

# Cabinet

Date: **Monday 8 June 2020**  
Time: **10am**  
Venue: **Virtual Meeting**

**Pursuant to The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020, the 8 June 2020 Cabinet meeting of Norfolk County Council will be held using video conferencing.**

**To view the meeting online, please follow this link: [Link to view live meeting](#)**

**Cabinet Members and other attendees: DO NOT follow this link, you will be sent a separate link to join the meeting.**

## Membership:

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

## A g e n d a

- 1 To receive any apologies.**
- 2 Minutes**

To confirm the minutes from the Cabinet Meeting held on Monday 11 May 2020.

### **3 Members to Declare any Interests**

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

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

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

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

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

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

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

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

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

### **6 Public Question Time**

Fifteen minutes for questions from members of the public of which due notice has been given. Please note that all questions must be received by the Committee Team ([committees@norfolk.gov.uk](mailto:committees@norfolk.gov.uk)) by 5pm on **Wednesday 3 June 2020**. For guidance on submitting a public question, view the Constitution at <https://www.norfolk.gov.uk/what-we-do-and-how-we-work/councillors-meetings-decisions-and->

[elections/committees-agendas-and-recent-decisions/ask-a-question-to-a-committee](#)

**7 Local Member Issues/Questions**

Fifteen minutes for local member to raise issues of concern of which due notice has been given. Please note that all questions must be received by the Committee Team ([committees@norfolk.gov.uk](mailto:committees@norfolk.gov.uk)) by **5pm on Wednesday 3 June 2020**.

**8 Norfolk Fire and Rescue Service – HMICFRS Improvement Plan update** Page **40**

Report by the Executive Director of Community & Environmental Services.

**9 West Norfolk Transport and Infrastructure Working Group.** Page **67**

Report by the Executive Director of Community & Environmental Services.

**10 Finance Monitoring Report 2019-20 outturn.** Page **75**

Report by the Executive Director of Finance & Commercial Services

**11 COVID-19 financial implications for Norfolk County Council** Page **107**

Report by the Executive Director of Finance & Commercial Services

**12 Strategic and Financial Planning 2021-22** Page **127**

Report by the Executive Director of Finance & Commercial Services and the Executive Director of Strategy & Governance.

**13 Annual Treasury Management Outturn Report 2019-20** Page **145**

Report by the Executive Director of Finance & Commercial Services.

**14 Notifications of Exemptions Under Contract Standing Orders** Page **163**

Report by the Executive Director of Finance & Commercial Services.

**15 Norfolk Armed Forces Covenant Annual Report** Page **165**

Report by the Executive Director of Community & Environmental Services.

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

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

**Decisions by the Cabinet Member for Highways, Infrastructure & Transport.**

- [Proposed waiting restrictions on Aylsham Road – Consultation results](#)
- [Eaton, Norwich – TRO](#)
- [Norwich - Caernarvon Road TRO](#)
- [Downham Market - Hillcrest - TRO](#)

**Decisions by the Cabinet Member for Children’s Services.**

- [COVID-19 Early Years Provision -Finance Support Package](#)

Tom McCabe  
Head of Paid Service  
Norfolk County Council  
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Date Agenda Published: 29 May 2020

## **Cabinet**

### **Minutes of the Meeting held on Monday 11 May 2020 at 10am**

### **Virtual Teams Meeting**

**Present:**

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

**Executive Directors Present:**

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
Sara Tough	Executive Director of Children's Services

The Chairman welcomed everyone to the first Cabinet meeting since the COVID-19 lockdown began and advised viewers of the following information:

- Pursuant to The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020, the meeting was being held under new Regulations which had been brought in to deal with the restrictions under Covid 19. Decisions made in the Cabinet meeting would have the same standing and validity as if they had been made in a meeting in County Hall.
- The reports on the agenda were available on the council's website. Item 9 (Covid-19 financial Implications for Norfolk County Council) had been included as a general exemption because it had not been listed on the Forward Plan as a Key Decision 28 days prior to the meeting and was therefore not subject to the usual call-in process. The Chair of Scrutiny Committee had been notified of the item.

Cabinet Members and Executive Directors formally introduced themselves.

## **1 Apologies for Absence**

There were no apologies for absence.

## **2 Minutes**

The minutes from the Cabinet meeting held on Monday 2 March 2020 were agreed as an accurate record and would be signed by the Chairman as soon as practicably possible.

## **3 Declaration of Interests**

No declarations of interest were made.

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

None.

## **5 Items of Urgent Business**

There were no items of urgent business.

## **6 Public Question Time**

No public questions were received.

## **7 Local Member Questions/Issues**

7.1 The list of Local Member questions and the responses is attached at Appendix A.

## **8 NCC Response to COVID-19**

8.1 Cabinet received the report by the Executive Director of Strategy & Governance providing it with a summary of Norfolk County Council's planning and response to Covid-19. The report detailed the work Norfolk County Council was undertaking in response to the pandemic and the contents were based on circumstances which were changing frequently, therefore some areas may have been superseded by new information on an ongoing basis.

8.2 The Executive Director of Strategy & Governance highlighted that the report was a snapshot in time in a fast-moving scenario and that it had captured the situation at the time it was published. The information would be updated as the situation changed and progressed.

8.3 The Chairman, in introducing the report and to recognise and thank everyone for the efforts they had made, read out the Executive Summary from the report:

"The response to Covid 19 in Norfolk has been a huge community and partnership effort spearheaded by local government. In the past few weeks, the county has stood up and adapted to the new "norm" of remote working, the

suspension of key services, home schooling and changing the way we operate, with frontline workers serving the public having to observe strict social distancing rules.

Particularly in the first few weeks of the pandemic, the county council has had to respond swiftly and effectively, to rapidly changing Government announcements, including: social distancing, shielding those with health conditions, the use of buildings and transport; closures of schools to all except for vulnerable children and children of key workers; distribution of food and community support; guidelines on the use of protective personal equipment (PPE) and efforts to source this at a time of high international demand; firefighters offering mutual aid to the ambulance service; and many more.

Enormous change has been managed and delivered in just a few weeks. In addition to the work on critical services, the council has tried to ease the pressures of people in “lockdown” by offering digital support through the library, adult learning and museum services, to help people’s wellbeing and support home schooling. Councillors have continued to serve their communities, often through digital means. This Cabinet meeting is the first one at NCC to take place virtually, so that people can see that we remain open and accountable, despite the challenges.

The local government sector has shown that it can respond in the most challenging of times, sometimes against all the odds, and in the toughest of environments. Everyone working in it wants to make that positive difference to people’s lives which has been illustrated so well by the dedication and commitment shown by colleagues across Norfolk County Council, working with all its partners, making a difference to everyone in Norfolk in these extraordinary times.

The NHS has responded magnificently to the challenges it has faced and so too have all the people working in the care sector, who play a crucial role in easing pressure on hospitals; social workers making home visits to the most vulnerable people in our communities, young and old alike. School staff have managed an unprecedented situation maintaining a curriculum and structure for home schooled children and being there for vulnerable children and key workers. Many colleagues have refocussed their work or taken on new activities such as working in our new distribution hub, contact centre staff taking on a prominent role including working at weekends, the fire service supporting the ambulance service, sourcing PPE, different demands within public health, health and safety, waste and highways along with all our operational staff needed to run the council.

Residents in Norfolk have responded so well to the massive changes which has helped the Council do its work.

To all those I have mentioned, my fellow Councillors, the senior management team, volunteers who work alongside us in fact everyone, whatever your role, I would like to extend my sincere thanks and appreciation for what you all have done and I am sure will continue to do.”

8.4 The Chairman said he recognised there had been a horrendous number of deaths in the country and within Norfolk from Covid-19 and on behalf of all

Councillors and staff at Norfolk County Council offered his condolences to the families and friends of those who had lost loved ones, together with his best wishes for a speedy and full recovery to everyone who may have contracted the virus.

He added that locally and nationally, the peak appeared to be over which was a credit to everyone's work over the last couple of months, although it was recognised that it was not a case of "flicking a switch" and everything would be back to normal.

8.5 The Chairman highlighted that the report summarised the work Norfolk County Council had carried out, together with Partners, to ensure critical services remained operational, adding that this work would continue for the future.

8.5.1 The Chairman stated that when problems were identified, lessons were learned and work adapted to ensure services could continue for the future. One example of this was the procurement and sourcing of personal protective equipment (PPE) which showed how Norfolk County Council's Procurement Team had worked with Partners and businesses to source an ongoing supply of PPE, putting Norfolk County Council in a position to not only meet its needs, but meant it was also able to supply other organisations when they needed it, leading to a confidence in the future supply of PPE.

The Chairman quoted from the report that all this work had been achieved through the extraordinary efforts of the sourcing and logistics teams who had been able to obtain necessary PPE equipment in the face of quite exceptional circumstances.

8.5.2 The Chairman also highlighted the role the Public Health Team had played in leading the Council's response to the pandemic, adding that the Director of Public Health had been the person of authority and understanding for Norfolk, particularly in liaising with the media.

8.5.3 The Chairman added that Norfolk County Council had planned for a possible pandemic in September 2019 so that when this pandemic occurred, the Norfolk Resilience Forum (NRF) was prepared, with two key groups of the Strategic Co-ordinating Group (initially chaired by Dr L Smith, Director of Public Health and now chaired by Mr T McCabe, Head of Paid Service and Executive Director of Community & Environmental Services) and the Tactical Co-ordinating Group (chaired by Trevor Holden, Managing Director at Broadland and South Norfolk District Council). All Local Authorities were represented on the NRF, together with representatives from the Police, NHS, Public Health and other organisations. As the current situation was not an ordinary situation, it was expected that the NRF would remain operational for approximately 12-18 months.

It was highlighted that good quality data was vital in the current situation and said that the Intelligence and Analytical colleagues had carried out extensive modelling and prediction work to support the NRF.

8.5.4 The Chairman also highlighted the three phases which would need to be worked through:

- Response phase – which was currently being experienced.
- Normalisation
- Recovery

He added that there were many aspects to the recovery phase, particularly around the economy and the Cabinet Member for Growing the Economy would speak about the impact the pandemic had on the economy and what work was needed to help the county recover.

8.5.5 The Chairman continued that Partnership working had been vital to the work everyone within the county had been able to achieve, which, although never easy, showed that when there was a common purpose such as in the current situation, achieved quicker results.

8.5.6 The Chairman referred Cabinet to page 45, paragraph 8.4 of the report which stated “It is therefore proposed that a Norfolk Public Sector Leaders Board in launched comprising local government, health, police authorities and the New Anglia Local Enterprise Partnership. The purpose of the group would be to consider issues of strategic importance to Norfolk’s recovery, and collectively shape and drive our strategic agenda locally, and with central government” **and proposed the following additional recommendation to those included in the report:**

- To task officers to set up the Norfolk Public Sector Leaders Board comprising local government, health, police authorities and the New Anglia Local enterprise Partnership. The purpose of the group will be to consider issues of strategic importance to Norfolk’s recovery and collectively shape and drive our strategic agenda locally, and with central government.

8.5.7 The Chairman continued that the Prime Minister, on 10 May, had set out the first steps as to how the country could move forward, including the possibility of opening some schools by 1 June. The Prime Minister had also talked about the ability for people to go to work if they could not work from home, as long as social distancing was observed, giving an opportunity for the construction and manufacturing industries to recommence, which meant there was some lessening of the lockdown rules, although caution would remain to ensure lives were protected whilst rules were relaxed.

8.6 The Vice-Chairman, Deputy Leader and Cabinet Member for Growing the Economy echoed the sentiments of the Chairman’s comments to everyone in the country and county affected by the Covid-19 virus.

8.6.1 The Cabinet Member stated that the effect on the economy had been dramatic, leading to a very difficult time for businesses and people who had been furloughed, or laid off. He drew Cabinet’s attention to paragraph 6 of the report titled “Effect on the Economy”.

8.6.2 The Cabinet Member continued that Norfolk was a Member of the Rural Services Network and had responded to a survey on the impact of Covid-19 on the rural economy in Norfolk, particularly food and farming, where a supply and demand mis-match had seen some producers with too much stock, for example milk and cheese which supplied hospitality businesses, whilst other

businesses could not obtain stock. He continued that the changes in shopping habits, together with the loss of income were seriously affecting businesses and in addition, diversified farms could not easily furlough staff, as those with animals and visitor attractions still needed to be maintained.

He added that raw materials for agricultural fertilisers were in short supply as the UK had a heavy reliance on long supply chains for these products.

Regarding labour, those employers with food crops were approaching their busiest time with the harvest season and as many of these businesses had previously relied on large numbers of migrant labourers, with high returnee rates leading to high productivity and low training and management costs, the restrictions on people movement in certain countries and no scheduled flights, meant there was uncertainty in this area. He added that recruitment of domestic labour had been good, although challenges remained with training, health and safety commitments which could mean crops were uneconomic to harvest, possibly impacting on the food supply chain.

- 8.6.3 Regarding tourism and leisure, the Cabinet Member continued that the visitor economy was critical to Norfolk's economy, which was the largest sector in the county worth approximately £3.52bn. He added that with attractions, accommodation and support services currently in shut-down and Easter, which was traditionally a critical time affecting annual performance, as well as the early summer bank holiday, income had been lost. He continued that concerns had been raised about borrowing money, and managing cash flow which was a significant issue, with businesses still liable for rent, wages, services, insurance etc. as some are offering refunds to guests and with no income firms were finding it hard to maintain their business, particularly where banks were slow to offer approved loans and those businesses with little money set aside.

Tourism, retail and hospitality businesses were reportedly reluctant to apply for local authority small business grant funding, although Visit East of England has applied for Visit England's destination management organisation resilience fund.

- 8.6.4 As a percentage of seasonal workers were on zero hours contracts, the Cabinet Member highlighted they could be seeking other work and therefore may not be available when they were needed after the lockdown was eased.

- 8.6.5 The Cabinet Member reassured Cabinet that, although the picture appeared negative, economic recovery plans were in place, led by New Anglia Local Enterprise Partnership (LEP). Development of the Economic Recovery Plan was being led by the Local Enterprise Partnership, in conjunction with local authorities and other organisations and would build on the economic strategy, ensuring the economy could get back on its feet as quickly as possible.

The proposed approach had two phases –

- A short term recovery plan covering the next 10-12 months, and
- A long-term recovery plan covering three to five years.

It was important the approach covered the transition between response and recovery and was agile to the possibility of transitioning back into response mode if there were further lock-downs.

- 8.6.5 The Cabinet Member for Growing the Economy added that it was proposed an Economic Recovery Group would be formed which would be based on a similar structure to the Economic Coordinating Board which would take on the role of Steering Group for day to day development. This group would report to the LEP Board and the Norfolk and Suffolk Resilience Forum Recovery Groups.
- 8.6.6 Visitor economy had its own Response and Recovery Group which would also be working very closely with the New Anglia LEP, Visit East of England, Local Authorities, culture sector representatives and tourist attractions, and the Cabinet Member added that it was important these moved very quickly as, once it was safe to do so, domestic tourism could recover quickly once visitors took the opportunity to travel in their local areas to get fresh air rather than travel abroad. It was recognised consumers would need the confidence that it was safe to travel and therefore partners should engage with messages such as social distancing and promoting less well-known destinations to help smaller communities.
- 8.6.7 The Cabinet Member reassured Cabinet that a plan was in place to recover the economy, adding that every element of that economy was being identified and that he was confident that, once the relaxation of lockdown occurred, with safe measures in place, the economy would recover quite quickly.
- 8.7 The Cabinet Member for Children's Services drew Cabinet's attention to the report which outlined how Children's Services had rapidly reshaped its services to respond to the pandemic. He particularly thanked the Executive Director for Children's Services, who had kept staff informed with daily updates, which he knew had been appreciated by all the staff concerned. In particular, the Cabinet Member highlighted the following:
- Setting up cluster schools for key workers.
  - The establishment of a new school meals system which was now working well.
  - Special schools kept open, with attendance levels in Norfolk above the national average.
  - Coordination with Further Education colleagues.
  - Continuation of Parents Forums.
  - There had been some concern about school construction sites shutting, but it was hoped these would commence again soon, ready for school admissions in September 2020.
  - Safeguarding and family support services continued.
  - Foster Carers, who had been critical in supporting services.

The Cabinet Member said he supported all the recommendations, including the additional recommendation, and placed on record his thanks to the Children's Services team for their work, adding that if schools did open in June 2020, Children's Services would rise to the challenge.

- 8.8 The Cabinet Member for Adult Social Care, Public Health & Prevention echoed the comments already made about how hard everyone had worked to deliver a

different way of working and make delivery of services as seamless as they had. He added that staff had been incredible in rising to the challenge by working 7 days a week and with such a “can-do” attitude.

He added that Adult Social Care and Public Health had sifted through 13500 cases and had telephoned approximately 2,500 people considered most at risk in the community, ensuring they knew what to do and who they could contact if they needed help. They had also called approximately 2,100 people who were in receipt of direct payments to check on them. These statistics give an idea of the enormity of some of the challenges faced by Departments.

The Cabinet Member particularly thanked all the staff in Adult Social Care and also thanked James Bullion, Executive Director of Adult Social Care and Dr Louise Smith, Director of Public Health, who had been clear and focused on the tasks required and provided incredible leadership. He also congratulated James Bullion on his appointment as President of ADASS (Association of Directors of Adult Social Services) which would be a good appointment for Norfolk as well as the Government.

He added that the pace of change had been incredible and the work of the STP and the Health and Wellbeing Board had led to the integration with the NHS which was a strategic ambition around closer working, and one of the key outcomes of which had been enabling work to progress on a new hospital discharge process and deliver necessary services, which had been an ambition for a number of years

The additional money from the Government had been incredibly helpful, as it had allowed the County Council to carry out its work without worrying about who would be paying for it, allowing the focus to remain on delivering the necessary services in a key way.

He added that there were lessons that could be learned within the social care and health services and the Cabinet Member was keen that these lessons were not lost once the emergency was over as there were many achievements which would benefit service users and providers and which could be used as a basis for service delivery in the future.

The Cabinet Member also paid tribute to the response from members of the public in Norfolk and he wished to thank them personally. He added that the number of volunteers and support received from communities and stories of people that had established networks to help keep an eye on the vulnerable and those in their communities who might be struggling as a result of this change had been uplifting to hear.

The Cabinet Member drew Cabinet’s attention to the Adult Social Care section on pages 50-51 and 53-55 of the agenda which provided information to help readers understand the work the Public Health and Adult Social Care teams at Norfolk County Council had been carrying out. He also stated that he fully endorsed the recommendations.

- 8.9 The Cabinet Member for Highways, Infrastructure & Transport fully endorsed the comments already made and wished to thank the Highways Team in particular, who had recently received a letter from the Transport Minister, the Rt

Hon Baroness Vere, thanking staff for their work in Highways across the country. The letter stated that, in particular, she wanted to thank all staff in highways, maintenance and construction teams, and street works operators who were all vital to the resilience of the road network. The letter said they were doing an outstanding job under extremely challenging circumstances and thanks to their dedication and commitment, strategic and local road networks remained open and as a result, crucial supplies of food, life-saving medicine, fuel and other products had been able to move around the country, while helping other emergency workers to travel to where they were most needed.

The Cabinet Member also wished to add his personal thanks to Tom McCabe, Executive Director of Community & Environmental Services as well as all officers and highways workers across the county for their dedication and hard work throughout the difficult and challenging time. Many staff had also helped in other services, for example delivering vegetable boxes to care homes and others.

The Cabinet Member fully supported the recommendations in the report and referred to other initiatives introduced by the Community & Environmental Services department covered by his portfolio in response to the pandemic:

- Free parking for health and care workers
- Bus passes for people to use at any time, so the older generation could access supermarkets and other places earlier in the day when shops were opening special hours for them to do their shopping.

8.10 The Cabinet Member for Commercial Services and Asset Management stated that he felt sure everyone had been struck by the speed of change over the past few weeks and the ability of Norfolk County Council to respond to the challenges and the strengths the staff had shown in their ability to adapt to meet the challenges faced to keep services running.

The Cabinet Member formally recognised the officers under his portfolio who had helped to deliver the background infrastructure keep critical front-line services operational in identifying and fitting out step-down facilities in case they were needed, particularly in the following areas:

- Cawston Care Home which had been fitted out in record time and although not needed at the present time, it was available in there was a second wave of the pandemic.
- The Central Logistics facility, managed by the Property Management Team and staff from the libraries team and Norse, for procuring and delivering PPE to front-line workers.
- Assisted the Norfolk Resilience Forum delivering a temporary facility at Scottow Enterprise Park which ensured residents would be treated with respect and loved ones would be looked after at a most difficult time in their lives.

The Cabinet Member fully endorsed the comments already made by other Cabinet Members and also endorsed the recommendations.

8.11 The Cabinet Member for Innovation, Transformation and Performance stated that Norfolk County Council had not just reacted to the current situation, it had

been ready to face it, with testing of equipment for staff working from home having already been carried out before the lockdown. The Cabinet Member particularly thanked the Executive Director of Strategy & Governance, Fiona McDiarmid, the Director of IMT & Chief Digital Officer, Geoff Connell and the Infrastructure Services Manager, Kurt Frary for their work in enabling the technology to make this to happen.

The Cabinet Member continued that it was realised that this was the future way of working with staff working from home and working patterns changing to provide a seamless service to residents of Norfolk. Soft telephony had been introduced to allow staff and Councillors to make and receive phone calls using Microsoft Teams through their computers and this initiative was working well. Staff had risen to the challenge of working from home since 17 March and the work of Norfolk County Council had been recognised by the Society of IT Managers. The Cabinet Member added that he endorsed the recommendations.

8.12 The Cabinet Member for Communities & Partnerships also wished to thank all staff in Community & Environmental Services within her portfolio, particularly those customer services staff who were answering up to 800 queries per day working 7 days a week, assisted by staff redeployed from other areas. She also highlighted the work continuing throughout the county under her portfolio area:

- Trading Standards staff were working as normal, as well as working with Environmental Health and the Police to enforce restrictions and raise awareness of new scams.
- Norfolk Fire & Rescue Service was providing business as usual, as well as driving ambulances for the NHS and providing bulk deliveries, with good collaboration with other blue light services. It had also continued its work with the Princes Trust Award Cadet scheme, allowing cadets to finish their course.
- Virtual library services, offering e-books and helping people with school work and helping older people feel less lonely during the lockdown.
- The registration service in two Norfolk libraries had continued.
- Virtual museums service running virtual tours and running art tours and educational programmes and competitions.
- Records office offering online programmes.
- Arts Service – supporting culture by providing access to grants.
- Adult Learning Service offering 200 on-line courses in a range of educational and vocational courses, with approximately 2700 people enrolling on on-line courses initially.
- The Equality Impact assessment report would ensure Cabinet decisions were made whilst recognising people with protected characteristics were recognised and protected. It was continually being updated to help inform business continuity planning.

8.13 The Cabinet Member for Environment & Waste said he particularly wished to thank the recycling centre staff who had returned to work on 11 May as well as all NCC teams for keeping vital services running.

The Cabinet Member, as Chairman of the Norfolk Waste Partnership thanked the Norfolk District Councils for continuing waste collection services during the lockdown.

- 8.14 The Head of Paid Service and Executive Director of Community & Environmental Services stated that from the various feedback he had received from staff, they had felt appreciated and supported by the organisation; managers at all levels had stepped up to the plate and had taken accountability; front-line staff had been selfless in going the extra mile by getting out into communities and making a difference in looking after customers. He added that the dedication and long working hours of staff had helped mitigate some of the worst impacts of the virus and he wished to thank everyone for a wonderful team effort.

The Chairman endorsed the comments made by the Head of Paid Service.

- 8.15 In summing up, the Chairman reminded everyone of the major challenges ahead, and the need to avoid complacency. He reiterated the work being done in care homes and the need to ensure the work continued to make sure the sector was well supported. He also thanked Sara Tough, Executive Director of Children's Services and said it was important the safeguarding work continued to ensure vulnerable children were looked after.

- 8.16 The Chairman, moved the recommendations, including the additional recommendation below:

- To task officers to set up the Norfolk Public Sector Leaders Board comprising local government, health, police authorities and the New Anglia Local enterprise Partnership. The purpose of the group will be to consider issues of strategic importance to Norfolk's recovery and collectively shape and drive our strategic agenda locally, and with central government.

- 8.17 **Cabinet RESOLVED to:**

1. formally thank all staff involved in the significant effort to keep people safe and protected
2. **acknowledge** the work that has been carried out by NCC and partners during the COVID-19 pandemic
3. **agree** the proposed areas of focus and provide direction as to the priorities for the Council
4. **note** the findings of the dynamic equality impact assessment of COVID-19, as set out in Section 11.4 of this report and in doing so, **note** the Council's duty under the Equality Act 2010 to have due regard to the need to:
  - Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
  - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

5. **Task** officers to set up the Norfolk Public Sector Leaders Board comprising local government, health, police authorities and the New Anglia Local enterprise Partnership. The purpose of the group will be to consider issues of strategic importance to Norfolk's recovery and collectively shape and drive our strategic agenda locally, and with central government.

## **9 COVID-19 financial implications for Norfolk County Council**

- 9.1 In accordance with Regulation 10 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, it was impracticable to give 28 days notice of the intention to take this Key Decision, as at the point when the Notice of Key decisions for 11 May 2020 Cabinet was published on 7 April 2020, the financial implications and the Council's response to the COVID-19 pandemic were still emerging. In particular, details of the allocations of the second tranche of funding were not published until 28 April. The forecast use of additional grant funding met the criteria of a key decision as it would result in the Council incurring expenditure which was in excess of £1.25m, and was likely to have a significant impact on communities living or working in an area comprising two or more electoral divisions. For these reasons this item was not subject to the usual call-in process.
- 9.2 Cabinet received the report by the Executive Director of Finance & Commercial Services which provided details of the Council's forecast use of COVID-19 funding from Government. The Council was proactively responding to the challenge of the COVID-19 pandemic to maintain the delivery of vital services across all areas of its operations, support the NHS and health system through enhanced hospital discharge processes to free up capacity, protect vulnerable people, support businesses, and ensure the safety of all staff delivering this vital work.
- 9.3 The report provided Cabinet with an overview of the current assessment of the emerging financial impact of COVID-19 for the County Council, which would have a profound impact on the organisation's ability to achieve planned budget savings and income for 2020-21.
- 9.4 In introducing the report the Cabinet Member for Finance expressed his thanks to everyone for working incredibly hard during the current situation, and during which the following points were noted:
  - Services were seeing a profound impact from the pandemic, affecting service delivery, demand and ways of working and in particular the key role care providers made. Plans for the future would need to consider how the care provider sector could be harnessed and supported.
  - In view of the rapidly changing landscape of government announcements, it was proposed to present an updated Medium-Term Financial Strategy and Budget Setting Process for 2021-22 to the June Cabinet meeting when some further clarity may be available
  - The implications for the Council's budget, both this year and beyond, remained unconfirmed. However it was highly likely key income sources, including Council Tax, both through the collection fund and tax-

base growth and business rates would be under pressure in 2021-22 and would require a major outward revision to planning assumptions.

- The Government had provided significant additional funding to local authorities of some £3.2bn to help them in responding to the Covid-19 virus. They expected councils to play a crucial role in maintaining social care front-line services in order to assist with the provision of care and education of children of key workers, to support vulnerable children and to support businesses and individuals suffering hardship.
- Norfolk County Council's share of the grant was delivered in two tranches – the first, announced on 19 March of £26.932m with a second allocation delivered in early May of £16.742m. The funding was distributed nationally on a per-capita basis. The second tranche was split 65-35 between county and district authorities meaning the County Council would receive slightly less in the second tranche of funding than previously estimated.
- The current identified demand for this funding exceeded the grant available and as set out in the report, the forecast available would incur cost pressures of £62.709m against a total grant funding to date of £43.674m, leaving a shortfall of £19.035m, the details of which were set out on Table 1 on page 66 of the agenda.
- The high level of uncertainty around the forecasts meant they would continue to be refined as the situation developed and timescales became clearer.
- The budget set in February 2019 for 2020-21 was fundamentally robust, it was based on sound finances and prudent planning, therefore Norfolk County Council had started in a good place when responding to the major challenge of Covid-19 and although only one month into the new financial year, the Cabinet Member was confident with the basic spending assumptions that sat behind the current year's budget, although with an estimated £19m shortfall in grant funding to cover Covid-19, central government would need to keep its promise to deliver whatever funding was needed to allow Norfolk County Council to achieve a balanced budget.
- Although overshadowed by the ongoing response to Covid-19 the Governments Spring budget included various announcements with implications for local authority funding; these included the comprehensive spending review which was due to complete in July 2020 and which was now in doubt with an expectation that another one-year announcement for 2021-22 would be made.
- In February 2020 the budget deficit was forecast to be nearly £39m in 2021-22.
- The Council was evaluating how the likely 2021-22 gap would be funded but there was a need for a new relationship with the government to rectify some of the long-term problems surrounding local government funding.
- Additional funding would be needed to deliver a balanced budget in 2021-22.
- Covid-19 had placed extra pressures on already stretched services, although there were some changes that could be helpful in the long-term, such as the considerable savings to the amount of buildings occupied; how they were occupied and the increased delivery of services through digital means, although these changes alone would not balance the budget.

- The Cabinet Member for Growing the Economy had set out the next phase of recovery plans, particularly to enhance Great Yarmouth's position in the off-shore renewable sector.
- Tourism and leisure were vital for the economic wellbeing of the county providing stable employment which offered opportunities to retain positives from the lockdown to the benefit of sustainable tourism to flourish.
- Robert Jenrick MP had said that Councils were the unsung heroes of the pandemic response and Norfolk County Council had proved how it could rise to the challenge. In order to maintain the "can do" spirit, fair and sustainable funding would be needed.
- A resolution for sustainable funding for Adult Social Care in particular was not only long overdue but would redraw the relationship between central and local government, hopefully in a way that allowed local communities to have a long-term solution to enable planning for the future.
- Work was being undertaken, to find a long-term solution to the financial situation, with the Local Government Association (LGA) to help inform central government, with the responses made by the Cabinet Member for Finance being used as a template for how County Councils respond to the government.

The Cabinet Member then moved the recommendations in the report.

- 9.5 The Cabinet Member for Adult Social Care, Public Health & Prevention endorsed the comments made by the Cabinet Member for Finance, adding that the financial stresses on the social care system had been well documented over recent years and that recently the Government had delivered funding which would enable the County Council to provide services, although a long-term solution for Adult Social Care funding was still required.

The Cabinet Member continued that he fully endorsed the approach through the Local Government Association to ensure the government was aware of how important funding was to enable services to be maintained.

The Cabinet Member thanked the Cabinet Member for Finance for the excellent report which set out the cost pressures faced for all departments.

- 9.6 The Cabinet Member for Children's Services supported the recommendations and referred to Table 1 on P67 of the agenda, where the costs for Post 18s remaining in placements; Additional respite care costs and additional hardship funding for tier 2 had been marked "TBC" (to be confirmed) as the costs were currently unknown. He clarified that costs would be incurred within Children's Services in a number of areas and notified Cabinet that some money within the respite care cost category had been spent on providing play equipment for children who needed respite care which would also help their parents and families.

- 9.7 The Cabinet Member for Innovation, Transformation and Performance endorsed the comments made by the Cabinet Member for Finance and said it was important the County Council continued to lobby for proper funding as the demand for services would remain in the future.

9.8 In moving the recommendations in the report, the Cabinet Member for Finance highlighted the three key areas in the report where the additional estimated £62.709m pressures as a result of the pandemic had been identified:

- Lost income –partly from libraries which were unable to operate at the present time.
- Additional costs incurred supporting services particularly in Adult Social Care.
- Savings no longer deliverable.

9.9 In summing up the Chairman highlighted the following points:

- the key issue of the costs of the response to Covid-19.
- the work being done through the LGA and CCN to lobby government for fair funding.
- the areas of uncertainty had been faced for some time but were currently exacerbated, particularly from a social care aspect.
- The impact on the budget for 2021-22.
- The need for a new relationship with local government and central government working together to provide sufficient funding

9.10 Cabinet considered the report and **RESOLVED** to:

1. **note** the current package of financial support being provided to the Council by the Government to enable its response to COVID-19;
2. **approve** the forecast use of the COVID-19 grant to meet expenditure pressures, income reductions, and lost delivery of savings, noting that:
  - a. this does not represent a definitive budget allocation and there will need to be a degree of flexibility to respond to cost pressures, risks and opportunities as they arise; and
  - b. the forecast cost and income pressures exceed the available funding and to the extent that they are not met through additional allocations by Government, will need to be funded from other County Council resources.
3. **agree** that a review of the financial planning position for 2021-25, including formal allocation of targets, be presented to Cabinet in June as part of the 2021-22 Budget planning process, to enable a more complete picture of the impact of COVID-19 on the Medium-Term Financial Strategy to be incorporated.

9.11 **Alternative Options**

The report sets out the forecast use of the initial tranches of COVID-19 funding, but this should be seen as indicative only because the Council will need to respond with some flexibility to emerging cost pressures and the rapidly developing situation. No specific alternative options have been identified.

9.12 **Evidence & Reasons for Decision**

The County Council faces an unprecedented financial and public health crisis which will have significant implications both during 2020-21 and for future budget setting. It will be essential to continue to engage with Government, MPs

and other stakeholders to campaign for adequate and sustainable funding for Norfolk to continue to deliver vital services to residents, businesses and visitors. It is also important that Government issues guidance on financial planning assumptions, including indicative funding allocations for 2021-22, as soon as possible. Otherwise there is a significant risk that the Council will be obliged to reduce service levels

## **10 Reports of the Cabinet Member and Officer Delegated Decisions already made:**

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

### **Decisions by the Cabinet Member for Highways, Infrastructure & Transport.**

- [A47 North Tuddenham to Easton Dualling Scheme.](#)
- [Great Yarmouth Local Plan – Part 2.](#)
- [Tarmac Trading Ltd – Contract Extension.](#)
- [Additional Funding – Supported Bus Services.](#)
- [Civil Parking Enforcement Powers to Norwich City Council.](#)
- [Diss – TRO.](#)

### **Decision by the Cabinet Member for Communities & Partnerships**

- [Wensum Lodge Steering Group](#)

### **Decisions by the Cabinet Member for Commercial Services & Asset Management.**

- [Site 4 – Site Acquisition Wymondham](#)
- [Acquisition of Priory Nursery, Great Yarmouth](#)

### **Decisions by the Cabinet Member for Children’s Services.**

- [Schools Capital Programme Update](#)
- [DSG Additional Decisions](#)

### **Decisions by the Cabinet Member for Adult Social Care, Public Health & Prevention.**

- [COVID-19 – Impact on MIG and PIP Charging Increases.](#)
- [COVID-19 – Legislation Implications for Adult Social Care.](#)
- [Additional Financial Support for ASC Providers.](#)

### **Decision by the Executive Director of Strategy & Governance**

- [HR & Finance System Transformation Project.](#)

### **Decisions by the Head of Paid Service.**

- [Concessionary Travel Bus Pass Scheme – Hours of Operation.](#)
- [Trading Standards](#)
- [Health Scrutiny Arrangements for Waveney - Amendment to Norfolk County Council Constitution](#)
- [Police & Crime Panel Scrutiny Arrangements - Amendment to Panel Arrangements](#)

The meeting ended at 11.35am.

### **Chairman**



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**Agenda Local Member Issues/Questions  
item 7****Question 1 from Cllr Mick Castle**

Does Cllr Fisher finally acknowledge the scale of Boys underperformance in Norfolk Schools as evidenced by OFSTED's analysis of last Summer's GCSE results where there was an overall 8% gap between boys and girls and will the Cabinet now 'ringfence' sufficient funds in 2020-21 and 2021-22 to fund pilot schemes focussed on strategies to address this most important issue, and actively engage with Academy chains like the Inspiration Trust who appear to have secured better performance by Boys in disadvantaged areas in Norwich and Gt Yarmouth with regard to the culture of the school, teaching styles and curriculum which elicit improved engagement and achievement by Boys?

**Response:**

We agree that there remains a gap between the performance of boys and girls in Norfolk, however we are pleased to note this gap is smaller than that nationally. Last year there was a 5.8% gap between girls and boys for a strong pass in English and mathematics. Nationally this was 6.6%. We are always looking for best practice to support schools in narrowing the gap. We discuss improvement strategies with Academy Trusts in our annual conversations. We congratulate Inspiration Trust in their improved outcomes, which saw a slightly narrower gap than for whole of Norfolk and we will be keen to see whether this improvement will be sustained year on year, as performance of schools can be variable. We will encourage Inspiration Trust to share their practice with colleagues through the Secondary headteacher forum. Secondary schools determine their own approaches to teaching learning and curriculum and some share practice with each other. The LA wants to invest in the early development of language and communication skills and early reading to better support boys many Norfolk boys in their journey through school.

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**Question 2 from Cllr Mick Castle**

Would Cllr Dewsbury agree that Libraries represent an essential service for many of our residents, providing not only access to books and newspapers but also to computers which are an absolute requirement for folks applying for and maintaining eligibility to state benefits and undertake to seek re-opening of at least one public library in each main conurbation (or significant market town) to enable local people to access these services within a safe social distancing regime?

The Great Yarmouth Library until the Coronavirus 'lockdown' fulfilled this role in an excellent manner.

**Response:**

Cabinet recognises the importance of libraries in supporting people who don't have access to the internet to carry out transactions, to apply for state benefits and to apply for jobs. The UK government regulation in relation to Covid 19 specifically mentions libraries as places that must be closed, and we need to ensure that when restrictions are lifted we put in place measures to keep staff and public safe. We will follow the guidance of Public Health England in doing this. In the meantime, detailed recovery plans for libraries are being drawn up, with computer access for the most vulnerable being one of the most important functions to recover first.

During the closure period the library service has redeployed our staff into supporting food distribution, purchasing PPE and coordinating the volunteer effort across the county, as well as investing in e-books and e-magazines and setting up an online library activity offer. The Community Resilience Group has developed a range of offers to support people suffering hardship during the Covid 19 crisis and more information about this can be found by phoning 0344 800 8020.

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**Question from Cllr Tim Adams**

How is the information on deaths from Covid19 being collated and what are the current figures for hospital, care homes and community in Norfolk and is there a specific figure for council run care providers as opposed to private?

**Response:**

Norfolk County Council uses the weekly Office of National Statistics (ONS) data on deaths as the most reliable source of information which provides a weekly count of all deaths in England and Wales where COVID-19 is recorded on the death certificate. This data is provided by ONS at local authority level and place of death is included.

Information can be found via the Office for National Statistics. (ONS). See link below <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/deathsregisteredweeklyinenglandandwalesprovisional/latest>

The data on private and council run care home providers is not reported separately, because Norse Care is run by its own management.

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**Question 1 from Cllr Brian Watkins**

How much has the council spent currently in officer staff time and through committee time on the transforming cities bid?

**Response:**

Given the large scale of funding , a number of officers were engaged in preparing the Transforming Cities Fund application, which, at times was on a full-time basis over the period 2018/19 and 2019/20. The same officer team was also engaged on preparing our Future Mobility Zone application, which was closely linked to our Transforming Cities application. Officer time spent preparing these applications cost £383,000.

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**Question 2 from Cllr Brian Watkins**

Will the amount of resources the council puts towards the transforming cities schemes be changing following the government's small allocation. If not, what will be the percentage of the proposed original schemes that will now be delivered?

