



Norfolk County Council

Business and Property Committee

Date: **Tuesday, 15 January 2019**

Time: **10:00**

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

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

Membership

Mr B Stone (Chairman)

Mr T Adams

Mr M Kiddle-Morris

Ms C Bowes

Mr I Mackie

Mr R Brame

Mr C Smith (Vice-Chairman)

Mr F Eagle

Mr J Timewell

Mr A Jamieson

Mrs K Vincent

Mr T Jermy

Mrs C Walker

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

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

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

A g e n d a

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

2. Minutes

Page 6

To confirm the minutes of the meeting held on the 6 November 2018

3. Declarations of Interest

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

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

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

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

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

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

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

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

5. Public QuestionTime

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

Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk) by **5pm Thursday 10 January 2018**.

For guidance on submitting a public question, please view the guidance at www.norfolk.gov.uk/what-we-do-and-how-we-work/councillors-meetings-

6. Local Member Issues/ Member Questions

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

Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk) by **5pm Thursday 10 January 2018**.

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

8. Greater Thetford Development Partnership Board

The Council has been invited to appoint a second representative to the Board of the Greater Thetford Development Partnership in addition to our current member, Cllr Roy Brame.

The Partnership comprises representatives from parish, town, district and county councils and works with a number of partners to develop Greater Thetford - which spans the town of Thetford and the parishes of Croxton, Kilverstone and Brettenham.

The Committee is invited to nominate a second Council representative to the Partnership Board

9. Forward Plan and delegated decisions

Page 13

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

10. Economic Development contribution to the Norfolk & Suffolk Economic Strategy

Page 18

A report by the Executive Director of Community and Environmental Services and Interim Head of Paid Services

11. Inward Investment and international trade

Page 32

A report by the Executive Director of Community and Environmental Services and Interim Head of Paid Services

12. Skills Update

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A report by the Executive Director of Community and Environmental Services and Interim Head of Paid Services

13. Strategic and Financial Planning 2019-20 to 2020-23 and revenue budget 2019-20	Page 46
A report by the Executive Director of Community and Environmental Services and Interim Head of Paid Service and the Executive Director of Finance and Commercial Services	
14. Finance Monitoring	Page 64
A report by the Executive Director of Community and Environmental Services and Interim Head of Paid Services and the Executive Director of Finance and Commercial Services	
15. Performance Management	Page 71
A report by the Executive Director of Finance and Commercial Services and the Executive Director of Community and Environmental Services and Interim Head of Paid Services	
16. Risk Management	Page 80
A report by the Executive Director of Finance and Commercial Services	
17. Repton Property Developments Ltd - update	Page 91
A report by the Executive Director of Finance and Commercial Services	
18. Disposal, Acquisition and Exploitation of Properties	Page 94
A report by the Executive Director of Finance and Commercial Services	
19. Exclusion of the Public	Page
<p>The committee is asked to consider excluding the public from the meeting under section 100A of the Local Government Act 1972 for consideration of the items below on the grounds that they involve the likely disclosure of exempt information as defined by Paragraphs 1 and 3 of Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The committee will be presented with the conclusions of the public interest test carried out by the report author and is recommended to confirm the exclusions.</p>	
20. County Farms Update	Page
A report by the Executive Director of Finance and Commercial Services	
21. Exempt Minutes	Page
To confirm the Exempt Minutes of the meeting held on the 6 November 2018	

Group Meetings

Conservative 9:00am Conservative Group Room, Ground Floor
Labour 9:00am Labour Group Room, Ground Floor
Liberal Democrats 9:00am Liberal Democrats Group Room, Ground Floor

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

Date Agenda Published: 07 January 2019



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Business and Property Committee

**Minutes of the Meeting held on Tuesday, 06 November 2018 at
10:00 am in the Edwards room, County Hall**

Present:

Mr B Stone (Chairman)

Mr T Adams

Ms C Bowes

Mr R Brame

Mr F Eagle

Mr A Jamieson

Mr T Jermy

Mr M Kiddle-Morris

Mr I Mackie

Mr B Spratt

Mr J Timewell

Mrs K Vincent

Mrs C Walker

1. Apologies

- 1.1 Apologies were received from Vice Chairman Mr C Smith (Mr B Spratt substituting)

2. Minutes

- 2.1 The Minutes of the meeting held on the 9 October 2018 were agreed as an accurate record and signed by the Chairman.

3. Declarations of Interest

- 3.1 The following interests were declared:
- The Director of Finance and Commercial Services declared a “pecuniary interest” as a non-executive director of Equinox Enterprises
 - Mr Jamieson declared a “non-pecuniary interest” as a non-executive director of the Norse Group
 - Mrs Vincent declared a “non-pecuniary interest” as Chair of Norse Shareholder Committee
 - Mr Timewell declared a “non-pecuniary interest” as director of a company owning property on Scottow enterprise park

4. Urgent Business

- 4.1 No urgent business was discussed.

5. Public Questions

- 5.1 No public questions were received

6. Local Member Questions

- 6.1 No Member questions were received

7. Update from Members about Internal and External bodies they sit on

- 7.1 No verbal updates were given from Members

7.2 An update on Apprenticeships was circulated; see appendix A.

8. Member Briefings and site Visits

8.1 Mr Mackie had attended a County farms visit and welcomed the different activities undertaken at the various farms. He reminded the Committee that the annual County Farms tenants meeting would be held in November at Easton college

8.2 The Chairman had attended an EE Energy group reception at the House of Commons with Peter Holdis, MP for Waveney; the meeting focussed on business which could be generated from the wind energy sector and the 30 years' worth of business from oil and gas. There was no discussion about Brexit.

9. Forward Plan and delegated decisions

9.1 The Committee:

1. **REVIEWED** the Forward Plan at Appendix A of the report.
2. **NOTED** the delegated decisions taken by Officers

10. Finance Monitoring Report

10.1 The Committee received the report with information on the revenue budget position for services reporting to Business & Property Committee for 2018 -19.

10.1.2 The Executive Director of Finance and Commercial Services reported that:

- There was an overachievement against County Farms surplus and Scottow Enterprise Park
- All corporate property management reserve would need to be used in order to come in on budget
- Half the capital budgeted for had so far been spent

10.2 During discussion & in response to Member questions, the following points were noted:

- The Executive Director of Finance and Commercial Services **agreed** to bring a summary of the financial position of Hethel and a separate report on Scottow Enterprise Park to a future meeting
- Corporate property management reserves had been used because it had not been possible to 'get out' of all buildings as planned, and not as much money as expected had been raised during the year
- Totals shown in paragraphs were different to those in the table of the report; the figures in the paragraphs related to the total cost of capital projects which had been split over a number of years while the tables only related to 2017-18 expenditure; the Executive Director of Finance and Commercial Services **agreed** to circulate detail on this to Members
- The overspend of £100,000 was due to coming out of vantage house

10.3 The Committee **AGREED**

- a) The 2018-19 revenue position for this Committee
- b) The 2018-19 to 2020 - 21 capital programme for this Committee
- c) The 2018-19 reserves position for this Committee

11. Rural Issues Update

- 11.1 The Committee discussed the report providing an update on rural economic development, key funding programmes managed or brokered by Norfolk County Council, and an overview of key current strategic developments and initiatives with implications for rural businesses and communities in Norfolk.
- 11.2 During discussion & in response to Member questions, the following points were noted:
- Feedback had been received that the process for applying for EU funding was complicated; complexity of the process was acknowledged however facilitation staff were available to support businesses to apply. Officers continued to lobby for a simplified process.
 - It was more difficult to generate LEADER projects in the Brecks due to its rurality and size however there were more applications than the team could fund at that time
 - Concerns were raised that funding may go to companies skilled at bid writing rather than where it was needed; the role of facilitation staff to help companies less skilled in bid writing was noted
 - The Programme Development Manager **agreed** to provide statistics on successful bids and businesses, such as company size and type
 - Officers were lobbying ministers to set out concerns about the 2-year + period with no EU funding for small businesses once LEADER funding ended in March 2019; Officers were setting out a bid for a delegated grant scheme for small businesses to operate on their behalf
 - There was no indication on the types of funding that would be available post 2020 so continuing to lobby for small delegated grant schemes was important
 - A discussion was held about animal welfare post Brexit
 - Funding for farmers was discussed; the Government had set out a transition arrangement of 7 years when existing payments to farmers would be phased out and new priorities set out by Government phased in; meetings had been held with businesses and farmers and Officers had responded to Government on their behalf and on behalf of Norfolk County Council
 - The impact of Brexit on the agricultural and environmental plan was unknown
 - The Department for Food and Rural Affairs (Defra) had recently allowed a commitment of funding until the end of 2020 in line with other funding; despite this, Norfolk County Council would have spent all funding by March 2019 as it had been encouraged to do. A letter had been sent from the Leader of the Council to Government asking for transition funding
 - Each LEADER Local Action Group (LAG) had its own funding allocation, however the 5 groups within Norfolk were prepared to move money between them if any remained unspent
 - There had been lobbying through Defra and the LEADER exchange group for a funding transfer option; at the time this was restricted to within LAG groups such as the Norfolk and North Suffolk LAGs but Officers remained in contact with Defra should there be a change of approach
 - Officers confirmed that there were 3 more appraisal staff to support during the short term increased workload of increased applications, funded through the LEADER programme
 - An application had been submitted to try to extend the Local Investment in Future Talent (LIFT) programme and a response was being awaited
- 11.3 The Committee:
- i. **Agreed** the approach outlined in the document for collaborative working and influencing to support rural businesses and communities.

- ii. **Supported** the approach outlined to respond to relevant Government consultations in collaboration with the Rural Strategy Steering Group.
- iii. **Endorsed** our approach to lobbying for transition and future funding

12. Disposal and Acquisition and exploitation of Properties

- 12.1 The Committee discussed and considered the proposals outlined in the report aimed at supporting Norfolk County Council priorities by exploiting properties surplus to operational requirements, pro-actively releasing property assets with latent value where the operational needs can be met from elsewhere and strategically acquiring property to drive economic growth and wellbeing in the County. Two sites had been brought forward with North Norfolk for housing as they were in areas difficult for local people to access housing.
- 12.2 During discussion & in response to Member questions, the following points were noted:
- A list of all acquisitions and proposals, including planned ones, was **requested**
- 12.3 The Committee:
- (i) Formally **AGREED** to the leasing of the roof area of Northgate Community Primary School, Great Yarmouth to Solar for Schools CBS Limited for a term of 25 years at a rent of a peppercorn per year (if demanded).
 - (ii) Formally **DECLARED** the Land at Church Lane, Potter Heigham surplus to County Council requirements and **INSTRUCT** the Head of Property to dispose of the property to an affordable housing developer (Housing Associations and other registered social landlords). In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee was **AUTHORISED** to accept the most beneficial offer and report the fact at a subsequent B&P Committee meeting.
 - (iii) Formally **DECLARED** the Land at Market Lane, Salthouse surplus to County Council requirements and **INSTRUCTED** the Head of Property to dispose of the property to an affordable housing developer (Housing Associations and other registered social landlords). In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee was **AUTHORISED** to accept the most beneficial offer and report the fact at a subsequent B&P Committee meeting.
 - (iv) **AGREED** to the transfer of the Land abutting Barnby Road, Scottow Enterprise Park at nil consideration to Coltishall Barnby Residents Company Ltd
or
In the event of a substantive objection the land to be transferred to Buxton with Lamas Parish Council.

13. Exclusion of the Public

- 13.1 The Committee **AGREED** to exclude the public for discussion of items 14, 15 and 16 on the grounds that they involved the likely disclosure of exempt information as defined by under paragraph Paragraphs 3 and 3.5 of Part 1 of Schedule 12A of section 100A of the Local Government Act 1972.

14. Norwich Airport Industrial Estate

- 14.1 The Committee considered and discussed the report by the Executive Director of

Finance and Commercial Services

14.2 The Committee **AGREED** the recommendations as set out in the report

15. County Farms Update

15.1 The Committee considered and discussed the report by the Executive Director of Finance and Commercial Services

15.2 The Committee **AGREED** the recommendations as set out in the report

16. Repton Property Developments Ltd – Verbal Update

16.1 A verbal update was given by the Head of Property.

16.2 The Committee **AGREED** the recommendations as set out in the report

17. Exempt Minutes

17.1 The Exempt minutes of the meeting held on the 9 October 2018 were agreed as an accurate record and signed by the Chairman.

The Meeting ended at: 11.06

**Mr Barry Stone, Chairman,
Business and Property Committee**



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Briefing from Cllr. Stuart Clancy for Business and Property Committee meeting 06/11/18

Updates

Government Reforms - Budget

The government will introduce a package of reforms to strengthen the role of employers in the apprenticeship programme, so they can develop the skills they need to succeed.'

As part of this:

- ✓ Enabling levy paying employers to transfer up to 25% of their funds to pay for apprenticeship training in their supply chains
- ✓ Halving the co-investment rate for apprenticeship training to 5%
- ✓ Increasing capacity for the Institute for Apprenticeships and National Apprenticeship Service in 2019-20, to identify gaps in the training provider market and increase the number of employer-designed apprenticeship standards available to employers. All new apprentices will start on these new, higher-quality courses from September 2020
- ✓ Working with a range of employers and providers to consider how they are responding to the apprenticeship levy across different sectors and regions in England, as well as the future strengthened role of apprenticeships in the post-2020 skills landscape

The minimum wage for apprentices will also increase to £3.90 in April 2019 an increase of 5.4%, the largest increase since 2015.

Regional Activity

Employer Ambassador Network

The National Apprenticeship Service is rejuvenating the local ambassador networks with an initial funding allocation of £10k per local area to spent before March 2019, there is the potential to extend this funding to a 3-year period.

The 4 areas of focus in the business plan are:

- Events and activities
- Highlighting apprenticeships
- Widening access to apprenticeships
- Employer engagement/tackling skills gaps

Colleagues within the apprenticeship team are working with the LEP to develop creative ideas around the use of this funding.

Young Apprenticeship Ambassador Network

A Regional Young Apprenticeship Ambassador Network has been established for 18 - 26-year olds to encourage them to promote apprenticeships in schools, network with other apprenticeships (professionally and socially) and attend key events.

East of England Regional Apprenticeships Awards - Success for Apprenticeships Norfolk Network Members

3 members of the Apprenticeships Norfolk Network picked up awards recently at the regional apprenticeship awards organised by the National Apprenticeships Service.

- **The award for macro employer of the year went to Norfolk and Norwich University Hospital NHS Trust**
- **Bespak Europe Limited picking up the award for Large Employer of the year**
- **NNUH also won the award for recruitment excellence which is given to recognise an organisation's commitment to diversity in the workplace.**
- **PLANDESCIL Limited, an employer working with City College Norwich who are also members of the network were also highly commended in the small employer of the year category.**
- **Aleksandra Burzec, an apprentice from Home Group in Norfolk won the rising star of the year award, Joshua Wrath from Victory Housing and Sonny Meijer from Ford and Slater, Kings Lynn were both highly commended.**

The National Future of Apprenticeships Conference 2019

NCC and TrAC have been asked to present nationally on the ATA project, detailing;

- **A sustainable ATA model delivering apprenticeship outcomes for vulnerable young people with a built-in support package for host employers**
- **Smoothing the transition into skilled employment, managing host employer expectations and bridging the gap between pre-employment programmes and the world of work**
- **Delivering a solution to reduce the cost of supporting long term unemployed people through the public purse**
- **Creating a way for businesses including levy payers to demonstrate business focused CSR**
- **We have had a number of enquiries from other local authorities looking to us to learn from our experiences in this work**

These examples demonstrate that NCC is proactive, creative and positive about apprenticeship and is working hard to ensure that we maximise the opportunities for Norfolk businesses and residents to reap the benefits of engaging in the apprenticeship agenda.

Integrated Health and Employment Service

Members will recall that a paper came to this committee in 2017 regarding the Integrated Health and Employment Service, a project designed to support local residents who are furthest from the labour market closer to work and into work. It will deliver a significant innovation in the way stakeholders approach employability projects and will target those who face significant barriers to entering the labour market. The project is in the final stages of approval with the Department of Work and Pensions and we hope to have a final decision early in the new year with the project ready to launch in the summer. A further paper will be presented to members at that time.

Jan Feeney

Employment & Skills Manager

Business and Property Committee

Item No.....

Report title:	Forward Plan and decisions taken under delegated authority
Date of meeting:	15 January 2019
Responsible Chief Officer:	Executive Director of Finance and Commercial Services Executive Director of Community and Environmental Services
Strategic impact Providing regular information about key service issues and activities supports the Council's transparency agenda and enables Members to keep updated on services within their remit. It is important that there is transparency in decision making processes to enable Members and the public to hold the Council to account.	

Executive summary

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

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

Recommendations:

Business and Property Committee are asked:

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

1.0 Introduction

1.1 Forward Plan

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

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

1.1.3 The Forward Plan is published monthly on the County Council's website to enable service users and stakeholders to understand the business planning

for this Committee. As this is a key document in terms of planning for this Committee, a live working copy is also maintained to capture any changes/additions/amendments identified outside the monthly publishing schedule. Therefore, the Forward Plan attached at **Appendix A** may differ slightly from the version published on the website. If any further changes are made to the programme in advance of this meeting they will be reported verbally to the Committee.

1.2 Delegated decisions

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

Subject: Norwich Northern Distributor Route (NDR) – land acquisitions.

Decision: To acquire land needed to enable delivery of the NDR scheme. Formal notice (under Compulsory Purchase Order) was served on all landowners impacted by the NDR in January 2016. Since the update to Committee on NDR land acquisitions, two more acquisition have been finalised. A detailed list of acquisitions can be made available for Members to view, if requested.

Taken by: In line with the process agreed by Business and Property Committee in January 2018, all acquisitions have been approved by the Head of Property, Executive Director of Finance and Commercial Services, Chair of Business and Property Committee and Chair of Environment, Development and Transport Committee.

Taken on: Various dates.

Contact for further information: David Allfrey, Infrastructure Delivery Manager
Email: david.allfrey@norfolk.gov.uk
Telephone: 0344 800 8020

Subject: **Property transactions (including sale, lease and acquisitions).**

Decision: As listed at **Appendix B**.

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

Taken on: As listed at **Appendix B**.

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

2.0 Evidence

2.1 As set out in the report and appendices.

3.0 Financial Implications

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

4.0 Issues, risks and innovation

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

Officer Contact

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

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

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



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Appendix A

Forward Plan for Business and Property Committee

Issue/decision	Implications for other service committees?	Requested committee action (if known)	Lead officer
Meeting: 5 March 2019			
Member briefings and site visits	No	To update members and view property assets.	Executive Director of Finance and Commercial Services (Simon George)
Forward Plan and delegated decisions	No	To review the Committee's forward plan and agree any amendments/additions.	Executive Director of Finance and Commercial Services (Simon George)
Finance Monitoring report	No	To review the service's financial position in relation to the revenue budget, capital programme and level of reserves.	Finance Business Partner (Andrew Skiggs)
Performance management	No	Comment on performance and consider areas for further scrutiny.	Business Intelligence and Performance Analyst (Austin Goreham)
Risk management	No	Review and comment on the risk information and consider any areas of risk that require a more in-depth analysis	Chief Internal Auditor (Adrian Thompson), Risk Management Officer (Thomas Osborne)
France (Channel) England Programme – annual update	No	To note and understand implications of Brexit for the programme	Carolyn Reid
Apprenticeships Training Agency pilot and next steps Development of Apprenticeships Norfolk Network	Potential implications for Children's Services Committee	To note and shape future activity	Jan Feeney/Children's Services
Disposal, acquisition and exploitation of Properties	No	To consider proposals to dispose of and/or acquire properties	Head of Property (Simon Hughes)
County Farms update	No	To comment on performance and note any changing circumstances, consider and take action as required.	Head of Property (Simon Hughes)

Appendix B

Property	Transaction	£ cost	£ benefit	Date of Decision
Brisley Primary School	Disposal by lease to Academy Trust	£0	£0	10/09/2018
North Wootton Pre-School	Lease renewal to pre-school	£0	£960 per year	11/07/2018
Taverham Nightingale Infant School	Disposal by lease to Academy Trust	£0	£0	07/09/2018

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

Business and Property Committee

Report title:	Economic Development contribution to the Norfolk & Suffolk Economic Strategy
Date of meeting:	15 January 2019
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact Economic Development team contributes directly to the delivery of the Norfolk and Suffolk Economic Strategy, as well as the County Council’s Vision and objectives. Although not a statutory service, Economic Development plays a key role in local economic growth.	

Executive summary

This is a significant report showing how we are making a substantive and broad-based contribution to the Norfolk & Suffolk Economic Strategy (NSES), which was adopted in October 2017. We aim to stimulate the creation of new jobs, in a flourishing economy, with the removal of barriers to inclusive economic growth through:

- Interventions to support inward investment and grow key sectors, such as Energy, the Digital Economy and the Rural Economy
- The securing and management of external funding to deliver growth and the skills needed to support it.
- Projects and programmes to build Norfolk’s skilled workforce, such as an Apprenticeship Training Agency, Integrated Health & Employment Service, skills plan for key sectors and work to support the Energy supply chain

These interventions are feeding into a three-year delivery plan for the NSES, overseen by a steering group, on which the County Council is represented

Recommendations:

Members are requested to:

1. **Agree the Council’s contribution to the delivery of the Norfolk & Suffolk Economic Strategy, and**
2. **Identify any areas for further consideration.**

1. Summary

- 1.1 The County Council formally endorsed the Norfolk & Suffolk Economic Strategy (NSES) in 2017 and our contribution to its delivery is grouped under three broad headings in this report:

Strategic Sites Development, Inward Investment, Sector Support and Funding for Growth

Covering these NSES Ambitions:

- A place with a clear, ambitious offer to the world
- The place where high growth businesses with aspirations choose to be

- A high performing, productive economy
- An international-facing economy with high value exports
- A centre for the UK's clean energy sector

Employment & Skills

Covering the NSES Ambition:

- An inclusive economy, with a highly skilled workforce

Infrastructure

Covering the NSES Ambition:

- A well-connected place

2. Overview of the Strategy's Ambitions, Themes and Targets

2.1. A table showing the key Ambitions, Themes, Priority Places and Targets in the Strategy is shown in Appendix A. As targets run to 2036, shorter term delivery plans are being developed

2.2. NSES Delivery Board

The development of a short-term (three-year) delivery plan for the Strategy is being overseen by a small Delivery Board, led by New Anglia Local Enterprise Partnership ('the LEP'). The Council Council's representative on the Board is the Interim Head of Economic Development, Vince Muspratt, who sits with Debbie Lorimer from South Norfolk Council, Anna Graves from Breckland Council and Sheila Oxtoby from Great Yarmouth Borough Council. The group is baselining current activity across the two counties, with a view to commissioning new activity, and developing of a Local Industrial Strategy.

