focussed on the television studio facilities.
- 1.2. In January it was reported that the Centre was forecast to deliver a deficit of £137k for 2009/10. This figure is unlikely to change and, as reported to the Panel in January, will be contained within the overall Planning & Transportation budget. The January report also contained a detailed description of the background to the project, which is not repeated here. However, there will be a presentation at the March Panel which will cover some of the main points.
- 1.3. This report focuses on the measures that are proposed to take EPIC from a position of deficit in 2009/10 to one of breakeven for 2010/11 and beyond. It provides key extracts from the draft business plan (which can be found in Appendix A) and explains how this objective will be achieved.

2 Creative Industries - Strategic Context

- 2.1 Essentially, the creative economy is the total of those businesses that trade in ideas and concepts to create wealth. Unlike older industries, they do not need to be near sources of raw materials or specific transport hubs to be successful. However, it has been shown that, to thrive, creative people do need to operate in places that provide a stimulating atmosphere, where culture is important, where there is strong academic stimulus and there is support and encouragement for other like-minded businesses.
- 2.3 The sector is particularly strong in Norfolk and is identified by Shaping Norfolk's Future (the county's economic development partnership) as one of the seven key sectors in the county. Economic forecasting models [Norfolk Employment Growth Study, by R Tym and Partners, 2005] highlight it as a growth sector and one which has a high proportion of knowledge-based jobs within it. Those jobs tend to pay above the average.

The strength of the sector in Norfolk is partly founded on the vibrant media cluster that has evolved over the last fifty years since Norwich was chosen as the broadcast base for Anglia TV and the fact that Norwich is also the BBC headquarters for the East of England. That skill base is still strong, although it has diversified into a wide range of other digital media activity including web design.

- 2.4 Employment in the sector varies depending on the classifications used. However, using a broad definition, it is estimated that around **20,000 people are currently employed in the sector in Norfolk – an estimated 5% of the total employment in the county.**

The sector's added value to the county's economy is also significant at approximately £750m – which is about 5% of total GVA (gross value added – a measure of wealth creation).

3 Why was EPIC developed?

3.1 The EPIC project was conceived in 2006, in light of the value of the sector to Norfolk outlined above, when the opportunity arose to acquire the former ITV Anglia production centre at Magdalen Street in Norwich.

The initiative was designed to support the substantial production community in the county, which faced the prospect of reduced access to both markets and production facilities as a result of changes within ITV. Norwich and Norfolk's credentials as a centre for the creative media would have been seriously eroded, had these facilities been permanently lost.

3.2 The Council owns and operates EPIC, which currently employs seven staff, providing overall management of the centre, including property management, catering services, event organisation and management, training and engineering services. Other County Council staff provide legal and financial support. Overall responsibility for the Centre lies within Norfolk County Council's Economic Development Team, part of Planning and Transportation. More details of the Centre's governance arrangements, staff and resources can be found in Appendix A.

3.3 The original aims of EPIC were to:

- provide industry standard **production** and **post-production** facilities for local, regional and national production companies.
- provide serviced **office space** for production and allied companies
- provide desk-space for **start-ups** or **sole traders**, enabling them to operate under professional conditions.
- work with **educational providers** to develop the creative talents of the future
- develop short **training courses** of its own, and with others, to enable participants to develop or maintain professional skills.
- provide a base, and work with others, to develop new services and to ensure that the broadcast and media industries in the area remain at the forefront of new and **emerging technologies**.

These aims still hold true and there are a number of emerging opportunities that will enable EPIC to improve its financial and commercial position:

4 Emerging Opportunities

While there are a number of business propositions for EPIC to develop based on existing activity, there are also a number of emerging opportunities at a local, national and international level, which is worth highlighting here.

- 4.1 **Digital Britain.** The Government has put the development of the creative economy at the forefront of its plans for growth. The **Digital Economy Bill** seeks to ensure that the explosion of choice in digital communications and entertainment is available to the mass of the population, and that British businesses are well placed to take advantage of global opportunities in the fast-growing digital market place.

There are substantial resources being made available, eg through the Technology Strategy Board, which identifies Digital Britain as a key priority and for which it has identified £30m. EPIC is in a strong position to lead the development and testing of new digital applications and technologies – there is currently no lead body for this sort of activity in the East of England.

- 4.2 **Post production.** With the multiplicity of TV channels, broadcast and online outlets, a single TV commercial may be ‘reversioned’ – eg edited for a different market, given a new voiceover etc - up to 300 times. Such work in the UK was previously carried out in Soho. However, facilities there have increasingly priced themselves out of the market. This is an area where EPIC can become a market leader, with a new national specialisation in high volume post production for reversioning commercials for the international market.

- 4.3 **Tenancy/Production/Profile.** EPIC has had an approach about the possibility of housing some network production at EPIC. This would involve not just office accommodation, but significant use of post-production capacity. This opportunity is at an early stage, but more detail will emerge shortly. If even part of this can be achieved, EPIC will become much more strategically significant in both the region and the country.

- 4.4 **BBC links.** The securing of the BBC’s Late Kick Off (LKO) programme, reported in the January Panel paper provides a commercial relationship with the BBC on which to build, both to secure new business and to build Norwich’s reputation as an alternative production centre to London and Manchester for the BBC.

- 4.5 **Regional news provision.** ITV has said that by 2012 it wants to cease its provision of regional news throughout England. The Government has proposed a market-failure intervention to offset this, which could involve top-slicing BBC licence revenue to fund consortia to produce regional and local television news in the vacated ITV slots.

- 4.6 **Knowledge Transfer Networks (KTNs).** There is an opportunity for EPIC to become the home of the Knowledge Transfer Network for the Creative Industries in the region. KTNs have been set up and are funded by government, industry and academia. They bring together diverse organisations and provide activities and initiatives that promote the exchange of knowledge and the stimulation of innovation in these communities. There are currently 25 KTNs with a membership of around 45,000. The newest KTNs are in Digital Communications

and Creative Industries.

- 4.7 **Norfolk and Norwich Festival.** EPIC is in discussions with the Norfolk and Norwich Festival organisers, who are keen to use the Centre as a venue for the Festival in May 2010. It hosts networking organisations and events and is exploring a range of new areas of activity that may not be directly linked to TV and media but where EPIC's facilities and position are ideal.
- 4.8 **A unique specialism.** Developing a unique technology specialism, not provided by the market and clearly branded as Norfolk's and the region's, would provide an opportunity to develop EPIC's profile and bid for grants to underpin the facilities business.
- 4.9 **Technopole.** The Greater Norwich Development Partnership (GNDP) is producing a 'Technopole Report'. Among other things, the report will publicise the advantages and opportunities in Greater Norwich, in order to attract and retain appropriate businesses. EPIC has an opportunity to provide creative industries input to the report and ensure that the sector's credentials are strongly profiled.

The next section looks at the measures proposed to capitalise on these opportunities and take EPIC from a position of deficit in 2009/10 to break even in 2010/11 and the subsequent two years.

5 EPIC Business Plan 2010 – 13: Key Highlights

The plan is shaped by three main drivers - commercial activity, educational activity and strategic activity

The rest of this section gives a brief overview of each of these areas. More detail can be found in the Draft Business Plan in Appendix A.

- 5.1 **Commercial activity** (tenancy, production, post production etc). In particular,
- Using the down-turn and lack of budgets within the media industry to create a cheaper and comprehensive alternative to London
 - Specialist emphasis on advertising production and post-production, including 'reversioning'. On the back of this, a low-cost advertising studio specialism proposal is also being developed. EPIC hopes to announce the start of the first phase of this new activity in the first quarter of 2010.
 - Seize the opportunities provided by the anticipated shifts in technical and political approaches to broadcasting and the likely ITV withdrawal from regional news production. EPIC is exploring the idea of forming a partnership for the development of news and information services across all broadband applications, either publicly-funded or purely commercial.
 - Build on the BBC relationship established with the Late Kick Off (LKO) programme for commercial gain and to build Norwich's reputation as an alternative to London and Manchester for BBC productions.

5.2 **Educational, social and cultural engagement.** In particular:

- Promote and expect to benefit from synergies - eg The Norfolk and Norwich Festival (mentioned in 4.7) and The Writers' Centre Norwich.

The aspiration to develop a writers' centre, or Creative Economy Hub with literature at its heart, in Norwich, sits at the heart of overarching strategies for the region, including those of Arts Council England East and EEDA.

- Widen educational and training engagement - eg UEA, City College Norwich, Anglia Ruskin University as well as NUCA – and offer solutions, as well as the facilities.

5.3 **Strategic activity.** In particular,

Take a leadership role and support the development of new technology by:

- Aiming to become a national centre of excellence for media content, working with the support of EEDA to achieve this.
- Grasping the vacant role to be the prime focus for regional engagement with the digital economy, including developing a 'test bed' for the delivery of key objectives of the Digital Britain and Digital Economy agendas. This would include working with the County Council to create a digital user network for the provision of council services and the creation of a local IP (internet protocol) television information service, which is already being trialled.
- Becoming the home of the regional Knowledge Transfer Network for the Creative Industries in the region.
- Developing a unique specialism – becoming a national centre for low-carbon production techniques. As well as building national profile, this provides access to funding - an initial application, with a commercial partner, to the regional low-carbon European Regional Development Fund (ERDF) fund is being developed.

6 Financial overview to 2013

6.1 The table below provides an breakdown of the funding for each of the three main drivers over the four year period:

Activity	2009/10	2010/11	2011/12	2012/13
Commercial activity	92	201	238	260
Education/social/cultural engagement	107	105	140	175
Strategic activity 3 rd party grants	126	198	165	210
Economic Development grants	120	100	80	0
Total net income	445	604	623	645
Overheads	582	604	623	645
Surplus / (Deficit)	-137	0	0	0

7 Risks

- 7.1 As with all businesses, there is a risk that some business plan prospects are not realised, such as grant income. There is a robust risk assessment of the income for each of the three main drivers for 2010/11. The same assessment will be undertaken for subsequent years of the plan, as prospects become firmer. The EPIC business plan and risk register are monitored monthly by its Strategy Board and the Head of Economic Development.

8 Resource Implications

- 8.1 **Finance:** The financial overview up to 2013 is in section 6, above. As mentioned in January, the 2009/10 projected deficit will be contained within the Planning and Transportation budget.
- 8.2 **Staff:** if the refreshed approach outlined in this report is agreed, in the context of the organisational review, there may be a need to revisit the staffing structures for EPIC, to ensure it is properly positioned to deliver this plan.
- 8.3 **Property:** None contained in this report.
- 8.4 **IT:** None

9 Other Implications

- 9.1 **Legal Implications:** In terms of existing and planned project activity, EPIC has legal commitments to NUCA to host students, to Late Kick Off to make TV programmes for two and a half years and to the EU-funded E-clic project until April 2012.
- 9.2 **Human Rights:** None identified.
- 9.3 **Equality Impact Assessment (EqIA):** EPIC operates a clear policy in terms of EqIA.
- 9.4 **Communications:** As mentioned in the business plan, EPIC will need to work hard to communicate its offer in order to achieve its aim of establishing itself as a regional / national centre of excellence in a number of areas.
- 9.5 **Health and safety implications:** None identified. However, it should be appreciated that H&S is a key issue for the management of EPIC and one which is taken very seriously by the staff.

10 Section 17 – Crime and Disorder Act

- 10.1 Previous reports have identified the positive effect that EPIC has on bringing economic activity back into a relatively run down area of the city, which can help prevent crime.

11 Risk Implications/Assessment

11.1 These are identified in section 7.

12 Conclusion

12.1 Proposals for 2010-13 indicate that EPIC should break even in 2010/11 and in the subsequent three years. The business plan and risk register will be closely monitored by the Centre's Strategy Board and the Head of Economic Development.

Recommendation

- (i) Members are asked to consider the activity proposed under the three main drivers and identify any aspects for further scrutiny.