**Response:**

Should Transforming Cities funding be secured as hoped, the officer resource allocated to overseeing the delivery of this programme will be the commensurate to the size and complexity of the project. This includes roles such as a Programme Manager, Project Manager and Project Delivery Co-ordinator. A larger funding allocation would require more resource allocated to the design and delivery of individual projects, as there would be more projects to deliver.

**Question from Cllr Tim East**

With the council's failure to get a decent allocation for the transforming cities bid what guarantee can you realistically give that the council will get its full allocation of funding for the Norwich Western Link?

**Response:**

At this time, it is not possible to guarantee what funding may be allocated for the Norwich Western Link, or indeed any other infrastructure project nationally. The possible funding settlement for Transforming Cities is a completely separate process and does not provide any further insight on this.

The scheme has already been agreed as a project of regional priority by Transport East, and the Department for Transport has indicated it does not require any further work and is satisfied with the details in our Strategic Outline Business Case submission. Therefore, it is important to continue to press the case for the Norwich Western Link with Ministers, the Treasury and Department for Transport, to finalise the conditional approval status for the project.

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**Question from Cllr Dan Roper**

What is the current take up of school places for key workers and for vulnerable children both in terms of numbers and the proportion in relation to the latter?

**Response:**

The current take up of places in schools, as at 27th April 2020 was a total of 4,616 pupils who attended across the week. This includes all maintained schools (LA and Academies, mainstream and special) and independent schools. Of those, 3297 were children and young people of key workers. 1319 were vulnerable children. We would want the majority of children in need and with child protection plans to be in school if possible, and the only exceptions would be if this was not desirable because the child or family was symptomatic or a need to shield someone because of their health status. The most recent information from schools indicates that

- 25% of children in need are attending school
  - 46% of children with child protection plans are attending school
- 

**Question 1 from Cllr Chrissie Rumsby**

Emergency plans included no provisions for either food supply or distribution during a crisis. Can the Leader reassure the residents of my division that plans for food sourcing and distribution will continue until the end of this epidemic and that emergency plans for future crisis of all sorts will include providing and distributing food to those who need it?

**Response:**

The Covid-19 pandemic is an unprecedented event and has presented a significant challenge both locally and nationally. Public authorities, voluntary and community groups

in Norfolk have worked together to put arrangements in place to support Norfolk communities, particularly those who are the most vulnerable. The County Council has also contributed £100,000 to the Community Response Fund to support local charities working hard on the ground to keep vulnerable people safe. The paper on the agenda for Cabinet today sets out the other fantastic work that has been taking place to support communities, and work to provide much needed assistance and support to Norfolk communities will continue.

We will of course ensure that steps are taken to capture learning from Covid-19 to inform future planning.

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**Question 2 from Cllr Chrissie Rumsby:**

The shortcomings in the emergency plans need to be addressed before any second or further spikes in infection. Which cabinet members will be involved, in what way, and how will my residents be able to influence the planning process?

**Response:**

Norfolk's emergency response has been a collective effort of public bodies through to voluntary and community groups and individuals – and rather than criticise I want to commend each and every responder. Emergency plans will always evolve to respond to the particular issues raised by any incident. As set out in the papers for Cabinet meeting today, it proposed that a Norfolk Public Sector Leaders Board is launched comprising local government, health, police authorities and the New Angela Local Enterprise Partnership. If agreed, this group will consider how best to engage residents in planning for normalisation and recovery.

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**Question 1 from Cllr George Nobbs**

Cabinet members and other councillors have no role in any of the Local Resilience Forum or any of the groups set up to manage the emergency response under its auspices. What role have cabinet members been playing and does the Leader agree with my residents who think there should be some member oversight and greater transparency in how a crisis is managed?

**Response:**

The Norfolk Resilience Forum is overseeing the multi-agency response to the Covid-19 emergency, and a major incident has been declared. This approach is in line with the requirements of the Civil Contingencies Act 2004.

In addition, individual authorities/agencies have their own response arrangements to deliver those activities that do not require a multi-agency response. At Norfolk County Council, officers have established Silver and Gold groups comprising senior officers from across all departments.

Although formal Cabinet meetings have, until now, been suspended, Cabinet Members have continued to work with officers in the usual way and have received regular briefings and updates.

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**Question 2 from Cllr George Nobbs**

Where have the spending decisions been made between the council and the Norfolk Resilience Forum during the emergency? I would like my residents to have a better understanding of how the system works.

**Response:**

Norfolk Resilience Forum (NRF) is a multi-agency group made up of senior officers from Norfolk local authorities, emergency services, NHS and other agencies. The NRF brings together all relevant bodies in one place to enable Norfolk's approach and response to be jointly planned, co-ordinated and any risks managed.

The NRF is not a legal entity and does not have its own budget. Any decisions on expenditure are for individual authorities/agencies to make; any decisions on County Council expenditure relating to Covid-19 have been made within the provision set out in the County Council's Constitution. The paper on the agenda for Cabinet today sets out the financial implications of Covid-19 on the County Council's budget.

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**Question 1 from Cllr Steve Morpew**

The absence of single point of responsibility for care that means my residents don't know who has ultimate responsible and accountability for residential care and home care standards. That lack of a single point of responsibility has resulted in a lack of coordination, lack of timely information and the belated provider of last resort intervention of the NRF. What does the cabinet member for Adult Service and Public Health think should change to provide the certainty that a single point of responsibility would give?

**Response:**

Responsibility for care home and home care standards sits with the CQC as the statutory regulator who have duties under the Health and Social Care Act 2008 and the Council, who have duties under the Care Act 2014. There is very good coordination between agencies, under an ADASS/CQC Joint Working Protocol (Feb 2019). All care providers are engaged with a dedicated Quality Monitoring Officer.

Locally, the Adult Social Services quality assurance team has provided an effective single point of contact for all care providers via a widely publicised email address. This has been coupled with regular, timely communications. We have been complimented on the effectiveness of communications, and on the work to ensure a supply of PPE in what were difficult and extraordinary circumstances. There are twice weekly meetings which bring together representatives from providers with representatives from quality assurance, public health, CCG and Care quality commission.

As the result of a change from Central Government, from 04 May 2020 a virtual incident centre for COVID-10 related provider enquiries has been established, to manage the work delegated to NCC by Public Health England, to manage ongoing interventions resulting from COVID-19 outbreaks.

There will be much to review and learn from the COVID-19 crisis however it is currently too early to consider longer term changes.

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**Question 2 from Cllr Steve Morpew**

Notwithstanding the excellent job and hard work put in by council staff in securing supplies of PPE supply for which they should be congratulated, council staff and those we fund for residential accommodation, home care and other services should not be put in a position where supplies of PPE could run out. I have care workers and vulnerable residents in my division who I want to be able to reassure that should there be further outbreaks there will be adequate PPE available to protect them. What steps is the cabinet taking to ensure this will be so?

**Response:**

The Cabinet member for Finance continues to work closely with the Director of Procurement, whose team has secured large supplies of PPE. For example, more than 700,000 face masks have been received, and some 2.4 million are in the pipeline. A standing order has been placed with a local supplier for 500,000 aprons per week. Local suppliers have converted production to supply hand sanitiser and visors. We are as confident as we can be in the circumstances that we will continue to have adequate PPE supplies available.

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**Question 1 from Cllr Kim Clipsham**

Data on outbreaks and mortality is unclear, late and absent because of the reporting mechanisms and lack of single point of responsibility. Care home outbreaks and mortality have been impossible to quantify in a timely way. What changes to reporting should there be, how can our own systems within registrars be improved to give assurance the council can identify future localised spikes early enough to make a difference and, to ensure there is greater transparency for my residents on the number of deaths and the causes of death, will cabinet publish the number of people who have died in Norfolk month by month compared with last year?

**Response:**

Norfolk County Council uses weekly Office of National Statistics (ONS) data on deaths as the most reliable source of information which provides a weekly count of all deaths in England and Wales where COVID-19 is recorded on the death certificate. This data is provided by ONS at local authority level and place of death is included.

Since the outbreak of Coronavirus Registrars have introduced new and safe ways of being able to register and record deaths:

- Medical Certificates of Cause of Death sent to NCC registrars electronically by doctor (hard copies sent via post)
- Families able to register deaths via telephone
- 'Green Forms' for burial or cremation being sent directly to funeral director or crematorium

The information on monthly data for Norfolk is available from Office for National Statistics (ONS). See link below

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/deathsregisteredweeklyinenglandandwalesprovisional/latest>

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**Question 2 from Cllr Kim Clipsham**

Will the cabinet make public and publish weekly Covid-19 sickness rates of council staff and residents, rates and results of testing for both residents and staff, supply and shortfall for PPE and where it is being supplied from? My residents understand the priority has been the response to the emergency but no longer want to be kept in the dark.

**Response:**

We have no records on testing as this is a facility which individuals organise independently. We have records of absence for potential covid-related reasons. This currently stands at 19 live cases and 80 cases where employees have now returned to work as at 24 April. This accounts for less than 2% of the workforce. The council will continue its current practice of making the PPE availability dashboard available weekly to group leaders

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**Question 1 from Cllr David Rowntree**

Some businesses have been able and willing to repurpose to manufacture ventilators and PPE while others have profiteered from PPE shortages. Will the cabinet member join me and my residents in thanking those that stepped up to help, tell me what steps are being taken to recognise those businesses and encourage them to prepare for a future need for flexibility in changing production, take steps to prevent those who have exploited PPE shortages by profiteering from being suppliers to the council and advise my residents what steps are being taken to make Norfolk less reliant on imports for critical equipment like PPE by building local production capacity?

**Response:**

I am pleased to again extend my thanks to the local, national and international organisations that have helped us by supplying PPE, including the University of East Anglia and several local firms that have repurposed their facilities to provide PPE. Our strategy is to put in place a diverse supply chain and minimise our dependence on middlemen. We are one of very few councils to have sourced large quantities of surgical masks directly from China, at less than half the prevailing price via UK agents. We have also procured very large quantities of aprons on a standing order basis from a Norwich based supplier.

It is premature to speculate about long-term production of PPE. There will undoubtedly be a national review of the topic once the response phase is past.

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**Question 2 from Cllr David Rowntree**

The school meals voucher scheme has been and is still proving unsatisfactory. With the possibility that a further spike could lead to extended or repeated closure of some schools, what steps is the cabinet member taking to ensure the voucher scheme for schools will operate satisfactorily for children in my division if it needs to be called upon in future?

**Response:**

- Schools are responsible for choosing the scheme for Free School Meal vouchers for the children in their schools.
- Many have chosen the national scheme; however, they have the freedom to setup their own approach, providing meals directly or buying vouchers or gift cards for parents.

- Schools surveyed 27<sup>th</sup> April - 4<sup>th</sup> May tell us that meals for over 20,000 pupils were provided. 15,067 (73,42%) were provided through the government's national voucher scheme. The remaining ones were schools' own schemes.
  - The scheme continues for the foreseeable future and will continue through a period of transition as schools expand the number of children attending
  - The national scheme is organised through the Department for Education (DFE) and is delivered by Edenred who have been awarded the contract for the whole country.
  - Schools apply directly to the company and not through the local authority.
  - Local authority officers talk daily with school leaders who collect any issues as they arise, and these are shared with the DFE.
  - Whilst there remain some issues with delay in getting vouchers to parents, overall there has not been a high degree of dissatisfaction reported to us about how the national scheme is working, beyond the first few days
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### **Question 1 from Cllr Mike Smith-Clare**

In my division and I understand across Norfolk the number of vulnerable children attending school during the lockdown has been worryingly low. What are the attendance figures, what analysis has been done to establish what contact was made with the families, what risks were highlighted to those children who did not attend and what is being done to ensure their well-being and safety?

### **Response:**

- The number of vulnerable children attending school has been better in Norfolk compared to national statistics reported to date. However, in Norfolk we have worked to ensure we have an agreed position for every child with a social worker and consequently discussions have taken place with schools directly to support them in promoting attendance, and with families where we feel children would benefit from being in school
- Attendance remains voluntary, and many parents report that they wish to observe the lockdown with their families.
- Since the start of the summer school term we have seen a significant rise in numbers attending school.
- Schools are in constant contact with children and their families and are especially vigilant with those that are most vulnerable. Considerable work is underway across Children's services to ensure that all vulnerability is identified, not just those children with a social worker or an Education health and Care Plan.
- Conversations are happening with groups of children and young people to discuss the support that they want and need, where that is not in school.
- The council launched a campaign prior to the Easter bank holiday which engages the whole community of Norfolk in being the eyes and ears for children – See Something, Hear Something, Say Something
- In addition, we have launched a dedicated phonenumber and adapted in collaboration with our health partners the chat health text service for children to communicate directly where they feel unsafe.
- The current take up of places in schools, as at 27th April 2020 was a total of 4,616 pupils who attended across the week. This includes all maintained schools (LA and Academies, mainstream and special) and independent schools. Of those, 3297 were children and young people of key workers. 1319 were vulnerable children. The most recent information from schools indicates that 25% of children in need

are attending school and 46% of children with child protection plans are attending school

- The baseline expectation is that all children with an allocated Social Worker on a Child In Need or Child Protection plan should attend school as a critical protective factor, and that is the approach practitioners are taking with parents in safety planning
- Attendance at school or otherwise informs their ongoing risk assessment and determines the frequency and nature of visits to children, which is now more often, and for many on a plan still means face to face contact with families and seeing the child alone
- Professional networks and teams around children, albeit working differently and more virtually, remain largely intact, and Social Workers continue to work and meet with them regularly to ensure visibility of the child is maximised
- Additionally, family networking and the engagement and participation of extended families has increased during this period further adding eyes and ears on the child/children
- There is weekly liaison between Social Workers and school attendance officers who contact all schools in any given week to monitor attendance, and where there is non-attendance, jointly plan with teaching staff what work will be done and support offered to families ensure this is remedied
- Whilst Social Workers for these children do not have the powers to compel school attendance and continue to try and work in partnership with parents, in some cases where non-school attendance is assessed to increase risk unduly, then court proceeding have and will be initiated to safeguard the child including coming into care if absolutely necessary.

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### **Question 2 from Cllr Mike Smith-Clare**

What changes will the cabinet member propose for future emergency plans to ensure the safety and well-being of vulnerable children is a priority should schools be closed again?

#### **Response:**

- All schools have remained open for children who are vulnerable or for key workers.
- Some have closed their buildings but are making provision in neighbouring, or partnership schools.
- Any future announcements of 'closure' are likely to be under the same terms as currently, which means children who are vulnerable are able still to attend school.
- Schools will continue to make contact with children and their families, especially those they consider the most vulnerable
- Schools have been working in clusters and have resilience plans in place which ensure that if they have significant reductions in staff and are unable to be open safely, there is back up provision for places for children elsewhere.
- Furthermore there is a plan for an emergency workforce that can be drafted in to support schools.
- Ongoing work across children's services will maintain the focus on vulnerable children, enhancing the oversight of vulnerable children through our campaign - See Something, Hear Something, Say Something.

### **Question 1 from Cllr Chris Jones**

Many local groups and organisations have sprung up driven by local volunteers and a tremendous community spirit. The cabinet will wish to join my residents in thanking all those who stepped forward. However, there was little support or advice available to those groups in the initial period and some of the encouragement did not take account of safeguarding issues for vulnerable people. Will the cabinet ensure proper advice is available to those volunteer groups that continue their work once the emergency passes and will they ensure future emergency planning includes advice that can be issued to volunteers setting up groups to help their community?

### **Response:**

I will of course join you in thanking all of those residents that have stepped forward to volunteer - as well as those providing support to these volunteers. The enthusiasm and willingness of people to volunteer to help those in need has been a testament to the people of Norfolk.

Officers have been working closely with Voluntary Norfolk to co-ordinate the formal volunteering effort, which extends across the whole county and includes various roles. Officers have also sought to provide the best advice possible to voluntary and community groups.

We will of course ensure that steps are taken to capture learning from Covid-19 to inform future planning.

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### **Question 2 from Cllr Chris Jones**

Norfolk County Council has placed children with high needs in specialist SEN schools. Many of them are in receipt of Free School Meals. Because independent schools have been excluded from the Government's voucher scheme these children are now being denied the food they need. What is Norfolk County Council doing to protect these vulnerable children and their families from the consequences of NCC's choice of placement?

### **Response:**

- We are aware that the national voucher scheme is not currently accessible for independent schools and we have raised this as an anomaly with the DfE and are lobbying for a change to the scheme so that independent schools are included.
  - DfE are considering this at present but have not yet reached a conclusion.
  - We have asked that all schools where NCC funds places, that schools use a very small amount of that funding to ensure that the eligible pupils in their care do receive the support they need, either in the form of locally sourced food vouchers or locally sourced food boxes.
  - This is a reasonable request as funding has been provided as part of the advance by NCC to the school and would be used in normal circumstances towards the catering provision.
  - If the government retrospectively include independent special schools in the national voucher scheme, it is likely that they will then reimburse any previous costs such as this, as they have done with publicly funded schools.
  - Additionally, schools may be able to apply to the government for help via small business relief that publicly-funded schools cannot access.
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### **Question 1 from Cllr David Collis**

Emergency planning did not envisage the closure of schools in my division or elsewhere in the county. Who will be taking responsibility for including in future emergency plans how school closures will be managed in my division and across the county in future emergencies?

#### **Response:**

- The government announcement to close schools on March 20<sup>th</sup> was made with the proviso that schools should stay open only for children of key / critical workers and vulnerable children who needed a childcare place.
  - Schools largely remained open, or re-opened rapidly to ensure that this provision was made.
  - Many opened across the Easter school holidays.
  - Since the start of the summer school term all schools are now technically open, even where their building may be closed, because pupils have been moved to neighbouring or partnership schools.
  - We anticipate that schools will be asked to expand the number of children coming to school in future weeks.
  - If that expectation is reversed, we will continue to expect schools to stay open for identified children unless the government directive indicates otherwise.
  - Children's Services will continue to co-ordinate the provision across the county and capacity for schools to remain open as expected by the government.
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### **Question 2 from Cllr David Collis**

Norfolk County Council retains responsibility for educational standards in schools. What steps will be taken to help school students from my division and beyond whose education has been set back as a result of not being able to be at school?

#### **Response:**

- The Local authority has the duty to promote high standards.
- Schools have the responsibility to ensure they make appropriate provision, deliver a broad and balanced curriculum and achieve positive outcomes for children.
- Governing bodies or Multi-Academy Trusts have direct responsibility for educational standards ensuring that children have a good education and make good progress.
- Schools are providing learning resources to children and families, many host lessons on line, or are sending our work packs and resources.
- There is a significant amount of on-line learning, video-based lessons and BBC resources for children and young people to support their learning in school for those attending and for those at home.
- This will be enhanced for some children by the national laptop scheme.
- The impact of this time out of the classroom is difficult to measure, for some children learning is still very much a part of daily life.
- All schools will be developing a 'recovery curriculum' which means they will be working to identify the gaps in children's learning as a result of this period, not in structured learning.
- We will support schools in this, and we will share strategies and resources.
- The responsibility for children's learning and subsequent progress remains that of the school.

- Once schools return to normal practice, we will resume our monitoring of the quality of children's outcomes for LA maintained schools
  - The responsibility for the progress of students in academies will continue to be that of the Regional Schools Commissioner.
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**Question 1 from Cllr Julie Brociek-Coulton**

Emergency plans do not include a definition of key workers or what support may be required for them if called upon in an emergency. Which of my residents should be considered key workers in future and where will plans for supporting key workers for including in future emergency planning be determined?

**Response:**

The definition of key workers has arisen as a result of the unprecedented Covid-19 emergency, and have been defined by Government.

We will of course ensure that steps are taken to capture learning from Covid-19 to inform future planning.

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**Question 2 from Cllr Julie Brociek-Coulton**

When commissioning care home places, home care and supported living for vulnerable people what risk assessments are undertaken into the capacity of the provider to cope in times of emergency taking account of the need to isolate, access PPE and provide safe working methods for staff involved in providing care?

**Response:**

Live information is available to our Operational teams on those care providers where there are concerns about quality (including capacity to make safe admissions). This feeds into the person-centred assessments carried out by social workers to ensure that all placements are made into the most appropriate care settings to meet the needs of the individual. The ongoing quality of services (including the availability of PPE and safe working practices) is being monitored remotely by the Integrated Quality Service.

We also participate in a regional approach to quality monitoring via our integrated quality team – supporting care homes to improve against key themes

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**Question 1 from Cllr Colleen Walker**

The LEP does not recognise the care sector as a major employer or economic driver for Norfolk and yet many of my and all Norfolk County Councillors residents rely on these jobs. There are around 700 employers whose business is delivering care. Will the Cabinet member for Economic growth insist this changes and the care sector now gets the recognition in Norfolk that it deserves as a crucial part of the Norfolk economy?

**Response:**

The Health and Social care sector represents 9.4% of economic activity and 14.2% of employment in the County with Health dominating those figures .. The focus of work, with partners, has been on supporting workforce development in the sector through an £8M ESF project across New Anglia focused on upskilling the workforce, developing higher value jobs in the sector and supporting management and leadership in the sector. With an increasing elderly population, the Social care sector will continue to play a crucial role in supporting the health and wellbeing of our community. It is particularly relevant at this time

to extend our appreciation to all the social care staff currently working at the front line of the fight against Covid 19 and the County Council will continue to highlight the value of those jobs and support the great work that the sector provides.

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**Question 2 from Cllr Colleen Walker**

As we look forward to once again welcoming tourists and relatives visiting loved ones back to Norfolk to boost our economy, there is a considerable risk from a surge a people visiting coastal areas and relatives in care homes. What plans are there to mitigate that risk and when will businesses, Norfolk residents and those in my division be consulted on them?

**Response:**

Like the rest of the country, we will be reflecting on the announcements that the Prime Minister made just yesterday. Officers will continue to work with other agencies through the Norfolk Resilience Forum to closely monitor the impact of any lockdown restrictions, or easing of these restrictions.

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**Question 1 from Cllr Mike Sands**

Small shops and small businesses have supported our communities like mine and many other divisions. Will the cabinet member join me in congratulating and thanking them for supporting their communities, and tell me what steps will be taken to ensure that their role as critical parts of our community infrastructure is recognised and they are protected as community assets?

**Response:**

Small and Medium size businesses make up over 90% of the Norfolk economy and play a valued role in the wealth and wellbeing of our County. Through this pandemic the Government have made unprecedented support available to the vast majority of small businesses through grants and loan schemes. New Anglia LEP have re-purposed their Growth Deal funding to support businesses to diversify with a focus now on the production of PPE. The County Council is actively looking at the outcome of business surveys to determine where best to focus our support to business during the early phase of recovery and is also working to support various of our district Councils through the High Street Fund and Town Deals. Many people have made significant changes to the way they buy food and there is clear evidence of a resurgence in business for local shops like butchers and grocers. Working with new Anglia LEP a new platform has been created that supports the local food and drink sector to meet local supply and demand providing a valued service to local people.

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**Question 2 from Cllr Mike Sands**

The Norfolk economy generates huge wealth through renewable energy created offshore and distributed through our county to power the UK economy. Isn't it about time we got a fair share of the wealth generated in our county that could be used to reduce the poverty that increases the vulnerability of some communities and would help us rebuild our social, community and economic infrastructure?

**Response:**

The clean energy sector, which includes renewables, offers Norfolk a real opportunity to grow jobs and supply chain businesses. That is why it is a sector that is included in the

Local Industrial Strategy and why the County and District partners are looking to maximise investment into this sector. Creating well paid jobs and employment opportunities, supporting the creation of new businesses and spin outs from larger companies that focus on innovation is key to creating more wealth in local economies. That combined with supporting people with the skills they need to access those jobs and create those businesses is the best way to improve the living standards of all our residents and help sustain community infrastructure.

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**Question 1 from Cllr Jess Barnard:**

For the last decade cuts to the funding for charities and community organisations has reduced their capacity and resilience. My residents have seen charities go under during the emergency and many have been making pleas for help to keep them going so they can continue to deliver exactly the kind of crucial support communities need during times of crisis. What steps will the cabinet be taking to support charities and community groups in the short term and ensure their resilience for the long term and replace or restore services those lost when Open were unable to continue?

**Response:**

Cabinet recognises the vital role the Voluntary, Community and Social Enterprise sectors are playing in response to Covid-19- and in supporting our residents in normal times.

We have worked with our partners as part of the Norfolk Resilience Forum to consider how to support local efforts for our residents.

Some charities are eligible for government grants providing their occupation and use fall under the definition of Retail, Hospitality or Leisure.

As part of the wider Community Resilience work, Norfolk Community Foundation have raised over £1m and Norfolk County Council donated £100k towards that fund. Norfolk Community Foundation have been successful in providing both lower level grants of £k to grass roots organisations, as well as larger amounts of up to £10k aimed at larger VCSE organisations for more strategic interventions related to Covid-19 support.

We also grant fund the Working Together Partnership made up of some of the infrastructure organisations who provide ongoing support and advice to the wider sector.

Nationally, the Government has provided a £750 million package for charities to ensure they can continue their vital work during the coronavirus outbreak and the County Council will look to support local organisations to access this.

The Council is supporting charities locally through a range of measures where they provide services to us directly (in the same way that we are supporting all providers) and those indirectly delivering services which support the Council's work. Details of the wider support to charities is published on the Council's website <https://www.norfolk.gov.uk/care-support-and-health/health-and-wellbeing/adults-health/coronavirus/business-support/support-for-charities>.

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**Question 2 from Cllr Jess Barnard:**

Some of the people hardest hit by lock down are the zero hours contract workers who are not eligible for the governments furlough scheme and have been left for more than 6 weeks without pay. This includes some of the sub contracted workforce of Norfolk County Council, including supply teachers and cleaners. What is Norfolk County Council doing to ensure that these workers receive payment and to prevent Norfolk workers being pushed into poverty, debt and rent arrears?

**Response:**

Under furlough arrangements, zero hours contract workers are eligible to be considered for furlough if on the payroll at the relevant date. Within NCC we identified all our casual workers and have undertaken a detailed exercise to calculate an average pay so that they are not disadvantaged. No employee in NCC is disadvantaged

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**Question 1 from Cllr Terry Jermy**

This emergency has highlighted the crucial role of public transport for residents in my Thetford division and across Norfolk, especially the heroes that have kept our county going during the crisis. Does the cabinet member agree it is time to revisit our priorities and give greater weight to investing in public transport rather than new roads?

**Response:**

The County Council has a good track record of investing in public transport and, unlike most other local authorities, we have not reduced the public transport budget for at least the last 6 years, despite the challenging financial situation. As well as conventional public transport, Norfolk also has a good network of community and demand-responsive transport. I agree that public transport is of prime importance and of course if we were to receive any additional funding, we would always consider any public transport needs that were not being met.

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**Question 2 from Cllr Terry Jermy**

Could the Cabinet please provide an update in relation to what is happening with the former Cosy Carpets building at Minstergate in Thetford, which was compulsory purchased by Norfolk County Council in 2013.

**Response:**

The site is subject to a current legal case scheduled for the Upper Tribunal (Lands Chamber) under the title "Nolan Guthrie v Norfolk County Council" (Reference: ACQ/289/2019).

All parties are working together to resolve the case in advance of reaching Land Tribunal. It is therefore inappropriate to discuss at this point.

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**Question 1 from Cllr Danny Douglas**

Mancroft residents look forward to plans being presented concerning the return of children to schools in a safe and appropriate manner, part of which will be the transport arrangements to school. What plans have been drawn up in case of one or more of

Norfolk's bus companies fail or are unable to provide an adequate service?

**Response:**

We are working closely with transport operators to help them plan to deliver transport that is required when children return to school. We are ensuring that all companies receive payments at pre Covid-19 levels and are assisting them with claiming any monies that the Treasury have offered to support bus operators. Children will return in a phased manner and we are working closely with Children's Services and transport operators to ensure the necessary transport can be delivered safely when and where it is needed.

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**Question 2 from Cllr Danny Douglas**

My residents have been asking why the council doesn't run its own bus services to ensure resilience for Norfolk's transport system. Will the cabinet member ask the government to suspend or revoke Clause 22 of the Local Buses Act 2017 which prohibits local authorities from owning local bus companies in order to enable essential bus services to be delivered to Norfolk residents?

**Response:**

We do not believe that this will be necessary, or appropriate. We are supporting Norfolk's bus operators in every way we can and are committed to continue doing this in the months ahead. I believe that the bus companies themselves are best placed to provide Norfolk's transport services, and with our help I am confident they can continue to do so.

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**Question 1 from Cllr Brenda Jones**

It is unlikely the savings budgeted for this year can be achieved and the additional demands on the adult services budget may not be covered by extra funding from government. What contingency plans are in place to protect services in the event of a shortfall and what impact does the cabinet member expect for my residents and others in Norfolk?

**Response:**

As identified in the report to Cabinet, it is too early to fully quantify the financial impacts of the pandemic. The Government has provided funding to support Councils in delivering the response to coronavirus and this is also intended to address the impact of lost savings. While we are still in the early stages of the response to the pandemic, officers are continuing to assess the wider financial impacts and will report this regularly to future Cabinet meetings. However, all services are seeing a profound impact from the pandemic, which is affecting the strategy and direction of resources. Within adult social care for example some preventative services have been redeployed to support the safe discharge of people from hospital and some costs being incurred will rely on NHS funding. Many council services will look different in the coming months to meet the changing needs of residents, providers and partners. The Council will continue to highlight the cost, income, and lost saving pressures across all service areas to Government to seek to ensure that sufficient funding is forthcoming to protect vital service provision.

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**Question 2 from Cllr Brenda Jones**

What has the cabinet member Adult Services and Public Health for done to find out the experiences and needs of adults with disabilities during the lockdown and the experiences of carers during this time?

**Response:**

As you would expect Adult Services are in regular contact with those individuals or their carers contacted by the initial emergency care planning work for C-19. This identified over 7000 service users and carers who required a range of assistance in developing an emergency plan regarding the loss of care or carer/s and plans to mitigate this loss. From this cohort, a significant number are being called weekly or less regularly depending on their situation. This is based on the initial risk assessment and their own requirements for contact. These calls are both to ascertain current care and support needs/circumstances, wider concerns which includes safeguarding, shopping and financial welfare. It also allows a space for a service user/carers to speak directly to a social worker and to be advised on care and respite services or receive advice.

Another cohort of service users and carers are being contacted regularly both by Adult Services and Day Service providers. These service users are those who attended day care which has been suspended. A similar intervention process is in place via weekly calls or less if not required, to these service users and their carer's. This process is assisted by particular Day Care providers via telephone contact. Other interventions are occurring such as planned conversations/meetings with voluntary sector partners and service user representatives via team managers and more senior management staff. This information is being collated to provide background evidence and direction to assist in the consideration of how Adult Services will work within the new C-19 environment or 'new normal' with our service users and carers

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**Question 1 from Cllr Emma Corlett**

Since the lockdown there has been a significant increase in the number of people coming to my division to buy and use illicit drugs. What steps have been taken to ensure the safety of drug users during the pandemic and the safety of residents who are facing numerous people (who do not have access to hand-washing facilities while they are out) using and buying drugs entering stairwells, lifts and communal areas.

**Response:**

I know the police take the issue of people selling drugs very seriously and I am sure they would be very happy to respond to any questions you may put to them.

We have asked our partners Change Grow Live (CGL) to do a number of things to support drug users during this pandemic. They are

- Reducing the need for clients to leave their homes by changing their prescribing regime to two week supply (subject to an individual assessment of clinical need and risk)
- Providing lock boxes to keep medicines safe. Many hostels are supporting clients by holding the lockboxes as well.
- Delivering medicines for self-isolating clients and carrying out welfare checks.
- Offering Naloxone to clients, family members, friends and hostels in case of overdose situations.
- Continuing to provide needle exchange and harm reduction advice, encouraging people to take more than they normally would, so they don't have to keep leaving their home.
- Ringing clients on at least a weekly basis and providing virtual support groups for clients and affected others

**Question 2 from Cllr Emma Corlett.**

A consequence of this increased drug-related activity in my community has been an increase in shoplifting in the local pharmacy and shop. What financial support is available to compensate these independent businesses providing a critical service to the local community for the additional losses they are facing as a result of this shoplifting.

**Response:**

Shoplifting itself would be a matter for law enforcement and insurance. That said, a local pharmacy and/or shop will likely be eligible for the additional reliefs and grants announced in the wake of COVID-19. These measures are available to help businesses cope with the general commercial stresses of the pandemic:

Business Rates Relief (automatic): <https://www.gov.uk/guidance/check-if-your-retail-hospitality-or-leisure-business-is-eligible-for-business-rates-relief-due-to-coronavirus-covid-19>

Small Business Grants: <https://www.gov.uk/government/publications/coronavirus-covid-19-business-support-grant-funding-guidance-for-businesses>

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# Cabinet

Item 8

<b>Decision making report title:</b>	<b>Norfolk Fire and Rescue Service – HMICFRS Improvement Plan update</b>
<b>Date of meeting:</b>	<b>8 June 2020</b>
<b>Responsible Cabinet Member:</b>	<b>Cllr Margaret Dewsbury (Cabinet Member for Communities and Partnerships)</b>
<b>Responsible Director:</b>	<b>Tom McCabe (Executive Director, Community and Environmental Services)</b>
<b>Is this a key decision?</b>	<b>No</b>

## **Introduction from Cabinet Member**

Like the rest of the country, the focus of the service over recent months has been on responding to Covid-19. Staff continue to provide services we can be proud of. Prevention activities have been restricted, in line with Government guidance, but continue for those at the highest risk. The full range of emergency response services to Norfolk Communities has continued throughout this period. Staff have worked with other agencies and partners to ensure the vital support for Norfolk communities, including:-

- Providing logistics support directly for the NHS
- Deploying staff to drive ambulances, helping to extend the number of the ambulance shifts
- Signing a Memorandum of Understanding with Norfolk Constabulary to enable a wider range of support during peak periods, for example where there are concerns for safety, highway disruptions/obstructions and when an individual has collapsed or is injured/trapped.

In the meantime, progress continues to be made to deliver the Fire and Rescue Improvement Plan. Particular points of progress since Cabinet last reviewed the Plan are:-

- New emergency response software – called Vision4 – has been implemented. This is the most advanced software available in the country
- The Strategic Oversight Group agreed by Cabinet in March is in place
- A new cultural framework for the service is ready to launch

The service is also working with Norfolk Constabulary to identify opportunities to develop new and improved training facilities, following their recent purchase of the Hethersett Old Hall School site.

The timetable for the next round of HMICFRS inspection is currently unclear. Whilst progress to deliver our Improvement Plan will be slowed as a result of Covid-19, I look forward to showing the Inspectors the progress and improvements that we have made.

## Executive Summary

This report sets out the progress made to deliver the activities set out in the Improvement Plan since it was last reviewed by Cabinet March, and the plans for further improvement activities.

## Recommendations

1. To review and consider the progress made in delivering the Improvement Plan as set out in the report and at Appendix A.
2. To agree to receive a further update on progress at the Cabinet meeting in September 2020.

## 1. Background and Purpose

- 1.1. Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) undertook a week long inspection of Norfolk Fire and Rescue Service (NFRS) in February 2019. This was the first time that HMICFRS inspected all 45 fire and rescue services across England. In carrying out the inspections, HMICFRS look to answer three main questions:
  1. How **effective** is the fire and rescue service at keeping people safe and secure from fire and other risks?
  2. How **efficient** is the fire and rescue service at keeping people safe and secure from fire and other risks?
  3. How well does the fire and rescue service look after its **people**?
- 1.2. The HMICFRS has published a report setting out their inspection findings. After taking all the evidence into account, a graded judgment is applied for each of the three questions. The four categories of graded judgment are: outstanding; good; requires improvement; and inadequate.
- 1.3. Norfolk Fire and Rescue Service was assessed with overall graded judgement of requires improvement. Other findings from the inspection were that the service is:
  - good in the way it responds to fires and other emergencies, with improvements are required in how the service understands the risk from fire and other emergencies, how it prevents these risks from occurring and how it protects the public through fire safety regulation
  - good in the way it responds to national risks such as terrorism
  - good at making the service affordable now and in the future, with improvement needed in how it makes the best use of the resources available to it
  - good at getting the right people with the right skills, with improvement needed in how the service promotes its values and culture, ensures

fairness and equality, and how it manages performance and develops its leaders

- 1.4. An Improvement Plan has been developed and agreed to address the findings of the Inspection. Cabinet reviewed progress against this plan in March, and this report updates on the progress made since then

## **2. Update on delivery of the Improvement Plan**

- 2.1. A detailed update on the progress being made to deliver the Improvement Plan is set out in Appendix A. Further information about some key areas of focus are set out below. Whilst progress continues to be made, some activities have been paused or rescheduled to enable the service to focus resources on responding to Covid-19.

### **2.2. Culture**

- 2.2.1. The HMICFRS inspection in Norfolk identified ensuring values and behaviours are understood and demonstrated at all levels of the organisation as an area for improvement. The report also stated that “There was evidence of isolated examples of staff not acting in accordance with accepted behaviours, which was perceived to be bullying”. Culture was one of the key themes the HMICFRS has identified from across the 45 inspections carried out.

- 2.2.2. In Norfolk, the Chief Fire Officer continues to be very clear that any form of bullying and harassment is not acceptable, and a joint statement of commitment has been signed by the Chief Fire Officer and the representative bodies.

- 2.2.3. The new NFRS cultural framework has been finalised and is ready to be formally launched. The framework, which has been developed with staff, includes the existing NCC values along with a new set of organisational behaviours for NFRS. Additionally, the formal grievance process that supports the cultural framework has been reviewed and revised to enable the service to review and learn from this information.

- 2.2.4. The new senior management team is committed to demonstrating and championing the cultural framework.

### **2.3. Efficient use of available resources**

- 2.3.1. The inspection noted that we should ensure that we are making the best use of our available resources, including from elsewhere within Norfolk County Council, to increase resilience and capacity.

- 2.3.2. Within the County Council, the service is taking steps to ensure it makes the best use of the skills and resources available. The Service has worked collaboratively with members of the NCC analytics teams to enhance the Community Risk Profile and identify the areas of the County most vulnerable to Fire and other emergencies. Whilst the focus of this work has been on Fire,

the methodology adopted by the team could prove hugely beneficial across other County Council departments.

- 2.3.3. Collaboration with other blue light services also continues so that we can work together to help keep Norfolk communities safe. NFRS and Norfolk Constabulary published an Annual Report on blue light collaboration celebrating successes including the shared use of premises across Norfolk, combined community safety activities, effective deployments of the new drone technology, reduction of arson and the shared fire/police headquarters and control room.

## 2.4. **Service development and investment**

- 2.4.1. Work is also taking place to further invest in the service and to develop new ways of working. The new Integrated Risk Management Plan agreed by Members came into effect on 1 April. This sets out some areas where further work will be carried out to examine if the service could be delivered differently in the future, for example by considering its concept of operations.

