



Corporate Resources Overview and Scrutiny Panel

Date: **Monday 10 March 2014**

Time: **10am**

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

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

Membership

Mr C Jordan (Chairman)

Mr S Clancy

Ms E Corlett

Mr A Dearnley

Mr P Hacon

Mr S Hebborn

Mr I Mackie

Mr J Mooney

Mr R Parkinson-Hare

Mr A Proctor

Mr D Ramsbotham

Mr W Richmond

Mr B Spratt

Mrs A Thomas

Mr B Watkins

Mr T White

Cabinet Members (Non-voting)

Mr S Morphew

Finance, Corporate and Personnel

Mr D Roper

Public Protection (Public Health)

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

01603 223053 or email committees@norfolk.gov.uk

For Public Questions and Local Member Questions please contact:
Committees Team on committees@norfolk.gov.uk or telephone 01603 222966

A g e n d a

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

2. **Minutes**

(Page 4)

To receive the minutes of the meeting held on 13 January 2014.

3. **Members to Declare Disclosable Pecuniary Interests (DPI) and Other Interests**

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

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

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

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

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

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

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

5. **Public Question Time**

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

Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk or 01603 223230) by **5pm on Wednesday 5 March 2014**. For guidance on submitting public questions, please view the Council Constitution, Appendix 10.

6. **Local Member Issues/Member Questions**

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

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

7. **Cabinet Member Feedback**
8. **County Hall Maintenance Programme** (Page 16)
Report by the Interim Head of Finance
9. **The Potential Financial Contribution of the County Farms Estate – Progress report** (Page 28)
Report by the Chairman of the Member Working Group
10. **2013/14 Resources Finance Monitoring Report** (Page 34)
Report by the Interim Head of Finance
11. **2013/14 Resources Performance Monitoring Report** (Page 43)
Report by Head of Planning, Performance and Partnerships
12. **Member Learning and Development Programme 2014/15** (Page 63)
Report by Head of Democratic Services
13. **Update Report on Transfer of Public Health Functions to Norfolk County Council** (Page 67)
Report by the Interim Director of Public Health
14. **Corporate Banking Services** (Page 73)
Report by the Interim Head of Finance

Group Meetings

Conservative	1:00 pm	Colman Room
UK Independence Party	1:00 pm	Room 504
Labour	1:00 pm	Room 513

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

Date Agenda Published: 28th February 2014



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Corporate Resources Overview and Scrutiny Panel

**Minutes of the Meeting Held on Monday 13th January 2014
14:00pm Edwards Room, County Hall, Norwich**

Present:

Mr C Jordan (Chairman)

Ms E Corlett	Mr J Mooney
Mr A Dearnley	Mr D Ramsbotham
Mr J Dobson	Mr W Richmond
Mr T Garrod	Mr B Spratt
Mr P Hacon	Mrs A Thomas
Mr S Hebborn	Mr B Watkins
Miss A Kemp	Mr T White
Mr I Mackie	

Non-Voting Cabinet Members:

Mr S Morpew Finance, Corporate and Personnel

Other Members in Attendance:

Mr T Jermy
Dr M Strong

1 Apologies and Substitutes

1.1 Apologies were received from Mr C Clancy (Mr J Dobson substituting), Mr R Parkinson-Hare, Mr A Proctor (Mr T Garrod substituting) and Mr D Roper.

2 Minutes

2.1 The minutes of the meeting held on 12 November 2013 were approved and signed by the Chairman.

3 Declarations of Disclosable Pecuniary Interests (DPI) and Other Interests

3.1 There were no declarations of interest.

4 Items of Urgent Business

4.1 There were no items of urgent business.

5 Public Question Time

5.1 There were no public questions.

6 Local Member Issues/Member Questions

6.1 There were no Local Member Issues/Member Questions.

7 Cabinet Member Feedback

7.1 The Cabinet Member noted that there had been two stories in the media regarding County Farms. He confirmed that there had been no change in policy, and that there were no plans to sell County Farms.

8 Scrutiny Forward Work Programme

8.1 The Panel received the annexed report (8) by the Head of Democratic Services. The report asked Members to review and develop the programme for scrutiny.

8.2 During the discussion the following points were raised:

- The six monthly County Hall maintenance programme updates, and a progress report from the County Farms Working Group, would be brought to the March Panel meeting.
- The Chairman of the County Farms Working Group reported that the group was working through the financial information and would be looking at management information relating to the estate. The Group would then explore other income streams to supplement the £1.7M revenue, and had set up a meeting with tenants to explore ideas.

8.3 The Panel **RESOLVED** to note the report and agree the scrutiny topics and reporting dates.

9 Putting People First: Service and Budget Planning 2014/17

9.1 The annexed report (9) by the Heads of Shared Services was received. The report set out the latest information on the government's Local Government Finance Settlement and specific information on the financial and planning context for Shared Services Resources for the next three years. It also set out any changes to the budget planning proposals and the proposed cash limit revenue budget for the service based on all current proposals and identified pressures and the proposed capital programme.

The Head of Budgeting noted that there were now no proposals to removed the New Homes Bonus from Norfolk County Council control. The settlement was in line with forecasts, with additional funding from business rates pooling. Pooling would encompass five of the seven districts:- Norwich and Great Yarmouth were not included for financial reasons, but have been included within discussions.

Three changes were noted to page 31:

- Committed element of 2nd year 13/14 CT Freeze Grant – propose to remove completely (-£1.168M in 14/15 and +£1.168M in 15/16).
- Local Government Information Unit Affiliation – remove completely (+£0.021M in 14/15).

- Cross cutting savings to be allocated - change 14/15 to -£0.468M, and 15/16 to +£0.194M.

The Cabinet Member for Finance, Corporate and Personnel presented an overview of responses from the Putting People First consultation (Appendix 1). He reported that the delay of the final decision for the incinerator would place pressure on the budget, and that it was unclear when the Secretary of State would be announcing a decision. The criteria for funding for Health and Social Care had not been announced by central government. Cabinet was looking at practicalities around raising council tax, including the referendum threshold set by government. Although efficiencies were being identified, it was acknowledged that these would take time to implement.

9.2 During the discussion the following points were noted:

- The 2013/14 council tax freeze grant cost of £3.478M reflected a change in accounting presentation. In the previous financial year this had been a grant, however in the forthcoming financial year it was included within the base funding and sat behind the £25.121M government funding reduction figure.
- The £1.8M saving within ICT services related to restructuring of the service and associated staff savings. The Digital Norfolk Ambition programme meant that some ICT services would in future be provided externally rather than in-house.
- The threshold for referendum on council tax increase was set by national government and could be lowered to 1.5%.
- The £2M Highways Maintenance reduction related to the additional one-off funding in 2013/14 which was reversed out in 2014/15. The £1M within the ETD budget proposals was a one-off funding reduction for 2014/15.
- It was recognised that budgets would need to be adjusted, and income and efficiencies maximised. Although 55% of respondents had indicated that they supported an increase in council tax, it was felt that the overall consultation response rate had been low.
- It was suggested that the response rate for libraries was high because many libraries had been proactively encouraging people to respond to the consultation. MPs had campaigned against library closures, even though this had not been proposed.
- A report from the Efficiency Working Group to Cabinet in the next few weeks would identify further savings.
- There was concern that cuts in support to the voluntary sector could have an impact on vulnerable people who used those services. It was acknowledged that a new approach of sustainable and targeted funding would be of benefit in the future.
- The Council required a more commercial focus with increased income generation. It was suggested that further income generation avenues could be explored, and that other local authorities could provide a source of new ideas.

- It was anticipated that £795,000 would be retained in the county from business rates pooling, and agreements were in place for how this money would be used.
- It was not yet clear whether the funding associated with integration of Health and Social Care could be used on existing services, or whether it was ring fenced for new projects. The Council continued to lobby government on this matter. It was clarified that this was not new funding on top of the County Council/Clinical Commissioning Group funding, and that some of the money would be found from NHS efficiencies. The additional element around the money related to how it could be spent.
- A 1.5% rise in council tax equated to around £4.5M. The government had set the council tax freeze grant at approx £3.5M which was calculated on the tax base figures before the changes to the council tax support scheme which had reduced the tax base. A 2% rise in council tax would equate to approximately £6M, however in reality this would result in an extra £2.5M budget as the council tax freeze grant of £3.5M would not be received. If the council tax was increased, this would result in a higher base figure for the following year.
- It was suggested that alternative ideas such as contracting services out, and community budget setting could be explored. The effect of accepting the council tax freeze grant on future budgets was noted. It was suggested that freezing council tax could result in less money being spent in the local economy and would not address the budget deficit. However concern was expressed that some residents would not be able to afford this increase.
- Work had been undertaken during the previous three years of budget cuts to reinvest money in income-generating schemes, efficiencies, and initiatives such as apprenticeships.
- It was confirmed that proposed cuts to ICT services did not include the Better Broadband for Norfolk project.

The Cabinet Member closed the discussion by noting that the Council was in a difficult position to produce a budget within the financial constraints that it was experiencing. He acknowledged that there were further opportunities for closer working within the public sector. Norfolk County Council could be a key partner within this and could proactively promote a culture shift. The council was seeking to review its involvement with the voluntary sector infrastructure organisations, offering support to those that offered best value for the council. Efficiency within the council remained a key priority.

9.3 The Panel **RESOLVED** to recommend the above comments to Cabinet.

10 2013/14 Resources Finance Monitoring Report

10.1 The annexed report (10) by the Interim Head of Finance was received. The report provided an update on finance monitoring for services in Corporate Resources.

10.2 The Panel **RESOLVED** to note the report.

11 Property Performance Report 2013

11.1 The annexed report (11) by the Managing Director, NPS Property Consultants Ltd was received. The report provided a position statement on the size and performance of the accommodation owned and occupied by Norfolk County Council.

11.2 During the discussion the following points were noted:

- Norfolk County Council had a programme of asset review for all operational assets, and was challenged with ensuring appropriate utilisation of assets. A disposal programme was in place.
- The expected reductions in water usage as a result of the recommendations and action plan endorsed by the panel in March 2013 would appear within the next reporting period.
- The policy for sale of property was under review to ensure that the right property was sold at the right price for the right reasons. The disposal process had been scrutinised and the Asset Management Strategy was under review, together with the client relationship between Norse and Norfolk County Council.
- It was acknowledged that at present Cabinet Members had delegated authority to make decisions around property and to represent the Council on relevant groups. It was not clear yet how this role would be transferred to the new committee governance structure.
- The Carbon and Energy Reduction Programme (CERP) was a spend to save initiative, with savings being realised over a period of time. An update was last presented to Panel in October 2013. The property performance report showed a five year progressive reduction in spend on energy. It was **agreed** that a written response outlining whether the CERP was helping with overall energy usage reductions would be supplied (see Appendix 2).
- Surveys of buildings were undertaken which included energy infrastructure and options for photovoltaic cells for generation of electricity. Schemes were prioritised by the best return on investment. It was **agreed** that the next report would include an overview of energy certifications for all NCC operational non-school buildings where statutorily required. It was suggested that a future report could include practical examples to set the context.
- It was confirmed that schools were not included within the CERP figures.
- It was suggested that a report could be presented detailing the surplus furniture being stored by the council, in particular the use of the King Street store, with a view to determining how best to dispose of items.

11.3 The Panel **RESOLVED** to note the report.

12 Compliments and Complaints Service April – September 2013 Performance Review

- 12.1 The annexed report (12) by the Head of Customer Services and Communications was received. The report presented compliments and complaints data and information for the first six months of the 2013/14 financial year, and proposed that the service moved to annual reporting in line with the rest of Customer Services.
- 12.2 During the discussion the following points were raised:
- The report showed that there was a consistency in the number of upheld complaints across the last three years.
 - Compliments about schools were now dealt with by the school itself. The Compliments and Complaints team signposted complainants to the appropriate area.
 - There had been an increase in the number of complaints being received by the Service as staff and public gained more of an understanding of the process of the Service.
 - Freedom of Information requests were dealt with by the information management team. The Customer and Complaints team became involved in appeals, however these were a small proportion of the workload.
 - 20% more cases had been resolved through monitoring and measurement and increased statistical recording. A business process re-engineering exercise had been undertaken which had resulted in some efficiencies. As a result of introducing more performance management measures following the business process re-engineering exercise, the team had resolved 200 more complaints using the same number of people within the same budget.
 - Service departments were sent monthly lists of complaints received. Where a complaint was received regarding staff attitude, the cause would be investigated to establish whether there were any training needs. An audit of feedback to service departments had been undertaken and enhancements had been identified. Most staff attitude complaints related to one to one contacts, and some were outcome-driven. Not all of these complaints were upheld.
 - Some complaints were driven by statutory timescales, and these were always prioritised for early engagement. The Service would suggest improvements to departments where appropriate.
 - The report had requested a move to annual reporting. It was suggested that if any significant issues arose, these should be reported mid-year.
 - The majority of complaints received by ETD related to service and these included potholes and gritting. The volume of complaints was not considered high when compared with the size of the service area. It was clarified that the reporting of a pothole was not classified as a complaint, but was treated as a service request. If an incident arose following a report, it would be treated as a complaint.
- 12.3 The Panel **RESOLVED** to note the report and **agreed** that future reports would be presented annually.

13 Employee Health, Safety and Well-being Mid-Year Report 2013/14

13.1 The annexed report (13) by the Health, Safety and Well-being Manager was received. The report provided updated information on the health and safety performance data for 2012/13 as well as an update on progress with the Health, Safety and Well-being Plan for 2013/14.

13.2 During the discussion the following points were raised:

- Policy reviews were driven by key factors such as legislative change or guidance by enforcing bodies such as the Health and Safety Executive. Any incidents or trends that show that a policy needed amending would also trigger a review. The asbestos policy had been reviewed recently and did not require further review.
- Road closures for highways works were strictly governed by legislation which could not be influenced.
- Information sheets including lessons learned from incidents were circulated to schools. Whenever a serious incident occurred, policies were reviewed and where necessary the matter was reported to the Health and Safety Executive.
- There had been a drop in the number of non-employees taken to hospital which related to a change in reporting requirements for schools. Previously, all incidents were reported to the HSE, however a decision could now be made whether a report was required, for example when the incident was minor and related to acceptable play risk it would no longer be reported. Norfolk County Council Health, Safety and Wellbeing Team were responsible for the decision whether to report a matter.

13.3 The Panel **RESOLVED** to note the report.

14 Norfolk County Council Personal Development for Members

14.1 The annexed report (14) by the Organisational Development Manager was received. The report provided information about the benefits and importance of personal development planning and the options available for Members in Norfolk County Council.

14.2 During the discussion the following points were noted:

- The Chairman of Member Support and Development Advisory Group recommended the Personal Development Planning (PDP) process to all Members. This had been offered to members of MSDAG and Cabinet Members, and was now offered to all Members.
- It was confirmed that Members were asked to provide feedback on the meeting that they attended, and that there would be a further opportunity to offer feedback on the whole process at the six month review stage.
- The 360 appraisal element of the PDP could be facilitated by the learning and development team to help manage the time taken on the process.

- Members who had undertaken a PDP endorsed the process.

14.3 The Panel **RESOLVED** to note the report.

15 **Filming and Recording at Meetings**

15.1 The annexed report (15) by the Head of Democratic Services was received. The report outlined guidance from the Department of Communities and Local Government (DCLG) concerning the filming and recording of meetings.

15.2 During the discussion the following points were noted:

- A precedent had been set in allowing Radio Norfolk to broadcast a recent Council meeting. It was acknowledged that rules and guidelines were required, which would be drawn up by the Constitution Advisory Group for Panel consideration and Council approval.
- It was suggested that in addition to allowing the public to record meetings, an official recording of council meetings should be maintained.
- It was suggested that filming of meetings could enhance transparency and that different options for the Council undertaking its own recording of meetings, including filming, could be explored by members in the future.

15.3 The Panel **RESOLVED** to note the report and asked the Constitution Advisory Group to prepare a protocol for insertion in the Constitution concerning the Council's use of media tools by members of the public or representatives of the media. This would include filming, audio recording, taking photographs, blogging, tweeting and using other social media websites at meetings of Council, committees and sub-committees.

The meeting concluded at 4pm.