Background Papers

EPIC Update, 13 January 2010 Overview and Scrutiny Panel

Officer Contact

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

Name	Telephone Number	Email address
David Dukes	01603 223142	David.dukes@norfolk.gov.uk
Mark Wells	01603 727771	Mark.wells@epic-tv.com



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APPENDIX A

Draft EPIC Business Plan: 2010-13

1. Strategic context

- 1.1 The importance of the creative economy and the wider knowledge economy is becoming even more apparent as successive National and International strategy documents emerge. The UN Creative economy Report 2008, for example, is clear that development strategies must be updated in order to cope with the far-reaching cultural and technological shifts under way in our society.
- 1.2 Creativity and the ability to turn information into money are fast becoming key tools in harnessing intellectual capital, generating income, jobs and export earnings while at the same time promoting social inclusion, cultural diversity and human development.
- 1.3 Essentially, the creative economy is the aggregation of those businesses which trade in ideas and concepts to create wealth. Unlike older industries, they do not need to be near sources of raw materials or specific transport hubs to be successful. Theoretically, they could be anywhere. But it has been shown that to thrive, creative people do need to operate in places which provide a stimulating atmosphere; where culture is important, where there is strong academic stimulus and there is support and encouragement for other like-minded businesses. Creative people do like to cluster!
- 1.4 Loosely defined, the creative industries are at the crossroads of the arts, culture, business and technology. They range from folk art, festivals, music, books, paintings and performing arts to more technology-intensive subsectors such as the film industry, broadcasting, digital animation and video games, and more service-oriented fields such as architectural and advertising services. EPIC is, and can be more strongly, at the centre of many of these elements.
- 1.5 The Creative Industries Sector is identified as one of the 7 key sectors in Norfolk and its growth and development forms an important part of Shaping Norfolk's Future Strategy. Economic forecasting models highlight it as a growth sector and one which has a high proportion of knowledge based jobs within it. Those jobs tend to pay above the average. [Norfolk Employment Growth Study, by R Tym and Partners, 2005).
- 1.6 The sector is also particularly strong in Norfolk, in that it is partly founded on the strong media cluster that has evolved over the last fifty years since Norwich was chosen as the broadcast base for Anglia TV, and is also the BBC Headquarters for the East of England. That skill base is still strong, although it has diversified into a wide range of other digital media activity including web design.
- 1.7 Employment in the sector varies depending on the classifications used. However, using a broad definition, it is estimated that around 20,000 people are currently employed in the sector – this equates to 5% of total employment in Norfolk. The sector's added value to the county's economy is also significant at

- 1.8 The Government has put the development of the creative economy at the forefront of its plans for growth. The Digital Economy Bill seeks to ensure that the explosion of choice in digital communications and entertainment is available to the mass of the population, and that British businesses are well placed to take advantage of global opportunities in the fast-growing digital market place.

2 Why was EPIC developed?

- 2.1 The EPIC project was conceived and developed in 2006, in light of the value of the sector to Norfolk outlined above, when the opportunity arose to acquire the former ITV Anglia production centre at Magdalen Street in Norwich.
- 2.2 The initiative was designed to support the substantial production community in the county, which faced the prospect of reduced access to both markets and production facilities as a result of changes within ITV. Norwich and Norfolk's credentials as a centre for the creative media would have been seriously eroded, had these facilities been permanently lost.
- 2.3 The original aim of EPIC was to:
- provide industry standard **production** and **post-production** facilities for local, regional and national production companies.
 - provide serviced **office space** for production and allied companies
 - provide desk-space for **start-ups** or **sole traders**, enabling them to operate under professional conditions.
 - work with **educational providers** to develop the creative talents of the future
 - develop short **training courses** of its own, and with others, to enable participants to develop or maintain professional skills.
 - provide a base, and work with others, to develop new services and to ensure that the broadcast and media industries in the area remain at the forefront of new and **emerging technologies**.

3 Governance, Management and Resources

- 3.1 The Council owns and operates EPIC which currently employs seven staff, providing overall management of the centre, including property management, catering services, event organisation and management, training and engineering services. Other County Council staff provide legal and financial support. Overall responsibility for the Centre lies within the Economic Development Unit, part of Planning & Transportation.
- 3.2 Operating and general commercial decisions are made by the Centre Director, with reference to the Head of Economic Development on matters of policy. General advice and guidance is provided by a Strategy Board, currently under an

external Executive Chairmanship. It includes the Director, NCC's Head of Economic Development, its Head of Arts, a P&T Finance Officer and two external board members with relevant industry experience. Member representation is by Ann Steward, the Cabinet Member for Economic Development, and Bert Collins, Deputy Cabinet Member for Economic Development.

- 3.3 The Centre Director is assisted by a Centre Co-ordinator, who has day to day responsibility for invoicing and payments, building maintenance, and events liaison. Facilities bookings are largely dealt with by a part-time receptionist. A Project Manager coordinates and runs project activities, particularly the Centre's EU project, E-Clic, and is responsible for identifying and developing additional sources of external project funding.
- 3.4 EPIC's technical facilities include some 70 edit stations, including the commercial / broadcast edit suites. There are two small voice studios and an attached audio-dubbing facility. The three TV studios together contain sixteen professional studio camera systems, three production galleries and three audio control rooms. Location equipment, available for hire, includes nine professional video kits and associated lighting and audio equipment.
- 3.5 This resource is installed, maintained and very largely operated by a technical staff of three senior broadcast engineers with complementary skills in IT, camera systems, audio and lighting. Additional freelance operators are engaged for commercial and production activities, as appropriate.

3 Weaknesses, Opportunities and Strengths

Before looking at the future direction of EPIC, it is important to appreciate some of the issues affecting the business operation:

- 3.1 **Weaknesses.** Despite a considerable amount of effort, the Centre still suffers from a lack of profile within the industry. Work is underway to address this and business is starting to flow as a result – for example the work with the Entertainment Masterclass gave EPIC significant worldwide exposure, bringing senior broadcast executives into the Centre. However, the message about the excellent facilities and technology has been slow to get through.

It is also the case that EPIC has not taken its place as visibly as Hethel in the regional landscape. This is partly due to the work-load on the team to deliver the product itself and also in trying to market EPIC's capacity. EPIC is only now starting to operate effectively in the regional and national arenas.

- 3.2 **Opportunities.** The key opportunity going forward is the development of new services working with new technologies. This represents possibly the most important and productive area of development for EPIC. There are substantial resources being made available through, for example, the Technology Strategy Board, which identifies Digital Britain as a key priority, for which it has identified £30m. EPIC is in a strong position to lead the development and testing of new digital applications and technologies.

Technopole. The Greater Norwich Development Partnership (GNDP) is producing a 'Technopole Report'. Among other things, the report will publicise the advantages and opportunities in Greater Norwich, in order to attract and retain appropriate businesses. EPIC has a great opportunity raise the profile of the creative industries and ensure that the sector's credentials are strongly profiled in the report.

3.3 **Strengths.** EPIC has a number of strengths to build on and overcome the weaknesses mentioned above:

- an excellent reputation for professional broadcast quality facilities and for the technical competence of its staff and associates
- an unrivalled infrastructure in the region to support and enable technology innovation.
- excellent links with education providers at both FE (further education) and HE (higher education) level, enabling strong business and education linkage
- it provides a clear pathway into the substantial creative community across Norfolk, which contains a high quality skill set across of range of creative industries.

3.4 To deliver on its objectives, EPIC now needs to build on its strengths and assets and to demonstrate much more clearly how it can contribute to the regional and national agenda; creating jobs, supporting business start-up, sustainability and growth and supporting the development of services that could benefit the local community, whilst at the same striving to achieve financial sustainability.

3.5 It needs to get closer to regional and national agendas, with ambitions to lead the debate. This is particularly true in relation to the Digital Economy. It also needs to be much more flexible in identifying and grasping commercial opportunities. EPIC needs to continue to improve its technical and commercial credibility, but also be prepared to move focus away from activities that do not appear likely to deliver returns, even if this means re-shaping the original aims and objectives.

3.6 The establishment of EPIC as a **centre of excellence and innovation in a key technology growth area** will help establish much needed profile. It will also put Norwich and Norfolk at the centre of regional efforts to develop our creative economy. This will increase the attractiveness of the overall EPIC offer to possible tenants and facilities users. Without this acceleration of strategic impact it is most likely that Norwich and Norfolk will begin to lose ground in the battle to grow creative potential, with impacts on jobs and on the social and educational agendas.

3.7 Purely commercial activity in itself has proved erratic in sustaining EPIC. An underlying technology specialism, not provided by the market and clearly branded as Norfolk's and the region's, is key to successfully bidding for grants to underpin the facilities business. By re-focussing, funding from areas such as ERDF and the Technology Strategy Board becomes accessible.

4 Business Plan Main Drivers

4.1 Driver 1 – Commercial activity

- 4.1.1 **Tenancy and enterprise support** – There are currently 10 companies based within EPIC. Many of the companies have been very young or start-ups: some have since moved on into larger premises of their own; one company split up into two smaller entities, which have remained at EPIC and continue to grow.

EPIC will continue to provide offices to rent and will maximise the space available. Currently there are several tenant companies whose specialisms are at the cutting edge in the creation of digital content. These include a television production company which has successfully made the transition from broadcast content provider to a creator of programming for mobile phones. Another company has been responsible for moving Channel 4's educational content from television to the internet. These are exactly the kind of tenants EPIC needs. As part of the new business plan, EPIC will facilitate regular brain-storming sessions among tenants and other potential customers to create a shared community of enthusiasm for developing Norfolk's specialism in creative digital technology.

A key target for EPIC in the coming year is to acquire a key tenant with capacity to jointly deliver EPIC's prime strategic outcomes and funding targets. A significant possibility has emerged. The company's aims and objectives are strongly aligned with EPIC's and their co-location would be beneficial, for example as a partner for joint funding applications and would significantly raise the profile of what happens in Magdalen Street.

EPIC is exploring the possibility of housing some network production at EPIC. This would involve not just office accommodation, but significant use of post-production capacity. This opportunity is at an early stage, but more detail will emerge shortly. If even part of this can be achieved, EPIC will become much more strategically significant both in the region and in England. An element of this would be to work with TV producers to help them move their content to new digital platforms and distribution mechanisms.

EPIC also supports business collaboration projects to enable businesses to bid for and win larger contracts together that they would not have been able to win on their own.

- 4.1.2 **Production and related activity.** Of most interest is the gradual adoption of the facility by the BBC that has led to the successful pitch for a new weekly sports programme to be produced at EPIC. This is potentially a 2 ½ year commitment that should lead to considerably more business. The acquisition of this first continuing production contract with a major broadcaster is a real step forward in the development of EPIC. It is also highly significant that the BBC has awarded this contract to an independent company – when it has retained the contract in-house in most other regions.

A key target for the team is to build on this new relationship. Although revenue from the show is important in itself, even more important is the branding and marketing of EPIC as a viable out-of-London production and development resource for the BBC in the English regions. This has social and political

dimensions as well as purely practical, and EPIC will mobilise support for Norwich as an alternative BBC production centre in the English regions, challenging the concentration of English activity in London and Manchester.

ITV has said that by 2012 it wants to cease its provision of regional news throughout England. The Government has proposed a market-failure intervention to offset this, which could involve top-slicing BBC licence revenue to fund consortia to produce regional and local television news in the vacated ITV slots.

EPIC is exploring the possibility of forming a partnership for the development of a news and information service across all broadband applications, either publicly-funded or purely commercial. In this EPIC would be content-neutral, providing the technology support for such a service to reach viewers the partner would provide the content.

4.1.3 Post Production. This has been an area of success in the past year for EPIC and again, there will be a good deal of focus on selling the technology and expertise.

4.1.4 Re-versioning. This is a new and promising line of business activity for EPIC. With the multiplicity of TV channels, broadcast and online outlets, a single TV commercial may, for example, be 're-versioned' – eg edited for a different market, having a new voiceover etc - up to 300 times. Such work in the UK was previously carried out in Soho. However, facilities there have increasingly priced themselves out of the market.

EPIC is currently working with a new company, which has emerged from the London advertising scene, to attract this work to Norfolk. EPIC has the resources and experience to develop innovative 'edit clusters', where a team of editors work concurrently on a single project using shared video assets. A proposal to develop such a technical resource has been drawn up and capital funding is being sought externally. Whether or not such funding becomes available, this is an important opportunity, capable of attracting significant economic activity to the county as well as making a substantial contribution to EPIC revenues in the medium and long term. This is an area where EPIC can become a market leader with a new national specialisation in high volume post production for re-versioning commercials for the international market. On the back of this, a low-cost advertising studio specialism proposal is also being developed. EPIC hopes to announce the start of the first phase of this new activity in the first quarter of 2010.

4.2 Driver 2 – Educational, Social and Cultural Engagement

4.2.1 Training and Education. Over a hundred students from Norwich University College of the Arts are currently studying for Film and Video degrees at the Centre. Other courses have been run including a Masters Degree module and EPIC is also in discussion with UEA and City College Norwich (CCN) over the implementation of new courses. EPIC is also engaging well with schools and young people.