3. Norfolk's contribution to delivering the Strategy

Strategic Sites Development, Inward Investment, Sector Support and Funding for Growth

3.1 Strategic Sites Development

3.1.1 Central to delivering the above Ambitions and Priority Places, in April 2018, Norfolk Leaders agreed a list of 24 key development locations that were priorities for Norfolk. The Economic Development Team (ED) was asked to look at a method to prioritise these locations, in order to target resources to deliver the best outcomes. The team looked at several different methods, including:

- The Department for International Trade (DIT) investment process - felt to be too complex at this stage.
- The LEP approach to prioritisation - felt to be most appropriate, and was also simpler to implement. This focusses on strategic fit, deliverability, additionality, return on investment and outputs, an assessment of the project's current status, as well as next steps, likely costs and likely source(s) of funding.

3.1.2 In order to collect this information, meetings were held with the County Council's Infrastructure Development team and individual district economic development officers.

The sites were attributed a status score which reflects the stage at which their development is currently at: 1) concept, 2) master plan and (3) ready to proceed.

Districts were also asked to assign scores for their sites in terms of strategic fit, deliverability, additionality, return and outputs – 1) low, 2) medium, 3) high.

ED moderated these two sets of scores to arrive at a delivery plan, in agreement with district officers.

During the discussions with districts, it was decided to split one or two of the larger sites, as it was clear they would not proceed as one single entity, e.g. Broadland Growth Triangle.

3.1.3 It should be stressed that priorities and status will change over time. For example:

- If a major business announces a closure, creating a redevelopment opportunity, as happened with Britvic and Unilever.
- A site could change ownership, with new aspirations, additional funding or a new approach
- A major new investment lands, that opens up a site
- A foreclosure occurs on a stalled site, forcing a change in ownership and approach
- New infrastructure investment is announced that unlocks a site

We will therefore continue to monitor the situation.

3.1.4 The conclusion of the exercise with districts was to focus on sites classified as **2) master/development plan ready**, as they are likely to be the subject of funding bids, and therefore represent the sites where real, tangible progress will be made with intervention – ideally elevating them to a **3) Ready to Proceed** status.

3.1.5 In some cases, further work will follow, but in others the outcome should lead to the site moving to a 3). The highest-ranking sites in this category were:

- Anglia Square, Norwich
- Britvic/Unilever/Deal Ground
- Rackheath employment land
- Thetford Enterprise Park, which could be elevated to a 3) once the roundabout on the A1066 is complete
- The Beacon Park Extension (housing and employment); North Quay, Great Yarmouth and Great Yarmouth Port (collectively also contributing to the NSES 'centre for the UK's clean energy sector' Ambition)
- Kings Lynn Riverfront
- Norwich Research Park
- Scottow Enterprise Park
- Wymondham, Browick Road
- Long Stratton Bypass
- Cringleford
- West Winch

3.1.6 Norfolk Leaders agreed that these sites should be considered the priority locations for funding, to progress their development to a point where they are ready to proceed or accommodate direct development.

We will use the matrix to inform and prioritise bids to the various funding streams that we manage or influence, such as the Business Rates Pool, Growth Deal or

NIF, as well as informing the Norfolk Infrastructure Plan,

We will also maintain a dialogue with districts to ensure the matrix is up to date, agree next steps and respond to changing circumstances and interventions.

3.1.7 Sites that were **1) conceptual** were noted for future development/assistance. A relatively small number of sites were classed as **3) ready to proceed**, i.e. likely to be able to accommodate construction in 2018/19, or at least to be able to entertain an active dialogue with an end-user right now, whilst committed works are delivered concurrently. Of the original 24 locations the following were given this status:

- Broadland Gate
- Snetterton employment area
- Nar Ouse
- Food Enterprise Park (subject to a deal on the Park progressing)
- Attleborough

The work within this agreed framework will carry forward into 2019/20, as sites develop.

3.2 **Inward Investment**

Inward investment is a key activity for the team. Highlights of the team's performance and activities undertaken to date are provided in a separate report to this committee.

3.3 **Sector Support**

3.3.1 **A centre for the UK's clean energy sector**

With £39bn of capital investment in Energy for the East set to take place by 2030, and Great Yarmouth's status as one of a small number of ports that are capable of accommodating the expanding and complex needs of the offshore renewables industry for assembly, manufacturing and operations maintenance, we are exploring how we can capitalise on this opportunity to capture investment. We are building business cases, in partnership with Peel Ports, the Borough Council and the LEP to expand port capacity to attract

- more construction and assembly business
- manufacturing activity
- more operations and maintenance facilities
- and significantly enhanced supply chain growth in relation to all of the above

3.3.2 There has already been considerable innovation in the energy sector supply chain, which has seen subsidies fall from £160 to under £60 per Megawatt hour. This has been partly achieved through ever larger turbines but also innovation in assembly, as well as operations and maintenance. Businesses in and around Great Yarmouth have contributed already and many form parts of the supply chains for the various developers. They are winning export business as well as a result and our aim is to encourage many more to get involved. We will work with partners, including Government, to develop this offer.

3.3.3 Government has already shown its confidence in this area in the shape of the £98m commitment in last year's Autumn Statement to the Great Yarmouth Third River Crossing. Projects we are looking to develop include:

- Expanding the space within the port estate to offer more sites with deep

- water access
- Developing a multi-user operations and maintenance facility, and potentially a co-located Energy Innovation Centre
- Attracting manufacturing investment
- Continuing work on the Gt Yarmouth Energy Park
- Lobbying Government to ensure 50% UK sourced supply chain commitments are adhered to
- A concerted promotional and PR campaign with a focus on profile raising within the specialist trade media
- Event attendance (UK, Germany and Spain, etc)
- Supply chain development, to encourage greater use of local businesses and enhancing their capacity/ability to bid for and win contracts
- Key account management and targeted relationship management with investment targets:
- Sector research to enhance our knowledge of the local supply chain and to identify gaps which present investment opportunities.

3.3.4 **France (Channel) England targeted Energy Projects**

The INTERREG programme, hosted and managed by the County Council is currently working on targeted projects relating to harnessing two forms of energy:

- Hydrogen – Harnessing the expertise in the renewable energy sector that we have in the area to look at ways to store renewable energy as hydrogen.
- Tidal – Supporting further technological developments in the industry that will enable it to drive down the costs of tidal energy so that it can become a major part of the UK’s renewable energy mix.

3.3.5 The **digital economy** is one of three sectors, along with Energy and Agri-Food, identified for promotion and development in the emerging Local Industrial Strategy for Norfolk and Suffolk. Norwich has been recognised as a key digital cluster in the past four years’ Tech Nation reports, including the most recent 2018 publication. Our key assets to attract new investment are:

- Our talent pool, produced by our two excellent universities UEA and NUA
- The city’s diverse and growing ICT cluster, with high business growth optimism, and strong founder ‘giving back’ culture in support of new start ups
- An attractive environment with comparatively low business and housing costs compared to Cambridge, for example

A critical issue, however is to ensure adequate provision of start-up and grow-on accommodation. There are signs the market is starting to become alert to this opportunity but the City and County Councils and NALEP are looking at what gaps exist in terms of property requirements, as well as the support networks needed in order to nurture and support high growth start-ups.

Our support for the tech community is also provided via events such as Sync the City and NorDevCon, as well as through strategic support for the establishment and operation of TechEast, a major initiative to bring together and promote the tech communities across Norfolk and Suffolk. This delivers a number of outcomes

- Increased profile of the 2 counties, in (for example) key publications such as Tech Nation.

- Bringing our tech community into closer contact with other sectors such as energy, manufacturing, tourism who can be encouraged to explore the opportunities presented by tech-based innovation which can lead to productivity gains
- Attracting and retaining staff and graduates with the necessary tech skills

We are also establishing a new film-friendly partnership with Creative England, promoted through familiarisation visits etc.

3.3.6 **Aviation and Aerospace**

The Council has already made a major contribution to encourage this sector through its support for the Aviation Academy.

Offering excellent degree level training on a live 737-400 aircraft, the centre is now attracting a great deal of interest from other businesses in this sector. Some will take space in the Academy, but we are exploring the potential to attract investment onto the Airport Industrial Estate and the nearby development land to the north of the airport which is being opened by the completion of the Broadland Northway.

John Thompson, Head of Aerospace and Aviation at DIT recently visited the Academy as part of an ongoing campaign to promote the sector on an international basis with the Aviation Academy at its heart.

3.3.7 **The Norwich Research Park (NRP)**

Widely celebrated as one Europe's largest and most diverse centres of excellence in food, plant, health, environmental, genomic and microbial science, the NRP has taken several steps forward in the past couple of years, with the opening of Centrum, the substantial growth of the Earlham Institute, the new £80m Quadram Centre and the award of Enterprise Zone (EZ) status.

We are working with all of the NRP partners to explore how we can use EZ status to invest in the necessary infrastructure that is vital to be able to accommodate new development. We have also engaged an agency to lead on site promotion and property enquiry handling, they will also add value to our lead generation work working with DIT's Life Science leads at a national level. It is vital that we use this momentum to deliver our long-established ambition to significantly expand the Park.

3.3.8 **The Cambridge Norwich Tech Corridor** seeks to exploit our proximity to, and synergies with Cambridge – which lies at the heart of a series of high tech growth corridors to the South (M11), north (to Peterborough) and West (to Oxford). We have supported a series of studies to examine the growth opportunities and what is needed to exploit them. Key interventions we are leading on:

- Demand & need study to create the Hethel Technology Park which shows a considerable amount of potential demand and this has been followed by a master planning exercise which is being carried out in collaboration with Lotus and their owners, Geely.
- Working with Breckland Council, Motorsport Vision, other landowners and NALEP to enable development at Snetterton and especially businesses attracted to direct access to a racing circuit. A number of leads are being examined.

3.4 **Funding for Growth**

3.4.1 **Use of Enterprise Zone business rates to fund infrastructure**

- This is a major area of work for the team. The fundamental attribute of Enterprise Zones (EZ) is the ability for the local partnership to retain 100% of the business rates collected or payable in relation to development undertaken on the site for a period of 25 years.
- There are six sites in Norfolk, two in Gt Yarmouth (comprising part of the Space to Grow EZ) and four elsewhere in Norfolk (comprising part of the Space to Innovate EZ). The four Space to Innovate sites are the Norwich Research Park, the Nar Ouse site in King's Lynn, Egmere and Scottow.
- Part of the rates income (the proportion varies for each site) is allocated to unlock the site, or to enhance or accelerate development. As this investment is required prior to development taking place, it is necessary to borrow against future income. The County Council has already undertaken some investment in Great Yarmouth, with more planned there. Investment is also underway at Scottow and plans are under discussion at the NRP.
- Careful analysis of current and future rates income is undertaken in order to ensure any investment will be repaid. Investments are made in stages, built up as development occurs and income grows.
- All investments are undertaken in accordance with the approved Development Plan for each site, of which we are signatories. Expenditure, and repayment plans are subject to Memorandum of Understanding between the LEP, the relevant district and the County Council.

3.4.2 National funds for infrastructure

The County Council's infrastructure development activity is focussed on identifying the larger and more strategic interventions needed to bring forward growth and working with others to take these forward to a point where they can be delivered. This includes agreeing and securing funding packages.

- The County Council has secured over £64m Growth Deal since 2015, funding projects such as the Aviation Academy, Better Broadband for Norfolk and transport measures in the urban centres including contributions towards Broadland Northway and the Great Yarmouth Third River Crossing.
- The County Council, in conjunction with Broadland District Council, has also been shortlisted for £70m 'Forward Funding' from the Housing Infrastructure Fund towards the Norwich East Growth Triangle. District councils were successful in securing funding for: Kingsfleet Urban Extension, Thetford; Anglia Square, Norwich; and Cringleford, South Norfolk.
- The County Council has been successfully shortlisted for a share of the Transforming Cities (transport) fund in Norwich; is awaiting the outcome of a bid for funding towards Long Stratton Bypass; and has secured £98m towards the Third River Crossing in Great Yarmouth.
- We continue to work on developing the Norwich Western Link and campaigning for investment in strategic road and rail projects including the A47 and Norwich in 90.

3.4.3 Innovative Growth Fund

The LEP recently announced a new revenue fund of £0.5m (initially a one off, but likely to be an annual allocation). Proposals are being worked up for a project on building the skills capacity of the supply chain and a paper will be taken to Norfolk Leaders in the spring, making the case for the Fund to be matched by Norfolk and Suffolk's pooled business rates, to enable it to have greater impact on delivery of the NSES.

3.4.4 Pooled Business Rates

- In addition to working with the Infrastructure Development Team to make the economic case for infrastructure improvements, a key contribution of the ED team is to manage the process for allocating funds from the **annual allocation of pooled business rates**.
- The aims of Norfolk Leaders' pool agreement are to contribute to the delivery of the Norfolk and Suffolk Economic Strategy, unlocking barriers to jobs, housing and skills growth. ED, on their behalf, manages the process for bringing forward proposals for them to agree, and monitors the resulting delivery programme.
- Funds have just been allocated for the period November 2018-November 2019, for early stage development work, detailed technical work and strategic/capital schemes. Norfolk Leaders committed **£3.79m** of funds (50% matched by the projects themselves) to support a range of projects across the county, including:
 - a contribution to the Integrate Health & Employment Service
 - East Norwich Regeneration development work
 - Norwich Western Link – preliminary design and business case
 - Long Stratton Bypass accelerated delivery

A table showing the approved projects for this round can be found at Appendix 2

3.4.5 Other programmes managed by the County Council

The County Council manages a number of programmes that target business growth, making a significant contribution to a range of NSES priorities, including the creation of new jobs, more productive companies and a highly skilled workforce:

3.4.6 i. European Regional Development Fund (ERDF)

- The County Council runs a small project which encourages and supports applications to the European Regional Development Fund (ERDF). ERDF funds wider business support initiatives, such as the Growth Hub support and grants programme, and the work Hethel Innovation do to support innovative tech businesses to start up and grow.
- The County Council is also a partner in a number of ERDF-funded projects, which are projected to support around 2,500 SMEs with advice and/or grants before the programme ends.
- We work in collaboration with NALEP and Suffolk County to spend the **£38m** available

3.4.7 ii. European Social Fund (ESF)

- ESF is the skills and employment arm of the European Structural and Investment Funds available for 2014-2020.
- The allocation of ESF funds for New Anglia over the 2014-2020 funding period is **£35.7m**.
- This funding is managed locally by the County Council, in partnership with NALEP and Suffolk County Council.

3.4.8 iii. LEADER

The **£9m** LEADER programme contributes to improving the environment, quality of life and economy in rural areas. The five Local Action Groups have to date committed £5.6m to 124 projects with all the remaining funding anticipated to be committed by March 2019 following the recent final bidding

round of the current programme. Members of the Business & Property Committee received a comprehensive update on this fund at their November 2018 meeting.

3.4.9 **iv. LIFT (Local Investment in Future Talent),**

LIFT is a unique **£1.1m** grant scheme supporting small-scale employability and skills projects in rural Norfolk and north Suffolk. Projects include assistance with job skills for people with disabilities, supported workplace trials for young people from disadvantaged backgrounds and a training initiative designed to widen access to management skills within a key sector of the local economy. £680,395 has been committed to 23 successful projects to date. This funding programme was also covered in the November 2018 report to Business & Property Committee.

3.4.10 **v. Rural Growth Programme**

NCC also works with DEFRA, NALEP and Suffolk County Council to ensure effective delivery of the Rural Growth Programme, with **£13m** available for rural businesses in Norfolk and North Suffolk. Contracted projects include a new packaging store for Anglia Free Range Eggs in Norfolk, and a production project for Yare Valley Oils. Other food processing, business development and tourism projects are in the pipeline.

3.4.11 **vi. Norfolk Rural Strategy Steering Group**

Economic Development also supports the Norfolk Rural Strategy Steering Group, a private-sector led group which works in partnership to develop and support initiatives which enable rural Norfolk to thrive. The Group was behind the £9m LEADER investment in Norfolk and the Digital Divide lobbying group. The Group has recently refreshed its strategy: '[Strong Roots: New Growth, a Norfolk Rural Strategy for 2017-2020](#)'. Linked to both the NSES and the Rural Strategy, there are also plans to produce an Environment Strategy for the county, to ensure that precious natural resources are maximised and safeguarded.

3.4.12 **vii. INTERREG France (Channel) England Programme (FCE)**

- The FCE programme has so far invested more than **€16.2m** on projects involving Norfolk-based partners that align with NCC's Vision and objectives. These include:
- **Project Go Trade**, which is helping to stop the decline of market towns by creating a unique brand of markets that will attract new visitors to the region, while supporting existing and new market traders to build sustainable businesses. Great Yarmouth will trial the new brand of markets, which will offer a diverse range of good quality products. Local traders will also be supported by introducing digital marketing techniques such as 'click and collect'. The project is expected to attract 32,000 new visitors to Great Yarmouth over 3 years.
- **Project Increase**. Involving Norwich-based housing association, Clarion Housing, Project Increase will develop a new training programme to help social housing residents across the South and East of England to set up their own micro-businesses or achieve other forms of employment. The project will help train 6,000 participants, creating up to 1,100 new businesses and helping a further 2,000 people into employment.
- **The Intelligent Community Energy project (ICE)**, which is focussed on designing and implementing smart solutions for energy production, storage and consumption for remote communities. These communities often depend on external and fossil fuel energy supply, low electricity grid capacity and limited or no connection to wider grids. The new systems

will be tested on two pilot sites, Ushant Island in France and the University of East Anglia's campus. It is hoped that the system will help reduce greenhouse gas emissions of the communities involved in the project by over 50%.

The FCE programme still has over **€135m** available for new project development that could significantly support delivery of the NSES, including stimulating growth through innovation and supporting people into employment through social innovation projects.

3.5 **Other funds Economic Development helps to draw down**

3.5.1 i. The **Eastern Agri-tech Growth Initiative** provides grants between £10,000 and £150,000 in two forms: growth grants to support product development and improve productivity and business growth; and an R&D or prototyping fund to support development of new and novel technologies. Norfolk County Council promote the scheme, undertake project appraisals across Norfolk and Suffolk (for which we earn income), and carry out monitoring. In 2017/18 we supported 5 projects, 4 R&D requiring no jobs and one growth bid. To date the growth project has created 12 jobs and aim for another 10 to 12, they are actively recruiting, and one R&D project has delivered two high level lab technician and researcher roles. In 2018, up until the end of November 2018 4 companies have benefitted from the scheme, obtaining R&D grants totalling £64,418, and growth grants equating to: £113,732. The 1 one growth applicant anticipated creating 4 fte graduate roles and protect two further fte jobs.

3.5.2 ii. ED plays a key role in the delivery of the LEP's business support programme, including the grant programmes. We undertake promotion, advocating proposals and assessment of applications. So far this year we have supported 58 projects with a grant value of £2,081,666 that will lead to the creation of 148.5 jobs.

3.5.3 **Post-Brexit funding (successor to EU funds)**

- It has been confirmed that the UK will continue its involvement with European Structural and Investment Funds (ESIF) until 2020.
- The UK **Shared Prosperity Fund** will replace the ESIF, and the Government's intention is for growth to be more inclusive and less South East-focussed.
- We want to ensure Norfolk continues to receive its fair share of economic growth funding, so the principles we would wish to see enshrined in successor funds were agreed with Economic Development Sub-Committee in January 2017.
- We have also fed these into the Local Government Association and a number of Government consultations on post-Brexit funding, the rural economy etc. We have strongly stressed the lead role that local authorities can play in post-Brexit funding, managing delegated funds targeted to local needs and achieve the Government's objective of inclusive growth.
- A consultation paper specifically on the SPF is expected before the end of 2018.

3.6 **Employment & Skills**

3.6.1 The activity in this section contributes to the NSES priority of:

- An inclusive economy, with a highly skilled workforce
- The place where high growth businesses with aspirations choose to be

- A high performing, productive economy

as businesses need access to a highly skilled workforce, in order to be productive and to choose Norfolk as their location.

3.6.2

The County Council's Employment & Skills Team is delivering a range of projects and programmes in 2018/19 contributing to these priorities. A skills update is on the agenda today and members regularly receive updates on apprenticeships. Additional information can be provided if required.

3.7 **NSES Ambition: A well-connected place (infrastructure priorities)**

3.7.1 ED works closely with the Infrastructure Development Team to make the case for competitive grant funds for economic growth, including New Anglia's Growth Deal allocation, bids to Housing Infrastructure Fund and proposals for use of the County's pooled business rates, covered above.

This is to ensure that the county's infrastructure requirements are developed hand in hand with economic growth plans, particularly those linked to strategic employment and housing sites.

EDT Committee endorsed the current version of the Norfolk Infrastructure Delivery Plan (NIDP) at their meeting in November 2018 (link provided in Section 6, Background).

3.7.2 The NIDP reflects our ambitious plans to overcome our infrastructure constraints. NCC has successfully worked with partners to develop a range of projects including (see also Section 3.2.4b):

- **Broadland Northway** was successfully completed in March 2018 and was funded by a combination of government grant and local contributions including from the LEP's growth deal and local authority funds. As well as supporting economic growth across the wider Norwich area, Broadland Northway more directly supports the delivery of the largest urban extension in the country with around 13,000 new homes in the Growth Triangle and up to 140ha of associated employment land. We are now taking forward feasibility work on the Norwich Western Link, which would connect the distributor road to the A47.
- **Great Yarmouth Third River Crossing.** The County Council invested over £1m of its own money on early stage design and development work and was successful in securing a contribution of up to £98m from government towards its delivery
- **Sustainable transport projects in our urban centres and market towns:** We are currently delivering around £15m of infrastructure improvements funded by Growth Deal, to bring forward housing and jobs growth in our urban areas and market towns. We are also rolling out Network Improvement Strategies across our market towns, and developing transport strategies in our urban areas, to identify the constraints and barriers to growth and what might be needed in the longer term to bring forward growth
- Securing a grant from government through the National Productivity Investment Fund for **Hempnall Crossroads on the A140**, which will help release 1,800 houses at Long Stratton. We are currently awaiting the outcome of a bid for government funding towards the Long Stratton bypass.

4. **Financial Implications and options**

4.1. For 2018/19, just under £0.175m is available for economic project activity, of which £75,000 is ring-fenced for the County Council contribution towards the

4.2 New Anglia LEP.

This is supplemented by reserves of c.£116k per year (which are planned to be fully utilised by the end of 20/21) and enable ED to support inward investment, sector development activity and a small number of projects.

4.3 While ED has little discretionary funding at its disposal to create impact, as highlighted above, the team explores all options to secure and manage external funding for sustainable economic growth.

5. Issues, risks and innovation

5.1. In light of budget reductions, and to maximise opportunities, ED will continue to focus on innovative and creative ways to work with partners to secure external funding to ensure sustainable growth across the county.

