

Cabinet

Minutes of the Meeting held on Monday 2 March 2020 at 10am in the Edwards Room, County Hall, Norwich

Present:

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

Other Members Present:

Cllr Steve Morpew	Cllr David Bills
Cllr Alexandra Kemp	Cllr Vic Thomson
Cllr Bev Spratt	Cllr Emma Corlett
Cllr Mike Smith-Clare	

Executive Directors Present:

Tom McCabe	Executive Director of Community & Environmental Services and Head of Paid Service.
James Bullion	Executive Director of Adult Social Services
Helen Edwards	Chief Legal Officer and Monitoring Officer
Simon George	Executive Director of Finance & Commercial Services
Fiona McDiarmid	Executive Director of Strategy & Governance

1 Apologies for Absence

Apologies were received from Cllr Bill Borrett, Cabinet Member for Adult Social Care, Public Health & Prevention; Cllr Andy Grant, Cabinet Member for Environment & Waste and Lorne Green, Police & Crime Commissioner for Norfolk who had been invited to attend for agenda items 7 and 8.

2 Minutes

The minutes from the Cabinet meeting held on Monday 3 February 2020 were agreed as an accurate record and signed by the Chairman.

3 Declaration of Interests

Cllr Andrew Proctor, Chairman, declared an interest in agenda item 8 (Repton Property Developments Ltd. Business Plan) as he was a non-Executive Director of the company.

Cllr Greg Peck, Cabinet Member for Commercial Services & Asset Management, declared an interest in agenda item 8 (Repton Property Developments Ltd. Business Plan) and agenda item 16 (Hethel Innovation Ltd and Scottow Enterprise Park) as he was a Director of both companies.

4 Items of Urgent Business

- 4.1 The Chairman reported on the resolution of the Scrutiny Committee meeting held on 20 February 2020 following the call-in of the 'Life Opportunities for Adults with Learning Disabilities and/or Autism' report considered by Cabinet on 3 February 2020.

The Chairman read out the following resolution from the draft Scrutiny Committee minutes:

- That the Scrutiny Committee agreed with the ambitions and the general direction of travel behind Cabinet's decision, however they were keen to advise Cabinet (and the Service department) of a number of issues they considered should be taken on board when implementing the decision.
 1. There should be more co-production in areas such as the service specification, the monitoring arrangements and the reviews of the pilots. This will enable these issues to be better addressed when the implementation is planned and carried out and for the monitoring and review of pilots to be genuine co-productions.
 2. A way should be found to strengthen and improve the flow of information on learning disability issues to Councillors generally.
 3. A full briefing on the outcomes of the pilots should go to the People and Communities Select Committee so as to strengthen strategy development.
 4. Because of concerns about the scale of change for service users, their carers' and providers, the new services should be up and running before existing services and contracts are changed.

The Chairman advised that the call-in had not been about the decision made by Cabinet, which had been backed by the Scrutiny Committee resolution; it had been about the implementation of the decision.

5 Public Question Time

- 5.1 The list of public questions and responses is attached at Appendix A.
- 5.2 Dr Devulapalli stated it was encouraging to hear due regard would be paid to the carbon neutral goal of 2030 and that the West Norfolk Transport Infrastructure Steering Group was going to be established. As a supplementary question, Dr Devulapalli asked what elements of the public would be involved in the work as there was a lot of expertise in west Norfolk

which could provide valuable contributions into the transport plan and asked how they could be part of making that happen.

The Chairman deferred the question to the Cabinet Member for Highways, Infrastructure & Transport who responded that the West Norfolk Transport Infrastructure Steering Group had been set up and he was sure there would be an opportunity for local members of the public to have an input into its work.

6 Local Member Questions/Issues

6.1 The list of Local Member questions and the responses is attached at Appendix B.

6.2 As a supplementary question, Cllr Emma Corlett said that the coast hopper bus service had been built to connect with rail services and that quite a lot of commuters used that route as well as providing access to the coast and for walking the coastal path. Cllr Corlett asked if the Cabinet Member was aware that the departure of the bus was 40 minutes after the arrival of the train from Norwich and 46 minutes after the London train arrived at King's Lynn and if this demonstrated the need for the County Council to be more proactive in order to achieve best practice for members of the public.

The Chairman deferred the question to the Cabinet Member for Highways, Infrastructure & Transport who replied that he was aware there were some issues with the bus service, and he would raise the issue with the bus company. The Cabinet Member went on to say that the Coast Hopper service was a really busy, well-used service in north Norfolk which was important to both local people and tourists.

6.3 Cllr Mike Smith-Clare asked, bearing in mind the Government was carrying out a consultation into music education, why the Council was making significant changes now, when the results of the consultation may necessitate further changes later in the year.

The Chairman deferred the question to the Cabinet Member for Children's Services, who replied that the service hinged on its affordability. He added that the service was a traded model and there was a need to consider how that traded service was provided. He continued that if the Government consultation identified any further changes, these would be considered, but at the present time there was a need to provide a good service that was affordable.

6.4 Cllr Kemp stated that her question was about a super bus highway network for west Norfolk and she found it incredible that King's Lynn was not included in the list of eligible areas. She considered this completely unacceptable as west Norfolk had one of the highest carbon emission rates in Norfolk and the biggest increase of anywhere in the country. Cllr Kemp said that west Norfolk needed to be connected, with more buses for wellbeing and to help its economy. Cllr Kemp asked, as a supplementary question, if the Leader would back the campaign she was starting, for a super bus highway network for West Norfolk which was based on need and would he write to the Secretary of State for Transport to state he must back west Norfolk and help this vulnerable area.

The Chairman deferred the question to the Cabinet Member for Highways, Infrastructure & Transport who responded that the West Norfolk Transport Steering Group was being set up and he was sure they would look at all modes of transport.

7 Emergency Services Collaboration - Update.

7.1 Cabinet received the report by the Executive Director of Community & Environmental Services updating it on the progress that had been made so far, and the further work planned, since the formal agreement was put in place approximately one year ago.

7.2 The Cabinet Member for Communities & Partnerships introduced the report and moved the recommendations, highlighting the report was an update on the Emergency Services Collaboration, as it had been one year since the Police & Fire Services had signed the agreement to work more collaboratively. She added that the annual report had been jointly compiled by the Chief Constable and the Chief Fire Officer and highlighted the following:

- A shared emergency control room, with Norfolk Fire & Rescue Service (NFRS) moving into the Police Headquarters at Wymondham.
- Fire stations being shared in a variety of ways, including training and resources.
- Greater understanding of how other services worked.

The Cabinet Member continued that the collaboration agreement was working well, and more shared services would come forward in the near future.

7.3 The Cabinet Member for Innovation, Transformation & Performance welcomed the report, particularly the co-operation within his Division, adding that the first joint public meeting of the Fire & Police services had been held in Fakenham and had been well received by members of the public. The Cabinet Member added that he was sure the Police & Crime Commissioner would also endorse the report.

7.4 The Chairman highlighted the shared emergency control room and referred to the savings which amounted to approximately £100k over the first twelve months of the co-location, as a result of the collaboration agreement. The Chairman added that he looked forward to future collaborations.

7.5 The Vice-Chairman and Cabinet Member for Growing the Economy particularly welcomed the planned recruitment of six mental health nurses who would provide advice and guidance to staff to help them support colleagues, promoting early interventions and increasing referrals to support services.

7.6 Decision

Cabinet **RESOLVED** to

1. **note** the progress made and re-affirm the Council's commitment to the Emergency Services collaboration agreement between Norfolk Police & Crime Commissioner, Norfolk County Council, Norfolk Fire & Rescue Service, to continue to work together to improve the economy, efficiency and effectiveness of Norfolk's emergency services.