Up until now, EPIC's major higher education (HE) partner has been Norwich University College of the Arts (NUCA). Our relationship with NUCA is evolving as the HE sector faces major changes. Ambitions we originally developed with them have had to be revised because of the current funding climate in HE. The long-term intention is to ensure we have one or more active educational partners with the ability and willingness to contribute to the overall delivery of the EPIC offer. The targets include NUCA as well as many of the other HE and FE (further education) providers in the region. The ultimate aim is to supply appropriate trainees and skilled staff for productions and providing creative and staff input to key EPIC activities, such as a broadcast or IP television service.

- 4.2.3 **Short Courses.** EPIC is also in discussion with the regions FE/HE providers to deliver short courses in areas such as video journalism, editing, film-making and production. EPIC is also in discussion with private sector providers over the potential to deliver training for major broadcasters.
- 4.2.4 **Events and hires.** EPIC will further develop a modest income stream from engagement with social and cultural organisations, such as The Norfolk and Norwich Festival (already staging two productions this year); the Writers Centre Norwich and The Arts Council.
- 4.2.5 **Own organised events.** EPIC will run occasional events, such as the Pitching Competition, delivered to achieve at least cost recovery, or will be set against the marketing budget. The intention will be to promote EPIC, promote/engage the sector generally and more specifically introduce new business concepts and partners to the Centre. Some of this activity is financially supported by EPIC's participation in the EU Project E-Clic
- 4.2.6 **Other activities.** The centre has been used for a number of events organised by the local community and from the public sector. It was successfully used as a venue for film screenings as part of the Aurora film festival and EPIC is also in discussions with the Norfolk and Norwich Festival organisers, who are keen to use the Centre as a venue for the Festival in May 2010. It hosts networking organisations and events and is exploring a range of new areas of activity that may not be directly linked to TV and media but where EPIC's facilities and position are ideal.

4.3 Driver 3 – Strategic Activity

- 4.3.1 **Development of New Services and Technologies.** Many of the companies working with or within EPIC are engaged in the development of new services and technologies. These include new online communications systems and innovative uses of social networking for a major broadcaster. The E-Clic project is an example of how EPIC has exploited strategic opportunities. The project, which has partners in Sweden, Norway, Belgium, Germany and the Netherlands is working to develop new services, content and technology which will sponsor the growth of the digital sector and broadband communications across Northern Europe. The benefits will continue throughout 2010/11.

It provides funding for activities that meet the programme's objectives at a level of 50%. E-Clic is a three year project which has just reached the end of its first year. Annual funding is in the region of €140,000. EPIC will explore other EU funding opportunities.

EPIC is perfectly positioned to become a centre of excellence for innovation in content creation and distribution, and a key centre for the region in the delivery of the Digital Britain vision. Key actions include:

- EPIC becoming the home for a Knowledge Transfer Network for the Creative industries in the region
- Developing a 'test bed' for the delivery of key objectives of the Digital Britain and Digital Economy agendas. This would include working with the County Council to create a digital user network for the provision of council services and the creation of a local IP television information service (which is already being trialled).

EPIC will seek to become a national centre for techniques leading to low-carbon media production. An initial application with a commercial partner, to the new regional low-carbon ERDF fund is being developed.

5 Financials to 2013

The table below provides a breakdown of the funding for each of the three strategic drivers over the four year period:

Activity	2009/10	2010/11	2011/12	2012/13
Commercial activity	92	201	238	260
Education/social/cultural engagement	107	105	140	175
Strategic activity 3 rd party grants	126	198	165	210
Economic Development grants	120	100	80	0
Total net income	445	604	623	645
Overheads	582	604	623	645
Surplus / (Deficit)	-137	0	0	0

Effective Broadband and Mobile Phone Coverage in Norfolk

A report by the Chairman of the Broadband and Mobile Phone Coverage Working Group

This report provides Members with suggested Terms of Reference for 'Effective Broadband and Mobile Phone Coverage in Norfolk'.

1. Background

- 1.1 It is noted by members that there is a lack of effective Broadband and Mobile Phone coverage in Norfolk and councillors are being lobbied by their residents to improve the situation. This scrutiny will provide the opportunity for a group of Members to look at this issue in some depth, and report back to the Overview and Scrutiny Panel.

2. Terms of Reference

- 2.1 The Economic Development and Cultural Services Overview & Scrutiny Panel Working Group met on the 17th February to consider the Terms of Reference for this area of scrutiny and these are attached as Appendix A

3. Section 17– Crime and Disorder Act

- 3.1 The crime and disorder implications of the scrutiny topic will be considered when the scrutiny takes place.

4. Equality Impact Assessment

- 4.1 There are no impacts arising from this report. Equality implications of the scrutiny topic will be considered when the scrutiny takes place.

5. Action Required

- 5.1 The Overview and Scrutiny Panel is requested to consider and agree the suggested attached Terms of Reference to look at current provision of Broadband and Mobile Phone coverage in Norfolk and explore methods of improving and increasing its provision.

Contacts:

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If you need this report in large print, audio, Braille, alternative format or in a different language please contact Laura Childs on 01603 224295 or 0844 800 8011 (minicom) and we will do our best to help

Draft Terms of Reference

Norfolk County Council
Economic Development & Cultural Services Overview & Scrutiny Panel
<p>Terms of reference for scrutiny of</p> <p>Broadband and Mobile Phone coverage for rural and urban areas in Norfolk</p>
<p>Scrutiny by</p> <p>A Working Group from the Economic Development and Cultural Services Overview & Scrutiny panel</p>
<p>Membership of working group</p> <p>Stuart Clancy Phillip Duigan (Chair) Janet Murphy Richard Rockcliffe Marie Strong</p> <p>Scrutiny Support Laura Childs, Scrutiny Support Officer</p>
<p>Reasons for scrutiny</p> <p>It is noted by members that there is a lack of effective Broadband and Mobile Phone coverage in Norfolk and councillors are being lobbied by their residents to improve the situation. This scrutiny will provide the opportunity for a group of Members to look at this issue in some depth, and report back to the Overview and Scrutiny Panel.</p>
<p>Purpose and objectives of scrutiny</p> <p>To look at current provision of Broadband and Mobile Phone coverage in Norfolk and explore methods of improving and increasing its provision.</p>

Issues and questions to be addressed

What is the current provision of Broadband coverage in Norfolk?

What is the current provision of Mobile Phone coverage in Norfolk?

What is the current provision of wifi coverage around Norfolk?

Can a clearer picture be sought on who is providing broadband?

How does Norfolk compare with other counties in its current provision of Broadband and Mobile Phone coverage?

Are there areas of Government and European funding that can be accessed to help with the provision of increased Broadband and Mobile Phone coverage?

What is currently being done to address the issue?

What are the negative impacts on the social, economic and cultural aspects of Norfolk?

Planned outcomes

- Define the extent of the lack of coverage and speed regarding Broadband and mobile phones in the County of Norfolk
- Develop proposals to improve Broadband and mobile coverage in Norfolk.

Deadlines and timetable

- A first report highlighting the issues around Broadband and mobile phone provision and initial proposals will be taken to the Economic Development & Cultural Services Overview and Scrutiny Panel in May

Terms of reference agreed by

Economic Development & Cultural Services Overview & Scrutiny Panel

Date

February 2010

Forward Work Programme: Scrutiny

Report by the Director of Corporate Resources and Cultural Services

Summary

This report asks Members to review and develop the programme for scrutiny.

1. The Programme

1.1. The Outline Programme for Scrutiny (Appendix A) has been updated to show progress since the 13th January 2010 Overview and Scrutiny Panel.

1.2. Members of the Overview and Scrutiny Panel can add new topics to the scrutiny programme in line with the criteria below: -

(i) High **profile** – as identified by:

- Members (through constituents, surgeries, etc)
- Public (through surveys, Citizen's Panel, etc)
- Media
- External inspection (Audit Commission, Ombudsman, Internal Audit, Inspection Bodies)

(ii) Impact – this might be significant because of:

- The scale of the issue
- The budget that it has
- The impact that it has on members of the public (this could be either a small issue that affects a large number of people or a big issue that affects a small number of people)

(iii) Quality – for instance, is it:

- Significantly under performing
- An example of good practice
- Overspending

(iv) It is a Corporate Priority

2. Section 17 – Crime and Disorder Act

2.1. The crime and disorder implications of the various scrutiny topics will be considered when the scrutiny takes place

3 Equality Impact Assessment

3.1 This report is not directly relevant to equality, in that it is not making proposals that will have a direct impact on equality of access or outcomes for diverse groups.

Action Required

- (1) The Overview and Scrutiny Panel is asked to consider the attached Outline Programme (Appendix A) and decide how to proceed with the scrutiny topics listed.
- (2) The Overview and Scrutiny Panel is invited to consider new topics for inclusion on the scrutiny programme in line with the criteria at para 1.2.

Officer Contact

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

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Outline Programme for Scrutiny

Standing Item for Economic Development and Cultural Services O & S Panel: Update for 10th March 2010

This is only an outline programme and will be amended as issues arise or priorities change

Scrutiny is normally a two-stage process:

- Stage 1 of the process is the scoping stage. Draft terms of reference and intended outcomes will be developed as part of this stage.
- The Overview and Scrutiny (O&S) Panel or a Member Group will carry out the detailed scrutiny but other approaches can be considered, as appropriate (e.g. 'select committee' style by whole O&S Panel).
- On the basis that the detailed scrutiny is carried out by a Member Group, Stage 2 is reporting back to the O&S Panel by the Group.

This Panel welcomes the strategic ambitions for Norfolk. These are:

- A vibrant, strong and sustainable economy
- Aspirational people with high levels of achievement and skills
- An inspirational place with a clear sense of identity

These ambitions inform the NCC Objectives from which scrutiny topics for this Panel will develop, as well as using the outlined criteria at para 1.2 above.

Changes to Programme from that previously submitted to the Panel on 12th November 2009

None

Topic	Outline Objective	Cabinet Portfolio Area	Stage 1 (scoping report)	Stage 2 (report back to Panel by Wkg Group)	Requested by	Comment
Scrutiny Items Outstanding/ Ongoing						
1a. The Recession	To ensure SME's remain viable during the latter half of the economic downturn and are well placed to take advantage of the forthcoming upturn	Economic Development			Overview & Scrutiny Panel Task & Finish Group (01/09/09)	
1b The Recession	To keep communities and individuals supported and economically engaged during the latter half of the economic downturn	Economic Development			Overview & Scrutiny Panel Task & Finish Group (01/09/09)	
2. Broadband and Telecomm provision in Norfolk	Provision of fully effective Broadband and Mobile Phone coverage for rural and urban areas in Norfolk	Economic Development			Overview & Scrutiny Panel Task & Finish Group (01/09/09)	1 st Meeting Held. Draft Terms of Reference developed. Scoping work now being undertaken. 1st Report to Panel in May

Completed Scrutiny Items:

22/5/2007	PE & Sport – Norfolk County Council				Report to Panel
25/7/2007	Cultural Services Environmental Policy				Report to Panel
26/9/2007	Hethel Engineering Centre				Report to Panel
26/9/2007	Support for independent museums in Norfolk				Report to Panel
20/11/2007	Norfolk County Council Arts Grants and Village Hall Grants				Report to Panel
17/1/2008	Business Waste Management in Norfolk				Report to Panel
17/1/2008	Norfolk Arts Partnership				Report to Panel
13/5/2008	The Cultural Contribution to Economic Development in Norfolk				Report to Panel
13/5/2008	The Growth Agenda in Urban Centres in Norfolk and its implications for this Review Panel				Report to Panel
13/5/2008	Partnership Working: Cabinet Scrutiny Working Group				Report to Panel
22/7/08	Norfolk Celebrating Talent: To see how best we can maximise the benefit of the 2012 Olympics.				Report to Panel
16/9/08	Business enterprise in education and work experience				Report to Panel
18/11/08	Keeping libraries safe, welcoming and secure for all users and staff				Working Group
18/11/08	Rural Community Council				Report to Panel
15/1/09	Norfolk Tourism – Review the effect of NCC involvement in tourism				Report to Panel

Cultural Services Department Integrated Performance and Finance Monitoring report

Report by Director of Cultural Services

Executive Summary

This report provides performance against service plans and finance monitoring information for the period to 31 January 2010. Section 1 covers service performance information, and Section 2 financial performance.