CHAIRMAN



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Feedback
 'Norfolk Putting People First'
 Budget Consultation 2014/17

Stephen Morpew

Financial background

- £189 million gap to make up by 2016/17
- Proposals amounting to over £134 million savings identified so far – with more to be identified in years 2 & 3
- Around 56% of these are from “cutting our own costs” including efficiency measures, better procurement, improved technology and income generation

The consultation – a quick overview

- Responses received by email, letter, online, telephone and social media
- Over 4,400 respondents submitted over 15,000 comments
- These figures don't include petitions with over 2,100 signatures

The consultation – a quick overview

- Panel feedback will form part of the consultation and will inform Cabinet's recommendations to be presented at their meeting on the 27th January

The council's priorities (Excellence in Education, Real Jobs, and Good Infrastructure)

- General support for priorities but council challenged to deliver them
- Many respondents felt that supporting vulnerable people should be a priority, public safety or the environment should be a priority

The council's approach and strategy for bridging the funding gap

- Some support for the approach – “sound”, “pragmatic”, “common sense” – but should the council be more radical?
- Divided opinions on outsourcing services, technology and selling assets
- The council should reduce bureaucracy and “red tape” through more collaboration, better processes and improved procurement

Most commented-on proposals

- P27 Reduce the transport subsidy for students aged 16-19 generated the most responses
- Responses about libraries generated a lot of responses – making up 6 of the top 10 responded-to proposals
- Many respondents felt that overall the council's package of proposals affected vulnerable people the most

Freezing Council Tax

- Around 26% of respondents supported the freeze – usually on principle or on the basis of affordability
- Around 55% of people favour of an increase in Council Tax. The vast majority of these suggest a small increase (1-2% or in line with inflation)
- Many respondents wanted clarity about what any increase would be spent on

Feedback on proposals to cut our own costs and become more efficient

- Some consistent feedback
- Support for open, less complex and transparent procurement
- Staff and departments should work together and avoid 'silo' working
- Significant number of respondents frustrated with broad 'public sector' issues like senior management pay, staff sickness and a feeling that we should have made efficiency changes before now

Feedback on proposals to cut our own costs and become more efficient

- Some areas with divided views
- Some people support the use of technology – but others are concerned about the cost of large scale ICT improvements
- Some respondents want fewer staff or less pay, others would rather pay was cut than lose staff, others worry about the effect of redundancies on service levels
- Some people happy with income generation and charges, others worried about the impact of this on 'core' services and on some customers who might not be able to afford charges

Feedback on proposals to cut our own costs and become more efficient

- EQIA process highlights the need for the council to make sure that systems and 'central' services remain accessible to staff and customers as we make savings

Mixed views about reducing funding to organisations that support and represent the local voluntary sector

- Those supporting proposal felt that other funding streams are available
- Those disagreeing with it feel that it would be a false economy given the support the council receives from the sector
- Broad acknowledgement of the value of the voluntary sector – but also some repeated views about better coordinated action

Mixed views about reducing funding to organisations that support and represent the local voluntary sector

- Support for a sustainable long term approach for mutual support between councils and the sector
- Improved commissioning and better collaboration suggested by respondents
- Some misunderstanding of proposal – many respondents understood it to mean reduced funding to frontline voluntary groups rather than infrastructure organisations

Support for moving historical records to the Norfolk Record Office

- Respondents favour centralised access of records
- Small number of respondents concerned about travelling to Norwich to access records

Finally...

- Thank you to everyone who has contributed to the consultation
- Lots of time spent preparing and submitting written views and attending events
- Every response has been read and considered
- Responses have, and will continue to, inform how we shape services and mitigate risks as we make savings

Corporate Resources Overview and Scrutiny Panel
Monday 13th January 2014

Agenda Item Number/ Minute Number	Report Title	Action	Response
11	Property Performance Report 2013	Outline whether the Carbon and Energy Reduction Partnership is helping with overall energy usage reductions.	The 2012-13 energy and carbon reduction performance of the Authority is set out in the Cabinet papers of 4 th November 2013, item 15 pages 161 to 174 and reference to the detail therein should be made. To 31 st March 2013, overall carbon emissions for NCC have fallen by ~11% from the 2008-09 baseline, despite the prolonged cold period in early 2013. In addition energy costs have fallen from £17,749,887 in 2008-09 to £14,413,211 in 2013-13.

County Hall Maintenance Programme

Report by the Interim Head of Finance

Summary

The purpose of this report is to provide an update of the progress, costs and timeline for the County Hall Maintenance Programme.

Action required

Members are asked to consider the progress made on the programme and whether they would like a visit to be arranged to view the works in progress on the 7th and 8th floors.

1 Introduction

- 1.1 At its meeting on 3 September 2013, the Panel agreed to receive a 6 monthly progress report from March 2014 onwards. It also agreed that any significant or urgent issues requiring Member involvement will be reported separately as required. Since September there have been no significant or urgent issues and so this paper contains the first of the regular progress reports.
- 1.2 The repair and refurbishment of County Hall is a complex building project made even more challenging as it is an occupied building. As the project progresses issues have arisen relating to the timing of some elements of work, unforeseen repair problems and the need to minimise disruption to the building. These issues are being actively and successfully managed by close working between the contractor - RG Carters, NPS and the County Council as the client.
- 1.3 This paper outlines the key issues that have been faced and the steps taken to resolve them. It also confirms that the overall programme, as outlined in the paper to the Panel in November 2013, is being delivered on time and within the budget of £31.92m.

2 Works Completed

- 2.1 External repair works have progressed as previously planned to the main tower. Internal works however have had to be rescheduled, with the handover date for floor 8 deferred to 28th July 2014 (see paras 5.4 & 6.6).
- 2.2 Works that have been completed include the following:
- Contractors compound completion
 - Designs, surveys and investigations for works within the tower
 - Erection of scaffolding around the tower complete with propping supports throughout the areas below ground level.
 - Reroofing of floor 9
 - Redecoration of architectural ring beam (floor 9)
 - Refurbishment of flag poles and removal of redundant aerials

- Asbestos removals from floors 7, 8 and 9
- Demolitions and strip out of redundant plant within 9th floor plant room
- Demolitions and strip out to floors 7 and 8 in preparation of refurbishment
- Refurbishment of vertical waste pipes serving toilets and kitchens
- Commencement of reroofing work to floor 8
- Removal of external tiles (floors 8 down to 5) in preparation for fixing of new cladding panels to the tower
- Commencement of M & E first fix arrangements to floors 7 and 8
- Structural repairs to concrete frame and soffits (floors 7, 8 and 9)

3 Works planned up until 31 July 2014

- 3.1 Over the next few months the level of construction activity is set to increase significantly as external and internal refurbishment works take place simultaneously. The most significant challenge to the project team is undertaking this work while minimising the extent of disruption to building occupants. To manage this risk weekly meetings are held between RG Carters, NPS and NCC client representatives. This has proven to be an effective method of keeping all parties informed of the planned works, with feedback provided back to the construction team.
- 3.2 Instructions have been issued for much of the refurbishment works to the tower, including:
- External cladding and windows with new internal perimeter walls
 - Mechanical & Electrical systems within the tower (heating, cooling, lighting, power and ventilation)
 - Sprinklers and new fire alarm system within the tower
 - Fit out of floors 7 and 8 (walls, decorations, ceilings and carpets etc.)
 - Vertical services (water, drainage, power, data and telecoms)
 - New toilets and kitchens to floors 7 and 8
 - Data and Communications infrastructure within floors 7 and 8
- 3.3 The main work items planned to take place over the next few months, include:
- Completion of tile removal to the tower
 - Fixing cladding panels complete with new windows to the tower
 - Completion of roofing works to the tower
 - Fit out of floors 7 and 8
 - Installation of M & E installations including sprinklers
 - Completion of vertical services (electricity, water and data) and connections
 - Installation of new electrical panel and high voltage transformers
 - Design work for refurbishment of the South Wing (ground floor)
 - Design work for fire safety improvements to Lower Ground and Basement levels
 - Design work for new shower facilities
- 3.4 Over the coming weeks the installation of the external cladding will start to visibly transform the outside of the building. Works within the building will continue on floors 7 and 8 and Members may find it helpful to view the extent of these works for themselves. In order to do this a visit to these floors could be arranged for the next meeting.

4 Issues Encountered

4.1 Since starting work on site a number of previously unknown issues have been identified and details of the most significant are shown below.

4.2 Concrete carbonisation to floor slabs

This is evident at the perimeter of each slab (floors 7 and 8) where weather has penetrated around the tiled facade into the concrete. Localised repairs are required along with an applied treatment to areas of the slab to prevent further decay. The new cladding system will offer further protection once installed. The extent of the repairs required can only be fully established after ceilings have been stripped out at each level. The costs for this item will be contained within the project contingency allowance.

4.3 Asbestos

Additional asbestos material used to pack out windows and trim details has been identified in areas where new works are planned. The removal process involves a 14 day notification period to HSE in each case and a return to site by the specialist removal contractor. Costs for this item will be contained within the project allowance for asbestos removals. As works progress down the tower the risk of further delays caused by asbestos reduces as these areas are known.

4.4 Roof infill material

While stripping back the roof to floor 8 a large area of lightweight concrete infill material has been identified. It appears this material was used to make up levels in place of timber joists and now needs to be broken out and removed. Costs for this item will be contained within the project contingency allowance.

4.5 Poor condition of drainage system

Following a detailed survey of the drainage system within the tower it has been necessary to replace large sections of vertical pipework. Costs for this item will be contained within the project contingency allowance.

4.6 Back propping for scaffold

The extent of propping required, necessary to provide structural support to the scaffold system around the tower is considerable. Locating suitable positions for the props was particularly challenging due to the lower areas being in use and occupied. Costs have been kept within the budget allowance for this item.

4.7 Noise generated from removal of tiles and drilling

Due to the building being occupied for the duration of the refurbishment project the risk of disruption to building occupants is high. A number of noisy activities have had to be restricted to take place before 8.30am and at weekends, which has resulted in additional labour costs for out of hours working. To date additional costs associated with revising working times is predicted to be above £100k. This cost will be contained within the project contingency allowance

5 **Timeline for Phase1 Works**

5.1 A summary of the current planned timeline and re-occupation of floors is shown in 5.2 and 5.3 below.

5.2	Key Milestone	From	To	Progress
	Erect full scaffold around the tower	October 2013	December 2013	Completed
	Repairs to tower roof	September 2013	March 2014	Underway – on target
	Repairs to exterior faience and cladding	January 2014	December 2014	Underway – on target
	Internal repairs and fit out	May 2013	July 2016	Underway – on target
	Car park repairs and external access improvements	January 2015	October 2015	Work to commence January 2015
	Roof repairs to the north/south wings (including solar PV), concourse and rear terrace	January 2015	October 2015	Work to commence January 2015
	Internal fit out to ground floor, South Wing	August 2014	March 2015	Design underway – on target
	Internal fit out works to office areas within the north wing and basement areas	2015	2018	Work to commence from 2015

5.3	Re-occupation of floors	As reported November 2013	Update March 2014
	8	May 2014	July 2014
	7	July 2014	August 2014
	South Wing (Ground)	November 2014	February 2015
	6	November 2014	January 2015
	5	June 2015	August 2015
	4	June 2015	June 2015
	3	July 2015	July 2015
	2	January 2016	July 2015
	1	January 2016	January 2016

5.4 The main change in the timeline relates to the 8th floor arising from the need to bring the work package for mechanical and electrical systems, sprinklers and fit out within budget (see para 6.6). In addition amendments to the overall decant and re-occupation plan has meant that it has been possible to bring forward the planned completion of the second floor to July 2015.

6 Budget and Costs

6.1 Table 1 below contains a summary of the approved capital budget together with incurred, committed and planned expenditure which together comes to £31.92m. Fuller budget and expenditure details are shown in Appendix A. The delay to the works to the 8th floor has had an impact on the planned budget for 2013/14. This has meant that expenditure on some items will slip into 2014/15 and consequently the budget provision will need to be carried forward. Overall the budget remains on target.

Table 1: Budget Summary

	2013/14				2014/15 to 2015/16
	Total Budget	Budget	Expenditure to date	#Further committed expenditure	
	£m	£m	£m	£m	£m
Maintenance Programme					
Works to the tower	15.71	9.34	3.01	9.28	3.43
Works to lower ground, basement, south & north wings	5.13				5.13
Works to all areas (including fire & security)	6.61	2.00	1.70	0.28	4.63
Other Works					
Building & maintenance works	3.06	0.69			3.06
ICT infrastructure & equipment	0.76	0.17			0.76
Furniture & equipment	0.65	0.14	0.04		0.61
	31.92	12.34	4.75*	9.55*	17.62*

*Estimated Total Expenditure : £4.75m + £9.55m + £17.62m= £31.92m

Work packages returned and let but most of the expenditure will be incurred in 2014/15

6.2 The maintenance and repair works have been divided up into individual work packages for specific areas of work. The packages have then been subject to a tender process through the main contractor. Returned tenders are closely scrutinised by NPS to ensure that they meet the requirements specified and are value for money. In cases where tendered packages exceed the budget estimate, further work is then undertaken to bring the package back within budget. In some cases this will involve amendments to the specification and a retender of the package.

- 6.3 The principal design work for the tower refurbishment is now complete following a comprehensive review of specification details. The initial tender returns for mechanical and electrical systems, sprinklers and fit out packages indicated expenditure above the available budget, prompting the need to achieve savings from value engineering. The Contractor was invited to submit alternative proposals along with suggestions from the design team, which has resulted in significant cost reductions to the original tender returns. Following this review each work package is now in line with budget expectations and has been instructed as noted above.
- 6.4 The areas where value engineering has achieved savings, include:
- Perimeter internal walling within the tower (alternate design)
 - Internal partition walls and doors (alternate design and product)
 - Lighting (alternative LED product and control system)
 - Ventilation ductwork (alternative design)
 - Sprinklers (contractors proposal, alternate product)
 - Stairwell details (alternate products)
 - Blinds (alternate product)
 - Carpets (alternate product)
- 6.5 In each case an equivalent product option has been selected or an alternative design solution, ensuring quality fit for purpose offices are delivered. The cost difference between the original tendered sums and the alternative options (as instructed) is in excess of £1m. In many cases the difference in cost for each item is relatively small, however when multiplied across 8 floors the overall cost difference is considerable.
- 6.6 The time taken to achieve the savings noted above has had an impact on the programme for the 8th floor. This has resulted in a 3 month delay in releasing that floor for re-occupation. However as designs and costs are now mainly identified for the tower refurbishment, the risk of further delays due to value engineering considerations is much reduced.

7 **Management of risks**

- 7.1 In the paper to the Panel in September 2013 the following key risks were identified:-
- Disruption
 - Asbestos
 - Flooding
 - Budget
- 7.2 The programme has a comprehensive risk register which is monitored, updated and reviewed by the project team and is also presented on a monthly basis to the County Hall Programme Board. The Board reviews the actions taken, escalates issues as appropriate, authorising and instructing the project team as required. Currently the risk register for the programme does not contain any items where the status has been assessed as red.
- 7.3 **Disruption**
- 7.3.1 Undertaking major maintenance works in an occupied building is a challenge in protecting the business operations of the council. The underlying risk is that significant disruption from noise and dust will prevent staff from working in the building or will have a significant impact on productivity. Conversely, there is also a risk from stopping the construction work in response to specific incidents of disruption, or undertaking most of the work out of core office hours. If work is stopped or delayed the impact will be an increase in the duration of the project with a consequential increase in costs.

7.3.2 The risk from disruption is actively managed by close working between the Contractor, NPS and NCC client representatives. In cases where work has proven to be very disruptive alternative approaches, including undertaking some elements outside of office working hours, have been agreed.

7.3.3 Good communication with employees is crucial in ensuring they are aware and prepared for any likely disruption. A number of communication channels have been established, managed through the authority's customer services and communications team, to help ensure employees remain fully informed of the likely impact of any forthcoming works. These include a weekly briefing note for all staff outlining what works are being undertaken, when and where.

7.4 **Asbestos**

7.4.1 As reported to the September meeting of the Panel, the potential risk arising from the release of asbestos is being very closely and carefully managed. Comprehensive asbestos surveys are undertaken before works commence on each floor, and the method of removal has been agreed with NPS's asbestos expert and NCC's Health, Safety and Well-being Manager. Any material containing asbestos is taken out of the building via the external hoist. These agreed measures significantly reduce the risk of an uncontrolled release.

7.5 **Flooding**

7.5.1 This risk is being managed by the contractor by identifying the location of all pipe work in the building. When maintenance works are being undertaken the contractor will actively monitor the situation to identify any leaks immediately. In addition the contractor ensures that it has the appropriate staff on site to rectify and deal with any problems as soon as they arise.

7.6 **Budget**

7.6.1 The principal source of risk to the budget is the discovery of any major unforeseen problems with the building. However, the level of risk reduces as work progresses and more detailed knowledge is developed about the problems with the building and how to address them.

7.6.2 The other significant area of risk is that the cost of the work will exceed the budget provision. In this case there is active management and intervention where tenders for specific elements are not affordable. Examples of the steps being taken to manage the programme within the budget are contained in section 6 above. As the programme progresses and more work packages are let the risk to the budget will diminish accordingly.

8 **Conclusion**

8.1 Work on the building is progressing well and problems that have been encountered to date have been resolved without any impact on the overall budget or programme timeline. However, this is not a cause for complacency as there will nevertheless be future challenges as work progresses. Consequently the steps implemented to closely manage the programme will be maintained and developed as necessary.