7.7 **Alternative Options**

None.

7.8 **Evidence and Reasons for Decision**

Working better, together, has enabled a number of service improvements and enhancements to be put in place. The Chief Fire Officer and Chief Constable have identified further areas where there is benefit in exploring closer collaboration over the coming year.

8 Norfolk Fire & Rescue Service - HMICFRS Improvement Plan Update.

8.1 Cabinet received the report by the Executive Director of Community & Environmental Services setting out the details of the progress made to deliver the activities set out in the Improvement Plan and the plans for further improvement activities.

8.2 The Executive Director of Community & Environmental Services highlighted that Her Majesty's Inspectorate of Constabulary and Fire & Rescue services (HMICFRS) had carried out its first inspection in 2019 and the service was now preparing for the next inspection in November 2020. He continued that, although there was much work to do, the service now had a solid foundation to build on and that it was very important work was undertaken with the whole fire service team to prepare for the next inspection. Cllr Dewsbury was chairing various meetings to maintain the momentum on the preparation work to ensure the service was fully prepared for the next inspection.

8.3 The Cabinet Member for Communities & Partnerships advised that monthly meetings would be held to prepare for the inspection in November 2020 and Cabinet would be kept updated on the work being done.

The Cabinet Member highlighted the following points:

- Bullying and unacceptable behaviour – staff were assisting in the development of a new cultural framework and grievance process.
- The Fire ICT team was now part of the Corporate IMT service, looking at technology improvements, not only to save money but to ensure it was effective.
- The backlog of home fire risk checks had been cleared, with a new system developed to ensure no backlogs happened in future.
- A new Integrated Risk Management Plan had been developed to cover the next three years, to improve the service and technology.
- A new recruitment campaign, which would pay particular regard to equality and diversity, and encourage more women and people from minority groups to join the service. The Cabinet Member highlighted that the service had seen an increase in female recruits following the campaign, with 25% of new apprentice fire fighters being female.

8.4 The Chairman highlighted the increased investment in the service which would help fund initiatives such as additional resources for community fire protection; fire prevention services for vulnerable people and the retention of the specialist

water capability. The Chairman also highlighted the additional capital investment in the service which would enable a roll-out of new ICT equipment; improvements and upgrades to some fire stations and the purchase of new fire appliances.

8.5 The Cabinet Member for Innovation, Transformation & Performance said that the integration of Fire's ICT into the Corporate IMT team was part of the ambition for efficient use of resources, working together to break down silos.

8.6 The Chairman mentioned that the service had been rated as "requires improvement" overall at the last inspection, with 4 "good" outcomes in the way it responded to fires and other emergencies; the way it responded to national risks; how it made the service affordable and good at getting the right people with the right skills. He continued that he hoped the action plan would translate into further "good" ratings at the next inspection in November 2020, a sentiment echoed by the Cabinet Member for Communities & Partnerships.

8.7 **Decision**

Cabinet reviewed and considered the progress made in delivering the Improvement Plan as set out in the report and at Appendix A and **RESOLVED** to:

1. **Agree** to receive a further update on progress at the Cabinet meeting in June 2020.
2. **Approve** the terms of reference for the new Strategic Development Oversight Group set out in Appendix B of the report. .

8.8 **Alternative Options**

Cabinet may wish to amend or make additions to the Improvement Plan.

8.9 **Evidence and Reasons for Decision**

The Improvement Plan aims to address the areas for Improvement identified by the HMICFRS, and are focussed on improving the efficiency and effectiveness of the service, and how we look after our people. The Improvement Plan sets out the activities the Chief Fire Officer has identified as necessary in order to demonstrate paying due regard to the findings of the HMICRS inspection, but also to improve the service for Norfolk communities.

The new Strategic Development Oversight Group will ensure that those groups representing Fire and Rescue staff are able to be involved in the future development of the service.

9 **Repton Property Developments Ltd Business Plan.**

9.1 Cabinet received the report by the Executive Director of Finance & Commercial Services providing details of the Business Plan for Repton Property Developments Ltd.

9.2 The Chairman highlighted that this was the first business plan from Repton Property Developments Ltd since its inception approximately two years ago, with its main objective being to build more homes as well as to make money for the

County Council. The Chairman also stated that the company would ensure all developments would be completed strictly in accordance with the Local Planning Authority affordable housing policies, for example the Acle site (which now had planning permission) had 92 market developments out of 137, with 45, in addition to the 92, being affordable homes.

- 9.3 The Cabinet Member for Commercial Services and Asset Management endorsed the Business Plan adding that extensive work had been undertaken with the Repton Board to bring forward the development and that he looked forward to seeing work start at the Acle site soon. He also added that it was hoped to see more developments start more quickly, and highlighted the importance of carrying out the works in such a way as to protect the public purse.
- 9.4 The Cabinet Member for Finance corroborated the comments already made, endorsed the Business Plan and commended the speed in which the proposals had been carried out. The Cabinet Member added that the company would be a useful contributor to the finances of Norfolk County Council for the future.
- 9.5 The Cabinet Member for Innovation, Transformation & Performance also endorsed and commended the Business Plan which he considered was a good example of using Norfolk County Council owned land and assets to provide much needed housing and affordable housing for the benefit of the wider county.
- 9.6 The Cabinet Member for Growing the Economy commended the report, adding it was good to see housing provided across the county, with the company moving in the right direction and creating a market, which may help private developers commence their schemes, as there were a number of schemes planned across the county which had not yet commenced.
- 9.7 The Cabinet Member for Highways, Infrastructure & Transport supported the report which would provide homes for Norfolk people and also create jobs in the construction industry which would help the economy. He added that he looked forward to seeing the houses built.
- 9.8 The Chairman added that the plan was not just about big sites, smaller sites would also be utilised through other providers to ensure homes were built.

9.9 **Decision**

Cabinet reviewed the Business Plan to 31 March 2021 to ensure it reflected the aspirations of the shareholder and **RESOLVED** to

Approve the Repton Property Developments Ltd. Business Plan to 31 March 2021.

9.10 **Alternative Options**

Norfolk County Council, as Shareholder, could set alternative objectives for the wholly owned company and request a revised Business Plan.

9.11 **Evidence and Reasons for Decision**

Repton's Board has approved a Business Plan and is subsequently seeking Cabinet's consent to operate the company in accordance with the Business Plan.

10 NCC HH Limited Articles of Association

10.1 Cabinet received the report by the Executive Director of Finance & Commercial Services asking it to review and adopt the proposed articles of association and the special resolution as detailed in the Appendix to the report.

10.2 The Cabinet Member for Finance, in introducing the report, highlighted that Cabinet was the entity which had to officially approve the Articles of Association.

10.3 Decision

Cabinet **RESOLVED** to:

1. **Formally** adopt the proposed Articles of Association and the Special Resolution for NCC HH Limited as set out in the Appendix to the report.

10.4 Alternative Options

The proposed articles of association will replace the model version that was used to establish the company. The alternative options are to either amend the proposed articles of association or to keep with the existing model articles of association.

10.5 Evidence and Reasons for Decision

Following the urgent decision taken by the Leader and Cabinet member for strategy & Governance to establish NCC HH Limited, the point has now been reached to adopt suitable articles of association which are consistent with other NCC wholly owned companies.

11 NCC Nurseries Limited Articles of Association

11.1 Cabinet received the report by the Executive Director of Finance & Commercial Services asking it to review and adopt the proposed articles of association and the special resolution as detailed in the Appendix to the report.