The main issues for consideration by this Panel are:

- As at the end of January 2010, the forecast revenue out-turn for the Cultural Services Department is for a balanced budget.
- Capital schemes are on target and there is one change to the Record Office Reserves in order to make funding available for the purchase of manuscripts.
- Library and Museum visitors have increased over last year's figures. Performance indicators for the Record Office indicate that the Archive Centre has significantly increased audience participation compared with last year.
- Performance against 2009/10 service plans is on target

Recommendation

Members are asked to consider and comment on:

- Progress with performance and 2009/10 service plans
- Progress with the revenue budget, the capital programme and reserves and provisions monitoring positions for 2009/10.
- Whether any aspects should be identified for further scrutiny.

1. Performance against Service Plans

1.1 Performance Summary

1.1.1 Library visits are 2.4% up on last year from 4,017,986 to 4,114,943 and Museum visitors up from 285,186 to 288,428 Overall, Record Office visitors and users of

the service have increased significantly from 22,338 to 49,157 compared with last year, a 120% increase. This exceptional increase (which is probably a one-off) has resulted mainly from the work on the 'Connecting with Communities: People and Parliament' project, in which the Record Office has been involved, in partnership with the Parliamentary Archives and Parliamentary Outreach, and which has attracted a national audience.

1.2 Adult Education Service

- 1.2.1 In November 2009 Adult Education Service secured £0.080m of European Social Fund (ESF) Train to Gain funding. The funding will be used to support the County Council's Skills Pledge work through delivering Skills for Life and NVQ 2 programmes to NCC staff.
- 1.2.2 The Service has also been awarded £0.255m of ESF funding and £0.026m of Learning and Skills Council (LSC) funding to enable it to deliver and support apprenticeship training and qualifications in Norfolk. The focus of this training will be on public service employers and employees and will include Business Administration, Children's Care, Learning & Development, Customer Services, Environmental Management, Health and Social Care, Information & Communication Technology and School Support Staff Apprenticeship Frameworks.

1.3 Arts Service

- 1.3.1 The Norfolk Arts Forum Winter conference, entitled 'The Art of Business and the Arts', took place on Tuesday 1 December. Now in its 25th year, the conference returned to EPIC Studios for a second time. 108 delegates attended, making this the most popular Arts Forum Conference since they began in 1984.
- 1.3.2 Fiona Roberts joined the Arts Service team on 4 January as Tour of Britain Manager. The Tour is Britain's leading professional cycle race and the biggest free-to-view live sporting event in the country. Norfolk is hosting the only leg of the Tour of Britain in the Eastern Region. The exact route is yet to be confirmed but will cover 190 kilometres across Norfolk.

Sixteen international teams of 6 riders will contest the Tour and over 70,000 spectators are expected to line the route. Activities around the race to be generated across the route, engaging schools, communities, volunteers, businesses and visitors.

1.4 Library and information Service (NLIS)

- 1.4.1 Following research into the provision of e-books to libraries, Norfolk Library and Information Service (NLIS) has signed up for a two-year contract with Overdrive starting in May 2010. Overdrive is an American company with extensive experience of providing e-services to public libraries, both in the US, and now in the UK. Library members will be able to access e-books via the library service website from home PCs and even on the move from a laptop or compatible e-reader.
- 1.4.2 Great Yarmouth Community Library re-opened after a £1.3m Big Lottery investment which enabled the building to be reshaped into a range of areas that

can support reading and learning for groups and for individuals. Since re-opening, use of the library has increased 12% for visitors and 21% for issues:

Issues Oct-Dec08	25,173	Issues Oct-Dec09	28,195
Visits Oct-Dec08	36,615	Visits Oct Dec09	44,290

1.4.3 In addition, NLIS has carried out the following activities:

- Targets for delivering the UK Online Project at Mile Cross Library offering free basic IT skills courses have been exceeded by 9% from 100 to 109.
- A new vehicle to improve delivery of service to people in residential homes has been purchased and is now in operation.

1.5 Museums and Archaeology Service (NMAS)

1.5.1 Norfolk Landscape Archaeology has formed a partnership with North Norfolk District Council to deliver a project to help coastal communities adapt to coastal change. NNDC has secured £3m out of a national total of £11m from the Department for Environment, Food and Rural Affairs (Defra) for a 'Coastal Pathfinder' project, based on the parish of Happisburgh.

1.5.2 The Mammals Gallery, now the Natural History Gallery, has re-opened. The Norfolk Room featuring the Ted Ellis dioramas has been refurbished.

1.5.3 NMAS hosted a return visit by Chinese museum leaders in January. "National treasure", Chen Hong, will be artist in residence at Norwich Castle in May 2010

1.5.4 A new marketing strategy has improved schools' take-up of services and figures now back on target achieving 76.3% take-up against a quarter 3 target of 75%.

1.6 Norfolk Guidance Service (NGS)

1.6.1 The Let's Work programme, which is funded through the Local Authority Business Growth Incentive, has already assisted over 100 individuals. The Norfolk Guidance Service (NGS) is now working in partnership with Driver Transport Training (DTT) where NGS work with individuals on employability and soft skills while DTT provides forklift truck training. As a result the individuals leave with the skills and confidence to apply for work as well as having a forklift licence. It is also able to take provision to the unemployed where there is currently little available ensuring that Norfolk residents can access help wherever they live.

1.6.2 The service is also working in partnership with Supporting People / Space East on TRANSFORM, a Department of Business Innovation and Skills (BIS) funded project. TRANSFORM is providing tailored support for people living in or accessing supported housing services across the county. It will do this through a series of action learning events across the county.

1.6.3 NGS has been working closely with the Suffolk & Cambridgeshire CC Guidance Services'. This work has led to the sharing of best practice, the pooling of information resources and sharing methods which can increase revenue and reduce costs.

1.6.4 NGS has increased delivery of the Migrant Workers Qualification conversion course and is now providing this service in West and South Norfolk. This will enable the service to assist 115 migrant workers in 2010.

1.7 Norfolk Record Office (NRO)

1.7.1 On 25 November, twelve people attended a reminiscence workshop for the over-fifties at Great Yarmouth Library. The event was opened by the Chairman of the County Council, who played two of the traditional songs from the Singing Histories booklet on her accordion, to which the participants also sang along. Next, they had a reminiscence session, in which they looked at a range of documents relating to topics taken from songs included in the booklet, showing what Great Yarmouth looked like in the past.

1.7.2 November 9 saw the launch of a podcast project for young people at risk of offending, working in collaboration with the Youth Inclusion Panels (YISP). The young people are attending a series of ten workshops, looking at the history of refugees who came to Norfolk, through documents from the NRO's collections. These workshops were carried out between November and January, and there has been very positive feedback from the young people. Having also involved their parents this has given the project a family learning dimension. In January, they were given the chance to use this newly acquired knowledge to work with a poet to produce their own creative writing, and then work with the sound archivist to turn this into a podcast. The project will end in February, with a presentation of medals, certificates and a copy of the podcasts to each participant.

1.7.3 On 15 January, the Lord Speaker and the Chairman of the County Council officially opened the *Norfolk, People and Parliament* exhibition at The Archive Centre. The exhibition is part of the NRO's joint project, 'People and Parliament: Connecting with Communities', currently being undertaken in partnership with the Parliamentary Archives and Parliamentary Outreach. In connexion with the exhibition, a series of Parliament-related lunchtime talks began in January and will continue into March.

1.8 Norfolk Celebrating Talent

1.8.1 Twenty-three exceptional young people from Norfolk have been awarded grants from the Norfolk Sports and Cultural Foundation, which aims to support the most aspiring athletes and artists on the road to London 2012.

Rising Stars of the future include Tom Barber, the British Olympic Association's Archer of the Year; Pippa Horn, currently ranked No. 2 for Under 14's tennis in Great Britain; and Victoria Williamson, who has been selected for the British Cycling Olympic Development Programme.

The Foundation backs a number of 14-25 year olds, with a minimum annual grant of £0.030m (each year from 2008 to 2012) from Norfolk County Council. A number of young stars are selected, with a maximum grant of £0.005m per year helping them train, learn, be better equipped and better supported in their area of expertise in the run up to 2012. Over £0.250m worth of applications has been submitted for this year's £0.057m pot, making competition for financial backing even tougher than the previous year.

1.9 Conclusion

1.9.1 As previously reported to Overview and Scrutiny Panel, Service Plans are on target for completion of activities that had been planned for the 2009/2010 service year.

2. Budget Monitoring 2009/10

2.1 Revenue Budget

2.1.1 Based on the position at the end of January 2010, the latest projections for the 2009/10 budget continues to indicate a break-even position for the Cultural Services Department. The projection for each service is summarized in the table below. Expenditure to date is in line with the profile of expected spending.

2.1.2 The Cultural Services budget has increased by £0.358m since the January 2010 report to this Panel for the following reasons:

- £0.186m has been allocated towards the Tour of Britain funded from the Leader's Strategic Ambitions Fund.
- £0.172m of budget has been allocated for capital depreciation and debt management charges. This has a neutral effect on the Cultural Services budget.

2.1.3 There are no new pressures to report since the last report to this Panel.

2.1.4 The table below sets out service budgets and forecast of out-turns for the Cultural Services Department.

Service	Approved budget £m	Forecast Outturn £m	Forecast +Over/ Underspend £m	Forecast +Over/Underspend as % of budget	Variance in forecast since last report £m
Library and Information Service	12.881	12.881	0	0%	0
Museums and Archaeology Service	4.377	4.377	0	0%	0
Record Office	1.553	1.553	0	0%	0
Arts Service	0.965	0.965	0	0%	0
Adult Education Service	0.264	0.264	0	0%	0
Norfolk Guidance Service	0	0	0	0%	0
Total	20.040	20.040	0	0%	0

2.2 Capital programme

- 2.2.1 The capital programme is monitored over the life of the scheme rather than a single year. This reflects the life of the projects and the associated funding.
- 2.2.2 The Cultural Services 2009/10 capital programme is shown in the Appendices A1, A2, A3 and A4 including any programme revisions.
- 2.2.3 The Acle Library capital budget has been re-profiled to allow for the start during 2010; there are no slippages or other changes to report.

2.3 Reserves and Provisions

- 2.3.1 There is only one change to the forecast position for reserves and provisions since the last report to this Panel in January. This relates to a transfer of £0.096m from the Record Office main reserve into revenue for the purchase of manuscripts. For the record it is necessary to point out that within the last report, the Adult Education Redundancy Reserve was incorrectly shown as £0.090m due to a typographical error and should have read £0.000m. The figures contained in the following table are now correct.

Reserves and Provisions 2009/10	Balances at 01Apr09	Forecast at 31Mar10	Change
	£M	£M	£M
Norfolk Library and Information Service			
Libraries Renewals and Replacement Reserve	0.032	0.000	-0.032
ICT Reserve	0.813	0.608	-0.205
School Library Service Replacements and Renewals	0.029	0.025	-0.004
Service Total	0.874	0.633	-0.241
Norfolk Museums and Archaeology Service			
Museums Income Reserve	0.104	0.027	-0.077
ICT Reserve	0.027	0.007	-0.020
Museums Repairs and Renewals Reserve	0.040	0.015	-0.025
Service Total	0.171	0.049	-0.122

Continued overleaf:

Reserves and Provisions 2009/10	Balances at 01Apr09	Forecast at 31Mar10	Change
	£M	£M	£M
Norfolk Record Office			
Residual Insurance and Lottery Bids	0.308	0.227	-0.081
Manuscript Reserve	0.038	0.000	-0.038
ICT Reserve	0.034	0.000	-0.034
Service Total	0.380	0.227	-0.153
Adult Education Service			
ICT Reserve	0.029	0.009	-0.020
Redundancy Reserve	0.090	0.000	-0.090
Income Reserve	0.300	0.155	-0.145
Service Total	0.419	0.164	-0.255
Norfolk Guidance Service			
Income Reserve	0.279	0.178	-0.101
Redundancy Reserve	0.037	0.037	0
Service Total	0.316	0.215	0.101
Cultural Services Totals	2.160	1.288	-0.872

3. Resource implications

- 3.1 The implications for resources including, financial, staff, property and IT, where relevant, are set out in Section 2 of this report.