- 2.4.2. As part of the budget setting process, Members agreed an additional revenue budget allocation for the service of £877k. This will enable the service to:-

- Secure additional resources for community fire protection
- Increase fire prevention services for vulnerable people
- Deliver a new recruitment programme for wholetime firefighters – this is complete and the new recruits have been trained and are now operational.
- Retain specialist water rescue capability

- 2.4.3. The £2.897m capital investment in the service also agreed by Members will enable:

- Upgrading mobile data terminals on all fire engines, improved IT hardware infrastructure which will enable better opportunity for remote working and upgrades to software.
- Structural improvements to a number of fire stations including Great Yarmouth, Sprowston, Thetford and Dereham and replacing twenty-one drill towers which have reached their end of life across the county.
- Purchasing fifteen new replacement fire engines to be delivered in June 2021 and the delivery of five new agile multi-purpose (Technical Response) vehicles in July 2020 with misting units to support wildfire response.
- Improve provision of critical equipment to support operational response.

## 2.5. **Prevention and protection activity**

- 2.5.1. One of the key themes from all inspections identified by HMICFRS in their State of Fire and Rescue report is “services are doing less prevention work and don’t always target it effectively”. We are building a new community risk profile, in collaboration with NCC analytics teams, that maps risks on a geographical basis, and can be used to inform how we can better target prevention activity so that it is directed to those who will benefit the most.

## 2.6. **Use of data**

- 2.6.1. The inspection identified that the service's previous Integrated Risk Management Plan (IRMP) used 'old' data when it was developed, rather than refreshing or updating the data. The development of the new IRMP included a wide range of up to date data sets. In addition, nine years of incident data was reviewed and analysed, and the service commissioned some specialist external resource to support the development of the IRMP. More recently, the Community Risk Profile work, which was developed in collaboration with NCC analytics teams, has used the very latest data sources to generate a risk map of the County that can be used to target prevent and protect activities at the most vulnerable.

## 3. **Further improvement activities**

- 3.1. As set out in the detailed update at Appendix A, further activities to develop the service are planning for the coming weeks and months. Some key areas of focus will be:-

- We have employed a senior manager to deliver a holistic organisational review over the next eighteen months. The first phase of the review identified the requirement for a richer Community Risk Profile to underpin the IRMP. The current phase is generating the strategic frameworks and putting structures (steering groups and working groups) in place to support the delivery of the IRMP. Once these foundations are set, the organisational review will start to consider what the service needs to do to ensure that we are able to meet the future demands of the Norfolk community.
- We are conducting a review of the information management systems currently used by the Service and exploring opportunities for improving effectiveness and efficiency within the Service through the use of technology, specifically in the areas of risk and workforce modelling and workforce management.
- We are working with the Norfolk Constabulary to identify potential collaborative opportunities, particularly around prevention, protection and community safety activities. In addition, Norfolk Constabulary recently purchased the Hethersett Old Hall School site and we are working together to develop ways to create a blue light training academy on the site.

- 3.2. The new Strategic Development Oversight Group agreed by Cabinet in March has now been established, Chaired by the Cabinet Member for Communities and Partnerships. The new Group will oversee the strategic development activities to deliver the forward vision for the service set out in the Integrated Risk Management Plan.

## 4. **The next HMICFRS inspection in Norfolk**

- 4.1. The next inspection is planned for November. However, the HMICFRS has suspended all inspection activity to enable authorities to focus on the vital

response to Covid-19. Therefore, it is likely that the next inspection will be rescheduled.

## **5. Evidence and Reasons for Decision**

- 5.1. 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.
- 5.2. 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.

## **6. Alternative Options**

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

## **7. Financial Implications**

- 7.1. The additional resource required to support the delivery of the improvement plan is included in the medium-term financial plan. This includes the relevant revenue and capital funding.

## **8. Resource Implications**

- 8.1. **Staff:** There will be a need to secure additional resources to deliver some activities, and the funding to enable this was agreed by Members as part of the budget setting process. A new programme of wholtime firefighters has been completed and the new recruits have been trained are now on operational duty.
- 8.2. **Property:** There are no property implications. Work with Norfolk Constabulary to identify opportunities at the Hethersett Old Hall School site may result in investment proposals for the site, which would be presented to Cabinet when developed.
- 8.3. **IT:** An ICT and technology transformation programme has been developed. Members recently agreed additional capital funding to enable the programme to be delivered.

## **9. Other Implications**

- 9.1. **Legal Implications:** Fire and rescue authorities must give due regard to reports and recommendations made by HMICFRS (section 7.5 of the Fire and Rescue National Framework for England 2018).
- 9.2. **Human Rights implications:** N/A

- 9.3. **Equality Impact Assessment (EqIA):** The full equality impact assessment carried out as part of the development of the new IRMP identified that the service should impact positively on people with protected characteristics. This is because there are some enhancements to service standards and delivery which would see Norfolk communities receive additional resource and support to help keep them safe. It is also because the core aim of the IRMP is to identify who is most at risk from dying or being injured in a fire or emergency, to ensure that resources are targeted effectively to mitigate this. Delivery of the Improvement Plan will support this.
- 9.4. **Health and Safety implications:** Putting in place a new operational learning process as part of the Improvement Plan enables the service to identify ways to improve operational activity to help keep staff and Norfolk communities safe.
- 9.5. **Sustainability implications:** N/A

## **10. Risk Implications/Assessment**

- 10.1. The HMICFRS inspection programme was carried out for the first time in 2019. Because this is a new inspection regime for fire and rescue services, it is difficult at this stage to determine whether the improvements set out in the Improvement Plan will be considered sufficient to address the concerns raised in the inspection, and also whether sufficient progress is being made to deliver these improvements.
- 10.2. In terms of oversight, the Cabinet Member for Communities and Partnerships meets monthly with the Chief Fire Officer to review progress against the Plan. The HMICFRS undertake regular engagement sessions with fire and rescue services through their Service Liaison Leads (SLL), and the Chief Fire Officer meets periodically with the Norfolk SLL to talk through progress. Members of the senior management team also regularly attend national sessions, including with the National Fire Chiefs Council, to help identify and understand national best practice.

## **11. Select Committee comments**

- 11.1. The Infrastructure and Development Select Committee reviewed the Improvement Plan in July 2019. The Select Committee provided challenge and input around whether the Improvement Plan was robust in addressing the improvement areas identified, and realistic in terms of delivery, prior to it being finalised and approved by the Cabinet Member for Communities and Partnerships.

## **12. Recommendations**

- 12.1. **1. To review and consider the progress made in delivering the Improvement Plan as set out in the report and at Appendix A.**
- 2. To agree to receive a further update on progress at the Cabinet meeting in September 2020.**

## 13. Background Papers

### 13.1. [Norfolk Fire and Rescue Integrated Risk Management Plan 2020-23](#)

[Report to 2 March Cabinet Meeting titled Norfolk Fire and Rescue Service – HMICFRS Improvement Plan update](#)

[Report to 17 July 2019 Infrastructure and Development Select Committee titled ‘Norfolk Fire and Rescue Service – HMICFRS inspection outcomes’](#)

A full copy of the HMICFRS Inspection report, and further information about the inspection process, can be found on their website at

<https://www.justiceinspectorates.gov.uk/hmicfrs/>

HMICFRS State of Fire and Rescue: The Annual Assessment of Fire and Rescue Services in England 2019

<https://www.justiceinspectorates.gov.uk/hmicfrs/publications/state-of-fire-and-rescue-annual-assessment-2019/>

### Officer Contact

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

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# Norfolk Fire & Rescue Service

Progress Update on our Improvement Plan in response to the 2019 Inspection by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services

Progress updates as at 8<sup>th</sup> June 2020

## Effectiveness

1. How effective is the fire and rescue service at keeping people safe and secure from fire and other risks.



Requires improvement

## Understanding the risk of fire and other emergencies



Requires improvement

Areas for improvement identified by HMICFRS	Key areas of progress since Plan was agreed	How we will continue to improve	Background information
<p>The service should improve how it uses information from its engagement with the local community to build up a comprehensive profile of risk in the service area.</p>	<p>We have published a document called an “Engagement and communication strategic framework” which will set out how we will engage ensuring that we use all relevant opportunities to engage with our stakeholders.</p>	<p>A new Community Risk Profile (CRP) will be completed, in collaboration with NCC analytics teams that maps risks on a geographical basis, and is being used to inform how we target prevention activity and will underpin everything that we do. The CRP will be subject to regular review.</p>	<p>A community risk profile is intended to demonstrate an understanding and analysis of risks in relation to fire and rescue activity, enabling us to effectively plan our prevention, protection and emergency response services.</p> <p>The profile will also enable the service to identify integration opportunities within the wider NCC family and collaboration opportunities with Norfolk Constabulary and other partners.</p>

Areas for improvement identified by HMICFRS	Key areas of progress since Plan was agreed	How we will continue to improve	Background information
<p>The service should ensure that its integrated risk management plan is informed by a comprehensive understanding of current and future risk. A wide range of data should be used to build the risk profile and operational data should be used to test that it is up-to-date.</p>	<p>Our Integrated Risk Management Plan (IRMP) has been agreed by Members and plans are being developed to deliver against the five proposals. The IRMP was developed using up to date data.</p> <p>We have engaged with other Fire and Rescue Services to understand best practice for community risk profiling and are now exploring options for a dynamic software solution.</p>	<p>The new CRP will support the regular review of our IRMP and prevent, protect and response activities.</p>	<p>The IRMP is a statutory document which every fire and rescue service is required to have in place.</p> <p>The IRMP sets out how we will use our resources to reduce risk as identified in our community risk profile. The IRMP also enables our mid and long term plans.</p>

## Preventing fires and other risks



Requires improvement

Areas for improvement identified by HMICFRS	Key areas of progress since Plan was agreed	How we will continue to improve	Background information
<p>The service should ensure it targets its prevention work at people most at risk. This should include proportionate and timely activity to reduce risk.</p>	<p>We have cleared our home fire risk check (HFRC) backlog and are responding to new requests.</p> <p>A new risk based customer service standard to ensure our HFRC visits are delivered within a defined and reasonable period of time to those most vulnerable from fire is in draft and will be published shortly.</p>	<p>We are continuing to develop opportunities to collaborate with the Norfolk Constabulary to delivery community safety activities and reducing risk across Norfolk.</p> <p>Once developed, the new <u>Community Risk Profile (CRP)</u> will enable us to better target our suite of prevention activities to people most at risk.</p>	<p>The service delivers a wide range of prevention services including the Home Fire Risk Check (HFRC) service which aims to reduce the risk of fire occurring in the home.</p> <p>The service already works with a range of other services and partners to deliver prevention activity, including delivering the #Impact road traffic reduction programme with Norfolk Constabulary, drowning prevention training with RNLI and safety awareness for young people through Crucial Crew.</p>

<p>The service should ensure that staff have a good understanding of how to identify vulnerability and safeguard vulnerable people.</p>	<p>We have refreshed our safeguarding policies and processes and a programme of refresher training for our entire 800+ workforce is complete.</p> <p>The service has appointed a safeguarding lead, duty Group Managers are in place to support staff to deal with any concerns or issues identified and Control are supporting the reporting process.</p>	<p>We are continuing to review our effectiveness at identifying and reporting safeguarding issues to the relevant authorities.</p>	<p>Safeguarding children and vulnerable adults is a statutory responsibility of Norfolk County Council. It means protecting individuals' health, wellbeing and human rights, and enabling them to live free from harm, abuse and neglect.</p>
<p>The service should evaluate its prevention work, so it understands the benefits better.</p>	<p>Our new operational learning process is enabling us to evaluate the effectiveness of our prevention and protection activities. This process is enabling us to review what interventions were in place prior to an incident and how we might be able to make improvement to be more effective in the future.</p>	<p>We are developing a Performance and Assurance Board which will assess our effectiveness against the strategic frameworks and key performance indicators ensuring organisational learning drives future improvement,</p>	<p>Evaluation is already carried out on the some of our prevention activity. Making a direct link between prevention work and impact on measures/outcomes is challenging.</p>

## Protecting the public through fire regulation

● ● ○ ○  
Requires improvement

Areas for improvement identified by HMICFRS	Key areas of progress since Plan was agreed	How we will continue to improve	Background information
<p>The service should ensure it allocates enough resources to a prioritised and risk-based inspection programme. This should include its arrangements for providing specialist protection advice out of hours.</p>	<p>An assessment has been carried out to identify how to deliver additional out of hours support in an efficient and effective way, and Members recently agreed additional funding that will enable this.</p> <p>Members have also agreed additional investment in the service to enable additional prevention and protection resources. Details are being finalised around an increase in establishment and changes to the current structure to improve our risk based inspection programme.</p>	<p>A working group has been established to determine the most effective use of the additional investment.</p> <p>The development of the new collaborative approach with Norfolk Constabulary to deliver community safety activities continue.</p>	<p>There is currently a fire safety plan that prioritises inspections on those buildings that present the highest risk to the occupants, should a fire start.</p>
<p>The service should ensure that staff work with local businesses and large organisations to share information and expectations on compliance with fire safety regulations.</p>	<p>Following a successful pilot, the service is now offering training sessions across Norfolk to residential social landlords to educate staff around fire and community safety.</p>	<p>The Communications and Engagement strategic framework outlines our engagement activities which will be expanded upon through identified action plans.</p>	
<p>The service should ensure it addresses effectively the burden of false alarms.</p>	<p>A policy is already in place to support staff to identify false alarms and avoid unnecessarily responding.</p>	<p>We are continuing to review ways in which we can further reduce false alarms.</p>	<p>The service already has a policy of challenging signals for automatic fire alarms from commercial premises such as shops. This policy has</p>

	The number of false alarm calls we receive in our emergency control room is reducing.		successfully reduced the number alarms attended but this reduction has levelled off over the past few years.
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## Responding to fires and other emergencies



Good

Areas for improvement identified by HMICFRS	Key areas of progress since Plan was agreed	How we will continue to improve	Background information
<p>The service should ensure it has an effective system for staff to use learning and debriefs to improve operational response and incident command.</p>	<p>The new operational learning groups is continuing to embed new process and evaluate the effectiveness of it.</p> <p>We are also working closer with our regional fire and rescue service and National Fire Chiefs Council to ensure learning opportunities identified with Norfolk are shared with the region and nationally and vice-versa.</p> <p>The new innovations group has been supporting new ways of working under the pandemic situation proving the effectiveness and agility of the group.</p>	<p>Work is continuing to develop an improved approach to assessing prevention and protection activities by making better use of digital technology and processes.</p>	<p>After serious incidents we ask our crews to record any of the lessons they have identified. This operational learning is used to improve our response and in our training.</p>

## Responding to national risks



Areas for improvement identified by HMICFRS	Key areas of progress since Plan was agreed	How we will continue to improve	Background information
<p>The service should ensure its firefighters have good access to relevant and up-to-date risk information. This should include cross-border risk information.</p>	<p>We have undertaken refresher training with all our operational staff to ensure they know how to access information on appliance computers.</p>	<p>We are making progress in delivering a new software package (known as PORIS) to replace existing risk information available on on-board computers and will deliver improved risk information to our crews to support the effective resolution of emergency incidents.</p>	<p>Our firefighters have access to the latest risk information through their fire appliance on board computers, including cross border risk information.</p>
<p>The service should arrange a programme of over-the-border exercises, sharing the learning from these exercises.</p>	<p>Operational crews are continuing to undertake over-the-border district exercises as outlined in our district/station plans to ensure we work effectively with our colleagues in Suffolk, Cambridgeshire and Lincolnshire. We assess these exercises using our new operational learning process.</p>	<p>The new software systems for risk information will enable us to provide more detailed information to crews about cross-border risks to support operational planning.</p>	<p>We have arrangements for forming a multi - agency response to terrorist related incidents including a multi-agency team that responds to terrorist attacks.</p>

<p>The service should ensure it is well-prepared to form part of a multi-agency response to a terrorist-related incident and that its procedures for responding are understood by all staff and are well tested.</p>	<p>Our joint police and fire control room is benefiting from the advantages of working closer together. The co-location of our control rooms will enable greater effectiveness in and enhanced communication during a major incident or terrorist related event.</p>	<p>We have delivered on-going training for staff on how we will respond and deal with terrorist related incidents.</p>	<p>The recent publication of new National guidance will provide an opportunity to help improve our staff's understanding of the procedures to follow when responding to terrorism.</p>
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## Efficiency

2. How efficient is the fire and rescue service at keeping people safe and secure from fire and other risks.



Requires improvement

## Making best use of resources

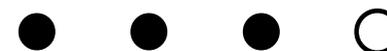


Requires improvement

Areas for improvement identified by HMICFRS	Key areas of progress since Plan was agreed	How we will continue to improve	Background information
The service should ensure that resources are appropriately allocated to support the activity set out in its integrated risk management plan.	The new 2020-23 IRMP – which focuses on how we allocate resource to mitigate community risk - has been agreed been published	<p>We are developing a suite of Strategic Frameworks which will enable the delivery of the IRMP through clearly defined action plans.</p> <p>We are establishing a People Strategic Framework and workforce plan to ensure we resource the service effectively.</p>	The IRMP is a statutory document which every fire and rescue service is required to have in place.
The service should ensure that it makes best use of the resources available to it, including from elsewhere within Norfolk county council, to increase resilience and capacity.	<p>The dedicated Fire and Rescue ICT team has transferred to the wider NCC team enabling us to bring together software and hardware platforms improving efficiency in support and procurement across the organisation.</p> <p>An ICT transformation programme and managerial oversight board is now</p>	<p>The organisational review will continue to take a detailed look at the service and identify where we can improve ways of working, invest in technological improvements and resourcing models to drive efficiency and effectiveness.</p> <p>The ICT transformation programme will continue to improve the effectiveness of IT hardware and systems across</p>	The organisational review will identify opportunities for better working with colleagues in the wider County Council.

	<p>beginning to deliver improvements to the fire infrastructure including increased capacity within our network, which has supported our home and remote working arrangements, made software and security upgrades and scoping new hardware.</p> <p>Support from key roles within NCC has been secured. Additionally, two senior managers from outside NFRS are now part of the Senior Management Team bringing with the, specific skills in their particular fields. One person is now responsible for undertaking an holistic organisational review and the other for developing and improving the planning and assurance function.</p>	<p>the service.</p>	
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## Making the fire and rescue service affordable now and in the future



Good

Areas for improvement identified by HMICFRS	Key areas of progress since Plan was agreed	How we will continue to improve	Background information
<p>The service should ensure it makes the best use of available technology to improve operational effectiveness and efficiency.</p>	<p>The dedicated Fire and Rescue ICT team has transferred to the wider NCC team and a ICT transformation programme has been developed as a result.</p> <p>Our emergency response is now delivered using new software called Vision 4. This has been developed as part of a consortium with three of Fire and Rescue services. The new software is one of the most advanced available in the country.</p>	<p>The mobile data terminals upgrade on all our fire engines has commenced</p> <p>Over the next twelve months we will see a refresh of our ICT hardware which will also provide additional flexibility of options available and improve effective ways of working particularly enabling remote working.</p> <p>We have begun upgrading our software solutions to improve ways of working is in place.</p>	<p>Norfolk Fire and Rescue Service is working with other services regionally to share systems wherever possible.</p>

## People

3. How well does the fire and rescue service look after its people.



Requires improvement

## Promoting the right values and culture

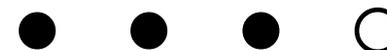


Requires improvement

Areas for improvement identified by HMICFRS	Key areas of progress since Plan was agreed	How we will continue to improve	Background information
<p>The service should ensure its values and behaviours are understood and demonstrated at all levels of the organisation.</p>	<p>We have developed a new cultural framework and will be launched throughout early summer 2020. We have been facilitating workshops with all our staff and to develop the new set of agreed values and behaviours in this framework.</p> <p>The National Fire Chiefs Council's leadership framework is being adopted and incorporated into our appointments and promotions process.</p>	<p>Our performance will be managed through a new Performance and People Strategic Frameworks to ensure that our staffs understand what is expected of them in terms of agreed values and behaviours, with any exceptions being dealt with appropriately.</p> <p>We are developing a People Strategic Framework which is setting out how we will improve the diversity of our workforce through recruitment.</p>	<p>The National Fire Chief Councils has this year published a new Leadership Framework. The cultural framework for the service incorporates this framework.</p>

Areas for improvement identified by HMICFRS	Key areas of progress since Plan was agreed	How we will continue to improve	Background information
<p>The service should assure itself that staff understand and have confidence in the purpose and integrity of health, safety and wellbeing policies.</p>	<p>We are continuing to deliver a wellbeing programme. This roadshow is being delivered across the service and all teams and are getting/have been involved. Action plans have been developed in a number of teams.</p> <p>We have access to the Norfolk Support Line which provides support, guidance and signposting to those who feel that may need help. We monitor the usage and effectiveness of this service.</p>	<p>We will continue to assess wellbeing performance, including by assessing the results of the latest survey, which should be available in June.</p> <p>The staff survey is currently live and we will review the results to ensure our wellbeing performance is being improved.</p>	

## Getting the right people with the right skills



Good

Areas for improvement identified by HMICFRS	Key areas of progress since Plan was agreed	How we will continue to improve	Background information
<p>The service should ensure its workforce plan takes full account of the necessary skills and capabilities to carry out the integrated risk management plan.</p>	<p>Now that a new IRMP for the service has been published, work on a new Workforce Plan will progress to support managing resources effectively to ensure we are capable and agile to deliver the 2020/23 IRMP.</p> <p>We have set up a Resources Board which reviews all staffing/vacancy changes to ensure they are fit for purpose and support delivery of the IRMP.</p>	<p>Under the new People Strategic Framework our new Workforce Plan will reflect the key elements of the NFCC's People Strategy.</p>	

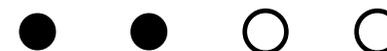
## Ensuring fairness and promoting diversity

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Requires improvement

Areas for improvement identified by HMICFRS	Key areas of progress since Plan was agreed	How we will continue to improve	Background information
<p>The service should assure itself that it has effective grievance procedures.</p>	<p>We continue to manage and review all grievances received within the service.</p>		
<p>The service should assure itself that staff are confident using its feedback mechanisms.</p>	<p>The Service leadership team are undertaking regular face to face team meetings across the service.</p> <p>We have embedded a processes of team meetings and one to ones to ensure that we have mechanisms in place to ensure our staff are well informed and their voices heard.</p> <p>A staff group has been established and is reviewing internal communications processes to help ensure they are fit for purpose.</p>	<p>We are reviewing the effectiveness of our communications and feedback mechanisms, including through the staff survey.</p>	

Areas for improvement identified by HMICFRS	Key areas of progress since Plan was agreed	How we will continue to improve	Background information
<p>To identify and tackle barriers to equality of opportunity, and make its workforce more representative, the service should ensure diversity and inclusion are well-understood and become important values of the service.</p>	<p>A full Equality Impact Assessment was carried out as part of the IRMP development process. This has identified a number of areas of data and performance which we can monitor to assess our performance, and to help drive our plans e.g. around community engagement.</p> <p>The diversity of our operational workforce reflects the national fire and rescue service picture with fewer female and Black, Asian and Minority Ethnic employees as we would like. We are undertaking a review of our recruitment process and opportunities for improving diversity.</p>	<p>Under the new People Strategic Framework a network of Equality, Diversity and Inclusion leads will be established across the organisation, with appropriate training provided.</p> <p>Under this framework we will set out how we will improve the diversity of our workforce through recruitment.</p>	<p>Nationally, fire and rescue services have found it challenging to attract and retain a diverse workforce. The latest wholetime recruitment campaign has been successful with 25% of apprenticeship firefighters being women.</p>

## Managing performance developing leaders



Requires improvement

Areas for improvement identified by HMICFRS	Key areas of progress since Plan was agreed	How we will continue to improve	Background information
<p>The service should ensure its selection, development and promotion of staff is open, transparent and fair.</p>	<p>We have amended our promotions interview process to replace 1-2-1 style interviews with a Panel.</p>	<p>Work on a new Workforce Plan will progress to support managing resources effectively to ensure we are capable and agile to deliver the 2020/23 IRMP.</p>	<p>For uniformed posts, NFRS uses assessment and development centres as part of the recruitment process, which helps to provide a consistent, open and fair selection process.</p>
<p>The service should put in place an open and fair process to identify, develop and support high-potential staff and aspiring leaders.</p>	<p>We are developing our talent management scheme using our existing personal development planning process and managerial support and mentorship.</p> <p>This will align to the leadership framework as set out by the National Fire Chiefs Council specifically for the fire and rescue service sector.</p>	<p>The pilot supervisory manager development programme was a success and we are now reviewing the on-going delivery model which will provide new leaders an introduction to successful management.</p> <p>Further work will be carried out to develop a succession plan as part of the Workforce Plan.</p>	

# Cabinet

Item 9

<b>Decision making report title:</b>	<b>West Norfolk Transport and Infrastructure Working Group</b>
<b>Date of meeting:</b>	<b>8 June 2020</b>
<b>Responsible Cabinet Member:</b>	<b>Cllr Wilby (Cabinet Member for Highways, Infrastructure and Transport)</b>
<b>Responsible Director:</b>	<b>Tom McCabe (Executive Director, Community and Environmental Services)</b>
<b>Is this a key decision?</b>	<b>No</b>

## **Introduction from Cabinet Member**

At their meeting on 3 February 2020, Cabinet agreed to adopt the King's Lynn transport strategy and implementation plan, which has been prepared in partnership with the Borough Council.

In order to oversee the delivery of the implementation plan and advise on other transport and infrastructure matters within the Borough area, Cabinet also agreed to establish a West Norfolk Transport and Infrastructure Steering Group consisting of Elected Members from both Councils.

The Steering Group will support the ambitious growth proposals of both councils, which is varied and complex, by providing a dedicated body to shape transport and infrastructure delivery required to support the growth agenda.

## **Executive Summary**

This report sets out the rationale for a West Norfolk Transport and Infrastructure Steering Group and a proposed Terms of Reference for the Group.

The group will oversee key transport and infrastructure projects in the King's Lynn area including the transport strategy and the West Winch growth area.

## **Recommendation**

- 1. To approve the Terms of Reference, as set out in Appendix A, for a joint West Norfolk Transport and Infrastructure Steering Group.**

## **1. Background and Purpose**

- 1.1.** In February 2020 Cabinet agreed and adopted the King's Lynn Transport Strategy and Implementation Plan which was devised in collaboration and partnership with the Borough Council of King's Lynn and West Norfolk. In order to oversee the

delivery of the Implementation Plan and ensure schemes are brought forward appropriately with due regard to current environmental and other policies, Cabinet also agreed to establish a West Norfolk Transport and Infrastructure Steering Group.

- 1.2. This Steering Group will consist of Elected Members and senior officers from both Councils, supported by other officers, to oversee and advise on these matters within the Borough area. As suggested by the name, the steering group will also consider key projects in the Borough outside the town of King's Lynn, a prime example being the delivery of the South East King's Lynn Growth Area (SEKLGA) and the West Winch Housing Access Road (WWHAR).

## **2. Proposals**

- 2.1. It is proposed to set up a West Norfolk Transport and Infrastructure Steering Group and invite the Borough Council to join and participate in the process.
- 2.2. Over the last 4 years or so, regular but relatively informal meetings have taken place between senior Members and officers of the two councils. This Steering Group would essentially formalise the existing arrangements. In view of this it is expected that the Borough Council will accept an invitation to join and be part of this partnership process.
- 2.3. The proposed Terms of Reference (TOR) as set out in Appendix A.
- 2.4. The Steering Group will comprise three elected members from the Borough Council of King's Lynn and West Norfolk and three elected members from Norfolk County Council.
- 2.5. The non-elected members of the Steering Group shall comprise:
  - Lorraine Gore – Chief Executive BCKL&WN
  - Other senior officer BCKL&WN – to be nominated
  - Tom McCabe – Executive Director NCC
  - Vince Muspratt – Director of Growth and Development NCC
- 2.6. A similar partnership Steering Group has been operating in for a number of years between Great Yarmouth Borough Council and Norfolk County Council, with the Borough Council providing the secretariat function. A similar approach is proposed, and the Borough Council of King's Lynn and West Norfolk will be invited to provide the local secretariat function for the Steering Group.
- 2.7. It is proposed that a County Council Member will Chair the Steering Group.

## **3. Impact of the Proposal**

- 3.1. The Steering Group would formalise the liaison between Borough and County, Members and Senior officers. It would not be a decision-making body but would make recommendations to be considered by both councils, through provisions in their respective constitutions. A key objective of the Steering Group will be the

agreement of strategic objectives in partnership and how costs could be shared in taking forward key projects in a collaborative manner.

#### **4. Evidence and Reasons for Decision**

4.1. The proposed approach is based on the proven success of the current Great Yarmouth Transport and Infrastructure Steering Group which has been in existence for about 5 years. This has successfully overseen and steered the delivery of some £13m investment in transport schemes from New Anglia Local Enterprise Partnership and the development of a transport strategy for the town to support and build upon the benefits of the Third River Crossing.

4.2. The Borough Council considered a report on the Kings Lynn Transport Study and Strategy work on 4 February 2020. At that meeting they resolved:

*1) That the consultation responses received as part of the consultation process and that these are recognised in the proposal be noted.*

*2) That Cabinet adopt the King's Lynn Transport Strategy (KLTS) Implementation Plan attached as Appendix A to the report.*

This decision was called in and reviewed at the Borough Council's Corporate Performance Panel on 2 March 2020. That panel resolved:

*The Panel did not uphold the call-in, but supported the proposal from the Portfolio Holder to set up a Task Group in the next two to three months to develop and monitor the strategy.*

The Planning Policy Manager at the Borough Council is considering how such a Task Group would operate in discussion with his Portfolio Holder for Development, Councillor Blunt, and will update NCC in due course. The West Norfolk Transport and Infrastructure Steering Group could fulfil this function but it would be up to the Borough Council to decide whether it still needs a separate internal Task Group and how that would operate.

#### **5. Alternative Options**

5.1. An alternative approach would be to retain the status quo and rely upon the regular but relatively informal Member meetings and ad hoc conversations between senior officers. This is not recommended due to the increasing complexity of the growth agenda and the need for even closer collaboration between the two authorities.

#### **6. Financial Implications**

6.1. There are no direct financial implications to setting up and operating the Steering Group.

## **7. Resource Implications**

### **7.1. Staff:**

None. The Group can be accommodated within existing resources.

### **7.2. Property:**

None.

### **7.3. IT:**

None.

## **8. Other Implications**

### **8.1. Legal Implications**

None. The Steering Group will not have any decision making powers and decisions will continue to be made in accordance with the provisions in each Council's Constitution.

### **8.2. Human Rights implications**

None.

### **8.3. Equality Impact Assessment (EqIA)**

N/A.

### **8.4. Sustainability implications**

N/A.

## **9. Risk Implications/Assessment**

9.1. The growth agenda of both councils is varied and complex so a dedicated Steering Group to help shape this work and help ensure delivery of the expected benefits is seen as a good proposition.

## **10. Select Committee comments**

10.1. N/A.

## **11. Recommendations**

11.1. **1. To approve the Terms of Reference, as set out in Appendix A, for a joint West Norfolk Transport and Infrastructure Steering Group.**

## **12. Background Papers**

12.1. 

- [King's Lynn Transport Strategy - Cabinet report 3 February 2020](#)

## Officer Contact

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

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# West Norfolk Transport and Infrastructure Steering Group

## Terms of Reference

### 1. Background and Context

- 1.1 The King's Lynn Transport Strategy and Implementation Plan, which was devised in collaboration and partnership with Norfolk County Council and the Borough Council of King's Lynn and West Norfolk, was adopted in February 2020. This Steering Group will oversee the delivery of the Implementation Plan and ensure schemes are brought forward appropriately with due regard to current environmental and other policies. It will also consider key projects in the Borough outside the town of King's Lynn, a prime example being the delivery of the South East King's Lynn Growth Area (SEKLGA) and the West Winch Housing Access Road (WWHAR). The group will consist of Elected Members and senior officers from both Councils, supported by other officers, to oversee and advise on matters within the Borough area.
- 1.2 The ambitious growth agenda of both councils is varied and complex so a dedicated Steering Group to shape transport and infrastructure delivery to support the growth is useful. The Steering Group will formalise the liaison between Borough and County, Members and Senior officers.

### 2. Objectives, remit and operation of the Steering Group

- 2.1 A key objective of the Steering Group will be the agreement of strategic objectives taken in partnership, including how costs could be shared in taking forward key projects in a collaborative manner. This Steering Group would not be a decision making body but will make recommendations for consideration by both councils, through provisions in their respective constitutions, and would be available for all transport and infrastructure issues in King's Lynn and West Norfolk.
- 2.2 The remit of the Group will be to:
  - Provide advice, support and guidance to the two authorities on projects of joint interest
  - Monitor and guide progress on projects
  - Ensure delivery meets wider objectives
  - Provide strategic coordination between programmes of work
  - Monitor risk
  - Agree cost-sharing and responsibilities
  - Act as an ambassador for projects

- 2.3 Key projects and issues for the Steering group to consider include:
- King's Lynn Transport Strategy and Implementation Plan
  - The South East King's Lynn Growth Area (SEKLGA)
  - West Winch Housing Access Road (WWHAR)
  - Public transport, walking and cycling
  - Rail and rail policy
  - On and off-street parking
  - Trunk road improvements and other major transportation projects
  - Traffic management, signage, and minor capital works issues
  - Wider transport and highway issues inclusive of transport policy development
  - Other infrastructure and strategic planning issues as necessary to deliver the King's Lynn Transport Strategy and Implementation Plan.
- 2.3 Following relevant reports and information provided by officers, the Steering Group will discuss and provide a local steer, advice and direction to the formulation and delivery of transport and infrastructure programmes in the Borough. These will be developed in the context of both authorities new and emerging carbon reduction and environmental policies.

### **3. Steering Group Membership**

- 3.1 The Steering Group will comprise three elected members from the Borough Council of King's Lynn and West Norfolk and three elected members from Norfolk County Council. Substitute Members will be allowed.
- 3.2 The non-elected members of the Steering Group shall comprise:
- Lorraine Gore – Chief Executive BCKL&WN
  - Other senior officer BCKL&WN – to be nominated
  - Tom McCabe – Executive Director NCC
  - Vince Muspratt – Director of Growth and Development NCC
- 3.3 Other BCKL&WN and NCC officers will be invited to attend as required to support and provide reports to the Steering Group
- 3.4 The Chair of the group will be selected by the County Council from one of their Member representatives. This can be reviewed on an annual basis.
- 3.5 Representatives from other organisations and other officers can be invited to attend meetings, as appropriate.

### **4. Frequency and location of meetings**

- 4.1 The Steering Group shall meet at approximately 3 to 4 month intervals appropriately scheduled in relation to key activities in the development and

delivery of the infrastructure projects. Additional meetings will be scheduled where necessary.

- 4.2 The meeting will alternate between King's Lynn and Norwich, although a midway venue such as the Breckland District Council offices in Dereham could also be considered. (The current regular but relatively informal Member meetings have been satisfactorily held in this venue)

## **5. Notice of meetings**

- 5.1 Notice of each meeting, confirming the venue, time and date, together with the agenda, shall be sent to each member of the Steering Group and any other person required to attend no later than 5 working days before the date of the meeting. Any reports, information and supporting papers shall be sent to Steering Group members and to other attendees as appropriate, at the same time. Members may raise an item under 'Any Other Business' if necessary and as time permits.
- 5.2 The meetings will not take place in public.

## **6. Minutes of meetings**

- 6.1 Formal minutes of the meetings will be prepared, including the names of those in attendance, identifying any actions and by whom. These will be sent via email to all Steering Group members and attendees no later than 4 weeks after the meeting and before the agenda of the next meeting is circulated.

# Report to Cabinet

Item No. 10

<b>Report title</b>	<b>Finance Monitoring Report 2019-20 outturn</b>
<b>Date of meeting</b>	<b>8 June 2020</b>
<b>Responsible Cabinet Member</b>	<b>Cllr Andrew Jamieson (Cabinet Member for Finance)</b>
<b>Responsible Director</b>	<b>Simon George (Executive Director of Finance and Commercial Services)</b>
<b>Is this a key decision?</b>	<b>Yes</b>

## **Introduction from Cabinet Member**

This report gives a summary of the financial outturn for the 2019-20 Revenue and Capital Budgets, General Balances, and the Council's Reserves at 31 March 2020, together with related financial information.

## **Executive Summary**

The revenue outturn for 2019-20 was an **underspend of £0.083m** on a net budget of £409.293m.

This position takes into account the financial impact resulting from actions take to reduce the impact of the Covid-19 virus in the final weeks of 2019-20 although this was mitigated by additional government support received in March and far greater pressures are anticipated in 2020-21.

General Balances are £19.7m and service reserves and provisions total **£124.1m** (before LMS balances and DSG adjustments).

## **Recommendations**

1. Recommend to County Council addition borrowing of £0.515m to fund in-year Children's Services capital expenditure as set out in Appendix 2 paragraph 5.
2. Note the general fund revenue outturn underspend of **£0.083m**;
3. Note the savings shortfall of **£4.752m** as described in Appendix 1 paragraph 5;
4. Note the forecast General Balances at 31 March 2020 of £19.706m, after taking into account the outturn underspends;
5. note the expenditure and funding of the current and future 2019-22 capital programmes.

## 1. Background and Purpose

- 1.1. This report and associated annexes summarise the forecast financial outturn position for 2019-20, to assist members to maintain an overview of the overall financial position of the Council.

## 2. Proposals

- 2.1. Having set revenue and capital budgets at the start of the financial year, the Council needs to ensure service delivery within allocated and available resources, which in turn underpins the financial stability of the Council. Consequently, progress has been regularly monitored and corrective action taken when required.

## 3. Impact of the Proposal

- 3.1. The impact of this report is to demonstrate that a balanced budget has been delivered in 2019-20
- 3.2. The capital expenditure proposals will ensure sufficient capital funding is available to ensure a balanced revenue budget, without affecting the remainder of the capital programme.

## 4. Evidence and Reasons for Decision

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

**Appendix 1** summarises the revenue outturn position, including:

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

**Appendix 2** summarises the capital outturn position, and includes:

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

## 5. Alternative Options

- 5.1. In order to deliver a balanced budget, no viable alternative options have been identified to the recommendations in this report. In terms of financing the proposed capital expenditure, no grant or revenue funding has been identified to fund the expenditure.

## 6. Financial Implications

- 6.1. As stated above, the revenue outturn for 2019-20 was an underspend of **£0.083m** (P11 £1.375m forecast overspend) despite a shortfall in savings of **£4.752m** (P11 £5.398m). Service reserves and provisions amount to **£124.1m**, and general balances **£19.7m** including the outturn underspend.

Within the forecast overspend are significant financial pressures identified in Children's Services and Adult Social Services, balanced by underspends in other

areas, primarily Finance General.

The Children's Services net overspend has been due mainly to high and increasing levels and complexity of need across placement and support budgets, including children looked after, young people leaving care and children at risk of harm, and transport costs for home to school transport, particularly Special Educational Needs, Disabilities and Alternative Provision (SEND & AP) transport, were under significant pressure, primarily due to the unit cost of provision. Within Adults, there have been pressures on Purchase of Care budgets, mainly related to Older People and Mental Health services. Community and Environmental Services has generated an underspend of £0.591m in 2019-20. A full narrative is given in Appendix 1

The Council's capital programme is based on schemes approved by County Council on 12 February 2019, previously approved schemes brought forward and schemes subsequently approved during the year. The programme has been updated to reflect County Council approval of new capital schemes on 17 February 2020.

The proposals in this report will add £0.515m to the capital programme, to be funded by prudential borrowing.

## **7. Resource Implications**

- 7.1. The additional capital funding will allow the Council to report a balanced budget without having an undue impact on the remainder of the capital programme.