11.2 Decision

Cabinet **RESOLVED** to:

1. **Formally Adopt** the Articles of Association and the Special Resolution for NCC Nurseries Limited as set out in the Appendix to the report.

11.3 Alternative Options

The proposed articles of association will replace the model version that was used to establish the company. The alternative options are to either amend the

proposed articles of association or to keep with the existing model articles of association.

11.4 **Evidence and Reasons for Decision**

Following the urgent decision taken by the Leader and Cabinet Member for Strategy and Governance to establish NCC Nurseries Limited, the point has now been reached to adopt suitable articles of association which are consistent with other NCC wholly owned companies.

12 **Disposal, acquisition and exploitation of property.**

12.1 Cabinet received the report (including the exempt Appendix) by the Executive Director of Finance & Commercial Services, setting out proposals aimed at supporting Norfolk County Council's priorities by exploiting properties surplus to operational requirements, proactively releasing property assets with latent value where the operational needs can be met from elsewhere and strategically acquiring property to drive economic growth and wellbeing in the County.

12.2 The Chairman referred to the exempt Appendix containing commercially sensitive information, which Cabinet Members had received a copy of and said that, as no one had indicated they wished to refer to it in the discussion, it would not be discussed during the meeting. He added that the information would become available through the Land Registry once the sale had been completed.

12.3 The Cabinet Member for Commercial Services & Asset Management introduced the report and moved the recommendations, highlighting that the property team were constantly reviewing the use and future needs of property assets for service delivery to minimise the extent of the Council's estate.

12.4 The Cabinet Member for Highways, Infrastructure & Transport referred to the recommendations for assignment of leases for salt stores. He added that this winter had been mild with the gritters out on approximately 40 occasions this year and that it was essential to keep the salt stores topped up and easily accessible for gritting vehicles in order to keep the county safe.

12.5 The Cabinet Member for Growing the Economy said he was pleased to see the County Council was carefully considering its portfolio to ensure it maintained the best value for the public purse.

12.6 **Decision**

Cabinet **RESOLVED** to:

1. **Authorise** the disposal of plots 2 & 3 London Road, Attleborough, NR17 1YE (3002/038) to a commercial organisation on terms outlined in the exempt report and instruct the Head of Property to implement the disposal.
2. **Agree** to the Council accepting the assignment of a lease for the salt dome site at Saddlebow Industrial Estate, off Poplar Avenue, King's Lynn, PE34 3AQ on the existing terms for an annual rent of £7,250 per annum.

3. **Agree** to the Council accepting the assignment of a lease for the salt dome site at Sculthorpe, Tattersett Business Park, Army Road, Tattersett, NR21 on the existing terms for an annual rent of £10,000 per annum.
4. **Agree** to the Council entering a lease for Unit 4, Castle Acre Road, Swaffham PE37 7HY for 10 years at an initial rent of £43,500 per annum.
5. **Formally** declare the land at Bank Farm, Station Road, Welney (2090/102A) surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Cabinet Member for Commercial Services & Asset Management is authorised to accept the most advantageous offer.

12.7 **Alternative Options**

For the disposal of the land at London Road, Attleborough the alternative would be to decline the offer and retain the site.

In respect of the leasing of properties at King's Lynn, Tattersett and Swaffham the Highways Winter Service Review considered other options for provision of the service. EDT Committee resolved to procure a new contract for salt supply only resulting in the requirement to procure leases for sites for salt storage.

Declaring land holdings surplus is a result of the sites no longer being required for service delivery. The alternative would be to retain resulting in incurring holding costs for an asset that is not contributing to service delivery.

12.8 **Evidence and Reasons for Decision**

The disposal of the land at London Road, Attleborough releases land that is surplus to County Council use, provides the opportunity for significant capital receipts and provide an opportunity for commercial development.

The leasing of properties at King's Lynn, Tattersett and Swaffham is the result of the Highways Winter Service Review undertaken by the Environment, Development and Transport Committee in 2019.

Declaring land holding at Bank Farm Welney surplus to County Council use means that the Corporate Property Team can consider options for the disposal and exploitation of this site.

13 **Finance Monitoring Report 2019-20 P10: January 2020**

13.1 Cabinet received the report by the Executive Director of Finance & Commercial Services giving a summary of the forecast financial position for the 2019-20 Revenue and Capital Budgets, General Balances and the Council's Reserves at 31 March 2020, together with related financial information.

13.2 The Cabinet Member for Finance introduced the report and moved the recommendations, highlighting that there had been a reduction of £0.5m in the Adult Social Care overspend, although the overspend was still £2.186m, with a

continued pressure on costs of care. The department was currently working to reduce the overspend by the end of the financial year.

The Cabinet Member also stated that there had been a further increase in the Children's Services overspend of approximately £400k, which brought the total overspend in Children's Services in 2019-20 to £13.7m after capitalising approximately £2m of equipment and also utilising a previous £2m to support paying the Dedicated Schools Grant (DSG). He added that new arrangements for dealing with the DSG were currently being worked up by the Department for Education (DfE) and formal arrangements were awaited, although the implications appeared to be that, while the DSG would carry forward in full to the new financial year, the DfE was not looking to local authorities to repay, or auditors to qualify the accounts, to make allowances for those repayments. The main reason the overspend had been reduced was that a grant had been received to cover extended free travel.

The Cabinet Member said that, now the financial year was coming to an end, it was possible to ascertain the savings which were unlikely to be made, which amounted to approximately £5.4m, representing 17% of the total budgeted savings of £31.6m. If that result was maintained it would mean the Council remained on par with other years, but ranked higher than most of its peers. However, next year, with a budget gap of £39m there was little room for slippage.

The Cabinet Member highlighted the recommendation that Cabinet was being asked to dissolve Educator Solutions Limited which was a dormant company which had nothing to do with the services provided under the Educator Solutions Brand and was surplus to requirements.

13.3 The Cabinet Member for Innovation, Transformation & Performance commended the report which showed how much of a grip on finances the County Council had. He added that all staff should be commended on the reduction in the overspend over the year.

13.4 The Chairman referred to the Spending Review in 2019, with the majority of Norfolk's share of the £1bn across the country of £17.5m being spent to support children's services budget pressures, rather than just Adult Services. He added that the Council was looking forward to the upcoming budget announcement on 11 March and also the provision of a fair funding settlement for the future.

13.5 **Decision**

Cabinet **RESOLVED** to:

1. **Approve** the proposal to dissolve the dormant Educator Solutions Limited as set out in Appendix 1, paragraph 9 of the report.
2. **Note** the period 10 forecast general fund revenue overspend of £1.375m noting also that Executive Directors will take measures throughout the year to reduce or eliminate potential over-spends;
3. **Note** the period 10 forecast shortfall in savings of £5.398m, noting also that Executive Directors will take measures throughout the year to mitigate savings shortfalls through alternative savings or underspends;

4. **Note** the forecast General Balances at 31 March 2020 of £19.623m, before taking into account any over/under spends;
5. **Note** the expenditure and funding of the revised current and future 2019-22 capital programmes.

13.6 **Alternative Options**

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

13.7 **Evidence and Reasons for Decision**

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

Appendix 1 summarises the revenue outturn position, including:

- Forecast over and under spends
- Changes to the approved budget
- Reserves
- Savings
- Treasury management and
- Payments and debt performance

Appendix 2 summarises the capital outturn position, and includes:

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

14 **Highways Parish Partnership Schemes 2020/21**

14.1 Cabinet received the report by the Executive Director of Community & Environmental Services setting out the proposed parish partnership programme for 2020/21.