4. Other Implications

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

5. Equality Impact Assessment (EqIA)

- 5.1 The Cultural Services Service Plan together with individual service plans, places diversity, equality and community cohesion at the heart of service development and service delivery. It aims to ensure that activities included in the Service plan are accessible to diverse groups in Norfolk and that all policies, practices and procedures undergo equality impact assessment. These assessments help the service focus on meeting the needs of customers in relation to age, disability, gender, race, religion and belief and sexual orientation.

6. Section 17 – Crime and Disorder Act

6.1 Cultural Services is working hard to help address the issues of social exclusion, one of the key triggers for crime and disorder. The Cultural Services Department provides services that are accessible to local people, encourage participation in cultural activities by people who are at risk of offending, engage offenders through a range of cultural projects, assist schools in improving pupil attainment and deliver opportunities to increase the number of people who are in education, employment or training. Through these and many other projects Cultural Services is using its resources to contribute towards reducing crime and disorder in Norfolk.

7. Conclusion

7.1 The Cultural Services Department continues to forecast a break-even budget position for each of its services. Progress with service performance indicators points to continuing improvement.

8. Recommendation or Action Required

8.1 The Economic Development and Cultural Services Overview and Scrutiny Panel is asked to consider and comment on:

- The Cultural Services Department progress with performance and the revenue budget, capital programme and reserves and provisions monitoring positions for 2009/10.

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

Capital Programme 2009/10 - Library and Information Service

Scheme or programme of work	Approved 2009-10 capital budget £m	Forecast 2009-10 capital outturn £m	Slippage since the previous report)	Reasons
Schemes in Progress				
Dereham Library	0.006	0.006	0	
Wymondham Library	0.014	0.014	0	
Poringland New Library	0.004	0.004	0	
Library Improvements prior years	0.035	0.035	0	
Library Improvements 09/10	0.251	0.251	0	
Self Service Equipment	0.197	0.197	0	
Great Yarmouth Community Library	0.865	0.865	0	
Great Yarmouth Refurbishment	0.094	0.094	0	
Acle Library	0.000	0.000	0	
Radio Frequency Identification (RFID)	0.250	0.250	0	
Mile Cross UK Online	0.005	0.005	0	
Remote Electricity Monitors	0.007	0.007	0	
Transit Van	0.022	0.022	0	
Total Schemes in Progress	1.750	1.750	0	
Corporate Minor Works Schemes				
Prior Years	0	0	0	
Corporate Minor Works 2009/10	0.033	0.033	0	
Section 106 Schemes ¹	0.078	0.078	0	
Total Capital Schemes	1.861	1.861	0	

Funding of the NLIS Capital Programme

- The Dereham, Wymondham and Poringland libraries together with the Library Improvement Programme were funded through the NCC Capital Programme.
- The RFID programme is funded from Performance Reward Grant funds and revenue contribution to Capital. RFID Phase 2 is funded directly from the service.
- The Yarmouth Community Library feasibility works are funded from the BIG Lottery Fund (National Lottery funding for communities). The Yarmouth Refurbishment funding is allied to the project and funded directly by the service.
- Acle Library extension project is funded directly by the service and will commence early in the 2010/11 capital programme.
- ¹ Section 106 schemes are funded from developer contributions required of Planning Obligations legislation and can be spent over a period not exceeding 5 years.
- Remote Electricity Monitors have been funded by the Carbon Energy Reduction Fund (CERF) and allow for loan of monitors to the public.
- A Transit Van has been purchased outright as part of the vehicle replacement programme.
- Corporate Minor Works relate to health and safety and DDA essential works that are funded from the NCC capital programme and approved by submission to the Corporate Capital and Asset Management Group.

Capital Programme 2009/10 – Museums and Archaeology Service

Scheme or programme of work	Approved 2009-10 capital budget £m	Forecast 2009- 10 capital outturn £m	Slippage since the previous report	Reasons
Schemes in Progress				
Arts of Living' Gallery	0.008	0.008	0	
Bridewell Museum Development	0.147	0.147	0	
Castle/Gressenhall/Time & Tide catering	0.025	0.025	0	
Castle Fire and Security Improvements	0.096	0.096	0	
Gressenhall CERF	0.038	0.038	0	
Prior Years Corporate Minor Works	0.198	0.198	0	
Schemes in Progress - Total	0.512	0.512	0	
2009/10 New Starts				
Corporate Minor Works 2009/10	0.037	0.037	0	
Gressenhall Eco-Buildings	0.031	0.031	0	
Gressenhall Chapel	0.014	0.014	0	
New Starts - Total	0.082	0.082	0	
Total Capital Programme	0.594	0.594	0	

Funding of the NMAS Capital Programme

The NMAS capital programme is funded from a variety of sources:

- The Art of Living Gallery is a £0.412m capital project funded by a major contribution from Barclays Bank made through HEART and a major private donation.
- The feasibility element of the Bridewell Museum project was funded from NMAS. The indicative capital programme is £1.546m with approved HLF funding of £0.998m, £0.224m NCC capital and £0.025m from the Friends of Norwich Museums and service contributions.
- Gressenhall Carbon Energy Reduction Fund (CERF) funded project is for insulation at the site to reduce energy costs.
- Corporate Minor Works relate to health and safety and DDA essential works that are funded by submission to the Corporate Capital and Asset Management Group that is funded from the NCC capital programme.
- Catering improvements were funded from a mix of Corporate Minor Works and internal service funding.
- The Gressenhall Eco-Buildings project is funded by the NCC over 2 years with approved funding of £0.048m in 2009/10 and £0.095m in 2010/11. This project also has £0.042m of match funding from the Renaissance in the Regions programme. The programme is planned to provide a woodland outdoor classroom, a riverside pond dipping station and improved toilet provision for visitors.
- Gressenhall Chapel is funded from revenue and allows for refurbishment as a meeting room.

Capital Programme 2009/10 - Adult Education Service

Scheme or programme of work	Approved 2009-10 capital budget £m	Forecast 2009-10 capital outturn £m	Slippage since the previous report	Reasons
2009/10 New Starts				
Corporate Minor Works 2009/10	0.003	0.003	0	
Total Capital Programme	0.003	0.003	0	

Funding of the Adult Education Capital Programme

- Corporate Minor Works relate to health and safety and DDA essential works that are funded from the NCC capital programme and approved by submission to the Corporate Capital and Asset Management Group.

Capital Programme 2009/10– Arts Service

Scheme or programme of work	Approved 2009-10 capital budget £m	Forecast 2009-10 capital outturn £m	Slippage since the previous report	Reasons
2009/10 New Starts				
St George's Arts Centre *	0.500	0.500	0	
Total Capital Programme	0.500	0.500	0	

Funding of the Arts Service Capital Programme

- St George's Arts Centre is funded by the NCC over 3 years. It is planned that payments will be £0.500m for 2009/10, £0.100m for 2010/11 and £0.150m for 2011/12.

Cultural Services Service Plans and Priorities 2010-11

Report by the Director of Cultural Services

Summary

This report outlines the draft service planning priorities for Cultural Services for 2010-2011.

The services within Cultural Services have developed their service plans using the County Council's policy framework for preparation of the County Council Plan 2008-2011, proposals of which were presented to Cabinet on 28 January 2008, and refreshed on 2 March for 2009 – 2012.

The services contribute to the strategic ambitions:

- A vibrant, strong and sustainable economy
- Aspirational people with high levels of achievement and skills
- An inspirational place with a clear sense of identity

The services also deliver outcomes under 8 of the 9 corporate objectives.

This report includes a list of headline activities for the coming year.

Context

The six services within Cultural Services all work to the same aspiration to support learning about the past, enjoying the present and inspiring the future. Along with Sport services, they deliver county wide, support learning throughout life and deliver high quality customer service.

Recommendation

Members are requested to comment on the proposed activity and consider whether there are any areas for further scrutiny.

1. Objectives

1.1 The table below shows how Cultural Services objectives fit with both the strategic ambitions and corporate objectives:

Strategic Ambitions (SAs)	Corporate Objectives	Cultural Services Objectives
Vibrant Economy	Lead a strategic approach to the development of the Norfolk Economy	Contribute to the economic development of the county through lifelong learning and cultural activities
Inspirational Place	<p>Build vibrant, confident and cohesive communities</p> <p>Improve and develop Norfolk's cultural heritage and resources</p> <p>Protect and sustain the environment</p> <p>Help make Norfolk a safe place to live and work</p>	<p>Deliver cultural services that engage with and inspire all communities</p> <p>Improve access to and quality of arts, libraries, museums and records</p> <p>Look after and enhance Norfolk's cultural heritage</p> <p>Sustain and enhance Norfolk's bio-diversity, habitats and the historic environment</p> <p>Use cultural activities to engage offenders and those at risk of offending</p>
Aspirational People	<p>Improve educational attainment and help children reach their full potential</p> <p>Improve opportunities for people to learn throughout life</p> <p>Improve the health and wellbeing of Norfolk's residents</p>	<p>Improve access to opportunities for children & young people to achieve in culture, sport and other areas and increase recognition of these achievements</p> <p>Increase levels of literacy and numeracy and life skills</p> <p>Increase learning opportunities by participation in cultural activities</p> <p>Increase participation in sport, physical activity and cultural activities to contribute to the wellbeing of Norfolk's residents</p>

2. Performance Indicators

2.1 Local Area Agreement (LAA)

Cultural Services is the Lead Partner under the local indicator 'Participation in cultural activities' in the LAA. The measures are:

- Participation in education and outreach programmes from art organisations that have a 3 year funding agreement with the County Council
- Number of young people registered in the Arts Award and the number of young people achieving a qualification through the Arts Award
- The number of events and attendees taking part in the Cultural Olympiad under the Norfolk Celebrating Talent brand.

The latest figures are reported in the Budget Monitoring and Performance report elsewhere on this agenda.

Sport is represented under National Indicator 8 'Adult Participation in sport and active recreation' which measures the number of people who have participated in 3 lots of 30 minutes of exercise or physical activity per week.

The latest results from the Active People Survey show that participation levels in sport and physical activity (NI 8) in Norfolk has dipped slightly compared to the previous year from 21.4% to 20.3%. The LAA target is 24.2%

The Active Norfolk Team is using the latest data to build a profile of participation at district level to inform our action planning. The data is being mapped to identify further areas of inequality and the barriers to participation. Initiatives in Great Yarmouth, Norwich and Kings Lynn are already targeting areas of greatest need. Other projects such as Thetford Healthy Town and the Fit Together programme are beginning to make an impact.

2.2 National Indicators (NIs)

In addition to National Indicator 8 mentioned above, there are 6 more NIs that relate directly to Cultural Services:

- NI009 – the percentage of people who say they have used a public library service in the last 12 months (%)
- NI010 - the percentage of people who say they have used a museum or gallery in the last 12 months (%)
- NI011 – the percentage of people who say they have engaged in the arts at least 3 times in the last 12 months (%)
- NI013 – the percentage of non-English speaking third-country nationals who apply for ESOL courses achieving an ESOL qualification (%)
- NI161 – the number of learners achieving Level 1 in literacy (No.)

- NI162 – the number of learners achieving an Entry Level qualification in numeracy (No.)

These indicators are measured within the annual Active People Survey – a telephone survey of 500 residents per district. When the annual results are published they are reported to this Panel and Cabinet as part of normal performance monitoring. The next survey results will be available in April 2010.

3. Service Planning for 2010/2011

3.1 Key targets for 2010/2011 for the Department as a whole include:

- Working with colleagues across NCC to support the development of the new Community Services Department
- Developing joint promotions
- Supporting developments for 2012 and the Cultural Olympiad
- Reducing sickness absence
- Reducing our carbon footprint
- Promoting our services to local people and visitors
- Reducing the running costs of our buildings

The following are examples of headline actions listed by service, relating to the service objectives outlined in the table above, and contained in the service plans for Cultural Services:

3.2 Adult Education

- Deliver a target 85 of apprenticeships to adults by December 2010
- Support the delivery of the Skills Pledge project to improve the skills of the County Council workforce
- Deliver a target of 107 bespoke vocational skills and qualifications in community settings to 16 to 18 year olds who are Not in Education, Employment and Training (NEET) by July 2010
- Engage a target of 3000 parents, guardians or carers in Family Learning activities to support them in developing their own and their child's learning by July 2010
- Engage a target of 3000 learners to participate in sport, exercise and fitness activity-related courses by July 2010
- Target 950 learners with learning difficulties and disabilities (LLDD) to attend vocational qualification programmes by July 2010

3.3 Arts Service

- Deliver a target of 20 sports and cultural initiatives and engage with 60 schools through the Tour of Britain programme
- Through the Norfolk Celebrating Talent Programme for the 2012 Olympic and Paralympic Games develop and deliver a target of 45 initiatives and/or cultural events
- Develop & resource local programmes to inspire young people through the Olympic ideal – Involve awardees of The Norfolk Sports and Cultural

Foundation in school and community programmes

- Promote equality of access and opportunity in the provision and development of the arts through the implementation of a target of 20 plus County Council Arts Service Level Agreements

3.4 **Norfolk Guidance Service**

- Increase the number of clients from specific disadvantage groups (unemployed, BMEs, low skilled workers and loan parents) from 70% to 80% of all clients seen
- Create links with potential partner organisations by engaging with a target of a further 5 organisations to improve the referral process and source more client opportunities
- Build greater links with Adult Education by referring 25% of clients to accredited courses.
- Support the delivery of the Skills Pledge project to improve the skills of the County Council workforce.
- Refer 2430 individuals onto courses / learning that will see them qualified to a higher level.