6. Background

6.1. [Norfolk & Suffolk Economic Strategy](#)

Economic Development Sub-Committee: Post-Brexit funding principles, 19/01/17

[Update to B&P Committee on Major Infrastructure Improvements, 8/9/17](#) (p31)

[Business & Property skills papers, 18/10/17](#): Apprenticeships Update (p24), Trial Apprenticeship Training Agency Project (p35), IHES (p39)

[Norfolk Infrastructure Delivery Plan 2018 refresh, EDT Committee, 9/11/18](#) (p19)

Officer Contact

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

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

The Norfolk and Suffolk Economic Strategy (NSES) Ambitions, Themes and Targets

The table below shows the key Ambitions, Themes, Priority Places and Targets in the Strategy. As targets run to 2036, shorter term delivery plans are being developed.

Table 1: Priorities

Ambitions, with investment focussed on...	Major themes...	'Priority places'* (for Norfolk)...
<ul style="list-style-type: none"> • The place where high growth businesses with aspirations choose to be • An international-facing economy with high value exports • A high performing, productive economy • A well-connected place • An inclusive economy, with a highly skilled workforce • A centre for the UK's clean energy sector • A place with a clear, ambitious offer to the world 	<ul style="list-style-type: none"> • Our offer to the world • Driving business growth and productivity • Driving inclusion and skills • Collaborating to grow • Competitive clusters, close to global centres 	<ul style="list-style-type: none"> • Norwich and the Greater Norwich area • The Norfolk and Suffolk Energy Coast (including Bacton and Gt Yarmouth) • The Norwich – Cambridge Corridor, connecting two global centres of research • The A47 Corridor, from Great Yarmouth to King's Lynn • King's Lynn and the A10 and rail corridor to Cambridge

* places where the evidence shows there are the greatest opportunities and commitment for continued growth.

Table 2: NSES Targets

Indicator	Target growth rate	Result (all by 2036)
GVA	2% annual growth	Grow our economy by £17.5bn in real terms
Productivity	1% annual growth	GVA per hour of £39
Jobs	0.5% annual growth	88,000 net new jobs
Businesses	2% annual growth	30,000 new successful businesses
Housing	Meet the objectively assessed need	140,000 new homes
Inclusive Growth: Median Wages	1.7% annual growth	£200 more per week
Inclusive Growth: Employment rate	Consistently higher than national average	A higher proportion of people engaged in the labour market than across the UK
Inclusive Growth: Skills	Increase NVQ3+ qualifications by 1.4% average (over each 5-year period)	66% of the population with NVQ3+

Approved Business Rates Pool Projects 2017-18 Round

Funding pre-committed for year 2017-18

Authority	Project	Project cost £	BRP Funding £
NCC	Integrated Health and Employment Service	£700,000.00	£350,000.00
SNDC	Cringleford Site Access (Second stage)	£10,750,000.00	£210,000.00

2017-18 Projects

Authority	Project	Project cost £	BRP Funding £
NWHCC	East Norwich Regeneration - Pre-Development Project	£400,000.00	£200,000.00
NCC	Long Stratton Bypass Scheme	£575,000.00	£250,000.00
NCC	Norwich Western Link	£1,948,003.00	£974,001.50
NCC	Southgate Roundabout and London Road	£100,000.00	£50,000.00
KLBC	Unlocking King's Lynn Brownfield Sites - Southgate Regeneration Area	£450,000.00	£225,000.00
KLBC	Unlocking King's Lynn Brownfield Sites – South Quay	£700,000.00	£350,000.00
KLBC	West Winch Growth Area – Planning application and enabling work	£1,000,000.00	£500,000.00
BCKLDC	Thetford Enterprise Park (TEP)	£150,000.00	£75,000.00
BRDLDC	Rackheath Employment Area	£360,000.00	£180,000.00
BRDLDC	South of Salhouse Road Development	£230,000.00	£115,000.00
KLBC	Unlocking King's Lynn Brownfield Sites - Chapel Street	£400,000.00	£175,000.00
NCC	Hoveton and Wroxham Transport Network Improvement Strategy	£50,000.00	£25,000.00
NCC	Wymondham Network Improvement Strategy	£50,000.00	£25,000.00
NCC	Downham Market Network Improvement Strategy	£50,000.00	£25,000.00
NCC	Employer Engagement – ICT Digital Sector	£100,000.00	£50,000.00
NCC	Fakenham Transport Network Improvement Strategy	£50,000.00	£25,000.55
NNDC & All NLAs	Water Resource Management Plan for Norfolk	£80,000.00	£40,000.00
SNDC	Norwich Research Park Transport Strategy and phasing plan	£50,000.00	£25,000.00
GYBC	Great Yarmouth Urban Area Strategic Sites	£395,000.00	£197,500.00
NNDC	NN Growth Sites Delivery Strategy	£90,000.00	£45,000.00
GYBC	Great Yarmouth - Winter Gardens	£50,000.00	£25,000.00
BRDLDC & SNDC	South Norfolk/Broadland Growth Delivery and Projects Team	£300,000.00	£150,000.00
BCKLDC	Support for Innovation in Breckland	£70,000.00	£35,000.00
GYBC	Redevelopment of Great Yarmouth Marketplace	£2,305,000.00	£70,000.00

Business and Property Committee

Report title:	Inward Investment Activity
Date of meeting:	15 January 2019
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact The Economic Development service contributes directly to the delivery of the Norfolk and Suffolk Economic Strategy, and the County Council's corporate objectives.	

Executive summary

This report gives members an update on our approach to attracting and retaining investment. It provides an overview of recent activity, shows the county's performance in attracting Foreign Direct Investment, and Invest East, our European Regional Development Fund project.

Recommendations

Members are requested to:

- 1) Endorse the approach being taken by the Economic Development Team and the identified priorities in the report, and**
- 2) Suggest any areas for further consideration.**

1. Proposal

- 1.1. This report provides an update on inward investment activity over the past year, since the last update in Jan 2018 which provided a more comprehensive overview of strategy, broad concepts, terminology, actions and targets. It sets out current priorities and invites comments and endorsement of the approach being taken.

2. Evidence - Past performance

- 2.1. Inward investment outcomes for 2017-18 (for Foreign Direct Investment (FDI)) saw 5 successful projects in Suffolk and 14 in Norfolk (plus 3 pan UK projects impacting on one or other county). In Norfolk this led to 254 new jobs and 1612 safeguarded. This is an increase in the number of projects, although 10 of the successes are from existing businesses or acquisitions and the number of new jobs shows a decrease on the previous year (352 jobs created, 1043 safeguarded 12 projects).
- 2.2. This is inconsistent with the UK's performance as a whole in that year, which saw a 1% increase in jobs created and fewer investment projects, but consistent in the numbers of jobs safeguarded which also saw a 54% drop. Safeguarded jobs are a reflection of the amount of successful investment going into existing businesses in the UK and reflects an uncertain landscape where investment into existing companies is stalling, usually resulting in lower job safeguarded/created numbers overall.

3. Financial Implications

3.1. There are no direct financial implications.

4. Issues, risks and innovation

4.1. No risks identified. Some of the activity in the report provides examples of new approaches being taken to attract investment.

5. Background

5.1 New Anglia LEP, Norfolk County Council and the District Councils collaborate to encourage/enable inward investment, primarily to attract and retain investment by business as well as nurturing the growth of indigenous businesses. Broadly, in Norfolk there is a collaborative approach to inward investment and this has been enhanced with establishment of a Client Management System by the LEP – which all partners are starting to use. This is enabling all partners to share information about target companies and better manage enquiries and key accounts.

A - Marketing and promotion

5.2 Our marketing approach tends to be a blend of sector focused and location specific activity as appropriate, for example...

- We promote the county's strengths, assets and opportunities under the Locate:Norfolk brand. A recent update has been the ICT Digital and Creative sector which is focused heavily on the city but with additional features elsewhere in the county.
- We promote the East of England Energy Zone, with its focus on Gt Yarmouth and Lowestoft, using web based material (www.theenergyzone.co.uk), brochures, exhibition stands at 2-3 events per year, releases to trade journals and direct key account management. Members have been updated previously on this work. The Deputy Leader of the Council recently attended the All Energy event in Amsterdam at which he signed an MOU with other partners of the South North Sea Alliance.
- promotion of our Enterprise Zone sites under the Invest East banner
- A new promotional programme, funded via the EZ, to raise the profile of the Norwich Research Park
- Promotion of the Aerospace/Aviation cluster around Norwich that has been given a significant boost by the opening of the International Aviation Academy. A recent visit by the Department of International Trade's Head of International Trade has highlighted to us that we have an attractive proposition in this sector
- A new programme to promote Norfolk and Suffolk's Food and Drink offer, building on the highly successful Local Flavours event, we will be exhibiting with 20 local businesses at Europe's largest business to business food and drink show in Amsterdam – see Appendix A for more information
- We continue to promote the county's engineering, manufacturing and tech credentials as part of the Cambridge Norwich Tech Corridor initiative
- We promote a range of property offers at the MIPIM show in London, with Suffolk partners under the East brand

5.3 The LEP is looking at refreshing its branding and marketing approach which has until now used The East, in a 'nested branding' arrangement. We await to see what emerges, but this nested, or umbrella approach is likely to continue. The initiatives described in 5.2 are delivered using a number of approaches, tailored to the product being offered.

- 5.4 Some of the materials described in 5.2 will be available for members at the meeting. (copies of Digital brochure and EEEZ to hand out at meeting)

B – Key Account Management

- 5.5 The team continues to manage ongoing relationships with many of the county's major and significant employers, many of which are foreign owned. Keeping our fingers on the pulse of local businesses is essential so we are able to appreciate emerging opportunities and threats, especially with the continued uncertainty over the outcome of Brexit. So far in 2018/19 we have had discussions with over 40 key businesses including Lotus, Baxter Healthcare, KLM, Air Livery, Multimatic, Eastern Attachments, Thurne, Britvic, Unilever, Proserv, Aviva, Marsh, Lintott, Peterson and Armultra.
- 5.6 Ensuring we capitalise on the opportunities presented by offshore renewables remains a key area of work. We have excellent dialogue with all the offshore developers that are active off the Norfolk coast, their Tier 1 supply chain businesses and a number of other major supply chain companies with a view to attracting manufacturing into the area when the time is right. We are working closely with Peel Ports, the LEP, DIT and the Borough Council on a number of leads in this respect.
- 5.7 The size of the opportunity provided by each offshore wind project is substantial and whilst the local supply chain is becoming more attuned to the offshore requirements of developers, onshore works present a different set of businesses with new openings. This will include construction of transformer stations, laying cable routes, project management, landscaping and many other activities. We will work with developers to ensure local businesses are equipped with the necessary capability to bid.

C – Development, Regeneration and Infrastructure Opportunities

- 5.8 The Economic Development team has led on the assembly of a Norfolk Growth Strategy whereby we have sought to assess all of the sites capable of hosting development/investment in the very near term, and those that need intervention to progress them. We have identified a relatively small number of sites in the first category – Broadland Gate, Snetterton employment area (2 sites), Nar Ouse (King's Lynn), the Food Enterprise Park (subject to the Condimentum deal progressing) and Attleborough.
- 5.9 The team is working to help progress a number of sites across the county in order to increase the range available to accommodate investment. Most notably the plans to expand Gt Yarmouth port in order attract manufacturing, Operations and Maintenance, and additional construction/assembly work. This is in conjunction with promotional activity described above and a lobbying campaign to ensure Gt Yarmouth is at the forefront of Government thinking, most notably in the emerging Sector Deal for Offshore Wind. Other sites we are progressing include Norwich Research Park, Gt Yarmouth Energy Park, Scottow Enterprise Park and Hethel Technology Park.

D – Enquiry Handling

- 5.10 The Inward Investment team handles on average around 100 enquiries a year – the rate of these enquiries peak during and after exhibitions. For example, this year the

team has attended Global Offshore Wind in Manchester (offshore wind), Offshore Energy (oil, gas and renewables) in Amsterdam and is due to attend Horecava (largest food and drink expo in the Netherlands) in January 2019.

- 5.11 There has been a distinct reduction in number of enquiries sent through from Department of International Trade, versus this time last year.

We are advised that this is a national trend and likely linked to businesses waiting for clarification around Brexit before committing to expansion or investment plans for the UK.

- 5.12 Enquiries are discussed with district colleagues, LEP and DIT at the Norfolk Investment Group. Further discussion takes place more frequently with the relevant partners involved.

E – Local Organisation

- 5.13 In order to deliver Inward Investment effectively across the three tier system and reporting upwards to central government, Norfolk County Council led on the formation of the Norfolk Investment Group – which consists of representatives involved in inward investment from county, each district council across Norfolk, as well as the Inward Investment Manager at the LEP and representation from the Department of International Trade (DIT).

- 5.14 The group meets quarterly and provides a platform to review inward investment enquiries and successes, updates on investment campaigns, as well as review of threats/ economic shocks. As well as feeding into DIT, the group reports into the Growth Delivery Group, and also the LEP's Inward Investment sub-group.

F – Invest East Project

- 5.15 The above activity has been significantly enhanced recently due to the advent of the Invest East project that was conceived and launched by the Economic Development team. £1.8m ERDF funded business support programme operating from September 2018-2021 in Norfolk and Suffolk. This is a substantial investment and incorporates a significant amount of new activity.

- 5.16 The Invest East programme aims to enhance the reputation and capability of investment readiness support to accelerate businesses that wish to scale up. It seeks to use the outcomes, case studies and messages from this work to enhance and provide assurance to foreign investors that there is a healthy local investment offer; and that Norfolk and Suffolk demonstrate a fantastic opportunity for investment.

- 5.17 The primary focus for activity will be to deliver an investment readiness business support programme. This will provide intensive 30+hour interventions with businesses in Norfolk and Suffolk bringing in specialists as required to develop their investment proposition. This will form a key part of the scale up directive in the Norfolk & Suffolk Economic Strategy and the obligation New Anglia has with Central Government. The project will integrate fully with the New Anglia Growth Hub, allowing for better integration and promoting a single point of contact for businesses.

- 5.18 Norfolk County Council is the accountable body and a key delivery partner in the project. Other project partners and their roles are:
- UEA Innovation funding team, co-ordinating and delivering Investment Readiness support.

- The New Anglia Growth hub will act as the first point of contact for referrals onto the Investment Readiness Programme.
- Norfolk and Suffolk County Councils will lead on supporting investment and delivering account management to clients, working closely with NALEP.
- NALEP will co-ordinate external promotion, campaigns and supply chain development opportunities.

5.19 The outputs required to secure the ERDF match is:

- 150 high level intensive business supports in SMEs looking to scale up
- 5 new SME business created through new foreign investment
- 80 new jobs
- 40 new products developed
- Enhanced landing offers for all foreign investors in key sectors
- Proactive marketing and lead generating activity to draw in investment and talent

5.20 We expect to exceed these targets and to explore the potential to draw down additional funding based on strong performance.

Officer Contact

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

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Norfolk & Suffolk County Councils, working in partnership with New Anglia Local Enterprise Partnership, the Lively Crew and Department of International Trade, have come together to promote Norfolk & Suffolk's outstanding food and drink sector and encourage trading relationships with the Netherlands.

This will be the first time that any UK business will be present at the major Dutch fair for food and drink producers and catering professionals. Small to medium sized businesses can showcase their products to Dutch buyers and have a premium opportunity to do business in a new major market.

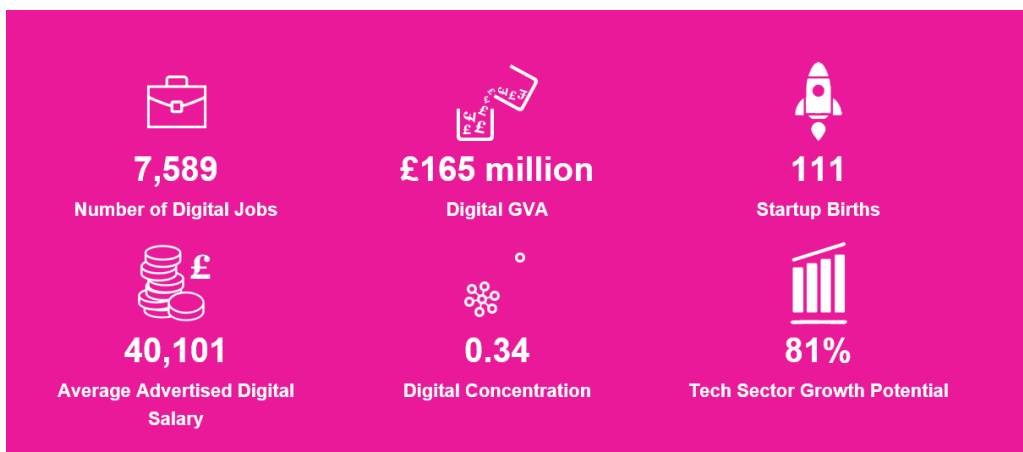
Horecava is the largest food, drink and catering expo in the Netherlands, The trade show attracts more than 40,000 businesses and nearly 66,000 visitors in search of leads, business contacts, new products and trends. It will be held from 7 to 10 January 2019 at the Amsterdam RAI.

Businesses can take a subsidised spot on the 105m2 stand from 'The East - Food and Drink Pavilion'. From £500 per position, stand holders will benefit from:

- Business support from the Department of International Trade during and in the lead up to the expo
- New Anglia Growth Hub support, including grants, efficiency, coaching and tax advice
- Position on The East's Food and Drink Pavilion stand with company branding
- One exhibitor pass to the exhibition
- Publicity during and in the lead up to the Horecava expo
- Support and briefing ahead of the fair
- Invitation to 'The East's reception.

Confirmed stand holders include: Yare Valley Oils, Bullards Gin, Black Shuck Gin, James White Drinks, Great British Cake Company, Essence Monty's Foods, Quickfill, Paddy & Scotts, Stewart & Guild, Taste of Suffolk, Algy's Popcorn, Nova Farina, Fresh Pod, Giffords Hall Vineyard, Stokes Sauces, Fresh Pac, Fen Farm Dairy, Suffolk Salami and Crush Foods.

Digital



(*Norwich: Tech Nation Report 2017)

Norwich hosts a vibrant cluster of digital businesses, with home grown companies such as Epos Now, Foolproof, Fountain and Rainbird AI serving global digital technology customers. UEA and NUA's strong computing and digital creative programmes provide a ready supply of digital and creative graduate talent - and a developing Norwich based specialism in gaming. Strong university and business collaboration supports a notable range of meet up and networking platforms within Norwich and ensures a range of annual events to inform and generate interest from the wider business community, and increasing, within schools – Step into Tech providing a shining example.

The Government's 2017 Tech Nation report provided metrics shown above. The 2018 report again recognises a vibrant digital creative sector focused on Norwich, which has seen particularly impressive growth in earnings power for digital creative positions. Norwich has benefitted from an annual average of 111 digital start-up companies between 2011 and 2015. Digital business turnover has increased by +27%. Sector specialisms include artificial intelligence; IoT; Fintech; advertising and marketing; and cyber security.

This dynamic cluster includes advertising & marketing companies such as: Proxama (worldwide platform provider of mobile contactless payment solutions), FXHome (global supplier of visual effects products), Foolproof (Europe's biggest user experience design specialist) and Fountain (winning multiple awards as a Google partner). Epos Now provide till equipment and cloud-based software to the SME market.

A key driver for the growth is the strong supply of creative graduates coming out of Norwich University of the Arts (NUA) and University of East Anglia (UEA). Norwich is developing a distinctive strength in computer games. The two universities and local authorities have been strong supporters of local digital creative networks, which thrive in Norwich. Norwich has a notable "giving back" ethos within digital founder members, and they have strongly supported the networks, which include: SyncNorwich (over 1300 members), Hot Source 1100 LinkedIn members; Norfolk Developers (over 1,000 members); TechEast Ltd (created in 2016 to accelerate East Anglia's tech scene); along with other meet up groups for entrepreneurs and professions: (Norfolk Network, Norwich Hackspace/Makerspace; Digital East Anglia are good examples. Norwich TechVelocity incubator/accelerator programme was launched by the private sector in 2017. Norwich's Step into Tech provide coding clubs for kids and the #DigitalCity Trail promoted ICT to children. The Norwich Gaming Festival in 2017 attracted 40,000 visitors.

Norwich located companies benefit in other ways. According to Irwin Mitchell's quarterly tech powerhouse report Norwich had the UK's 6th fastest year on year growth rate of 2%. Norwich was one of five 'fast growth cities' identified in a 2016 report by the Centre for Cities. Quality of life is rated at 97% by digital employees; digital growth optimism is at 81%.

Norfolk Investment Successes 2017.18

	Company Name	Country	Type of investment	Investment £	New Jobs	Safe Jobs
1	Proserv	UK	creation of new site and consolidation of sites	8,000,000	0	190
2	Retroactive fit	UK	creation of new site	300,000	27	3
3	Ofo Bikes	China	creation of new site	80,000	12	
4	Marnavi UK	Italy	Creation of new site or activity	£3,000,000.00	5	0
5	Wolong Holdings - New equipment & plant at ATB Laurence Scott site in Norwich	China	Expansion of existing site or activity	£2,100,000.00	3	0
6	Simmons Edeco - Expansion at Great Yarmouth facility	Canada	Expansion of existing site or activity	£10,050,000.00	10	0
7	KLM R&D	Netherlands	Expansion of existing site or activity	£100,000.00	3	0
8	KLM Air France KLM Engineering & Maintenance BV - Expansion into new hanger at NIA	Netherlands	Expansion of existing site or activity	£7,100,000.00	20	0
9	Quorn Methwold Expansion	Philippines	Expansion of existing site or activity	£3,000,000.00	20	0
10	Danish Crown - Tulip King's Lynn expansion	Denmark	Expansion of existing site or activity	£1,121,000.00	0	419
11	Geely acquisition of Lotus	China	Acquisition	£100,000,000.00	0	800
12	Zertus Group - New novelty chocolates line at Fakenham site	Germany	Expansion of existing site or activity	£1.00	4	0
13	Huntsman Corporation - Acquisition of IFS Chemical Ltd	USA	Acquisition	£1.00	0	200
14	Smyths - New Store - Norwich	Ireland	Creation of new site or activity	£11,240,000.00	50	0
			Total	146,091,002	154	1612

Business & Property Committee

Report title:	Skills update
Date of meeting:	15 January 2019
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact: Skills are a crucial element in supporting the growth of an inclusive economy where skills and employment provision meets business need and the aspirations of individuals. Norfolk County Council's Vision 'Caring for our County: A vision for Norfolk in 2021' sets out our strategic ambitions for skills and apprenticeships, providing opportunities for entry to the labour market, improving the skills base and supporting in work progression. Current initiatives and future plans that influence and shape the system locally to deliver on those ambitions are detailed below.	