14.2 In introducing the report and moving the recommendations, the Cabinet Member for Highways, Infrastructure & Transport highlighted the following:

- 160 bids had been received from Town and Parish Councils across Norfolk in 2020/21. These bids had now been assessed using the set criteria.
- 153 small local schemes for communities were undertaken, for example trods, village gateways, bus shelters and vehicle activated signs.
- The programme was funded through Town and Parish Councils making a contribution, meaning Norfolk County Council was able to double the amount of funding.
- Norfolk County Council would fund approximately £401k which would support delivery of schemes totalling £919k.
- Benefits of the scheme included delivering local priorities identified by local people; drawing in additional funding for small scale highway improvements; giving local communities an opportunity to directly influence improvements in their local area.
- The report included a list of the schemes available.

- 14.3 The Cabinet Member for Growing the Economy agreed that this was a successful and well-received scheme by parishes across the county and by working with parish partners the lives of people were being made better through providing schemes that local people had requested, for example slowing down traffic, providing trods, etc.
- 14.4 The Cabinet Member for Communities & Partnerships endorsed the scheme, adding that Parish Councils valued the scheme and, in her division, Hingham had recently set up a speedwatch scheme and a traffic calming measure with the Parish Council being grateful for the contributions to help towards the costs of helping to control traffic in the village. She continued that Wicklewood had also been pleased to receive a contribution as there had been some new buildings in the village and a footway had been provided making access to schools easier for pedestrians.
- 14.5 The Cabinet Member for Children's Services endorsed the scheme, adding that Thorpe St Andrew had used it, and would continue to use it, to provide an additional three bus shelters on main routes to and from the city. He added that positive feedback had been received from residents and thought this was an excellent scheme.

14.6 **Decision**

Cabinet **RESOLVED** to:

1. **Approve** the 118 local schemes listed in Appendix B for inclusion in the Parish Partnership programme for 2020/21.
2. **Approve** the 35 vehicle activated sign schemes listed in Appendix C for inclusion in the Parish Partnership programme for 2020/21, subject to securing funding from the Safety Camera Partnership.

14.7 **Alternative Options**

Cabinet could decide to reduce the County Council's contribution to the Parish Partnership Programme or could decide to not utilise unallocated highways funding to allow all of the assessed bids to progress. In which case, a set of additional criteria would need to be developed to enable the current list of proposed schemes for 2020/21 to be re-assessed.

14.8 **Evidence and Reasons for Decision**

This Parish Partnership scheme enables delivery of schemes which have been identified as important by local communities.

The contribution from Town and Parish Council's and the Safety Camera Partnership means that we can deliver more schemes on the ground. In addition, where local communities support lower cost solutions, there is a positive impact on the wider highway's improvement programme. For example, over the last five years, the implementation of trods has enabled 32 much more expensive footway schemes to be removed from the forward programme.

15 Norfolk Library 5-year Strategy 2020/2025

15.1 Cabinet received the report by the Executive Director of Community & Environmental Services setting out the proposed vision and strategy for the Norfolk Library and Information Service.

15.2 The Executive Director of Community & Environmental Services highlighted that the Library Service was more than just about borrowing books. Libraries remained important, safe places in Norfolk for communities to meet, to work together, to learn, to raise aspirations and were an interface between staff and the local communities. He continued that no two libraries were the same and the staff at libraries worked with communities to design the best interventions for the needs of that particular community.

15.3 The Cabinet Member for Communities & Partnerships introduced the report and moved the recommendations, stating that the Norfolk Library and Information Service was recognised as one of the best in the country and that libraries were integral to public services, offering support to communities and businesses. She continued that libraries in Norfolk inspired reading and learning and provided information for people across the whole of Norfolk.

The Cabinet Member set out how the Library Strategy had been developed to align to the strategic objectives defined in Norfolk County Council's six-year plan –

- Growing the economy
- Thriving people
- Strong communities

15.4 The Chairman highlighted that throughout the strategy, the library was regarded as a place where people gathered to exchange ideas and information and that the best libraries were those which encompassed multiple functions and co-located with other services.

15.5 The Cabinet Member for Growing the Economy fully supported the library strategy, highlighting that every library would have a core offer that people could rely on; the impact of three interventions – activities, older people's activity, rhyme time and an informal social session on a drop-in basis and that the Norfolk Library Strategy could be delivered through the existing revenue budget. He also highlighted that 47 libraries would continue to be based in communities where they could be the face of the county council and meet local people's needs.

15.6 The Cabinet Member for Innovation, Transformation & Performance endorsed the report, adding that Libraries were no longer places just to borrow books; they were hubs where people could meet and learn. The Cabinet Member highlighted the summer reading challenge, which had helped educational services, and which had proved enjoyable for children and their parents.

15.7 The Cabinet Member for Communities & Partnerships advised that approximately 10,000 children had participated in the summer reading challenge in 2019.

- 15.8 The Cabinet Member for Highways, Infrastructure & Transport highlighted his local library at Harleston, which was busy at all times of the day, and asked if visitor numbers had increased across the county. The Director, Community, Information and Learning advised that visitor numbers had increased, and also highlighted the increased take-up of the Open Library scheme which meant Library Members could access libraries when they were unmanned early in the morning or in the evening.
- 15.9 The Chairman highlighted that libraries were multi-function hubs which supported the Council's Local Service Strategy.
- 15.10 The Cabinet Member for Finance endorsed the Library Strategy and commended officers for pulling the strategy together, adding that an important part of the Transformation Programme was showing how transformation made a service more economically viable to deliver. He cited Attleborough as a good example of how services could be offered in the future.
- 15.11 The Cabinet Member for Children's Services endorsed the report, adding that the ability to access libraries when they were unmanned was an excellent option, as well as the early years offer. He also said that his local librarian had provided feedback that the local community had welcomed the changes and that he felt the whole service needed to be congratulated.

15.12 **Decision**

Cabinet **RESOLVED** to:

1. **Approve** the proposed vision and strategy for the Norfolk Library and Information Service, as set out in Section 2 of the report.

15.13 **Alternative Options**

Further work could be carried out to develop an alternative vision and strategy for the Service. However, National and international benchmarking have been undertaken in forming this strategy, along with a situational positioning against the County Council's 6-year plan, Together, for Norfolk.

15.14 **Evidence and Reasons for Decision**

There is strong evidence to demonstrate the role of libraries in building strong and resilient communities. In addition, the Library and Information Service have developed the IMPACT tool (in conjunction with Norwich City Council) which measures the impact of activities – this is developing into a useful resource in analysing which activities and interventions are most effective.

A recent piece of work carried out by Suffolk Libraries showed that for every £1 invested in the library service £8.04 is returned in social value. This indicates that libraries create substantial impact on their local communities and for a wide range of stakeholders, including Children's Services, Adult Social Care and health.

In the work, the impact of just three interventions was measured – activities very similar to those offered in Norfolk’s Libraries; an older people’s activity, Rhyme Time and an informal social session, all operating on a drop-in basis.

The outcomes holding the highest social value were the development of literacy skills for children; improved wellbeing for parents; improved mental health, increased social networks and increased happiness.

All of which make a positive contribution to reducing social care demand for adults and children.

16 Hethel Innovation Ltd and Scottow Enterprise Park

16.1 Cabinet received the report by the Executive Director of Community & Environmental Services and the Executive Director of Finance & Commercial Services proposing putting in place a new arrangement that would see the site leased to Hethel Innovation Ltd. The new arrangement would enable a continued focus on delivering economic outcomes whilst also moving to a more commercial focus in terms of day to day operations.