3.5 **Library Service**

- Work with Children's Services to develop a library extension at Acle Library along with a Children's Centre, and to re-develop the Children's Centre at Gorleston Library.
- Work with HMP Bure to develop library provision at the prison.
- Deliver the targets and outcomes in the Big Lottery funded Great Yarmouth Community Library programme involving local people in the development of services.
- Provide reading materials for people in custody at six police stations in Norfolk.
- Provide positive activities for young people including engagement with Pupil Referral Units to promote reading for pleasure and extend opportunities for learning.
- Consolidate Council@yourlibrary delivery, including appropriate training and mystery shopping.
- Deliver a successful programme of events across the service to encourage people to read, learn and use libraries. Includes the summer reading challenge with a target of a minimum 20% increase on totals starting in 09/10 and a 5% increase on completion rates.
- Recruit teenage volunteers for the summer reading challenge at 15 libraries.

3.6 **Museums & Archaeology Service**

- At Gressenhall Farm & Workhouse start work on three eco buildings to create new visitor and schools facilities to meet the needs of increased visitor numbers
- Develop an outreach programme with the Chinese community as part of Chen Hong's (Chinese calligrapher) residency at Norwich Castle
- Showcase environmental sustainability at Gressenhall and implement a range of on-site practical measures to support enhanced delivery and interpretation of sustainability and carbon reduction to the public.

- Protect historic museum buildings through a refurbishment and maintenance programme so that they continue to provide enjoyment and suitable conditions for delivery of high quality museum service
- Hold a Pre-school Learning Alliance event at Gressenhall for 1,000 attendees to contribute to enabling children to receive 5 hours of culture each week
- Engage 200 volunteers in a range of events to meet the needs of a wide range of people, including older people and those with disabilities

3.7 **Record Office**

- Promote the Norfolk Record Office and its holdings to elderly non-users, through a range of talks, group visits and other events or activities
- Deliver a comprehensive archive education service for schools, through workshops, providing hard copy or electronic resources, and advice to schools
- Manage a project to catalogue the Jarrold archive via partnership project part-funded by the John Jarrold Trust, Norwich HEART and Jarrold and Sons Ltd
- Work with the Borough Council of King's Lynn and West Norfolk on the King's Lynn Borough Archives (KLBA) and participate in the review of historic buildings within King's Lynn

3.8 **Across the Department**

Cultural Services as a department will be involved in the following actions over the coming year:

- Producing displays, talks, etc. as part of national events that highlight different communities including Refugee Week, Black History Month, and Lesbian, Gay, Bisexual Transgender Month
- Undertaking Education and Outreach programmes which support economic development
- Developing programmes in partnership with the Youth Offending Team to improve young offenders self esteem and offer them more choices in life
- Developing programmes for Looked After Children and their foster families
- Providing resources for early years events and contributing to enabling children to receive 5 hours of culture each week.
- Providing a range of opportunities for learning outside the classroom, including school holiday activities, after school clubs, and workshops
- Ensuring that our services are represented in supporting the development and delivery of the plans for an Eco Town at Rackheath.

4. **Resource Implications**

- 4.1 **Finance:** There are no financial, property, HR or ICT implications as a direct consequence of this report. All the activity and objectives identified have core funding or grant funding identified to deliver them.

5. Other Implications

5.1 **Legal Implications:** None

5.2 **Human Rights :** None

5.3 **Equality Impact Assessment (EqIA):** The Cultural Services Department Service Plans place diversity, equality and community cohesion at the heart of service development and service delivery. The Department aims to ensure that activities included in the service plans are accessible to diverse groups in Norfolk and that all policies, practices and procedures undergo equality impact assessment. These assessments help the services focus on meeting the needs of customers in relation to age, disability, gender, race, religion & belief and sexual orientation.

6. Section 17 – Crime and Disorder Act

6.1 All Cultural Services service plans take account of the need to address the issues of social exclusion, one of the key triggers for crime and disorder. The Cultural Services Department and Sports Services provide services that are accessible to local people, encourage participation in cultural activities by people who are at risk of offending, engage offenders through a range of cultural projects, assist schools in improving pupil attainment and deliver opportunities to increase the number of people who are in education, employment or training. Through these and many other projects Cultural Services is making a contribution towards reducing crime and disorder in Norfolk.

7. Risk Assessment

7.1 Each service has a risk log which is monitored by its senior management team.

Recommendation or Action Required

Members are requested to comment on the proposed activity and consider whether there are any areas for scrutiny.

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**Report to Economic Development and Cultural Services Overview &
Scrutiny Panel
10 March 2010
Item no 14**

Economic Development Integrated Performance and Finance Monitoring Report

Report by Director of Environment, Transport and Development

Summary

This report provides performance and finance monitoring information for 2009/10, as at the **end of January 2010**. The report monitors progress against the Corporate Objectives set out in the County Council Plan that are covered by this Panel. The first section covers activity performance, the second financial performance.

- **County Council Plan and service plan actions.** Service plan actions are progressing to plan, with the exception of EPIC. A particular highlight is the **Future Jobs Fund**. Our target of 189 jobs created by the end December was exceeded (204 achieved) and we were successful in our second bid for the creation of an additional 331 jobs (value: £2.15m). This brings to over £8m, and 1371 jobs, the value of the programme to Norfolk. Development of The Genome Analysis Centre is progressing well, with the Centre on course to employ almost 30 people by the end of March and rolling out a number of projects.
- **National Indicators.** An integrated action plan for all economic indicators has been developed, including all those within the LAA and the County Council Plan. Since the January Panel meeting, the data business starts for 2008 has been released and shows that the number of new business start-ups has been going down over the last four years. Whilst this reflects a national trend, the rate of decline is greater than the national average, in part due to the loss of a countywide business start-up scheme. Shaping Norfolk's Future's Business Support Alliance is working with Economic Development to develop a countywide business support framework, under which a range of partnership activity will be coordinated and gaps in provision will be identified.
- **Risks.** The outturn forecast for EPIC remains an overspend of £0.137m, due to shortfalls in anticipated educational and external grant revenues. The forecast has been stable at this figure for the most recent monitoring periods.
- **Revenue Budget.** Spend is on track against ED's budget of £1.72m, with the exception of EPIC (mentioned above).
- **Capital Budget.** Projects in King's Lynn, Thetford and at the Norwich Research Park are progressing. Negotiations are ongoing about the land acquisition in Great Yarmouth – no new capital was allocated for this at Cabinet on 25 January. We await to hear whether the vendor will accept the existing offer.
- **Additional funding.** All projects, totalling £10.8m are due to come in on budget and deliver planned outcomes. Some multi-year projects have been re-profiled, with more spend/activity due to take place in future years of these programmes.

Recommendation:

Members are asked to note progress on ED's service plan actions and budgets and to consider whether any aspects should be identified for further scrutiny.

1. Performance update

1.1 Performance against corporate objectives

Economic Development takes a lead role of the County Council on the corporate objective **CO1 Lead a strategic approach to the development of the Norfolk economy**. The following paragraphs summarise progress to date on our 2009/10 County Council Plan (CCP) actions and key targeted investment, which underpin this objective:

1.1.1 Action: Target external funding to address the economic needs of Norfolk

Future Jobs Fund The programme exceeded the end of December jobs target of 189 jobs, delivering 204. January job starts have also been on target. The bid for a second round of funding – totalling 331 jobs and valued at £2.15m has been successful.

We have received a contract with a value of £3,958,500 for the creation of 609 jobs between April 2010 and March 2011. This is part of the roll out of our first bid, which was secured in July last year.

Investing in Communities funded projects, targeting participation in the workforce and skills in deprived parts of Norfolk, are progressing well and on course to meet or exceed their targets for 2009/10. In particular, the Pre-employment Support Programme seeks to embed a neighbourhood management approach in the delivery of pre-employment support services in South and Central Yarmouth and in North Lynn, in neighbourhoods which include some of the most deprived wards in the county. The project's 2009/10 target was to assist 15 people to get a job, but it had already helped 62 people into one during quarter 3.

See Section 4, for more detail of progress on external funding programmes.

1.1.2 Action: build on the current successful programme of student conventions to link up more schools with industry experts in key sectors

All six of the student conventions scheduled for this financial year - Engineering, Energy, Creative Industries, ICT (Information and Communications Technology), Construction and Health and Life Sciences – have now been held, with over 2000 students attending and excellent feedback from students and teachers.

The final convention – the first for Health and Life Sciences - took place on 2 February. Around 260 students attended the event and again student and teacher feedback was extremely positive. Speakers provided an insight into career opportunities in, for example, physiotherapy, anaesthetics and dietetics.

1.1.3 Action: Work with Shaping Norfolk's Future and other local partners to launch a local and national marketing campaign to promote Norfolk as a location to work and do business.

Our campaign to promote Norfolk as a business location continued during quarter 3, with posters at key gateways to the county, such as King's Cross and Liverpool Street, including a very well received one featuring 35 key figures from Norfolk's past and present, which was located at Westminster Tube. We also produced a Norfolk pullout for Business Weekly, the magazine that targets managers and executives across the East of England. It has 22,500 subscribers, is also sold in most major retail outlets in the region and is also available online (www.businessweekly.co.uk).

1.1.4 Key Targeted Investment: Investment of £0.5m capital funding into developing the Genome Analysis Centre (as well as a further £0.5m in 2010/11)

The Genome Analysis Centre (TGAC) is supported by investment from the County Council and is expected to deliver 60-75 high value jobs initially and a further 500 jobs over the next five years. Phase 1 of the project is complete and Phase 2, which will expand the capacity of the facility, is under way.

Staffing. A further ten staff have been recruited since the last report and five more will be recruited by the end of March, bringing the total close to 30 – the original target to be achieved by that date.

Initial Capacity Building Projects

- Sequencing of the gene samples received under the first round of the Capacity and Capability Challenge programme is well underway. Projects range from bacteria that can be used in antibiotic production, to brassicas and wheat genes. Regular update meetings are taking place between primary investigators of these projects and TGAC staff, to gain maximum use from the findings.
- In response to the national call for projects advertised on the TGAC website and by the BBSRC (Biological and Biotechnological Sciences Research Council), TGAC has received in excess of 12 expressions of interest, which will lead to full proposals to be reviewed at the next meeting of the Scientific Advisory Board.

Business Initiatives

- The Malaysian rubber tree genome project, first reported to the November Panel, is progressing well and is on target for completion in the second quarter of 2010.
- Work has commenced on projects from CEFAS (Centre for Environment, Fisheries and Aquaculture Science, co-ordinated through Lowestoft), and there is scope for a number of follow-on projects.
- TGAC was successful in the first phase of a tender bid to become a BBSRC preferred supplier for 'capillary sequencing'. The second stage of the process was completed by the end of February 2010.

1.2 Service Plan Actions and Performance Indicators

Service Plan Actions & National Indicators.

Service plan actions are on track, with the exception of EPIC (see 2.1 below).

National indicators. Since the meeting on 13 January, the data for NI171 for 2008 has been confirmed, and shows that the number of new business start-ups has been going down over the last four years. Whilst this reflects a national trend, the rate of decline is greater than the national average, in part due to the loss of a countywide business start-up scheme. In reaction to this trend, Shaping Norfolk's Future's Business Support Alliance is working with the Economic Development Unit of Norfolk County Council to develop a countywide business support framework, under which a range of partnership activity will be coordinated and gaps in provision will be identified.

