

# **Cabinet Scrutiny Committee**

Date: **Tuesday 4 June 2013**

Time: **10:00am**

Venue: **Council Chamber, County Hall, Norwich**

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

## **Membership**

### **Parent Governor Representatives**

Ms K Byrne  
Ms S Vertigan

### **Church Representatives**

Ms H Bates  
Mr A Mash

**For further details and general enquiries about this Agenda  
please contact the Committee Officer on:  
01603 223055 or email [committees@norfolk.gov.uk](mailto:committees@norfolk.gov.uk)**

## **A g e n d a**

- 1 To receive apologies and details of any substitute members attending**
- 2 Election of Chairman**
- 3 Election of Vice-Chairman**
- 4 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:

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

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

- 5 Minutes** **(Page 5)**

To confirm the minutes of the meeting of the Cabinet Scrutiny Committee held on 23 April 2013.

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

- 7 Residual waste treatment contract**

- i. Suggested approach by the Scrutiny Support Manager **(Page 11)**
- ii. Report from the Director of Environment, Transport & Development. **(Page 13)**

Suggested Approach by the Scrutiny Support Manager

### **Group Meetings**

Conservative Group	Room 512
UKIP	Room 532
Labour Group	Room 504
Liberal Democrat	Room 505

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

Date Agenda Published: 24 May 2013



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## **The Working Style of the Cabinet Scrutiny Committee**

**(adopted 31 July 2001 and re-affirmed on 7 June 2005)**

Independence: Members of the Scrutiny Committee will not be subject to Group whipping arrangements

Member Leadership: Agendas and meetings will be member led.

A Constructive Atmosphere: Meetings will be constructive, and not judgmental. People giving evidence at a Committee meeting should not feel under attack. Experience has shown that an atmosphere of challenge and constructive enquiry is vital to the success of the scrutiny process.

Respect and Trust: Meetings will be conducted in a spirit of mutual respect and trust.

Openness and Transparency: The Committee's business will be open and transparent. In particular, the minutes of Scrutiny Committee meetings will explain the discussion / debate such that they can be understood by an outside reader.

Consensus: Committee Members will strive to work together and while recognising political allegiances, attempt to achieve consensus and agreed recommendations. However scope for minority reports will be permitted.

Impartial and Independent Officer Advice: Officer advice and support will be impartial and independent, as officers support all members of the Authority (and not just the ruling Administration).

Regular Review: There will be regular reviews of how the process is working, and a willingness to adapt if things are not working well.

Programming and Planning: The Committee will have a programme of work and plans for individual meetings. Before each piece of scrutiny work, the committee will agree about the extent of the work, what information they will need initially and which members and officers they wish to see.

Managing Time: Committee meetings will be kept to a reasonable length of time, up to two hours. Also, where it is possible to conduct the Committee's business by circulating information between meetings, this will be done.

## **Cabinet Scrutiny Committee**

Minutes of the Meeting Held on Tuesday 23 April 2013

### **Committee Members Present:**

Mr G Nobbs (Chairman)

Mr T Adams  
Mr R Bearman  
Mr M Brindle  
Mrs H Cox  
Mr P Duigan  
Mr R Hanton  
Mrs S Hutson

Mr M Kiddle-Morris  
Mr R Rockcliffe  
Dr M Strong  
Miss J Virgo  
Mr T White  
Mr M Wilby

### **Officers and Witnesses Present:**

Lorna Bright	Head of Service County Resources, Community Services Adult Care.
James Bullion	Assistant Director of Community Services
Karen O'Hara	Manager, Blue Badge Unit, Community Services Adult Care
Karen Haywood	Scrutiny Support Manager
Chris Walton	Head of Democratic Services
Julie Mortimer	Committee Officer, Democratic Services

### **County Councillors also Present:**

Paul Rice

#### **1 Apologies and substitutions**

- 1.1 Apologies were received from Mr M Langwade, Mr J Shrimplin and Mr R Wright.