16.2 The Executive Director of Community & Environmental Services stated that Scottow Enterprise Park had moved on in the last 5-6 years and the report sought to move the site to the next stage of its development.

16.3 The Cabinet Member for Growing the Economy, in introducing the report and moving the recommendations highlighted that Scottow Enterprise Park was currently operated and managed by Hethel Innovation Ltd (HIL) through a contract arrangement which was due to end in July 2020; therefore there was a need to secure new arrangements for the site. Leasing the site to Hethel Innovation Ltd would enable a continued focus on delivering economic outcomes whilst moving to a more commercial focus for day to day operations.

The Cabinet Member added that the closure of the RAF Coltishall site was a significant loss to the local community, particularly with the loss of approximately 600 jobs. The County Council had purchased the site allowing it to support the local economy. The site was now a thriving enterprise park which provided approximately 500 jobs, with Hethel Innovation Ltd being instrumental to its success. 97% of the start-up businesses at the Hethel Engineering site were still in business two years after set up, which in comparison to the national picture of 30% of small business failing in their first year. The proposal was an opportunity to build on these successes, with plans to develop the site and bring more buildings back into economic and productive use. The proposed new arrangement would enable a commercial and business-like approach whilst continuing the focus of delivering economic outcomes for Norfolk.

16.4 The Cabinet Member for Commercial Services & Asset Management endorsed the proposals, adding that Hethel Innovation Ltd had ambitious plans for the future on how they wanted to expand their brand throughout the county and beyond. He continued that the Scottow site, at 99% occupancy, proved HIL were doing a good job and he asked Cabinet to support the proposal.

16.5 The Cabinet Member for Innovation, Transformation & Performance endorsed the report, adding that, when the County Council bought the derelict site several years ago a new lease of life was needed and by bringing HIL on board with their expertise a huge difference had been made to economic outcomes. The Cabinet Member continued that HIL had a good business plan and he felt it was a good idea to lease Scottow Enterprise Park to them and let them work on it for the benefit of the county.

16.6 The Cabinet Member for Growing the Economy highlighted that the site, although leased to Hethel Innovation Ltd, would continue to be owned by the County Council, but managed and developed by HIL on a more commercial basis, using HIL systems and processes which were already utilised successfully at Hethel Engineering Centre, which was owned and operated by Hethel Innovation Ltd.

The Cabinet Member highlighted the basis of the proposed lease arrangements as set out in the report, which set out the rights of both parties.

16.7 The Cabinet Member for Finance endorsed the proposal and added that HIL would bring rigor to Scottow governance with the site being retained by NCC.

16.8 The Cabinet Member for Commercial Services and Asset Management highlighted the synergy between the two companies, in that HIL was an incubator hub and had an excellent record of helping small businesses get established and which would also allow business to move to Scottow when they needed bigger premises.

16.9 **Decision**

Cabinet **RESOLVED** to:

1. **Delegate** authority to the Director of Property, in consultation with the Leader of the Council to enter into a lease with Hethel Innovation Ltd to operate and develop Scottow Enterprise Park from 1 April 2020 on the basis set out in this report.
2. **Approve** the amalgamation of the two relevant capital allocations from within the existing County Council capital programme into a single capital improvement fund for Scottow Enterprise Park estimated at £5.569m (actual figure will be dependent upon remaining expenditure incurred in 2019/20), which can be used to make a capital improvement fund available for Hethel Innovation Ltd (HIL) to access for site development work.
3. Subject to funding being available from the County Council's Capital Programme and the approval of a business case by the HIL Board, **delegate authority** to the Executive Director of Finance and Commercial Services, in consultation with the Cabinet Member for Finance, to consider and approve each business case for investment in the Scottow Enterprise Park.
4. **Approve** the Hethel Innovation Ltd Business Plan for 2020/21.
5. **Invite** Hethel Innovation to present their 2019/20 annual report to the May Cabinet meeting along with an update on any further plans they have for the future.

16.10 **Alternative Options**

The existing contract arrangements with HIL end in July 2020. If Members wished to continue with a similar contract arrangement, a competitive procurement exercise would need to be carried out urgently. There is no scope to extend the existing contract arrangements with HIL.

Selling or otherwise disposing of the site is not considered to be an option as this would trigger a significant overage payment to MoJ and as a result mean it is financially unviable at this time.

The Council could seek to lease the site to an alternative provider. However, there will not be a provider in the market that will be able to replicate the unique arrangement the County Council benefits from with HIL (see the risk section of the report).

It would be possible to bring the operation of the site back in-house, which would involve the TUPE transfer of relevant staff into the Council. This has been discounted on the basis that it could increase costs and would not be able to move to a more commercial focus in its operations.

16.11 **Evidence and Reasons for Decision**

The County Council has a unique relationship with HIL. The company was set up with the intention of it being the County Council's economic development company. This was recently clarified by the Council through a shareholder direction letter to the HIL Board of Directors. This set out the purpose of HIL as follows:-

Hethel Innovation Ltd (HIL) was established with the intention of it operating as the County Council's economic development company. The primary purpose of the company is to support inclusive economic growth and deliver associated economic benefits for benefit of Norfolk communities, particularly where there are specific challenges or the market has failed to address need.

The secondary objective of the company is to generate income to enable the company to operate without the need for financial support from the County Council, and to generate income which can be used to fund activities which deliver the company's core purpose.

This direction and purpose of HIL was unanimously supported by the HIL Board of Directors. This purpose places HIL in a unique position in terms of being able to support the County Council's economic objectives through its operations.

17 **Peer Review Action Plan**

- 17.1 Cabinet received the report by the Executive Director of Strategy & Governance setting out the Action Plan response to the recommendations of the Peer Review conducted in October 2019.

- 17.2 The Executive Director of Strategy & Governance reminded Cabinet that this was a more detailed action plan following on from the Cabinet report in December 2019.
- 17.3 In introducing the report, the Chairman and Cabinet Member for Strategy & Governance said that the action plan was a result of the Peer Review held in October 2019 which had recognised the significant progress the County Council was making in “rebooting the council”. The Chairman highlighted the specific recommendations from the Peer Review, particularly recommendation ‘H’ (The Council should undertake the proposed review of the new governance arrangements and commission this externally). The review had now been carried out by a small team from the LGA.
- The Chairman continued that the actions from the review would be taken seriously and responded to through the action plan set out in Annex 1 of the report and which set out the details of the recommendations, the person responsible for the actions and the general timeframe for completion.
- The Chairman added that overall ownership of the action plan sat with him, as Leader of the Council, with the Executive Director of Strategy and Governance overseeing the implementation of the actions.
- 17.4 The Cabinet Member for Innovation, Transformation & Performance supported the report, adding that this was not a tick-box exercise, it was about learning from the review and benefitting the Council by taking the actions seriously to obtain the most benefit to the county council from the peer review.
- 17.5 The Cabinet Member for Communities & Partnerships highlighted recommendation ‘J’ (The adult skills agenda in Norfolk is a theme that everybody should unite around and links strongly with the inclusive growth agenda), and pointed out that the Adult Learning Service had looked at providing courses in areas of deprivation to upskill local people, apprenticeship courses and also run courses in local libraries where they were accessible to local people. The Chairman also highlighted the “Good” rating achieved by the Adult Learning Service following its last Ofsted inspection.
- 17.6 The Cabinet Member for Growing the Economy commended the report and said he was pleased to see achievable actions which were due to be completed in 2020.
- 17.7 The Chairman highlighted that the Executive Director of Strategy and Governance had oversight of the action plan to ensure it was implemented.
- 17.8 **Decision**
- Cabinet **RESOLVED** to:
1. **Agree** the Peer Review Action Plan.
- 17.9 **Alternative Options**

The paper rolls out an action plan based on the report's recommendations. It is proposed that a do-nothing option would not be suitable.