9 **Resource Implications**

9.1 The key resource implications of the County Hall Maintenance Programme are summarised below.

9.2 **Finance**

9.2.1 The overall maintenance programme will entail capital expenditure of £31.9m over 25 years. This includes £2.5m of funding relating to the fire safety and security works which following a recommendation by Cabinet, was approved by the County Council on 17th February.

9.2 **Staff**

9.2.2 There will be an impact on staff as the maintenance works will be mainly undertaken during office hours. There will be some disruption as teams are moved within the building and from offices elsewhere in Norwich. There will also be implications for staff as they move to new and more flexible ways of working. To support this there is an organisational development stream within the work programme that will help make the changes needed to fully release the benefits from new ways of working.

9.3 **Property**

9.3.1 Completion of the maintenance programme and other works will provide a modern fit for purpose office suite for the next 25 years. This will enable the council to rationalise the use of office accommodation in the Norwich area thereby delivering an important element of the overall office accommodation strategy.

9.4 **Environmental implications**

9.4.1 A key objective of the maintenance programme is to improve the energy efficiency of County Hall. This will reduce cost and carbon emissions to help the council achieve its carbon reduction commitment.

9.4.2 Where possible construction materials will be reused and the Site Waste Management Plan will address the safe disposal or recycling of wastes resulting from the construction works. For new materials specifications will consider future recycling opportunities.

9.4.3 Old office equipment and furniture that can not be re-used will be disposed of in a number of ways. Items that have monetary value will be traded in against the cost of new units. Remaining items will be offered in the first instance to voluntary organisations. Any remaining items will be recycled in an environmentally sensitive manner at no cost to the Council by the furniture supplier.

9.5 **ICT**

9.5.1 The ICT implications will be addressed through the Digital Norfolk Ambition (DNA) programme. There is a key dependency on DNA to provide the ICT infrastructure that will support more flexible ways of working.

10 **Other Implications**

10.1 **Equality Impact Assessment (EqIA)**

10.1.1 An EqIA has been undertaken which identifies a range of equality issues that will need to be considered as part of the proposal to ensure the building is accessible through the life of the project (25 years). The council's Equality and Cohesion Officer is being consulted as a significant stakeholder in the project to ensure relevant issues are taken into account.

10.2 **Health and Safety Implications:**

10.2.1 A significant part of the maintenance project provides improvements to health and safety risks that relate to the building; in particular relating to fire, electrical, and environmental comfort. The Health Safety and Well-being Team form part of the consultation process as major stakeholders in the design of all aspects of the building as well as the construction related risks more generally. They are also involved in the design and selection of the internal fit out for the building to ensure preventative measures relating to health risks such as musculoskeletal disorders are taken into account.

10.3 **Any Other implications**

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

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

11.1 Security implications of the changes to the building and in particular the potential changed use of the building, and therefore the potential broader spectrum of visitors and clients are being considered in the design of public areas and the security to employee areas.

12 **Action required**

- a. To consider the progress made on the programme.
- b. To decide whether a visit should be arranged for Members to view the works on the 7th and 8th floors at the next meeting of the Panel.

Appendix A: Budget Update

Background Papers

- Report to Cabinet 9 July 2012: Norwich Office Accommodation – County Hall
- Report to CROSP 3 September 2013: County Hall Maintenance Programme
- Report to CROSP 12 November 2013: County Hall Maintenance Programme

Officer Contact

If you have any questions about matters contained in this paper please get in touch with:
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If you need this Agenda in large print, audio, Braille, alternative format or in a different language please contact Mick Sabec on 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Works Description	Cost (£)	Year 1: 2013/14				Year 2: 2014/15			Year 3: 2015/16
		Budget	Expenditure to date	# Further Committed Expenditure	Balance carried forward	Original Budget	Balance Brought Forward	Revised Budget	Budget
A. Maintenance & Repair									
Tower (Ground to Floor 9)									
Lift/Hoist & Access Scaffolding									
Dry Riser Adjustments									
Asbestos Removals & Disposals									
Internal Demolitions									
Re-Roofing Above Floors 8 & 9									
Security Measures to Staircases & Lift lobbies									
Tower Cladding - (inc Scaffolding)									
Internal Refurbishment Based on Existing Layout (Wall Finishes, Floors, Ceilings, Toilets & Kitchens)									
Strip Out Redundant Plant (Plant Room)									
Mechanical & Electrical Services									
Refurbishment of Stairwells									
Ground Floor & Mezzanine Refurbishment									
Sub-Total - Tower	15,710,000	9,340,000	3,008,815	9,275,631	- 2,944,446	4,245,000	- 2,944,446	1,300,554	2,125,000
Other Areas (Lower Ground, Basement, South Wing, North Wing)									
Office Areas									
Re-Roofing to South Wing (With Solar PV) & North Wing									
Additional Means of Escape to Lower Grd & Bsmt									
Water proofing (Re-Roofing) Works Concourse & Terrace									
Mechanical & Electrical Services									
Window Repairs & Draught Proofing									
Internal Refurbishment Based on Existing Layout (Wall Finishes, Floors, Ceilings, Toilets & Kitchens)									
Asbestos Removals & Disposals									
Faience Repairs / Fencing & Landscaping									
Sub-Total - Other Areas	5,130,000					2,020,000		2,020,000	3,110,000
Works Related To All Areas									
Preliminary Investigations, Surveys & Statutory Fees									
Insurance (years 1 to 3)									
Site Set Up									
RGC Preliminaries (29/04/2013 - 28/04/2016)									
Contingencies									
Professional Fees & Services									

Works Description	Cost (£)	Budget	Expenditure to date	# Further Committed Expenditure	Balance carried forward	Original Budget	Balance Brought Forward	Revised Budget	Budget
Mechanical & Electrical 'Temporary' Works (All Areas)									
Modifications to High Voltage Electrical Systems									
Repoint Brickwork (All Areas)									
Fire Safety Improvement Works (Sprinklers or Other)									
New Fire Alarm (included in M&E packages)									
Reinstatement of Grounds Following Completion of Works (Contractors Compound)									
Sub-Total - Works To All Areas	6,605,000	2,000,000	1,698,518	278,381	23,101	2,070,000	23,101	2,093,101	2,535,000
Sub total - Maintenance & Repair Works	27,445,000	11,340,000	4,707,333	9,554,012	- 2,921,345	8,335,000	- 2,921,345	5,413,655	7,770,000
B. Refurbishment									
Other building & maintenance works									
Tower Floor Layout									
Kitchenettes									
Server rooms, small power & wall finishes (excludes meeting rooms)									
Construction of meeting rooms & doors									
Disabled toilets & additional female toilets									
South Wing: Member & officer accommodation & public meeting rooms									
Reconfiguration - open plan, group rooms & meeting rooms									
Public interview & meeting rooms									
Redesign main reception									
Other Requirements									
Shower facilities, lockers & drying room (replace existing in a single location)									
Automated revolving door to main entrance									
Council Chamber DDA									
Car park repairs & external (DDA) access improvements									
Sub total other building & maintenance works	3,059,500	685,300			685,300	1,318,600	685,300	2,003,900	1,055,600
ICT infrastructure& equipment									
Cabling 100 Mb option									
Wifi									
Monitor flow arms									
Sub total ICT infrastructure& equipment	763,400	167,000			167,000	214,700	167,000	381,700	381,700
Furniture & equipment									
Equipment to meet Health, Safety & Wellbeing Requirements									
Fully adjustable operator chairs									
Acoustic screens									
Double Lockers									
Office equipment									

Works Description	Cost (£)	Budget	Expenditure to date	# Further Committed Expenditure	Balance carried forward	Original Budget	Balance Brought Forward	Revised Budget	Budget
Smaller desks (1400mm)									
Low level File Storage units									
Sub total furniture & equipment	645,800	141,300	41,900		99,400	181,600	99,400	281,000	322,900
Sub total Refurbishment Works	4,468,700	993,600	41,900		951,700	1,714,900	951,700	2,666,600	1,760,200
Total Maintenance, Repair & Refurbishment Works	31,913,700	12,333,600	4,749,233	9,554,012	- 1,969,645	10,049,900	- 1,969,645	8,080,255	9,530,200

Work packages returned and let but most of the expenditure will be incurred in 2014/15

**The potential financial contribution of the County Farms estate
– Progress report**

Report by the Chairman of the Member Working Group

Summary

This report provides the Panel with an outline of progress to date by the working group set up to scrutinise this topic.

Action required

The Panel is asked to:

- Note and comment on the contents of the report.
- Recommend that the working group continues its inquiry and reports as appropriate under the new governance arrangements that will succeed the Overview and Scrutiny Panel.

1. Introduction

- 1.1 In November 2013, the Panel agreed the terms of reference for a Member working group to scrutinise this topic. Membership of the working group comprises:

Ian Mackie (Chairman)
David Collis
Adrian Dearnley
David Ramsbotham
Bev Spratt
Tony White

- 1.2 The estate represents one of the largest assets owned by the Council and it is only reasonable to ensure that it is managed financially in the interests of all Norfolk residents, especially given current pressures on the Council's finances. However, we are aware that our review has to be conducted within the parameters of the Council remaining a good landlord to our tenants, the wider policy objectives for the estate and the statutory basis for the Council's ownership of the estate. It is important to emphasise that the sale of land to provide income for the Council is not one of our options.
- 1.3 The working group has met on three occasions to date and the purpose of this report is to inform the Panel of the areas we have looked into and give members the opportunity to ask questions or comment on our progress. At this stage, we are not making any recommendations other than that the working group should continue its work and develop a coherent set of conclusions and recommendations after receiving all the relevant evidence.

2. Background

- 2.1 Following a previous scrutiny review by a Member working group in 2008, the Council adopted a new policy framework in March 2010 to direct the management of the estate. This set out a number of aims and objectives, together with how these should be achieved.
- 2.2 While some of the objectives agreed for the estate concern issues such as environmental improvements, educational opportunities or increasing public access to the countryside, there are a number which relate directly to the working group's terms of reference, viz:
- Ensuring the provision of viable unit sizes for a range of business models which will support or improve revenue on the estate
 - Providing or organising mentoring and training for tenants to encourage better business management and diversification
 - Developing a wide range of farm sizes to encourage a variety of business models and support rural development, economic regeneration and support or improve revenue on the estate
 - Re-investing in the estate to make it 'fit for purpose'; and maintain its capital value.
- 2.3 Partly in line with one of the previous working group's recommendations, the management of the estate to the west of the A10 corridor was put out to tender, while NPS Group retained management of the eastern sector. The contract for managing the western sector was subsequently awarded to Bruton Knowles and Brown & Co following a formal open competitive tendering process.

3. Management Information

- 3.1 We have asked the County Council's Client Property Officer and Finance Team to provide us with a wide range of data and information concerning the estate and its financial management. To date, this has comprised:
- The overall size of the estate and location of holdings
 - Data on occupancy and any vacancies
 - Strategic reviews and management plans for both parts of the estate
 - Benchmarking of rents with other local authority estates and market rates
 - Income from and investment back into the estate in the form of expenditure on repairs, maintenance and capital projects since 2009
 - The currently expected trajectory of income from the estate over the next few years and the rate of return that this represents
 - Details of investments to date, the investment strategy and use of capital receipts
 - How tenants get capital support
 - The process for declaring land or buildings surplus to requirements and a schedule of land sales
 - Details of the contracts with the land agents and their charges

- 3.2 A great deal of this information was provided for the working group's second meeting, while the remainder will be expected to be available for the next meeting.
- 3.3 We have also met with the Council's Climate Change Manager to ascertain the kinds of renewable energy schemes that could be made available to tenants and the role that Norfolk Energy Futures Ltd., a company wholly owned by the County Council, could play in this. This is something that we would like to pursue further, including discussions with tenants themselves.

4. Meeting with tenants, land agents etc.

- 4.1 At the beginning of 2014, all tenants were invited to a meeting at County Hall on 10 February to discuss their ideas and views on maximising the financial contribution of the estate to the Council's finances and new areas and means of generating income. Around fifty tenants attended the meeting, together with representatives of the land agents, the Principal of Easton and Otley College, a Rural Business Consultant and the Rural Estate Manager for Cambridgeshire County Council. Staff and apprentices from Gressenhall farm and workhouse also provided displays and demonstrations outside the Council Chamber.
- 4.2 In addition to plenary sessions, delegates participated in two workshops with the following themes:
- How well are tenants currently encouraged and supported to develop their businesses and create new business streams?
 - Ideas for innovation and different business models to promote growth, remove barriers and share profits
- 4.3 This was widely regarded as a positive and worthwhile event. Some key themes emerged that will contribute to our conclusions and recommendations, and we were encouraged by the enthusiasm and willingness of tenants to work together with the Council and others to maximise the potential of the estate.

5. Selection of new tenants

- 5.1 A key rationale and legal basis for the Council owning the estate is to provide opportunities for new entrants to farming. In agreeing the terms of reference for this scrutiny at its meeting in November 2013, the Panel requested that the application and allocation process for new tenancies should be included, particularly in order to ensure that there were no conflicts or suspicion of favouritism in the allocation of tenancies.
- 5.2 In relation to this, we have received a copy of a 'Guide for Prospective Tenants', first published by the County Council in December 2011. This is a fairly comprehensive document covering the background of County Farms Estates, both nationally and locally, the management policy for the Norfolk estate, a "tenant specification" and advice on how to go about applying for a tenancy. This demonstrates that applicants have to submit a tender and support this with a detailed business case. Each application is then assessed using a points-based scoring system to make the short-listing process transparent. Short-listed candidates are then interviewed by a panel comprising the Client Property Officer, a Member from the Conservative, Labour,

Liberal Democrat and UKIP political groups, plus two tenant representatives. All panel members are given the opportunity to question candidates and the successful applicant is chosen by a majority vote by the panel.

5.3 In addition, we have seen evidence of the actual short-listing and interview process used for allocating tenancies in both the eastern and western sectors of the estate, and have noted that there is consistency across the estate.

5.4 We have also been informed that the Client Property Officer had organised a free training day for prospective tenants in 2013 covering topics such as form filling, the preparation of farm budgets and rent levels. This event had been well attended and the feedback was very positive. Cambridgeshire County Council is planning to introduce a similar training day for prospective tenants.

6. Next steps

6.1 From the evidence we have received so far, we feel extremely optimistic about the potential for further developing the estate in the interests of tenants and the wider community. We have already started to form some conclusions but feel that it would be best for us to complete our task and present a single set of recommendations to the appropriate committee under the new governance arrangements for the Council.

7. Section 17 – Crime and Disorder Act

7.1 There are no implications for crime and disorder.

8. Equality Impact Assessment (EqIA)

8.1 This report is not making proposals that will have an impact on equality of access or outcomes for diverse groups.

9. Any other implications

9.1 Officers have considered all the implications which members should be aware of and there are no other implications to take into account.

10. Action Required

The Panel is asked to:

- Note and comment on the contents of the report.
- Recommend that the working group continues its inquiry and reports as appropriate under the new governance arrangements that will succeed the Overview and Scrutiny Panel.

Officer Contact

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

Keith Cogdell

01603 222785

keith.cogdell@norfolk.gov.uk

Terms of reference for scrutiny of

The potential financial contribution of the County Farms estate

Scrutiny by

Member working group

Membership

Bev Spratt – Conservative

Ian Mackie – Conservative

Tony White – Conservative

Adrian Dearnley – Green

David Ramsbotham – UKIP

David Collis – Labour

Officer support

Keith Cogdell – Scrutiny Support Manager

Andrew Crossley – Client property Officer

Tim Shaw – Committee Officer

Reasons for scrutiny

In March 2009, Cabinet accepted all the recommendations put forward by a Cabinet Scrutiny Committee working group concerning the Council's policy on its County Farms estate. This included abandoning the optimisation of capital receipts as the principal policy objective for the management of the estate, and acceptance of an aspiration that "the estate should become an exemplar of innovation, investment and partnership working in the interests of tenants, local communities and present and future generations of Norfolk people." Given the need to make the most of the Council's assets to generate income wherever possible, the Panel considers that it is timely to investigate the current and potential contribution that the estate could make.

Purpose and objectives of scrutiny

- To ensure that the financial potential of the estate, in terms of revenue to the County Council, is being maximised.
- To identify, where possible, new areas and means of generating income from the estate, while continuing to act as a good landlord.