## **8. Other Implications**

### **8.1. Legal Implications:**

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

### **8.2. Human Rights implications**

None identified.

### **8.3. Equality Impact Assessment**

In setting the 2019-20 budget, the Council consulted widely. Impact assessments are carried out in advance of setting the budget, the latest being published as "Budget proposals 2019-2020 Overall Summary: [Equality & rural impact assessment report](#)".

The Council's net budget has remained unchanged throughout the financial year and there are no additional equality and diversity implications arising out of this report.

## **9. Risk Implications/Assessment**

- 9.1. The Council's Corporate Risk Register provides a full description of corporate risks, including corporate level financial risks, mitigating actions and the progress made in managing the level of risk. A majority of risks, if not managed, could have significant financial consequences such as failing to generate income or to realise savings.

Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. Chief Officers have taken measures throughout the year to reduce or eliminate potential over-spends.

## **10. Select Committee comments**

10.1. None

## **11. Recommendations**

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

## **12. Background Papers**

12.1. None

### **Officer Contact**

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

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**Tel No. :** 01603 223330

**Email address:** [harvey.bullen@norfolk.gov.uk](mailto:harvey.bullen@norfolk.gov.uk)



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# Norfolk County Council Finance Monitoring Report 2019-20

## Appendix 1: 2019-20 Revenue Finance Monitoring Report Outturn

Report by the Executive Director of Finance and Commercial Services

### 1 Introduction

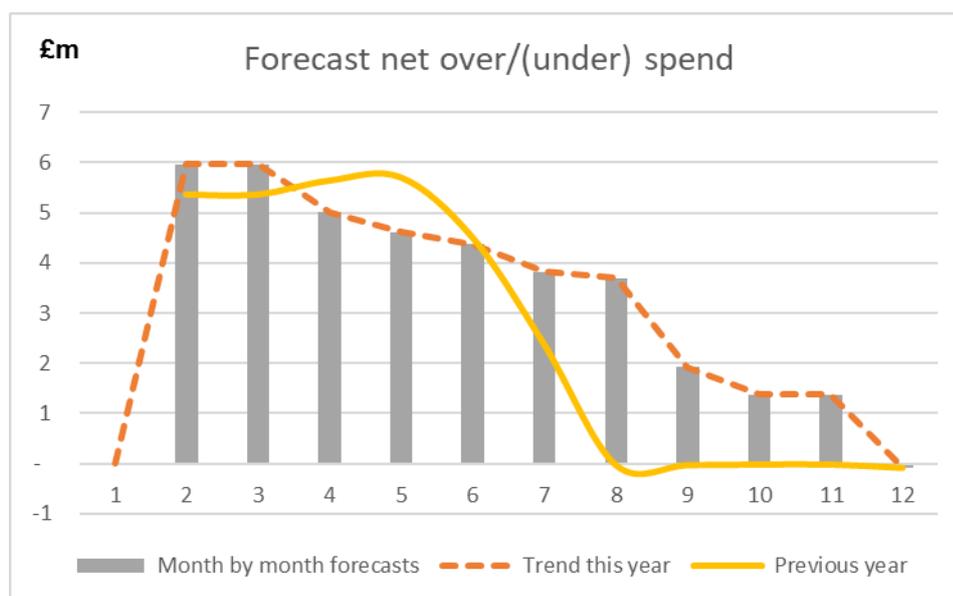
1.1 This report gives details of:

- the outturn position for the 2019-20 Revenue Budget
- General Balances and Reserves at 31 March 2020 and
- other key information relating to the overall financial position of the Council.

### 2 Revenue outturn

2.1 **At the end of March 2020** an underspend of £0.083m was achieved on a net budget of £409.293m.

Chart 1: forecast /actual revenue outturn 2019-20, month by month trend:



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

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

**Table 1: 2019-20 forecast (under)/over spends by service**

Service	Revised Budget	Net (under)/over spend	%	RAG
	£m	£m		
Adult Social Services	250.361	0.990	0.4%	A
Children's Services	210.776	12.972	6.2%	R
Community and Environmental Services	171.356	-0.591	-0.3%	G
Strategy and Governance	8.747	-0.022	-0.3%	G
Finance and Commercial Services	40.280	-0.177	-0.4%	G
Finance General	-272.227	-13.255	4.9%	G
<b>Totals</b>	<b>409.293</b>	<b>-0.083</b>	<b>0.0%</b>	<b>G</b>

Notes:

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

2.4 **Children's Services:** Existing commitments within NCC Funded Children's Services resulted in significant pressures during 2019-20 particularly within placements and support for children looked after, young people leaving care, as well as intervention and support around families to enable children and young people to stay safe at home.

2.5 Market conditions through 2019-20 resulted in significant and unexpected unit cost increases for home to school transport, particularly for children and young people with Special Educational Needs, Disabilities and Alternative Provision (SEND & AP).

2.6 The service pressures to manage demand and focus on the presenting complexity of need have been long identified by the department, including front line social care staffing pressures where there is a need to have sufficient resource. Despite the of recent focus on addressing the implications of the Covid-19 virus, the impact of these pressures continues to be reviewed and are being addressed through a sustained multi-year programme of transformation.

2.7 Further details relating to the Children's Services position are included in Revenue Annex 1.

2.8 **Dedicated Schools Grant:** Dedicated Schools Grant: Overall, there has been an overspend on the Dedicated Schools Grant (DSG) allocation in 2019-20 due to the high level of spend against the High Needs Block, partially offset by an underspend on the Schools Block. The pressures for the High Needs Block were anticipated and estimated in the plan shared with the Secretary of State when the application to move funds from the Schools Block to the High Needs Block for 2019-20 was agreed.

- 2.9 Significant work continues to be undertaken through the Special Educational Needs and Disabilities (SEND) and Alternative Provision (AP) part of the Transformation programme, both to ensure that the right specialist provision is in the right place to meet needs whilst also progressing work to transform how the whole system supports additional needs within mainstream provision.
- 2.10 The Council submitted its DSG recovery plan to the DfE at the end of June 2019 and the Council also submitted a response to the DfE's call for evidence at the end of July. The Council and Chair of Norfolk Schools' Forum were due to meet the DfE in March to explore this plan further, but this was initially postponed due to the Norfolk Area SEND OFSTED inspection and, subsequently, due to all agencies focus on Covid-19 response and implications.
- 2.11 New arrangements for handling DSG overspends came into effect towards the end of 2019-20 as a result of changes to The School and Early Years Finance (England) Regulations 2020. The practical impact of these statutory provisions is that a local authority with a DSG deficit from the previous year must carry the whole of the deficit forward to be dealt with in the schools' budget (i.e. the DSG budget) in the next or following financial year, deducting it from the money available for that financial year. This makes it clear on a statutory basis that a deficit must be carried forward to be dealt with from future DSG income.
- 2.12 As a result of the new regulations, the budgeted £2m contribution from NCC General Fund in 2019-20 was not required and has been taken back to fund other elements of the budget.
- 2.13 The DSG in-year overspend in 2019-20 amounted to £8.816m. This overspend will be combined with the cumulative overspend of £10.887m brought forward from prior years and form a negative reserve in the Council's Statement of Accounts.
- 2.14 The DfE will remain in contact with those LAs who have significant DSG deficits in order to offer advice and help on their future handling
- 2.15 **Adult Social Services:** The 2019-20 final outturn position for Adult Social Services was an overspend of £0.990m. This was an improved position from Period 11 and achieved against a budget target for the year of £17.9m. The main area of overspend is on Older People and Mental Health services within the Purchase of Care budget, which relates to direct provision of care services. The pressures for older people purchase of care were significant during the year, however despite budget targets not being achieved, demand was reduced during the year through new ways of working and reflects the continued positive outcomes from the Promoting Independence Strategy. Actions taken during the year reduced the overspend position for Mental Health services. The continued work to implement new approaches for services for people with physical disabilities and people with learning disabilities enabled services to be managed within budget.

- 2.16 The overspend has been lessened by underspends in staffing, early help and prevention and additional recharges from the NHS for specific cases to cover health related costs.
- 2.17 The Covid-19 pandemic affected services during March, with new hospital discharge arrangements implemented from 19 March 2020. Some of the costs incurred during March will be reclaimed in May from government funding provided to the NHS.
- 2.18 **CES:** Community and Environmental Services has generated an underspend of £0.591m in 2019-20, with underspends from the management of staff vacancies, reduction in operating costs (ICT) particularly within the Community Information & Learning Service, and additional income within Highways. Throughout the year, the department has managed a number of issues:
- 2.19 Residual Waste - A risk has emerged in relation to additional costs within the council's residual waste budgets which relating to the implementation of import taxes on Refuse Derived Fuel (RDF) in the Netherlands from January 2020. The impact is subject to contractors' decisions about export RDF material. Overall waste volumes for 2019-20 although higher than forecast within the year, were lower than budgeted, therefore additional cost resulting from the new tax have been absorbed within the overall waste budget.
- 2.20 Fire Service – there have been continuing cost pressures throughout 2019-20 which have been managed through strong budget control and planned use of reserves. The longer-term impacts of managing these issues have been picked up through the 2020-21 budget planning cycle and the development of the 2020 IRMP (integrated Risk Management Plan).
- 2.21 Museums Services – the service has seen a small overspend in 2019-20 of £0.086m. During the year the Museums Service worked hard to increase earned income through a programme of exhibitions and additional events, including those relating to the acquisition of Walton Bridges by JMW Turner. This was before the impact of the Covid-19 virus resulted in visitor income declining sharply at the end of the year.
- 2.22 **Corporate services:** The Strategy and Governance directorate has generated a modest underspend of £0.022m, as has Finance and Commercial Services which generated an underspend of £0.085m largely through vacancy management.
- 2.23 **Finance General:** The outturn underspend in Finance General is £13.255m. A large number of underspends have contributed to this result, including the business rates income, insurance fund assumptions, flexible use £2.0m of capital receipts to support transformation costs, revised redundancy costs, a dividend relating to the sale of shares in Norwich Airport, increased interest receivable, and reduced interest payable. One overspend of £2m relates to the creation of a reserve to fund the costs of a new Dutch Waste Import Tax. An explanation of each Revenue General over and underspend is given in Revenue Annex 1.

### 3 Agreed budget, changes and variations

- 3.1 The 2019-20 budget was agreed by Council on 11 February 2019 and is summarised by service in the Council's Budget Book 2019-22 (page 21) as follows:

**Table 2: 2019-20 original and revised net budget by service**

Service	Approved net base budget	Revised budget P11	Revised budget P12/13
	£m	£m	£m
Adult Social Services	247.606	241.569	250.361
Children's Services	211.667	180.014	210.776
Community and Environmental Services	160.712	157.899	171.356
Strategy and Governance	8.657	8.747	8.747
Finance and Commercial Services	26.395	30.083	40.280
Finance General	-245.744	-209.019	-272.227
<b>Total</b>	<b>409.293</b>	<b>409.293</b>	<b>409.293</b>

Note: this table may contain rounding differences.

- 3.2 During period 12, there were a number of large budget adjustments made for capital accounting purposes. These movements are cost neutral re-allocations from central budgets for statutory accounting purposes, and do not have any impact on the Council's general fund
- 3.3 The Council's overall net budget remained unchanged throughout 2019-20.

### 4 General balances and reserves

#### General balances

- 4.1 On 11 February 2019 Council agreed the recommendation from the Executive Director of Finance and Commercial Services for a minimum level of General Balances of £19.536m through 2019-20. Movements during the year are as follows:

	£m
General Balances – opening balance 1 April 2019	<b>19.623</b>
Net underspend 2019-20	0.083
<b>General Balances – closing balance 31 March 2020</b>	<b>19.706</b>

#### Reserves and provisions 2019-20

- 4.2 The use of reserves anticipated at the time of budget setting was based on reserves balances anticipated in January 2019. Actual balances at the end of March 2019 were higher than planned, mainly as a result of grants being carried forward, and reserves use being deferred.

**Table 3: Reserves budgets and forecast reserves and provisions (excluding LMS/DSG)**

Reserves and provisions by service	Budget book forecast balances 1 April 2019	Actual balances 1 April 2019	2019-20 Budget book forecast March 2020	2020-21 Budget book forecast March 2020	Actual balances 31 March 2020
	£m	£m	£m	£m	£m
<b>Adult Social Services</b>	27.463	32.101	13.619	16.896	20.291
<b>Children's Services (inc schools, excl LMS/DSG)</b>	6.521	8.184	1.568	1.961	6.200
<b>Community and Environmental Services</b>	34.030	37.992	29.935	35.847	40.934
<b>Strategy and Governance</b>	1.809	2.680	1.422	3.042	2.916
<b>Finance &amp; Commercial Services</b>	1.746	3.147	1.510	2.469	4.301
<b>Finance General</b>	14.247	17.429	13.215	12.915	49.428
<b>Service reserves and provisions excluding LMS and DSG balances</b>	<b>85.816</b>	<b>101.533</b>	<b>61.269</b>	<b>71.995</b>	<b>124.070</b>
<b>LMS balances</b>				12.001	12.361
<b>DSG reserve (negative)</b>				-18.387	-19.704
<b>Total reserves and provisions</b>				<b>65.609</b>	<b>116.727</b>

- 4.3 The 2019-20 budget was approved on the basis of a forecast reduction in earmarked revenue reserves and provisions (including schools reserves but excluding LMS and DSG reserves) from £85.6m to £61.3m, a net use of £24.5m. There are typically increases in the level of forecast reserves between budget setting and the financial year end as additional grants and contributions are received. The increase in reserves over the course of the year is largely explained by a new Business Rates Pilot 2019-20 Reserve (£7.7m) and a Covid-19 section 31 grant (£26.8m). These have more than compensated for the net use of grants and contributions and reductions in bad debt provisions and the ASC Business Risk reserve
- 4.4 Of the £7.7m in the Business Rates Pilot Reserve, £3.9m is built into the 2020-21 budget. Most of the remainder will be used in a pilot joint investment fund with district councils to fund economic development projects. The Covid-19 grant was received on 27 March 2020 and is being applied to fund the immediate costs and reduced income associated with the Council's comprehensive response to managing the impact of the Covid-19 virus.
- 4.5 In addition to service reserves and provisions, the Council holds LMS reserves of £12.4m, and a negative DSG reserve of £19.7m. New arrangements for handling DSG overspends mean cumulative DSG overspends are carried forward as a negative reserve to be reimbursed from future years schools' budgets.
- 4.6 **Provisions included in the table above**

The table above includes provisions of £26.7m comprising £9.3m insurance provision, £12.6m landfill provision (this provision is not cash backed), £4.6m provisions for bad debts, and a small number of payroll related provisions.

## 5 Budget savings 2019-20 summary

5.1 In setting its 2019-20 Budget, the County Council agreed net savings of £31.605m. Details of all budgeted savings can be found in the 2019-20 Budget Book. A summary of the total savings forecast to be delivered is provided in this section.

5.2 The outturn monitoring reflects total savings **delivered of £26.853m** and a **total shortfall of £4.752m** at year end.

5.3 The RAG status and forecast savings delivery is anticipated as shown in the table below:

Table 4: Analysis of 2019-20 savings and RAG status

RAG status and definition	Adult Social Care	Children's Services	Community and Environmental Services	Strategy and Governance Department	Finance and Commercial Services	Finance General	Total
	£m	£m	£m	£m	£m	£m	£m
<b>Savings shortfall</b>	<b>4.134</b>	<b>0.618</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>4.752</b>
<b>Red</b> Significant concern saving may not be delivered, or there may be a large variance (50% and above).	1.035	0.000	0.000	0.000	0.000	0.000	<b>1.035</b>
<b>Amber</b> Some concern saving may not be delivered or there may be some variance (up to 50%).	5.900	3.512	0.000	0.000	0.000	0.000	<b>9.412</b>
<b>Green</b> Confident saving will be delivered (100% forecast).	6.825	2.692	3.891	0.931	0.945	1.122	<b>16.406</b>
<b>Total forecast delivery</b>	<b>13.760</b>	<b>6.204</b>	<b>3.891</b>	<b>0.931</b>	<b>0.945</b>	<b>1.122</b>	<b>26.853</b>
<b>Total budget savings</b>	<b>17.894</b>	<b>6.822</b>	<b>3.891</b>	<b>0.931</b>	<b>0.945</b>	<b>1.122</b>	<b>31.605</b>

### Savings delivered

- 5.4 The Norfolk Futures transformation programme, Promoting Independence strategy, Safer Children and Resilient Families programme, and other departmental initiatives have enabled the Council to deliver £26.853m savings in 2019-20 (85% of total budgeted savings).
- 5.5 Sixty-three budgeted savings totalling £10.924m have been delivered in full and three budgeted savings totalling £3.700m have been over achieved by £1.782m.
- 5.6 Adult Social Services have overachieved their savings targets for the Investment and development of Assistive Technology approaches (£0.359m), Extension of home based reablement offer (£1.123m), and Full year effect of invest to save increasing support for people to claim welfare benefits (£0.300m).

### Commentary on savings shortfalls

- 5.7 Eight savings have been rated as RED, and four rated as AMBER, where partial delivery of savings has occurred. This equates to an overall forecast savings shortfall of £4.752m (15% of total budgeted savings).
- 5.8 There has been a £0.646m improvement in the savings position since period 11 with changes across the service including the following larger savings targets:

**ASC006 Promoting Independence for Younger Adults:** previous forecast £3.500m actual delivery £3.900m change **+£0.400m**;  
We have seen an upturn in our income related to customers with Mental Health. In particular, we attracted more contributions towards the cost of care provision from our NHS partners than previously anticipated.

**ASC006 Promoting Independence for Older Adults:** previous forecast £2.500m actual delivery £2.000m change **-£0.500m**;  
We experienced greater cost increases in Residential and Home Support services, than previously anticipated.

**ASC043 Extension of home based reablement offer:** previous forecast £2.000m actual delivery £3.123m change **+£1.123m**;  
Full data up to and including quarter four is now available and accurate analysis has ensured the previously revised upwards trajectory exceeded the plan for the period Jan to March for both Assistive Technology and Home based Reablement.

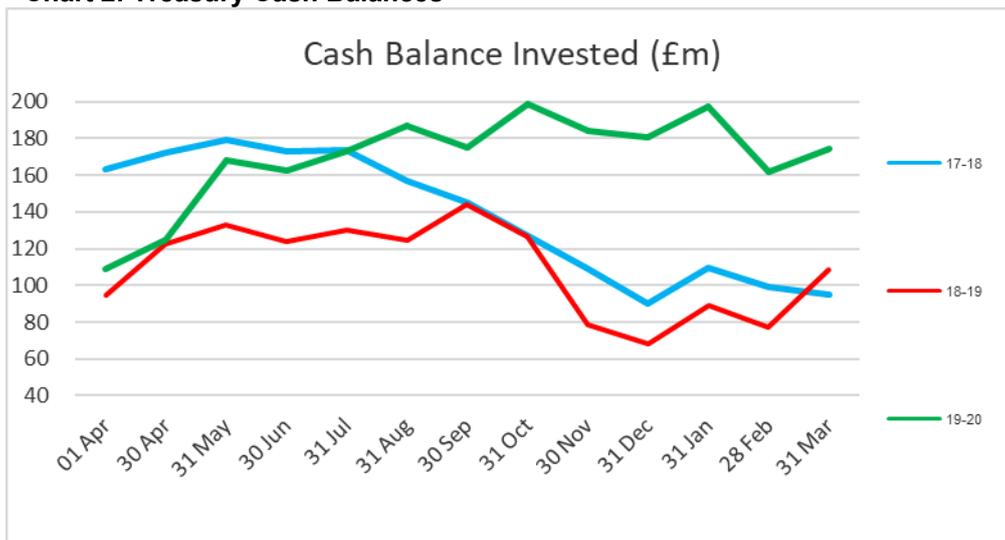
**CHL049 Norfolk Futures Safer Children and Resilient Families Programme:** previous forecast £3.630m actual delivery £3.344m change **-£0.286m**;  
The transformation programme has delivered the majority of the committed savings across it's workstreams. Whilst there

was a shortfall due to non-achievement of additional health contributions to children looked after placements, the majority of the shortfall was offset by overachievement of in-house fostering recruitment.

## 6 Treasury management summary

6.1 The corporate treasury management function ensures the efficient management of all the authority’s cash balances. The graph below shows the level of cash balances over the last three years, to March 2020.

**Chart 2: Treasury Cash Balances**



6.2 The forecast closing balance of £174m is significantly higher than closing balances in March 2018 and 2019 due partly to borrowing undertaken during the year, higher than expected capital grants received and carried forward into 2020-21, and the receipt in late March of £26m “COVID-19: emergency funding for local government” and other accelerated grant funding.

6.3 The balances in the graph above include the total of £87.1m borrowed during the year.

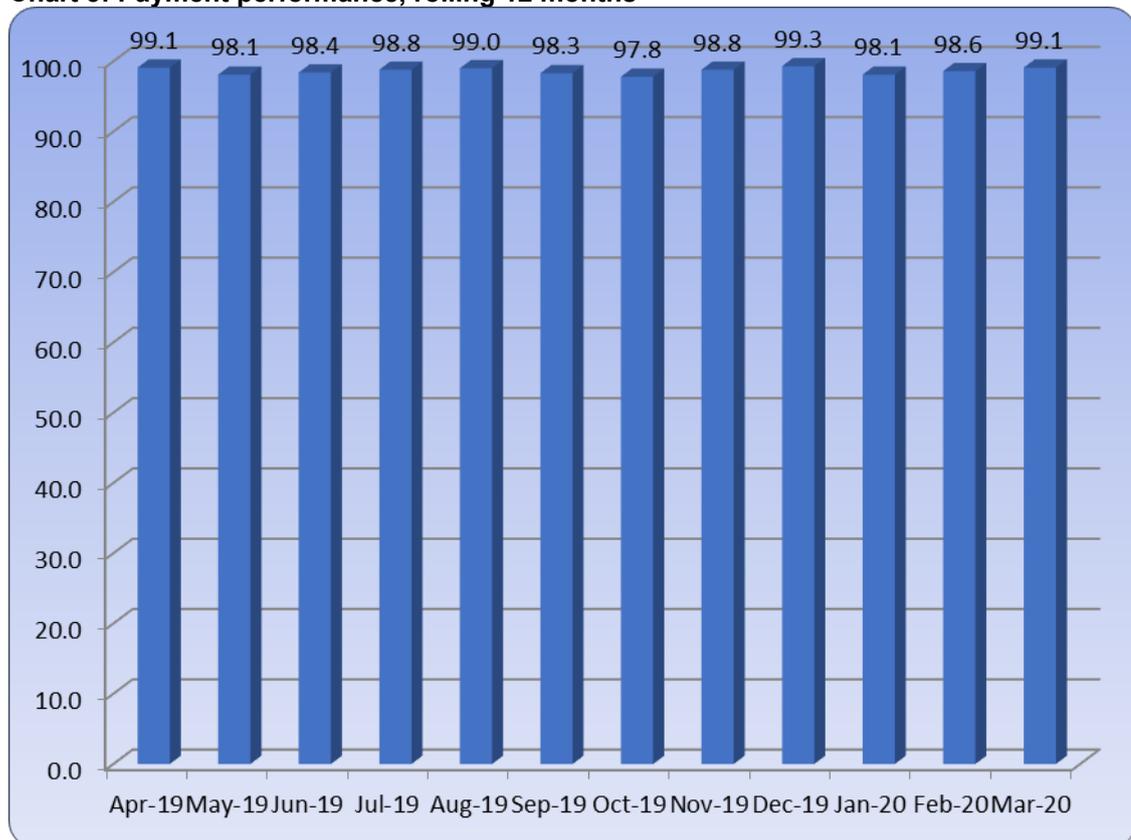
6.4 In the short term, new borrowing effectively replacing cash balances which have been used on a temporary basis to fund capital expenditure, which avoids the cost of ‘carrying’ unnecessary debt. In 9 October 2019 an additional 1% was added to PWLB (Public Works Loans Board) borrowing rates, excluding certain infrastructure loans.

6.5 PWLB and commercial borrowing for capital purposes was £705.6m at the end of February 2020. Associated annual interest payable is £28.997m.

## 7 Payment performance

7.1 This chart shows the percentage of invoices that were paid by the authority within 30 days of such invoices being received. Some 460,000 invoices are paid annually. Over 99% were paid on time in March. The percentage has not dropped below 97% in the last 12 months.

**Chart 3: Payment performance, rolling 12 months**



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

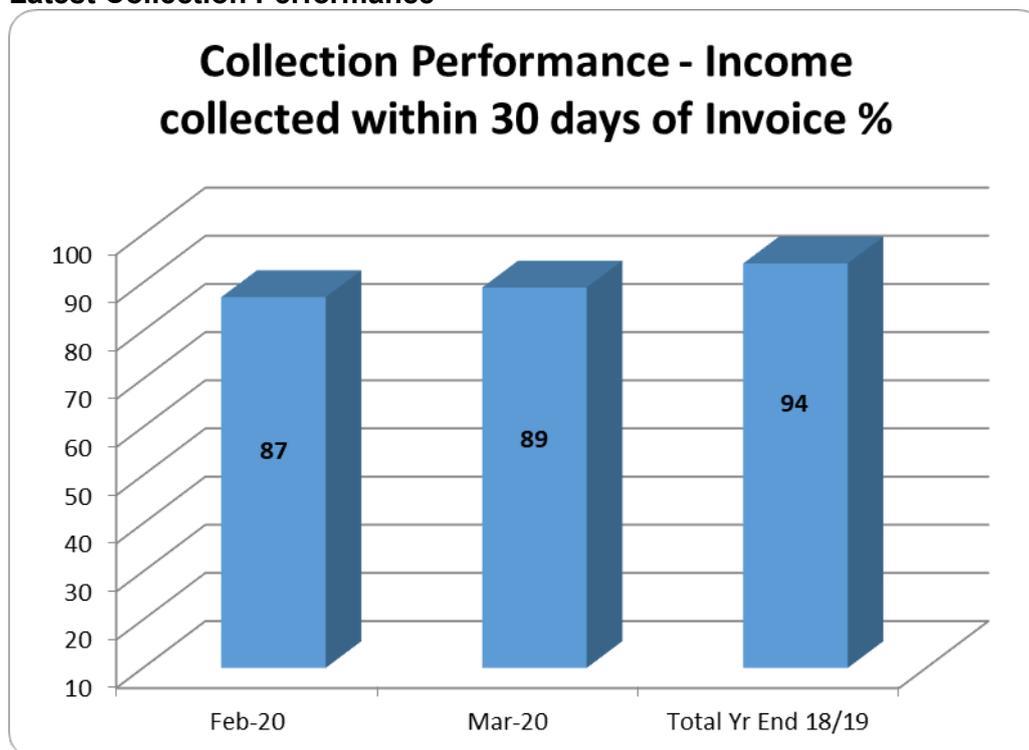
## 8 Debt recovery

8.1 **Introduction:** In 2019-20 the County Council raised over 160,000 invoices for statutory and non-statutory services totalling over £1.4bn. Through 2019-20 92% of all invoiced income was collected within 30 days of issuing an invoice, and 98% was collected within 180 days.

### Debt collection performance measures

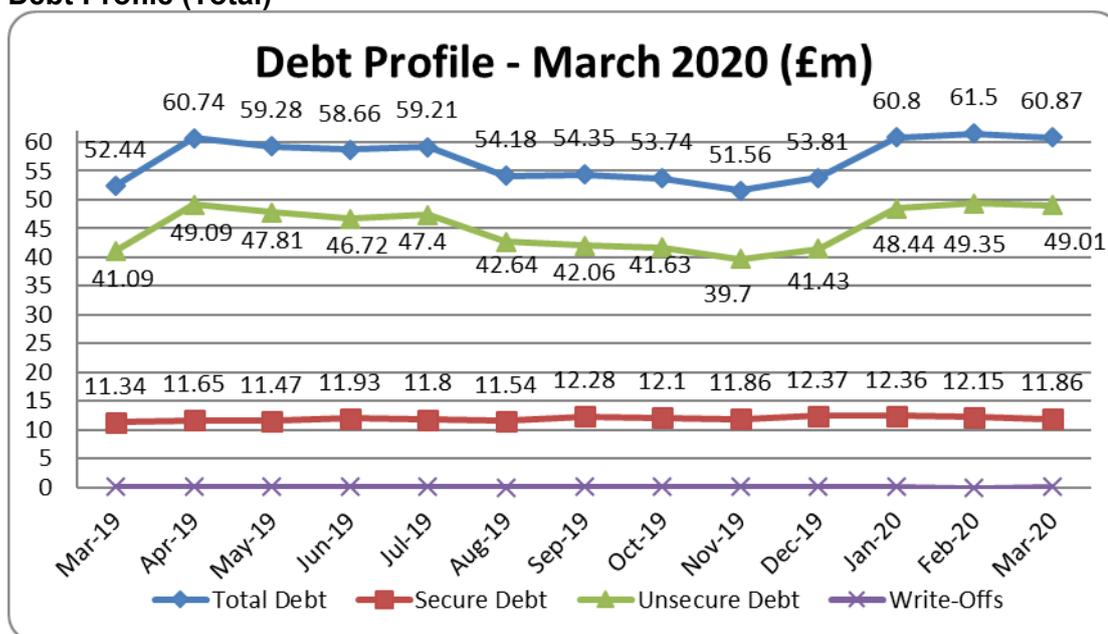
8.2 The proportion of invoiced income collected within 30 days for invoices raised in the previous month – measured by value – was 89% in March 2020.

#### Latest Collection Performance



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

## Debt Profile (Total)



Of the £49.0m unsecure debt at the end of March, £12.7m is under 30 days. The largest area of unsecure debt relates to charges for social care, £33.0m, of which £13.6m is debt with the CCG's for shared care, Better Care Pooled Fund, continuing care and free nursing care.

- 8.4 Secured debts amount to £11.9m. Within this total £3.6m relates to estate finalisation where the client has died, and the estate is in the hands of the executors.
- 8.5 **Debt write-offs:** In accordance with Financial Regulations and Financial Procedures, Cabinet is required to approve the write-off of debts over £10,000. The Executive Director of Finance and Commercial Services approves the write off of all debts up to £10,000.
- 8.6 Service departments are responsible for funding their debt write offs. Before writing off any debt all appropriate credit control procedures are followed.
- 8.7 For the period 1 April 2019 to the end of March 2020, 1009 debts less than £10,000 were approved to be written off following approval from the Executive Director of Finance and Commercial Services. These debts totalled £482,074.69.
- 8.8 No debts over £10,000 have been approved for write-off in the 2019-20 accounts.

## Revenue Annex 1

### Forecast revenue outturn

#### Revenue outturn by service

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

Service	Revised Budget	Net total over / (under) spend	Over / (under) spend as %	Forecast net spend
	£m	£m		£m
Adult Social Services	250.361	0.990	0.4%	251.351
Children's Services	210.776	12.972	6.2%	223.748
Community and Environmental Services	171.356	-0.591	-0.3%	170.765
Strategy and Governance	8.747	-0.022	-0.3%	8.725
Finance and Commercial Services	40.280	-0.177	-0.4%	40.103
Finance General	-272.227	-13.255	4.9%	-285.482
<b>Forecast outturn this period</b>	<b>409.293</b>	<b>-0.083</b>	<b>0.0%</b>	<b>409.210</b>
Prior period forecast	409.293	1.375	0.3%	410.668

#### Reconciliation between current and previously reported underspend

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

	£m
<b>Forecast overspend brought forward</b>	<b>1.375</b>
<b>Movements March 2020</b>	
Adult Social Services	-1.196
Children's Services	-0.728
Community and Environmental Services	-0.245
Strategy and Governance	0.035
Finance and Commercial Services	-0.092
Finance General	0.768
<b>Outturn over/(under) spend</b>	<b>-0.083</b>

## Revenue Annex 1 continued

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

### Revenue budget outturn by service – detail

<b>Adult Social Services</b>	<b>Over spend</b>	<b>Under spend</b>	<b>Changes</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Business Development	0.164		0.341
Commissioned Services	0.403		-0.468
Early Help & Prevention		-0.971	-0.150
Services to Users (net)	3.758		2.173
Management, Finance & HR		-2.364	-3.092
<b>Forecast over / (under) spends</b>	<b>4.325</b>	<b>-3.335</b>	<b>-1.196</b>
<b>Net total</b>	<b>0.990</b>		
<b>Children's Services</b>	<b>Over spend</b>	<b>Under spend</b>	<b>Changes</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Social Care including placements	11.101		-0.499
Education Services including Home to School Transport	4.492		-0.608
Early Help, Prevention & Commissioning	0.219		-0.581
Performance, Challenge & Quality	0.190		-0.010
Leadership team, finance and HR	0.970		0.970
Re-allocation of budget provision for High Needs Block due to change in DSG grant conditions		-2.000	
Schools capital funded by borrowing		-2.000	
<b>Forecast over / (under) spends</b>	<b>16.972</b>	<b>-4.000</b>	<b>-0.728</b>
<b>Net total</b>	<b>12.972</b>		
<b><i>Dedicated schools grant</i></b>			
Post 16 Further Education High Needs Provision	0.960		-0.040
Independent special school places	7.736		1.736
Alternative provision	0.594		-0.106
Excluded pupil income		-0.182	-0.182
Maintained special schools		-0.198	0.102
Short Stay School for Norfolk	1.073		0.073
Personal Budgets	0.251		-0.149
Specialist equipment	0.178		0.178
Specialist Resource Bases		-0.154	0.046
Inter-authority recoupment		-0.332	-0.132
Other	0.381		-0.219
Schools block		-1.487	-0.387
Early year's block		-0.004	-0.004
Increase in net deficit to be carried forward		-8.816	-0.916

<b>Forecast over / (under) spend</b>	<b>11.173</b>	<b>11.173</b>	<b>-</b>
<b>Net total</b>		<b>-</b>	

<b>Community and Environmental Services</b>	<b>Over spend</b>	<b>Under spend</b>	<b>Changes</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Culture & Heritage	0.086		-0.050
Support & Development		-0.071	-0.006
Economic Development			-0.049
Highways & Waste		-0.253	0.235
Community Information & Learning		-0.346	-0.351
Public Health		-0.009	0.175
Fire Service	0.002		-0.199
<b>Forecast over / (under) spend</b>	<b>0.317</b>	<b>-0.908</b>	<b>-0.245</b>
<b>Net total</b>		<b>-0.591</b>	

<b>Strategy, Finance and Finance General</b>	<b>Over spend</b>	<b>Under spend</b>	<b>Changes</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Strategy and Governance</b>			
Communications		-0.174	-0.119
Democratic Services		-0.113	-0.111
Human Resources & Organisational Development	0.216		0.216
nplaw	0.214		0.214
Intelligence & Analytics		-0.159	-0.159
Printing and phone recharges		-0.006	-0.006
<b>Forecast over / (under) spend</b>	<b>0.430</b>	<b>-0.452</b>	<b>0.035</b>
		<b>-0.022</b>	
<b>Finance and Commercial Services</b>			
ICT Services	0.014		0.014
Finance		-0.134	-0.104
Client Property Management		-0.002	-0.002
Procurement		-0.055	
<b>Forecast over / (under) spend</b>	<b>0.014</b>	<b>-0.191</b>	<b>-0.092</b>
		<b>-0.177</b>	
<b>Finance General (see below for narrative)</b>			
Net impact of business rates income projections		-2.706	-0.006
Business rates payments		-0.186	-0.106
Extended rights to free travel grant		-0.268	
Legislator dividend		-0.536	-0.036
Insurance fund		-1.000	
Interest on balances		-0.899	-0.249
Interest on LIF loans and other interest recharges		-0.940	-0.140
Lower than anticipated costs of redundancy / use of organisational review reserves		-1.705	-0.205

Additional use of capital receipts to repay debt		-3.525	
Use of capital receipts to support transformation costs		-2.000	1.000
Capitalisation of costs initially funded from schools' revenue budgets		-0.515	-0.515
Use of Covid-19 grant to support additional costs		-0.132	-0.132
Addition to reserve to fund Dutch Waste Import Tax	2.000		2.000
Pension fund deficit pre-payment adjustment		-0.637	-0.637
Other year end movements		-0.206	-0.206
<b>Forecast over / (under) spend</b>	<b>2.000</b>	<b>- 15.255</b>	<b>0.768</b>
<b>Net total</b>		<b>-13.255</b>	

## Revenue Annex 1 continued

### Children's Services Commentary

Existing commitments within NCC Funded Children's Services resulted in significant pressures throughout 2019-20 particularly within placements and support for children looked after, young people leaving care, as well as intervention and support around families to enable children and young people to stay safe at home. Areas of pressure included staff costs, where they are the intervention, as well as third party support. Additionally, home to school transport for children and young people with high special educational needs due to unexpected market conditions.

The placements and support service pressures have been long identified by the department. These are being addressed through a sustained multi-year programme of transformation. The primary reasons for the pressures are:

- that the level of pressure rose during the latter part of 2018-19 beyond that which was covered by the additional growth monies allocated, resulting in additional pressures for 2019-20 particularly because of the full year effect of demand seen in quarter 4 of last year;
- The various initiatives aimed at reducing the number of children in care and changing the placement mix throughout 2019-20 were implemented and there has been a significant and sustained reduction in the number of children looked after as a result. However, analysis of the cost of placements and support show that the financial benefits of the significant number of children no longer looked after have been offset by a very small number of extremely expensive placements required due to complexity of needs and shortage of suitable provision in the market driving increased prices;
- front line social care staffing pressures, where there was a need to have sufficient resource to manage demand and to focus on the presenting complexity of need to allow for increased levels of intervention earlier, to reduce escalation of need, and to prevent and reduce placement spend in the medium to longer term;
- the increased duties in relation to supporting young people leaving care that were not fully funded by new burdens funding and that are having an increasing impact as the eligible cohort age and the complexity of need of those leaving care increases.

Review of children looked after placements costs over the financial year showed a reducing trend in the monthly spend that supports the expectation that the transformation impact took effect as the year progressed.

In relation to the financial costs for children looked after, there were significant, positive trends throughout the financial year that will continue to reduce the pressure over future financial years and has mitigated further increase in placement pressures in 2019-20.

As a result of the positive impact of the Transformation Programme through effective earlier intervention, the number of children in care has reduced from a high of 1227 in January 2019 to 1107 at the end of March 2020 (of which 78 were unaccompanied asylum-seeking children). Significant focus is now being employed to ensure that children are able and supported to leave care as soon as it is safe for them to do so.

We expect this to result in an increase in the number of children ceasing care as well as reducing the average length of time that a child is in care for.

As well as enabling a reduction in the number of children looked after, Children's Services have seen a good level of success in relation to one of the key changes targeted in our placement mix with the increased in-house fostering provision and reduction in the independent fostering performing better than anticipated, with savings of £1.5m in 2019-20. A large proportion of cost is driven by residential placement numbers, these have remained stable since the start of the year. Key to bringing down the overall pressure will be the level of success we have in moving away from this provision in the medium term. Our new semi-independent provision has delivered £0.5m savings in 2019-20, and the enhanced fostering service has recently begun.

During 2019-20, there was a significant, unexpected unit cost increase in the costs of Home to School transport for children with Special Educational Needs and Disabilities (SEND) and in receipt of Alternative Provision (AP) due to very challenging market conditions outside the County Council's control which was not anticipated when the budget was set. This resulted in an overspend of £4.5m on a budget of £34m.