Executive summary

<p>The skills system is complex and national skills policy and funding is ever changing. Norfolk has a relatively low skill, low wage economy. This coupled with the regional need to address the productivity gap, consistently places New Anglia in a mid to low standing when compared to other areas of the UK.</p> <p>This paper provides an overview of projects currently underway, together with some emerging plans designed to ensure that Norfolk is capitalising on new opportunities for the benefit of business and individuals.</p> <p>Recommendations</p> <p>Members are requested to:</p> <ol style="list-style-type: none">1) Agree the direction of travel for NCC in supporting current skills projects and initiatives2) Agree future plans and consider what else could be developed.

1. Proposal

1.1. NCC is leading or supporting a range of skills interventions, both current and planned, focussing on driving skills and inclusion. The projects are grouped under the four main themes adopted by the NALEP Skills Board which expand on the ambitions within the NCC's Caring for our County: A vision for Norfolk in 2021':

- 1) Driving Skills progression for the workforce
- 2) Providing Agile & Responsive training provision for key sectors
- 3) Tackling barriers to employment
- 4) Equipping Young People for success

1.1.1. ***Driving Skills progression for the workforce***

The aim is to ensure all those in work have the opportunity and support to progress within employment, acquire additional skills, generate greater productivity and ultimately to reduce reliance on working age benefits.

Current Projects

- An ESF funded project entitled Skills Support for the Workforce is providing upskilling opportunities for employees. NCC is working closely with the contract holders SEETEC to target organisations in ICT Digital, Construction and Health and Social Care sectors, where skills shortages are prevalent.
- Apprenticeships. We are focussing on better use of the levy including levy transfer to build skills capacity within supply chains and supporting the Health and Social Care sector to increase the number of apprenticeships
- Sector Skills Plans – these have been produced for all key sectors and identify the main challenges and obstacles to skills development. Sub groups are driving forward the recommendations, developing pathways into sectors, facilitating in work progression and higher-level skills development as appropriate.
- LIFT Skills – an ESF funded rural project offering upskilling opportunities to employees to benefit their own careers and to enhance their contribution to their employers with a specific focus on rural based SMEs.

The outcomes we are seeking include:

- Continuous development and progression into higher paid jobs
- Making best use of the apprenticeships levy to drive the take up of apprenticeships at all ages
- Sectors piloting approaches to encourage in work progression e.g. health and social care via ESF
- Clear pathways to enter and progress within each of our key sectors
- Support those accessing employment at entry level to remain in work and progress into higher paid roles, developing their skills and lifting them out of the benefits system

Future Plans

Working with Suffolk County Council we are developing a project in the energy sector to build skills capacity through supply chain development aiming to inspire and support SMEs to bid to become part of the supply chain for large infrastructure projects in the region.

We are working with both public and private sector organisations to develop more widely apprenticeship levy sharing to maximise the benefits for Norfolk Plc.

Providing Agile & Responsive training provision for key sectors

- 1.1.2. This theme is about ensuring that the available skills provision supports individuals to attain the type and level of skills required to fulfil their potential, whilst also ensuring that employers have access to the talented pool of people needed to support growth in their businesses and increase productivity.

Current Projects:

- Development of a single bid for the region for an Institute of Technology, a collaborative bid led by West Suffolk College utilising a hub and spoke model providing industry led higher level technical skills training. The College of West Anglia and Easton and Otley College are partners.
- LEP investment into skills capital e.g. Skills Energy Centre at East Coast College, Construction Centre at Easton and Otley College, HE Centre at College of West Anglia creating a wide ranging higher and degree level

offer across the region

- Norwich International Aviation Academy – Delivering the New Anglia Aviation Skills Programme (NA-ASP) aiming to increase the economic output of the region by facilitating growth in the aviation industry and growing its pool of skilled people across all levels and all aviation disciplines.
- Skills Deals – The Skills Board have funded a series of projects across the region in our priority sectors seeking to fill identified skills gaps and facilitate the development of new provision. In Norfolk, Fabric First, a construction project focussing on ultra-energy efficient construction methods successfully developed a new level 3 qualification together with delivering upskilling training for the industry. The East of England Offshore Wind Skills Centre at East Coast College provides a range of training for those aiming to join or transition into the industry together with pre-apprenticeship and apprenticeship opportunities.

The outcomes we are seeking include:

- Co-investment into training from employers and the public sector
- Training provider engagement and response to the Sector Skills Plans and Area Review Recommendations in meeting the needs of employers in key sectors and their staff
- Lobbying to overcome barriers
- Ensure key sectors have a sufficient supply of skills as requirements change due to political and technological changes (e.g. Brexit and automation).

Future Plans

We are planning a project in the ICT Digital sector working with SMEs to understand their skills needs and to influence and shape the skills provision to meet those needs.

Tackling barriers to employment

- 1.1.3. Responding to the need to address the large numbers of ESA claimants in Norfolk. This focusses on ensuring support is available for **all** local people to increase their skills, confidence and well-being ultimately moving into long term employment, especially those furthest from the job market.

Current Projects:

- Work and Health – this theme is being taken forward by local authorities through the design of Integrated Health and Employment Services
- Building Better Opportunities – available across Norfolk and Suffolk via the voluntary sector
- LIFT – employability support being delivered in rural areas of Norfolk and North Suffolk

The outcomes we are seeking include:

- A local integrated approach to work and health, assisting people into work
- Development of pathways for young people and adults with special educational needs and disabilities
- Driving up levels of basic skills across the population, especially in areas of deprivation and low social mobility

- High level of employer engagement
- In the longer term, continued innovation and collaboration between DWP and local VS organisations.

Future Plans

We are seeking to influence public sector procurement in Norfolk to drive inclusive growth by achieving additional benefit for the money spent.

Equipping Young People for success

- 1.1.4. This theme focusses on ensuring that young people in Norfolk and Suffolk, regardless of social background, are equipped with the ambition, resilience, skills and capabilities they require to fulfil their potential and play a key role in creating economic growth.

Current Projects:

- Careers Inspiration – Help You Choose (NCC resource for young people, teachers/advisers and parents/carers which includes an online application feature), ICANBEA, labour market materials
- Apprenticeships – As the number of 16-18-year olds starting an apprenticeship has fallen and we have low HE participation rates, NCC delivers information and advice through schools and colleges, supporting young people to aspire and progress towards Higher Education Apprenticeships. This work is funded through the NEACO project
- Supporting 30 care leavers and vulnerable young people to access an apprenticeship through the pilot Apprenticeship Training Agency
- Projects supporting vulnerable young people to overcome personal barriers e.g. Talent Match, Building Better Opportunities- this enables the voluntary sector to support young people who are very far from the labour market.
- Enterprise Adviser Network – promoting the relationship between schools and local employers and building enterprise activity into the school curriculum

The outcomes we are seeking include:

- Equipping young people with the confidence and work-ready competencies that employers across the economy require
- Access to Apprenticeships at all levels and across key sectors
- Ensuring that current and future careers in the local economy are understood and promoted (e.g. growth in STEM related roles)
- Increasing levels of social mobility through the investment and activity in the Opportunity Areas
- High levels of employer involvement in careers inspiration and education activity (e.g. Enterprise Adviser Network)
- Enterprise Adviser Network –every school and college in the region to be participating in the project
- Delivery of the New Anglia Youth Pledge – with every young person (16-24) in Norfolk and Suffolk having access to the support and opportunities they need to get into education, training, an apprenticeship or a job within three months of leaving education or employment.

Future Plans

We are planning an event to celebrate the achievements of apprentices at all levels to inspire young people to consider an apprenticeship.

2. Evidence

- 2.1. The Norfolk and Suffolk Economic Strategy (NSES) shows that the workforce in the region has a lower skills profile than other areas of the UK. The Strategy sets out how there is a significantly lower proportion of workers education to NVQ Level 4 than the national average while at the opposite end of the skills spectrum those who only hold an NVQ Level 1 accounts for a larger proportion of the population than nationally. In addition, Norfolk has high numbers of ESA claimants with health-related barriers who need intensive bespoke support to return to the labour market.

In order for our area to take advantage of the growth potential across the county we need a better skilled workforce and a new culture of lifelong learning and progression.

3. Financial Implications

- 3.1. There are no funding implications from these proposals. Where appropriate match funding required for ESF bids was secured prior to the bid submission and there are no funding requirements at this time.

4. Issues, risks and innovation

- 4.1. National skills policy and funding changes frequently and we need to be agile in our responses in order to ensure that we continue to mitigate any risks created.

5. Background

- 5.1. There are no background papers for this report

Officer Contact

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

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Business & Property Committee

Item No.....

Report title:	Strategic and Financial Planning 2019-20 to 2021-22 and Revenue Budget 2019-20
Date of meeting:	15 January 2019
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact	
<p>The proposals in this report will inform Norfolk County Council's decisions on council tax and contribute to the Council setting a legal budget for 2019-20 which sees its total resources targeted at meeting the needs of residents. Budget planning has been undertaken in the context of the Council's overarching Vision and Strategy.</p> <p>The information in this report is intended to enable the Committee to take a considered view of all the relevant issues in order to agree budget proposals for 2019-20 and the Medium Term Financial Strategy to 2021-22, and make recommendations on these to the Policy and Resources Committee. Policy and Resources will then consider how the proposals from Service Committees contribute to delivering an overall balanced budget position on 28 January 2019 before the Full Council meets 11 February to agree the final budget and level of council tax for 2019-20.</p>	

Executive summary

This report forms part of the strategic and financial planning framework for Service Committees and provides an overview of the financial issues for the Council, including the latest details of the Autumn Budget 2018 and the provisional Local Government Finance Settlement for 2019-20. It summarises this Committee's saving proposals for 2019-20, identified budget pressures and funding changes, and sets out the proposed cash-limited revenue budget as a result of these. The report also provides details of the proposed capital programme for 2019-20 to 2021-22.

In order to inform decision making, details of the outcomes of rural and equality impact assessments of the 2019-20 Budget proposals are set out in the paper, alongside the findings of public consultation in respect of specific savings proposals, where they are relevant to the Committee.

Policy and Resources Committee works with Service Committees to coordinate the budget-setting process, advising on the overall planning context for the Council. Service Committees review and advise on the budget proposals for their individual service areas. The report therefore provides an update on the Service Committee's detailed planning to feed into the final stages of the Council's budget process for 2019-20. The County Council is due to agree its budget for 2019-20, and Medium Term Financial Strategy to 2021-22, on 11 February 2019.

Business and Property Committee is recommended to:

- 1) Consider the content of this report and the continuing progress of change and transformation of Business and Property services;**

- 2) Consider and agree the service-specific budgeting issues for 2019-20 as set out in section 5;
- 3) Consider and comment on the Committee's specific budget proposals for 2019-20 to 2021-22;
- 4) Consider the findings of equality and rural impact assessments, and in doing so, note the Council's duty under the Equality Act 2010 to have due regard to the need to:
 - Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 5) Consider the advice of the Executive Director of Finance and Commercial Services, and recommend to Policy and Resources Committee that the Council's budget includes an inflationary increase of 2.99% in council tax in 2019-20, within the council tax referendum limit of 3.00% for the year;
- 6) Agree and recommend to Policy and Resources Committee the draft Committee Revenue Budget as set out in Appendix 1:
 - a. including all of the savings for 2019-20 to 2021-22 as set out. *Or*
 - b. removing any savings unacceptable to the Committee and replacing them with alternative savings proposals deliverable in 2019-20 and within the Committee's remit.

For consideration by Policy and Resources Committee on 28 January 2019, to enable Policy and Resources Committee to recommend a sound, whole-Council budget to Full Council on 11 February 2019.

- 7) Agree and recommend the Capital Programme and schemes relevant to this Committee as set out in Appendix 2 to Policy and Resources Committee for consideration on 28 January 2019, to enable Policy and Resources Committee to recommend a Capital Programme to Full Council on 11 February 2019.

1. Introduction

- 1.1. The Council's approach to medium term service and financial planning is based on the preparation of a rolling Medium Term Financial Strategy, with an annual budget agreed each year. The County Council agreed the 2018-19 Budget and Medium Term Financial Strategy (MTFS) to 2022 at its meeting 12 February 2018, at the same time as it agreed a new Strategy for the County Council, Norfolk Futures.
- 1.2. The Council has a robust and well-established framework for strategic and financial planning which updates the MTFS position through the year to provide

Members with the latest available financial forecasts to inform wider budget setting work across the organisation.

- 1.3. Norfolk County Council is due to agree its new Budget and Medium Term Financial Strategy for 2019-20 to 2021-22 on 11 February 2019. In support, this paper sets out the latest information on the provisional Local Government Finance Settlement and the financial and planning context for the County Council for 2019-20 to 2021-22. It summarises the Committee's pressures, changes and savings proposals for 2019-20, the proposed cash limit revenue budget based on all current proposals and identified pressures, and the proposed capital programme.

2. County Council Strategy and Norfolk Futures

2.1 Caring for our County, the vision for Norfolk, was approved by members in February 2018 and outlines the Council's commitment to:

- Building communities of which we can be proud
- Installing infrastructure first
- Building new homes to help young people get on the housing ladder
- Developing the skills of our people through training and apprenticeships
- Nurturing our growing digital economy
- Making the most of our heritage, culture and environment

2.2 The Council's Strategy for 2018-2021 – Norfolk Futures – was approved at the same time. It focuses our transformation plan on priority areas of Council work, delivering in a context where demand for our services is driven both by demographics and social trends, and when increasingly complex and more expensive forms of provision are becoming prevalent.

2.3 Norfolk Futures is guided by four core principles that will frame the transformation we will lead across all our work:

- Offering our help early to prevent and reduce demand for specialist services
- Joining up work so that similar activities are easily accessible, done once and done well
- Being business like and making the best use of digital technology to ensure value for money, and
- Using evidence and data to target our work where it can make the most difference.

2.4 These four principles continue to underpin, inform and test everything that we do as an organisation.

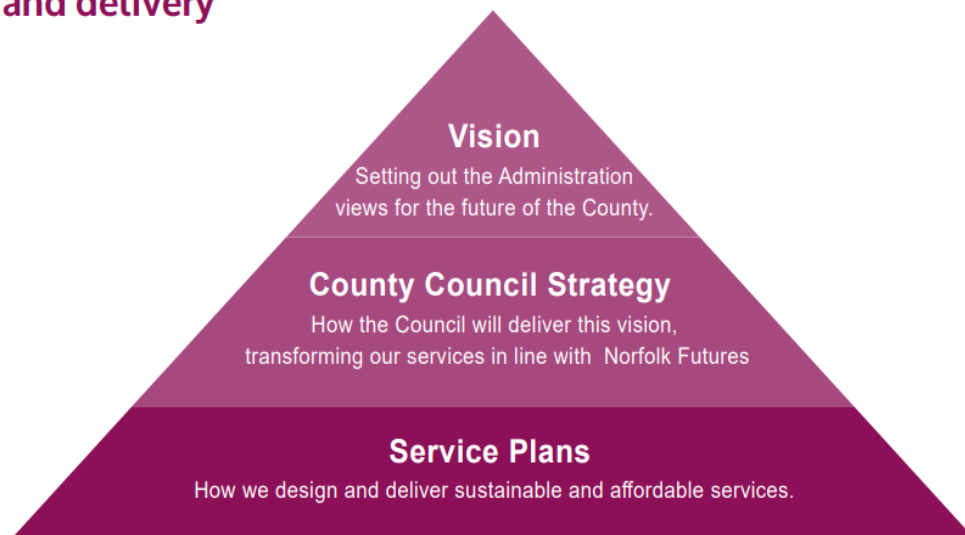
2.5 The integrated transformation programme is also well underway and starting to deliver change across our critical priorities.

2.6 Each of the Service Committees has produced a 3 year forward plan setting out what will be delivered over the next 3 years within the resources available. These in turn

are operationalised through annual Plans on a Page setting out aims and measurable objectives for each service area.

2.7 The alignment of our vision, to our strategy and to our service planning is shown below.

Service planning and delivery



How the Vision, Strategy and Service plans align

3. Strategic financial context

- 3.1. 2019-20 represents the final year of the four-year funding allocations for 2016-17 to 2019-20. These allocations have provided the Council with a degree of certainty about core elements of funding over the period, and only minimal changes to the funding in scope of the certainty offer have been made. Nonetheless, allocations still have to be confirmed annually in the Local Government Finance Settlement. The end of the four-year settlement combined with uncertainty about the outcomes of the Comprehensive Spending Review (CSR), Fair Funding Review (FFR), and 75% Business Rates Retention Scheme (BRRS) means that the Council faces a very significant level of uncertainty about funding levels after 2019-20.
- 3.2. The Chancellor of the Exchequer, Philip Hammond, announced the **Autumn Budget 2018** on Monday 29 October 2018. The Chancellor stated that the Budget was based on planning for all eventualities in relation to the UK leaving the EU, but that in the event of material changes to economic or fiscal forecasts, there remained the possibility of upgrading the Spring Statement to a full Budget if required. In contrast to recent Budgets, there were a number of announcements with implications for Local Government. Significantly for the 2019-20 Budget planning, this included additional funding for social care in 2019-20 worth £11.317m in total for Norfolk County Council broken down as follows:

- £4.179m Winter Pressures Grant (to be pooled into the Better Care Fund via the iBCF and reported on accordingly in 2019-20. Government will confirm reporting requirements relating to the 2018-19 allocation separately).
 - £7.139m Social Care Support Grant (MHCLG advises that “where necessary” this should be used “to ensure that adult social care pressures do not create additional demand on the NHS” and to improve the social care offer for older people, people with disabilities and children. However, it is not ring-fenced, and there is no requirement for a specific adult or children’s share).
- 3.3. Further details of the Autumn Budget can be found in the November 2018 report to Policy and Resources Committee.
- 3.4. The **Provisional Local Government Finance Settlement 2019-20** was announced by the Secretary of State for Housing, Communities and Local Government, James Brokenshire, on 13 December 2018. The full details of the announcement can be found [here](#)¹ and the Secretary of State’s statement to parliament [here](#)². Funding allocations arising from the Autumn Budget were confirmed. The following announcements were made as part of the Provisional Settlement:
- Norfolk’s application to become a 75% Business Rates Retention Pilot in 2019-20 was successful. This is forecast to deliver a benefit of almost £8m to Norfolk as a whole and £3.9m for Norfolk County Council individually. The financial benefits of a pilot are likely to arise in 2020-21.
 - Norfolk County Council’s Settlement Funding Assessment has been confirmed as £191.233m for 2019-20 (compared with £207.151m 2018-19). Funding allocations are broadly in line with the four-year certainty offer previously announced, however this funding will now be delivered via the Business Rates Pilot. In overall terms, the Provisional Settlement indicates a cash change in the County Council’s core spending power of 2.6% between 2018-19 and 2019-20. This includes Government assumptions about local decisions to raise council tax and is slightly below the national cash increase of 2.8%.
 - Additional Rural Services Delivery Grant is to be provided in 2019-20 to maintain the allocation at the same level as 2018-19. This means an additional £0.786m for the County Council, which will also be delivered through the Pilot.
 - £20m is being provided nationally to maintain the New Homes Bonus baseline at 0.4%. This will mean a lower reduction in New Homes Bonus allocations than previously assumed, providing £0.183m.
 - The Secretary of State announced plans to distribute increased growth in business rates income which has generated a surplus in the business rates levy account in 2018-19. For Norfolk this amounts to £2.340m. 2018-19 is the first year this account has been in surplus and as a result £180m is being

¹ <https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2019-to-2020>

² <https://www.gov.uk/government/speeches/provisional-local-government-finance-settlement-2019-to-2020-statement>

distributed to councils. This is not technically “new money” but funding as a result of growth nationally in business rates. It has not previously been included in budget planning as councils do not know the overall position until Government announces it. Funding is due to be paid by Section 31 grant in 2018-19, but is anticipated to be available to support the 2019-20 Budget.

- The Government also confirmed the intention to fund the issue of “negative RSG” through forgone business rates. Norfolk County Council is not in a negative RSG position and so does not benefit from this decision.
- 3.5. In respect of **council tax**, the provisional thresholds for a council tax referendum have been announced as 3.0% for the general element of council tax with discretion for a further 2% to be raised for the adult social care precept (subject to a maximum adult social care precept increase of 8% in the period 2016-17 to 2019-20). The County Council’s planning assumes an increase of 2.99% in general council tax. The Council has previously taken decisions to raise the full adult social care precept across the period 2016-17 to 2018-19 and as such there can be no increase in the adult social care precept in 2019-20 and it will therefore continue at the same level as in 2018-19 (£96.05 for a Band D property). A 2.99% increase in council tax is forecast to raise approximately £11.635m. This contributes to closing the forecast 2019-20 budget gap and mitigating the gap in future years. A council tax increase of 2.99% therefore enables a substantially more robust budget for 2019-20 and reduces risks for the council over the Medium Term Financial Strategy period.
- 3.6. Alongside the usual consultation on the Provisional Settlement, the Secretary of State announced two further consultations on reforms to the business rates retention system, and the new approach to distributing funding through the Review of Relative Needs and Resources. The Council will respond to these in due course. The Government also confirmed that the long-awaited social care green paper will be published “soon”.
- 3.7. On 16 December, the Government also announced³ additional funding to support children with special educational needs. The allocation of this to individual councils has now been announced and Norfolk should receive £3.605m of the £250m being provided nationally to support children and young people with complex SEND. This will be received as £1.803m in both 2018-19 and 2019-20. Government has also confirmed funding of £100m nationally for investment to create more specialist places in mainstream schools, colleges and special schools in 2019-20. The allocation of this has not yet been confirmed, but Norfolk could potentially expect approximately £1.268m if this were to be distributed on the usual basis. The additional SEND funding is expected to flow through Dedicated Schools Grant, however it is not anticipated to be sufficient to address the High Needs Block overspend position.
- 3.8. The latest estimate of the Council’s overall budget position for 2019-20 as a result of the above, and any other emerging issues, will be reported to Policy and Resources Committee in January.

³ <https://www.gov.uk/government/news/new-funding-to-support-children-with-special-educational-needs>

4. 2019-20 Budget Planning

2018-19 Medium Term Financial Strategy

- 4.1. The current year's Budget and Medium Term Financial Strategy (MTFS) for the period 2018-19 to 2021-22 was agreed in February 2018 including £78.529m of savings and with a remaining gap of £94.696m. The MTFS provided the starting point for the Council's 2019-20 Budget planning activity. Full details of cost pressures assumed in the Council's MTFS are set out in the 2018-19 Budget Book.⁴

2018-19 budget position

- 4.2. The latest information about the Committee's 2018-19 budget position is set out in the budget monitoring report elsewhere on the agenda. The Council's overarching budget planning for 2019-20 is based on the assumption that a balanced 2018-19 Budget is delivered (i.e. that all savings are achieved as planned and there are no overall overspends). Further pressures in the forecast 2019-20 Budget have been provided for as detailed later in this report.