Issues and questions to be addressed

- What are the current policy objectives for the estate?
- The nature and amount of investment into the estate since 2009.
- Trend in income from the estate since 2009.
- Details of any income-generating innovations already considered for the estate and the extent of their adoption.
- The scope for increasing revenue from the estate through innovation within the terms of current tenancy agreements.
- Possible sources of new ideas for consideration e.g. other authorities with County Farm estates.
- How are new tenants selected in order to avoid any conflicts or suspicion of favouritism in the allocation of farms or land? (added at Panel meeting on 12.11.13)

Deadlines and timetable

Report to Panel in March 2014



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

2013/14 Resources Finance Monitoring Report

Report by Interim Head of Finance

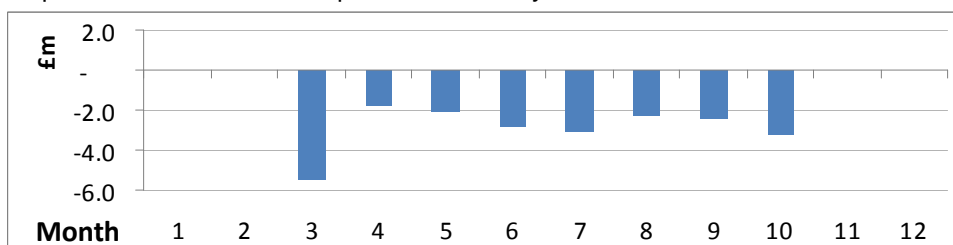
Executive Summary

- This report provides an update on finance monitoring for services in Corporate Resources.

Revenue Budget

- The overall revenue budget for this panel was -£595.287m at the end of January 2014, against which there was a forecast net underspend of -£3.217m. The graph below shows the month by month trend.

Graph 1: forecast net underspend 2013-14, by month



- Against the overall County Council revenue budget, there was a forecast net underspend of -£1.148m at the end of January.

Reserves and Provisions

- At its meeting on the 4 November 2013, Cabinet agreed to gather an earmarked reserve as contingency planning in relation to the residual waste treatment contract. It was agreed that £4m would be transferred from General Balances to the new reserve, this being the excess above the agreed £16m minimum. As a result, General Balances, which are not earmarked, have now reduced to £16.811m. The new residual waste treatment contract reserve now holds £11m. This includes the £4m from General Balances, a transferred projected underspend of £2m from interest on balances and, a further £5m of savings as a consequence of action to delay, cancel or defer projects.
- The combined earmarked balances for this panel are now forecast to increase from £55.614m to £58.647m at the end of March 2014. This includes £2.3m in a new Public Health reserve which represents an element of ring-fenced grant to be carried forward to 2014/15. The Council's reserves and provisions (excluding schools) are forecast to total £75.861m at the 31st March 2014. All of these reserves are earmarked for specific purposes.

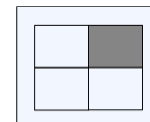
Capital Budget

- The overall capital budget for this panel was £15.952m at the end of January 2014. At present, an underspend of -£0.001m is forecast. The Council's total capital programme was £127.694m at the end of January.

Action Required

Members are asked to note progress and to consider whether any aspects contained within this report should be identified for further scrutiny.

1. Managing our resources



Managing the budget

1.1 This Panel is responsible for monitoring the capital budgets, revenue budgets and provisions and reserves for Shared Services, Public Health and the corporate budgets in Finance General.

Revenue Budget

1.2 Chief Officers monitor their cash limited budgets throughout the year and report the position to the Head of Finance. Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. They have been charged with reviewing all of their cost centres to ensure that, where an overspend is identified, action is taken to ensure that a balanced budget is achieved for the year. The overall approved revenue budget for this panel was £-595.287m at the end of January 2014. There is a forecast net underspending of £-3.217m against this.

1.3 Details of the overall budget and the forecast outturn are shown in the table below.

Division of service	Approved budget £m	Forecast Outturn £m	Forecast +Over/- Underspend £m	Forecast +Over/ Underspend as % of budget	Previously Reported +Over/- Underspend £m
Resources:					
Coroners, Elections & Registrars	1.531	1.858	0.327	0.69%	0.327
Democratic & Legal services	1.314	1.302	-0.012	-0.03%	-0.012
Human Resources shared service	5.814	5.814	0.000	0.00%	0.000
Chief Executive	0.405	0.405	0.000	0.00%	0.000
Programme Management Office	0.991	0.991	0.000	0.00%	0.000
Planning, Performance & Partnerships	2.218	2.218	0.000	0.00%	0.000
Customer Service & Communications	5.145	5.145	0.000	0.00%	0.000
ICT Services	17.719	17.719	0.000	0.00%	0.000
Finance	7.914	7.914	0.000	0.00%	0.000
Procurement	1.587	1.587	0.000	0.00%	0.000
Property Services	2.987	2.987	0.000	0.00%	0.000
County Farms	0.027	0.027	0.000	0.00%	0.000
Public Health	-0.088	-0.088	0.000	0.00%	0.000
Sub-total:	47.564	47.879	0.315	0.66%	0.315

Finance General:					
Norse	-0.625	-0.625	0.000	0.00%	0.000
Net interest receivable & payable	28.153	25.303	-2.850	-0.44%	-2.784
Members Allowances	1.314	1.114	-0.200	-0.03%	-0.200
Land Drainage & EIFCA precept	1.260	1.260	0.000	0.00%	0.000
Capital Accounting adjustments	-45.929	-47.169	-1.240	-0.19%	-1.240
Pension Fund Deficit Payment	6.346	6.346	0.000	0.00%	0.000
Organisational Review	5.197	5.197	0.000	0.00%	0.000
Specific Government Grant Income	-4.859	-7.960	-3.101	-0.49%	-2.287
Other miscellaneous	7.929	11.788	3.859	0.60%	3.859
General Government Funding, RSG, Precept & NDR income	-641.637	-641.637	0.000	0.00%	0.000
Sub-total	-642.851	-646.383	-3.532	-0.55%	-2.652
Overall Total:	-595.287	-598.504	-3.217	-0.54%	-2.337

1.4 Details of the variances relating to the overall net underspending of -£3.217m are shown in the tables below.

Resources £0.315m overspend (budget £47.564m)				
Area of budget	Forecast		Variance as % of approved budget	Reasons for variance
	Total £m	Movement £m		
Coroners, Elections & Registrars	0.327	0.000	0.69%	Overspend on Elections.
Democratic & Legal services	-0.012	0.000	-0.03%	Saving on Complaints Advocacy.
Total	0.315	0.000	0.66%	
Finance General -£3.532m underspend (budget -£642.851m)				
Area of budget	Forecast		Variance as % of approved budget	Reasons for variance
	Total £m	Movement £m		
Interest receivable /	-2.850	-0.066	-0.44%	The deferral of borrowing has reduced borrowing costs

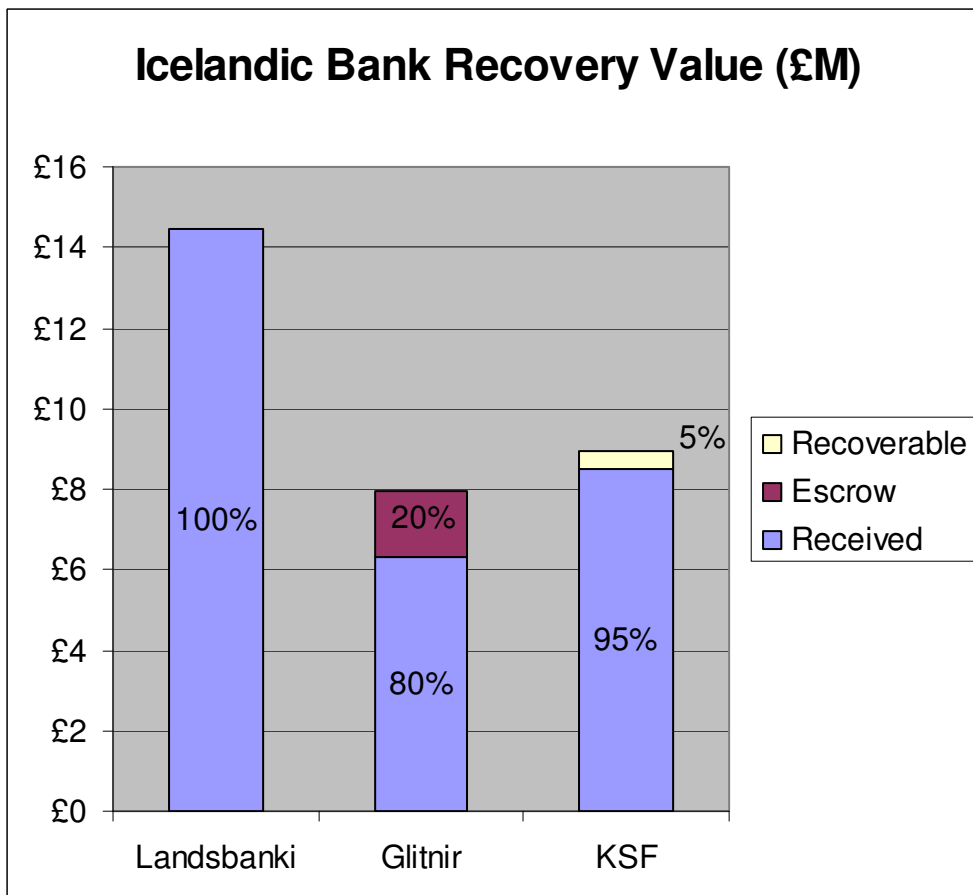
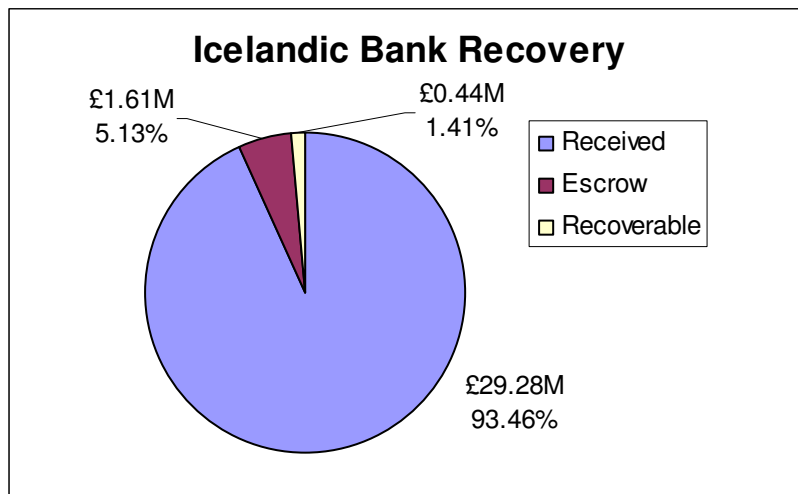
interest payable				resulting in a net interest saving, offsetting the lower interest earned on investments.
Members Allowances	-0.200	0.000	-0.03%	Savings on basic and special responsibility allowances and on travel allowances.
Capital accounting adjustments	-1.240	0.000	-0.19%	Saving on a revised debt repayment calculation due to slippage in the 2012-13 capital programme after the 2013-14 budget was approved.
Specific Government Grant Income	-2.287	0.000	-0.36%	Government refund of 2012-13 amount deducted from formula grant for schools converting to academies.
Specific Government Grant Income	-0.814	-0.814	-0.13%	Monies due from DCLG in respect of Small Business & Empty Property Rate Relief for 2013-14.
Other miscellaneous	4.200	0.000	0.65%	Investment in frontline Children's Services approved by Cabinet on 5 th August 2013.
Other miscellaneous	-0.341	0.000	-0.05%	Dividend received from Eastern Shires Purchasing Organisation.
Total	-3.532	-0.880	-0.54%	

Icelandic Banks

- 1.5 The Administrators of Kaupthing Singer & Friedlander (Ernst & Young) are due to publish the next 6 monthly progress report in April 2014.
- 1.6 The County Council has successfully sold through a competitive auction, the remaining unrecovered element of its claim against Landsbanki. The sale proceeds were received on 3rd February 2014 and exceeded £6m.
- 1.7 The sale removes any uncertainty around the timing of future recoveries and means that the County Council is no longer a creditor of Landsbanki.
- 1.8 The balance of our Glitnir claim is subject to currency restrictions imposed by the Icelandic Government. The Local Government Association and Bevan Brittan (the appointed lawyers) are currently working on making these funds available to us at the earliest possible date. These funds total £1.607m and are held in third party escrow accounts in Iceland earning interest.
- 1.9 Realised foreign exchange losses currently total £0.431m.
- 1.10 The recovery process continues to be monitored by the Treasury Management Panel. The cost of litigation has been shared on a pro-rata basis between local authority creditors. The Council's total contribution up to the 31st March 2014 is estimated to be £0.218m (£0.017m in 2013-14). The latest projected cash recovery from all 3 banks is £31.325m, this constitutes 96% of our initial £32.5m deposit.
- 1.11 Timing differences between the receipt and payment of monies gives rise to cash balances. If

left un-invested, inflation, would over time, erode the value of this cash. The Local Government Act 2003 gives local authorities clear powers to invest and states that 'local authorities should invest prudently the surplus funds held on behalf of their communities.' There are 3 key principles of local authority treasury management. In order of importance they are (1st) security of principal, (2nd) liquidity for cash flow and (3rd) investment return (yield) and each investment is considered in the context of these 3 factors. Managing our cash balances in this way means that our investments are diversified and not deposited in just one bank.

1.12 With interest rates at historic low levels, interest receivable from our investments has fallen to approximately £3m p.a. from around £13m p.a. prior to the global financial crisis. In the 5 years leading up to the financial crisis, income from investments totalled £65m. With upper quartile investment performance and a prudent investment strategy, the County Council will be able to maximise investment return as interest rates start to rise in the medium term.



Capital programme

1.13 The capital programme, unlike the revenue budget, is monitored over the life of the schemes rather than a single year. This reflects the life of the projects and their funding and, the financial consequences of the programme and, is consistent with the approach required for medium term planning and the prudential code. The overall capital budget for the services reported to this panel was £15.952m at the end of January 2014. At present, an underspend of -£0.001m is forecast. A breakdown is shown in the table below.

Scheme or programme of work	Approved 2013/14 capital budget £m	Forecast 2013/14 capital outturn £m	Variance since the previous Report £m	Total (Under)/Over Spend £m	Reasons
Offices – County Hall	9.477	9.477	0.000	0.000	
Offices – other	0.315	0.314	-0.001	-0.001	Underspend re wheelchair stair climber.
Norfolk Work Style	0.095	0.095	0.000	0.000	
Carbon Management Programme Pot (CERF)	3.595	3.595	0.000	0.000	.
Property Management	0.111	0.111	0.000	0.000	
County Farms	0.729	0.729	0.000	0.000	
Corporate Minor Works	0.383	0.383	0.000	0.000	
Community Construction Fund	0.966	0.966	0.000	0.000	
Members ICT Refresh	0.139	0.139	0.000	0.000	
Finance ICT	0.142	0.142	0.000	0.000	
Total	15.952	15.951	-0.001	-0.001	

Reserves and Provisions

1.14 The level of the Council's reserves and provisions is monitored continually during the year. The current forecast position for this Panel is set out in the table below.

Reserve/ provision	Balance at 31-03-13 £m	Forecast Balance at 31-03-14 £m	Variance since last report £m	Total Variance £m	Reason for variance
Insurance Provision	12.394	12.394	0.000	0.000	
Potential Pension Liability Provision	1.270	1.270	0.000	0.000	
Redundancy Provision	5.138	5.062	-0.003	-0.076	Use of provision to meet redundancy & pension strain costs payable in 2013/14.
Building Maintenance	1.051	1.186	0.000	0.135	Anticipated transfer from revenue.
Insurance Reserve	0.017	0.017	0.000	0.000	
IT Earmarked Reserve	5.873	3.944	0.038	-1.929	Investment in Digital Norfolk Ambition.
Repairs and Renewals Fund	0.514	0.674	0.079	0.160	PPP reserve increased to meet future years' savings targets.
Usable Capital Receipts	1.587	0.903	0.042	-0.684	Level held is dependent on the level of receipts used in funding the Capital Programme.
Industrial Estate Dilapidations	0.010	0.010	0.000	0.000	
Strategic Partnership	0.486	0.017	0.000	-0.469	Monies spent in accordance with the agreement reached through the Norfolk LGA.
Modern Reward Strategy Reserve	6.210	4.359	0.000	-1.851	Purchase of equipment & vehicles at 19 Main Household Waste Recycling Centres approved by Cabinet 4th November 2013.
Strategic Ambitions	1.169	1.105	0.078	-0.064	CERF revenue costs &

Reserve					use of PMO reserve.
Organisational Change & Redundancy Reserve	7.277	6.370	0.052	-0.907	Includes transfer of funds to support ECMS delivery programme.
Icelandic Banks Reserve	5.735	2.235	0.000	-3.500	Use approved by County Council on the 18 th February 2013.
Norfolk Infrastructure Reserve	2.378	2.131	0.000	-0.247	Drawdown to support borrowing on a number of projects.
Unspent Grants & Contributions	0.317	0.145	0.000	-0.172	Use of Public Health & Healthwatch grants.
Car Lease Scheme	1.155	0.455	-0.143	-0.700	Use of £0.750m approved by County Council on the 18 th February 2013.
NDR Reserve	2.500	2.500	0.000	0.000	
NPLAW Operational Reserve	0.245	0.306	0.061	0.061	Agreed contribution for 2013/14.
Community Construction Fund	0.072	0.000	0.000	-0.072	Use on management fees payable in 2013/14
Archive Centre Sinking Fund	0.216	0.264	0.000	0.048	Expected contribution in 2013/14.
Residual Waste Treatment Contract Reserve	0.000	11.000	0.000	11.000	Creation as approved by Cabinet on the 2 nd December 2013.
Public Health Reserve	0.000	2.300	2.300	2.300	Creation as approved by Cabinet on the 3 rd March 2014.
Total	55.614	58.647	2.504	3.033	

2. Equality Impact Assessment (EqIA)

- 2.1 This report provides a summary of financial information on a wide range of activities monitored by the Corporate Resources Overview and Scrutiny Panel. Many of these activities have a potential impact on residents or staff from one or more protected groups. Where this is the case, an equality assessment has been undertaken as part of the project planning process to identify any issues relevant to service planning or commissioning. This enables the Council to pay due regard to the need to eliminate unlawful discrimination, promote equality of opportunity and foster good relations.
- 2.2 Details of equality assessments are available from the project lead for the relevant area of work, or alternatively, please contact the Planning, Performance and Partnerships team.