The rurality of Norfolk means that pupils often have to travel significant distance to attend a school that meets their educational needs and it is not always viable for journeys to be shared. The £120m capital SEND transformation programme will ensure that children are able to attend a school place closer to their home, which in turn will reduce the spend on SEND transport in future years.

Since the previous forecast reported to Cabinet, there have been improvements to the financial position across the majority of service areas. To partially mitigate previously identified pressures, Children's Services has capitalised £2.5m of equipment spend and revenue contributions to capital expenditure by schools in line with the approach utilised in 2018-19. In addition, £2m that had been budgeted as a contribution from the NCC General Fund to support DSG High Needs pressures was released as it was no longer required as a result of DfE guidance. Taking these mitigating actions into account, the outturn overspend for NCC Funded Children's Services is £12.972m.

Work was undertaken to understand the potential impact of the pressures seen in 2019-20 upon future years, in particular 2020-21, as part of the Council's revenue budget planning work. These assumptions, that were based upon the best information available at the time, were built into the Council's revenue budget which was approved by County Council on 17 February 2020.

The differences between the outturn to the previous reported forecast were primarily due to:

- Multiple, small time-lags in staffing recruitment to the new social care operating model (protection and prevention teams, as well as intensive and specialist support teams) due to both available starting dates for new staff and, at the latter end of the year, Covid-19;
- Contribution to ear-marked reserves of £0.220m for 1-year SEND transformation posts aligned with the academic year and £0.750m to the Transport Equalisation reserve;

- Reduced usage of agency social workers towards the end of the year;
- Lower usage of locum educational psychologists than anticipated, particularly due to the initial impact of Covid-19;
- Educator Solutions income secured exceeding expectations and lower than anticipated associated expenditure.

The potential impact of the pressures seen in 2019-20 upon future years, in particular 2020-21, were considered as part of the Council's revenue budget planning work, based upon the best information available at the time, and were built into the Council's revenue budget which was approved by County Council on 17 February 2020. Further work will be undertaken to understand the impact of the final outturn upon 2020-21 and beyond, alongside considering the unexpected impact of Covid-19.

## **Finance General commentary**

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

### **Net impact of business rates income projections (underspend £2.706m)**

This underspend relates to the net impact of revised business rates projections from district councils, received after the Council set its 2019-20 budget.

### **Business rates payments (underspend £0.186m)**

This relates to underspends on business rates payments across the Council's property estate.

### **Extended rights to free travel grant (underspend £0.268m)**

Additional grant received in respect of extended rights to free travel.

### **Legislator dividend (underspend £0.536m)**

This is the result of a dividend received from Legislator 1656 Limited following a sale of the company's shares in Norwich Airport.

### **Insurance fund (underspend £1.000m)**

This underspend is the correction of an over-provision in the light of recent insurance fund valuations.

### **Interest on balances (underspend £0.899m)**

The 2019-20 interest payable/receivable budget was prepared on the basis of a number of assumptions including cash flows, interest rates and the extent of actual borrowing. The cost and timing of borrowing has resulted in an underspend.

### **Interest on LIF loans and other interest recharges (underspend £0.940m)**

This underspend relates to interest which has been accrued during 2019-20 on Local Infrastructure Fund loans made to developers to accelerate the construction of new homes in Norfolk.

### **Lower than anticipated costs of redundancy (underspend £1.705m)**

The spend on redundancy costs has been lower than was anticipated at the time of budget setting

**Additional use of capital receipts to repay debt (underspend £3.525m)**

This underspend is the result of the availability of capital receipts which were generated during the year over and above the £2m budget and the £2m receipts required to support transformation costs.

**Use of capital receipts to support transformation costs (underspend £2.000m)**

On 25 September 2017 Policy and Resources Committee considered a report entitled Demand Management & Prevention Strategy: Children's Services. This resulted in the allocation of a one-off investment of £12-£15m into children's services over the four years 2018-22. Capital receipts of £2m have been allocated to fund transformation through the "flexible use of capital receipts".

**Capitalisation of costs (underspend £0.515m)**

Actual capital expenditure by schools has exceeded original expectations, and as a result and subject to approval the opportunity has arisen to increase borrowing and therefore the amount available to support the Children's Services revenue budget by a further £0.515m

**Use of Covid-19 grant to support additional costs (underspend £0.132m)**

A small proportion of the additional grant funding received in March to fund costs associated with the Covid-19 virus was allocated to costs incurred in 2019-20.

**Pension fund deficit pre-payment adjustment (underspend £0.637m)**

The benefits of a pre-payment made into the Council's pension fund in 2018 were realised at the end of 2019-20 when the arrangement was fully unwound.

**Addition to reserve to fund Dutch Waste Import Tax (overspend £2.000m)**

Since 1 January 2020 the Netherlands have charged an import tax on imports of Refuse Derived Fuel (RDF). The charge of just over €32 per tonne tax is likely to have a significant impact on the cost of managing the Council's residual waste, whether directly or indirectly. A reserve of £2m has been created to help manage these additional costs during 2020-21.

# Norfolk County Council Finance Monitoring Report 2019-20

## Appendix 2: 2019-20 Capital Finance Monitoring Report

Report by the Executive Director of Finance and Commercial Services

### 1 Capital Programme 2019-20

- 1.1 On 11 February 2019, the County Council agreed a 2019-20 capital programme of £307.858m with a further £240.734m allocated to future years', giving a total of £548.592m.
- 1.2 Additional re-profiling from 2018-19 resulted in an overall capital programme at 1 April 2019 of £617m. Further in-year adjustments have resulted in the outturn capital programme shown below:

**Table 1: Capital Programme budget**

	<b>2019-20 budget</b>	<b>Future years</b>
	<b>£m</b>	<b>£m</b>
New schemes approved February 2019	87.207	167.28
Previously approved schemes brought forward	220.651	73.454
<b>Totals in 2019-22+ Budget Book (total £548.592m)</b>	<b>307.858</b>	<b>240.734</b>
Schemes re-profiled after budget setting	58.373	5.766
Other adjustments after budget setting including new grants	4.821	
<b>Revised opening capital programme (total £617.551m)</b>	<b>371.051</b>	<b>246.500</b>
Re-profiling since start of year	-233.961	233.961
Other movements including new grants and approved schemes	48.563	119.598
Total new schemes approved February 2020 County Council		45.911
<b>Total capital programme budgets total £838.239m</b>	<b>185.653</b>	<b>645.971</b>

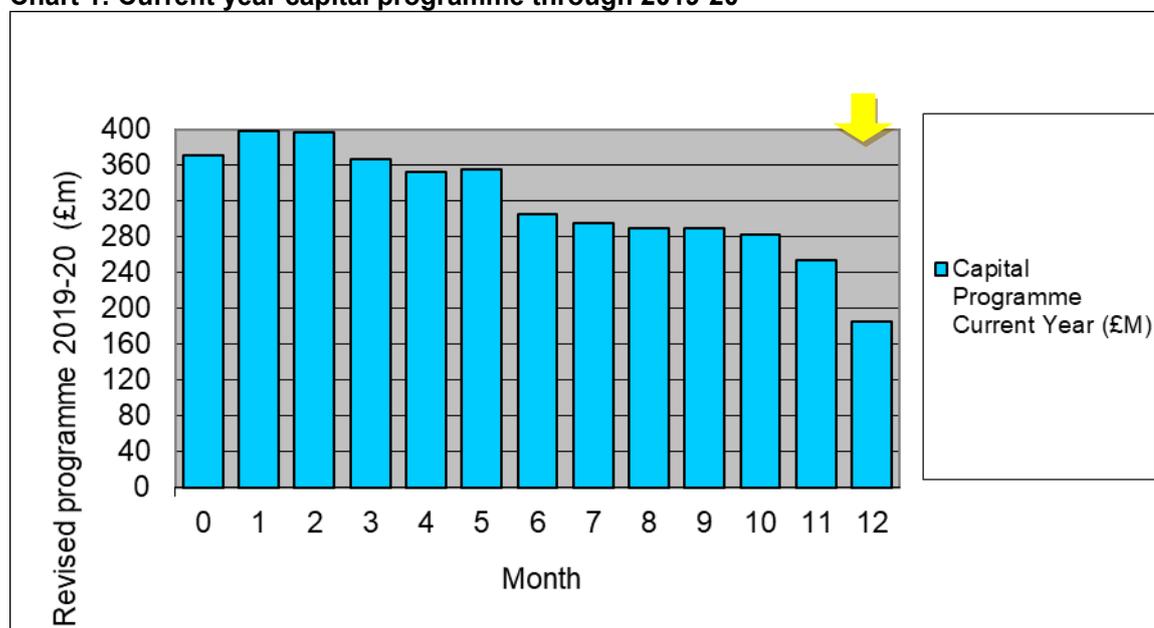
*Note: this table and the tables below contain rounding differences*

The "future years" column above includes new schemes previously approved as part of the 2019-22 capital strategy and programme, plus new schemes approved at 17 February 2020 County Council.

## Changes to the Capital Programme

1.3 The following chart shows changes to the 2019-20 capital programme through the year.

**Chart 1: Current year capital programme through 2019-20**



1.4 Month “0” shows the 2019-20 outturn future capital programme with a number of highways schemes added in month 1. The arrow shows the latest current year position. The current year programme will change as additional funding is secured, and as schemes are re-profiled to future years where timings become more certain.

1.5 The current year’s capital budget for each service is set out in the table below:

**Table 2: Service capital budgets and movements 2019-20**

Service	Opening programme	Previously reported Programme	Reprofilng since previous report	Other Changes since previous report	2019-20 latest Capital Budget
	£m	£m	£m	£m	£m
Children's Services	154.474	72.782	-11.932	-0.001	60.849
Adult Social Care	18.388	12.478	-0.102	0.000	12.376
Community & Environmental Services	119.188	132.014	-34.663	-8.924	88.426
Finance & Comm Servs	79.001	36.772	-12.890	0.118	24.000
<b>Total</b>	<b>371.051</b>	<b>254.045</b>	<b>-59.587</b>	<b>-8.807</b>	<b>185.652</b>
				<b>-68.393</b>	

Note:: this table may contain rounding differences

- 1.6 The revised programme for future years (2020-21 to 2021-22 and beyond) is as follows:

**Table 3: Capital programme future years 2020+**

<b>Service</b>	<b>Previously reported future programme</b>	<b>Reprofilng since previous report</b>	<b>Other Changes since previous report</b>	<b>2020+ Future Capital Budget</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Children's Services	202.556	11.932	1.873	216.360
Adult Social Care	40.896	0.102	0.000	40.998
Community & Environmental Services	232.854	34.663	-0.027	267.490
Finance & Comm Servs	107.387	12.890	0.346	120.622
Strategy and Governance	0.500			0.500
<b>Total</b>	<b>584.193</b>	<b>59.587</b>	<b>2.191</b>	<b>645.971</b>
			<b>61.778</b>	

*Note: this table may contain rounding differences*

- 1.7 New schemes for the the 2020-21 capital programme as approved at 17 February 2020 County Council are reflected in the table above.
- 1.8 Actual expenditure in 2019-20 is as follows:

**Table 4: Actual expenditure to date**

<b>Service</b>	<b>Expenditure year to date</b>
	<b>£m</b>
Children's Services	60.849
Adult Social Care	12.376
Community & Environmental Services	88.426
Finance and Commercial Services	24.000
<b>Total to date</b>	<b>185.652</b>

The rate of capital spend averaged approximately £15.5m per month. Total spend in 2019-20 was £185.6m, compared with £158.5m in 2018-19. The rate of spend has increased in 2019-20, with significant projects underway such as the Great Yarmouth Third River Crossing and the Oracle replacement project. Ongoing schemes include schools improvements, Better Broadband and highways capital maintenance.

Despite this high level of spend, the overall programme is ambitious and a significant amount of re-profiling of schemes into 2020-21 has taken place in the final months of 2019-20 to reflect the actual timing of schemes.

## 2 Financing the capital programme

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

**Table 5: Financing of the capital programme**

<b>Funding stream</b>	<b>2019-20 Programme</b>	<b>Future Years Forecast</b>
	<b>£m</b>	<b>£m</b>
Prudential Borrowing	59.697	419.885
Use of Capital Receipts	-	-
Revenue & Reserves	-	-
<i>Grants and Contributions:</i>	-	-
DfE	37.385	59.169
DfT	46.448	123.031
DoH	8.114	0.766
MHCLG	0.074	0.259
DCMS	0.062	5.715
Developer Contributions	13.925	24.483
Other Local Authorities	5.765	0.061
Local Enterprise Partnership	6.402	-
Community Infrastructure Levy	1.902	0.373
National Lottery	3.267	9.644
Other	2.610	2.587
<b>Total capital programme</b>	<b>185.652</b>	<b>645.972</b>

*Note: this table may contain rounding differences*

- 2.2 Significant capital receipts are anticipated over the life of the programme. These will be used either to re-pay debt as it falls due, or to fund the flexible use of capital receipts to support revenue costs of transformation, with any excess receipts used to reduce the call on future prudential borrowing. In 2019-20 capital receipts have been applied to re-paying debt and to fund transformation costs, with excess carried forward to use in future years.
- 2.3 Developer contributions are funding held in relation to planning applications. Section 106 (Town and Country Planning Act 1990) contributions are held in relation to specific projects: primarily schools, with smaller amounts for libraries and highways. The majority of highways developer contributions are a result of section 278 agreements (Highways Act 1980).

### 3 Capital Receipts

- 3.1 The Council's property portfolio is constantly reviewed to ensure assets are only held where necessary so that capital receipts or rental income can be generated. This in turn reduces revenue costs of the operational property portfolio.
- 3.2 The 2019-20 capital programme, approved in February 2019, gave the best estimate at that time of the value of properties available for disposal in the three years to 2021-22, totalling £23.6m. Revised estimates produced for the 2020-21 capital strategy show that the total of £23.6m remains achievable.

**Table 6a: Disposals longer term forecast**

Financial Year	Property sales forecast £m
2019-20	8.6
2020-21	10.6
2021-22	1.5
2022-23	1.9
2023-24	1.0
	<b>23.6</b>

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

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

**Table 6b: Capital receipts current financial year £m**

Capital receipts 2019-20	£m
Capital receipts reserve brought forward	0.413
Actual property sales to P11 net of associated capital costs	2.679
Sale of land at Acle to Repton Property Developments	2.201
Loan repayments received	1.848
Airport shares disposals	1.797
Expenses charged to capital	-0.066
	<b>8.872</b>
<b>Use of capital receipts</b>	
Budget 2019-20 to repay debt	2.000
Total use of capital receipts to repay debt (max £5.525m PWLB maturity debt repayments)	3.525
Flexible use of capital receipts to support transformation costs (maximum £3m)	2.000
Capital receipts reserve carried forward	1.347
	<b>8.872</b>

#### **4 New schemes to be added to the Capital Programme**

##### **4.1 Additional capital budget 2019-20 requiring approval**

- 4.1.1 Cabinet on 5 August 2019 approved the addition of £2.0m to the Children's Services capital programme to replace revenue contributions, to be used to support the 2019-20 Children's Services revenue budget.
- 4.1.2 This proposal has resulted in the replacement of revenue funding with prudential borrowing to fund capital expenditure undertaken by maintained schools, as reflected in Children Services outturn summarised in Revenue Annex 1 to Appendix 1 to this report.
- 4.1.3 Actual capital expenditure by schools has exceeded original expectations, and as a result the opportunity has arisen to increase borrowing and therefore the amount available to generate a Finance General saving, as shown in Revenue Annex 1 to Appendix 1, which in turn will support the Council's financial outturn position for 2019-20.
- 4.1.4 It is therefore proposed that £0.515m of additional prudential borrowing be allocated to fund Children's Services capital expenditure.

## Capital Annex 1 - changes to capital programme since previous Cabinet

Service	Project	Funding Type	19-20	19-20	20-21+	20-21+	Reason
			Change (£m)	REPROFILE	Change (£m)	REPROFILE	
Adult Social Care	Strong & Well/Oak lodge	NCC Borrowing		-0.246		0.246	Reprofiling of various projects to fund future years
	DoH Grant/ICES Equipment	NCC Borrowing		0.667	-	0.667	Funds moved back to cover in year expenditure
	Social Care information System	NCC Borrowing		-0.523		0.523	Reprofile for use in future years
<b>Total Adult Social Care</b>			<b>0.000</b>	<b>-0.102</b>	<b>0.000</b>	<b>0.102</b>	
<b>Childrens Services</b>							
	School based projects	NCC Borrowing	- 0.001		1.569		Income from Schools on ECAP budgets
	Unallocated S106	S106			0.304		S106 income as yet unallocated
	Edward Worlledge SRB		-	0.100		0.100	Funds reprofiled to cover final account which is in progress
	North Walsham Infant Remodel		-	0.101		0.101	Year end reprofiling in accordance with final expenditure figures for 19/20
	Fakenham Infant		-	0.107		0.107	Year end reprofiling in accordance with final expenditure figures for 19/20
	Roydon Primary School		-	0.128		0.128	Reprofiled because works over ran due to unexpected ground conditions
	Attleborough Junior Reorg		-	0.137		0.137	Reprofiled to reflect car park works which were taken out of the main contract to allow completion over a holiday period
	St William's Re Roofing works		-	0.138		0.138	Delays due to the need to add in additional works to the roof.
	Hoveton St John Primary		-	0.175		0.175	Works delayed on site due to covid 19
	Easton Land Acquisition		-	0.181		0.181	Fees for acquisition not yet received
	Cringleford New Academy		-	0.189		0.189	Still in design stage - reprofiled accordingly
	Suffield Park		-	0.221		0.221	Final account has been delayed due to Gills going into Administration.
	Browick Road House Requisition		-	0.300		0.300	Awaiting hierachy approval for purchase
	Hillcrest primary growth project		-	0.304		0.304	Final Account is in progress - reprofiled to cover final expenses
	Costessey Inf/ Jun amalgamation		-	0.363		0.363	Final Account is in progress - reprofiled to cover final expenses
	Brundall Primary		-	0.519		0.519	Building not started yet so reprofiled as should now be complete Oct 20
	Hingham Mobile Replacement		-	1.048		1.048	Building not started yet so reprofiled as should now be complete Sept 20
	Hethersett Junior Reorg		-	1.263		1.263	This project was delayed due to covid 19 and reprofiled accordingly
	Fakenham New SEN School		-	1.293		1.293	Reprofiled to reflect delays in submitting planning application
	Wymondham Secondary Expansion		-	1.351		1.351	Works onsite have taken longer than expected due to issues discovered during demolition works.
	Retaining Childrens centres		-	0.393		0.393	Reprofiled for further works in 20/21
	Children's Services pots - including basic need and Capital Maintenance		-	3.620		3.620	Basic need and capital maintenance reprofiled for allocation in future years
<b>Total Children's services</b>			<b>-0.001</b>	<b>-11.932</b>	<b>1.873</b>	<b>11.932</b>	

Adult Education		NCC Borrowing	0.001	-0.164		0.164	Year end reprofiling
Better Broadband	BBfN & Better Broadband scheme 2	NCC Borrowing		-2.198		2.198	Reprofiled to reflect year end figures
Ec Development	Developing Norfolk Infrastructure	NCC Borrowing	0.006	-0.356		0.356	Reprofiled to reflect year end figures
	Scottow Enterprise Park	NCC Borrowing		-0.772		0.772	Reprofiled to reflect year end figures
ETD Public Access	Recycling the railways	NCC Borrowing		-0.181		0.181	Year end reprofiling
ETD Other	Gt Yarmouth Tidal Defences	NCC Borrowing		-0.950		0.950	Reprofiled to reflect year end figures
	Various reprofiling	NCC Borrowing	0.065	-0.115	0.060	0.115	Reprofiling CES Customer Services and Single Employee Portal budgets for use in future years
Waste	Landfill	NCC Borrowing	0.370				Year end adjustment for landfill
	Replacement HWRC Norwich	NCC Borrowing		-2.540		2.540	Reprofiling for use in future years
	Reprofiling to include LPSA - Waste Minimisation, Leachate Treatment & Improvements to various sites	NCC Borrowing		-1.183		1.183	Reprofiling for use in future years
Fire		NCC Borrowing	0.001	0.009	-	0.009	Reprofiling unused funds to 20/21
Library	Reprofiling	S106/External		-0.079	-0.027	0.079	Various S106 projects < 20k
	Reprofiling	NCC Borrowing		-0.891		0.891	Various projects including 0.378 Self Service Kiosk, 0.281 Library Building Improvements & 0.135 Building Adaptations
	Open Library/ Building improvements	NCC Borrowing	0.546				Increased funding for Library Building improvements and Open Library
Museums	Gressenhall Playground	NCC Borrowing		-0.069	-0.060	0.069	Reprofile unused funds for Gressenhall playground
	Norwich Castle critical M&E	NCC Borrowing		-0.428		0.428	Reprofile unused funds for Norwich castle critical M&E
Transport	Clean Bus	DfT funding		-0.037		0.037	Reprofiling unused funds to 20/21
Highways	Various reprofiling including transforming cities	External	-1.139				Reductions in forecast since period 11
	Roundhouse Way	S278 Dev Cont	-2.768				Developer work slippage
	Local Road Schemes	External	-1.993				Budget reduced according to final forecast for 19/20
	Junction Improvements	LEP	-1.243				Budget reduced according to final forecast for 19/20
	Traffic Management schemes	External	-1.320				Budget reduced according to final forecast for 19/20
	Bridge Strengthening schemes	External	-1.450				Budget reduced according to final forecast for 19/20
	3rd River Crossing	NCC Borrowing		-10.078		10.078	Unspent Borrowing reprofiled to 20/21
	C/Wide Capilatised costs	NCC Borrowing		-2.516		2.516	Unspent Borrowing reprofiled to 20/21
	Unspent balance from 19/20	NCC Borrowing		-12.116		12.116	Unspent Borrowing reprofiled to 20/21
<b>Total CES</b>			<b>-8.924</b>	<b>-34.663</b>	<b>-0.027</b>	<b>34.663</b>	
Minor Works	Disabled Discrimination Act/Corporate Minor works	NCC Borrowing	-	0.227		0.227	Reprofiling unspent budget to future years.
GNGB		NCC Borrowing	-	0.227		0.227	Reprofile unused balance to 20/21
Budget Manager Licences		NCC Borrowing	-	0.002		0.002	Reprofile unused balance to 20/21
Capital Loans facility		NCC Borrowing		-4.010		4.010	Reprofile unused balance to 20/21
County Farms	Various reprofiling	NCC Borrowing		-1.219		1.219	Reprofiling farms schemes for future years
County Farms	Farms Enhancement Work	NCC Borrowing	0.151				Additional borrowing
County Farms	Farms unallocated funds	NCC Borrowing	-0.036				Unspent borrowing returned
Offices	Various reprofiling	NCC Borrowing	0.003	-0.989		0.989	Reprofiling to include 0.510 Asbestos Surveys, 0.2 Jubilee centre refurbishment, 0.476 White Gates relocation & Corporate pots 0.215
Offices - County Hall	Various reprofiling	NCC Borrowing		-0.850		0.850	Reprofile County Hall refurbishment 0.149, County Hall Forecourt 0.183 & County Hall/Annex Car park 0.497
Finance	HR & Finance Systems Replacement	NCC Borrowing	0.005	-1.063		1.063	Reprofiling to match expenditure used in year
Finance ICT	Various reprofiling	NCC Borrowing		-3.758		3.758	Reprofiling to include 1.246 Data Centre Relocation/0.427 ICT Transformation & 0.535 Technology Improvement budget
Finance ICT	Schools refresh	Internal funding	-0.004	-0.545	0.346	0.545	contributions/refunds for school based ICT refresh programme and reprofiling to fund future years programme
<b>Total Finance</b>			<b>0.118</b>	<b>-12.890</b>	<b>0.346</b>	<b>12.890</b>	
<b>Total</b>			<b>-8.807</b>	<b>-59.587</b>	<b>2.191</b>	<b>59.587</b>	

# Cabinet

Item No: 11

<b>Decision making report title:</b>	<b>COVID-19 financial implications for Norfolk County Council</b>
<b>Date of meeting:</b>	<b>8 June 2020</b>
<b>Responsible Cabinet Member:</b>	<b>Cllr Andrew Jamieson (Cabinet Member for Finance)</b>
<b>Responsible Director:</b>	<b>Simon George, Executive Director of Finance and Commercial Services</b>
<b>Is this a key decision?</b>	<b>Yes</b>

## **Introduction from Cabinet Member**

This regular report updates the position reported to Cabinet in May with the latest details of the Council's forecast use of COVID-19 funding from Government. It sets out how the Council is proactively responding to the challenge of the COVID-19 pandemic to maintain the delivery of vital services across all areas of its operations, support the NHS and health system through enhanced hospital discharge processes to free up capacity, protect vulnerable people, support businesses, and ensure the safety of all staff delivering this vital work.

In particular, the report details the proposed extension of the support packages to the Adult and Children's Social Care markets for Cabinet approval.

## **Executive Summary**

This report provides Cabinet with an overview of the current assessment of the emerging financial impact of COVID-19 for the County Council, which will have a profound impact on the organisation's ability to achieve planned budget savings and income for 2020-21.

The report also provides an overview of other financial issues associated with the COVID-19 response.

## **Recommendations**

- 1. To consider the latest forecast use of the COVID-19 grant to meet expenditure pressures, income reductions, and lost delivery of savings (Table 2), noting that this will continue to be revised as further details become available;**
- 2. To consider the proposed approach to allocating grant resources to services (Table 3) and the arrangements for monitoring and potential clawback;**
- 3. To consider the summary of the financial impacts of COVID-19 on services (Section 4);**

4. To endorse the key messages being communicated to Government as part of regular financial forecasting information (Section 5); and
5. To approve the further package (phase 2) of financial support to Adult Social Care (ASC) providers (Paragraph 6.5), including delegating authority to the Cabinet member for Adult Social Care and Public Health to make a decision, as appropriate, about the extension of any future offer relating to provider support payments and provider additional cost claims for August and September 2020.
6. To approve the proposed approach to provision of ongoing financial support to the Children's Services Social Care Market (Paragraph 7.6).

## 1. Background and Purpose

1.1. This report sets out the latest details of the Government's announcements made in response to the COVID-19 pandemic. In addition, it provides:

- an overview of the latest Government funding announcements in respect of infection control activities in care homes;
- an update on the Council's forecast cost and income pressures emerging from the response to COVID-19, including proposals for allocating the available grant to services;
- a summary of the main financial impacts on service planning and delivery;
- details of the Council's response to the second round of data collection by the Ministry of Housing, Communities and Local Government (MHCLG), including the key messages communicated to Government; and
- details of the proposed package of support to ASC providers for the period beyond June 2020.

1.2. The content of the report is based on circumstances that are changing frequently and therefore some areas may become superseded by new information on an ongoing basis. The report should be read in conjunction with previous papers presented to May Cabinet, including the paper *NCC response to COVID-19*, and also the *Strategic and Financial Planning 2021-22* report elsewhere on this agenda.

## 2. Latest funding announcements and financial implications

2.1. In March 2020, the Government originally provided £26.9m to Norfolk County Council to support the response to the coronavirus COVID-19 pandemic. On 28 April, the Government announced a further £16.742m of grant funding. These two tranches of funding, totalling £43.674m, have been provided to enable the Council to deliver its COVID-19 response across all services. It remains unclear what period this funding is intended to cover. Table 2 below provides the latest summary of the identified forecast costs against this funding for (broadly) an assumed six month period of disruption. In the event that response measures are in place for longer than this, additional costs are likely to be incurred as discussed elsewhere in the report.

## 2.2. Infection Control Fund allocations

On 15 May, the Department of Health and Social Care (DOHSC) published details<sup>1</sup> of the £600m national package to support care homes to tackle the spread of COVID-19 infection. The announcement confirmed:

- Funding is to be paid in two equal instalments, in May and July, ringfenced for social care and will be given to local authorities “*to ensure care homes can continue to halt the spread of coronavirus by helping them cover the costs of implementing measures to reduce transmission*”. The funding must be fully spent within two months of the second instalment.
- The **Norfolk allocation is £12.386m** (representing 2.06% of total funding). Norfolk has received the eighth highest allocation using a methodology based on number of care beds (9,650) and an area cost adjustment calculation.
- **75% of the initial funding received is to be passed straight to care homes** within the local authority’s geographical area for use on infection control measures, **including to care homes with whom the local authority does not have existing contracts**. DOHSC have indicated the total funding to be paid per bed in the allocations: the second payment will be contingent on the first being used for infection control. The remaining 25% must also be used for infection control measures, however local authorities are able to allocate based on need. This may involve support for domiciliary care and wider workforce measures. To be eligible for support from the grant, providers who do not already must complete the daily care home Capacity Tracker.

The deployment of this funding has been considered when shaping the proposed further support package to social care providers set out in section 6 of this report.

## 3. Forecast use of COVID-19 funding

- 3.1. Table 2 below sets out a detailed summary of the anticipated use of the £43.674m funding provided to Norfolk County Council by Government. The statement by the Prime Minister on 10 May did not confirm a definitive timetable for lockdown measures to be lifted as these are contingent on a number of criteria being met. As such, the six month forecast horizon has not been amended at this point. Some of the identified costs reflect risks against existing budgets – for example arising from the non-delivery of savings or the loss of budgeted income due to service closures. These have also been broadly estimated on the basis of a six month period, but are subject to other factors as well.
- 3.2. In the above context, additional cost and income pressures in relation to an extended recovery and normalisation period may be expected in relation to areas such as:
  - lost income, particularly social care contributions and across CES services;
  - additional costs from a surge in demand as services begin to be restored (e.g. children’s social care);
  - ongoing costs relating to PPE requirements;

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<sup>1</sup> <https://www.gov.uk/government/news/care-home-support-package-backed-by-600-million-to-help-reduce-coronavirus-infections>

- additional costs relating to social distancing as services are restored (e.g. additional capacity to enable social distancing measures on home to school transport etc);
- any new responsibilities which are not accompanied by further / new burdens funding; and
- costs associated with a second peak of the virus.

In some cases, likely areas where costs will arise have been identified, but actual estimates are not yet available and so are shown as to be confirmed. All estimates will continue to be refined as further information emerges. It therefore remains difficult to assess whether the funding provided by Government will be adequate, but it appears insufficient to meet the initial identified cost pressures, loss of income, and non-delivery of savings. It will therefore be critical to continue to reassess the costs and impact as the pandemic progresses, and to seek to continue the dialogue with Government about the overall level of pressures being faced.

- 3.3. A particular area of risk continues to relate to Business Rates and Council Tax income for 2020-21, which will need to be taken into account when the Medium Term Financial Strategy (MTFS) is updated and as part of 2021-22 Budget setting. No pressures in relation to this have been included within the forecast grant use, as any impact is assumed to arise in the 2021-22 financial year. Further details of the key risks in this area are set out in the *Strategic and Financial Planning 2021-22* report elsewhere on this agenda.
- 3.4. The Council will also be incurring costs that are ultimately expected to be recoverable from the NHS, particularly in relation to supporting discharge from hospital in order to release capacity. These are not included in the cost and income pressures estimate set out in this report. The first recharge to NHSE/I in respect of these costs and covering the period 19 March to 30 April has now been prepared with the CCG and amounts to £0.958m. A Section 75 agreement has been drawn up with the CCG, final confirmation from the CCG to enable sign off is awaited.
- 3.5. Since the previous report to Cabinet, the cost and income pressures forecast has increased by £1.028m. The changes reflect:

**Table 1: Change in forecast COVID-19 pressures**

	<b>£m</b>
Reported to Cabinet 11/05/2020	62.709
<b>Reported to Cabinet 08/06/2020 (this report)</b>	<b>63.737</b>
Change in forecast	1.028
<i>Change due to:</i>	
Children's Services grant support	0.050
Vulnerability Tracker App	0.010
Book fund costs for Children's SW apprentices	0.002
Increase forecast for Multi-Agency Fusion Group (MAFG) <sup>2</sup> Director costs – additional 12 weeks	0.009
Waste – Contract costs reflecting 15% increase in residual waste volumes	0.600
Waste – Recycling Credit payment to Districts reflecting 15% increase in recyclables and garden waste	0.240
Recycling Centres – Reopening – additional costs (traffic management, security, volume increase)	0.117
<b>Total</b>	<b>1.028</b>

- 3.6. It is therefore currently forecast that the council will incur cost and income pressures of £63.737m against total grant funding of £43.674m, a shortfall of £20.063m as set out below. There continues to be a high degree of uncertainty about these forecasts and they will continue to be refined as the situation develops, timescales become clearer, and further national and local responses are delivered.

**Table 2: Forecast use of COVID-19 grant by directorate**

	<b>2020-21 Forecast £m</b>
<b><u>Funding</u></b>	
COVID-19 Additional Funding (MHCLG Grant tranche 1) for April-June	-26.932
COVID-19 Additional Funding (MHCLG Grant tranche 2)	-16.742
<b>Total funding</b>	<b>-43.674</b>
<b><u>Identified / forecast costs</u></b>	
<b>Adult Social Care</b>	
Enhancements to packages of care where not related to hospital discharge (mainly LD and MH and includes care need escalation)	0.950
Additional Block capacity purchased from market	1.000
Provider support payments to cover liquidity/sustainability issues and any additional costs where not specifically related to a person's changing care needs	10.000

<sup>2</sup> MAFG is one of the parts of the Norfolk Resilience Forum (NRF)

	<b>2020-21 Forecast £m</b>
Other care market pressures	6.000
Paying for additional day time support to Supported Living/Residential providers whilst the day centres are closed	0.300
Loss of income: Adults: No charges for services not received	5.000
Equipment and Support for our teams (e.g. PPE for in-house teams)	0.100
Support to Communities and the voluntary sector	0.100
Support for people experiencing domestic abuse	0.200
Loss of savings: Adults: Savings delivery risk	12.950
Training costs for redeployed staff	0.020
Temporary postponed implementation of the second phase of the charging policy implementation for 4 months	1.000
Equipment - spike in usage and increase in costs	0.200
Weekend or Overtime staff costs	0.100
Vulnerable People Resettlement	0.100
<b>Adult Social Care Total</b>	<b>38.020</b>
<b>Children's Services</b>	
Loss of income - Children's Services - Initial estimate primarily relating to trading with schools	2.000
Loss of income - Transport	0.200
Safeguarding campaign - <i>Project Stay Safe</i>	0.010
Loss of savings: Children's: Savings delivery risk	3.000
Maintaining Early Year's Provision	0.500
Post 18s remaining in placements	TBC
Additional contracted provider costs	0.500
Additional respite care costs	TBC
Additional hardship funding for tier 2	TBC
Enhanced Zoom licenses	0.015
Additional frontline agency costs	0.100
Other support for the market	0.500
Grant support to charity	0.050
Book fund for Social Work apprentices	0.002
<b>Children's Services Total</b>	<b>6.877</b>
<b>Community and Environmental Services</b>	
Food boxes for older people (NCC provision)	2.000
Waste – Contract costs reflecting 15% increase in residual waste volumes	0.600
Waste – Recycling credits reflecting 15% increase in recyclables / garden waste	0.240
Reopening Recycling Centres – (traffic management, security, volume increase)	0.117
Loss of income: CES including Museums / Libraries	1.962
Loss of income: CES including Highways	4.351

	<b>2020-21 Forecast £m</b>
Loss of income: CES including Planning and Development	0.104
Loss of income: CES including other SFC	0.920
Loss of income: CES other	0.027
Retained Firefighters - deployment as drivers for temporary mortuary facility and in other roles	TBC
Staff time chargeable to projects	TBC
Loss of savings: CES	0.600
<b>Community and Environmental Services Total</b>	<b>10.920</b>
<b>Strategy and Governance</b>	
Norfolk Community Foundation - grant donation	0.100
Joint comms systems for the Norfolk Resilience Forum	0.035
Government Conferencing (BT)	TBC
NPLAW support and advice	TBC
Increased Coroner's costs	0.100
Loss of income: Other	0.250
Loss of savings: Strategy and Governance	0.100
<b>Strategy and Governance Total</b>	<b>0.585</b>
<b>Finance and Commercial Services and Finance General</b>	
Emergency Planning Director / Strategic Command Group / MAFG Director costs	0.039
Mortuary facility vans provided by NORSE	0.004
Corporate procurement of PPE	3.000
Food distribution hub - Site costs	0.050
Re-assignment of FES staff (HR and Finance System replacement) to COVID-19 response	0.375
Homeworking equipment	1.000
Extension of SWIFTS Pool Cars / Enterprise	0.007
Extension of Norfolk Assistance Scheme (NAS)	0.500
Software solution from Agilisys and Microsoft to handle the contacts to vulnerable adults in receipt of Letters and all related activities	0.060
Loss of income: Other	0.750
Loss of savings: Finance and Commercial Services / Finance General	0.790
Additional costs associated with the NCC schools contracts, between NCC and Norse Eastern Ltd	0.750
Vulnerability Tracker App	0.010
<b>Finance and Commercial Services and Finance General Total</b>	<b>7.334</b>
<b>Norfolk County Council Total</b>	<b>63.737</b>
<b>Total forecast over/(under)spend against grant funding</b>	<b>20.063</b>

3.7. The funding provided by Government to date is un-ringfenced but is expected to address pressures anticipated in three areas: **(1) additional expenditure (2) lost income (3) delayed/undeliverable savings**. Government has confirmed that funding will (for example) be available to enable councils to:

- meet increased demand for adult social care and provide additional support to providers.
- meet extra demand and higher business-as-usual costs of providing children’s social care.
- support those at higher risk of severe illness e.g. initial costs incurred supporting those within the most clinically high-risk cohort who also have no reliable social network.
- meet pressures across services, due to reduced income, rising costs or increased demand.

3.8. **Allocation of funding to services**

While recognising that there remains a shortfall between available grant and forecast cost pressures, allocation of grant is proposed pro rata to the forecast reported in Table 2 above. This is intended to enable services to make progress with spending decisions.

**Table 3: Allocation of COVID-19 grant by directorate**

	<b>Proportion of forecast – as at Cabinet 08/06/20</b>	<b>Proposed allocation of Grant funding</b>
	<b>%</b>	<b>£m</b>
Adult Social Care	60%	26.052
Children's Services	11%	4.712
Community and Environmental Services	14%	6.112
Strategy and Governance	1%	0.332
Finance and Commercial Services	3%	1.360
Finance General	12%	5.104
<b>Total</b>	<b>100%</b>	<b>43.674</b>
Proportion of total forecast pressures provided for:		69%

3.9. The funding:

- should be used to address pressures across the three categories identified above, **including** to meet savings non-delivery, and loss of income.
- should **not** be used to fund staff costs already provided for in the revenue budget, except in relation to overtime, and capital and other projects (e.g. the HR and Finance System replacement) where work cannot be progressed and/or staff resources have been redeployed to the COVID-19 response.

This represents the full funding being passed on to meet COVID pressures. **Services are expected to control spending within the original 2020-21 budget and the additional grant allocations.** Where an overspend against budget and grant appears

probable, considering cost, income and saving pressures, **and** any underspends arising from delayed or suspended activity, **services should report this to the Executive Director of Finance and Commercial Services as soon as possible** so that the overall NCC position and available mitigations can be considered. Service forecasts will be kept under review, and if it appears funding is not fully required to meet COVID-19 pressures, this may be subject to claw back (within NCC) to address pressures in other areas of the budget. As set out elsewhere in this report, the **Council continues to work with Government to highlight the forecast shortfall in emergency funding provided**, and to identify the significant pressures for future years.