The budget planning process for 2019-20

- 4.3. In July 2018, Policy and Resources Committee considered how the 2019-20 budget planning process would be aligned with the Council's Strategy, Norfolk Futures. Policy and Resources agreed budget assumptions, budget planning principles and guidance for 2019-20 which were then communicated to Service Committees.
- 4.4. In September, Service Committees therefore began their detailed budget planning by discussing both their approach to savings development and any key risks for the Council's budget process.
- 4.5. Following further input from Policy and Resources Committee, in early October, Service Committees then considered and agreed their detailed saving proposals for 2019-20, which were recommended to Policy and Resources Committee for consultation where appropriate. Policy and Resources duly considered the latest budget planning position for 2019-20 at its meeting on 29 October. This included the summary of all proposed savings from Service Committees, and a revised forecast of the remaining **budget gap for 2019-20, which at that point stood at £6.369m. Over the three year planning period, a gap of £45.980m remained to be closed.** In November, Policy and Resources was advised that following the announcements of additional funding at the Autumn Budget, it was anticipated these would assist in closing the gap identified for 2019-20, and as a result Services were not asked to seek additional savings. However, **Policy and Resources agreed that any change to planned savings or removal of proposals would require alternative savings to be identified by the relevant Service Committee.**
- 4.6. The budget position and associated assumptions are kept under continuous review. The latest financial planning position will be presented to Policy and Resources Committee in January prior to budget-setting by County Council in

⁴ <https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/budget-book-2018-22.pdf?la=en>

February. The outline budget-setting timetable for 2019-20 is set out for information later in this report.

Latest 2019-20 Budget position

4.7. Since the last report to Service Committees in October 2018, a number of additional pressures have emerged, including:

- Pressures arising in Schools' High Needs Block budgets with a potential impact on the Council's General Fund;
- Significant additional pressures in Children's Services budgets;
- The addition of "Winter Pressures" funding within the Adult Social Care budget, and pressures relating to continuing support for the care market, and continued enhanced levels of social work capacity. The Adult Social Care budget makes use of some one-off funding and use of reserves.
- Recognition of a part funded pressure in 2019-20 relating to an increase in the employer contribution rates for Fire Service pensions;
- Final changes to inflation forecasts for 2019-20 and future years; and
- Updated council tax forecasts from Districts for tax base and collection fund which will be finalised in January.

4.8. These additional pressures have been offset by proposed changes following a thorough review of all other pressures included in budget planning, and by additional funding announced in the Autumn Budget and the provisional Local Government Finance Settlement as set out in section 3. As a result, a balanced budget is therefore expected to be presented to Policy and Resources Committee for 2019-20. Details of the remaining gap over the Medium Term Financial Strategy will be confirmed to Policy and Resources in January.

Budget planning assumptions 2019-20

4.9. In setting the annual budget, Section 25 of the Local Government Finance Act 2003 requires the Executive Director of Finance (Section 151 Officer) to report to members on the robustness of budget estimates and the adequacy of proposed financial reserves. This informs the development of a robust and deliverable budget for 2019-20. Further details are provided below, and the full report will be included in the Budget papers for Policy and Resources Committee.

4.10. The Executive Director of Finance and Commercial Services' judgement on the robustness of the 2018-19 Budget is substantially based upon the following assumptions.

- A 2.99% increase in council tax in 2019-20 and 1.99% in both subsequent years 2020-21 and 2021-22 based on the current amounts allowed by Government before a local referendum is required. The assumed council tax increases are subject to Full Council's decisions on the levels of council tax, which will be made before the start of each financial year. In future years there will be an opportunity to consider the required level of council tax in light of any future Government announcements relating to the Fair Funding Review and Comprehensive Spending Review.
- In addition to an annual increase in the level of council tax, the budget assumes annual tax base increases in line with recent trends.

- Revised assumptions about the future funding changes to be delivered through the Comprehensive Spending Review and Fair Funding Review based on recent announcements including those made at the Autumn Budget. Until now, the Council's assumptions about funding reductions have been based on the Government's stated intention to end Revenue Support Grant, with an expectation that all Revenue Support Grant would therefore cease after 2019-20. This would result in a cliff edge in 2020-21 and a budget pressure of almost £39m. Such a significant funding reduction would be out of line with recent experience and does not reflect the fact that Government has sought to provide additional levels of one-off funding for key areas such as social care. Taking all these funding sources in the round, the Council's current budget planning is therefore now based on an assumption that effectively half of the impact of the loss of Revenue Support Grant would occur in 2020-21 and half in 2021-22, although Revenue Support Grant itself may disappear. In other words, it is assumed that Government will provide alternative (potentially transitional) funding to mitigate the effect of a Revenue Support Grant cliff edge.
- No increase in the Adult Social Care precept from the 2018-19 level.
- 2018-19 Budget and savings will be delivered in line with current forecasts and plans (no overall overspend).
- Use of additional Adult Social Care funding for 2018-19 and 2019-20 as agreed with partners and in line with conditions, and that market pressures can be absorbed within existing budgets.
- Growth pressures forecast in Children's Services relating to Looked After Children, and the overspend on High Needs Block, can be contained within the additional funding allocations.
- Pressures forecast within waste and highways budgets can be accommodated within the additional funding allocations.
- Revised assumptions to use an additional £5m capital receipts in 2020-21 rather than £10m (with £10m being required in 2021-22 and the balance of £5m in 2022-23 resulting in the use of an additional £20m capital receipts in total to support the revenue budget over the period 2020-21 to 2022-23).
- The assumed use of one-off funding including:
 - £1m from the Insurance Fund in 2019-20; and
 - £6m from the Adult Social Care business risk reserve over the budget planning period.
- That all the savings proposed and included for 2019-20 can be successfully achieved.

5. Service Budget, Strategy and Priorities 2019-20

5.1. Service Transformation

The **Corporate Property Team** is responsible for the delivery of the Housing Workstream within Norfolk Futures – specifically –

- The development of the Council's Housing Company (Repton Homes) to bring forward development, whilst retaining the development profit on sites owned by the County Council. As noted elsewhere in the report, the Business & Property Committee have been instrumental in the establishment of this company.

The Corporate Property Team - is working across a number of the key areas of Norfolk Futures, to support colleagues in the delivery of:

- Supporting colleagues in Adult Social Care around the provision of Housing with Care (HwC) to live more independent lives
- Working with Childrens Services to develop specialist housing provision, for key client groups across the County
- A reduction in the amount of back office space occupied by the Council, with a view to looking to provide services where they are most needed

Economic Development is an enabling service. It supports both directly and indirectly the delivery of all the Norfolk Futures workstreams.

5.2. Service specific budgeting issues

- **Economic Development** – there are a range of activities carried out, including working with district council colleagues and the Local Enterprise Partnership. Successful activities can deliver a number of positive economic benefits, including jobs and skills. In addition, it helps to secure income for the Council through business rates, which is increasingly important given the Government’s intention to move from Revenue Support Grant funding to Business Rate Retention.
- **Enterprise Parks** – the two Enterprise Parks – Scottow Enterprise Park and Hethel Engineering Centre – provide facilities and support for businesses to operate and grow. They are focussed on incubating start-ups and supporting STEM business development. As previously reported to Committee, both Parks operate at a profit. In addition, successfully supporting businesses has a number of positive economic benefits (as above).
- A substantial amount of **property savings** have been identified and built into the budget to date. Delivery of additional savings is unlikely without substantial reduction in the footprint of NCC, however, NCC regularly reviews its portfolio to identify opportunities, including with other public sector partners.

6. Revenue Budget

- 6.1. The tables in Appendix 1 set out in detail the Committee’s proposed cash limited budget for 2019-20, and the medium term financial plans for 2020-21 to 2021-22. These are based on the identified pressures and proposed budget savings reported to this Committee in October, which have been updated in this report to reflect any changes to assumptions.
- 6.2. Cost neutral adjustments for each Committee will be reflected within the Policy and Resources Revenue Budget 2019-20 to 2021-22 paper which will be presented on 28 January 2019.
- 6.3. The Revenue Budget proposals set out in Appendix 1 form a suite of proposals which will enable the County Council to set a balanced Budget for 2019-20. **As such, any recommendations to add growth items, amend or remove proposed savings, or otherwise change the budget proposals, will require**

the Committee to identify offsetting saving proposals or equivalent reductions in planned expenditure.

6.4. As set out elsewhere in this report, the Executive Director of Finance and Commercial Services is required to comment on the robustness of budget proposals, and the estimates upon which the budget is based, as part of the annual budget-setting process. This full assessment will be reported to Policy and Resources Committee and County Council.

6.5. 2019-20 budget proposals

The **Economic Development** savings proposals are summarised in the table below -

Proposal Note: savings are shown as a negative figure	2019-20	2020-21	2021-22	2019-22 Total	Risk Assessment
	£m	£m	£m	£m	RAG
Economic Development – additional contribution from Scottow Enterprise Park	-0.200	0	0	-0.200	Green
Total new savings proposed	-0.200	0	0	-0.200	

Scottow Enterprise Park remains part of the County Council, but is operated under business principles. Based on the current profit and loss account and forecasts, it is considered that the Park could deliver an additional £0.200m contribution to the County Council without any negative impact on operations at the Park. In particular, a contribution of this level would ensure that there continues to be sufficient budget/income available to fund site and building repairs and maintenance on what is a large and complex site, with some continuing legacy issues in terms of condition of buildings etc.

The **Property** savings proposals are summarised in the table below -

Proposal Note: savings are shown as a negative figure	2019-20	2020-21	2021-22	2019-22 Total	Risk Assessment
	£m	£m	£m	£m	RAG
Aggregate savings from centralisation of Property budgets, reduced fees to NPS, and reducing facilities management costs	0.425	-1.050	-0.650	-1.275	Green
Total new savings proposed	0.425	-1.050	-0.650	-1.275	

6.6. Changes to the proposals since last reviewed by Committee in October

6.6.1. Since the Committee last reviewed the proposals in October, there have been no amendments to the **Economic Development** proposals.

6.6.2. **Property** savings have been reassessed and reprofiled to a realistic level of deliverability, as shown in the table above.

7. Capital Programme 2019-20

- 7.1. A summary of the Capital Programme and schemes relevant to this committee can be found in Appendix 2.
- 7.2. In addition, the Corporate Property Team is working to achieve the required level of capital receipts in the years 2020/21 to 2022/23 to underpin other corporate savings. Over the past four years, the council has released capital receipts averaging £4.5m per annum. As a way of bridging the gap whilst government funding is reduced, it is proposed to increase this by £5m per annum in 2020-21, £10m in 2021-22 and £5m in 2022-23. £10m represents approximately 1.5% of the Council's assets on its balance sheet (land and buildings and surplus assets as at 31 March 2018). Further details of which assets are to be proposed for disposal will be brought forward for members' consideration. **A variety of options will be considered prior to recommending a disposal including 'self-development' or commercialisation.** All asset disposals will be undertaken in line with the Council's Financial Regulations, which set out that:
- Land and buildings declared surplus by a service are considered by the Corporate Property Strategy Group and reported to the Business and Property Committee.
 - Disposals will have due regard to the provisions of the Local Government Act 1972 (section 123) concerning best consideration, subject to the discretion afforded by the General Disposal Consent (England) 2003.
 - NCC operates an 'open market value' disposals policy whereby all assets sold or transferred to community groups (including Parish and Town Councils) are done so at the market value of the site.
 - All disposals are to be made by the Corporate Property Officer (Head of Property).
 - All disposals over £0.500m require approval by the Business and Property Committee (disposals below this threshold but above £0.025m require consultation with the Chair of the Committee).
 - All decisions to dispose at less than best consideration are referred to the Business and Property Committee.

8. Public Consultation

- 8.1. Under Section 3(2) of the Local Government Act 1999, authorities are under a duty to consult representatives of a wide range of local people when making decisions relating to local services. This includes council tax payers, those who use or are likely to use services provided by the authority, and other stakeholders or interested parties. There is also a common law duty of fairness which requires that consultation should take place at a time when proposals are at a formative stage; should be based on sufficient information to allow those consulted to give intelligent consideration of options; should give adequate time for consideration and response and that consultation responses should be conscientiously taken into account in the final decision.
- 8.2. Saving proposals to bridge the shortfall for 2019-20 were put forward by committees, the majority of which did not require consultation because they could be achieved without affecting service users. **There were no proposals relating to this Committee which required public consultation.**
- 8.3. Where individual savings for 2019-20 required consultation:

- Consultation took place between 5 November and 23 December with consultation feedback on both individual budget proposals and council tax available for Committees in January;
- Proposals were published and consulted on via the Council's consultation hub, Citizen Space <https://norfolk.citizenspace.com/consultation/budget2018/>;
- Consultation documents were made available in large print and easy read as standard, and other formats on request;
- The Council made extra effort to find out the views of people who may be affected by the proposals and carry out impact assessments;
- Opportunities for people to have their say on budget proposals and council tax were promoted through the Your Norfolk residents' magazine, news releases, online publications, and social media.
- Every response has been read in detail and analysed to identify the range of people's opinions, any repeated or consistently expressed views, and the anticipated impact of proposals on people's lives.

9. Equality and rural impact assessment – findings and suggested mitigation

- 9.1. When making decisions the Council must give due regard to the need to promote equality of opportunity and eliminate unlawful discrimination. Equality and rural impact assessments have been carried out on Business & Property Committee's budget proposal for 2019 / 20, to identify whether there may be any detrimental impact on people with protected characteristics or in rural areas. There is no evidence to indicate that the proposals will have a detrimental impact on people with protected characteristics or in rural areas. This is because no changes are proposed to service standards, quality or delivery.

10. Budget Timetable

- 10.1. The Council's overarching budget setting-timetable for 2019-20 was agreed by County Council in February as part of the 2018-19 Budget. The timetable is updated as further information becomes available (for example about the timing of Government announcements). The latest version of the timetable is set out in the table below.

Budget setting timetable 2019-20 to 2021-22

Activity/Milestone	Time frame
County Council agree recommendations for 2018-22 including that further plans to meet the shortfall for 2019-20 to 2021-22 are brought back to Members during 2018-19	12 February 2018
Spring Statement 2018 announced	13 March 2018
Consider implications of service and financial guidance and context, and review / develop service planning options for 2019-22	February – June 2018
Member review of the latest financial position on the financial planning for 2019-22	July 2018
Development of savings proposals 2019-22	June – September 2018
Member review of service and budget planning position including savings proposals	Committees in October 2018
Chancellor's Autumn Budget 2018	29 October 2018
Consultation on new planning proposals and council tax 2019-22	5 November to 23 December 2018
Provisional Local Government Finance Settlement	13 December 2018
Service reporting to Members of service and financial planning and consultation feedback	January 2019
Committees agree revenue budget and capital programme recommendations to Policy and Resources Committee	Mid-January 2019
Final Local Government Finance Settlement	TBC January / February 2019
Policy and Resources Committee agree revenue budget and capital programme recommendations to County Council	28 January 2019
Confirmation of District Council tax base and Business Rate forecasts	31 January 2019
County Council agree Medium Term Financial Strategy 2019-20 to 2021-22, revenue budget, capital programme and level of council tax for 2019-20	11 February 2019

11. Financial implications

11.1. Potentially significant financial implications for the Committee's Budget, including those arising from the Autumn Budget 2018 and the Provisional Local Government Finance Settlement, are discussed throughout this report. The implications of the three changes expected to be implemented in 2020-21 remain the subject of considerable uncertainty and although they have been reflected as far as possible in the Council's 2019-20 budget planning, these impacts will need to be refined as further information is made available by Government.

12. Issues, risks and innovation

12.1. Significant risks, assumptions, or implications have been set out throughout the report. Some general risks relating to the development of budget proposals for Business and Property services are as follows:-

- Income generation - as we continue to maximise and increase reliance on generation of income from various sources and become more reliant on market factors, we increase our risk. This includes work as part of the Commercialisation priority under Norfolk Futures.
- 12.2. Specific financial risks in this area are also identified in the Corporate Risk Register, including the risk of failing to manage significant reductions in local and national income streams (RM002) and the potential risk of failure to deliver our services within the resources available over the next 3 years commencing 2018-19 to the end of 2020-21 (RM006).
- 12.3. Risks relating to budget setting are also detailed in the Council's budget papers. There is a risk in relation to the Comprehensive Spending Review and the Fair Funding Review that a failure by the Government to provide adequate resources to fund local authorities could lead to a requirement for further service reductions, particularly where the Fair Funding Review results in a redistribution between authority types or geographical areas.
- 12.4. Decisions about significant savings proposals with an impact on levels of service delivery have required public consultation. As in previous years, new 2019-22 saving proposals, and the Council's Budget as a whole, have been subject to equality and rural impact assessments as described elsewhere in this report.

Background Papers

Norfolk County Council Vision and Strategy

<https://www.norfolk.gov.uk/what-we-do-and-how-we-work/policy-performance-and-partnerships/policies-and-strategies/corporate/council-vision-and-strategy>

Norfolk County Council Revenue and Capital Budget 2018-22 (Item 4, County Council 12 February 2018)

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/592/Committee/2/SelectedTab/Documents/Default.aspx>

Norfolk County Council Budget Book 2018-22

<https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/budget-book-2018-22.pdf?la=en>

Strategic and Financial Planning 2019-20 to 2021-22 (Item 10, Policy and Resources Committee, 16 July 2018)

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1419/Committee/21/SelectedTab/Documents/Default.aspx>

Strategic and Financial Planning reports to Committees in September 2018

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings.aspx>

Strategic and Financial Planning 2019-20 to 2021-22 (Item 9, Policy and Resources Committee, 24 September 2018)

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1420/Committee/21/SelectedTab/Documents/Default.aspx>

Strategic and Financial Planning reports to Committees in October 2018

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings.aspx>

Strategic and Financial Planning 2019-20 to 2021-22 (Item 12, Policy and Resources Committee, 29 October 2018)

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1421/Committee/21/SelectedTab/Documents/Default.aspx>

Implications of the Autumn Budget 2018 (Item 9, Policy and Resources Committee, 26 November 2018)

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1422/Committee/21/SelectedTab/Documents/Default.aspx>

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Budget change forecasts for 2018-22 Business and Property				
Reference		2019-20	2020-21	2021-22
		£m	£m	£m
	OPENING BUDGET	8.041	8.830	7.922
	ADDITIONAL COSTS			
	Inflationary			
	Basic Inflation - Pay (2% for 19-22)	0.041	0.042	0.043
	Basic Inflation - Prices	0.088	0.100	0.110
	Additional pay inflation National Living Wage	0.006		
	New 2019-22 budget round pressures			
	NCC Policy			
	Property cost pressures	1.000		
	Sub total	1.135	0.143	0.153
	SAVINGS			
	Brought forward from 2017-20 budget round			
P&R027	Reduce property costs through reducing area occupied and reducing cost per square metre	-1.000		
	Sub total	-1.000	0.000	0.000
	Changes to 2017-20 budget round			
P&R027 /P&R058 /P&R060	Delay of Property savings		-0.650	-0.650
	Sub total	0.000	-0.650	-0.650
	Brought forward from 2018-22 budget round			
	E - Towards a Housing Strategy			
B&P001	Property – return from property development company – Repton Property Developments Ltd	-0.500	-1.000	-0.500
	G - Commercialisation			
B&P002	Property – centralisation of budgets – further centralisation of existing property budgets in Services will allow maximisation of savings opportunities – savings estimated at 5% of current budget each year	-0.400	-0.400	
B&P003	Property – reducing fees – seeking opportunities to reduce fees paid to NPS	-0.100		
B&P004	Property – reducing facilities management costs	-0.075		
	Sub total	-1.075	-1.400	-0.500
	Changes to previous budget round savings			
P&R027	Reverse reduce property costs through reducing area occupied and reducing cost per square metre saving	1.000		
B&P001	Reverse return from property development company saving	0.500	1.000	0.500
	Sub total	1.500	1.000	0.500
	New 2019-22 budget round savings			
B&P006	Economic Development – additional contribution from Scottow Enterprise Park	-0.200		
	Sub total	-0.200	0.000	0.000
	Sub total	-0.775	-1.050	-0.650
	BASE ADJUSTMENTS	0.000	0.000	0.000
	COST NEUTRAL ADJUSTMENTS			
	P01-19 to P06-19 recurring virements			
	Attleborough Centre budget from Communities	0.041		
	2019-20 budget round			
	Depreciation transfer	0.386		
	Sub total	0.428	0.000	0.000
	NET BUDGET	8.830	7.922	7.425

Capital Programme

Existing capital programme as shown in the Finance Monitoring Report for Business & Property Committee	19 / 20 £m	20 / 21 £m	21 / 22 £m	22 / 23 + £m	
Corporate Minor Works	0.255	0.743			
Space 2019	8.292				
One Public Estate	0.250				
Disabled discrimination act	0.255				
Corporate maintenance	5.083				
Room booking system	0.050				
County Hall heating and cooling	0.068				
County Hall refurbishment	6.323				
County Farms	0.673				
	21.249	0.743	-	-	
Additional capital items proposed to Policy & Resources Committee					
County Hall maintenance		1.000	1.000		Continuation of regular capital maintenance of County Hall. In 2015 a capital bid was approved for an allowance of £1m pa over 3 years for capital maintenance expenditure, to replace plant, or other equipment / infrastructure that has reached its life end.
County Hall refurbishment	9.500				Refurbishment of remaining areas of County Hall subject to structural deterioration, asbestos and major plant replacement to add to the lifespan of the building and enable the release of other building.
Accommodation rationalisation programme	3.000	2.000	1.000		Minor capital refurbishment works in various buildings, for example, Priory House, Attleborough and several others being planned as part of the rationalisation programme tot collocating various teams, under the LSS or related strategies. This will result in buildings being closed where they are not needed and in turn generate capital receipts and/or revenue savings.
Annex car park	0.560				The existing annexe carpark is subject to flooding and needs to have a drainage solution installed which will then require a new surface.
Car park resurfacing	0.215	0.065			Resurfacing of car parks and access roads at County Hall.
Herondale site redevelopment - potential loan to Housing Association	11.000				Potential project to develop, with appropriate partners, the Council-owned Herondale site into an Extra Care scheme for the elderly. Potential maximum loan as part of revolving credit facility, the majority to be repaid within the first 3-5 years through grant and shared equity sales.
Scottow Enterprise Park – new build workshops or similar lettable building capacity	1.200	1.000	1.400		To build new lettable capacity on site, to be let on a commercial basis. Capital spend subject to development and agreement of a business case, including anticipated return on investment and potential contributions to capital cost from other sources.
Additional items	25.475	4.065	3.400	-	
Total capital programme for Business & Property Committee - existing and proposed	46.724	4.808	3.400	-	

Business and Property Committee

Report title:	Finance monitoring
Date of meeting:	15 January 2019
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services, Simon George – Executive Director, Finance and Commercial Services
Strategic impact This report provides the Committee with information on the revenue budget position for services reporting to Business & Property Committee for 2018 -19. It also provides information on the use of reserves and details of the capital programme.	