#### **2 Declarations of Interests**

- 2.1 There were no declarations of interest.

#### **3 Minutes**

- 3.1 The minutes of the meeting held on 19 March 2013 were confirmed as a correct record and signed by the Chairman, subject to the third bullet point under item 7.3 being amended to replace the word offences with enforcement. The paragraph to read "It was noted that it was not possible to prevent all parking offences in Norfolk, although it was acknowledged

that most **enforcement** occurred within urban areas”.

#### **4 Items of Urgent Business**

4.1 There were no items of urgent business.

#### **5 Call-in Item(s)**

5.1 There were no call-ins.

#### **6 Blue Badge Reform**

6.1 Following concerns from members about the difficulties that some members of the public had faced in applying for blue disabled parking badges, Cabinet Scrutiny Committee received a report on 26 June 2012 from the Director of Community Services seeking to address the concerns and clarify the application and issue process for the badges.

6.2 At its meeting in October 2012, the Committee asked for further information on where disabled parking bays were in Norwich, information as to where badge holders could park and they also requested that the length of time for filling in the online form be reviewed to allow people to complete the form before the 20 minute ‘time out’ period.

6.3 The Chairman welcomed James Bullion, Assistant Director of Community Services, Lorna Bright, Head of Service County Resources, Community Services Adult Care and Karen O’Hara, Manager Blue Badge Unit to the meeting to answer Member questions.

6.4 The Assistant Director of Community Services introduced the report and the following points were noted during the presentation:

- The project to improve the application and award process was ongoing.
- The website had been changed substantially making it easier for people to obtain the relevant information and allowing applicants to upload their evidence as part of their application.
- Online and telephone payment processes had been put in place and were being tested before they went live in May 2013. This would enable successful applicants to pay online or by telephone either by debit or credit card.
- The aspirations of the scrutiny would have been met by 13 May 2013.
- Application forms would also be available in GP surgeries and advice centres. Negotiations were taking place with post offices to see if they would be able to process application forms.
- The application form on the website had now been programmed to time-out after 40 minutes, which was double the time previously allowed. This was a balance between security of the site and information and accessibility in enabling applicants enough time to

- complete the form.
- Applicants would also be able to make payment by cheque via the post, as well as online using debit/credit card. Payments using cash would need to continue to be made at County Hall payments office.

6.5 During the ensuing discussion the following points were noted:

- Registrars used the website facility to download the paper application forms for anyone visiting their offices who made an enquiry about applying for a Blue Badge.
- The project to try to get post offices to process blue badge application forms was being led by Customer Services and Communications, who would let Dr Strong know the name of the contact person within Post Office Ltd.
- Members wished to draw attention to comments received about elderly people applying for blue badges via the telephone, as they sometimes overstated how far they were able to walk and then had their applications declined due to the fact they were able to walk a certain distance. Members requested that staff dealing with applications from elderly people on the phone were mindful of this.
- The table included within paragraph 4.4 of the report was the percentage of call-backs from customers who had not been satisfied with the response of their first call. The figures showed a reduction in the number of call-backs received by the Customer Services Centre.
- No applicant would be asked to make a payment before they had received confirmation that their application had been approved. Included within that confirmation would be details of how they could pay for their blue badge.
- The changes in the blue badge application service would be published as part of the general communications in publications such as Your Norfolk.
- Full integration with the 'Tell us Once' project would be in place from 8 May. Under this programme a relative could inform the Registrars that a person had died and they in turn would inform the Blue Badge Team so that the blue badge could be recalled.
- The Committee agreed that they would like a further update in six months to see how the new payment system and the updated online application system were progressing.
- If a complaint was received about possible misuse of a blue badge, the individual would be contacted in the first instance to ascertain the circumstances, as it was possible the badge may have been used by a

family member. Work would be undertaken with the badge holder and traffic wardens to try to resolve the issue. Discussions were also taking place with the Crown Prosecution Service and Police to try to decide how to deal with these types of issues.