3. Section 17 – Crime and Disorder Act

3.1 There are no direct implications of this report for the S17 Crime and Disorder Act.

4. Conclusion

4.1 There is a projected overall net revenue underspend of -£3.217m against the budget of -£595.287m. The balances on reserves and provisions are projected to increase from £55.614m to £58.647m during the year. An underspend of -£0.001m is currently forecast against the overall capital budget of £15.952m.

5. Action Required

5.1 Members are asked to note progress and consider whether any aspects should be identified for further scrutiny.

Background papers

Officer Contacts:

If you have any questions about matters contained in this paper 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 Helen Fleming on 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

2013/14 Resources Performance Monitoring Report

Report by Head of Planning, Performance and Partnerships

Executive Summary

This report provides a summary of performance for services covered by the remit of CROSP. It covers the period April to December 2013 (Quarters 1, 2 and 3) and presents information on four main themes: managing change, service performance, managing resources and improved outcomes for Norfolk people.

A separate paper is included on this agenda updating Panel on the latest financial position for Resources.

Key performance highlights include:

- Managing Change: NCC are on track to achieve overall savings of £139m by March 2014.
- Managing Resources: During the autumn of 2013 the water tariffs for corporate buildings were switched with Anglian Water and this is expected to deliver a saving of around £25,000.
- Service performance: Corporate Resources are on track to deliver £2.2m cashable efficiency savings from its own services in 2013/14 whilst supporting the delivery of further savings across the whole council.
- Outcomes for Norfolk People: We continue to resolve 90% of complaints at the informal stage and the cost of handling complaints has reduced.

Action Required

Members are asked to note progress and to consider whether any aspects contained within this report should be identified for further scrutiny.

1. Background

- 1.1 Norfolk County Council's performance framework provides a broad assessment of organisational performance covering four themes:
 - Managing change
 - Managing resources
 - Quality and performance of services
 - Outcomes for Norfolk people
- 1.2 It places greater emphasis on efficiency and value for money measures, and the need to balance the demanding change agenda with continuing to deliver high quality essential services as effectively as possible.
- 1.3 A dashboard providing a summary of key performance indicators monitored by the Corporate Resources Overview and Scrutiny Panel is attached as Appendix 1 to this report. Information on the dashboard has been expanded to include the previous four quarters on a rolling basis, to show the performance trend for each measure.

2. Managing change

2.1 The Norfolk County Council Change Programme is delivering the final stage of projects from within the three year Norfolk Forward programme and is also focusing on projects to deliver the first year of strategy and savings for the 2014-17 cycle which commences in April 2014.

2.2 To date the programme has enabled us to meet our financial challenges head on and manage them well and we are on track to have successfully achieved Big Conversation savings of £139m by March 2014 with some 54% of the savings delivered through the change programme. The savings made by the change programme broken down over the three years are as follows:

2011/12	2012/13	2013/14	Total over 3 years
£31.24m	£29.44m	£14.44m	£75.12m

2.3 The programme is currently on track to deliver **£14.44m** in the third year of the Big Conversation savings (2013/14).

2.4 The strategy for change has four elements:

- **Making efficiencies and streamlining the council** - cut council running costs and working with other public services to save money
- **Redesigning services** - radically transforming some of our services to enable them to take advantage of technological advances and changing ways of working
- **Scaling back the scope and volume of some services** - fewer priorities, stopping providing some services we do not have to provide and that we believe are lower priorities for spending when times are tough
- **Smaller council – bigger communities** - supporting local communities to help themselves more

2.5 This report reviews the progress of those projects that are within the remit of the Corporate Resources Overview and Scrutiny Panel. Highlights since the last report to Panel in November 2013 include:

- The status of the County Hall project for Overall, Timescales, Benefits and Budget has moved from Amber to Green
- The Shared Services programme remains Amber.
- The overall status of the Norfolk Forward programme remains at Amber primarily due to timescales and some concerns around resource and budget.

Table 1: Norfolk Forward programme within the remit of CROSP

Overall assessment of Norfolk Forward Programme status:		AMBER			
Dashboard Assessment by Programme					
Programme	Overall	Timescales	Benefits	Budget	Resources
Shared Services	AMBER	AMBER	GREEN	GREEN	GREEN
County Hall (Workstyle)	GREEN	GREEN	GREEN	GREEN	GREEN

2.6 Over the last quarter (Q3 2013/14) the main area of focus has been supporting departments in developing solutions to deliver savings and strategies for the next three years (2014/17), however a number of initiatives have also progressed and delivered as

follows:

- **Digital Norfolk Ambition (DNA)** – In December 2013 a contract was signed with HP to transform and improve public services in Norfolk by taking advantage of new technology. The project will deliver more than £10 million of savings from the Council's ICT budget over the next five years, while providing front-line staff with the latest technology to help deliver efficient and sustainable public services.
- **Library Management System:** In November a new contract was signed with Civica which will provide reduced hardware and support costs and improved customer service and usability
- **Shared Services:** The invoicing scanning system went live on 3 December and the no purchase order / no pay policy has been implemented (see paragraph 3.3). Norfolk County Council and Great Yarmouth Borough Council have gained Public Service Network compliance. The Public Services Network (PSN) will substantially reduce the cost of communication services across UK government and enable new, joined-up and shared public services for the benefit of citizens.
- **Postal Services:** We continue to increase the efficiency of our central postal service by:
 - Increasing the use of the service provided in County Hall by other NCC offices based in Norwich, including making the most of courier services to offices in the Norwich area. This reduces spend on franking machines and Royal Mail collections.
 - Further development of our print-to-post offer. This service means that teams can send items for bulk mailing to a central point. The central postal service then prints and prepares the mailing for posting, thereby reducing time spent by frontline staff.
 - Reducing the number of post rounds at County Hall from three to two, allowing the team to deliver the additional work above with no increase in resource.
- **County Hall:** Work has progressed well with scaffolding erected, changes to the main entrance to County Hall completed in September, exterior tile removal and essential work to make the roof watertight underway.
- **Norfolk Commissioning Academy:** We launched the first local Cabinet Office supported Commissioning Academy on 8 November 2013. The Academy brings together senior commissioners across the public sector in Norfolk with members from County Council, District Councils, Police, NHS and Clinical Commissioning Groups to build in Norfolk a stronger and more cohesive commissioning leadership community.
- **Better Broadband for Norfolk.** Many more superfast broadband services have been made available across the county. Fibre broadband cabinets that have been 'switched on' since the start of November have made better broadband possible in parts of Fiddler's Green, Great Ellingham, Norwich, Acle, Crownthorpe, Fishley, Upton, Attleborough, Belton, Silfield, Wattlefield and Wymondham. These join the dozens of other areas already able to receive faster internet speeds through the Better Broadband for Norfolk programme since July.

Looking ahead

- 2.7 Work continues with the development of a single Change Programme with plans that bring together all the activities currently underway, underpins delivery of the budget savings proposals for 2014/17 and other planned change. We are also refreshing governance arrangements and the tracking and reporting processes to ensure the delivery of our strategic priorities.

- 2.8 Delivery of the programme involves resources in directorates and support from the Corporate Programme Office and all the other shared services.

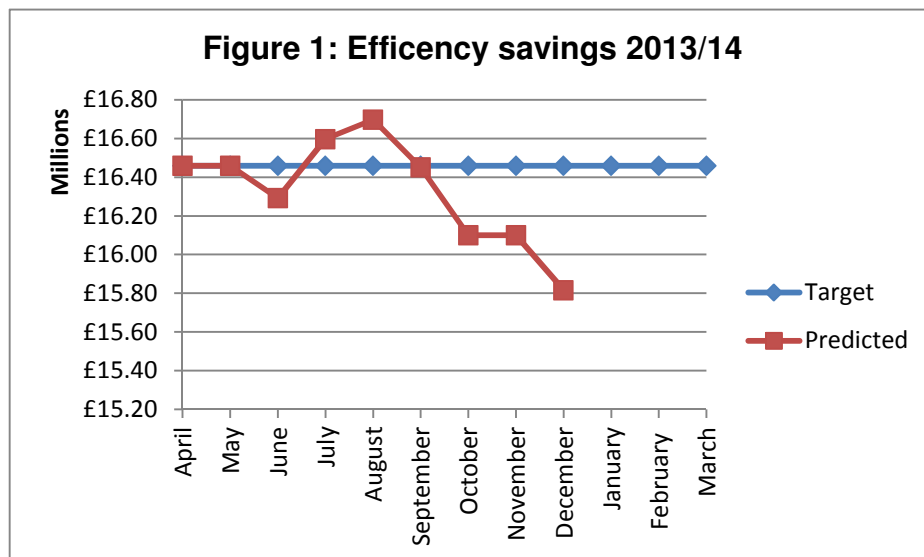
3 Managing our resources

Revenue and capital expenditure

- 3.1 Panel will receive a separate paper on this agenda detailing revenue and capital budget expenditure.

Efficiency savings

- 3.2 On a monthly basis we monitor expected savings against a number of projects to make services more efficient. The 2013/14 target for NCC overall is £16.459m in cashable efficiency savings. In November we reported that we were predicting that we would achieve £0.008m below this target (£16.451m). The latest prediction at December 2013 is that we will achieve 96% of our target with a predicted saving of £15.817m (£0.642m below target). This is largely due to revised figures for efficiency savings within Children’s Services. Although savings from school redundancy costs are £0.559m above target, this has been outweighed by additional costs associated with Special Education Needs (SEN) home to school transport (currently forecasting an overspend of over £1m).



Note on Figure 1: Predicted efficiency savings were above target in July and August as savings from school redundancy were higher than predicted whilst all other savings were on target. Since September the additional cost of SEN home to school transport has offset the school redundancy saving, resulting in lower than predicted efficiency savings.

Procurement

- 3.3 We have signed a number of major contracts in the second half of the financial year, including highway works, highway professional services, traffic signals and the DNA project. Together these have delivered savings in excess of £60 million.
- 3.4 The procurement service has also led renegotiation of a number of contracts on an ‘open book’ basis - most notably our contract with Norfolk Community Health and Care, where annual savings of £960,000 have been achieved.

- 3.5 Work continues to increase the proportion of spend which is on contract. This figure will fluctuate somewhat as contracts are moved onto new systems. Quarter 3 was at 85% on contract, compared to 89% in quarter 2. Our objective is to stabilise this figure in the low ninety percent range once all systems work is completed.

Sustainability - reducing our carbon footprint

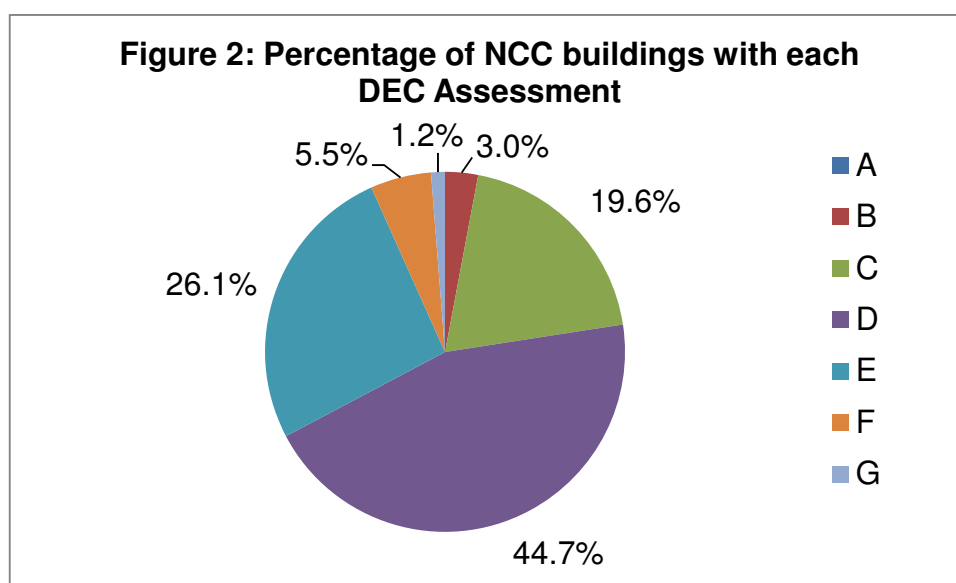
- 3.6 The Council has a target to reduce its carbon footprint by 25% by 31 March 2014 (or to 75% of the 2008/9 baseline). This includes things like energy used by buildings (including schools), business travel, street lighting, and traffic signals. At the end of March 2013 the County Council's total carbon footprint was 10.6% below the baseline, meaning that we need to reduce our carbon footprint by a further 14.4% (equivalent to 13,673 tonnes) if we are to meet the target by the end of March 2014.
- 3.7 We have been able to improve the way that we monitor carbon emissions by fitting Automated Meter Readers (AMR) to NCC buildings, including some schools. The meters provide hourly information on how much gas and electricity is being used allowing premises managers a much better understanding of how much energy their building is using. Energy use in buildings makes up 61.3% of the overall carbon footprint of the authority (the rest being made up of business travel, street lighting, and traffic signals). Most recent data shows that between February 2013 and January 2014:
- There was a 13.1% reduction in carbon emissions from metered buildings compared to the baseline
 - Monthly figures for October, November and December 2013 have reduced 14.3%, 2% and 11% respectively when compared to the same months in 2012. This is likely to be attributed to the mild autumn/winter experienced to date.
 - Children's Services (non-school sites) have shown reductions all year, with some months seeing a reduction of over 40% compared to the same period in 2012. Schools and Academies have also shown reductions over autumn and winter 2013 with a 7.8% reduction in January 2014 compared to 2013. Members will recall that the new corporate carbon reduction target agreed from April 2014 of 50% from the 2008/9 baseline will not include schools in future (see paragraph 3.11).
- 3.8 With regards to street lighting, recent monitoring from 2013/14 is showing a downward trend when compared to 2012/13, however, the final position will not be known until after financial year-end when all energy invoices are accounted for.
- 3.9 The Carbon Energy Reduction Fund (CERF) has funded 489 energy efficiency schemes, primarily in schools. In total these were valued at £9.5m across all services, with £7.5m spent in schools by December 2013. To support the CERF programme an interest free loan of £0.771m has been obtained from Salix finance, which is then paid back out of the energy saving achieved by the premise.
- 3.10 Through the CERF previous investment in solar panels on a small selection of schools, libraries and fire stations has shown an income of £18,000 from the national renewable energy Feed in Tariff. We are currently finalising details to ensure that income will be forthcoming from renewable biomass heat installations via the Renewable Heat Incentive.
- 3.11 Going forward:
- The Council has adopted an increased stretch target for 2020 (see background papers). This focuses on the corporate estate only (excludes schools), and aims to reduce carbon emissions by 50% from the 2008/9 baseline.
 - The performance of the school estate will be tracked and reported separately. This reflects national changes to the Carbon Reduction Commitment (CRC) which will see

schools excluded from any CRC liabilities.

- It is expected that from April 2014 transport data for business travel claims will also be available.

Sustainability- Energy efficiency of premises

- 3.12 All buildings occupied by a public authority where the total useful floor area of the building exceeds 500m² and which is frequently visited by the public, must assess the energy efficiency of the building and show this on a Display Energy Certificate (DEC).
- 3.13 DECs were introduced to promote the improvement of the energy efficiency of buildings. They provide an energy rating of the building from A to G, where A is very efficient and G is the least efficient and are based on the actual amount of metered energy used by the building over the last 12 months within the validity period of the DEC. The median rating is D.
- 3.14 Of the 403 NCC buildings assessed by NPS, 67.3% (271) have rating that is at or above the median rating i.e. B, C and D rated (see Figure 2). 32.8% (132) have a rating below the median (E, F or G rated). DECs are required to be supported by advisory reports containing recommendations for improving the energy performance of the building. County Hall is currently rated 'E' and £2.76m of CERF funding (see para 3.5) has been allocated to the County Hall refurbishment project for energy focused projects.