Executive summary

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

The 2018-19 net revenue budget for this Committee is unchanged at £7.942m. Details of the 2018 – 19 revenue position are shown in Table 1 of this report.

The total capital programme budget relating to this Committee for the years 2018 – 19 to 2020 – 21 is £34.749m. Details are shown in Table 2 of this report.

The balance of reserves and provisions relating to this Committee as of 1 April 2018 is £2.991m. Details are shown in Table 3 of this report.

Recommendations:

Members are recommended to note:

- a) **The 2018 – 19 revenue position for this Committee**
- b) **The 2018 – 19 to 2020 - 21 capital programme for this Committee**
- c) **The 2018 - 19 reserves position for this Committee**

1. Proposal

1.1. Members have a key role in overseeing the financial position for the services under the direction of this committee, including reviewing the revenue and capital position and reserves held by the service.

Although budgets are set and monitored on an annual basis it is important that the ongoing position is understood and the previous year's position, current and future

plans and performance are considered.

1.2. This report reflects the financial position relating to this Committee as at the end of November 2018.

2. Evidence

Revenue budget 2018 – 19

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

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

- Economic Development Programmes
- Strategy & Commissioning
- Employment and Skills
- Scottow Enterprise Park

- Hethel Engineering Centre – operated as Hethel Innovation Ltd

- Client Property Management

2.3. The current 2018-19 net revenue budget for this Committee is £7.942m, unchanged since the previous report. The current forecast variance is a £0.102m underspend, (previous report £0.148m overspend), after use of reserves. Variances are explained in paragraphs 2.5 to 2.7 below. The use of reserves to support this position is shown in Table 3.

Table 1: Business & Property Committee: Net revenue budget and forecast outturn position 2018 – 19

	Outturn 2017 - 18	Budget 2018 - 19	Year to date 2018 - 19	Outturn Forecast 2018 - 19	Variance 2018 -19
	£m	£m	£m	£m	£m
Client Property Management					
Corporate Offices	5.216	4.440	4.001	4.951	0.511
Estates Management	0.874	0.531	0.488	0.784	0.253
Building Maintenance	1.857	2.007	0.985	1.897	(0.110)
County Farms	(0.666)	(0.555)	(0.343)	(1.107)	(0.552)
Corporate Property Team	0.838	0.710	0.375	0.614	(0.096)
	8.119	7.133	5.506	7.139	0.006
Economic Development					
Ec Dev Programmes	(0.086)	(0.084)	0.551	(0.084)	0.000

Strategy & Commissioning	0.852	0.894	0.430	0.859	(0.035)
Employment & Skills	0.363	0.373	0.123	0.350	(0.023)
Scottow Enterprise Park	(0.274)	(0.374)	(0.347)	(0.424)	(0.050)
	0.855	0.809	0.757	0.701	(0.108)
	8.974	7.942	6.263	7.840	(0.102)

2.4. Other legal entities –

Client Property Management – Repton Property Developments Ltd is subject to separate reports to this Committee. The next Board Meeting will include a detailed finance report.

Economic Development - the forecast pre tax profit for Hethel Innovation Ltd (HIL) for 2018 – 19 is £0.408m.

2.5. Client Property Management (CPM)

The CPM budget was reduced by £1.027m in 2018 – 19, continuing to reflect planned savings to be met principally by reduced costs of corporate offices, including fewer properties via property disposals. CPM plan to smooth the impact of this significant reduction by the planned use of reserves as shown in Table 3 later in this report.

We are currently reporting a small overspend of £0.006m, (previous report overspend £0.247m), after use of reserves. Progress has been made against the delivery of the savings targets for 2018 – 19 with planned exits from a number of key buildings including Vantage House.

Significant progress has also been made in identifying areas of additional income generation and capitalisation, particularly in relation to County Farms, offsetting a forecast increase in costs of Corporate Offices. Some of these costs are one off exit costs and will be subject to further review to ensure all possible savings are realised before year end, which could reduce the use of reserves needed to achieve a balanced budget.

County Farms includes the business transferred from Norfolk Energy Futures Ltd. The forecast surplus is £1.107m, an increase of £0.458m since the previous report entirely due to the identification of capitalisation opportunities.

Economic Development

2.6. The main element of spend within Economic Development is staff related expenditure, with most spend related to planned programme activity. A number of staff are engaged in the delivery of externally funded projects where the spend profile does not always match a financial year, where this is the case project funding will be carried forward in reserves as an unspent grant.

Both Strategy & Commissioning and Employment & Skills are continuing to forecast small staff cost underspends this year.

Economic Development Programmes budget represents cost recovery of a number of managed programmes, including France Channel England and Leader.

An underspend of £0.108m (previous report £0.099m underspend) is forecast for this budget, including Scottow Enterprise Park.

2.7. Scottow Enterprise Park (SEP) – the 2018 – 19 forecast is an unchanged surplus of £0.424m excluding financing costs. This forecast is being kept under constant review to identify opportunities to reduce overheads expenditure.

The forecast comprises revenues of £1.350m (2017 – 18 £1.253m), £0.893m is derived from buildings rental and service charges, £0.457m from the solar farm on site. Costs are £0.926m (2017 – 18 £0.979m), of which £0.185m relates to staff salaries and £0.741m relates to other labour and general premises costs.

Additional Enterprise Zone and grant funding opportunities continue to be identified and pursued to support the financing of site development costs.

SEP is not accounted for as a separate legal entity, and is managed via HIL.

Hethel Engineering Centre (HEC) - is accounted for via the separate legal entity of Hethel Innovation Ltd (HIL).

For 2018 – 19 HIL's pre tax forecast profit is £0.408m (previous report £0.349m). Revenues from tenancy and funded programmes are forecast at £1.550m, (2017 – 18 £1.467m), and costs of £1.142m, (2017 – 18 £1.132m), comprising salary and overhead costs of £0.915m, (2017 – 18 £0.905m) and financing costs of £0.227m, (2017 – 18 £0.227m).

HEC is currently 100% let through to the end of this financial year, and there is demand from tenants within HEC and elsewhere, for the provision of 'grow on' space next to HEC Phases 1,2 and 3. HEC has created over the past 12 years 80,000 sq ft of offices and workshops space, and there is demand to create an additional 80,000 sq ft of space. Hethel Innovation Ltd (HIL), the entity that runs HEC and SEP, continues to consider the potential development of the Hethel Technology Park on the site.

3. Capital Programme

3.1. The capital programme for the services reported to this Committee is currently profiled to be delivered as detailed below. The total budget for the 3 years 2018 to 2021 has increased by £0.452m since the previous report, of all which relates to County Farms.

Table 2: Business & Property Committee: Capital Programme

	Actual spend 2017 - 18 £m	Budget 2018 - 19 £m	Spend to date 2018 - 19 £m	Budget 2019 - 20 £m	Budget 2020-211 £m
Scottow Enterprise Park	0.787	3.638	0.201	0.000	0.000
Infrastructure	0.546	0.181	0.095		
Buildings refurbishment	0.241	3.457	0.106		
Client Property Management	1.348	5.731	3.531	20.576	0.743
Space 2019	0.333	0.300	0.736	8.292	
Asbestos	0.538	0.978	0.256		
Other works	0.477	4.453	2.539	12.284	0.743
County Farms	4.317	3.388	3.007	0.673	0.000
Purchase of Farms	3.161	1.696	1.696		
Other capital	1.156	1.692	1.311	0.673	
	6.452	12.757	6.739	21.249	0.743

3.2. **SEP** - the budget and expenditure to date figures are unchanged from the previous report. For clarity Table 2 shows only the actual expenditure in 2017 – 18 in the appropriate column, expenditure prior to this period totals £5.275m. The total expenditure to date is £6.263m and is unchanged from previous reports. These figures relate only to capital improvements to the site and exclude the original site purchase cost.

Total available corporate and Enterprise Zone supported capital funding for the redevelopment (excluding site purchase costs) of SEP is £9.700m, of which £6.263m is the amount spent on redevelopment and refurbishment to date.

Essential infrastructure work includes water supply facilities, asbestos removal, security fencing, fire alarms, heating systems and utility metering to facilitate recharges back to tenants.

Buildings refurbishment expenditure enables specific buildings to be brought into a lettable condition. It should be noted that expenditure is only made against a business case from specific enquiries leading to lettings income.

A total of £7.900m is expected to be spent by summer 2019, the remaining capital budget at that point to be available for the final hangar refurbishment.

3.3. **Client Property Management** – the capital funding is in support of further refurbishment to allow rationalisation and facilitate cost reductions within the corporate property portfolio, in addition to routine general maintenance and minor

works funded via capital. The principal identifiable expenditure relates to the Space 2019 programme. The significant reprofiling of the capital budgets should be noted, principally due to the Space 2019 programme.

- 3.4. **County Farms** – the capital funding represents the agreed refurbishment programme, including land drainage schemes, which maintains the value of the Farms estate. The budget for the purchase of Avenue Farm, Halvergate is included.

4. Reserves 2018 - 19

- 4.1. The Council holds both provisions and reserves.
- 4.2. Provisions are made for liabilities or losses that are likely or certain to be incurred, but where it is uncertain as to the amounts or the dates which they will arise. The Council complies with the definition of provisions contained within CIPFA's Accounting Code of Practice.
- 4.3. Reserves (or Earmarked Reserves) are held in one of three main categories:
- 4.4. Reserves for special purposes or to fund expenditure that has been delayed, and in many cases relate to external Grants and Contributions - reserves can be held for a specific purpose, for example where money is set aside to replace equipment or undertake repairs on a rolling cycle, which can help smooth the impact of funding.
- 4.5. Local Management of Schools (LMS) reserves that are held on behalf of schools – the LMS reserve is only for schools and reflects balances held by individual schools. The balances are not available to support other County Council expenditure.
- 4.6. General Balances – reserves that are not earmarked for a specific purpose. The General Balances reserve is held to enable the County Council to manage unplanned or unforeseen events. The Executive Director of Finance is required to form a judgement on the level of the reserve and to advise Policy and Resources Committee accordingly.
- 4.7. The reserves falling under this Committee would fall into the first category. Additionally, balances may relate specific grant income where we have received the income but are yet to incur the expenditure, or the grant was planned to be used over a period of time, not related to a specific financial year.
- 4.8. We will continue to review the reserve balances to ensure that their original objectives are still valid and would identify any reserves that could be considered available for re-allocation.
- 4.9. The committees' unspent reserves and provisions as at 1st April 2018 totalled £2.991m, and is forecast to be £1.419m at 31st March 2019, previous forecast £1.621m. The additional consumption of reserves relates to Economic Development covering planned and funded project costs.
- 4.10. The table below shows the balances of reserves and provisions and the actual

usage for 2018 - 19.

Table 3: Business & Property Committee: Reserves & Provisions			
Reserves & Provisions 2018-19	Balance at 1 April 2018	Forecast Balance at 31 March 2019	Change during 2018 - 19
	£m	£m	£m
Corporate Property Management	1.102	0.000	1.102
Economic Development (including Scottow Enterprise Park)	1.889	1.419	0.470
Committee Total	2.991	1.419	1.572

The use of £1.102m of CPM reserves continues to smooth the effect of a reduced corporate offices budget.

The Economic Development reserves relate to specific project and grant funding, drawn down and carried forward as applicable to each project. Only currently known specific drawdowns have been shown above, the final use of reserves in 2018 – 19 is anticipated to be higher than currently shown.

Scottow Enterprise Park has reserves of £0.257k included in the total above.

5. Financial Implications

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

6. Issues, risks and innovation

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

Officer Contact

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Business and Property Committee

Item No.

Report title:	Performance management
Date of meeting:	15 January 2019
Responsible Chief Officer:	Simon George – Executive Director of Finance and Commercial Services, and Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact Robust performance management is key to ensuring that the organisation works both efficiently and effectively to develop and deliver services that represent good value for money and which meet identified need.	

Executive summary

This management report to Committee is based upon the revised Performance Management System, which was implemented as of 1 April 2016. Additionally, this is the third report to provide data against the new 2018/19 Vital Signs list derived from measures contained within the 'plans on a page' previously presented to and agreed by Committee.

There are currently three Vital Signs indicators under the remit of this Committee.

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

Of the three Vital Signs indicators that fall within the remit of this Committee, one indicator has met the exception criteria:

- Number of apprenticeship starts

(This is as previously reported to the Committee on 9th October 2018 as there has not been any refreshed data update for this measure)

Recommendations:

Review and comment on the performance data, information and analysis presented in the body of the report and determine whether any recommended actions identified are appropriate or whether another course of action is required - refer to the list of possible actions at Appendix 1.

In support of this, Appendix 1 provides:

- A set of prompts for performance discussions.
- Suggested options for further actions where Committee requires additional information or work to be undertaken.

1. Introduction

- 1.1. This management report to Committee is based upon the revised Performance Management System, which was implemented as of 1 April 2016. Additionally, this is the third report to provide data against the new 2018/19 Vital Signs list derived from measures contained within the 'plans on a page' previously presented to and agreed by Committee.
- 1.2. There are currently three Vital Signs indicators under the remit of this Committee:
 - Monitoring the job creation outputs of the projects and programmes that Norfolk County Council manages or Leads (Oct-Sep) and (Apr-Mar)
 - Delivery against New Anglia Local Enterprise Partnership (NALEP) and Hethel Engineering Centre (HEC) business start-up targets (Oct-Sep) and (Apr-Mar)
 - Number of apprenticeship starts
- 1.3. Work continues to see what other data may be available to report to Committee on a more frequent basis and these will in turn be considered for inclusion as Vital Signs indicators.
- 1.4. Of the three Vital Signs indicators that fall within the remit of this Committee, one indicator has met the exception criteria.

2. Performance dashboard

- 2.1. The performance dashboard provides a quick overview of Red/Amber/Green rated performance across all three Vital Signs. This then complements the exception reporting process and enables Committee members to check that key performance issues are not being missed.
- 2.2. The Vital Signs indicators are monitored during the year and are subject to review when processes are amended to improve performance, to ensure that the indicator correctly captures future performance. A list of all Vital Signs indicators currently under the remit of the Business and Property Committee is available at Appendix 2.
- 2.3. Vital Signs are reported to Committee on an exceptions basis. The exception reporting criteria are as follows:
 - Performance is off-target (Red RAG rating or variance of 5% or more)
 - Performance has two consecutive months/quarters/years of Amber RAG rating (Amber RAG rating within 5% worse than the target)
 - Performance is adversely affecting the County Council's ability to achieve its budget
 - Performance is adversely affecting one of the County Council's corporate risks.
- 2.4. Where cells have been greyed out on the performance dashboard, this indicates that data is not available due either to the frequency of reporting or the Vital Sign being under development. In this case, under development can mean that the Vital Sign has yet to be fully defined or that baseline data is being gathered.

Key to services on the performance dashboard:

- ED – Economic Development

2.5. The performance dashboard for the Business and Property Committee is as follows:

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

#	Monthly	Bigger or Smaller is better	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Target
305 a	{ED} Monitoring the job creation outputs of the projects and programmes that NCC manages or leads (Oct-Sep)	Bigger	0.0	0.0	1.0	1.0	1.0	4.0	4.0	4.0	22.0	22.0	47.0	69.0		26
305 b	{ED} Monitoring the job creation outputs of the projects and programmes that NCC manages or leads (Apr-Mar)	Bigger	364.9	547.7	598.0	645.0	712.4	842.9	39.0	85.5	112.0	142.5	170.5	202.0	222.2	
306 a	{ED} Delivery against NALEP and HEC business start-up targets (Oct-Sep)	Bigger	1	6	6	6	6	6	14	17	17	17	17	21		7
306 b	{ED} Delivery against NALEP and HEC business start-up targets (Apr-Mar)	Bigger	83	95	106	119	128	138	150	163	172	179	182	191	201	
#	Quarterly / Termly	Bigger or Smaller is better	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Target
349	{ED} Number of apprenticeship starts	Bigger	7,290				7,670	2,440	3,830	6,120	6,580	2,100	3,240	4,660		6,738

3. Report Cards

- 3.1. A Report Card has been produced for each Vital Sign. It provides a succinct overview of performance and outlines what actions are being taken to maintain or improve performance. The Report Card follows a standard format that is common to all committees.
- 3.2. Each Vital Sign has a lead officer, who is directly accountable for performance, and a data owner, who is responsible for collating and analysing the data on a monthly basis. The names and positions of these people are specified on the Report Cards.
- 3.3. Vital Signs are reported to Committee on an exceptions basis. The Report Cards for those Vital Signs that do not meet the exception criteria on this occasion, and so are not formally reported, are also collected and are available to view if requested.
- 3.4. Provided at Appendix 1 is a set of prompts for performance discussions that Members may wish to refer to as they review the Report Cards. There is also a list of suggested options for further actions where Committee requires additional information or work to be undertaken.
- 3.5. The Report Cards for the indicators that meet the exception criteria are shown below, which include contextual information for the indicator, along with information about current and historical performance:
 - Number of apprenticeship starts (Performance is off-target (Red RAG rating or variance of 5% or more) for the quarter covering June 2018 Red 4,660 against a target of 6,738)

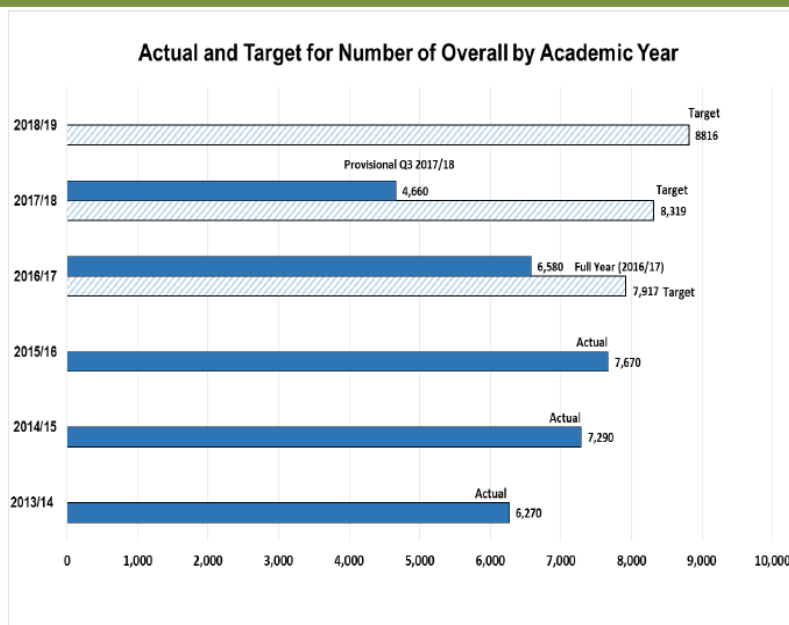
There has been no new data released since the last scorecard, hence the narrative remains much the same. During the 2016/17 year, Norfolk had 6,580 new Apprenticeship starts, against a target of 7,917. Nationally the number of new starts fell, but the drop in Norfolk was greater. This was partly due to the NHS (Norfolk's biggest Apprenticeships Employer) refraining from starting apprentices until the levy could be used to fund the training. Published data for the period August 2017-April 2018 shows 4,660 Apprenticeship starts in Norfolk, compared to 6,120 at this stage last year, a decline of 24%, compared to a national decrease of 33%. This is again due to the impact of the reforms and the levy and remains a trend across the country. Levy paying organisations such as the NHS utilising their levy has helped the decrease in Norfolk to be lower than national figures although the levy is being used more to upskill the current workforce rather than for new entrants. Feedback from colleges and training providers indicates that we are unlikely to reach our target of 8,816.

Vital sign: Number of Apprenticeship starts

Why is this important?

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

Performance



What is the story behind current performance?

Apprenticeship Starts	2013/14	2014/15	2015/16	2016/17	2017/18 (Aug-April)	2018/19
	Actual	Actual	Actual	Actual	Actual	Target
All starts – all levels/ages	6,270	7,290	7,670	6,580	4,660	8,816

There has been no new data released since the last scorecard, hence the narrative remains much the same.

During the 2016/17 year, Norfolk had 6,580 new Apprenticeship starts, against a target of 7,917. Nationally the number of new starts fell, but the drop in Norfolk was greater. This was partly due to the NHS (Norfolk's biggest Apprenticeships Employer) refraining from starting apprentices until the levy could be used to fund the training.

Published data for the period August 2017-April 2018 shows 4,660 Apprenticeship starts in Norfolk, compared to 6,120 at this stage last year, a decline of 24%, compared to a national decrease of 33%.

This is again due to the impact of the reforms and the levy and remains a trend across the country. Levy paying organisations such as the NHS utilising their levy has helped the decrease in Norfolk to be lower than national figures although the levy is being used more to upskill the current workforce rather than for new entrants. Feedback from colleges and training providers indicates that we are unlikely to reach our target of 8,816.

A breakdown of figures shows that starts for 25+ are 1,780, 19-24 1,520 starts with under 19 1,450, The biggest drop has been in 25+ and is where we now need to focus our efforts.

We are aware that it looks like the figures don't add up to the total, however, this is the way that the Government releases the data. When adding up each area, they round up to the next 10 (e.g. 61 starts would be rounded up to 70).

What will success look like

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

Action required

NCC is working in partnership on a number of strategies to increase the number of starts including

- Supply Chain Development
- Celebration event
- Apprentice competition
- Levy Sharing

Responsible Officers

Lead: Jan Feeney

Data: Kieren Buxton – 22/11/2018

4. Recommendations

- 4.1. Committee Members are asked to:
Review and comment on the performance data, information and analysis presented in the body of the report and determine whether any recommended actions identified are appropriate or whether another course of action is required – refer to the list of possible actions at Appendix 1.

In support of this, Appendix 1 provides:

- A set of prompts for performance discussions.
- Suggested options for further actions where the committee requires additional information or work to be undertaken.

5. Financial implications

- 5.1. There are no significant financial implications arising from the performance management report.

6. Issues, risks and innovation

- 6.1. There are no significant issues, risks and innovations arising from the performance management report.

Officer Contact

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

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Appendix 1 – Performance discussions and actions

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

Suggested prompts for performance improvement discussion

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

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

In doing so, Committee Members are asked to consider the actions that have been identified by the Vital Sign lead officer.

Performance improvement – suggested actions

A standard list of suggested actions has been developed. This provides Members with options for next steps where reported performance levels require follow-up and additional work.