#### **4. Financial impacts on service planning and delivery**

4.1. Summary details of the main impacts of COVID-19 on service finances and planning activity are set out below.

##### 4.2. Adult Social Care

- The COVID-19 pandemic has had a major impact on the way we are providing support to vulnerable adults in Norfolk. This is particularly the case in the way in which Norfolk's care providers are having to adapt to continue to provide safe and high quality care. The Council continues to support our care market, and some of the financial steps already taken, and further proposed for the future, are outlined in section 6.
- In addition to supporting care providers at this difficult time, we recognise that the demand and supply of care services may well change in the short, medium and longer term. For some services where demand is reducing, the long term sustainability of the market will be a key issue, but also the cost implications for the Council of this changing demand. Whilst the pandemic is impacting all of us in the way we are living our lives, for some vulnerable adults, this sudden change will create an escalation in their social care needs. Supporting these people, and their families, will continue to be a priority for the Council, and may of course drive costs upwards. For other areas, where it's the supply that's changing (for example Day Care), then we need to understand the financial implications of this change, how we continue to meet need, and how demand may evolve as a result of new support arrangements.
- During the pandemic, there has been a clear focus on hospital discharge and admission avoidance. Central Government has mandated some guidance / legislation that has had some material impacts on our ability to financially assess some cohorts of people, including those may previously have been deemed self-funders, or eligible for NHS continuing health care (CHC). In addition to this we have also had to secure more Residential, Nursing and Enhanced Home Support capacity, via fixed block arrangements, to ensure timely discharge into the community was available. This includes the newly opened Cawston Lodge facility. As part of these prompt hospital discharge arrangements, Central Government has supplied NHS England (NHSE) with £1.3bn of funding. We are working with our local Clinical Commissioning Group (CCG) to reclaim these related expenses. At present we have no indication to when the recharge period with NHSE will cease, and whilst we are being

sensible with the contractual arrangements being entered into, this does present a risk to the Council that some residual arrangements will remain.

- A comprehensive programme of savings was underway to support the financial targets for 2020-21. However, COVID-19 has required a seismic and immediate refocus of services, process and planning. The financial consequences of that are only starting to be understood, but we suspect it will have a material impact on our ability to deliver our full level of savings in 2020-21. We are working hard to assess our original plans, evolve them where appropriate, and will restart areas of our change governance where feasibly possible.

### 4.3. Children's Services

- Children's Services is diverse with a combination of direct face-to-face provision for the county's most vulnerable children, young people and families, face-to-face provision in schools and room-based training, alongside work that can be undertaken remotely.
- Where it is assessed as necessary from a safeguarding viewpoint, social care work with our vulnerable children and families has continued on a face-to-face basis. Other work has continued on a virtual basis, including the introduction of new ways of working that have been welcomed by families. Early on in the COVID-19 response, schools restricted access except where absolutely necessary to reduce the risk of transition and staff looked to provide support and interventions through alternative means, wherever possible.
- Many staff who are not involved in this direct provision have been involved in the emergency response efforts, either within Children's Services or supporting wider efforts of Norfolk County Council and partners. Wherever possible, these staff have been working from home. Where staff have not been involved in the emergency response efforts, they have continued to deliver their roles from home wherever possible.
  - Learning and Inclusion staff have been focussed upon supporting and co-ordinating schools (maintained, free schools and academies) and early years providers to enable them to offer childcare for vulnerable and keyworker children and to ensure, to continue to support schools to provide remote learning for all age groups, and to support schools to prepare to welcome back year groups in accordance with national guidance.
  - Social Care staff have maintained assessment, intervention and support services, including with partners, to children, young people and families.
  - Commissioning and Partnership staff have been remotely supporting and working alongside providers and partners to be able to maintain and adapt services to meet immediate needs and looking ahead to the medium-term future.
  - In-house Resources staff (residential homes, semi-independent, fostering and adoption) have continued to provide high-quality, flexible provision.
  - Quality Assurance and Transformation teams have continued working remotely throughout the period, though flexing work roles to contribute towards the emergency response.
- Longer term impacts and potential future budget pressures include:

- Children's Services has a significant cross-departmental transformation programme that made significant progress during the 2019-20 financial year, delivering savings and reducing escalation of need. This transformation programme has had to be put on hold during the COVID-19 response. As well as having an immediate financial impact in 2020-21 due to the delays, there will also be cumulative impact of the delays into future financial years.
- At the start of lockdown, the department saw a reduction in referrals through the Children's Advice and Duty Service; these are now increasing, and the department is anticipating higher volumes of referrals as the year progresses, potentially in September if schools return. The potential delay in referrals bears the risk that needs will escalate, which could lead to more complex needs and additional cost pressures in the longer-term.
- Future, ongoing social distancing may lead to increased costs for some services to support safe working practices, such as group based activities (particularly for children with complex health conditions), construction, building and maintenance services, and home to school transport.
- The department does receive some external income that has reduced or stopped as a result of COVID-19, and it is currently not clear when these services will restart and whether the income generated will meet pre-COVID-19 levels.
- Planning is under-way for a potential surge in social care demand along work progressing to restart the department's transformation programme and to consider any changes required as a result of COVID-19, including changing needs and capturing learning from this period.

#### 4.4. Community and Environmental Services

- A large number of staff within the department are normally community based and therefore a significant number of staff within CES have redeployed in roles to support the emergency response efforts throughout the county.
- Where staff have not been involved the emergency response efforts, they have been able to work from home and continue delivering their roles as normal.
  - Customer Service Centre has successfully transitioned to home working to help increase capacity and flexibility and have played a key role in the response to the public.
  - Norfolk Fire and Rescue Service have maintained emergency response capability and engaged in support to Ambulance service and Police service.
  - In line with DfT guidance, Highways / Bridge maintenance, safety inspections, infrastructure and arrangements have continued as have highways projects, although some supplies were restricted.
  - The 8 main recycling centres reopened on the 11 May with a phased return of other sites.
  - Public Health teams have clearly had a vital role in the response, with the majority of teams continuing to operate throughout the period albeit in different capacities.

- Longer term impacts and potential future budget pressures include:
  - The department is heavily reliant on generating external income, such as museums admissions income. Given the extended period that services cannot operate, this is likely to have a significant impact on the income generating activities.
  - We are also anticipating higher volumes of residual waste due to residents being at home rather than places of work therefore generating more waste through the kerbside collections.
  - Whilst Government have provided support to transport operators, both directly and through the County Council, we continue to work with operators to ensure there is resilience of the public transport network including home to school transport. We are working with operators to ensure they have the ability to provide viable services under social distancing measures and through a period where there may be low public confidence in using public transport.
  - We are also expecting increase in costs of delivering capital schemes to accommodate safe working practices.

## 5. Reporting of pressures to Government

5.1. On 7 May, MHCLG issued the second iteration of its monthly data collection for financial management information – to capture estimated spend, income and cash pressures attributable to COVID-19, as well as expenditure of emergency COVID-19 funding. The data provided will be used by MHCLG and other departments to help identify where the greatest pressures are likely to be, and to inform Government's ongoing assessment of likely future costs. The Council's return was submitted 15 May following approval by the Executive Director of Finance and Commercial Services. This return did not reflect any assumptions about the Infection Control Fund, it is assumed this may feature in a future data collection. Key messages set out in the Council's return are:

- That **funding provided to date is not adequate** to address the full year pressures the Council expects to face.
- The return **assumes that all costs chargeable to Health will be recovered** and this is an area of risk.
- The fact that **future pressures are likely** in the recovery phase (e.g. social distancing in restored service provision, ongoing PPE requirements, activity spikes post-lockdown including a surge in children's social care, and a higher cost base overall).
- That although notionally approximately £6.5m within the General Fund is set aside to address these types of pressures, **there is very limited scope in reality to utilise reserves to meet COVID pressures**, and there would be significant implications for future years from using General Fund resources.
- That significant **risks around future year council tax and business rate income exist** and will need to be addressed, and that there is an **urgent need for clarity and certainty about the support that Government will provide for 2021-22** and beyond to enable budget setting to take place effectively.

## **6. Financial support to the Adult Social Care (ASC) provider market**

6.1. The Council has thus far utilised the Central Government grant referred to in this paper to support the ASC care market's financial stability through the initial response to the COVID-19 pandemic. This has been a priority for the Council as part of a wider programme of support to providers to help ensure safe delivery of services. This support has included, but not limited to:

- Cashflow assurance for those markets with variable or reducing demand.
- An upfront payment of 6% of 12 weeks of care fees. This covers the period April to June 2020.
- A process for providers to reclaim additional expenses over and above the 6% payment. This covers the period 19<sup>th</sup> March to 10<sup>th</sup> June 2020.
- Support to those provider markets who are providing additional support whilst our Day Care services are not wholly available.
- Supply of over 1.4 million pieces of Personal Protective Equipment (PPE) through the Norfolk Resilience Forum and Council procured stock.
- A provider website allowing direct access to Central Government and New Anglia Growth Hub financial support.

Our financial support offer was initially developed to cover the 12-week period post the 19<sup>th</sup> March 2020. We committed to review our offer after this time frame to enable us to take full advantage of the emerging understanding of the COVID-19 pandemic.

6.2. The Council must now consider its secondary phase of financial support to enable the continued provision of safe care services in Norfolk.

Norfolk's care providers are the front line of the response to the pandemic, and as such, it is an imperative that they are fully supported to continue to provide high quality care, that is both safe for the customer, but equally safe to deliver for staff.

The Council recognises the importance of our care market and has allocated the largest segment of our COVID-19 budget towards supporting them. The Council continues to positively engage with Central Government to ensure we have the means to continue to support these vital providers.

Despite the current pandemic, and the passing of the Coronavirus Act into law, the Care Act (2014) still provides the existing duties placed on the Council. Section 5 *Promoting diversity and quality in provision of services* provides the following:

*(1) A local authority must promote the efficient and effective operation of a market in services for meeting care and support needs with a view to ensuring that any person in its area wishing to access services in the market—*

- a) has a variety of providers to choose from who (taken together) provide a variety of services;*
- b) has a variety of high quality services to choose from;*
- c) has sufficient information to make an informed decision about how to meet the needs in question*

*(2) In performing that duty, a local authority must have regard to the following matters in particular—*

*b) the need to ensure that it is aware of current and likely future demand for such services and to consider how providers might meet that demand;*

*d) the importance of ensuring the sustainability of the market (in circumstances where it is operating effectively as well as in circumstances where it is not);*

*(3) In having regard to the matters mentioned in subsection (2)(b), a local authority must also have regard to the need to ensure that sufficient services are available for meeting the needs for care and support of adults in its area and the needs for support of carers in its area.*

- 6.3. During the pandemic, the Council has worked closely with its care providers, their representatives, and the Care Quality Commission (CQC). We continue to regularly monitor demand, capacity and sustainability in our care markets. Despite the support Local Authorities have provided to the care market during the pandemic, there are emerging situations in some parts of the country of an imminent risk of provider failure. Our 2<sup>nd</sup> phase of support needs to continue to be cognisant of the financial risks presented in the current environment, but also any underlying pre-COVID-19 sustainability issues within the market.
- 6.4. In making our recommendations (below), our overriding driver is to put vulnerable people first and to continue to take necessary steps to protect people from COVID-19 and minimise further outbreaks.

At the time of writing this report, outbreaks in care homes are rising – albeit at a slower rate, so whilst the infection rates in hospitals have declined, there remains a challenging situation in the independent care sector, for both people using services and for staffing caring for them.

In the light of this, we have taken into account the following:

- The on-going risks of COVID-19 in care settings, including the need to build resilience for any further waves combined with seasonal pressures
- The need for providers to adapt services to make them COVID-resilient over the coming months.
- The need to take into account the impact on our citizens of any breakdown in provider support – many of the people who use services are the most vulnerable and disadvantaged
- The Care Act responsibilities on Adult Social Services to shape a sustainable market to give people choice and security.
- New emergency Central Government support for infection control, including the new Infection Control Fund referred to in Section 2 of this paper.

- 6.5. Our recommended approach for Phase 2 of support is as follows:

- a) Continue to pay Residential and Nursing providers on actual contract levels. The Council will continue to monitor payment levels to providers.
- b) Continue to pay home support providers under the minimum/fixed income levels (with top-up for excess usage). We will work with providers to agree a phased movement back towards actual usage payments by late summer/early Autumn.
- c) Make an additional provider support payment for July (4 week) of 6% for the same provider group in scope for phase 1.
- d) Extended the timescale of our provider additional cost claim form for a further 8 weeks (covering the period to 5<sup>th</sup> August) for the same provider group in scope for phase 1.
- e) We recognise that building based day care and life opportunities have largely been suspended for the last 12 weeks because of the need for individuals using them to be shielded and to protect staff. We have continued to pay providers despite this suspension, and there has been some excellent examples of care provision being evolved by this market to adapt to the new environment we face.

In phase 2, providers operating in this market will be offered time limited, bespoke, provider specific, transitional financial support. This support will be contingent on successfully working with the Council to agree a transformation plan that enables person centred, safe services, to be developed.

- f) Recognise the uncertainty of the environment we are working within, and recommend delegated authority be given to the Cabinet member for Adult Social Care and Public Health to make a decision, as appropriate, for any such future payments relating to c) and d) above for August and September 2020.

To ensure the funding awarded to the Council is used to its maximum benefit, our care providers are encouraged to continue to embrace the support offers of both Central Government and the New Anglia Growth Hub. Our financial support offer is part of a mutual aid approach. Much like our day services offer described above, if we find individual providers are having to materially reduce the volume of supply to the Council during the pandemic, then we will reserve the right to vary the above offer until such time that the provider can be supported to return to sustainable delivery levels.

- 6.6. The costs for providing the Phase 1 response, and recommended Phase 2 approach, are intended to be funded within the £16.3m allocated in Table 2 to support the ASC market. This funding will need to be carefully managed by the ASC department alongside the wider COVID-19 allocations described in Table 3.

## **7. Financial Support to Children's Services Social Care Market**

- 7.1. The Council has thus far utilised the Central Government grant referred to in this paper to support the Children's Services care market's financial stability through the initial response to the COVID-19 pandemic. This has been a priority for the Council as part of a wider programme of support to providers to help ensure safe delivery of services. This support has included, but not been limited to:

- Maintaining payment of block contracts payments where the service model cannot be delivered but providers offer flexibility in return.

- Payment to short break providers estimated to cover the initial 3 month period even where delivery was reduced due to COVID-19.
- Financial support to providers incurring additional costs due to COVID-19 on a case-by-case basis.
- Payment in advance and upon immediate terms for all providers to enhance cashflow.
- Advice and signposting to Central Government financial support, the New Anglia Growth Hub, and alternative funding streams.
- Offer to consider sustainability funding requests from providers to ensure that critical and essential providers remain.
- Access to Personal Protective Equipment (PPE) through Council procured stock where providers are unable to secure supply.

7.2. Our financial support arrangements were originally developed to cover the initial 12-week period of the pandemic and it is now appropriate to review our offer as our emerging understanding of the COVID-19 pandemic improves. The Council must now consider its next phase of financial support to enable the continued provision of safe children's social care and support in Norfolk.

7.3. The large majority of Norfolk's Children's Services social care providers continue to provide care and support for children and young people looked after as they did prior to the pandemic. In some cases, these providers will continue to incur additional costs to enable them to safely provide this care and support that is critical to keeping both our children and young people and their staff safe. Children's Services commissioners are working closely with other providers to identify how their offer can be flexed to meet needs.

7.4. Many providers are facing financial uncertainty with some expressing concerns about their ongoing financial viability, many of which are in the Voluntary, Charity and Social Enterprise (VCSE) sector, who rely upon donations and grants that have reduced significantly during the pandemic to date. There is significant support for children, young people and families from the VCSE sector that is not funded by Norfolk County Council; this support is at risk during and after the pandemic due to the loss of income streams to these organisations. This sector is key to early support that prevents needs from escalating and requiring assessment, intervention, care and support from Children's services.

7.5. In considering the recommendations for the next phase of financial support we have taken into account the following:

- The on-going risks of COVID-19 in care and support settings and face-to-face assessment, intervention and therapy settings.
- The need for providers to adapt services to make them COVID-resilient over the coming months.
- The need to take into account the impact on children, young people and families of any breakdown in provider support.

7.6. Our recommended approach for ongoing support of the market is as follows:

- a) Continue to pay external Residential, Semi-Independent and Fostering providers on actual contract levels. The Council will continue to monitor payment levels to providers;
- b) Continue to pay short break residential and community providers in line with planned usage whilst continuing to work with providers to utilise resource in alternative ways to support children and families where pre-COVID arrangements are no longer suitable;
- c) Continue to pay assessment, therapy and support providers for provision including where alternative methods of delivery are agreed due to COVID-19;
- d) On a case-by-case basis, continue to offer financial support for additional COVID-19-related costs required to meet the needs of children and young people during the outbreak that cannot be met from existing payments; and
- e) On a case by case basis, continue to offer non-standard payments (such as payment in advance or loans) and sustainability support to providers experiencing financial difficulties that threaten the stability of their organisation and potentially jeopardises their ability to deliver their contractual obligations either now or in the short-to-medium future.

7.7. This support for the market will be reviewed during August to identify what measures are needed to support providers as the national and local response to COVID-19 continues. The costs for providing this support are intended to be funded within the £1m allocated in Table 2 to support Children's Social Care providers.

7.8. Financial support to the Early Years market was agreed as a [delegated decision by the Cabinet Member for Children's Services](#) in early May.

## **8. Impacts on the Medium Term Financial Strategy**

8.1. The County Council's Medium Term Financial Strategy (MTFS) was agreed prior to the significant escalation in the severity of the COVID-19 pandemic. The impact of this outbreak in Norfolk is having far-reaching consequences, and inevitably will require changes to the MTFS and underlying budget assumptions which will need to be taken into account as part of 2021-22 Budget planning activity. The Council is still evaluating how the likely 2021-22 gap will be funded, but it is clear that there is a need for a new, different relationship with Government to rectify some of the long term problems surrounding local government funding. Without an increased level of Government assistance, there are likely to be significant savings to be found to deliver a balanced Budget in 2021-22. An updated MTFS and proposals for the budget setting process for 2021-22 are set out in the *Strategic and Financial Planning 2021-22* report elsewhere on this agenda.

## **9. Impact of the Proposal**

9.1. This paper sets out:

- Details of the expected deployment of additional funding, which will need to be kept under review as the response to COVID-19 continues to evolve, in particular in respect of the impact of COVID-19 on underlying local authority costs and income sources, and further funding announcements and responsibilities from Government.
- How the Council is communicating the pressures faced in responding to COVID-19 back to Government in order to highlight the need for further funding support.
- How the Council proposes to extend the support offer to the Adult and Children's Social Care provider markets to ensure providers remain viable, funding is available to tackle the transmission of COVID-19 in care settings, and service provision is maintained into the future.

## **10. Evidence and Reasons for Decision**

10.1. The County Council faces an unprecedented financial and public health crisis which is having significant implications both during 2020-21 and for future budget setting. It is essential to continue to engage with Government, MPs and other stakeholders to campaign for adequate and sustainable funding for Norfolk to continue to deliver vital services to residents, businesses and visitors.

10.2. The recently received Infection Control Fund allocations need to be deployed to care providers in line with Government guidelines. It is also necessary for Cabinet to approve the extension of support to Adult Social Care providers beyond the initial 12 week period reported to the previous Cabinet meeting, and to approve the continued support to the Children's care market.

## **11. Alternative Options**

11.1. This report sets out the forecast use of the COVID-19 funding received to date, but this should be seen as indicative only because the Council will need to respond with some flexibility to emerging cost pressures and the rapidly developing situation. No specific alternative options have been identified.

## **12. Financial Implications**

12.1. Financial implications are discussed throughout the report. The response to COVID-19 is likely to result in significant cost and income pressures in 2020-21, as well as impacting on the scope to achieve planned 2020-21 savings, and the capacity to develop new proposals for the 2021-22 Budget. The forecast use of the COVID-19 grant set out in this report identifies a shortfall in funding, although there remains a high degree of uncertainty around some of these estimates. In the event that these costs were to fully materialise, and no additional funding were provided, the Council would need to seek to mitigate the impact over the remainder of the financial year 2020-21. The Council will continue to work, including through representative organisations such as the Local Government Association (LGA) and County Council Network (CCN), to secure full funding for the additional pressures being experienced.

12.2. Work to deliver additional Government funding could also have an impact on the overall budget gap to be addressed. As such the Government's response and decisions about Council funding in 2021-22 will be hugely significant. Government has an opportunity as part of the COVID-19 response to deliver a permanent step change in the recognition of the importance of social care, and to fund local authorities to provide a key contribution as part of the national recovery.

### **13. Resource Implications**

#### **13.1. Staff:**

There are no direct implications arising from this report although cost forecasts reflect the fact that staff resources have been proactively redeployed as part of the response to COVID-19.

#### **13.2. Property:**

There are no direct property implications arising from this report although cost forecasts reflect changed plans around the use of property and additional property costs.

#### **13.3. IT:**

There are no direct IT implications arising from this report although cost forecasts reflect additional IT costs expected to be incurred in delivering the response to COVID-19.

### **14. Other Implications**

#### **14.1. Legal Implications**

None identified.

#### **14.2. Human Rights implications**

No specific human rights implications have been identified.

#### **14.3. Equality Impact Assessment (EqIA)**

No specific EqIA has been undertaken in respect of this report. However, COVID-19 has impacted on every individual and family across Norfolk, particularly on people with protected characteristics.

New evidence is emerging daily about the nature and extent of this impact.

In view of this, the Council is maintaining a dynamic equality impact assessment, which is available [here](#).

This impact assessment is being used by the Cabinet to inform decision-making during the COVID-19 pandemic. It is being continually updated to inform business continuity planning, and should be taken into account along with the considerations and mitigating actions detailed in this report.

Mitigating actions are being developed wherever necessary and these are summarised in the assessment.

With regard to the Phase 2 ASC provider support, if, following the work within commissioning, there are some day service providers who are not able or prepared to

work with the Council to develop a transformation plan and receive further support, then it is proposed that at that stage further work is completed to look at the impact of not funding these providers.

## **15. Risk Implications/Assessment**

- 15.1. The figures set out in Table 2 reflect initial estimates; these will be further refined as more information is available. The ultimate impact and financial cost of the response to the COVID-19 outbreak will be highly dependent on a wide range of factors including the length of time that the pandemic continues, the severity of the impact (both nationally and in Norfolk), and the wider actions taken in response.
- 15.2. The emerging coronavirus / COVID-19 situation may impact on the County Council's budget setting process in a number of ways, as reported in the *Strategic and Financial Planning 2021-22* report elsewhere on this agenda
- 15.3. All risks associated with COVID-19 are documented in the Norfolk County Council Corporate Risk Register.

## **16. Select Committee comments**

- 16.1. None.

## **17. Recommendations**

- 17.1. Cabinet considers the recommendations as set out in the Executive Summary.

## **18. Background Papers**

- 18.1. Norfolk County Council Revenue and Capital Budget 2020-21 to 2023-24, County Council 17/02/2020, agenda item 5 ([here](#))  
COVID-19 financial implications for Norfolk County Council, Cabinet 11/05/2020, agenda item 9 ([here](#))  
NCC response to COVID-19, Cabinet 11/05/2020, agenda item 8 ([here](#))

## **Officer Contact**

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# Cabinet

Item No: 12

<b>Decision making report title:</b>	<b>Strategic and Financial Planning 2021-22</b>
<b>Date of meeting:</b>	<b>8 June 2020</b>
<b>Responsible Cabinet Member:</b>	<b>Cllr Andrew Jamieson (Cabinet Member for Finance)</b>
<b>Responsible Director:</b>	<b>Simon George, Executive Director of Finance and Commercial Services</b> <b>Fiona McDiarmid, Executive Director of Strategy and Governance</b>
<b>Is this a key decision?</b>	<b>Yes</b>

## **Introduction from Cabinet Member**

The original Budget set in February 2020 for 2020-21 was fundamentally robust, based on sound finances and prudent planning, although it included the requirement for challenging savings to be delivered across the organisation. As a result, the Council has been well positioned to respond to the major challenge of coronavirus, COVID-19, even though this unprecedented situation will inevitably have a significant impact on the Council's Budget in both 2020-21 and future years.

The implications of the COVID-19 response, coupled with continued uncertainty and the further delay of a number of the significant planned reforms for local government finance, represent a major challenge for the Council in developing its Medium Term Financial Strategy. As discussed in this report, the level of the budget gap to be closed in future years is subject to substantial uncertainty and there are a number of issues which could have a material impact on the level of resources available to Norfolk County Council to deliver services in the future.

Perhaps now more than ever before, COVID-19 has demonstrated the vital importance of setting a balanced and sustainable budget to enable the Council to continue to deliver the critical services which are so important for all Norfolk's people and businesses. In these challenging times, work must continue to build on the foundations established by the 2020-21 Budget, and to develop the detailed financial plans for future years which will enable the Council's financial position to be secured and the provision of essential services into 2021-22 and beyond to be safeguarded.

## **Executive Summary**

Our leading role in supporting vulnerable people and communities during the COVID-19 pandemic is forecast to incur additional costs, lost income and undeliverable savings in the current year of £63m, over £20m more than what has been provided by the Government. While this report forms an important part of the Council's budget setting process for the 2021-

22 Budget, it should be read in conjunction with the *COVID-19 financial implications for Norfolk County Council* report elsewhere on the agenda. Taken together, they provide Cabinet with an overview of the potential financial implications of coronavirus, COVID-19, for both the current year and for the Council's Medium Term Financial Strategy as originally agreed in February 2020. We continue to engage with MPs, the County Council Network (CCN), the Local Government Association (LGA), the Ministry for Housing, Communities and Local Government (MHCLG) and other Government Ministers and departments on the need for sustainable and long term funding for councils.

The County Council takes a prudent and transparent approach to budgeting and our February MTFs made it clear that we were facing a shortfall of £38.992m in 2021-22. In common with almost all top tier authorities, this Council has had its challenges anyway therefore this report acknowledges the exceptional circumstances in which the 2021-22 Budget will need to be prepared. These will have a profound impact on the organisation's ability to achieve planned budget savings and income for 2020-21, its capacity to develop and deliver new budget proposals for 2021-22, and on the wider budget position, which is the subject of extremely high levels of uncertainty. As such, the report sets out details of a proposed budget planning process for 2021-22, but recognises that there will be a need for flexibility. In this context, the report also provides a summary of key areas of wider risk and uncertainty for Cabinet to consider.

We will be updating the MTFs in light of future government announcements and as the scale of the net cost to the Council becomes clear. We will take these reports to Cabinet and to Scrutiny Committee over the next few months.

## **Recommendations**

- 1. To consider the overall budget gap of £117.852m in the Medium Term Financial Strategy (reflecting the addition of a further year (2024-25)), and including a gap of £38.992m for 2021-22 as set out in the Medium Term Financial Strategy approved in February 2020. (Section 6)**
- 2. To consider the key budget risks and uncertainties as set out in this report, including the implications of announcements made at the Spring Budget 2020 and subsequently as part of the COVID-19 response. (Section 3 and Section 5)**
- 3. Acknowledging that there may be a requirement for flexibility within both the budget setting process, and budget assumptions used, as a result of Government announcements and other developments relating to COVID-19, to agree the principles of the proposed approach to budget setting for 2021-22 (Section 7) including:**
  - a. the process and indicative timetable set out in paragraph 7.1 and Table 5.**
  - b. the role of Select Committees in the budget setting process.**
  - c. the savings targets allocated to each Department to be found (Table 6), and the potential for these to be increased in September 2020.**

## 1. Background and Purpose

- 1.1. The main purpose of this report is to set out a proposed approach to developing the 2021-22 Budget and associated Medium Term Financial Strategy (MTFS). To provide context and inform these proposals it also:
  - Provides a summary of the Budget and MTFS approved by Full Council in February 2020, including the savings already planned for future years.
  - Considers the implications of the Government's announcements made as part of the 2020 Spring Budget and subsequently in response to the COVID-19 pandemic (discussed in more detail in the *COVID-19 Financial Implications* report elsewhere on this agenda).
  - Summarises some of the significant uncertainties facing local government finances as a result of COVID-19 and other issues.
  - Sets out the MTFS position for 2021-22 onwards as agreed in February 2020 and proposes savings targets by Department.
- 1.2. Ultimately this report is intended to support the Council in preparing the 2021-22 Budget and identifying savings which will assist in delivering a balanced budget for the year.
- 1.3. The content of the report is based on circumstances that are changing frequently and therefore some areas may become superseded by new information on an ongoing basis.

## 2. Strategic context

- 2.1. To date, our vision for Norfolk "***Caring for our County***", our strategic plan "***Together, for Norfolk***"<sup>1</sup> and our transformation programme "***Norfolk Futures***" have directed and framed all our work, inside and outside the Council. Our priorities have and continue to be focused on our strategic ambitions:
  - Building communities we can be proud of;
  - Installing infrastructure first;
  - Building new homes to help young people get on the housing ladder;
  - Developing the skills of our people through training and apprenticeships;
  - Nurturing our growing digital economy; and
  - Making the most of our heritage, culture and environment.
- 2.2. The current crisis has required us to redirect our efforts towards maintaining support services for vulnerable and shielded people, delivering COVID-19-control services as required, and supporting and sustaining colleagues, partners and the providers market during these challenging times. Details of our response to date can be found in the Cabinet report *NCC response to COVID-19*, dated 11 May 2020.

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<sup>1</sup> <https://www.norfolk.gov.uk/what-we-do-and-how-we-work/policy-performance-and-partnerships/policies-and-strategies/corporate/council-vision-and-strategy>

- 2.3. As the peak of the response phase is receding and the support systems have been firmly established, the Council has now started to look at the next phases of normalisation (a transitional phase from the current response position) and longer term recovery planning. The pandemic has affected the whole of the County, its people and its economy in a multitude of ways, and we anticipate that these phases will be significantly more complex and have the greatest impact both on the future shape and culture of the Council itself and on the life chances of the people of Norfolk. Within the Council and with our partners, we are looking strategically across the whole of Norfolk, at the impact of the current crisis on the economy, employment, societal issues, and our own essential services and ways of working.
- 2.4. Any plans developed in the normalisation and recovery phases will be tested against the original strategic outcomes and priorities of our organisation, so we understand whether we continue in the same direction or pivot as a result of the impact of the crisis. This work will be closely aligned to the financial planning challenges outlined in this report. Where needed we will refocus our strategies, plans and transformation programme to ensure we support our recovery and continue to deliver on our priorities.

### 3. Spring Budget 2020 and local government funding

- 3.1. The new Chancellor of the Exchequer, Rishi Sunak, announced the **Spring Budget 2020** on 11 March 2020<sup>2</sup>, the first Budget since the December 2019 General Election. Although it has since been substantially overshadowed by the ongoing response to COVID-19, the Budget included various announcements with implications for local authority funding. These included:

- The Government planned to undertake a Comprehensive Spending Review (CSR) which was due to complete in July 2020. The Budget identified that departmental revenue spend (Resource DEL) was forecast to increase in real terms by 2.8% per annum on average over the CSR, but the Treasury also indicated that this would be lower for some areas as it included existing commitments (presumably for the NHS and schools). The precise impact for local government was therefore unknown but increases in funding at the headline rate were clearly unlikely. As part of the response to COVID-19, the Chancellor announced on 24 March that the Comprehensive Spending Review would be delayed from July to enable the government to remain focused on responding to the public health and economic emergency. The timetable for the CSR is therefore in doubt and expectations are for a one-year announcement for 2021-22 with the CSR further delayed.
- The Government continues to explore the **long-term reform of adult social care**, with plans to establish a cross-party consensus on the issue, and structured talks on options for reform originally planned for May 2020. While there are no details currently about what proposals might ultimately look like, the Secretary of State for Health and Social Care has written to MPs and Peers identifying the need to “*address the injustices within the system and find a balance between people continuing to contribute to their care without having to face catastrophic costs.*” The letter also confirmed the intention that “*nobody is forced to sell their home to pay for care.*” The outcome of this process clearly

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<sup>2</sup> <https://www.gov.uk/government/speeches/budget-speech-2020>

has the potential for a significant impact on local government. In announcing the action plan for adult social care in response to COVID-19<sup>3</sup>, the Government has confirmed that it remains committed to “a long-term action plan for social care” and acknowledges that “*putting social care on a sustainable footing, where everyone is treated with dignity and respect, is one of the biggest challenges that we face as a society. There are complex questions to address, which is why we have invited cross-party talks. These will take place at the earliest opportunity in light of the current circumstances. The government will then bring forward a plan for social care for the longer term.*”

- The Budget included some very significant **short-term extensions to current business rates reliefs for 2020-21**, which have since been further expanded and will see a substantial proportion of business properties exempted from paying rates in 2020-21. Alongside a planned fundamental review of business rates, these measures further call into question the viability of business rates as a buoyant long-term funding source for local government.
- The Chancellor confirmed a new remit for the Low Pay Commission for the **National Living Wage (NLW)** to reach 2/3 of median earnings by 2024. Initial estimates are that this will result in limited pressures for the County Council in the short term, but this will be highly dependent on a number of factors including the actual level at which the NLW is set each year, the local government pay award level, and the impact for third party care providers. Estimates will continue to be refined to feed into the 2021-22 budget setting process.
- The Government intended to publish an **English Devolution White Paper** in the summer, although it would appear likely that this may now be delayed.

3.2. In most cases the detailed impact of these announcements will not become clear until later in the year for the reasons set out. It is also noteworthy that with the response to COVID-19 dominating Government business, it has been confirmed that **key reforms to local government funding including the Fair Funding Review (FFR) and increased local retention of Business Rates will not go ahead in 2021-22**. It had previously been expected that exemplifications of the Fair Funding Review would be available in the spring. As mentioned above, the Chancellor had also stated that the Treasury would be undertaking a “fundamental” review of Business Rates<sup>4</sup>. The terms of reference confirm that although not the main focus, the review will have regard to “*the role of business rates in the funding of local government and local services, and the impact of any changes on business rates retention*” and “*the delivery of existing reforms to the business rates system.*” Significantly however, the review was **not** intended to cover the overall level of funding for local government and it would appear likely that this will be delayed, like the FFR. The Budget also made no reference to the implementation of increased local retention of business rates for local government as a whole.

3.3. As in previous years, **the Council will not receive detailed information about funding allocations for 2021-22 and beyond until autumn 2020 at the earliest**. Some clarity might have been provided by any interim Fair Funding Review

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<sup>3</sup> <https://www.gov.uk/government/publications/coronavirus-covid-19-adult-social-care-action-plan/covid-19-our-action-plan-for-adult-social-care>

<sup>4</sup> <https://www.gov.uk/government/publications/business-rates-review-terms-of-reference/hm-treasury-fundamental-review-of-business-rates-terms-of-reference>

announcements, and the overall trajectory of local government funding might have been indicated by the Comprehensive Spending Review, but these now appear unlikely. Based on previous announcements, it had been anticipated that the Government would provide a further multi-year settlement (potentially to 2023-24) in the 2020-21 local government settlement but a one-year settlement is now much more likely.

- 3.4. Looking beyond the immediate impacts of coronavirus, the overall level of uncertainty means that the financial environment for local government remains extremely challenging for the foreseeable future. Local authorities continue to face a growing gap between funding and service pressures, driven in part by demographic changes, unfunded burdens such as the National Living Wage, and the needs of vulnerable social care users becoming increasingly complex. Children's services, in both social care and education (particularly the High Needs Block), are also under very significant stress. This pressure is anticipated to increase in the medium-term as a result of additional needs driven by effects of COVID-19 and the associated lockdown. Other services such as transport, planning, environment, and trading standards have been subject to significant restrictions which have also seen increasing pressure placed on discretionary and preventative services.

#### **4. Budget context**

- 4.1. The Council approved its 2020-21 Budget and MTFs to 2023-24 on 17 February 2020. This was based on one-year funding allocations for 2020-21 announced at the Spending Round 2019 and ultimately confirmed in the Local Government Settlement in January 2020. Funding for 2021-22 onwards remains a subject of considerable uncertainty with the Government previously expected to complete a multi-year Comprehensive Spending Review (CSR) in July 2020, with further announcements due at the Autumn Budget 2020. This timetable will not now be achieved due to the impact of the COVID-19 response as discussed elsewhere in the report.
- 4.2. A summary of the MTFs as approved in February is shown in Table 3 of the report, with the addition of 2024-25. The following table provides a summary of the cost pressures provided for in the February MTFs. This includes significant unavoidable ongoing pressures from 2021-22 to reinstate Minimum Revenue Provision (MRP) budgets in Finance General following the saving delivered over recent years. It should also be noted that the level of pressures included in the Children's Services budget for future years is substantially lower than has been provided for in 2020-21 and this may therefore be an area of risk for future cost pressures emerging through the 2021-22 budget process.

**Table 1: Budget pressures by Department in MTFS 2020-21 to 2023-24**

	<b>2020-21 £m</b>	<b>2021-22 £m</b>	<b>2022-23 £m</b>	<b>2023-24 £m</b>	<b>Total £m</b>
Adult Social Services	34.648	27.707	21.075	21.447	<b>104.877</b>
Children's Services	28.052	7.323	6.999	8.379	<b>50.753</b>
Community and Environmental Services	7.203	8.939	5.599	6.009	<b>27.750</b>
Strategy and Governance Department	-0.066	0.640	0.661	0.715	<b>1.950</b>
Finance and Commercial Services	0.903	1.307	0.563	0.871	<b>3.644</b>
Finance General	10.603	22.815	6.426	8.669	<b>48.513</b>
<b>Grand Total</b>	<b>81.343</b>	<b>68.731</b>	<b>41.323</b>	<b>46.090</b>	<b>237.487</b>

4.3. The following table provides a summary of the agreed savings included in the MTFS and detailed in the February budget papers. Further savings will be required to close the identified budget gap in addition to these. It should be noted that the MTFS already assumes £4.388m of savings from Business Transformation in 2021-22. This is a challenging target and the scope for any further savings in this area may therefore be limited.