17.10 **Evidence and Reasons for Decision**

The Peer Challenge Report presented to Cabinet in December 2019 provides full details of the visit by the Peer team and their commendations which will then be enacted through the action plan.

18 **Delegated Decisions Reports**

Cabinet **noted** the following Cabinet Member Delegated Decisions

Decisions made by the Cabinet Member for Highways, Infrastructure and Transport:

- DfT 'Pinch Point' Bid Submission.
- Recommendations of the Greater Norwich Development Partnership Board.
- Proposed minor amendments to Planning Obligations Standards 2020.

Decision by the Cabinet Member for Communities & Partnerships.

- Building Contractor for Norwich Castle: Gateway to Medieval England Development.

Decision by the Executive Director of Community & Environmental Services.

- Residual Waste: Suffolk Inter-Authority Agreement.

The meeting ended at 11.10am.

Chairman



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

Cabinet
2 March 2020
Public & Local Member Questions

Agenda Public Question Time
item 5

Question from Pallavi Devulapalli

I am sorry to say that the King's Lynn Transport Plan filled me with dismay. Norfolk has a net zero carbon 2030 goal - there are no targets for the amount by which active transport will increase or for the necessary reduction in vehicular traffic.

I request that the plan is re-written with the 2030 zero carbon commitment embedded in it as the central feature so that only those options which pass the test of how they will reduce carbon emissions, are considered. We will then have a Transport Plan that is fit for purpose, fit for the future and fit for the people of King's Lynn and West Norfolk.

Response:

The King's Lynn Transport Strategy has provided a balanced multi-modal implementation plan of schemes that can be developed to respond to funding opportunities as they arise. It was not felt appropriate to set targets for specific modes when there is uncertainty in funding levels. Schemes and measures will be taken forward paying due regard to the new NCC Environmental Policy, which seeks to work towards 'carbon neutrality' by 2030, and the updated Local Transport Plan which is under development. Cabinet has agreed to establish a West Norfolk Transport and Infrastructure Steering Group, consisting of Elected Members from both Councils, to oversee and advise on taking schemes forward.

Question from Victoria Flute.

Why have you agreed the NDR link road route - spending more than £7 million just on planning - when full ecological surveys have not even been carried out yet (risking an extremely, nationally important site for bats). And why was traffic data not collected before the route was chosen? So the even the effectiveness of easing congestion is doubtful.

Response:

Traffic and environmental surveys were undertaken prior to the preferred route being agreed and details are in the Option Selection Report available via our website (<https://www.norfolk.gov.uk/-/media/norfolk/downloads/roads-and-transport/nwl/nwl-option-selection-report-july-2019.pdf>).

Question from Barry Bailey

Norfolk Highways claim Ferry Road Horning is a private road and are not responsible for any aspect concerning the safety of road users. Although a private road, section 230 of the 1980 Act states the local authority must fix dangerous private roads and recharge these expenses to Frontage residents where these residents have failed to maintain the road to a good standard which is clearly the case. One Horning resident seriously damaged his car and I understand others have had similar experiences. It is only a matter of time before someone is seriously injured as the potholes are not visible when full of water. ENQ900157090 was closed recently.

Response:

Ferry Road is not an adopted highway, but it is a Public Right of Way known as Restricted Byway – Horning RB16.

According to our records Ferry Road is a private road, so Section 130: duty to assert and protect public rights does not apply and it is not normally appropriate for the Council to intervene in matters of dispute between private landowners.

Whilst Section 230 powers are available to the Council in relation to Ferry Road, it should be regarded as an emergency intervention power to be used in exceptional circumstances. Section 230 of the Highways Act states that highway authorities have powers (not a duty) to order frontagers to carry out repairs to the road which are “needed to obviate danger to traffic”. Taking into consideration the fact that this is a lightly trafficked no-through road, the Council does not consider that this test is currently met.

With regards to Ferry Road’s status as a restricted byway, drivers are exercising their private right to use Ferry Road to access private properties. The Council would not intervene unless the damage is compromising the public’s use whereby the expectation would be that those causing the damage would undertake the repair.

Agenda Local Member Issues/Questions item 6

Question from Cllr Emma Corlett. How much public money has been spent year-on-year on the development of the Coast Hopper bus service?

Response:

The CoastHopper bus service between Hunstanton and Wells has been running commercially since May 2015. The only subsidy from the County Council is £20,000 to support the winter service between Wells and Mundesley.

Question from Cllr Ed Maxfield

In his letter of 30 July 2019 in response to mine about the risk of flooding in Norfolk, the Leader of the Council stated that a review of policies within the Council's 2015 Local Flood Risk Management Strategy would be undertaken this financial year. When will this work be completed and will it take into account any lessons to be learnt from Storms Clara and Dennis?

Response:

Officers in the Flood & Water Team have reviewed the policies in the Local Flood Risk Management Strategy. This review will, after consultation with relevant authorities, be taken to the Infrastructure & Development Committee meeting during 2020.

The Flood & Water Team regularly updates its guidance, procedures and work programmes, particularly after surface water flood events and updated climate change predictions. However, the flooding associated with storms Ciara and Dennis has more relevance to the National Flood & Coastal Erosion Risk Management (FCERM) Strategy and the Norfolk Resilience Forum.

Question from Cllr Tim East

How did the Council underspend early years provision by £2.274 million in 2018/2019 and £3.5 million in 2017/2018/ early years funding, which is 7% of the 3&4 year old funding budget and 2% over the Department for Educations permitted 5% retention and what has this underspend been spent on and was it used to improve the education of the under 5s in Norfolk?

Response:

In order to provide a full response to this question, please find attached (**Appendix (i)**) a further Member briefing that answers frequently asked questions regarding the Early Years block of the Dedicated Schools Grant and decisions that have been made to date.

Please also see the Cabinet Member Delegated decision published on the 28th February regarding 2020-21 base funding rates for early year funded provision following the increase in the funded rate to Norfolk from the Department for Education for 2020-21.

<https://norfolkcc.cmis.uk.com/norfolkcc/DelegatedDecisions.aspx>

Question from Cllr Mike Smith-Clare

Can Cabinet clarify how residents and other stakeholders in Yarmouth Nelson and Southtown were consulted over the cuts announced on 26th February 2020 to Norfolk County Council's Music Service, if the subsidy of these services for children eligible for free school meals in my ward will remain at 50% and why the £700k trading loss wasn't flagged up in the budget all Councillors debated on behalf of their residents on 17th February 2020?

Response:

There is no change to the 50% subsidy for instrumental teaching for children on free school meals or to full tuition funding for children looked after. As an additional offer, all instrument hire will become free of charge (an offer that has not previously existed). These will be funded through the Music Hub. The Music Hub will also continue the offer to schools for every year 4 child to learn an instrument free of charge for a term.

The deficit in the Music Service was known of at the time of budget setting, however plans were already in-train to ameliorate this loss within the Educator Solutions part of Children's Services budget to enable Education and Learning to remain within their approved budget.

Question from Cllr Alexandra Kemp

West Norfolk, with 105 villages and hamlets, scores high on the scale of rural disadvantage, isolation and poor social mobility, but has had no meaningful investment in strategic transportation infrastructure, since the previous government gave Lynn £5.3 million for a state-of-the-art fast transit Bus Lane, to speed up bus journeys into the town.

Now Sajid Javid, came to West Norfolk during the General Election promising Govt, if re-elected, would fund an infrastructure revolution in West Norfolk.