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

Appendix 2 – Business and Property Committee Vital Signs Indicators

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

There are currently three Vital Signs performance indicators that relate to the Business and Property Committee. The indicator in bold (on the Table below) is a Vital Signs indicator deemed to have corporate significance and therefore will also be reported to the Policy and Resources Committee.

Key to services:

- PE – Planning and Economy

Service	Vital Signs Indicator	What it measures	Why it is important	Data
ED	Job creation in Norfolk	Monitoring the job creation outputs of the projects and programmes that NCC manages or leads.	SEP has a target to deliver 73,000 more jobs by 2026. This measure looks at those jobs the EDS service has had a hand in bringing forward.	Partly monthly
ED	New Anglia Growth Hub delivery – business start up	Delivery of New Anglia Growth Hub’s business start-up targets.	All programmes should deliver outputs that benefit the Norfolk economy.	Partly monthly
ED	Apprenticeships Norfolk Network Success Measures	Number of Apprenticeship Starts.	The New Anglia Local Enterprise Partnership Strategic Economic Plan (SEP) highlights the need to increase the number, level, range and quality of Apprenticeship delivery and generate 5,000 additional Apprenticeships across Norfolk and Suffolk by 2019.	Quarterly (subject to data release)

Business and Property Committee

Report title:	Risk Management
Date of meeting:	15 January 2019
Responsible Chief Officer:	Simon George, Executive Director of Finance and Commercial Services
Strategic impact One of the Business and Property Committee's roles is to consider the management of risks relating to Norfolk County Council's commercial property. Assurance on the effectiveness of risk management helps the Committee undertake some of its key responsibilities. Risk management contributes to achieving departmental objectives and is a key part of the performance management framework.	

Executive summary

This report provides the Committee with the latest departmental level risks falling under the remit of this Committee as at January 2019, following the latest review conducted in December 2018. The reporting of risk is aligned with, and complements, the performance and financial reporting to the Committee.

Recommendations:

Members are asked to consider:

- a) **the reconciliation report in Appendix A, which is designed to detail any significant changes to the Committee's corporate and department level risks;**
- b) **details of the current risks for this Committee to consider, managed on the corporate and departmental risk registers as reported in Appendix B.**
- c) **The list of possible actions, suggested prompts and challenges presented for information in Appendix C;**
- d) **The background information to put the risk scoring into context, shown in Appendix D.**

1. Proposal

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

The summary of changes to risks reported within this Committee's remit since the last Risk Management report was presented in October 2018 can be seen in **Appendix A**.

Appendix B provides full details of all currently managed risks that fall under this Committee's remit including details of mitigations and progress.

A list of possible actions, suggested prompts, and challenges are presented for information in **Appendix C**, with a note of background information to put the risk scoring into context located at **Appendix D**.

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Risk Reconciliation Report

Significant changes* to the Business and Property Committee risks since the last Business and Property Committee Risk Management report was presented in October 2018.

Since the last Business and Property Committee Risk Management report was presented in October 2018, there has been a change to two of the risks previously reported. This is as follows;

Score change

RM021 – Failure of Estate Management

The current score has changed from 6 to 4 (likelihood lowered from 3 to 2) to reflect the overall progress made with mitigating the risk. The prospects score has moved from amber to green to reflect this, whilst the new IT system is being installed.

Significant changes to mitigations

RM001 - Infrastructure is not delivered at the required rate to support existing needs and the planned growth of Norfolk

The mitigations to this risk have been reviewed and updated to reflect the latest infrastructure objectives.

Significant changes to progress

RM001 - Infrastructure is not delivered at the required rate to support existing needs and the planned growth of Norfolk

- Pooled Business Rates bids which were previously submitted have been successful for seven key transport projects including the Norwich Western Link.
- Work is underway on developing the work programme for the shortlisted Transforming Cities, with the Department for Transport visiting Norfolk in November 2018 to agree the way forward.

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

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

Risk Number	RM001		Date of update		04 December 2018					
Risk Name	Infrastructure is not delivered at the required rate to support existing needs and the planned growth of Norfolk									
Risk Owner	Tom McCabe		Date entered on risk register		01 July 2015					
Risk Description										
1) Not securing sufficient funding to deliver all the required infrastructure for existing needs and planned growth leading to: • congestion, delay and unreliable journey times on the transport network • a lack of the essential facilities that create sustainable communities e.g. good public transport, walking and cycling routes, open space and green infrastructure. 2) Not meeting the funding profiles (e.g. Local Growth Fund) and losing the funding.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	5	15	3	3	9	3	2	6	Mar-19	Amber
Tasks to mitigate the risk										
<p>1.1) Work with other county council officers and partners including district councils to compile evidence for Local Growth Fund 3 (LGF3) schemes by LEP deadline to maximise the chance of success in autumn bidding round.</p> <p>1.2) Engage with Highways England over evidence base for RIS2 programme, and Network Rail for strategic rail delivery, and work with partners on advocacy and lobbying with government.</p> <p>1.3) Review Planning Obligations Standards annually to ensure we are seeking the maximum possible contributions from developers.</p> <p>1.4) Submit business cases for Pooled Business Rates (PBR) funding, and other funding bids as they arise through the year.</p> <p>2.1) Manage and oversee development and delivery of individual Local Growth Fund allocation schemes. Undertake consultation and feasibility work to determine priorities.</p> <p>2.2) Continue to build the relationship with the LEP to reduce the risk to the county council in having to fund budget increases on schemes. Build other strategic relationships.</p> <p>2.3) Periodically review timescales for S106 funding to ensure it is spent before the end date and take action as required. Periodic reviews for transport contributions and an annual review process for library and education contributions.</p> <p>Overall risk treatment: Treat</p>										
Progress update										

Progress update

1.1) 27 LEP pro formas have been completed for the highest priority LGF schemes. Growth Deal bidding round agreed by LEP Board 18 Oct, bids to be submitted by 21 January 2019.

1.2) Business cases to support NCC A47 priority schemes (Acle Straight and East Winch to Tilney dualling) completed. NCC led Just Dual It campaign with EDP and Norfolk Chamber. Working with MPs to agree date for delegation to Westminster in the autumn. Working on GEML (Great Eastern Main Line; Norwich to London) and Ely Task Forces (rail). Network Rail has been commissioned to look at priority infrastructure projects at both. Local Authority partners on the GEML Task Force in process of commissioning wider economic benefits work. Continuing to support East West Rail Consortium.

1.3) Annual review of Planning Obligations Standards programmed.

1.4) Pooled Business Rates bids were submitted, and have been successful, for the following key transport projects:

King's Lynn Transport

Norwich Western Link

Fakenham Market Town Study

Downham Market, Market

Town Study

Wroxham / Hoveton Market Town Study

Wymondham Market Town Study

Long Stratton Bypass

Bid for Major Road Network funds submitted to government. WSP commissioned to develop work on business case.

Bid for Transforming Cities successful: shortlisted for funds. Work is underway on developing the work programme, DfT visited the county in November to agree the way forward.

2.1) Delivery underway for Attleborough town centre, Great Yarmouth Transport, and Norwich schemes and Thetford Enterprise Park Roundabout. Remainder of schemes for delivery under development.

2.2) Relationship-building with LEP continues, with responsibility liason with LEP's programme management team on delivery issues moving to Infrastructure Delivery Team. Continuing to work as a key member of Transport East, the emerging Sub-National Transport Body. Transport strategy and evidence base to be commissioned.

2.3) Longwater S106 was reviewed and it was confirmed that these contributions are all still valid to contribute to the Dereham Road scheme.

Risk Number	RM021		Date of update		07 December 2018					
Risk Name	Failure of Estate Management									
Risk Owner	Simon George		Date entered on risk register		21 June 2016					
Risk Description										
There is a risk that the Council does not have a clear policy around estate management, is not acting in line with the expectations of a landlord, and does not have sound tenancy agreements in place.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
4	3	12	2	2	4	2	2	4	Mar-19	Green
Tasks to mitigate the risk										
1) Install and establish new property database for the management of the estate.										
Progress update										
1) The major outstanding action is the replacement of the IT system, which is procured and awaiting installation.										
2) County Farms meetings are in place.										
3) New tenant recruitment process in place and established.										
4) Apprentice and County Farms Manager have been recruited.										

Risk Number	RM14200		Date of update		07 December 2018					
Risk Name	Failure to meet NCC carbon reduction target									
Risk Owner	Jeannine de Sousa		Date entered on risk register		01 April 2016					
Risk Description										
There is a risk of a failure to address energy efficiency as part of operational practice, leading to increased energy and tax costs, against a background of a flexible buildings portfolio. The risks reside around the principal impacts associated with the use of buildings, transport and street lighting in support of service delivery. Reporting responsibility resides with the Corporate Property Team who oversee the delivery of statutory reporting; impact is organisation-wide.										
Original			Current			Tolerance Target				
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date
3	4	12	2	4	8	2	3	6	Mar-20	Green
Tasks to mitigate the risk										
To reach a 50% reduction by 2020. To achieve this, we should have;										
Project management delivered through interface with existing programmes, such as through the work of the Corporate Property Team. The Corporate Property Team have responsibility for the delivery of the carbon reduction programme.										
Improvements made to the heating, lighting and insulation levels at County Hall.										
Increasing usage of electricity generation fuels, and use less coal in the electricity generation process.										
A switch to the use of LED bulbs in street lights, and trimming the number of hours on, where practical.										
Progress update										
The baseline is 2009-10 data for buildings and street lighting and is on electricity, gas, oil and propane data. Each fuel usage is converted into CO ₂ e (Carbon Dioxide equivalent which includes other greenhouse gases, such as methane) using official yearly DEFRA conversion factors. Based upon the latest 2017/18 figures available there has been a 50.5% reduction overall. This is due to a number of factors, such as:-										
<ul style="list-style-type: none"> • Energy reduction due to properties benefiting from CERF (Carbon and Energy Reduction Fund) investment; • Reduction in the overall property portfolio; • Improvements to the heating, lighting and insulation levels at County Hall; • Improvements to the electricity CO₂ conversion factor due to the mix of electricity generation fuels (ie. more renewables, less coal was used to generate electricity in 2017-18 than in 2009-10); • Street light energy reductions due to lantern upgrades to LED and initiatives including dimming and part night lighting. The overall electricity usage for street lighting has reduced by 10% since 2009-10, despite an overall increase in the number of street lights from new road adoptions. 										

Risk management discussions and actions

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

Suggested prompts for risk management improvement discussion

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

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

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

Risk Management improvement – suggested actions

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

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

Suggested follow-up actions

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

Background Information

A **departmental risk** is one that requires:

- strong management at a departmental level thus the Departmental Management Team should direct any action to be taken.
- appropriate management. If not managed appropriately, it could potentially result in the County Council failing to achieve one or more of its key departmental objectives and/or suffer a significant financial loss or reputational damage.

Each risk score is expressed as a multiple of the impact and the likelihood of the event occurring.

- Original risk score – the level of risk exposure before any action is taken to reduce the risk
- Current risk score – the level of risk exposure at the time the risk is reviewed by the risk owner, taking into consideration the progress of the mitigation tasks
- Target risk score – the level of risk exposure that we are prepared to tolerate following completion of all the mitigation tasks.

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

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

Business and Property Committee

Item No.....

Report title:	Repton Property Developments Ltd – update
Date of meeting:	15 January 2019
Responsible Chief Officer:	Executive Director of Finance and Commercial Services
Strategic impact Proposals in this report support Norfolk County Council priorities by focussing on key objectives of the Council's Asset Management Plan to pro-actively exploit the latent value of the property portfolio and release capital resources for other purposes. The creation of the capability for direct property development will support the Council's Norfolk Futures Strategy through commercialisation of assets to generate future income streams to support funding for service delivery and support towards a housing strategy.	

Executive summary

The tender exercise to procure a development services provider for Repton Property Developments Ltd has been completed.

This report updates the Committee on the appointment of the provider.

Recommendation:

Business and Property Committee are asked to note the appointment of Lovell Partnerships Ltd as development services provider for Repton Property Developments Ltd.

1.0 Introduction

- 1.1 Repton Property Developments Ltd (Repton) has completed the tender exercise to procure a development services provider.
- 1.2 Cushman and Wakefield, a London based and experienced property consultant, have been working with the Repton Board to coordinate, design and run the procurement exercise.

2.0 Tender

- 2.1 Eight companies were invited to tender resulting in 5 tenders being submitted which were assessed by Cushman & Wakefield with support from Officers from the County Council. This led to three companies being invited to attend an interview with representatives of the Board and the shareholder forming the interview panel.
- 2.2 The interview panel comprised:

Carl Smith (Chair)	Repton Board.
Fiona McDiarmid	Repton Board.
Simon Hardwick	Repton Board.
Al Collier	Repton Board.
Simon George	Shareholder Representative.

Supported by:

Simon Hughes	Head of Property
Tim Johnson	Cushman and Wakefield
Fay Parker	Cushman and Wakefield

2.3 Cushman & Wakefield composed a tender evaluation report based on the assessment of the bid documents and evidence collected during the interview phase. This report was considered by the Repton Board who resolved to accept the bid from Lovell Partnerships Ltd (Lovell). This will be subject to satisfactory completion of the legal agreement.

2.4 Lovell have been in existence since 1989 and are part of the Morgan Sindall Group of companies.

3.0 Next steps

3.1 Repton has already commenced work to finalise the contract documentation.

3.2 The Repton Board will work with Lovell to finalise Repton's business plan.

3.3 The committee will be aware the County Council has identified three sites for sale to Repton, namely:

- Land north of Norwich Road, Acle.
- Land south of New Road, Attleborough.
- Land east of Lowestoft Road, Hopton on Sea (also known as the Market Garden Land).

The County Council will now complete the work to agree the values and transfer the sites to Repton, however, the timings for the transfers has yet to be finalised.

3.4 In respect to the loan facility to Repton, the Council's finance team will review the company's business plan to complete their work and finalise the report that will be presented to Policy and Resources committee for approval.

4.0 Recommendation

4.1 Business and Property Committee are asked to note the appointment of Lovell Partnerships Ltd as development services provider for Repton Property Developments Ltd.

Officer Contact

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

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



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Business and Property Committee

Item No.....

Report title:	Disposal, Acquisition and Exploitation of Properties
Date of meeting:	15 January 2019
Responsible Chief Officer:	Executive Director of Finance and Commercial Services
Strategic impact Proposals in this report are aimed at supporting Norfolk County Council (NCC) priorities by exploiting properties surplus to operational requirements, pro-actively releasing property assets with latent value where the operational needs can be met from elsewhere and strategically acquiring property to drive economic growth and wellbeing in the County. One of the key strategic actions within the Asset Management Plan is a sharp focus on maximising income through adoption of a more commercial approach to property.	

Executive summary

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

By adopting a “single estate” approach within the Council and sharing property assets with public sector partners through the One Public Estate programme, the Council is aiming to reduce net annual property expenditure by £4.25million over the next four years (2018/19 to 2021/22).

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

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

Recommendations:

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

- (i) **Authorise the Head of Property to dispose of the northern land parcel (and if Children Services do not require it dispose of the southern land**

parcel), London Road Attleborough. In the event of disposal receipts exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offers and report the fact at a subsequent B&P Committee meeting.

- (ii) Agree to the acquisition of a licence for the erection of a notice board on land owned by Mr & Mrs Pegg adjacent to the entrance to the St Mary's Priory Site, Off Cromer Road, Beeston Regis for an annual fee of £1.
- (iii) Asked to agree to the acquisition of a licence for part of the ground floor of Benjamin Court, Roughton Road, Cromer for use by Adult Support Services on an annual licence fee of £148,477.49.
- (iv) Formally declare the Baron's Close Land, Fakenham surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.
- (v) Formally declare the 15 former highway landholdings as listed in Appendix 1 surplus to Council requirements and instruct the Head of Property to dispose of the land parcels. In the event of a disposal receipt for each land parcel exceeds delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offers and report the fact at a subsequent B&P Committee meeting.
- (vi) Formally declare the Land rear of Great Crow Farm, Blakeney Road, Hindringham surplus to County Council requirements and instruct the Head of Property to dispose of the property to the adjacent owner for £25,000 (exclusive of any VAT that may be payable).
- (vii) Agree to the acquisition of 1.6 hectares (3.95 Acres) of land north of the Broadland Northway, Horsham St Faith and Newton St Faith for a new recycling centre and 0.6 hectares (1.5 acres) for a new access road and delegate the completion of the negotiations and final decision to acquire both sites to the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee and report the fact at a subsequent B&P Committee meeting.
- (viii) Formally declare Land at Baldock Drive, Kings Lynn surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is

authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.

- (ix) Authorise the Head of Property to dispose of the Redundant site, North Lynn, Lawrence Road King's Lynn. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.
- (x) Formally declare Land at Back Lane, North Elmham surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.
- (xi) Formally declare Kings Head Barns and adjacent land, Dereham Road, North Elmham surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.
- (xii) Formally declare Carrow Bridge House, Norwich surplus to Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.
- (xiii) Formally declare the Allthorpe Road Land, Redenhall with Harleston surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.
- (xiv) Formally declare Land West of at Burlingham Road, South Walsham surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.

1.0 Introduction

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

1.7 The recommendations for all disposals, acquisitions and exploitation of NCC property in this report follow detailed assessment by officers of the range of options available. The recommendation for each property is based on existing policies and strategies and judged to provide the best return to the council in financial terms and, where appropriate, taking account of community and economic benefits.

2.0 Proposals

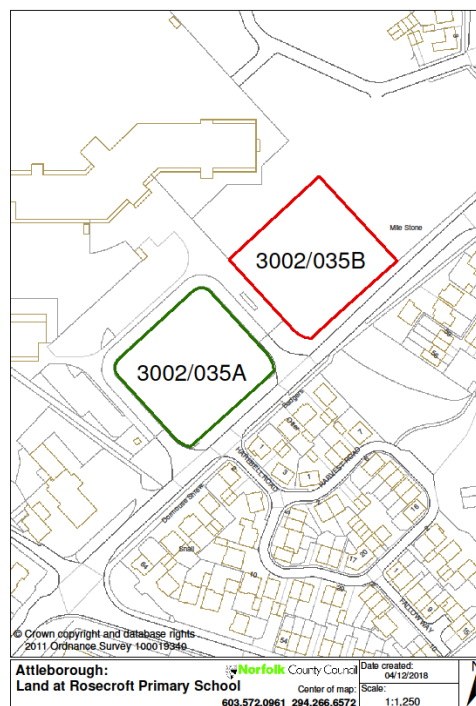
Attleborough – Land adjacent to new primary school, London Road (3002/035 A&B)

2.1 B&P Committee at their meeting on 8 September 2017 resolved to declare surplus two parcels of land (adjacent to Rosecroft Primary School) at London Road Attleborough and instructed the Head of Property to bring forward proposals (edged red and green on plan).

2.2 Outline planning permission was obtained on 14 February 2017 for 16 dwellings which is to include 40% affordable housing (planning authority ref: 3PL/2016/0416/O).

2.3 Subsequently Children's Services have identified a potential need for a site linked to their Special Educational Needs Sufficiency Strategy and have indicated that the southern parcel (3002/035A edged green on plan) has the capability to meet their requirements. In the event it is required by Children's Services then this land parcel will be deemed no longer surplus.

2.4 The Head of Property has reviewed the northern site (3002/035B edged red on plan) and concludes it is not suitable for self-development and advises it is disposed of either through auction or tender. Furthermore, should Children's Services determine the southern site is not suitable for their purposes the Head of Property advises this site is also disposed of.



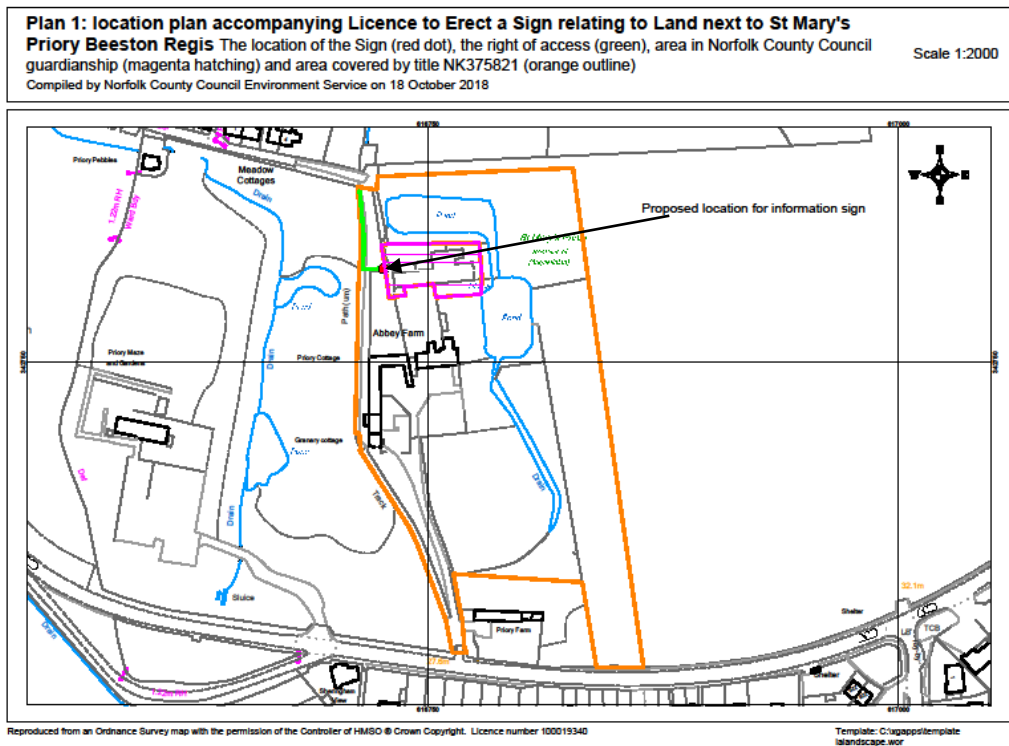
2.5 The Division Member has been informed of these proposals.

2.6 B&P committee is asked to authorise the Head of Property to dispose of the northern land parcel (and if Children Services do not require it dispose of the southern land parcel), London Road Attleborough. In the event of disposal receipts exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P

Committee is authorised to accept the most advantageous offers and report the fact at a subsequent B&P Committee meeting.