A draft integrated action plan for all economic indicators has been developed, including all indicators within the LAA and the County Council Plan, to provide one strategic document for economic performance. The plan will take a longer term view for indicators and provide a robust framework for driving forward the economic performance for Norfolk from April 2010 onwards.

2 Budget update

2.1 Revenue budget

Economic Development's revenue position is shown below in Table 1, overleaf.

The risk surrounding the delivery of the EPIC Business Plan has been carefully managed by the EPIC Board throughout the year. However, it is now appropriate to recognise that certain assumptions concerning income are not going to materialise, resulting in an overspend against the Business Plan of £0.137m, of which £0.100m will be contained within the overall Economic Development Revenue Budget.

The remaining £0.037m overspend will be accommodated within Planning and Transportation's budget as a whole.

Table 1: Economic Development Revenue Budget

Division of service	Approved budget £m	Forecast Outturn £m	Forecast +Over/ Underspend £m	Forecast +Over/Unde rspend as % of budget	Variance in forecast since last report £m
Economic Development - Operating Budget					
Staff, Supplies & Services	0.695	0.695	0.000	0.00%	0.000
Economic Development Projects Fund	0.584	0.621	+0.037	+6.34%	+0.037
Estimated Capital charges	0.442	0.442	0.000	0.00%	0.000
Total	1.721	1.758	+0.037	+2.15%	+0.037

2.2 Capital budget

There have been no variations to the programme during the year, except to reserve the remainder of the small 'strategic sites – unallocated' fund for the possible purchase of the strategic site at Great Yarmouth. The table below gives a summary of funding, explains any variances and is followed by a progress update on each project:

Scheme or programme of work	Approved 2009-10 capital budget £m	Forecast 2009-10 capital outturn £m	Slippage since the previous report	Reasons
a. Nar Ouse Regeneration Scheme, Kings Lynn	0.200	0.200	0.000	
b. Thetford Enterprise Park	0.050	0.050	0.00	
c. Possible property acquisition in Great Yarmouth	0.057	0.057	0.000	

Scheme or programme of work	Approved 2009-10 capital budget £m	Forecast 2009-10 capital outturn £m	Slippage since the previous report	Reasons
d. Genome Analysis Centre	1.125	0.250	0.000	Re-profiled, as reported to January Panel, due to EEDA wanting to pay more money in 09/10, meaning the NCC and local partner contribution is less this year. However, all £1.125m will be spent by the end of 2010/11.
Total	1.432	0.557	0.000	

- a. **Nar Ouse Regeneration Scheme, Kings Lynn.** This sum was re-confirmed by Cabinet as a contribution towards relocating utilities and related infrastructure works within the NORA site, principally to enable the establishment of the proposed Academy School and to open up new employment land.

Update: A formal application from King's Lynn and West Norfolk Borough Council has been received and is being appraised. In the meantime, the works are now progressing well: new utilities are being installed and will be ready to be connected to pumping stations that are also under construction. The site will be ready for development at the end of April 2010.

- b. **Thetford Enterprise Park** is a 44-acre site just off the A11, which suffers from significant market failure in terms of the high infrastructure costs involved with accessing and servicing the site - attempts to develop the site in the past have failed due to this. A local partnership, involving the Crown Estate and Breckland Council, is progressing investment from a number of sources to overcome this issue and enable the site to be developed. When it is completed, the Park is expected to provide space for around 1000 jobs. It is predicted that approximately half of the jobs will be from new businesses starting up or moving in to Thetford. The other half is predicted to comprise businesses relocating from elsewhere in and around Thetford (which will leave further space for job growth). The Economic Development Unit has committed funding of £50,000.

Update: Tenders for the infrastructure works have been prepared and advertised.

- c. **Possible property acquisition in Great Yarmouth.** This sum is earmarked for a strategically significant site that came onto the market and for which the County Council was given first refusal. It was decided to seek to retain this facility for future use, given its potential to support future port-related activity.

Update: Negotiations over the purchase price had been based on the availability of funding that included a sum from the Capital Programme. That bid was unsuccessful, but we are attempting to negotiate over a lower price.

- d. **The Genome Analysis Centre (TGAC).** Cabinet agreed to provide £0.5m of funding in each of 2009/10 and 2010/11 to the Norwich Research Park in order to establish a new centre of excellence specialising in sequencing plant and animal DNA, creating new, high value jobs. The project is expected to deliver 60-75 high value jobs initially with a further 500 jobs over the next 5 years. The total budget shown of £0.125m includes the County Council's £1m funding over two years and £0.125m of partner funding, which NCC administers on behalf of the GNDP (Greater Norwich Development Partnership).

Update: an update on progress can be found in section 1.1.4 of this report.

2.3 Additional and external funds managed

Economic Development manages a range of funding from Corporate and external sources on behalf of the authority. The table below gives an overview of spend (transactions recorded on Oracle) as at the end of January 2010, and the following paragraphs give project descriptions and a progress update. All amounts shown are for 2009 / 10 only. Where relevant, the total value of the project or programme is in the narrative.

2.3.1 Partnership Revenue Funds

Title/description	NCC Funding £m	Partner Funding £m	Total Funding £m	Projected outturn £m	Actual spend to date £m
a. Future Jobs Fund Programme	0.000	2.314	2.314	2.314	0.505
b. Land Skills East Programme	0.000	1.549	1.549	1.549	0.055
c. Investing in Communities Programme	0.000	1.064	1.064	1.064	0.934
d. Strategic Ambitions Projects	0.645	0.000	0.645	0.645	0.316
e. Enterprise Loans Fund	0.400	0.000	0.400	0.000	0.000
f. LEADER Programme	0.000	0.334	0.334	0.334	0.155
g. Shaping Norfolk's Future Partnership	0.205	0.409	0.614	0.678	0.477

Title/description	NCC Funding £m	Partner Funding £m	Total Funding £m	Projected outturn £m	Actual spend to date £m
h. Vital Rural Areas Project	0.000	0.018	0.018	0.018	0.015
i. Village Hall Grants & RCC	0.152	0.000	0.152	0.152	0.149
Revenue Total	1.402	5.688	7.090	6.754	2.606

- a. **Future Jobs Fund Programme.** To date, funding has been claimed to the value of £713,000, although not all of this is yet showing on Oracle. As we begin to move towards filling the total number of jobs available in this six month period, the salary claim from DWP (Department of Work and Pensions) is increasing significantly each month. March will see our biggest salary claim, as all jobs should be filled and the young people will not yet have started to complete their placements. See section 1.1.1 for an update on progress with delivering the jobs targets.
- b. **Land Skills East Programme.** Over 300 training courses have been commissioned. However, spend is low, partly because the delivery partners submit their claims only when the course has been completed, and partly because there were issues to be resolved over the claiming process.
- c. **Investing in Communities Programme (IiC).** Projects and spend progressing well, although Oracle lags behind actual payments made. The majority of outputs will be reported at the end of quarter 4.
- d. **Strategic Ambitions Projects.** Most projects progressing well and actual spend is £0.447m, although not all is yet showing on Oracle. Claims still to be made for the Creative Industries student convention, the Evolve project with UEA, Pride in Norfolk Awards (project not taking place till March 2010) and Low Carbon Leadership.
- e. **Enterprise Loans Fund.** It is now unlikely that this will proceed by the end of 2009/10, so the projected out turn has been amended to zero.
- f. **LEADER Programme.** The programmes are not yet running at full speed; and the first project submitted their first claim last month. Very recently there have been some additional applications, which are undergoing appraisal and/or approval stages. A new shortened application form was approved by EEDA for applications requesting under £40,000 and this will speed up the process for these projects. However, spend is still quite low and is not expected to substantially increase until the latter half of the 2010 calendar year, when a number of projects would have been up and running for several months.

- g. **Shaping Norfolk's Future (SNF) Partnership.** Shaping Norfolk's Future's finance and performance is on track for both in terms of income and spend. The partnership is currently budget planning for 2010/11.
- h. **Vital Rural Areas Project (VRA).** This European project has been re-profiled with little spend now taking place in 2009/10 – only a further £3k to claim by the end of the financial year. All monies will be spent by the end of the three year project, however.

UEA, Norwich City College and Shaping Norfolk's Future (SNF) are all partners in this project and are engaged and ready to deliver 2010/11 activity, which begins in April. Norwich City College are delivering the STEP project, which aims to upskill unemployed, hard to reach adults in deprived areas through a series of steps from initial engagement to 30 hour courses. UEA are delivering two projects, the first being 'Dragons' Den'. This project will involve a panel of experts who will judge SMEs on their innovative ideas and products. Successful SMEs will then go on to receive funding to help develop their ideas and also mentoring support. The second UEA project (details yet to be finalised) will help SMEs with succession planning. SNF are participating under the 'regional branding' strand of the project and are developing and promoting messages that show Norfolk as an excellent place to do business. Results will be report to Panel throughout 2010/11.

- i. **Village Hall Grants & Rural Community Council.** RCC progress to date meets or exceeds targets. Spend is £145,492. Norfolk Association of Village Halls is meeting its targets, with spend of £3,939. The Norfolk Playing Fields Association is running below target but the project was very late in applying. Spend is also £3,939.

2.3.2 Partnership Capital Funds

Title/description	NCC Funding £m	Partner Funding £m	Total Funding £m	Projected outturn £m	Actual spend to date £m
a. Investing in Communities Partnership (IiC)	0	2.568	2.568	2.568	0.445
b. HEART – The Halls	0	0.100	0.100	0.100	0.050
c. Institute of Food Research	0	1.000	1.000	1.000	1.000
Capital Total	0	3.668	3.668	3.668	1.495
Partnership Revenue & Capital Total	1.402	9.356	10.808	10.422	4.101

- a. **IIC.** Capital claims processed amount to £1.411m, with £1.205m remaining to be claimed by year end. Oracle hasn't yet caught up with these transactions, as some monies need to be transferred in from other project codes.
- b. **HEART – The Halls.** This is assigned funding from the GNDP Growth Point capital allocation, which was agreed by the GNDP Directors and Policy Groups. The funds are included here as Norfolk County Council is the banker and 'accountable body' for the partnership, and Planning & Transportation (P&T) Finance carries out this function on behalf of the authority.

The £0.100m is allocated to HEART – Norwich's Heritage Economic And Regeneration Trust – as part of a package of investments from a range of agencies to renovate, improve and regenerate the 'Norwich Halls' (St Andrew's and Blackfriars' Halls) as a significant cultural, tourism and leisure asset for the city centre. The GNDP has provided funding for the South Bank Halls project Phase 1, which will allow for detailed design and investigation works to be undertaken that will support Phase 2 building works. Specifically, the GNDP's £0.100m is for detailed masterplanning and acoustic and architectural design, supporting the Halls as a concert / conference venue. The full amount is expected to be spent by the end of 2009/10.

- c. **Institute of Food Research.** As above, these are GNDP funds, which P&T manages on behalf of the partnership and which have been allocated through appropriate board mechanisms. The GNDP is contributing £1m towards a £5.4m project to bring a redundant building sited at Norwich Research Park (NRP) back into use. This will provide combined laboratory and office space for 30 units. The project will deliver a combination of additional incubation space, follow-on space for the already full NRP bio-incubator and space for an anchor tenant (Norfolk & Norwich University Hospital). This will further contribute to the critical mass at NRP and improve the regional 'pull' of the site in attracting companies to take up residence at NRP and create around 400 new jobs by 2026.

3 Other performance information

None.

4 Resource implications

These are covered elsewhere in the report.

5 Equality Impact Assessment (EqIA)

This report is not making any recommendations that impact on equality. However, all projects grant-funded by Economic Development have to complete an EqIA assessment as part of their application for funding and tackling economic inequalities is central to the objectives of both the IIC and FJF programmes.

6 Section 17 – Crime and Disorder Act

No implications.

7 Risk implications / assessment

8 Conclusion

Good progress is being made on service plan actions and external funding, particularly the Future Jobs Fund and the integrated action plan for the economic National Indicators. The risk around EPIC has been mitigated and is being actively managed.

9 Recommendation or Action Required

Members are asked to note progress on ED's actions and budget and to consider whether any aspects should be identified for further scrutiny.



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Report to Economic Development and Cultural Services Overview and Scrutiny Panel

10 March 2010

Item 15

Economic Development Service Plan Priorities 2010-11

Report by the Director of Environment, Transport and Development

Summary

This report builds on the Strategic Priorities for Economic Development paper that members received in July 2009 and presents an overview of Economic Development's Service plan priorities for 2010-11.