What steps will the Leader take to help West Norfolk (and rural Norfolk) obtain funding for a Bus-Super- Highway-Network and fleets of electric buses to improve connectivity and wellbeing?

Response:

The recent announcement from the Government regarding extra funding for super bus highways and electric buses is very welcome. The criteria for the superbus fund lists where, in each local authority, a bid can be made. King's Lynn unfortunately is not in the list of eligible areas. Therefore, we cannot bid for a superbus highway in King's Lynn. The All Electric bus fund requires significant investment from both local operators and the Council, so we need to evaluate all costs as part of any bid assessment.

Early Years Funding: Frequently Asked Questions

Many of you will have received a letter from Early Years' providers earlier this year, detailing an underspend in the Early Years' budget and how this has been used to offset deficits in the High Needs Block. A briefing was issued in January that provided some background intended to be useful in understanding the issue raised.

The funding referred to is linked to individual children and enables parents to access funded 15- and 30-hour placements for 3-4-year-olds.

This is a further briefing on the matter following further questions that have been received that is hopefully of use to you. It is in the format of some frequently asked questions.

It is acknowledged that some providers would like a review of the local early years funding formula. The local formula currently agreed for Norfolk contains discretionary supplements designed to encourage providers to have more flexible opening hours and higher qualified staff. Please note that the local authority will commence a consultation with all early years' providers in the 2020-21 financial year as to whether discretionary supplements continue, or whether there is an increase in the overall general base rate paid to providers for 2021-22 onwards.

Background

The Dedicated Schools Grant includes funding, the Early Years Block, to enable parents to access funded 15- and 30-hour placements in early years provision for qualifying children. The funding available is based on government predictions of how many children will attend early years settings, such as childminders, nurseries and pre-schools in the county each year.

Further information is available in appendix A, which is a copy of a Member briefing distributed January 2020.

The rules for both how the local early years formula should be set and the elements that the formula can and cannot contain are set out in Operational Guidance and Regulations.¹

It is always the local authority's intention to pass as much of the hourly rate received from the Department for Education (DfE) to providers for funded hours. As in previous years, we will continue to discuss over-/under-spends with the DfE when the outturn position is known.

How are the funding allocations received for the Early Years Block?

Unlike other parts of the Dedicated Schools Grant (DSG), the allocation to the Early Years (EY) block is amended both during the financial year that it relates to and after the end of the financial year. This includes the potential for funding to be clawed back, and it is extremely challenging for any authority to predict the potential level of any clawback.

The result is that any *under- or over-spend on the block reported at year-end is not the final position* – instead, the DfE adjust the EY block allocation in the following July. This adjustment is based upon the rate that funding is allocated to the local authority and the census information, and is not based upon the rate paid to providers – therefore, the funding available per hour to pay providers for parental claims needs to be based upon the rate per hour allocated to the local authority and not a division of the total allocation.

Why is the funding rate so low?

¹ <https://www.gov.uk/government/publications/early-years-funding-2020-2021>;
<http://www.legislation.gov.uk/uksi/2018/10/regulation/10/made>;
<http://www.legislation.gov.uk/uksi/2018/10/regulation/9/made>

Norfolk is amongst the 48 lowest funded local authorities per hour, with a rate received of £4.30 from 2017-18 to 2019-20, which will rise to £4.38 for 2020-21.

No increase has been specifically provided by the DfE in relation to the additional costs to early years providers of national living wage increases and increasing costs of living since the formula was introduced in 2017-18.

The EY NFF methodology includes existing labour market costs for the locale, which has the effect of perpetuating low rates of pay.

Further information is available with the January 2020 Member briefing at appendix A.

What is the role of the Schools' Forum and why 5% of 3-4-year-old funding is retained?

Schools Forum must be consulted upon financial issues relating to arrangements for early years provision and any proposed formula changes (including redistributions).²

The requirement for a 95% pass-through is based on the budgeted figures for Early Years. This is what we budget for and the DfE check that we comply with this.

As part of these powers and responsibilities, the Schools Forum should be consulted upon the budgeted utilisation of up to 5% of the allocated early years rate from the DfE to fund the costs that the local authority incurs in relation to meeting its statutory duties³:

- to secure sufficient childcare for working parents
- to secure early years provision free of charge
- to provide information, advice and assistance to parents and prospective parents
- to provide information, advice and training to childcare providers
- to secure the equivalent of 30 hours of free childcare over 38 weeks of the year for qualifying children
- to secure free childcare for qualifying children

For 2019-20, Norfolk County Council (NCC) has budgeted for £1.238m of additional costs in relation to these statutory duties above those costs funded from the Early Years Block of the DSG. The local authority has not, and cannot, utilise any underspend on the Early Years Block to fund these additional costs. *Therefore, these additional costs are always met from local taxpayers' resources.*

As a note, for 2017-18 the local authority was only required to budget to pass-through at least 93% of the funding allocation, to allow for transition to the new arrangements. However, as NCC only utilised 5% at the point of transition to the EY NFF, no agreement was sought from the Schools Forum to utilise any additional pass-through of funding.

Why has there been over-estimate of hours in initial allocations from the DfE since the introduction of the Early Years National Funding Formula?

The Early Years National Funding Formula (EY NFF) was introduced in 2017-18; the same year that 30-hour placements for qualifying children was introduced part-way through the year.

The estimated number of hours that the initial EY block allocation is based on is undertaken by the DfE and utilises the census date from the previous January (i.e. nearly a year out of date).

² <https://www.gov.uk/government/publications/schools-forums-operational-and-good-practice-guide-2015>

³ The Early Education and Childcare - Statutory Guidance for Local Authorities, from the Department for Education, details for English local authorities their duties regarding section 2 of the Childcare Act 2016 and sections 6, 7, 7A, 9A, 12 and 13 of the Childcare Act 2006 <https://www.gov.uk/government/publications/early-education-and-childcare--2>

The level of take up for the 30-hours placements was hard to predict, due to lack of available data about the number of parents who would take up the offer and the number of providers who would offer spaces, combined with severe difficulties with the HMRC system that parents were required to use to be able to access their funding entitlement.

This led to a slow build-up of hours claimed and has resulted in ongoing adjustments being made to allocations by central government through clawbacks as the actual number of hours claimed became apparent.

The table below shows planned versus actual hours for 2017-18 and 2018-19 along with the 2019-20 forecast actuals. This shows that year-on-year there has been lower take-up of funded places by parents than predicted by the DfE.

Hours Comparisons	Planned		Actuals	Planned	Actuals
	3-4-year old 15 hours	3-4-year old 30 hours	3-4-year old	2-year old	2-year old
2017-18	6,727,313	1,218,647	7,303,490	1,145,962	1,134,289
2017-18 Variance			-642,470		-11,672
2018-19	6,773,202	1,978,396	8,071,720	1,183,805	1,037,358
2018-19 Variance			-679,878		-146,447
2019-20	6,815,235	1,929,939	8,464,943	1,069,041	947,289
2019-20 Variance			-280,230		-121,751

Why is this funding block so difficult to set the budget for?

The EY block of the DSG is the only block where the DfE has a system of clawbacks both during and after the financial year that the funding relates to. The other blocks can receive additional funds due to differences in pupil growth predictions, but funding is not clawed back if the predictions prove to be over-optimistic. Decisions have to be made regarding the funding levels for providers without all the relevant information for the year in question.