Beeston Regis - St Mary's Priory, off Cromer Road

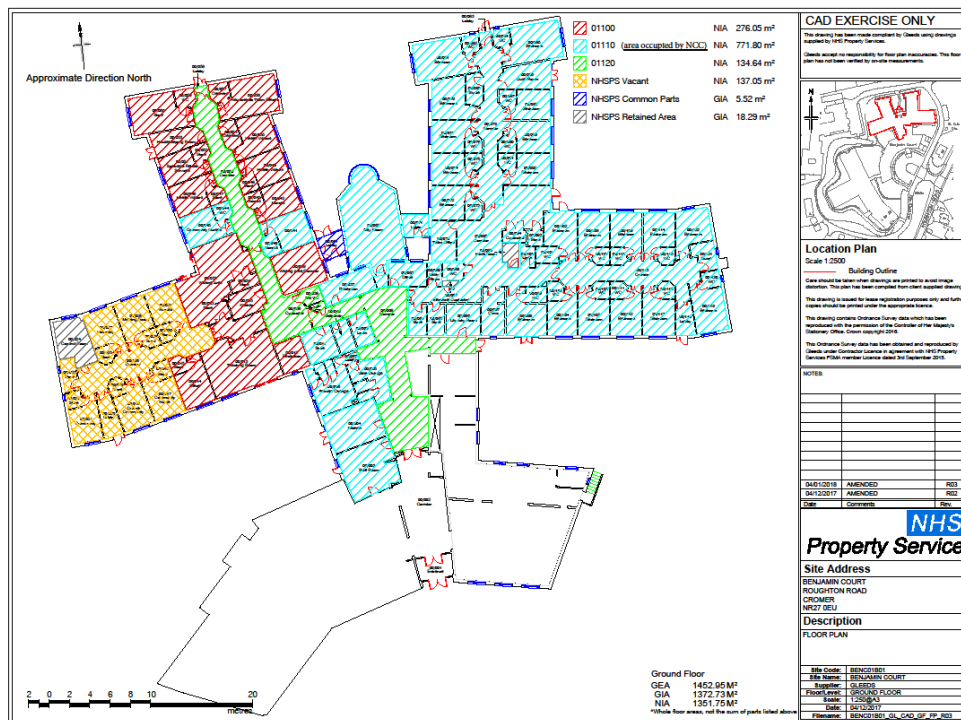
- 2.7 Beeston Regis St Mary's Priory is a scheduled ancient monument owned by the Norfolk Historic Buildings Trust and for which Norfolk County Council is the legal guardian.
- 2.8 The Priory site is entirely enclosed by land owned by Mr and Mrs Pegg, and access to the priory site is via a public right of way across their land.
- 2.9 NCC wishes to install an information sign on the land owned by Mr and Mrs Pegg to enable visitors to better interpret and understand the historic priory site (location marked as red dot on plan). A licence is required to enable this to happen.



- 2.10 The key terms for the licence are:
- (i) Licence fee of £1 per annum, fixed for the full period of the licence.
 - (ii) The licence will terminate on 31 July 2036.
 - (iii) NCC are responsible for the legal fees for both parties.
 - (iv) Licence may be determined on 3 months' notice.
- 2.11 The Division Member has been informed of this proposed transaction.
- 2.12 B&P Committee is asked to agree to the acquisition of a licence for the erection of a notice board on land owned by Mr & Mrs Pegg adjacent to the entrance to the St Mary's Priory Site, Off Cromer Road, Beeston Regis for an annual fee of £1.

Cromer - Benjamin Court, Roughton Road

2.13 NCC commenced negotiations in 2017 to occupy a substantial part of the ground floor of Benjamin Court, Roughton Road, Cromer under an annual licence to deliver Adult Support Services (blue hatched area on plan). Benjamin Court is owned by NHS Property Services Ltd and they agreed to permit NCC to occupy the building from 22 January 2018 before formal completion of the licence. This was to ensure Adult Support Services were able to commence their work as earliest as possible.



2.14 The facility at Benjamin Court provides a key service supporting patients discharged from hospital who require intermediate support before returning home.

2.15 The main terms of the licence fee and duration have previously been agreed, however the actual licence document has only recently been provided by NHS Property Services Ltd which has prompted this formal approval.

2.16 The terms are:

- (i) Licence fee of £148,477.49 per annum which includes services, utility costs and insurance, for the area edged blue on the plan, approximately 771 m² in area.
- (ii) The initial licence period terminates on 21 January 2019 but is only enacted subject to an ongoing one month's notice.
- (iii) NCC do not exclusively occupy the whole of the ground floor of Benjamin Court.
- (iv) NCC is responsible for providing and maintaining its telecommunication and data equipment and services.
- (v) NCC is responsible for cleaning the area its occupies.

- 2.17 The Division Member has been informed of this proposed transaction.
- 2.18 B&P Committee is asked to agree to the acquisition of a licence for part of the ground floor of Benjamin Court, Roughton Road, Cromer for use by Adult Support Services on an annual licence fee of £148,477.49.

Fakenham – Baron’s Close Land

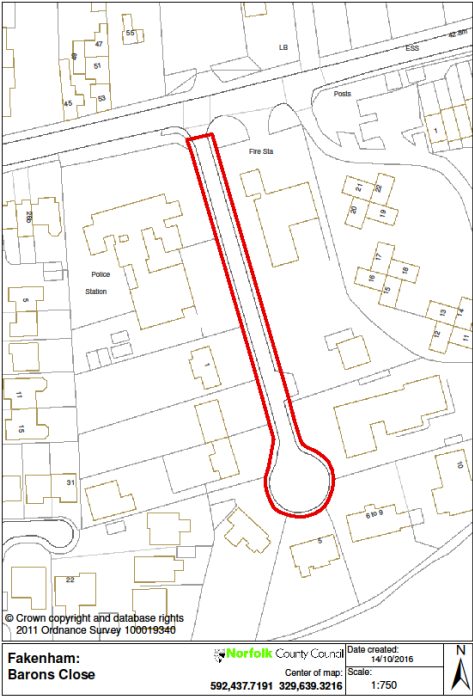
- 2.19 Baron’s Close, Fakenham (edged red on plan) was acquired as part of a larger acquisition, which originally included the land for the fire station, police station, courthouse, health offices and service housing.
- 2.20 Except for this road and the adjoining fire station the majority of the original land acquisition has been transferred to other public-sector bodies or sold.
- 2.21 NCC is liable for maintaining the roadway although a proportion of the cost can be recharged to adjoining property owners.

2.22 Following a review by the Head of Property in consultation with CPSG it has been confirmed that the land is not required for NCC service use, however, If the land is disposed of NCC will retain a right of access to the Fire Station.

2.23 It is proposed to dispose of this parcel of land by open market sale either through auction or by tender.

2.24 The Division Member has been informed of this proposed disposal.

2.25 B&P is asked to formally declare the Baron’s Close Land, Fakenham surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.



Former Highways Land Holdings

2.26 The Council’s property portfolio includes a number land parcels that were acquired by NCC for highway schemes but were not directly utilised. In **Appendix 1** is tabulated 15 sites that fall in to this category.

- 2.27 All 15 sites have been declared surplus by Community and Environmental Services. Following a review by the Head of Property in consultation with CPSG it has been confirmed that all 15 sites are not required for NCC service use.
- 2.28 The savings in property costs from disposal of these holdings is likely to be small, however, their continued ownership does require management and there are risks of periodic expenditure to deal with grounds maintenance, fly tipping and health and safety works.
- 2.29 Based on initial disposal work and unsolicited enquiries received it is expected that there will be interest from adjoining landowners and other interested parties to acquire some of the land parcels however it is proposed to dispose of these sites through open market sale by auction tender. It is anticipated some land parcels will be disposed of individually whilst others will be combined to form larger lots.
- 2.30 The Division Members have been informed of the proposed disposals.
- 2.31 B&P is asked to formally declare the 15 former highway landholdings as listed in **Appendix 1** surplus to Council requirements and instruct the Head of Property to dispose of the land parcels. In the event of a disposal receipt for each land parcel exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offers and report the fact at a subsequent B&P Committee meeting.

Hindringham – Land rear of Great Crow Farm, Blakeney Road

- 2.32 This property edged red on the plan (part of field 69) is owned by NCC and forms part of the County Farms estate.
- 2.33 The adjoining owner has made enquiries about purchasing this land directly.
- 2.34 The land in question is tenanted however the tenant is willing to the surrender this parcel of land.
- 2.35 A live underground electricity cable currently runs through the parcel of land and will remain in-situ. Furthermore, the County Council will, before the proposed sale, install another electricity cable to service the adjoining buildings. The County Council will retain rights to replace and maintain the cables.
- 2.36 The County Farms Team have reviewed this site and determined it is not required for operational use. Following a review by the Head of Property in consultation with CPSG it has been confirmed that the site is not required for NCC service use.

2.37 An offer of £25,000 (exclusive of any VAT that may be payable) has been made, this equates to a land value of £406,500 per hectare (£164,509 per acre).

2.38 The County Council has sought expert valuation advice to review the offer and it is determined the offer achieves best value for this parcel of land.

2.39 A direct sale is not the usual approach, however in this instance the piece of land is “landlocked” between the adjoining owner’s land and the operational estate.

2.40 The agreement for the sale will include provisions to prevent the erection of buildings and restrict the use of the land to garden land. The purchaser will seek the necessary planning permission for change of use. The purchaser will be responsible for the Councils legal and agent’s fees.

2.41 The Division Member has been informed of this proposed transaction.

2.42 B&P Committee is asked to formally declare the Land rear of Great Crow Farm, Blakeney Road, Hindringham surplus to County Council requirements and instruct the Head of Property to dispose of the property to the adjacent owner for £25,000 (exclusive of any VAT that may be payable).



Horsham St Faith and Newton St Faith – proposed replacement Recycling Centre

2.43 Environment, Development and Transport Committee (EDT), at the meeting on 9 November 2018, received a report detailing a preferred site for a replacement recycling centre which will be required when the Mile Cross Recycling Centre closes in 2021 due to the current contract expiring.

2.44 Following a comprehensive site search a preferred site amounting to 1.6 hectares (3.95 acres) has been identified on land near to Norwich Airport, known as Legislator 3 (edged red on plan). The site is immediately to the north of the Broadland Northway and will be accessed off the northern roundabout junction of the A140 and Broadland Northway.

2.45 The site is owned by Legislator 1657 Ltd, a company jointly owned by Norfolk County Council and Norwich City Council. Heads of terms have been agreed with Legislator 1657 Ltd to draw down the land for the recycling centre at nil cost on the agreement that Norfolk County Council will deliver an access road to the site.

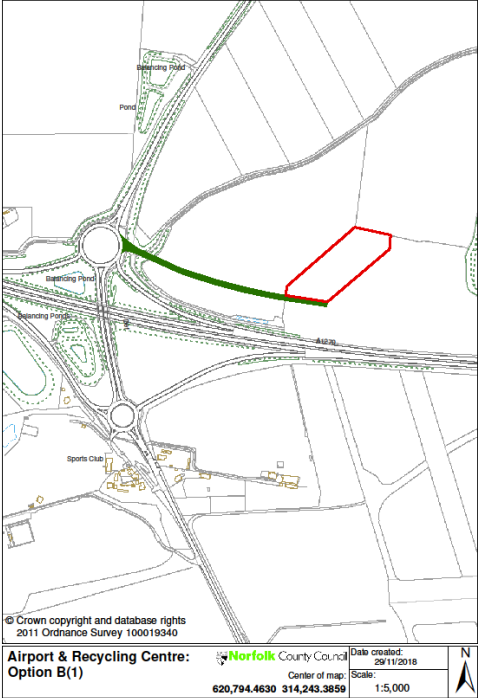
2.46 To access the proposed site an access road is required to be constructed across third party land (edged green on plan). Heads of terms have been agreed to purchase the land for the access road at a value that is within the Corporate Property Officer's delegation (1.5 acres required) and there is agreement to share the cost of the construction of the road with the third party.

2.47 EDT resolved to support continued negotiations to agree terms for the acquisition of the preferred site to replace Mile Cross Recycling Centre and to ask Business and Property Committee to approve the acquisition.

2.48 Subject to the successful acquisition of the site and land for the access road a planning application is expected to be submitted in Autumn 2019.

2.49 The Division Member has been informed of this proposed acquisition.

2.50 B&P Committee is asked to agree to the acquisition of 1.6 hectares (3.95 Acres) of land north of the Broadland Northway, Horsham St Faith and Newton St Faith for a new recycling centre and 0.6 hectares (1.5 acres) for a new access road and delegate the completion of the negotiations and final decision to acquire both sites to the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee and report the fact at a subsequent B&P Committee meeting.



King's Lynn – Land at Baldock Drive (2045/014)

2.51 This parcel of land (edged red on plan) was acquired as part of a larger area of land which was used for the construction of a housing with care scheme.

2.52 The Housing with Care scheme (Lisbon Court) was subsequently sold however this land parcel was retained by the County Council.

2.53 The site area is approximately 450m².

2.54 Following a review by the Head of Property in consultation with CPSG it has been confirmed that the site is not required for NCC service use.



- 2.55 It is proposed to dispose of this parcel of land by open market sale either through auction or by tender.
- 2.56 The Division Member has been informed of this proposed disposal.
- 2.57 B&P is asked to formally declare Land at Baldock Drive, Kings Lynn surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.

King’s Lynn – Redundant site, North Lynn, Lawrence Road (2045/064)

- 2.58 B&P Committee at their meeting on 8 September 2017 resolved to declare surplus this site and instructed the Head of Property to bring forward proposals.
- 2.59 This site was previously used as a community centre and was declared surplus by Children’s Services and has been vacant for several years.
- 2.60 The site area is 0.39 hectares (0.98 acres). The building is in a poor state of repair. The cost of keeping the site secure and safe are increasing and the forecast out turn cost for 2018/19 is nearly £11,000, however this could increase as the building is potentially vulnerable to break-ins and vandalism.



- 2.61 The Head of Property has investigated various option including selling the site to a housing association or letting the whole or parts of the site, however the early interest did not result in agreement. To mitigate the future holding costs for this site the Head of Property has advised that the whole site is disposed of on the open market either via auction or tender.
- 2.62 The Division Member has been informed of this proposed disposal.
- 2.63 B&P committee is asked to authorise the Head of Property to dispose of the Redundant site, North Lynn, Lawrence Road, King’s Lynn. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.

North Elmham – Land at Back Lane

- 2.64 This land was acquired by NCC as part of the County Farms estate however the adjoining field and former police house have been sold off over the years, but this strip was retained. This piece of land is now held corporately.
- 2.65 The site area is approximately 243m².
- 2.66 The County Farms Team have reviewed this site and determined it is not required for operational use. Following a review by the Head of Property in consultation with CPSG it has been confirmed that the site is not required for NCC service use
- 2.67 There is interest from third parties to acquire the land and therefore the Head of Property advises this is disposed of through open market sale either through auction or by tender.



- 2.68 The Division Member has been informed of this proposed disposal.
- 2.69 B&P is asked to formally declare Land at Back Lane, North Elmham surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.

North Elmham – Kings Head Barns and adjacent land, Dereham Road

- 2.70 This property edged red on the plan (fields 20 & 21) is owned by NCC and forms part of the County Farms estate. The site has an area of approximately 1.6 hectares (3.95 acres).
- 2.71 The adjoining fields have been sold off over the years, but this land was retained and is now an isolated part of the estate. The barns are unlet; the land is the subject of an annual tenancy.
- 2.72 The County Farms Team have reviewed this site and determined it is not required for operational use. Following a review by the Head of Property in consultation with CPSG it has been confirmed that the site is not required for NCC service use.
- 2.73 The Council is exploring the planning potential of the barns and land.

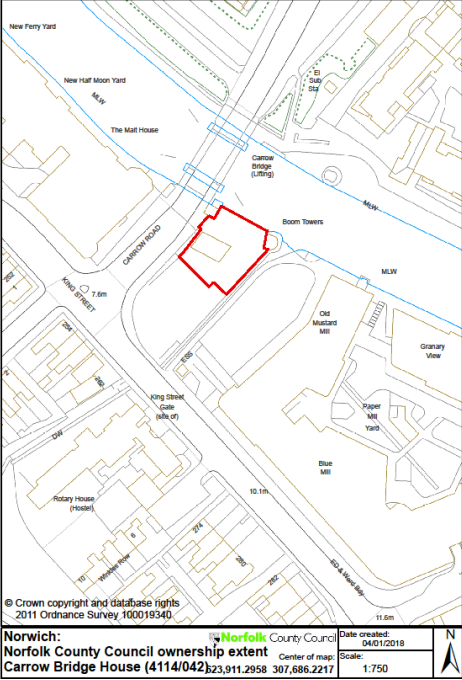
- 2.74 The Division Member has been informed of this proposed disposal.
- 2.75 B&P is asked to formally declare Kings Head Barns and adjacent land, Dereham Road, North Elmham surplus to County Council requirements and instruct the Head of Property to dispose of the property (either together or as separate lots). In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.



Norwich – Carrow Bridge House

- 2.76 This property is the former Bridge Master’s House for Carrow Bridge and is owned by NCC. The property was declared surplus to the requirements of Planning and Transportation (as was) in 2005. The site area is approximately 440 sqm.
- 2.77 Community and Environmental Services have confirmed the site is not required for future maintenance of the adjacent bridge, however the adjoining office/control room and store are to be retained, as would a right of access to inspect and maintain the bridge and its abutments.
- 2.78 The property is in an extremely poor state of repair. The interior ceiling and wall finishes, floors, utilities, pipes, heating and wiring have all largely been vandalised/removed. There is no kitchen or bathroom. Works are required to the structure of the building and a solution is required for sewage disposal. Furthermore, there is only pedestrian access onto the site.

- 2.79 Initial estimates indicate it will cost over £100,000 to make the property habitable, however this estimate should be treated with extreme caution as it is likely that following a detailed survey and design works this estimate is likely to increase significantly.
- 2.80 Due to the high cost of refurbishment the County Council applied for planning permission to demolish the property down to oversite slab level and restore the site. Unfortunately, permission was refused based on concerns around the heritage value of the site due to its position in a conservation area and proximity to a scheduled ancient monument. Further objections were around ecology and flood risk.

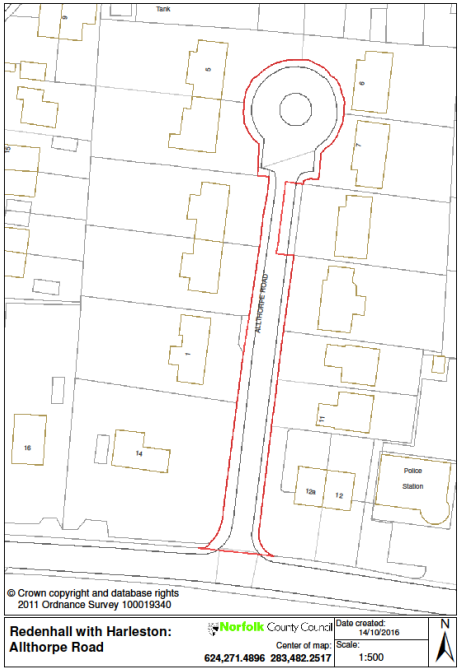


- 2.81 The County Council’s property budgets are currently paying the holding costs for security, health and safety and insurance amounting up to £6,000 per annum. To mitigate this cost and with the background of the County Council requiring significant savings for the property budget the aim is to dispose of this property either by auction or by tender.
- 2.82 The Division Member has been informed of this proposed disposal.
- 2.83 B&P Committee is asked to formally declare Carrow Bridge House, Norwich surplus to Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.

Redenhall with Harleston - Allthorpe Road Land (7080/021)

- 2.84 Allthorpe Road, Harleston (edged red on plan) was part of a larger acquisition of land upon which was built the police station, library and service housing.
- 2.85 Over time the service housing has all been sold and the police station transferred from NCC to Norfolk Police, however, the area of land which the road sits on was retained.
- 2.86 NCC is liable for the site but it is not clear from the available documents whether any part of any incurred cost can be recharged to adjoining property owners.

- 2.87 Following a review by the Head of Property in consultation with CPSG it has been confirmed that the land is not required for NCC service use.
- 2.88 It is proposed to dispose of this parcel of land by open market sale either through auction or by tender.
- 2.89 The Division Member has been informed of this proposed disposal.
- 2.90 B&P is asked to formally declare the Allthorpe Road Land, Redenhall with Harleston surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.



South Walsham – Land West of Burlingham Road

- 2.91 This property edged red on the plan (part of field 7) is owned by NCC and forms part of the County Farms estate. The site area is approximately 0.65 hectares (1.6 acres).
- 2.92 The site has the benefit of a current outline planning permission (ref 20161643) for the construction 20 residential units, granted 1 December 2017.
- 2.93 The Division Member has been informed of this proposed disposal.
- 2.94 B&P is asked to formally declare Land West of Burlingham Road, South Walsham surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.



3.0 Financial Implications

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

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

4.0 Issues, risks and innovation

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

5.0 Background

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

- The overall Council's priorities under the Norfolk Futures Strategy of:
 - Safer Children and Resilient Families.
 - Promoting Independence for Vulnerable Adults.
 - Smarter Information and Advice.
 - Towards a Housing Strategy.
 - Digital Norfolk.
 - Local Service Strategy.
 - Commercialisation.
- Norfolk County Council Asset Management Plan 2016-19.
- The adoption of a property savings plan, that calls for savings of £4.25m over the next four years (2018/19 to 2021/22).
- The Norfolk One Public Estate Programme that is supporting the joint strategic exploitation of the combined public-sector property estate.
- The medium term financial strategy includes commercialisation of NCC property assets as a priority to help diversify the Council's funding.

5.2 Strategic asset management is focussed on:

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

- Directing spend on “core” property assets that are to be retained over the long term.

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

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

Officer Contact

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

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Appendix 1 - Former Highways Land

Highway land assets declared surplus to County Council use (CPSG has confirmed no NCC service use)					
Parish/Town	Site Name	Site Area (m ²)	Declared Surplus by Service Dept	Service Dept.	CPSG Date
Ditchingham	Land at roundabout	524	10/7/18	CES	19/09/2018
Ditchingham	Land at Bungay Bridge	680	10/7/18	CES	19/09/2018
Great Yarmouth	Land at Riverside Road	83	4/12/17	CES	07/03/2018
Great Yarmouth	Land in White Swan PH car park	76	4/12/17	CES	07/03/2018
Great Yarmouth	Land at Garage, Ormond Road	121	4/12/17	CES	07/03/2018
Great Yarmouth	2 plots near Bure Bridge	52	4/12/17	CES	07/03/2018
Great Yarmouth	Land at North River Road	1239	4/12/17	CES	07/03/2018
Great Yarmouth	Land at School Road Back	417	4/12/17	CES	07/03/2018
Great Yarmouth	Land at Suspension Bridge Tavern	79	4/12/17	CES	07/03/2018
Great Yarmouth	Land at Tamworth Lane	29	4/12/17	CES	07/03/2018
Hemsby	Land at public conveniences	119	4/12/17	CES	07/03/2018
Hindringham	Land for farm vision splays	106	4/12/17	CES	07/03/2018
Norwich	Land at Edward Street car park	165	4/12/17	CES	07/03/2018
Thurne	Land at Meadowsweet	19	4/12/17	CES	07/03/2018
Thurne	Land at The Street	184	4/12/17	CES	07/03/2018