Challenges and opportunities for Norfolk and for the service in 2010/11 include: the local economy emerging from recession, but still needing support and with the potential for increasing redundancies; the need to manage growth sustainably; the gap between Norfolk's perceived and actual business profile; the requirement to carry out an economic assessment for Norfolk; the Audit Commission's focus on economic issues in its inspection programme for 2010/11.

Activity is framed around four service objectives, which link closely to the Strategic Ambitions. Planned actions include:

- **Leading on strategic economic issues, including sustainable growth and regeneration.** Preparing an economic assessment of Norfolk; supporting the bringing to market of key employment sites and managing a range of external funding programmes.
- **Supporting businesses to be informed and successful.** Identifying gaps in the existing enterprise coaching offer and, working with delivery partners, developing an approach to addressing Norfolk's low level of business start ups; targeted support to key sectors that are due to grow and deliver high value jobs; development of propositions to boost international trade and inward investment.
- **Grow Norfolk's skills base, to support the move towards higher value jobs and deliver planned employment growth.** Leading the countywide Employment and Skills Board to deliver the agreed Work and Skills Plan for Norfolk; continuing the roll out of jobs created by the Future Jobs Fund; exploring the idea of producing an online portal bringing together all training offers, to help businesses understand what is available and plug skills gaps.
- **Developing the positive profile and influence of Norfolk and the County Council.** Building on the World Class Norfolk campaign and inputting to plans for the Tour of Britain cycle race and the London 2012 Olympics, that will bring direct investment as well as raise Norfolk's profile; in conjunction with partners, lobbying for key infrastructure improvements such as broadband.

Recommendation

Members are requested to comment on the proposed activity and consider whether there are any areas for further scrutiny.

1. Objectives

1.1 The table below shows how Economic Development’s objectives fit with both the strategic ambitions and corporate objectives. In some cases other departments also share the same service objectives as Economic Development – eg Communications also works to ‘develop the positive profile and influence of Norfolk and the County Council’. It should also be noted that some of Economic Development’s activity also contributes to objectives beyond the economy – eg building vibrant communities and improving opportunities for people to learn.

Strategic Ambitions (SAs)	Corporate Objectives	Economic Development Objectives
Vibrant economy	Lead a strategic approach to the development of the Norfolk economy	Develop the positive profile and influence of Norfolk and the County Council
		Support businesses in Norfolk to be informed and successful
Inspirational place	Build vibrant, confident and cohesive communities	Lead on strategic economic issues, including sustainable growth and regeneration
Aspirational people	Build vibrant, confident and cohesive communities Improve opportunities for people to learn throughout life	Grow Norfolk's skills base, to support the move towards higher value jobs and deliver planned employment growth

1.2 Economic Development also plays a significant role in the county’s economic development partnership, Shaping Norfolk’s Future (SNF), which takes a lead in bringing the business community together to lobby and advocate for change identified as critical by the business community, eg the very successful A11 dualling campaign.

2. Challenges for Norfolk and policy issues driving activity

2.1 The bullet points below highlight some of the key – but by no means all – challenges for the Norfolk economy and provide the context for

- Local economy emerging from recession, but businesses and individuals still needing support – or at least clear signposting to it.
- Increasing redundancies, which often happens, paradoxically, when an area starts to recover from recession. Many of these likely to be from the public sector, as government settlements shrink. However, the upside could be an

increased pool of qualified and experienced individuals thinking about starting up a business.

- Local Area Agreement (LAA). Corporate responsibility to coordinate delivery of economic National Indicators with partners (see list of indicators, targets and responsible organisations in Appendix A – to follow).
- Need to influence housing, infrastructure and jobs growth in Growth Points – Greater Norwich, King’s Lynn and Thetford.
- New duties to carry out an economic assessment and a child poverty assessment for Norfolk. The terms of the Future Jobs Fund funding obtained also mean that Norfolk is required to produce a Work and Skills Plan for the county.
- Development of the countywide Employment & Skills Board, that brings together all training providers and key stakeholders. Led by Head of Economic Development, the Board manages the implementation of Norfolk’s Work and Skills Plan developed during 2009/10.
- Value for Money:
 - National focus – the government’s ‘Total Place’ initiative looks at how a ‘whole area’ approach to public services can lead to better services at less cost
 - Local focus - organisational review, ‘sharper commissioning’ and need to discontinue ‘nice to have’ activity.
- The Comprehensive Area Assessment (CAA) inspection agenda for 10/11 has a strong economic development focus: skills, economy and growth, sustainability, stronger communities including community cohesion
- Economic Development angle to the government’s Low Carbon Transition Plan (supporting innovation and new technology; ‘greening businesses’ to improve competitiveness; low carbon jobs approach)
- Lobbying / support for hard and soft infrastructure improvements, eg rail links, telecomms (scrutiny area) in conjunction with internal and external partners
- London Olympics / Paralympics 2012 economic agenda
- Gap between Norfolk’s perceived and actual profile

3. Priorities for 2010-11

While there are signs that the economy is emerging from recession, the impact of the downturn will continue to be felt through 2010-11 and possibly beyond. The County Council has, as far as it is able, acted to support individuals in the community through, for example, additional support to the Citizens’ Advice Bureau, the establishment of a Credit Union Current Account, an enhanced welfare benefits service and redundancy support provided by Norfolk Guidance Services (NGS).

Support for business has been targeted through Business Link East, ensuring that effective sign posting is available to the range of services available to help

businesses in difficulty. What is clear is that even in these difficult times the fundamental issues for Norfolk remain the same. Consequently, that is where our focus should remain.

3.1 **Lead on strategic economic issues, including sustainable growth and regeneration**

- Prepare an economic assessment of Norfolk (LEA), to meet the new statutory requirement, that informs countywide investment decisions and action plans.
- Support the development and bringing to market of a range of key employment sites, such as the expansion of Hethel Engineering Centre and The Genome Analysis Centre (TGAC) at the Norwich Research Park, Thetford Enterprise Park and the Nar Ouse Regeneration Area (NORA) in King's Lynn.
- Support the **growth area boards** and the development of Integrated Development Programmes (IDPs).
- Assess the need for and suitability of appropriate **growth delivery vehicles**.
- Manage the implementation of a range of external funding programmes that deliver across ED's business support, skills and economic participation objectives, eg the Future Jobs Fund, creating jobs for people who have been unemployed for up to a year.

3.2 **Supporting Norfolk businesses to be successful**

- Continue to support individuals and businesses to emerge from the recession
- Identify gaps in the existing enterprise coaching offer and, working with delivery partners, develop a joint approach to it, to encourage business start ups (NI 171)
- Targeted support to key sectors especially those that are due to grow and deliver **high value jobs** – e.g. creative industries, advanced engineering and health and life sciences, with particular emphasis on using our Enterprise Hubs.
- Develop targeted propositions to boost international trade and investment into Norfolk.

3.3 **Grow Norfolk's skills base, to support the move towards higher value jobs and deliver planned employment growth**

- Lead the Employment & Skills Board to deliver targeted actions from its Work and Skills Plan (all skills NIs)
- Explore the idea of producing an online portal bringing together all training offers, to help businesses understand what is available and plug skills gaps (NI 174, L1.7)

Carry out a final year of Strategic Ambitions-funded student conventions, highlighting career opportunities in Norfolk's key growth sectors (L1.7).

3.4 **Develop the positive profile and influence of Norfolk and the County Council**

- Working with the corporate communication team and SNF, build on the World Class Norfolk campaign to improve perceptions of Norfolk as a business location and seek to attract investment into Norfolk.
- In conjunction with internal and external partners, lobby for key **infrastructure improvements** including road, rail, telecommunications and utilities.
- Input to plans for **high profile events**, such as the Tour of Britain cycle race and the London 2012 Olympics, that will bring direct investment as well as raise Norfolk's profile to a wide audience.

4 **Resource Implications**

4.1 **Finance:** Given the fact that Economic Development has limited funds (only around £600k of revenue) that need to be focussed on activity to deliver on the National Indicators, an exercise was undertaken to decommission a range of smaller projects that didn't have sufficient strategic impact. This freed up around £70k of funds which are earmarked for the development of strategic initiatives focusing on the stimulation of business start ups, inward investment and international trade.

4.2 **Staff:** The plans at this stage do not take into account of the changes to structures arising from the Organisational Review. It is anticipated that as managers are confirmed in post, adjustments to plans may need to be made as priorities are reviewed.

4.3 **Property:** Cabinet approved HEC's £0.950m capital bid for its extension on 25 January 2010. Progress on this project will be reported to Panel throughout 2010/11.

4.4 **IT:** None

5 **Other Implications**

5.1 **Legal Implications:** None

5.2 **Human Rights :** None

5.3 **Equality Impact Assessment (EqIA):** This report is not directly relevant to equality in that it is not making proposals which may have a direct impact on equality of access or outcome. However specific project activity required to deliver the strategy, such as all Economic Development grant-assisted projects and the measures to tackle deprivation undertaken by the Investing in Communities programme, are required to undertake equality impact assessments as part of the project development process.

5.4 **Communications**

Raising the profile of Norfolk and targeted lobbying activity are key to Economic Development's objectives and 2010/11 activity.

6 **Section 17 – Crime and Disorder Act**

- 6.1 The economic development service plan will make a significant contribution to achieving the three strategic ambitions. In so doing, it has the potential to have a positive impact on the level of crime and disorder across Norfolk. People who have the skills and ambition to secure jobs and an income which allows them to live in acceptable housing, with access to leisure and social activities, are far less likely to be involved in crime and anti social behaviour.

7 **Risk Implications/Assessment**

- 7.1 A robust risk assessment is in place for EPIC's 2010/11 business plan, which is expected to break even. A separate paper to this Panel covers EPIC in more detail. A risk register is also in place for the HEC extensions. There are no significant risk issues for other service plan priorities.

8 **Alternative Options**

- 8.1 We could have taken the decision not to de-select some of our smaller non-strategic projects, but this would not have enabled Economic Development to refocus activity on only those strategic actions that should make a real contribution to the National Indicators.

9 Conclusion

The proposed activities seek to address the key challenges facing Norfolk as well as contribute to the delivery of the government's economic National Indicators.

Recommendation or Action Required

Members are requested to comment on the proposed activity and consider whether there are any areas for further scrutiny.

Background Papers

Economic Development Strategic Priorities paper, July 2009 Overview & Scrutiny Panel.

Officer Contact

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

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APPENDIX A: Economy-Related National Indicators (1)

Local Area Agreement (LAA) indicators – targets set by lead organisations and agreed with LAA Economic Indicators' Group

Indicator	Baseline	LAA	CCP*	2009 Target	2009 Actual	2010 Target	2011 Target	Lead contact and organisation
Working age people on out of work benefits (NI152)	Baseline of 11.03% - 53,770 claims Aug 06- May 07)	✓	✓	10.7%	10.6%	10.36%	10.0%	David Baldry Job Centre Plus
Average earnings of employees in the area (NI166)	Workplace-based earnings in Norfolk are 90.3% of the regional average (1997 – 2006)	✓	✓	90.5%	89.8%	90.6%	90.7%	Michael Hand NCC
New business registration rate (NI171)	Extrapolated data (2004 to 2006) gives a 2007 baseline of 43.0 and a predicted figure of 39.7 (2008)	✓		43.0	-	46.0	48.3	David Martin Business Link East
Proportion of working age population qualified to at least Level 2 or higher (NI163)	Baseline of 64.7% for 2007/08	✓	✓	69.0%	-	71.0%	73.0%	Jan Feeney Learning and Skills Council
Employment in Higher Level Occupations (LI 1.7)	Variation between Norfolk and the region (2007) 5.5%	✓		5.5%	3.3%	4.5%	4.0%	Michael Hand NCC

*CCP: County Council Plan

County Council Plan Indicators not in the LAA – targets to be set by lead organisations and agreed with LAA Economic Indicators' Group

Indicator	Baseline	CCP	2009 Actual	2010 Target	2011 Target	Lead contact and organisation
Overall employment rate (NI 151)	Baseline of 76.5% (Jul 06-Jun 07)	✓	73.5%			David Baldry Job Centre Plus
VAT registered businesses showing employment growth (NI172)		✓				David Martin Business Link East
Proportion of working age population qualified to at least Level 3 or higher (NI 164)	Baseline for 2007/08 43.7%	✓				Jan Feeney Learning and Skills Council
Skills gaps in the current workforce reported by employers (NI 174)		✓				Jan Feeney Learning and Skills Council