Sustainability - reducing water usage

- 3.15 In March 2013 the Council adopted a target to reduce water consumption from council operated sites by 15% by 2017 (equivalent to 82,000m³ of water). This has the potential to deliver carbon savings of 240 tonnes, equivalent to financial savings of around £284,000 per annum (dependent upon tariffs).
- 3.16 Key areas of progress since the last update include:
- During the autumn of 2013 the water tariffs for corporate buildings were switched with Anglian Water and this is expected to deliver a saving of around £25,000. A letter will shortly be sent to schools offering them the opportunity to opt-in for tariff optimisation.
 - We are continuing to work with Anglian Water on a targeted approach. This includes evaluating unusual patterns of water use such as spikes in water which could suggest the presence of a leak. A water audit conducted in County Hall in January found that

the existing systems in place were relatively efficient.

- The 'Low Carb Diet' which is an internal NCC programme which seeks to raise awareness of energy usage with staff now includes water conservation.

People management

- 3.17 Effective people management and organisational development are critical to the successful performance of the organisation and therefore we monitor a number of different elements to establish how well we are managing staff to support change and transformation.

Staff performance

- 3.18 Staff performance is a composite measure of sickness absence, appraisals, disciplinaries and health and safety incidents. This measure is currently rated Amber as a reflection of the level of change being experienced by the authority.

Appraisals

- 3.19 The percentage of staff completing an appraisal has risen from 61% in 2012/13 to 85% to date in 2013/14, representing a significant overall improvement and a good rate of return. Of these, 97% were rated '3a Achieving the requirements of the job – satisfactory performance' and above. Employees receiving an appraisal rating of 1 or 2 are not eligible for a salary increment and any issues will be managed in accordance with the managing unsatisfactory performance guidelines.
- 3.20 Managers are required to record appraisal ratings or the reason for not carrying out an appraisal e.g. long term sick leave, maternity leave on our people management system Oracle. This means that in 2013/14 15% of employees either did not have an appraisal, or if they did then the outcome has not been recorded on Oracle.
- 3.21 Over the last two years there has been a focus on performance management initiatives for staff. The improvement in appraisal completions reflects a significant shift towards a stronger 'performance culture'. We will continue to build on this with updated guidance for managers on the exceptional circumstances under which an appraisal would not be expected and on the use of Oracle for recording the outcome of appraisals.

Disciplinaries

- 3.22 There have been 57 disciplinaries, 8 fewer than the same time period in 2012. All disciplinaries are carried out in accordance with the County Council's approved disciplinary procedure.

Health and Safety

- 3.23 A review of employee health, safety and well-being last year showed that the number of non-reportable health and safety incidents fell by 5.3% from 2,419 in 2011/12 to 2,290 in 2012/13. Provisional figures for April to December 2013 suggest this downward trend may be continuing with fewer health and safety incidents recorded when compared to April to December 2012 (see Table 2). However, this can only be verified at the end of the year when all data is collated. The number of reportable incidents between April and December 2013 is 18, two fewer than recorded for the same time period in 2012.

Table 2: Health and Safety incidents between April and December 2013 and April and December 2012

April-December (Q 1-3)	Non reportable incidents	Reportable incidents			
		Resulting in an absence or unfitness to work of 7+ days	Major injuries	Dangerous occurrence	Total reportable
2013-14	924	7	5	2	18
2012-13	1207	12	7	1	20

Staff engagement

- 3.24 Staff engagement is a composite measure of resilience, employee advocacy and grievances. This is a key area to track as high levels of engagement (and morale) underpin employee performance. This measure is currently rated Amber.
- 3.25 Some examples of how we continue to engage and support staff in the delivery of organisational change during Quarter 3 include:
- A series of ‘Enhancing the way we work’ workshops were held to promote a new set of staff ‘behaviours’. Over 150 staff attended whose future role will be to champion a set of identified behaviours across the council to assist in the delivery of the change agenda.
 - The range of support available for employees affected by restructure/ redundancy has been reviewed and updated, with information posted on PeopleNet. Eligible employees can get personal support through Norfolk Support Line and tutor-led courses are also now available to book via the Learning Hub on subjects including ‘Preparing yourself for interview’, ‘Pre-retirement planning’, and ‘Self-employment – is it for me?’
 - More teams/ employees are making use of the County Council’s well-being questionnaire to evaluate and identify ideas for improving their own, or others’ well-being. The Well-Being Programme aims to promote the health and well-being of all employees, working in partnership with existing support networks and initiatives, in order to provide a better working environment within Norfolk County Council. At the end of Quarter 3 2013/14 the questionnaire had been used by 72 teams covering 1,186 employees. This compares to 64 teams covering 1003 employees at the end of Quarter 3 2012/13.

Staff resourcing

- 3.26 Over the past six years the organisation has gone through significant levels of change which will continue as the Council seeks to bridge a £189m funding gap over the next 3 years. The measure on staff resourcing includes recruitment activity, redeployment, redundancy, HR Direct Resolution, and management of change and culture change. The measure is currently rated Green.
- 3.27 There has been an increase in the number of staff leaving through redundancy and the number of people being redeployed when compared to April to December 2012. This is in line with organisational change expectations. There were 202 non-school

redundancies between April and December 2013 and 55 employees were redeployed saving £312k in redundancy costs. This compares to 73 redundancies and 35 redeployments (saving £76k) between April and December 2012 (Table 3).

Table 3: Cumulative number of non-school redundancies and redeployments in 2013/14 compared to 2012/13

	Year	Quarter 1	Quarters 1-2	Quarters 1-3	Quarters 1-4
Redundancies	2013/14	120	187	202	n/a
	2012/13	36	57	73	136
Redeployments (amount of redundancy payment avoided)	2013/14	28 (£150k)	45 (£280k)	55 (£312k)	n/a
	2012/13	19 (£37.5k)	25 (£52.7k)	35 (£76k)	56 (£180k)

3.28 As previously reported the use of temporary staff is increasing, reflecting the need to maintain flexibility within the workforce. Between January and September 2013 over £350k more was spent when compared with January to September 2012. This mainly relates to additional spend with Comensura (who primarily provide social care workers, technical, finance, education, HR and legal staff). This has increased by over £456k in the period. Short term sickness/ absence cover and replacement for a permanent leaver/ vacant post continue to be the main reasons for employing temporary staff through Comensura. In contrast spend with Staff Call (which supplies business support, some professional roles and drivers for winter maintenance) has reduced by almost £97k. These figures do not include the interim chief officers and senior managers within Children's Services as these posts have been sourced using different contractual arrangements. For more information please refer to Cabinet Scrutiny report 'Appointment of Interims within the Senior Management Structure' 21 January 2014.

4 Quality and performance of services

Supporting staff health and well-being

Sickness absence – whole council The average number of days sickness absence per FTE (Full Time Equivalent) recorded for the whole Council (including schools) has reduced each year since 2009/10 reaching a low of 7.06 days in 2012/13. The target for 2013/14 has been set at 0.25 days lower than 2012/13 at 6.81 days per FTE. The refreshed data for Q1 and Q2 this year shows that absence levels are comparable with our performance in 2012/13 (Table 4). The initial outcome for Q3 showed a much lower return that would normally be expected therefore the data was refreshed in February, showing that the low outcome was as a result of delays in absence returns being received. The data now indicates a predicted outcome of around 7.10 days per FTE, which is above target and slightly above the outcome for 2012/13. The TUPE transfer of Independence Matters has reduced the absence levels in Adult Social Services slightly however this has been offset by increases in other parts of the organisation compared to 2012/13. HR continues to work closely with managers to make reductions in sickness absence a priority.

4.1 For 2012/13 the Chartered Institute of Personnel and Development (CIPD) Absence Management Survey showed that the national average sickness per employee was 7.6 days (all industry sectors). The private sector average per employee was 7.2 days.

Table 4: Quarterly Sickness Absence by Department (average days absence per FTE)

Department	Q1 12/13	Q1 13/14	Q2 12/13	Q2 13/14	Q3 12/13	Q3 13/14
NCC (including Schools)	1.72	1.70	1.31	1.36	2.18	2.01
NCC Services	1.97	1.90	2.05	2.06	2.33	2.10
Children's Services (LEA)	1.96	1.93	1.78	2.27	2.02	2.69
Schools	1.59	1.59	0.89	0.97	2.09	1.97
Resources	1.86	1.94	2.28	1.89	2.58	1.96
ETD	1.43	1.17	1.34	1.48	1.66	1.26
Public Health	n/a	1.86	n/a	0.64	n/a	2.48
Community Services (Combined)	2.23	2.09	2.38	2.26	2.69	1.99
Cultural Services	1.21	1.75	1.38	1.56	2.08	1.58
Adult Social Services	2.62	2.23	2.77	2.55	2.92	2.19

Sickness absence – Resources

- 4.2 In 2012/13 sickness absence for Resources staff rose from 7.5 days per FTE in 2011/12 to 8.91 days per FTE. This high level was attributed to long-term sickness issues which are being addressed. For 2013/14 the target is 7.47 days per FTE. Between April and December 2013 sickness absence in Resources was 5.79 days per FTE, lower than 6.2 days per FTE recorded over the same period in 2012. The predicted year end outcome for sickness in Resources over 2013/14 has been revised from 8.34 days per FTE (reported to CROSP at the end of Quarter 2) to around 7.7 days based on data at the end of Quarter 3. Whilst the data suggests a reduction in sickness absence in Quarters 2 and 3 when compared to the same time periods in 2012/13 (Table 4) this can only be verified once all data has been collated. Despite the reduction, the predicted outcome of 7.7 days is still above the target of 7.47 days per FTE. A review of sickness absence and existing support mechanisms is expected to report at the end of March 2014.

5. Outcomes for Norfolk people

Compliments and complaints

- 5.1 At its January 2014 meeting Panel received a report on compliments and complaints covering the period April to September 2013. This reported that the volume of total contacts received for this period compared to the first six months of the last financial year had risen by 17% (a 16% increase in complaints and 20% increase in compliments). The ratio of compliments to complaints across Norfolk County Council (NCC) was approximately 1:3.5.
- 5.2 Between April and September 90% of first contacts were resolved at the informal stage to the satisfaction of those concerned compared to 80% for the 2012-13 financial year. This is well above the target of 75%.
- 5.3 Out of the total number of complaints received 11% were fully upheld, consistent with that achieved over 2012/13 when 12% of complaints were upheld. The Local

Government Ombudsman has not reported any cases of maladministration this year.

- 5.4 The average cost of each complaint resolved between April and September 2013 compared to that of the same time period in 2012 has dropped by £22 as more cases have been resolved for the same cost, an 18% reduction in cost per case.
- 5.5 In September, Norfolk Auditing Services (NAS) carried out an audit to ensure there is an effective process in place across NCC to use the information gained from complaints received to inform service innovation and improve performance. The audit found that internal controls around learning from complaints are “acceptable” (The overall audit opinion is based on one of two grades: “Acceptable – assessment of internal controls show a few or no weaknesses, mostly insignificant” or “Key issues that need to be addressed – a number of weaknesses, mostly significant or more than one major weakness”). A high level plan has been developed to incorporate the recommendations included in the report to enhance our “learning from complaints” procedures further.

Quality and effectiveness of customer access channels

- 5.6 Throughout the year we monitor satisfaction and record customer feedback across our customer access channels – telephone, website, etc. and use this feedback to identify improvement opportunities. The measure “Quality and effectiveness of customer access channels” continues to be rated Green.
- 5.7 In Quarter 3 the Customer Service Centre continued to achieve its performance targets of 95% of priority social care calls answered, and 90% for all other services.
- 5.8 In April 2013 the Customer Service Centre expanded to include a new Social Care Centre of Expertise (SCCE). This consists of qualified social care managers, practice consultants and team leaders and experienced, competence-based assistant practitioners who provide social care assessments and reviews on the telephone, the provision of personal budgets and simple occupational therapy equipment. Where the customer's enquiries prove too complex to resolve over the telephone, the SCCE refers them on to an appropriate specialist within either adult or children's social care teams.
- 5.9 The SCCE is now in its third quarter of operation and opportunities to improve efficiency are continuing to be explored. This includes identification of any activity currently delivered in the SCCE which can safely and appropriately be delivered by the Customer Service Centre team or online via self-service to avoid customers having to contact us more than once.. This will provide a better experience for customers and reduce the cost of contacts enabling us to focus on more complicated cases.
- 5.10 A new approach to assessing customer satisfaction has been adopted, which asks callers a single question "Based on your experience when you contacted us recently, would you speak highly of the customer service we delivered?" and giving them the opportunity to raise any additional issues at the same time.
- 5.11 Recognising that the satisfaction results are just one part of understanding our customers' experience, the CSC continues to proactively capture the informal feedback customers give us when they contact the Council and use this to improve services, improve the information on our website and make processes quicker and easier for customers.
- 5.12 The CSC continues to evaluate its performance against comparable services and in January maintained its first place ranking out of a sample of local authorities from across the country for handling telephone customer enquiries and also for our handling of email enquiries (Local Government Benchmarking Group). In addition, in December 2013 the CSC again achieved the Customer Service Excellence award as it was fully compliant with all 57 areas, with some criteria being marked as compliant plus.

- 5.13 Customers choice of how they contact and interact with the Council continues to change:
- We are continuing to see a slight reduction in the number of telephone calls and an increase in the number of email and webform contacts, especially with customers using the highways and public rights of way reporting tools.
 - Use of social media is down slightly compared to previous quarters. The mild winter so far has resulted in less customers commenting on seasonal topics such as roads and gritting.
- 5.14 We are continuing to work with service departments to improve website content in key areas, including highways, school admissions and adult care. Customers have told us consistently through the SocITM survey (which is offered once only to 1 in 5 visitors to the site) that our site looks too busy and that it would be easier to use if it was simplified. We have therefore started a short project to refresh the look and feel of the website and are aiming to have this live in April. We are intentionally delivering a light touch redesign which looks to address only the most pressing customer feedback as the Norfolk DNA programme will include the launch of a completely new customer portal to replace our current website.

Equality and equal access for all

- 5.15 When we plan, commission, or propose changes to services we need to look at the potential impact on people, particularly those with protected characteristics in order to make our service delivery as effective as possible. Doing this enables us to build a picture of Norfolk so we can match as closely as possible our services with the needs of Norfolk residents which can be built on year by year.
- 5.16 Each year we publish a report which tells residents and employees what we are doing to comply with the Public Sector Equality Duty (PSED) (part of the Equality Act 2010). A link to the 2013 report is available below. The report includes highlights of activity that has been undertaken over the year in partnership with people with protected characteristics. The report is available at:
http://www.norfolk.gov.uk/Community_and_living/Equality_and_strong_communities/index.htm.
- 5.17 Some examples of the way we have been working to promote equality and access for all include:
- Raising awareness of mental health issues. Working with Great Yarmouth and Waveney Mind we developed an exhibition which was held at the Time and Tide museum in Great Yarmouth featuring personal stories and experiences of Norfolk people living with mental health problems more than a century ago.
 - We supported Norfolk Federation of Women's Institutes and other local organisations to run Norfolk's 2013 International Women's day event. The event was well attended from a diverse number of organisations including several local disability groups and members of the youth parliament.
 - As an organisation we are committed to tackling hate incidents and hate crime, and encouraging effective reporting. Over the last year a programme of training with providers of services that support vulnerable people has taken place, enabling them to better recognise hate incidents and have a follow up conversation with people. Five sessions were undertaken with 60 people attending.
 - Following a consultation on the effectiveness of the Council's Pledge (setting out our statutory obligations and commitments) for children in or leaving our care, we have worked with a group of young people in care to develop 'the Promise', a new pledge that reflects young people's priorities. The Promise has since been presented Cabinet

and is currently being made into a DVD, along with other formats, by young people.

- As part of the Norwich Better Bus Area project we have been working with blind and visually impaired bus users to improve the accessibility of information, including trialling a new talking sign system which helps people find out if they're at the right bus stop, and when the next bus is due.

6. Equality Impact Assessment (EqIA)

- 6.1 This report provides a summary of performance information on a wide range of activities monitored by the Corporate Resources Overview and Scrutiny Panel. Many of these activities have a potential impact on residents or staff from one or more protected groups. Where this is the case, an equality assessment has been undertaken as part of the project planning process to identify any issues relevant to service planning or commissioning. This enables the Council to pay due regard to the need to eliminate unlawful discrimination, promote equality of opportunity and foster good relations.
- 6.2 Details of equality assessments are available from the project lead for the relevant area of work, or alternatively, please contact the Planning, Performance and Partnerships team.

7. Section 17 – Crime and Disorder Act

- 7.1 There are no direct implications of this report for the S17 Crime and Disorder Act.

8. Conclusion

- 8.1 Corporate Resources and shared services continue to deliver against their targets and agreed priorities at a time of considerable change. Good progress is being achieved across a range of strategies and initiatives that support the delivery of more efficient and sustainable practices across the County Council.
- 8.2 Key areas for focus are reducing carbon emissions in order to meet the March 2014 reduction target, managing staff sickness absence and continuing to support and engage with employees in the delivery of the change programme and delivery of efficiency savings.