**Table 2: Planned savings by Department in MTFS 2020-21 to 2023-24**

	<b>2020-21 £m</b>	<b>2021-22 £m</b>	<b>2022-23 £m</b>	<b>2023-24 £m</b>	<b>Total £m</b>	<b>% of total savings</b>
Adult Social Services	-22.897	-7.344	-0.235	0.000	<b>-30.476</b>	48%
Children's Services	-9.250	-6.400	-2.000	0.000	<b>-17.650</b>	28%
Community and Environmental Services	-5.013	-2.765	1.264	0.000	<b>-6.514</b>	10%
Strategy and Governance Department	0.613	0.000	0.000	0.000	<b>0.613</b>	-1%
Finance and Commercial Services	-1.290	-0.650	0.000	0.000	<b>-1.940</b>	3%
Finance General	-1.647	0.800	0.000	0.000	<b>-0.847</b>	1%
Business Transformation	-0.760	-4.388	-1.412	-0.412	<b>-6.972</b>	11%
<b>Grand Total</b>	<b>-40.244</b>	<b>-20.747</b>	<b>-2.383</b>	<b>-0.412</b>	<b>-63.786</b>	

## **5. Support to local authorities for COVID-19 response**

5.1. The Government has announced a range of support for local authorities to respond to the COVID-19 pandemic since the Spring Budget 2020. The latest details of these, and the immediate cost, income and savings delivery pressures identified for the current financial year 2020-21 are set out in the latest *COVID-19 Financial Implications* report elsewhere on this agenda. In a letter to Council leaders on 30 April 2020, the Secretary of State for Housing, Communities and Local Government set out that “*beyond the coming weeks, the covid-19 pandemic will have impacts on financial*

*planning for this year and next. In response, yesterday the Government confirmed that the Review of Relative Needs and Resources and 75% business rates retention will no longer be implemented in 2021-22. Councils have told me they simply do not have the capacity to work on fundamental reforms of this nature at present. The Government will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth and the approach to the 2021-22 local government finance settlement. In the longer-term, the Government remains committed to reform and we want to take time to work with local authorities to make sure that our approach is right.”*

- 5.2. Giving evidence to the Housing, Communities and Local Government Committee on 4 May 2020<sup>5</sup>, the Secretary of State reiterated that Government would “*stand behind councils and ensure that they receive the funding they need to deliver the responsibilities that we are asking of them. For those things that we are asking councils to do in response to Covid-19, which involve, in some cases, very significant extra costs, we will ensure that councils are fully compensated.*” However, he also cautioned “*we wouldn’t want anybody to labour under a false impression that what they are doing will be guaranteed funded by central government*” and further commented that the funding already provided was felt to be “*sufficient to support councils for the weeks and months ahead.*”
- 5.3. The ultimate shape of the medium and longer term financial response and support from Government to local authorities will inevitably have a significant impact on the Council’s overall budget planning. At the 4 May session, the Secretary of State affirmed that “*by later in the summer, we should have a much better understanding of the true position of councils’ finances,*” and that a “*late summer or early autumn Spending Review*” appeared likely. The Secretary of State acknowledged that 2020-21 “*will be an exceptional year in terms of the instability in councils’ finances and the economic disruption coming out of Covid-19.*”

## **6. Medium Term Financial Strategy**

- 6.1. The County Council’s 2020-21 Budget and accompanying Medium Term Financial Strategy (MTFS) were agreed in February 2020, prior to the significant escalation in the severity of the COVID-19 pandemic. The impact of this outbreak in Norfolk is having far-reaching consequences, and has already required a rapid and radical adjustment in both organisational priorities and ways of working. Inevitably, the MTFS agreed in February could not foresee the adjustments which may be needed to respond to COVID-19 and as a result, changes in budget assumptions may need to be taken into account as 2021-22 Budget planning activity progresses.
- 6.2. Although there are profound short-term impacts being experienced from the response to COVID-19, it remains to be seen precisely what the medium- and longer-term impact will be, and as such the full implications for the council’s Budget in 2020-21 and beyond remain to be confirmed. However, the pandemic will unquestionably change the long term shape of some of our services, in relation to joint working, public expectations, levels of demand, and the underlying cost base. In addition, it is highly likely that key

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<sup>5</sup> <https://committees.parliament.uk/oralevidence/343/pdf/>

income sources including council tax (through both the Collection Fund and tax base growth) and business rates will be under significant pressure in 2021-22, requiring a revision to planning assumptions. Work is underway with Districts to establish the likely Norfolk impacts, but at this stage it remains too early to forecast with any confidence.

6.3. Likely impacts on Business Rates include:

- Total business rates collectable will potentially reduce where increased numbers of businesses close (particularly as temporary financial support measures are withdrawn).
- An increase in the number of properties claiming empty property relief where businesses either cease trading or seek to take advantage of changed working patterns to reduce property costs.
- Appeals against rateable values may increase where rental values have been impacted.

Likely impacts on council tax include:

- Tax base may not increase as forecast due to suppressed growth in new properties.
- Council tax support is likely to increase linked to increased levels of unemployment and Universal Credit claims.
- Changes in the council tax collection rate where households have experienced a reduction in income.

6.4. Nationally, the Government has provided substantial additional funding to Local Authorities to support them in responding to coronavirus, in the expectation that Councils will play a key role in maintaining critical social care and other frontline services, assisting education and early years providers to provide care and education for key workers' and vulnerable children, supporting businesses and individuals suffering hardship, and maximising the available capacity in the health service by enabling increased levels of discharge from hospital. However, as set out in section 5, it is unclear to what extent this commitment to fund the COVID-19 response will extend to ongoing pressures for 2021-22 onwards and as such the Budget for next year will be developed in a climate of extreme uncertainty.

6.5. Services, such as adult social care, are seeing a profound impact from the pandemic, affecting service delivery, demand and ways of working across all parts of the service. Not only are the majority of the planned savings programme for both this year and next, currently on hold, it is also unclear how services and demand will need to operate beyond the immediate emergency period, particularly for vulnerable groups who may be affected for longer. Legislation, policies and practices have all seen changes in the previous few weeks. This will have longer impact and indeed opportunities for the health and social care system and our joint work and role with district council partners, for example in joint work to support homelessness in Norfolk. In particular, the key role of our care providers has come to the fore and our plans for the future will need to consider how this can be harnessed and supported as we move forward in our planning.

6.6. There is a risk that the Council will see a significant impact from winter pressures in 2020-21, particularly in the event of a second peak in the transmission of the virus.

Whether or not this occurs, it is likely that there will be surges and spikes in Council activity and demand for services through the next few months as lockdown measures are relaxed, for example in areas such as children’s social care and CES services such as Household Waste Recycling Centres (HWRCs). Further details of the impacts on all services are set out in the *COVID-19 Financial Implications* report.

- 6.7. In addition to COVID-19 cost pressures, the final employer pay offer for 2020-21 has now been announced as 2.75%, compared to the budgetary provision of 2%. If accepted by unions, this will represent a one-off pressure of approximately £1.9m to be addressed in the current year, as well as an ongoing cost pressure that would need to be incorporated within budget planning. However, the final pay award decision for 2020-21 is still to be confirmed following union responses.
- 6.8. The MTFs to 2023-24 (and the resulting gap of £93.694m for the period 2021-22 to 2023-24) is based on a number of significant assumptions as set out below:
- 2020-21 funding levels will be broadly maintained (i.e. a further rollover settlement).
  - Pay inflation will run at 3% from 2021-22 onwards.
  - Council tax will be increased by 1.99% per year, but with no increase in the ASC precept (this remains subject to both Member decision-making and Government announcements about referendum thresholds annually), helping to address pressures across all front line services including social care.
  - The tax base will increase by 1.8% in 2021-22, 1.5% 2022-23 and 2023-24(1.39% growth was forecast for 2020-21).
  - Collection Fund surplus is assumed as £3m in 2021-22, £2m 2022-23, and £1.5m 2023-24.
- 6.9. The table below sets out the high level MTFs position as agreed in February 2020 and reflecting the addition of 2024-25. The inclusion of a further year in MTFs planning on the same assumptions basis adds £24.158m to the gap, bringing it to £117.852m. The **forecast budget gap for 2021-22 is £38.992m.**

**Table 3: Updated Medium Term Financial Strategy 2021-22 to 2024-25**

	2021-22	2022-23	2023-24	2024-25	Total
	£m	£m	£m	£m	£m
<b>Medium Term Financial Strategy 2020-24</b>					
<b>Cost pressures and funding decreases</b>					
Economic and inflationary pressures	19.758	20.338	20.338	0.000	<b>60.434</b>
Legislative requirements	7.813	6.851	8.017	0.000	<b>22.681</b>
Demand and demographic pressures	11.480	11.380	11.980	0.000	<b>34.840</b>
NCC policy decisions	29.680	2.754	5.755	0.000	<b>38.188</b>
Funding decreases	4.017	0.050	0.050	0.000	<b>4.117</b>
<b>Total cost pressures and funding decreases</b>	<b>72.748</b>	<b>41.373</b>	<b>46.140</b>	<b>0.000</b>	<b>160.261</b>

	2021-22	2022-23	2023-24	2024-25	Total
	£m	£m	£m	£m	£m
<b><u>Council tax</u></b>					
Collection Fund (original assumes £3m, £2m, £1.5m)	3.215	1.000	0.500	0.000	4.715
Council tax increase % (original assumes 1.99%)	-8.588	-8.884	-9.187	0.000	-26.659
Tax base increase (original assumes 1.8%, 1.5%, 1.5%)	-7.636	-6.606	-6.839	0.000	-21.081
<b>Total change in council tax income</b>	<b>-13.009</b>	<b>-14.490</b>	<b>-15.526</b>	<b>0.000</b>	<b>-43.025</b>
<b><u>Savings and funding increases</u></b>					
Adult Social Services	-7.344	-0.235	0.000	0.000	-7.579
Children's Services	-6.400	-2.000	0.000	0.000	-8.400
Community and Environmental Services	-2.765	1.264	0.000	0.000	-1.501
Strategy and Governance	0.000	0.000	0.000	0.000	0.000
Finance and Commercial Services	-0.650	0.000	0.000	0.000	-0.650
Finance General (including Business Transformation)	-3.588	-1.412	-0.412	0.000	-5.412
<b>Sub-total savings</b>	<b>-20.747</b>	<b>-2.383</b>	<b>-0.412</b>	<b>0.000</b>	<b>-23.542</b>
Funding increases	0.000	0.000	0.000	0.000	0.000
<b>Total savings and funding increases</b>	<b>-20.747</b>	<b>-2.383</b>	<b>-0.412</b>	<b>0.000</b>	<b>-23.542</b>
<b>Original gap at MTFS 2020-21 to 2023-24 (Surplus)/Deficit</b>	<b>38.992</b>	<b>24.500</b>	<b>30.203</b>	<b>0.000</b>	<b>93.694</b>
<b><u>Extend MTFS assumptions for 2024-25</u></b>					
Economic and inflationary pressures	0.000	0.000	0.000	21.253	21.253
Legislative requirements	0.000	0.000	0.000	5.999	5.999
Demand and demographic pressures	0.000	0.000	0.000	11.000	11.000
NCC policy decisions	0.000	0.000	0.000	0.111	0.111
Council tax increase % (1.99%)	0.000	0.000	0.000	-9.486	-9.486
Tax base increase (1.5%)	0.000	0.000	0.000	-4.719	-4.719
<b>Gap as at 8 June 2020 (Surplus)/Deficit</b>	<b>38.992</b>	<b>24.500</b>	<b>30.203</b>	<b>24.158</b>	<b>117.852</b>

6.10. In light of the considerable continuing uncertainty as described elsewhere in this report, there is limited information available to inform further changes to the gap at this stage, however the sensitivity table below demonstrates some potential impacts on the scale of the gap. As set out, there are also significant uncertainties following the delay of the Fair Funding Review, any other changes to core funding (Business Rates and Revenue Support Grant), and further service costs pressures which could have a material impact on planning assumptions.

**Table 4: Budget gap sensitivity analysis 2021-22**

	<b>Approximate impact on 2021-22 gap £m</b>
Additional income from scope to raise Adult Social Care Precept at 2%	-8.484
Potential pressure from 2020-21 savings (assuming 15% non-delivery)	+6.037
Additional pressure from 2021-22 planned savings feasibility review (assuming 20% non-achievable)	+4.149
Potential pressure from change in tax base growth +/-1%	+/-4.242
Impact of varying pay award assumptions +/- 1%	+/-2.500
Reduce NNDR (Business Rates) to baseline level	+1.789
Further reduction in NNDR (Business Rates) to safety net level	+11.626m

## **7. Proposals**

7.1. The following **principles for 2021-22 budget planning** are proposed:

- MTFs Budget planning to cover the period **2021-22 to 2024-25**.
- **Budget Challenge** meetings for each directorate.
- Allocate **the February 2020 MTFs gap of £38.992m for 2021-22** based on “controllable spend” approach (with no additional corporate / transformation target given the £4.388m already assumed).
- In order to inform revision of 2021-22 MTFs and budget gap in September 2020, Cabinet to undertake a **fundamental review of MTFs assumptions** relating to:
  - council tax and business rates planning assumptions (informed by latest District forecasts).
  - forecast delivery of planned 2020-21 savings programmes and viability of previously planned 2021-22 savings.
  - cost and income pressures, including new pressures resulting from COVID-19.
  - any further Government funding announcements for 2020-21 and future years.
- Seek to identify **proposals to begin to address future years with target £10m per annum**, reflecting need for longer term planning in line with the Financial Management Code.
- Select Committees to have a role as part of the budget-setting process, considering areas for savings in September.
- Final **decisions about the 2021-22 Budget to be taken in February 2021** in line with the budget setting timetable as set out below.

7.2. It should be noted that **the above proposals may result in the saving targets currently allocated to Services being revised (and potentially materially increased) in September 2020** in the event that further pressures arise. Options to address any shortfall in savings to close the 2021-22 Budget gap will include:

- Government providing additional funding;
- Corporate / centrally identified savings opportunities; and
- Service departments identifying further savings.

**Table 5: Budget setting timetable 2021-22**

Activity	Date
June Cabinet (to consider 2021-22 budget process and timetable, agree allocation of savings required and framework for service planning).	08/06/2020
Scrutiny Committee	23/06/2020
<i>FFR exemplifications to be published by Government / Treasury Fundamental Business Rates Review</i>	<i>Originally Spring / Summer, now delayed</i>
NCC Financial Regulations update	Summer / Autumn 2020
Budget Challenge (Corporate Board and portfolio leads to consider proposals at extended Corporate Board / Budget Challenge session)	<i>August-September*</i>
September Cabinet (to review MTFs assumptions, proposed areas for savings, and agree any revisions to 2021-22 budget gap targets)	07/09/2020
Select Committees to consider proposed areas for savings	September 2020
Scrutiny Committee	23/09/2020
October Cabinet (to consider final 2021-22 savings proposals for consultation, and overall budget position. Key decision – agree 2021-22 budget proposals for consultation)	05/10/2020
Scrutiny Committee	21/10/2020
Public consultation on 2021-22 Budget proposals	<i>22/10/2020 to December / January*</i>
Autumn Budget 2020 and Provisional Settlement (5 December Government's target date for provisional Local Government Finance Settlement)	<i>November-December*</i>
Final Settlement	<i>January 2021*</i>
February Cabinet (to recommend 2021-22 Budget and council tax to County Council).	01/02/2021
Scrutiny Committee (scrutiny of 2021-22 budget proposals, consultation and EQIA)	17/02/2021
County Council Budget Setting (to agree final 2021-22 Budget and level of council tax)	22/02/2021

Notes:

- \*Dates or activities to be confirmed.
- Additional reports to Cabinet to be presented through the year as required (e.g. in the event of FFR or CSR announcements, or the ongoing COVID-19 response impacting on the planning assumptions).

7.3. The budget setting process and savings targets will need to be kept under review as further announcements are made, in particular in respect of:

- National Living Wage (NLW) – to include any pressures identified as further details and forecasts become available.
- Any changes in assumptions linked to the FFR and 75% BRRS.
- Any further details about changes to social care funding.
- The impact of COVID-19 on underlying local authority costs and income sources.

7.4. In line with the approach set out above, the proposed allocation of savings targets to departments in proportion to net budgets, adjusted for budgets which are not “controllable” (for example Public Health grant, Schools, capital charges), is shown in the table below. These are the **new savings to be found in addition to those currently planned** for in Table 2. As described above, there is a risk that the targets set out in the table below may need to be revised later in the budget process.

**Table 6: Proposed allocation of saving targets 2021-22 to 2024-25**

Department	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	2021-25 £m	%
Adult Social Services	-17.723	-4.597	-4.628	-4.628	-31.576	46%
Children's Services	-8.782	-2.223	-2.213	-2.213	-15.431	22%
Community and Environmental Services	-8.771	-2.232	-2.207	-2.207	-15.417	22%
Strategy and Governance Department	-0.844	-0.215	-0.213	-0.213	-1.484	2%
Finance and Commercial Services	-1.753	-0.439	-0.430	-0.430	-3.052	4%
Finance General	-1.120	-0.294	-0.309	-0.309	-2.032	3%
<b>Total</b>	<b>-38.992</b>	<b>-10.000</b>	<b>-10.000</b>	<b>-10.000</b>	<b>-68.992</b>	<b>100%</b>

## 8. Impact of the Proposal

8.1. This paper sets out an outline timetable and approach to the Council's budget planning process for 2021-22, while recognising that significant risks and uncertainties remain. The proposals in this report will:

- provide flexibility to respond to any changes required due to COVID-19;
- set the context for service financial planning for the year to come;

- assist the Council in managing the continuing significant uncertainty around the Comprehensive Spending Review, Fair Funding Review and other changes in local government funding; and
- contribute to the Council setting a balanced budget for 2021-22.

## **9. Evidence and Reasons for Decision**

- 9.1. The County Council faces an unprecedented financial and public health crisis which has the potential to have significant implications for future budget setting. It will be essential to continue to engage with Government, MPs and other stakeholders to continue to push for adequate and sustainable funding for Norfolk to continue to deliver vital services to residents, businesses and visitors. It is also important that Government issues guidance on financial planning assumptions, including indicative funding allocations for 2021-22, as soon as possible. Otherwise there is a significant risk that the Council will be obliged to reduce service levels. The Council's planning within the MTFs forecast is based on the position agreed in February 2020 and it is important to note that this will need to be updated in September when more reliable evidence about the true impact of COVID-19 on the Council's finances will be available, and there may be some further clarity about the Government's planned medium-term response. Nevertheless, it remains prudent to establish a process to begin planning for savings at the level required to close the underlying gap identified in February 2020.
- 9.2. The proposals in the report reflect a prudent response to the challenges and uncertainties present in the 2021-22 planning process and will ultimately support the Council to develop a robust budget for the year.

## **10. Alternative Options**

- 10.1. This report sets out a framework for developing detailed saving proposals for 2020-21 and at this stage no proposals have been agreed, meaning that a range of alternative options remain open.
- 10.2. In addition, there are a number of areas where Cabinet could choose to consider different parameters for the budget setting process, such as:
- Adopting an alternative allocation of targets between services, or retaining a higher or lower target corporately.
  - Considering an alternative timetable within the time constraints required to develop proposals, undertake public consultation, and meet statutory deadlines for the setting of council tax.
  - Changing assumptions within the MTFs (including the level of council tax) and therefore varying the level of savings sought.
- 10.3. The planning context for the Council will be updated in September when further information is expected to be available. Final decisions about the overall shape of the 2021-22 Budget, savings, and council tax will not be made until February 2021.

## **11. Financial Implications**

- 11.1. Financial implications are discussed throughout the report. This paper sets out the proposed indicative savings targets which will need to be found by each department to contribute to closing the 2021-22 and future year budget gap, subject to formal approval by Full Council in February 2021. The proposals in the paper will require departments to identify further significant savings to be delivered against current budget levels. The scope to achieve savings at the level required may be limited by delivery of the response to COVID-19.
- 11.2. The Council is legally required to set a balanced Budget annually and should plan to achieve this using a prudent set of assumptions. However, Members could choose to vary the allocation of indicative targets between Directorates, or to establish an alternative approach to identifying savings. Work to deliver additional Government funding could also have an impact on the overall budget gap to be addressed. As a result the budget setting process and savings targets will be kept under review as budget planning progresses. In the event that additional budget pressures for 2021-22 emerge through budget planning, there may be a requirement to revisit the indicative saving targets.
- 11.3. However, the scale of the budget gap and savings required are such that if the Council is required to deliver savings at this level there is a risk that this could result in the Council failing to fulfil its statutory responsibilities. As such the Government's response and decisions about Council funding in 2021-22 will be hugely significant. Government has an opportunity as part of the COVID-19 response to deliver a permanent step change in the recognition of the importance of social care, and to fund local authorities to provide a key contribution as part of the national recovery. Any changes in Government funding could have a material impact on both the level of savings to be identified, and the Council's wider budget process. Fundamentally there is a need for a larger quantum of funding to be provided to local government both to meet the immediate pressures of the COVID-19 pandemic, and to provide local authorities with a sustainable level of funding for future years.

## **12. Resource Implications**

### **12.1. Staff:**

There are no direct implications arising from this report although there is a potential that staffing implications may arise linked to specific saving proposals developed. These will be identified as they arise later in the budget planning process.

### **12.2. Property:**

There are no direct property implications arising from this report although existing saving plans include activities linked to property budgets and assumptions around capital receipts to be achieved. In addition, activities planned within Business Transformation will include further work to deliver property related savings.

### **12.3. IT:**

There are no direct IT implications arising from this report although existing saving plans include activities linked to IMT budgets. In addition, activities planned within

Business Transformation will include further work to deliver savings through activity related to digital and IT initiatives.

### **13. Other Implications**

#### **13.1. Legal Implications**

This report sets out a process that will enable the Council to set a balanced budget for 2021-22 in line with statutory requirements, including those relating to setting council tax, and undertaking public consultation.

#### **13.2. Human Rights implications**

No specific human rights implications have been identified.

#### **13.3. Equality Impact Assessment (EqIA)**

Any saving proposals with an impact on service delivery will require public consultation and an Equality and Rural Impact Assessment of all proposals will need to be completed as part of budget-setting in due course. The results of public consultation and the findings of all EqIAs will be presented to Cabinet in January 2021 in order to inform budget recommendations to County Council.

No specific EqIA has been undertaken in respect of this report, although the dynamic EqIA in respect of the Council's response to COVID-19 can be found [here](#).

### **14. Risk Implications/Assessment**

14.1. The ultimate impact and financial cost of the response to the COVID-19 outbreak will be highly dependent on a wide range of factors including the length of time that the pandemic continues, the severity of the impact (both nationally and in Norfolk), and the wider actions taken in response.

14.2. Further (non COVID-19) cost pressures may emerge through the 2021-22 budget setting process, these would increase the gap to be closed. Similarly, central Government funding decisions could have a material impact on the level of the budget gap.

14.3. The emerging coronavirus / COVID-19 situation may impact on the county council's budget setting process in a number of ways, most significantly:

- The council's available resources and capacity to plan robust future year savings while responding to a rapidly changing operating environment;
- The ability to adhere to the proposed process and timetable;
- The need to provide for any immediate or ongoing cost pressures emerging for the council; and
- The medium to long term financial implications including the impact on the wider economy and business rates base and income.

14.4. It will be necessary to operate with some flexibility in response to these and any other issues which may arise during the budget setting process.

14.5. As set out elsewhere in the report (paragraph 7.2), the overall gap position will be reviewed in September to inform an update of the MTFs gap. In the event that any

other additional budget pressures for 2021-22 emerge through budget planning (for example as funding reductions, non delivery of savings, or additional pressures in services), it should be noted that there may be a further requirement to revisit the indicative saving targets for 2021-22.

- 14.6. Significant risks around budget setting are detailed in the 2020-21 budget papers to County Council<sup>6</sup>, and these will continue to apply in 2021-22. Any saving proposals with an impact on service delivery will require public consultation and an Equality and Rural Impact Assessment of all proposals will need to be completed as part of budget-setting.
- 14.7. There remains considerable uncertainty about reforms to local government finance and any funding changes that will be faced in 2021-22 as reflected in the report. The Norfolk County Council Corporate Risk Register details key financial risks in this area, and all risks associated with COVID-19 are also documented in the Risk Register.

## 15. Select Committee comments

15.1. None.

## 16. Recommendations

16.1. Cabinet considers the recommendations as set out in the Executive Summary.

## 17. Background Papers

- 17.1. Norfolk County Council Revenue and Capital Budget 2020-21 to 2023-24, County Council 17/02/2020, agenda item 5 ([here](#))  
COVID-19 financial implications for Norfolk County Council, Cabinet 11/05/2020, agenda item 9 ([here](#))  
NCC response to COVID-19, Cabinet 11/05/2020, agenda item 8 ([here](#))

## Officer Contact

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

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<sup>6</sup> [Agenda Item 5](#), County Council, 17 February 2020

<b>Report title:</b>	<b>Annual Treasury Management Outturn Report 2019-20</b>
<b>Date of meeting:</b>	<b>8 June 2020</b>
<b>Responsible Cabinet Member</b>	<b>Andrew Jamieson, Cabinet Member for Finance</b>
<b>Responsible Director:</b>	<b>Simon George, Executive Director of Finance and Commercial Services</b>
<b>Is this a Key Decision?</b>	<b>No</b>

### **Introduction from Cabinet Member**

In accordance with regulatory requirements, this report provides information on the Treasury Management activities of the County Council for the period 1 April 2019 to 31 March 2020.

### **Executive Summary**

This report and the attached annex

1. provides details of the 2019-20 treasury activities and highlights compliance with policy and strategy previously approved by Members in relation to treasury management
2. recommends one amendment to the Investment and Treasury Strategy 2020-21.

The Council's Treasury Management Panel has discussed and endorsed the recommendations in this report.

### **Recommendations**

1. Endorse and recommend to County Council the Annual Treasury Management Outturn Report 2019-20 as set out in Annex 1;
2. Recommend to County Council an increase in the 2020-21 short-term borrowing facility available to Hethel Innovation Limited from £0.500m to £1.250m.

## **1. Background and Purpose**

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

## **2. Proposals**

- 2.1. The report at Annex 1 provides details of the 2019-20 treasury activities and highlights compliance with policy and strategy previously approved by Members in relation to treasury management.
- 2.2. To increase the short-term borrowing facility available to Hethel Innovation Limited from £0.500m to £1.250m to manage short-term cash flow pressures.

### 3. Impact of the Proposal

- 3.1. The Annual Treasury Management Outturn Report demonstrate that during 2019-20, the Council’s treasury management operations have been carried out in accordance with best practice and in compliance with legislative and regulatory requirements.
- 3.2. The increase in the short-term borrowing facility available to Hethel Innovation Limited, a company wholly owned by Norfolk County Council, will give its directors the confidence to continue to support all of its customer base to an early recovery position and to support economic growth in Norfolk communities.

### 4. Evidence and Reasons for Decision

#### 4.1. Annual Treasury Management Outturn Report

The annex attached to this report sets out details of treasury management activities and outcomes for 2019-20, including:

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

#### 4.2. Hethel Innovation Limited short-term borrowing facility

The Annual Investment and Treasury Management Strategy 2020-21, approved at [County Council 17 February 2020](#), includes the following limits in respect of short-term treasury investments to Hethel Innovation Limited (“HIL”):

COUNTERPARTY	NCC LENDING LIMIT (£m)	OTHER BODIES LENDING LIMIT (£m)	TIME LIMIT
Hethel Innovation Limited	£0.5m	Nil	1 Year

In light of commercial pressures resulting from the impact of the Covid-19 virus, HIL has re-evaluated its working capital forecasts. These show a likely cash-flow requirement of approximately £1m, and the company has asked for their limit to be increased to £1.25m.

Despite short term cash pressures, the underlying business of HIL remains strong in the medium term, and the company is planning to support all of its customer base to an early recovery position and to support economic growth in Norfolk communities.

This short-term treasury investment is separate from the £5.1m capital loan between NCC and HIL, which HIL has used to develop the Hethel Engineering Centre and is repaying over 30 years.

- 4.3. The Council's Treasury Management Panel has discussed and endorsed the recommendations in this report.

## **5. Alternative Options**

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

## **6. Financial Implications**

- 6.1. At 31 March 2020, the Council's external debt was £706m (£625m in 2018-19) and its investments totalled £174m (£108m in 2018-19).

Long term borrowing rates were historically low through the year, particularly in the months before the government announced a one percentage point increase in all PWLB lending rates in October 2019. The Council had borrowed £70m of a planned £80m, to support capital expenditure previously incurred, prior to that date. Infrastructure loans were not affected by the increase, and the Council borrowed a further £17.1m in November 2019

The report covers the period to 31 March 2020 so the impact of government actions in response to the Covid-19 virus were limited. However, during March 2020 the Bank of England decreased the base rate from 0.75% to 0.1%, decreasing short term cash deposit income in the final weeks of the year. Operationally, all treasury and banking functions have been performed successfully with staff working at home, with no break in service.

Any additional short term borrowing required by HIL will form only a very small proportion of the Council's overall cash balances. The interest rate charged will exceed the cost of any interest foregone by the Council.

During 2019-20, the Council's treasury management operations have been carried out in accordance with best practice and in compliance with legislative and regulatory requirements.

## **7. Resource Implications**

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

## **8. Other Implications**

### **8.1. Legal Implications:**

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

### **8.2. Human Rights implications**

None identified.

### **8.3. Equality Impact Assessment**

Treasury management activities take place to manage the cash-flows relating to the Council's revenue and capital budgets. Impact assessments are carried out in advance of setting the budget, the latest being published as "Budget proposals 2019/2020 Overall Summary: [Equality & rural impact assessment report](#)".

The Council's net budget, and as a result planned cash requirements, remained unchanged throughout the financial year and there are no additional equality and diversity implications arising out of this report

## **9. Risk Implications/Assessment**

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

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

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

## **10. Recommendation**

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

## **11. Background Papers**

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

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

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## Norfolk County Council

**Annex 1: Annual Treasury Management Report 2019-20****1 Introduction**

- 1.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice for Treasury Management in the Public Services (the Code) requires local authorities to produce an annual report on Treasury Management activities. The County Council is required to comply with the Code through Regulations issued under the Local Government Act 2003.
- 1.2 Treasury management activities are defined as 'the management of the Council's cash flows, its banking, money market and capital market transactions; the effective management of the risks associated with those activities and the pursuit of optimum performance consistent with those risks'.
- 1.3 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report provides details of the outturn position for treasury activities and demonstrates compliance with the Council's treasury management policies.
- 1.4 During 2019-20 the minimum reporting requirements were that the County Council should receive the following reports:
  - an Annual Investment and Treasury Strategy in advance of the year (County Council 11 February 2019)
  - a mid-year treasury update report (County Council 20 January 2020)
  - a retrospective annual report following the year-end (this report).
- 1.5 The Treasury Management Panel receives all reports in advance of formal meetings. Policy and Resources Committee met in January 2019 to approve the strategy for 2019-20. Since April 2019 treasury management reports have been approved by Cabinet.
- 1.6 After formal market engagement followed by an open tender process for Treasury Consultancy Services, Link Asset Services have been engaged for 8 years from 1 September 2019, with the option to extend the contract for a further 2 years. To support their scrutiny role, the Treasury Management Panel received training from Link on treasury management issues and developments at their December 2019 meeting.
- 1.7 Government actions in response to the Covid-19 virus had a limited impact in the period covered by this report: The Bank of England decreased the base rate twice in March, marginally decreasing short term cash deposit income in the final weeks of the year. Regular cash flow forecasting takes place, a balance is maintained with the Council's bank and all investments are currently with UK retail banks, UK money market funds, or UK local authorities.

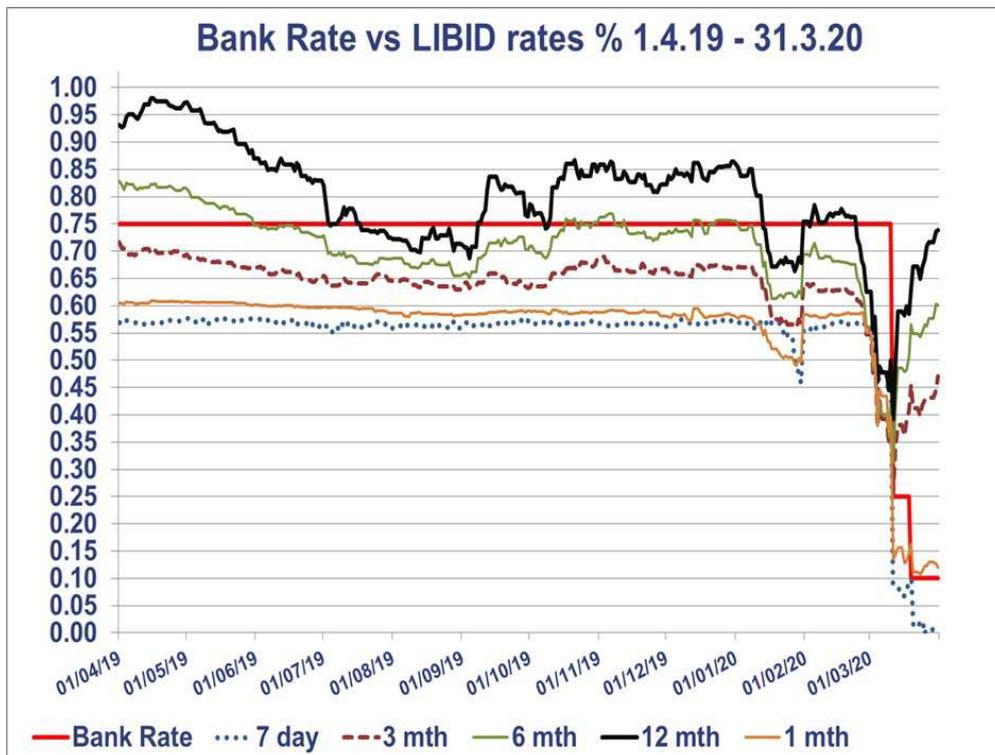
- 1.8 At 31 March 2020 the Council’s cash balances were approximately £30m higher than anticipated after receipt of £26m “COVID-19: emergency funding for local government” and other accelerated grant funding. This increase was largely reversed in the first week of April as a result of the Council’s decision to amend its payment terms to immediate payments to all suppliers.
- 1.9 To address potential liquidity risks, £10m was called back from notice accounts on 19 March, with further amounts called back in April. No additional borrowing has been required as a result of recent actions and decisions.

## 2 Non-Treasury investments and changes to the CIPFA Code

- 2.1 Non-treasury investments are classed as capital expenditure and approved and monitored as part of the capital programme. In December 2017, CIPFA issued a revised Treasury Management Code of Practice and a revised Prudential Code. These revisions have particularly focussed on non-treasury investments including the purchase of property with a view to generating income. As a result, an analysis of non-treasury investments is appended to this report.
- 2.2 The revised Code has also made some relatively minor amendments to the suggested Prudential Indicators, which are reflected in this report.

## 3 Treasury Operations in 2019-20

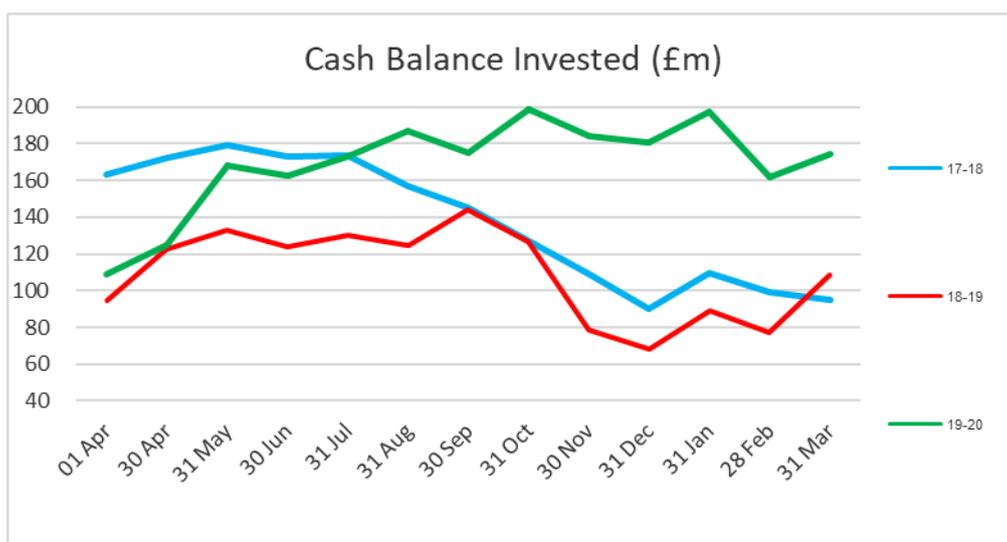
### 3.1 Investment Interest Rates in 2019-20



- 3.1.1 Investment returns remained low during 2019-20. The expectation for interest rates within the treasury management strategy for 2019-20 was that Bank Rate would stay at 0.75% during 2019-20.
- 3.1.2 The possibility that the UK could leave the EU at the end of October 2019 caused longer term investment rates to be on a falling trend for most of April to September. They then rose after the end of October deadline was rejected by the Commons but fell back again in January before recovering again after the 31 January departure of the UK from the EU. When the coronavirus outbreak hit the UK in February/March, rates initially plunged but then rose sharply back up again due to a shortage of liquidity in financial markets. As longer-term rates were significantly higher than shorter term rates during the year, value was sought by placing longer term investments where cash balances were sufficient to allow this, although these have been called as a response to low rates and the planning for the impact of Covid-19.
- 3.1.3 While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.
- 3.1.4 Investment balances have increased during the year as the Council balanced the benefits of using reserves and balances to fund capital expenditure in the short term against the historically low borrowing rates that were available in the first half of 2019-20.

## **3.2 Investment Activity**

- 3.2.1 The Council's cash balances comprise of revenue and capital resources, such as general balances, provisions and earmarked reserves and the timing differences between the receipt and payment of monies required to meet the cost of County Council services and its capital programme.
- 3.2.2 The Council's investment policy is governed by the Ministry of Housing, Communities and Local Government's Guidance, which is incorporated within the Council's Annual Investment and Treasury Strategy. Investment activity during the year was in accordance with the strategy.
- 3.2.3 Cash income in 2019-20, including £87.1m new debt, amounted to £1,592m (£1,539m in 2018-19), while cash payments, including debt repayment, totalled £1,526m (£1,525m in 2018-19), resulting in an overall increase in cash balances of £66m. Cash balances available for investment have therefore increased from £108m at 1 April 2019 to £174m at 31 March 2020. The average level of cash balances in 2019-20 was £162m (£100m in 2018-19).



3.2.4 The reduction in the overall cash balance in 2017-18 (blue line) was due largely to expenditure on the Broadland Northway, with good progress also on the school’s capital programme. Borrowing towards the end of 2017-18 saw cash balances levelling off. A pension contribution pre-payment of £40m in October 2018 had a significant impact on 2018-19 balances (red line). To take advantage of historically low interest rates the Council borrowed £100m in 2018-19 and £87m in 2019-20 which has exceeded the level of capital expenditure funded by borrowing. This, and the receipt of Covid-19 grant funding of £26m in late March 2020 has resulted in an increase in cash balances over the year.

3.2.5 Of the 260 bank accounts administered by the County Council, only 3 are principal accounts (one for income collection, general expenditure and salary payments). The remaining bank accounts are service specific, for example schools locally managing their devolved budgets. The corporate banking and treasury management function ensures the efficient management of cash balances across all its accounts by aggregating and investing surplus cash balances daily.