For illustrative purposes, the timeline below shows when decisions are required and the information available for one year's funding:

Prior Financial Year			Relevant Financial Year			Next Financial Year	
Dec	Jan	Feb	Jul	Feb	Mar	May	Jul
EY Block Allocations Announced based upon Jan census 11 months prior	Early years Budget presented to Schools Forum 5% Central expenditure agreed by Schools Forum Children's Committee agrees DSG budgets	Indicative budgets sent to EY providers	Adjustment to the EY Block allocation (full year) based on Jan census 6 months prior	Spring term claim forms received - provides a clearer full year forecast	Final claims processed Estimate if a creditor/debtor needed for the July Adjustment in the following financial year Year End Position (i.e. block over- or under-spend reported)	DSG (including EY Block year end position) reported to Schools Forum	July adjustment to the 'Relevant' year's EY Block allocation covering Sep-March

What is the impact for Norfolk of Early Years Block clawbacks?

The table below shows the clawbacks after the financial year end and the adjusted over-/underspends:

£m	Budget	Outturn	Over-/under-Spend	July Clawback in following year above creditor estimate	Adjusted over-/under-spend
2016-17	32.856	33.595	0.739	0.203	0.942
2017-18	40.856	37.329	-3.527	0.376	-3.353
2018-19	43.613	41.086	-2.527	0.795	-2.108

(i.e. in effect the underspends in 17-18 and 18-19 should have been reduced)

The following table shows the variance between actual spend / forecast and budgeted allocations based upon DfE estimates split between the different key elements. *It should be noted that the 2019-20 is an early indication based upon the census data and analysis of the spring term received to date – however, this is subject to change and not a final position.*

Funding Comparisons, £m	3-4-year-old base rate	2-year-old base rate	Supplements
2017-18 variance	-£2.345	-£0.061	-£1.105
2018-19 variance	-£2.481	-£0.762	-£0.138
2019-20 forecast variance	-£0.653	-£0.633	

(There are additional elements to the Early Years Block that are not included in the table below for simplicity of demonstrating these three key elements.)

This shows that *the latest forecast for 2019-20 anticipates a significantly reduced underspend for 3-4-year-old funding* (15- and 30-hour placements combined) compared to the previous years. Without a contingency, the 3-4-year-old fund could be forecasting an overspend. The Block will still be subject to clawbacks in July 2020 that may offset this forecast underspend.

Whilst understanding of the data has improved, the timeline for information and decisions above shows that the system of estimates and clawbacks put in place by the DfE for this funding Block, combined with uncertainty regarding take-up of both 15- and 30-hour placement by parents, makes it very difficult to predict with spend with accuracy.

What would the 2019-20 forecast be if rates set based upon the 2018-19 underspend at the financial year-end?

When the 2019-20 EY budget was set, it was anticipated that there would be an underspend (and associated claw back) from the DfE due to the number of hours estimated by the DfE being too high, but it was not known how significant this would be as the necessary data was not available.

The local authority had seen that the number of estimated hours from the DfE had reduced for the 30-hour allocation, and so it was reasonable to assume that there would be a significant clawback and, therefore, we could not assume that this would be additional funding available in the system for distribution to EY providers through an increased rate.

As an example, if we had adjusted the 2019-20 hourly rate to providers on the assumption that the underspend would be recurring from 2018-19, we would now be forecast an overspend in the region of £2m. This is a crude estimate⁴ for illustrative purposes and this calculation takes no account of the clawbacks anticipated due to take up of funded hours in both years being lower than originally forecast by the DfE.

⁴ This estimate is based upon the underspend on 3-4 year old 2018-19 base rate divided by the number of hours funded in 2018-19, to get an equivalent hourly rate, and then multiplied by the number of hours forecast to be funded in 2019-20: approx. 2.6m additional spend then offset by the current forecast (£0.6m) 2019-20 underspend.

Why has a contingency been required?

Until recently, an overspend on the DSG was understood to be the responsibility of the local authority.

Prior to the introduction of the new EY NFF, the Early Years Block had over-spent in Norfolk, which had been offset with the DSG as a whole through underspends on other blocks.

When the new EY NFF was introduced in 2017-18, modelling was undertaken on the current take-up for 15 hours and for the supplements. However, it was very unclear what the level of take up would be for the 30-hours claims and, therefore, it was unclear what the level of any potential clawbacks from the DfE would be if the modelling was incorrect. There was also a lack of information as to what the expected level of take-up would be in relation to the supplements, particularly for quality and flexibility, when the formula was introduced.

Therefore, given the DSG terms and conditions in place at the time, Norfolk needed to allow a contingency both in relation to uncertainty over the number of hours and the level of supplements that will be claimed.

Whilst understanding of the data has improved, when the 2018-19 and the 2019-20 funding budgets were set, the take up was still unclear as shown by the timeline for decision making above.

What is the impact of the DSG Grant Terms and Condition changes?

Since the 2019-20 budget was set, the DfE have consulted upon changes to the grant terms and conditions of the DSG, and the outcome of the consultation has recently been announced.

This makes it very clear that there is not a call upon local tax payers' resources if there is an overspend on the DSG, and this is a marked change from the previous terms and conditions.

However, there is still an expectation upon each local authority to adhere to principles of good financial management for the DSG.

Appendix A: Early Years Funding NCC Members Briefing Jan 2020

Many of you will have received a letter from Early Years' providers, detailing an underspend in the Early Years' budget and how this has been used to offset deficits in the High Needs Block. This briefing gives some background, which you may find useful in understanding the issue raised.

The funding referred to is linked to individual children and enables parents to access funded 15 and 30 hour placements.

This budget, for Early Years funded places, comes from the ring fenced and tightly regulated Dedicated Schools Grant (the "schools' budget"). The underspend in question relates to less than 0.5% of the overall £600m DSG budget.

The DSG includes the funding for maintained schools, the high needs block and the early years block. The funding available through the early years block is based on government predictions of how many children will attend early years settings, such as childminders, nurseries and pre-schools in the county each year. The underspend arose because fewer children took up Early Years placements than were budgeted for, based on DfE predictions.

The significant overspend on the high needs block has been widely discussed by members as an ongoing pressure. The underspend was used to offset some of this overspend – supporting some of Norfolk's children with the highest needs.

All of the budget has been used to support Norfolk's children and the movement of funding was done with the agreement of the Department for Education.

In addition:

- The requirement for a 95% pass-through is based on the budgeted figures for Early Years. This is what we budgeted for and the DfE check that we comply with this.
- Norfolk is amongst the 48 lowest funded local authorities per hour:
 - The EY National Funding Formula (EY NFF), introduced 1 April 2017, has a 'floor' of £4.30 for 2019-20
 - Norfolk's calculation under the EY NFF is below the minimum amount; therefore the 'floor' rate of £4.30 is received
 - The EY NFF methodology includes labour market costs – thus potentially perpetuating low rates of pay
 - The average rate per hour is £4.86 for 2019-20, with the highest at £8.31 for one London Borough
- The DSG is a single ring-fenced grant budgeted in blocks; under-spends on one block are offset against over-spends on other blocks – we have confirmation from DfE regarding this approach

It has been widely reported that the part of the schools' budget that supports children with specialist needs has been overspent. This is a national issue and we have been making the case to government for more sustainable funding.

Cllr John Fisher, Cabinet Member for Children's Services, provided a quote for the EDP in response to their enquiry on this issue:

He said: "We want to ensure nurseries, pre-schools and childminders are receiving as much funding as possible. We completely recognise the ongoing funding pressures facing Early Years providers in the county and are talking to the DfE about this issue and what we can do to support our youngest children, should any future underspend arise. However, this issue alone will not solve the ongoing pressures on Early Years providers or on the overall schools' budget. This needs a solution from central government, and we will continue to make the case for better funding for Norfolk."