9. Action Required

9.1 Members are asked to:

- Note progress and consider whether any aspects should be identified for further scrutiny.

Background papers

Norfolk County Council's Usage of Water

- CROSP 03 September 2013:
<http://www.norfolk.gov.uk/view/carp030913agendapdf#page=37>
Minutes: <http://www.norfolk.gov.uk/view/carp030913minspdf>

Energy & Carbon Management Programme 2014-2020

- CROSP 15 October 2013:

<http://www.norfolk.gov.uk/view/carp151013agendapdf#page=48>

Minutes: <http://www.norfolk.gov.uk/view/carp151013minspdf>

- Cabinet 4 November 2013:
<http://www.norfolk.gov.uk/view/cabinet041113agendapdf#page=175>
Minutes: <http://www.norfolk.gov.uk/view/cabinet041113minspdf>
- Full Council: <http://www.norfolk.gov.uk/view/council251113agendapdf#page=164>
- Minutes: <http://www.norfolk.gov.uk/view/council251113minspdf>

Appointment of Interims within the Senior Management Structure

- Cabinet Scrutiny 21 January 2014
<http://www.norfolk.gov.uk/view/cabscrut210114agendapdf>

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

Managing Change

Overall assessment of Norfolk Forward Programme status:		AMBER			
Dashboard Assessment by Programme					
Programme	Overall	Timescales	Benefits	Budget	Resources
Shared Services	AMBER	AMBER	GREEN	GREEN	GREEN
County Hall (Workstyle)	GREEN	GREEN	GREEN	GREEN	GREEN

KEY

Key - Performance		DoT - Direction of travel i.e. better or worse than the previous month.	
Green	Performance is on target, no action required.	X	Performance has got worse.
Amber	Performance is slightly off-track.	✓	Performance has improved.
Red	Performance is worse than the target, action required.	➡	Performance has stayed the same.
↑	Value on a surveillance measure has shown an increase – this does not automatically indicate worsening or improving performance		
↓	Value on a surveillance measure has shown a decrease – this does not automatically indicate worsening or improving performance		
Surv.	Surveillance measures are indicators that we don't set a target for because: <ul style="list-style-type: none"> The indicator tells us about the context for our services, but does not measure our performance – for example the carbon dioxide emissions from our property Where performance isn't entirely within our control – for example the rate of deaths from accidental dwelling fires We continue to report these because they have a significant impact on demand for services or outcomes for Norfolk people and are important to note.		
Latest value	Latest values are taken from September 2013 unless otherwise indicated.		
Reporting period	Most recently available data used. For most indicators Direction of Travel compares to last period, or same time last year. Unless suffixed by either a [Q] or [A] or [B] (representing Quarterly or Annually or Biannually respectively) each measure is monitored monthly.		

Managing Our Resources

Measure	Q3 Apr-Dec 2012/13	Q4 Apr-Mar 2012/13	Q1 Apr-Jun 2013/14	Q2 Apr- Sept 2013.14	Latest Value	Latest Target	Direction of travel	Rating	End of year target
Managing the budget (Whole Council)									
Projected budget spend against revenue budget [M]	-1.1%	-0.7%	-1.8%	-0.75%	0.14 (Dec)	0.0% or less	X	Amber	0.0% or less
Spend against profiled capital budget [M]	-0.1%	-6.5%	-0.1%	-0.08%	-1.82 (Dec)	Between 0.0% and -10%	✓	Green	Between 0.0% and -10%
Projected cashable efficiency savings [M]	£25.131m	£25.272m	£16.292m	£16.451m	£15.817m	£16.459m	X	Amber	£16.459m
Managing the budget (Resources)									
Projected budget spend against revenue budget [M]	-3.4%	-3.0%	0.0%	-0.19%	0.66 (Dec)	0.0% or less	X	Amber	0.0% or less
Spend against profiled capital budget [M]	0.0%	-14.3%	0.0%	0.0%	1.12 (Dec)	Between 0.0% and -10%	X	Amber	Between 0.0% and -10%
Projected cashable efficiency savings [M]	£3.769m	£3.769m	£2.240m	£2.240m	£2.240m	£2.240m	➡	Green	£2.240m
Procurement									
Percentage of spend on contract (where systems permit this to be measured) [M]	New measure introduced Q1 2013/14		88.56%	88.82%	85.09%	New measure	X	n/a	New measure
Rationalising assets and property									
Premises related costs per FTE (Whole Council excluding schools) (2011/12 = £3110) [A]	£3164	£3164	N/A	N/A	£3164 (2012/13)	Surv.	X	Surv.	Surv.
Premises related costs per FTE (Resources) (2011/12= £1,701) [A]	£1,999	£1,999	N/A	N/A	£1,999 (2012/13)	Surv.	X	Surv.	Surv.

Sustainability									
Reduction in carbon dioxide emissions compared to 08/09 baseline (all sources, whole council 2011/12 = -17%: [A])	-10.6%	-10.6%	-	-	-10.6%	Surv.	X	Surv.	-25%
% CO2 emissions from automatically metered buildings compared to 08/09 baseline (Whole Council) [M]	NEW	88.7%	88.3%	86.89% (Jan-Dec 13)	86.9% (Dec 13-Jan 14)	Surv.	✓	Surv.	Surv.
% CO2 emissions from automatically metered buildings compared to 08/09 baseline (Resources) [M]	NEW	82.5%	83.1%	83.00% (Jan-Dec 13)	80.8% (Dec 13-Jan 14)	Surv.	✓	Surv.	Surv.
Reduce water usage by 15% from March 2013 (whole council including schools) [A]	NEW	NEW	NEW	NEW	NEW	NEW	NEW	NEW	-15% by 2017
People Management									
Staff performance (composite) [M]	A	A	A	A	A	Green	➡	Amber	Green
Staff engagement (composite) [M]	A	A	A	A	A	Green	➡	Amber	Green
Staff resourcing (composite) [M]	G	G	G	G	G	Green	➡	Green	Green

Risk Management- Key risks from the Corporate Risk Register		
RM14100 ICT Loss of key systems	➡	Amber
RM0200 Capacity for change - Insufficient capacity for business transformation	➡	Amber
RM13968 Failure to follow data protection procedures	➡	Amber
RM14097 Shortage of personnel for a variety of reasons e.g. illness, industrial action, inclement weather etc., including loss of key senior personnel	➡	Amber

Service Performance

Measure	Q3 2012/13	Q4 2012/13	Q1 2013/14	Q2 2012/13	Latest Value	Latest Target	Direction of travel	Rating	End of year target
Organisational development									
HR Direct Resolution rate [M]	G	G	G	G	G	G	→	Green	G
Number of redeployments (amount of redundancy payment avoided) [Q]	35 (£76,139)	56 (£180k)	28 (£150k)	45 (£280k)	55 (£312k)	Surv.	↑	Green	Surv.
Average number of days employee sickness per FTE (Whole council) [Q]	5.2	7.1	1.7	2.9	5.07	n/a	✓	Red	6.86
Average number of days employee sickness per FTE (Resources) [Q]	6.2	8.5	1.94	3.7	5.79	n/a	✓	Red	7.47
Responsive services									
Percentage of invoices paid by authority within 30 working days [M]	96.8	98.1	96.9	97.12%	97.75%	90%	✓	Green	90%

Outcomes For Norfolk People

Measure	Q3 2012/13	Q4 2012/13	Q1 2013/14	Q2 2013/14	Latest value	Latest Target	Direction of travel	Rating	End of year target
People's view on council services									
Satisfaction with services (through tracker survey) [A] 2011/12= 49%	52%	-	-	-	52% (2012/13)	49%+	✓	Green	49%+
Satisfaction with the way in which we handled customer complaints [A] 2011/12 = 47%	44%	-	-	-	44% (2012/13)	44%+	X	Green	44%+
Ombudsman complaints where maladministration found [M]	0	0	0	0	0	0	➡	Green	0
Accessing the council including advice and signposting services (Whole Council)									
Quality and effectiveness of customer access channels (composite) [M]	G	G	G	G	G	G	➡	Green	Green
Localism (Whole Council)									
% residents who feel they can influence decision affecting their local area [A] 2011/12= 33%	35%	-	-	-	35% (2012/13)	33%+	✓	Green	-
Equalities									
Tackling priorities identified by potentially vulnerable residents [M]	G	G	G	G	G	G	➡	Green	Green
Reported number of hate incidents and hate crimes [B]	236	212	250	n/a	250 (Q1 2013/14)	Surv.	X	Surv.	Surv.

Exceptions and commentary on data and blanks

Measure	Detail
Delivering Norfolk Forward	
Managing our resources	
<ul style="list-style-type: none"> Percentage of spend on contract (where systems permit this to be measured) Reduction in water usage (whole council including schools) 	<p>This indicator measures all expenditure via our main financial systems, - CareFirst, iProc and the Highways Management System. In due course it will also include spend through our passenger transport system, Routewise. It shows the proportion of spend which is attributed to a contract. The percentage figure fell recently because payment of certain contracts was moved to CareFirst but there was a delay in setting up the corresponding contractual arrangements on CareFirst.</p> <p>This indicator has been added to the dashboard for the first time following the recommendation at CROSP on 3 September 2013 that future updates on progress in delivering the council's water strategy be included with this report. Working with Anglian water the Council's water strategy aims to reduce water usage and make financial savings. The target is for a 15% reduction in water usage by 2017.</p>
Service performance	
Outcomes for Norfolk people	

Corporate Resources Overview and Scrutiny Panel

10 March 2014

Item No. 12.

Member Learning & Development Programme 2014/15

Report by the Head of Democratic Services

Summary

As part of the Council's agreed Member Development Strategy, and in recognition of the Charter Plus for Member Learning and Development which Norfolk currently holds, it is expected that we have in place an annual programme of member learning and development. The benefit of this programme for Norfolk's members has been seen over the past year in that the Induction Programme, following the election, was an extended version of how members are supported in their role, throughout their term of office.

Recommendation:

1. To agree the programme of member learning and development for 2014/15, confirming the topics for inclusion as set out at paragraph 2.4 and any others topics the Panel may wish to add.

1. Background

- 1.1 Each year members are invited to consider key learning and development topics which will be of relevance to them for inclusion in a programme of briefing sessions, supplemented during the year by additional information and briefings, which enable them to be more effective in their role. The difference this year has been that elections were held, followed by an extensive Induction Programme of Member Learning and Development.
- 1.2 Currently, members are engaged in the more targeted form of support, through individual Personal Development Planning (PDP) interviews with an external consultant. The PDP process uses the IdEA Political Skills Framework to help members identify their strengths and weaknesses and areas for development. This process supports members to identify what will be of particular benefit to them and, arising from this process, we can gain an overview of the key areas where additional and specific or group briefing sessions can be offered. To date 40 members have either undertaken or are signed up to have a confidential PDP interview. As part of this discussion, members were encouraged to think through what skills and knowledge they might need to have in a new committee system.

2. Learning and Development 2014/15

- 2.1 The County Council agreed, on 17 February, that "the Council's ambition for Norfolk is for everyone in Norfolk to succeed and fulfil their potential. By putting people first we can achieve a better, safer future, based on education, economic success and listening to local communities."

The Council's priorities are:

- **Excellence in education** – We will champion our children and young people's right to an excellent education, training and preparation for employment because we believe they have the talent and ability to compete with the best. We firmly believe that every single child matters.
- **Real jobs** – We will promote employment that offers security, opportunities and a good level of pay. We want real, sustainable jobs available throughout Norfolk.
- **Good infrastructure** – We will make Norfolk a place where businesses can succeed and grow. We will promote improvements to our transport and technology infrastructure to make Norfolk a great place to do business.”

2.2 In addition, the Council is moving towards a Committee System of Governance from May 2014, which will involve a major change in the way that the Council carries out its business. It will be essential that members are fully supported as to the implications, roles and function of the new committees. Work is already underway to present a briefing on this subject but further opportunities will arise, closer to implementation and beyond then and will be built into the Programme.

2.3 At present, the Learning and Development events for 2014/15 which members might consider relevant could include some or all of the topics set out below.

2.4 The Member Learning and Development Programme is supported and enhanced by Chief Officers and the programme of member learning events is organised into one of three overarching groupings, namely:

- ❖ Supporting the local member role: the focus is on knowledge which can be used in the local member role as part of dialogue with or support to constituents.
- ❖ Events of strategic significance: the focus is on knowledge about strategic developments impacting on the Council.
- ❖ Supporting the personal development of members: the focus is on knowledge which will support members in how they undertake their role.

Supporting the local member role, topics raised by MSDAG were:

- Norse Group (overview of business model)
- Domestic Violence awareness/impact
- Corporate Parenting
- Governance in schools
- Visits to Norse care homes
- Revisit Hethel Engineering
- Update briefing on ex RAF Coltishall
- Refresher briefing on the Norfolk Museum Service
- Supporting carers in the community

Events of Strategic Significance include:

- New Committee Governance Arrangements

The Council faces very significant changes to the way it operates, with completely new decision-making processes and more members directly involved in that decision-making. It will be important that member development activity, both leading up to the implementation of the new governance structure in May and then through the rest of the year, is designed to enable the effective delivery of the new arrangements. This will include the new service committees identifying their own particular training and development needs.

- Ensuring Effective Ongoing Scrutiny and Performance Monitoring of Children's Services (CS)
- Safeguarding (CS)
- Our Children's Future (CS)
- Climate Change and the Implications for Norfolk (ETD)
- Creative Employment Opportunities (Economic Development)
- The state of Public Health in Norfolk (Public Health)
- Living Longer, Being Healthy (Public Health)
- Understanding the Public Sector Landscape and Getting the Most out of Scarce Resources (Finance)
- The Benefit of Commissioning in its Widest Sense (AdSS)
- Norfolk's Past, Preserved (Museums Service)
- The Integrated Management of Major Emergencies (Fire Service/Em. Planning)
- The Public Response (Customer Services)
- Behaviour and Standards in Public Life (Head of Law)
- Collaborative and partnership working to achieve better outcomes (P&P)

Supporting Personal Development, topics include:

- Speed Reading
- Questioning and scrutiny
- Managing Time
- Effective Chairmanship
- Public speaking and media interviews
- Advanced iPad skills (monthly repeat, with timed slots)
- Leadership skills
- Succession planning for key roles
- The implications for members of the Data Protection and Freedom of Information Acts

2.5 In supporting personal development, it will be very important that appropriate opportunities are developed so that the new roles and responsibilities that will arise from the new committee governance structure can be carried out effectively. This will include the changing roles that senior members will have, e.g. the proposed service committee chairmen's role as the Council's lead members and spokespeople for their service areas.

- 2.6 In considering the member learning and development programme, the Chief Officer Group has suggested that it would be useful for MSDAG to carry out a piece of work to identify a hierarchy of training/development, which would look firstly at the core skills needed by all members and then at the skills required to match the particular roles that members have, such as member of a specific committee, chairman, vice-chairman, group spokesman, representative on partnerships/outside bodies etc. This could lead to the development of a menu of training and development opportunities that would be highly beneficial both to individual members and to the Council as a whole.
- 2.7 Once a final programme of topics is confirmed, dates will be included and widely publicised in late April/ early May 2014. In the main, member briefings will be held on the last Wednesday of each month, set aside as Member Development Days, part of our Charter Plus commitment. In addition, a short description of what the learning event will cover will be added, to encourage as wide a take up of members as possible. However, there will be a range of learning methods offered, to suit all learning styles, such as e-learning, workshops and workbooks, where appropriate.

3. **Recommendation:**

To agree the programme of member learning and development for 2014/15, confirming the topics for inclusion as set out at paragraph 2.4 and any others topics the Panel may wish to add.

4. **Human Rights:** There are no Human Rights implications.

5. **Equality Impact Assessment (EqIA):**

These proposals will have no direct impact on equality of access or outcomes for diverse groups.

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

6.1 There are no direct implications.

7. **Risk Implications**

7.1 There are no risk implications.

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Update Report on Transfer of Public Health Functions to Norfolk County Council

Report by the Interim Director of Public Health

Summary

The Public Health functions transferred to the County Council in April 2013. In March 2013 the Committee received a report outlining the statutory functions of public health and the indicative budget allocation. A subsequent report described the main perceived risks in transition. The purpose of this report is to update the Committee on the current financial position of public health, the management of the risks identified and the performance in 2013/14.

Recommendation:

Members are asked to note the progress made in the first year since transfer of public health responsibilities to the County Council.