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

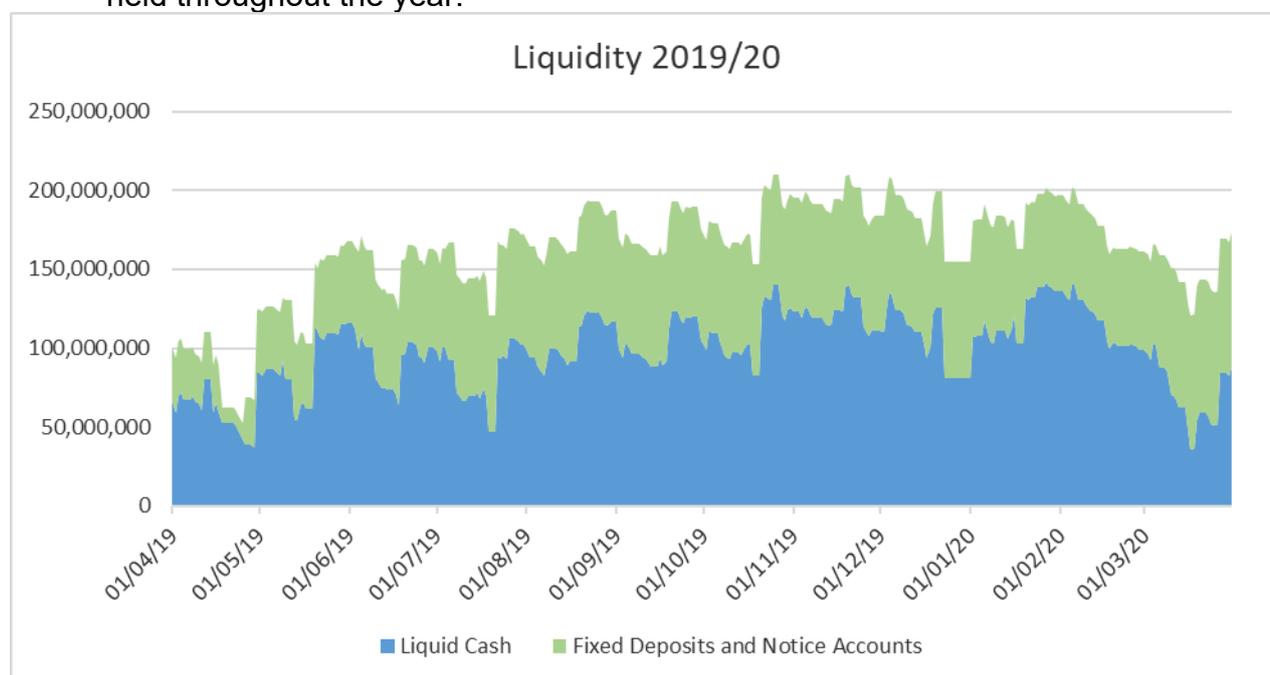
3.2.7 Investment decisions are largely driven by the timing of projected cash in-flows and out-flows, the availability of high-quality counterparties and the relative value of interest rates compared to the performance benchmark.

3.2.8 An investment profile as at 31 March 2020 is attached at Appendix A.

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

2019/20	Interest for Month (%)	LIBID for Month (%)	Interest Year to Date (%)	LIBID Year to Date (%)
Apr 19	0.93	0.57	0.93	0.57
May 19	0.98	0.57	0.96	0.57
Jun 19	0.93	0.57	0.95	0.57
Jul 19	0.97	0.56	0.95	0.57
Aug 19	0.89	0.56	0.94	0.57
Sep 19	0.89	0.57	0.93	0.57
Oct 19	0.89	0.57	0.92	0.57
Nov 19	0.89	0.57	0.92	0.57
Dec 19	0.93	0.61	0.92	0.57
Jan 20	0.88	0.55	0.91	0.57
Feb 20	0.86	0.56	0.91	0.57
Mar 20	0.69	0.26	0.89	0.54

3.2.10 Gross interest earned for the period 1 April 2019 to 31 March 2020 is £1.447m (£0.929m in 2018-19). Net interest earned, after adjusting for internal interest-bearing accounts, is £1.146m (£0.677m in 2018-19). Despite low base rates and a conservative investment strategy, the average rate of interest on deposits is higher than benchmark largely due to the proportion of fixed deposits and notice accounts held throughout the year.



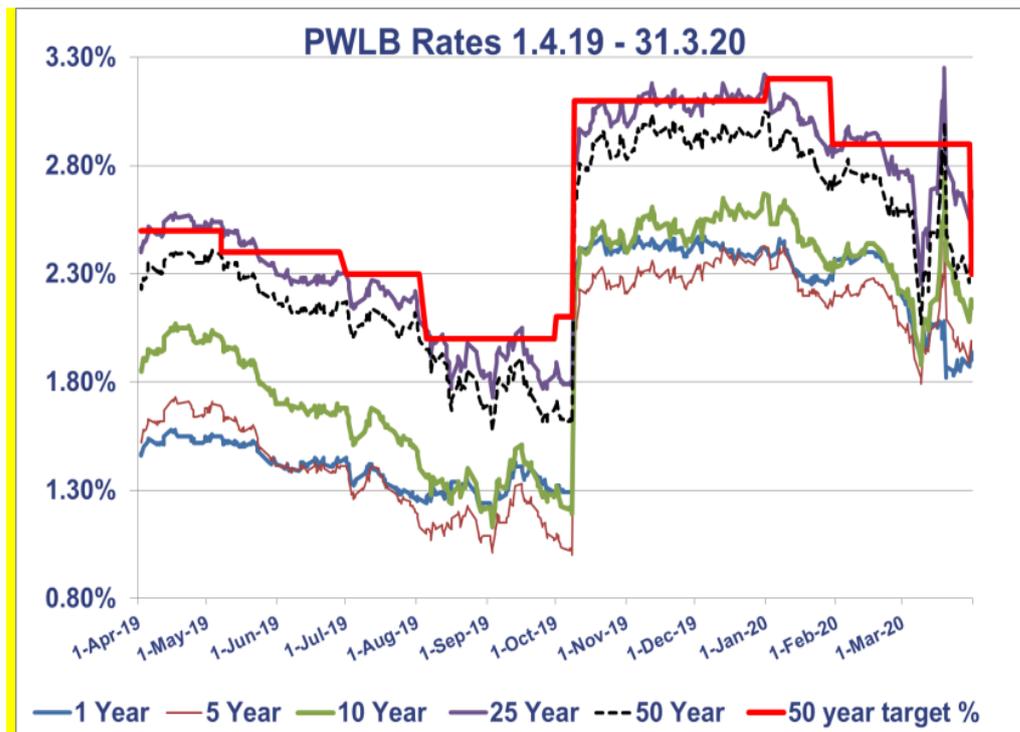
3.2.11 The average interest rate earned in 2019-20 was 0.89% (0.93% in 2018-19), compared with the average 7-day London Interbank Bid (LIBID) rate of 0.54% and the average LIBID 6-month deposit rate of 0.71%. The interest rate achieved in 2019-20 of 0.89% exceeds both these benchmarks, and this has been achieved while still maintaining daily cashflow liquidity. Gross interest earned has increased

by £0.518m due to increased average cash balances. A year on year comparison of investment activity is summarised in the table below.

	<b>2019-20</b>	<b>2018-19</b>
Average Cash Balances	£162m	£100m
Average Interest Rate	0.89%	0.93%
Gross Interest Earned	£1.447m	£0.928m

### **3.3 Borrowing strategy and control of interest rate risk**

- 3.3.1 The County Council undertakes capital expenditure on long-term assets. This activity gives rise to the need to borrow. Part of the Council's treasury management activity is to address this borrowing need, either through long term borrowing from external bodies (PWLB or commercial banks) or utilising cash resources on a temporary basis within the County Council.
- 3.3.2 During 2019-20, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure to avoid unnecessary borrowing costs. However, this was balanced against the benefits of borrowing at historically low long-term interest rates available in the first half of 2019-20, and the under-borrowed position has reduced.
- 3.3.3 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Executive Director of Finance and Commercial Services therefore monitored cash requirements and interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks:
- if it had been felt that there was a significant risk of a sharp FALL in long and short-term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
  - if it was felt that there was a significant risk of RISE in long term rates, then fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.
- 3.3.4 Interest rate forecasts expected only gradual rises in medium and longer-term fixed borrowing rates during 2019-20 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.



3.3.5 PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. Gilt yields were on a generally falling trend during the last year up until the coronavirus crisis hit western economies. Since then, gilt yields have fallen sharply to unprecedented lows as investors have panicked in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds.

3.3.6 As a result, despite HM Treasury increasing the margin on PWLB loans by 1% in October 2019, borrowing rates have remained at historically low levels.

### 3.4 Borrowing outturn

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

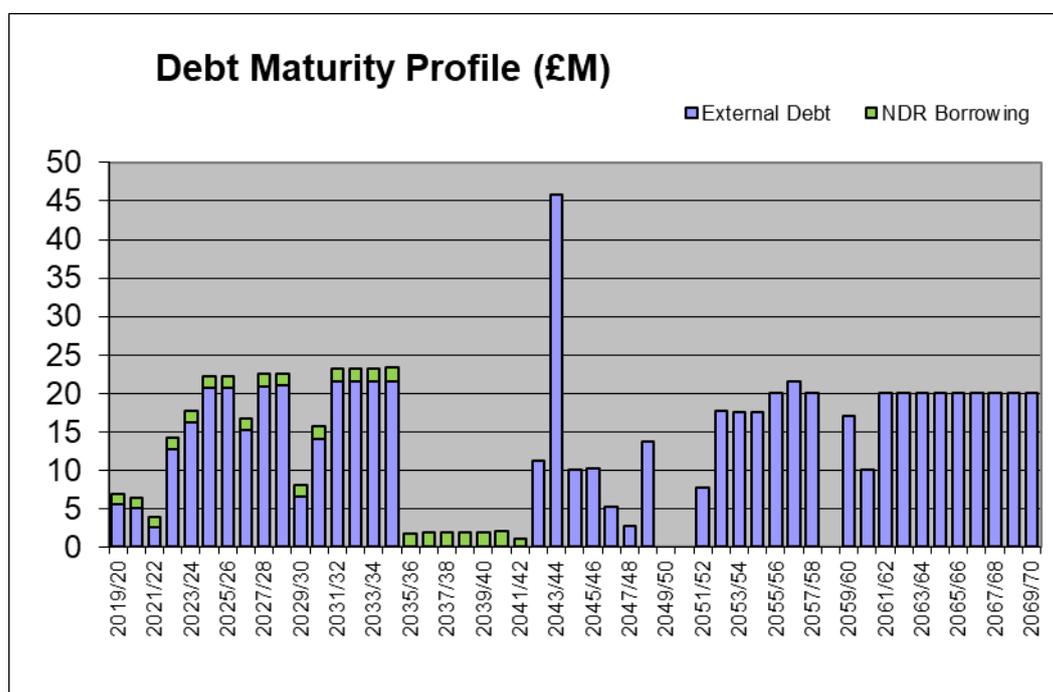
3.4.2 However, delaying borrowing also exposes the costs of managing short term borrowing to maintain working capital, and the unknown costs of long term borrowing to fund capital expenditure which has already been committed. While the Council continues to delay an element of borrowing, the current borrowing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

3.4.3 Taking the above factors in to account, the Council borrowed £87.1m from the PWLB during 2019-20 to support previous and current capital expenditure as follows:

Lender	Date	Principal £m	Interest type	Interest Rate %	Maturity
PWLB	16/04/2019	10.0	Maturity	2.31	2069-2070
PWLB	17/05/2019	10.0	Maturity	2.28	2069-2070
PWLB	29/05/2019	10.0	Maturity	2.21	2063-2064
PWLB	05/07/2019	10.0	Maturity	2.02	2062-2063
PWLB	08/08/2019	10.0	Maturity	1.95	2061-2062
PWLB	09/08/2019	10.0	Maturity	1.85	2061-2062
PWLB	16/09/2019	5.0	Maturity	1.83	2060-2061
PWLB	25/09/2019	5.0	Maturity	1.70	2060-2061
PWLB	03/12/2019	17.1	Maturity	1.70	2059-2060

3.4.4 At 31 March 2020, the Council's external borrowing (debt outstanding) totalled £706m (£625m at 31 March 2019) including £40m borrowed in 2016-17 to support the construction of the Norwich Northern Distributor Road, £100m borrowed in 2018-19 and £87m borrowed in 2019-20. The weighted life of the Council's current maturity debt at the point it was taken is 38 years. The weighted average time to maturity of current fixed term debt is 27 years.

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



3.4.6 Interest paid on external borrowings in 2019-20 was £29.0m (2018-19 £26.9m).

3.4.7 The debt position at the 31 March 2020 compared to the previous year is shown below:

Actual Borrowing Position	31 March 2020		31 March 2019	
	Principal £m	Rate%	Principal £m	Rate%
PWLB Debt - maturity	£628m	4.24%	£546m	4.62%
PWLB Debt – annuity	£36m	2.02%	£37m	2.02%
Commercial Loans Debt	£42m	4.75%	£42m	4.75%
<b>Total Debt</b>	<b>£706m</b>	<b>4.16%</b>	<b>£625m</b>	<b>4.47%</b>

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

3.4.9 In addition to the £706m borrowing above, £62m (provisional) of the CFR is funded through Other Long-Term Liabilities (PFI, leasing and landfill provision) giving total debt of £768m. The County Council maintained its total gross borrowing level within its 2019-20 Authorised Limit for debt of £1,038m. The Authorised Limit being the ‘affordable borrowing limit’ required by section 3 of the Local Government Act 2003.

3.4.10 The Council’s Capital Financing Requirement at 31 March 2020 is £828m (compared to an estimate in the latest Treasury Strategy of £824m). Based on the other assumptions in the strategy, the lower CFR results in under-borrowing of £60m as at 31 March 2020.

3.4.11 The PWLB provides a facility to restructure debt, including early repayment of loans. This can result in net savings in overall interest charges. No early repayments were made in 2019-20 as the current low level of PWLB rates would result in unattractive premiums’ being payable. Prevailing PWLB interest rates will be monitored to identify future repayment opportunities.

## 4 Leasing

4.1 In 2019-20 no new lease financing has been used. In general, where lease finance is used it is arranged by Link Asset Services Ltd and relates primarily to extensions to Highways vehicle leases.

## 5 Non-treasury investments

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

## 6 Prudential indicators

6.1 Provisional results against the treasury prudential indicators set for 2019-20 are set out in Appendix E. This shows that treasury activities have all remained within the approved indicators/limits.

## Appendix A

### Outstanding Deposit Profile @ 31st March 2020

Counterparty Name	Deal Date	Maturity Date	Interest Rate %	Principal £M
<b>Aberdeen</b>				
Aberdeen Money Market Fund	Instant Liquidity		0.48*	28.568
				<b>28.568</b>
<b>Barclays Bank</b>				
Barclays Bank Call Account	Instant Liquidity		0.05*	20
				<b>20</b>
<b>Federated</b>				
Federated Money Market Fund	Instant Liquidity		0.48*	40
				<b>40</b>
<b>Lloyds Banking Group</b>				
Lloyds 95 Day Notice Account		22-Jun-20	0.60	10
Lloyds 95 Day Notice Account	95 Day Notice		0.45	50
				<b>60</b>
<b>Local Authorities</b>				
Eastleigh Borough Council	10-Mar-20	14-Apr-20	1.10	5
London Borough of Haringey	10-Mar-20	14-Apr-20	1.10	5
Wirral Metropolitan Borough Council	06-Mar-20	06-May-20	1.10	10
Wirral Metropolitan Borough Council	17-Mar-20	17-Jun-20	1.10	5
				<b>25</b>
<b>Total Deposits</b>				<b>173.6</b>

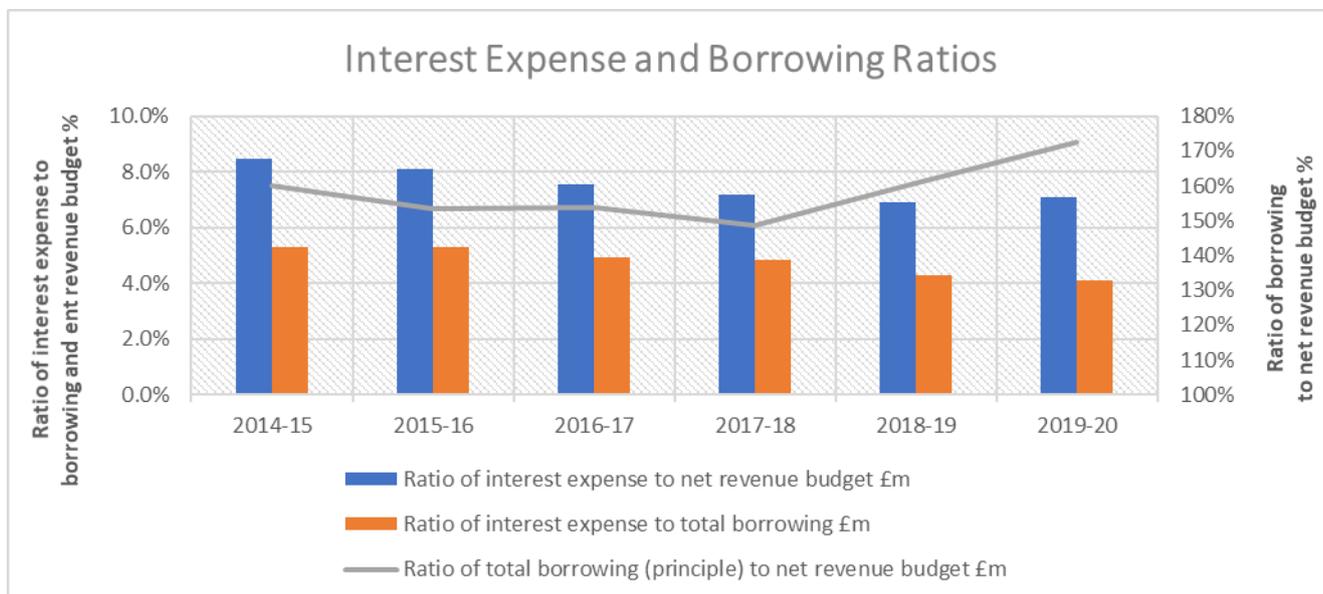
\* Latest rates as at 31st March 2020

In addition deposits of £14.811m were held on behalf of other bodies:

Norfolk Pension Fund, Norse Commercial Services Ltd, Norse Care Ltd, NPS Property Consultants Ltd and Independence Matters.

## Appendix B

<b>Debt Maturities 2018-19 to 2019-20</b>			
<b>Maturity Date</b>	<b>Amount Repaid</b>	<b>Rate</b>	<b>Full Year Interest Saving</b>
11 Apr 2018	£1,000,000	4.625%	£46,250
15 Jun 2018	£500,000	9.250%	£46,250
30 Sep 2018	£1,500,000	5.000%	£75,000
11 Oct 2018	£500,000	4.625%	£23,125
11 Oct 2018	£500,000	9.750%	£48,750
15 Dec 2018	£500,000	9.250%	£46,250
31 Mar 2019	£500,000	9.375%	£46,875
31 Mar 2019	£1,500,000	5.000%	£75,000
<b>2018-19</b>	<b>£6,500,000</b>		<b>£407,500</b>
15 Jun 2019	£1,500,000	5.125%	£76,875
30 Sep 2019	£500,000	9.750%	£48,750
11 Oct 2019	£1,500,000	4.625%	£69,375
15 Dec 2019	£1,525,000	6.500%	£99,125
31 Mar 2020	£500,000	9.375%	£46,875
<b>2019-20</b>	<b>£5,525,000</b>		<b>£341,000</b>
<b>Apr 18 to Mar 20</b>	<b>£12,025,000</b>		<b>£748,500</b>



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

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

Despite significant additional borrowing in the past two years, low interest rates have meant that the ratio of interest expenses to the net revenue budget (blue bars) has remained stable, with only a very small increase in 2019-20 despite £100m borrowing in 2017-18 and a further £87.7m borrowed, most in the first half of 2019-20.

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

## Appendix D: Non-treasury investments

### Non- treasury investments (loans) at 31 March 2020

	31 March 2020	31 March 2019
	£m	£m
NEWS	0.424	0.530
NORSE Energy (capital investment)	10.000	10.000
Norse Group (Aviation Academy)	6.000	6.127
Norse Group (capital investment)	2.965	3.236
NorseCare (Mountfield development)	3.000	-
Hethel Innovation Ltd (Hethel Engineering Centre)	5.105	5.195
Norwich Airport Radar (relocation due to NDR)	2.194	2.194
Loans to developers in Norfolk	7.623	6.297
Other	-	0.004
<b>Total loans to companies</b>	<b>37.311</b>	<b>33.583</b>
NDR Loan – underwritten by CIL receipts	35.848	37.167
<b>Total long-term debtors</b>	<b>73.159</b>	<b>70.750</b>

During the year, loan of £3.000m was made to NorseCare Limited. The loan facility has enabled Norse to fund the re-development of the Mountfield Care Home in Norwich. The home provides specialist dementia care and opened on 6 January 2020.

Additional loans were made to local developers to accelerate housing developments, net of loans repaid. The figure above for loans to developers includes rolled up interest. A more detailed schedule showing objectives and explanations of each investment was presented in Appendix 3 to the Mid-Year Treasury Management Monitoring Report 2019-20 to Cabinet 2 December 2019.

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

#### **Proportionality of non-treasury investments:**

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

At this level, with an indicative interest rate of 3.5% (giving a margin of approximately 1% over an equivalent PWLB borrowing rate) annual interest due would be approximately £3.5m pa. This is approximately 20% of the Council's general reserves, 0.90% of the Council's net expenditure and 0.25% of departmental gross expenditure and as such is not disproportionate.

## Appendix E: Prudential indicators outturn

Indicator		Original Indicator £m or %		Actual 31 March 2020	Headroom: Actual - Indicator	Notes
External Debt Limit (Authorised)		1,038.470		767.503	270.967	Debt for the purpose of this indicator includes notional lease and PFI liabilities
Operational Boundary Limit		933.610			166.107	
Upper Limits for Fixed Rate Maturity Structure	Under 12 months	0%	10%	0.9%	9.1%	
	12 months to 2 years	0%	10%	0.5%	9.5%	
	2 years to 5 years	0%	10%	7.9%	2.1%	
	5 years to 10 years	0%	20%	12.8%	7.2%	
	10 years to 20 years	10%	30%	16.7%	13.3%	
	20 years to 30 years	10%	30%	10.0%	20.0%	
	30 years to 40 years	10%	30%	19.7%	10.3%	
	40 years to 50 years	10%	40%	26.9%	13.1%	
Upper Limits for Variable Rate Maturity Structure	Under 12 months	0%	10%	0.0%	10.0%	The Council's LOBO loans total value £31.25m are included under this indicator. The rates will become variable if interest rates exceed set percentages. This is not forecast to happen in the short or medium term.
	12 months to 2 years	0%	10%	0.0%	10.0%	
	2 years to 5 years	0%	10%	0.0%	10.0%	
	5 years to 10 years	0%	10%	0.0%	10.0%	
	10 years to 20 years	0%	10%	0.0%	10.0%	
	20 years to 30 years	0%	10%	4.4%	5.6%	
	30 years to 40 years	0%	10%	0.0%	10.0%	
	40 years to 50 years	0%	10%	0.0%	10.0%	
Total principal funds invested for greater than 365 days		100.000		0.000	100.000	
Total principal funds managed by third party		n/a		0	n/a	All investment decisions currently managed internally

# Report to Cabinet

Item No 14

<b>Report title:</b>	<b>Notifications of Exemptions Under Contract Standing Orders</b>
<b>Date of meeting:</b>	8 <sup>th</sup> June 2020
<b>Responsible Cabinet Member:</b>	<b>Cllr Andrew Jamieson (Cabinet Member for Finance)</b>
<b>Responsible Director:</b>	<b>Simon George, Executive Director of Finance</b>
<b>Is this a key decision?</b>	<b>No</b>

## Introduction from Cabinet Member

Contract standing orders require that all exemptions to standing orders granted for the award of contracts valued in excess of £250,000 are reported to Cabinet.

In addition, during the COVID-19 crisis we have made urgent purchases of PPE, some of which have been over £250,000. We have published Contract Award Notices in line with the relevant legislation, which explain thus:

The procurement falls outside the scope of the directive.

Explanation:

Norfolk County Council has purchased these goods without prior publication in accordance with Regulation 32 2(c) of the Public Contract Regulations 2015:

- (a) the goods were necessary personal protective equipment required by staff of the Council and those working in the front line in Norfolk to protect themselves and others against Covid-19 in accordance with Public Health England guidance and;
- (b) the goods were required urgently to protect workers from infection and to prevent spread of Covid-19 in Norfolk and therefore the time limits for the open or restricted procedure or competitive procedures with negotiation could not be complied with and;
- (c) Covid-19 and therefore, the requirement for personal protective equipment, was an event unforeseeable by the Council.

The report sets out all such exemptions and purchases up to 25<sup>th</sup> May 2020

## Recommendations:

- 1. As required by paragraph 10.b of Contract Standing Orders, Cabinet is asked to note the exemption over £250,000 that has been granted under paragraph 10.a.ii of those orders by the Director of Procurement and Director of Governance in consultation with the Leader of the Council.**
- 2. Cabinet is asked to note the PPE purchases over £250,000 in respect of the COVID-19 crisis**

Supplier	Value, term and ref	Short description of Contract and Reason for Exemption	Date seen by the Leader of the Council
Norfolk Community Health & Care (NHS Trust)	£393,700 01/04/20 – 30/12/21 Ref EX58800	Delivery of the Asperger Service	27/11/19
Buzz Supplies Ltd	£450,990.95 SARS-CoV-2 PPE	Purchases off personal protective equipment during the Covid-19 crisis	N/A
CMT Group Ltd	£854,249.90 SARS-CoV-2 PPE		
Eastpoint	£546,113.10 SARS-CoV-2 PPE		
Optimum Medical	£697,111 SARS-CoV-2 PPE		

## Officer Contact

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

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

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## Cabinet

Item No 15.

<b>Report title:</b>	<b>Norfolk Armed Forces Covenant Annual Report</b>
<b>Date of meeting:</b>	<b>8 June 2020</b>
<b>Responsible Cabinet Member</b>	<b>Cllr Margaret Dewsbury (Cabinet Member for Communities and Partnerships)</b>
<b>Responsible Director:</b>	<b>Tom McCabe (Executive Director, Community and Environmental Services)</b>
<b>Is this a key decision?</b>	<b>No</b>

### **Introduction from Cabinet Member**

Since the UK outbreak of COVID-19, Norfolk's armed forces community has played a major role in supporting the county's recovery and resilience. Norfolk's Armed Forces Commissioner, Air Commodore Kevin Pellatt, Cllr Keith Kiddie, the County Council's Armed Forces Champion and myself would like to put on record our thanks to all those whose efforts have kept Norfolk communities as safe as possible over recent months.

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

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

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

Significant work has been carried out to deliver on the actions for 2019/2020. There have been many achievements and successes, including the following:

- Additional dental provision has been created in Marham, West Norfolk, for both the armed forces and settled communities, to address a lack of access to dental services in the area.
- The Ministry of Defence has given Norfolk County Council a silver award, for its work in supporting members of the armed forces. The award is from the Defence Employer Recognition Scheme and follows a series of initiatives from the County Council.
- The Norfolk Branch of the Royal British Legion has bestowed its annual Community Award on the Norfolk Armed Forces Covenant Board, in recognition of the work it does to ensure the armed forces community in Norfolk is well supported.

The proposed forward strategy for 2020/2021 provides an opportunity to build on the strong work already carried out.

## Executive Summary

This paper provides Cabinet with the year-end progress report on Norfolk's independent Armed Forces Covenant Board's Strategy and Action Plan 2019/22. It also sets out the Board's forward strategy for 2020/2021 and provides an update on national policy developments.

The Action Plan was being delivered broadly in accordance with agreed timeframes until the COVID-19 outbreak. Inevitably, since this time, Board members have been redirected to support the UK's response, recovery and resilience.

Overall, progress over 2019/2020 has been good. All critical activities have been delivered. The only action necessary to carry forward into 2020/21 is to arrange for the Commissioner to give a presentation on the Covenant to serving personnel and reservists.

Any delays triggered by COVID-19 from 1 April 2020 are being monitored by the Board and will be formally reviewed in September.

## Recommendations

- 1. To review the local and national developments set out in Section 1, particularly the Government's intention to introduce some form of duty for local authorities to consider the impact of their policies on the armed forces community.**
- 2. To comment on the progress made in 2019/2020 to deliver the Norfolk Armed Forces Covenant Action Plan 2019/2022, as summarised in Section 2.**
- 3. To endorse the Armed Forces Covenant Board's forward strategy for 2020/2021, as set out in Section 3.**

## 1. Background and purpose

### 1.1 The national policy context

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

1.2 The MOD published its eighth Armed Forces Covenant [Annual Report](#) in December 2019, demonstrating its ongoing support to the armed forces community. The report reported on:

- The creation of the Office for Veterans' Affairs to coordinate and drive government activity to support veterans;
- The introduction of flexible service allowing regular personnel to temporarily work part time;
- The launch of the Future Accommodation Model pilot, looking at how the accommodation offer for service personnel can be improved.

1.3 Alongside this, the Forces Help to Buy scheme was extended to December 2022, helping armed forces personnel to get on the property ladder.

- 1.4 In addition, up to £6 million of funding has been provided by the Department of Work and Pensions to bolster the programme of 100 DWP Armed Forces Champions across the country.
- 1.5 Looking ahead for 2020, central Government intends to further incorporate the Armed Forces Covenant into law over the course of the current Parliament. The legislation will seek to strengthen current arrangements to remove disadvantage and improve the consistency of Covenant outcomes for the armed forces community. The Ministry of Defence is currently reviewing how this duty will be implemented in the public sector. Norfolk County Council is involved in these discussions and further information is expected later in the year.
- 1.6 The RAF, Army and Naval Families Federations continue to lobby the Government on behalf of armed forces families. For dispersed families (those living away from the serving base), there are concerns about being disconnected from the serving bases by not being allowed access to family facilities inside the wire, nor kept informed of news and events. There continues to be uncertainty about how the Future Accommodation Model will impact on family life. Families say constant moves and deployments make it difficult to find flexible wraparound childcare during term time and school holidays. The MOD's Families' Strategy is due to be updated this year and should address some of these concerns.
- 1.7 Due to the COVID-19 outbreak, the MOD has suspended all the usual personnel and family moves/rotations, which is creating uncertainty for armed forces families.
- 1.8 In response to the COVID-19 outbreak, the national Armed Forces Covenant Trust Fund has launched an emergency fund called "Veterans should not be forgotten". It will also be making funding available for projects to reduce social isolation within the armed forces community and to help veterans reconnect with their communities.

#### 1.9 **Norfolk's context**

Set up in 2012, Norfolk's Armed Forces Covenant (NAFC) is a well-established part of the national Covenant programme. It is overseen by the independent Norfolk Armed Forces Covenant Board. Details of membership and an overview of the armed forces community in Norfolk can be found here: [Members of Board](#).

- 1.10 The Board's ambitious forward strategy and [action plan for 2019/2022](#) is focussed on four objectives:
- **Building communities:** Promote understanding of the Armed Forces Covenant among the serving community, local authorities and the civilian community, and develop the local offer.
  - **Health, welfare and housing:** Improve understanding and promote the health and welfare support available to the armed forces community.
  - **Employment and skills:** Work with businesses in Norfolk to develop employment opportunities for the armed forces community and promote the Armed Forces Covenant Pledge.
  - **Education:** Ensure children and young people from service families in Norfolk are supported to achieve a good education and build resilience and aspiration to achieve what they want to in life.
- 1.11 Building on Norfolk County Council's Silver Level Award under the Defence Employer Recognition Scheme, work is taking place to identify what actions are required to achieve a Gold Level Award. This is likely to focus specifically on advocacy and how to raise awareness of the armed forces community and their needs across different

County Council services. Cabinet will be updated on the findings of this in due course and asked to determine potential next steps.

- 1.12 The incoming Chairman of the Council, Cllr Keith Kiddie, has stated his intention as Armed Forces Champion for his theme to be “Promoting the Armed Forces Covenant”. During his year, he will be encouraging employers to sign the Covenant Pledge.
- 1.13 The Norfolk Branch of the Royal British Legion has bestowed its annual Community Award on the Norfolk Armed Forces Covenant Board, in recognition of the work it does to ensure the armed forces community in Norfolk is well supported and treated fairly.

## **2. Progress against 2019/20 objectives**

- 2.1 The Covenant Board agreed its stronger and more ambitious strategy and [action plan for 2019/2022](#) in March 2019 and reviewed progress in March 2020.
- 2.2 As noted above, progress over 2019/2020 has been good. All critical activities have been delivered. The only action necessary to carry forward into 2020/21 is to arrange for the Commissioner to give a presentation on the Covenant to serving personnel and reservists.
- 2.3 The following paragraphs summarise progress on the four main workstreams during 2019/2020:
- 2.4 **Building communities**  
The Armed Forces Commissioner, Air Commodore Kevin Pellatt, is personally responsible for delivering a Norfolk-wide pledge which will set out how the armed forces community will be supported by statutory agencies. He has met with local government leaders and chief executives; he has been well received and authorities are keen to contribute. As a result of his meetings, Broadland and South Norfolk Councils have signed the Covenant Pledge and been awarded a Bronze Level Award under the Defence Employer Recognition Scheme. Work has been completed to ensure the national Veterans’ Gateway signposts armed forces personnel and families to the Norfolk Community Directory.
- 2.5 **Health, welfare and housing**  
This workstream aims to help promote greater understanding of the support available to the armed forces community in relation to health and social care in Norfolk. The Commissioner met with GP practice managers to raise awareness of the NHS’s Veteran Friendly GP scheme, which encourages front line staff to ask if a patient has an armed forces connection and signpost them, if required, to support. There are now 27 Veteran Friendly GP practices in Norfolk.
- 2.6 The Covenant Board has developed a strong link with the Transition, Intervention and Liaison Service, the NHS’s mental health service specific to veterans. Through this it is able to monitor the number of referrals and treatments. Awareness of the service is being raised through the GP practice manager meetings. This links with the plans for NHS England and NHS Improvement to launch engagement to better understand the needs of armed forces families in 2020.
- 2.7 **Employment and skills**  
Through this workstream, businesses in Norfolk are being encouraged to develop employment opportunities for the armed forces community and to sign the Covenant Pledge. A much clearer picture of what this will mean has recently emerged. Led by the Council, the Covenant Board is coordinating a newly formed Renewable Energy

Reference Group which will seek to ensure those transitioning out of the armed forces, veterans and their family members are given the opportunity to apply for jobs and develop careers in Norfolk's rapidly expanding renewables sector. This will be a long slow-burn project working with Vattenfall, the New Anglia LEP, the DWP, the East of England Energy Group, the Career Transition Partnership, the MOD's Defence Employer Recognition Scheme and Renewables UK.

## 2.8 Education

This workstream focuses on how children and young people from service families are supported in Norfolk through the Service Pupil Premium, successful pastoral support grant applications and initiatives within individual schools. The Covenant Board has agreed to develop an extensive online toolkit which will provide guidance and advice for teaching professionals and it will contain examples of best practice.

## 2.9 Other related Board activities

### Dental services in West Norfolk

The Covenant Board, with the support of research by HealthWatch Norfolk, has successfully facilitated discussions between RAF Marham, the Ministry of Defence and NHS England to improve access to dental services for serving families and the wider community. A new dental practice opened at Marham in West Norfolk in May and it is operating an emergency triage telephone service in line with NHS regulations to dentistry under COVID-19.

## 2.10 Norfolk 2020 Commemoration Fund

The Board launched a fund to help communities across Norfolk commemorate the 75<sup>th</sup> anniversary of Victory in Europe (VE) Day and Victory in Japan (VJ) Day and the 80<sup>th</sup> anniversary of the Battle of Dunkirk and Operation Dynamo during 2020. The fund proved popular and the Board made £24,105.20 available to support 56 community projects through individual grants of up to a maximum award of £500. In addition, the Board has drawn on £3,265 of the £5,000 made available by Breckland District Council each year to support specific 'Norfolk 2020' projects within the district's boundary. With the outbreak of COVID-19, it is likely that many events may be postponed or cancelled. The Board has extended the time period in which the money can be spent to enable the organisers to delay events for 12 months.

2.11 The Covenant Board is developing stronger links within key Council services. It is currently working with Adult Services to look at issues raised by local armed forces charities about private occupational health assessments and why they are not accepted by district councils as part of the Disabled Facilities Grants process. The Norfolk Carers' Charter working group has been asked to consider how to better support members of the armed forces community by working more closely with the Covenant Board.

## 3. Proposals for 2020/21

3.1 Over the course of 2020/2021, the Covenant Board will closely monitor the impact of COVID-19 on Norfolk's armed forces community and the action plan for 2020/2021.

3.2 Members of Norfolk's armed forces community will continue to work closely with the County Council to support Norfolk's recovery and resilience.

3.3 Alongside this, the core work of the Board for 2020/21 will focus on delivering the workstream priorities as set out in the Action Plan:

- raising awareness of the Armed Forces Covenant with public and private sector partners;
- working with the Renewable Energy Sector to create career opportunities for the armed forces community;
- developing an education resources support pack for schools with armed forces children on the register;
- encouraging NHS stakeholders to improve their offer to armed forces families.

#### 4. Evidence and reasons for decision

4.1 The evidence for the proposals is set out in sections 1, 2 and 3.

#### 5. Financial Implications

5.1 Norfolk County Council currently makes available £20,240 of funding annually and 1 FTE officer to directly support the work of the Board.

5.2 Breckland District Council has agreed to contribute an additional £5,000 per annum towards the work of the Covenant, for a period of four years (of which three remain) for projects which directly benefit residents within the district. In order to fund projects under Norfolk 2020 for the Breckland area, £3265 was drawn upon in 2019/20.

5.3 During 2019/20, the Board spent a total of £28,422.39, this has been allocated to projects as set out below:

<b>Spend 2019/20</b>	<b>Amount</b>
RAF Marham Friends and Families Day 2019	£3000
Armed Forces Covenant event at the Royal Norfolk Show (contribution to 3 <sup>rd</sup> Royal Anglian Regiment)	£500
Armed Forces Commissioner administration expenditure / expenses	£817.19
NAFC Norfolk 2020 Commemoration Fund	£27,370.20
Contribution from Breckland District Council to Norfolk 2020	£3,265
<b>Total spend at year end</b>	<b>£28,422.39</b>

5.4 The Board has drawn upon £8,217.39 reserves to fund 'Norfolk 2020'. It will carry forward £17,869.27 into 2020/21.

#### 6. Resource implications

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

#### 7. Other implications

7.1 **Legal implications:** the proposals in this report will enable the Council to fulfil its voluntary commitments under the Armed Forces Act 2011. As stated elsewhere in this report, the Government has indicated its intention to introduce statutory duties for local government in relation to the Armed Forces Covenant. Cabinet will be briefed on the implications of this when further information is available.

7.2 **Human rights implications:** none identified.

7.3 **Equality Impact Assessment (EqIA)** - the Covenant Board's Action Plan is designed to ensure fair access to local services and remove barriers to inclusion for members of Norfolk's armed forces community. This includes members of the community with protected characteristics, for example, serving families who have caring or parenting responsibilities; women and members of the community who are disabled etc.

7.4 **Health and safety implications:** none identified.

7.5 **Sustainability implications:** none identified.

## 8. Risk implications/assessment

8.1 None identified.

## 9. Select committee comments

9.1 Not applicable.

## 10. Recommendation

10.1 Recommendations:

1. To review the local and national developments set out in Section 1, particularly the Government's intention to introduce some form of duty for local authorities to consider the impact of their policies on the armed forces community.
2. To comment on the progress made in 2019/2020 to deliver the Norfolk Armed Forces Covenant Action Plan 2019/2022, as summarised in Section 2.
3. To endorse the Armed Forces Covenant Board's forward strategy for 2020/2021, as set out in Section 3.

## Background papers

Relevant background papers are linked within the report.

## Officer contact

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

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