1.0 Background

- 1.1 When the public health function transferred in 2013 the County Council and the Director of Public Health were given a range of mandatory responsibilities in relation to public health.
- 1.2 At the time of transfer, the public health function acquired a range of contracts, a number of which had not previously been managed by public health staff and some relating to functions not previously commissioned by public health. Where services were purchased from the hospitals, there was generally no service specification and no allocated budget amount as public health services were part of the overall contract held between the Primary Care Trust (PCT) and the provider. The £29,798,300 funding allocated to the County Council by the Department of Health was based on a snapshot from the 2010/11 PCT ledger and was not accurately aligned with committed expenditure.
- 1.3 A number of risks associated with transfer were identified in a Report to this Committee in June 2013. These included;
 - Services covering both Great Yarmouth and Waveney.
 - With the public health allocation from central government being based on 2010/11 spend a shortfall of £378,206 was shown in the budget.
 - Potential poor value for money in contracts
 - A lack of clarity pertaining to the transition of functions from the former PCT to successor organisations particularly around roles and responsibilities in relation to outbreak management and infection control.
 - Indemnity for the public health out of hours service which is partly staffed by NCC Consultants in Public Health

2.0 Current Position

2.1.1 Regularisation of commissioning and contracting

In the course of the last year with support from the contracts management, procurement and finance teams the public health elements of contracts held by the Clinical Commissioning Groups have been identified and costed. For this transitional

year NCC has been a cosignatory to these contracts, but they are gradually either being retendered or moved to NCC contracts. It has been extremely difficult in some cases to obtain activity data and to establish to what extent the services represent value for money.

2.1.2 In addition, around 700 service agreements with 250 GP and Pharmacy providers have now been transferred to NCC contracts and negotiations are ongoing with the Local Medical Committee and the Local Pharmaceutical Committee to develop new agreements which relate to the provider rather than the service. For example, a single agreement rather than separate agreements with a GP practice delivering health checks, smoking cessation advice and sexual health services.

2.2.1 **Financial Position**

As has been outlined above, there was little clarity on transfer around financial commitments and an accurate picture was not obtained until well into the year. For this reason a very prudent approach has been taken to budget management in order avert a potential overspend. As can be seen in the table below the budget for the current financial year end is in fact projected to be underspent by £2.3 Million. There are a number of reasons for this;

1. Public health has taken the opportunity of the move to NCC to reconsider how best to commission school nursing and weight management services in collaboration with Children's Services and other Health and Wellbeing partners. This and a re-examination of the way that prevention work is commissioned have delayed the retendering of child health services. In addition, negotiation is now ongoing with NHS England regarding the transfer of health visiting services to the Council in 2015.
2. On transfer to NCC, Public Health acquired a range of contracts which had not previously been managed by the department. Many of these had extremely inadequate specs and very little information on committed costs. In the light of this there was a decision to restrict recruitment and some recommissioning until the position became clearer.
3. There has been a considerable underspend on the service agreements with GPs and pharmacies for services such as smoking cessation and health checks. Prescribing costs have also been lower than anticipated because of reduced activity by GPs. This has serious implications not just in relation to underspend, but also with regard to delivery of mandatory targets. It is an area that is always unpredictable and discussions are ongoing with the Local Medical and Pharmaceutical committees to try to get better control going forward. Final spend for this year will not be known until the Quarter 4 claims are submitted in June. In reality a contingency for these contracts and for outbreak management will be required going forward.
4. In addition the Council has received over £300K income above the public health grant, some being committed from last year's budget, some grant for additional projects and some earned income.

2.2.2 The department has worked closely with colleagues from both Finance and Procurement to schedule a systematic programme to review all contracts. This has resulted in significant improvements to both the understanding and management of risks and issues.

2.2.3 Norfolk Audit Services have completed the first report on Public Health compliance with key financial controls and have confirmed that the internal controls used by the Directorate are 'Acceptable'.

2.2.4 The anticipated final public health spend for 2013/14 is shown below;

Service Activity	Anticipated Final 2013/14 Spend	Percentage Spend
Drug and Alcohol team	9,200,000	30.9
Sexual Health	7,293,407	26.2
Business & Staffing	2,913,519	10.6
Children & Young People	2,671,080	9.0
Smoking Cessation	1,912,086	8.9
Health Trainers	1,646,665	5.5
NHS Healthchecks	744,000	5.0
Nutrition & Adult Obesity	353,061	1.2
Physical Activity for Adults	261,190	0.9
Communities	197,046	0.7
Actions to reduce the impact of the wider determinants of health	124,107	0.4
Health Intelligence	101,695	0.3
Other	49,622	0.2
Winter Planning & Warm and Well Project	30,000	0.1
Library Services	21,000	0.1
Emergency Planning & Readiness Team	7,500	0.0

Total Expenditure	27,525,978	100
DH Grant	(29,798,300)	
Overspend or (underspend)	(2,272,322)	

2.3.1 Performance

The mandatory functions which the Council is required to deliver through public health are;

2.3.2 Appropriate access to sexual health services:

A sexual health needs assessment has been undertaken involving extensive engagement with providers and practitioners and the procurement process for a new service is now underway.

2.3.3 Steps to be taken to protect the health of the population :

- The interim Director has been working with NHS England to develop the Local Health Resilience Partnership, a mandatory committee which reports to the Local Resilience Forum.
- As part of this process, the Emergency Preparedness of the three hospitals has been reviewed.
- The public health team actively participated in the flood response in December.
- The infection control team has been consolidated and undertakes oversight of infection control in the hospitals on behalf of the Clinical Commissioning Groups (CCGs). The team is also working with adult social care staff to improve care home infection control standards.

- The Interim Director has collaborated with Public Health England to establish a network to assess the risk and co-ordinate activity around Tuberculosis and also an overall Health Protection Group.
- Public Health is a partner in the Norfolk and Waveney Strategic Alliance which examines health service quality and patient safety issues on a quarterly basis.
- Consultants provide part of the out of hours on call rota for public health emergencies.
- The Interim Director and Infection Control staff meet regularly with Infection Control leads in the three hospitals and the main community care providers.
- The Interim Director adjudicates when required on the attribution of cases of Healthcare Acquired Infection.
- The Health Intelligence team delivered the analysis of uptake rates for NHS England Area Team during the MMR campaign.

2.3.4 Ensuring NHS commissioners receive the public health advice they need:

All the CCGs receive Consultant support and the relationship is developing well although due to a lack of Consultant staff support has not been as robust in some areas as others. The Health Intelligence team and the infection control staff also provide advice and support to NHS commissioners.

2.3.5 The National Child Measurement Programme:

This was commissioned and undertaken in 2013/14 and met the required standards in terms of uptake and engagement. The rate of childhood obesity remains a concern for Norfolk. This was reported in the Director of Public Health's Annual Report and is a priority for the Health and Wellbeing Board.

2.3.6 NHS Health Check assessment:

This is a preventative 5 year programme for people aged 40-74 who do not have existing known circulatory conditions. It is delivered by GPs and Pharmacies and in order to provide the check to one fifth of the eligible population each year, 45,000 checks would be required. The nationally set target, however is 33,750.

2.3.7 As referred to in the finance section, delivery from NHS providers has been lower than expected to date although performance against the mandatory targets has been generally in line with elsewhere in the East of England. A major marketing campaign was launched in January this year and it is hoped that this will boost uptake. It is, however, unlikely that the national target will be reached. Plans are in place to develop an outreach service to reach routine and manual workers in the workplace, but because of budgetary uncertainty and staff pressures, this was not taken forward in the current year. It is intended to put this in place in 2014.

2.4.1 **Remaining Risks Identified to CROSP in June 2103**

Most of the contracts covering Great Yarmouth and Waveney have now been split and the necessary financial transfers undertaken. A Locum Consultant jointly funded by Norfolk and Suffolk Public Health departments has been appointed to support the integration of health and social care in the Great Yarmouth and Waveney CCG area and to ensure that communication is maintained in relation to cross boundary services.

2.4.2 Budgetary issues are addressed above.

2.4.3 An on-going review of contracts and a re-procurement programme is in process, beginning with sexual health and child health services.

2.4.4 There is still a lack of clarity in some areas of the former PCT functions, however, this is gradually being resolved and relationships are constructive and positive.

2.4.5 Public Health England has offered honorary contracts to on call staff which will indemnify them for out of hours activity.

3. Summary

3.1 Considerable progress has been made in the last year in consolidating the public health function as both an NCC department and an advisor to the NHS. Clearly there have been major issues with the transfer of contracts and activity which have led to an underspend, however these are now being resolved. The process of retendering has been slowed by very low staffing levels in the department, which in terms of numbers has been 25% below establishment. A change in delivery mechanism is needed to meet the health check target and staff resource will also need to be directed to achieving the outcomes of the Health and Wellbeing Board.

3.2 The requirements on public health are still very fluid as the wider NHS continues to settle and initiatives such as the Better Care Fund progress; however, the intention of the two year ring fenced budget was to support this transitional period and by the end of the coming financial year it is expected that the public health function should be in a good position to go forward.

4.0 Resource Implications

4.1 **Finance:** In accordance with the Grant Conditions detailed in the Department of Health letter dated 10 January 2013, funds left over at the end of the financial year are to be carried over into the next financial year as part of a public health reserve.

4.2 **Staff:** A prudent approach to resourcing will continue to ensure that the need for a higher level of resourcing is balanced against the needs and demands of the department.

4.3 **Property:** No Issues.

4.4 **IT:** No Issues.

5.0 Other Implications

5.1 **Legal Implications:** nplaw continue to provide legal advice where appropriate in respect of the transfer of contracts.

5.2 **Human Rights:** No Issues

5.3 Equality Impact Assessment (EqIA)

Addressing inequalities within the population is a core public health principle. Each contract aims to ensure that those in worst health receive the most benefit from the services, reducing any gap in equalities. Equality Impact assessment are an important part of the process. Public Health commissioning priority in the last year has been around needs assessment to improve access to sexual health and child health services for those most at risk of poor outcomes.

5.4 **Communications:** No Issues.

6.0 **Section 17 – Crime and Disorder Act** No Issues

7.0 Recommendation or Action Required

The Panel is asked to consider and comment upon the contents of this report.

Background Papers

Report to CROSP 12 March 2013



CROSP Report - PH -
final 2013-03-12.doc

Report to CROSP 13 June 2013

Officer Contact

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Corporate Banking Services

Report by Head of Finance (Interim)

Summary

The Co-operative Bank has notified the County Council that it is withdrawing from providing banking services to local authorities. This means that the corporate banking contract will need to be retendered and a new banking provider procured.

The 7 District Councils in Norfolk are also Co-operative Bank customers and therefore there is an opportunity for the County Council to work with the District Councils in procuring banking services.

Action Required

The Panel is asked to review and comment on the contents of this report.

1. Background

1.1 The Co-operative Bank plc (Co-op) provides transactional banking services to the County Council. The Co-op is a 'clearing bank' which facilitates the exchange of cheques and other payments between customers and other banks. UK clearing banks operate accounts with the Bank of England.

1.2 The County Council operates a total of 580 bank accounts. Of these bank accounts, 3 are principal accounts (income collection, general expenditure and salary payments). The remaining bank accounts are service specific (e.g. schools locally managing their devolved budgets) and include:

417 – Schools

51 - Children Services (non schools: children homes, support teams, referral units etc.)

73 - Community Services (day centres, client accounts, libraries, museums etc).

36 – Other Services (Fire, Trading Standards, ETD, Corporate Resources etc).

Work is currently under way to close up to 100 local 'imprest' accounts across all services following a Quality Assurance audit.

- 1.3 As part of its plans to re-capitalise and simplify its business, the Co-op announced on the 5th November 2013 its intention to withdraw from providing banking services to local authorities. As a result, the Co-op will not be seeking to renew banking relationships with local authorities when current contracts expire. The County Council's banking contract expires on 31st March 2016.
- 1.4 Co-op is allowing early termination of contracts without penalty and has assured local authorities of assistance during their transitional period.

2. Changing Banks

- 2.1 Banking services are business critical to the County Council. Over £3bn of receipts and payments are processed through the County Council's bank accounts each year, being income collected and payments made to suppliers and staff. Bank account reconciliation and cash management form the basis of financial management and statutory accounts. Our bank accounts interface with third party systems, such as corporate purchasing cards and merchant acquiring (debit and visa payments) and directly support front line services.
- 2.2 Changing banks is resource consuming and presents a "medium" risk to the authority (see Section 10, Risks Implementations). The Corporate Programme Broad has recognised the process of changing banks as a corporate project and allocated project management support to assist with the transition.
- 2.3 The banking industry's appetite for local authority contracts has traditionally been limited – only one other bank submitted a tender response when the County Council last went out to the market in 2010/11.
- 2.4 Changing banks provides an opportunity to review and challenge existing processes and ways of working. Developments within the banking industry, geared towards automation or paperless transactions will also provide opportunity to realise benefits. However, some change such as the potential loss of local post office banking may result in increase costs (travelling to nearest high street branch) or risk (more cash left on site overnight).
- 2.5 Independent banking consultants can assist local authorities to maximise benefits when changing banks by reviewing existing banking arrangements, identifying alternative/new products and services, assisting with tender specifications and undertaking evaluation of tender responses including benchmarking of fees and tariffs.

3. Joint Procurement/Tender Process

- 3.1 All 7 District Councils in Norfolk are Co-op customers. There is therefore an opportunity for the County Council to work with the District Councils in procuring banking services.

- 3.2 The County Council organised a pre-procurement “concept viability day” in January. All 7 District Councils participated, along with five major UK Banks; Barclays, HSBC, Lloyds, NatWest and Santander with representatives from banking consultancies. Specific questions were put to the Banks on topics such as joint procurement, service transition, service delivery and product innovation. The Banks and banking consultants viewed a County and District joint procurement as an efficient and effective means of procuring banking services.
- 3.3 A joint procurement and contract award is likely to generate wider interest from Banks than a single authority contract award. This in turn may lead to more competitive banking fees and charges. It is also more attractive to the Banks from a geographical business hub perspective. For the County and Districts there is the opportunity to share procurement costs, consultancy and legal fees as well as knowledge and experience throughout the procurement and implementation process. Going forward the County and Districts would also share a common banking platform which would be advantageous when undertaking intra-authority transactions and sharing back office services. A joint County and District working group of has been established to progress the joint procurement of banking services.
- 3.4 NCC’s neighbouring shire counties are not Co-op customers and are either mid contract (Cambridgeshire CC) or in the process of extending existing arrangements (Suffolk CC). Officers from Norfolk have approached Suffolk suggesting that Suffolk considers an extension term that would enable Suffolk to join Norfolk authorities in a joint procurement exercise.

4. Timetable

- 4.1 There are two stages to this banking project; stage one being the procurement, stage two being the implementation. It is estimated that each stage could take up to 6 months to complete, giving a total project timescale of 12 months. As banking services support the financial management of the authority, a contract date of 1st April to coincide with the start of a new financial year seems appropriate. However, this is also high risk in terms of other financial activity (closure of accounts) being undertaken at this time. Therefore a mid-year transition date (e.g. 1st October) may be preferable.

5. Cost of Change

- 5.1 Costs fall into two categories; one-off project/set-up costs and on-going contract (bank fees and charges).
- 5.2 Many of the one-off costs will be internally generated “opportunity costs” – the cost of internal resources being utilised to support this project as opposed to working on something else. The alternative to resourcing internally is to use external services such as IT consultants and incur significantly higher direct costs.
- 5.3 The cost of using external banking consultants to assist with the procurement exercise is estimated to be less than £10K.

- 5.4 There is also opportunity to share some one-off procurement costs and consultancy through joint working with district councils and other bodies.
- 5.5 Given that banking services are closely aligned to the authority's treasury and cash management activities, one-off costs could be charged to the interest earned from the investment of cash balances.
- 5.6 With little competition and being "forced to change," banks may look to inflate fee tariffs when submitting tenders. However, there will be an opportunity to rationalise current processes, for example; using BACS instead of cheques for all payments and therefore on-going costs could be maintained within current budget.

6. Next Steps

- 6.1 The County and District joint working group must appoint banking consultants to assist with the preparation and evaluation of a joint banking tender. The banking consultant will:
- Review existing banking arrangements.
 - Produce a specification and draft a joint tender document.
 - Determine the tender evaluation criteria.
 - Analyses tender responses and make recommendations.
- 6.2 It is estimated that contract award could be made by August.

7. Equality Impact Assessment

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

8. Environmental Implications

- 8.1 The recommendation contained in this report is not considered to have any environmental impact.

9. Section 17 Crime and Disorder Act

- 9.1 There are no implications for crime and disorder.

10. Risk Implementations

- 10.1 The need to procure and implement corporate banking services for the County Council has been recorded on the Banking and Treasury risk register. The inherent risk score is 15 (likelihood 5, impact 3), a medium risk. The register is regularly monitored and mitigating action is taken when appropriate.

11. Alternative Options

11.1 There are no alternative options to a corporate banking service.

12. Conclusion

12.1 With the Co-op having announced its intention to withdraw from local authority banking, the County Council and District Councils must retender their banking contacts. A joint procurement exercise is seen as an efficient and effective means of procuring banking services.

13. Action Required

13.1 The Panel is asked to review and comment on the contents of this report.

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