- No stipulation on the use of a blue badge pass was given. The pass was to benefit badge holders in accessing transport, whether it was for hospital appointments, doctor appointments or going shopping. It was also acceptable for a holder of a blue badge to use the pass for social and cultural purposes.
- The Chairman recommended that the officers meet with the County Hall receptionists to learn best practice in dealing with Blue badges application as they had a unique understanding of the problems confronting applicants and did an excellent job in the chairman's opinion. This was agreed by the committee.

6.5 **RESOLVED** that

An update report be brought to the Committee in Autumn 2013 on how the online payment system was progressing as well as the online application system and also how many people were applying for blue badge passes via the Registrars service.

**7 Rural Isolation Working Group Interim Report**

- 7.1 The committee received the report (7) by the Chairman of the Working Group updating the Committee on the work undertaken so far by the Working Group and the further work the group would undertake after May 2013.
- 7.2 Hilary Cox, Chairman of the Rural Isolation Working Group introduced the report and said that if the Committee agreed, the Working Group would like to continue their work after the elections in order to complete their scrutiny as there was still a lot of work the group wished to consider.
- 7.3 During the discussion the following points were noted:
- In response to a question about the Norfolk urban and rural population figures used in the table on 3.2 of the report, it was confirmed that the Working Group had used the nationally accepted model that defined small market towns as rural areas and large towns such as Thetford, Norwich, Great Yarmouth and King's Lynn as urban areas. The Group would give further thought to ensuring that the Norfolk context would be given in any statistical comparison.
  - The Working Group had needed to understand the issues faced by the people in Norfolk in getting to work, schools and shops and to focus their work on the quality of life they were living.



- Work would be undertaken following the election with the public health team and the Clinical Commissioning Groups on health issues and with the District Councils on housing issues.
- Members requested that lone working be considered within the work of the group and gave an example that within the agricultural industry there used to be gangs working in a field, now there was often a tractor driver working alone in a large field. It was noted that social isolation was likely to be picked up in the work already identified with the public health teams.
- Members also asked if the work being carried out by the Broadband and Mobile Phone working group was looking at lone workers as part of their remit, particularly the safety issues and ensuring that a signal was available to enable them to call for help on their mobile phone in the event of a problem.

**7.4 RESOLVED to**

- note the report.
- Agree the recommendation that the membership of the working group remained the same, pending the results of the County Council elections in May 2013.

**8 Chairman's Announcements**

- 8.1 The Chairman expressed his thanks to Mr Duigan, Mrs Hutson, Mr Rockcliffe and Mr Brindle who would not be standing for re-election in the County Council elections on 2 May 2013.
- 8.2 The Committee also thanked the Chairman for chairing the Cabinet Scrutiny Committee over the past year.

**9 Cabinet Scrutiny Committee: Forward Work Programme**

- 9.1 Members received the annexed report (8) by the Scrutiny Support Manager which set out the topics agreed by the Committee for consideration in the period up to the County Council elections on 2 May 2013. The Committee was asked to consider whether there were any issues it wished to add to the forward work programme for consideration by the Committee at its next meeting on 4 June 2013.
- 9.2 During the discussion the following points were noted:
- The Chairman suggested that the next Cabinet Scrutiny Committee urgently consider Safeguarding Services within Children's Services as he felt there were some serious concerns which had been highlighted during the recent Ofsted inspection.

- The Chairman had asked Cllr Paul Rice to attend the meeting and to read out a statement from one of his constituents about the problems that they had experienced recently.
- The Chairman reiterated that the Committee could not look at individual cases but felt that this was a serious matter that a future Cabinet Scrutiny Committee should investigate.
- Members pointed out that they had not had an opportunity to hear from officers in Children's Services and therefore some Members were reluctant to commit to a scrutiny and base a conclusion on one side of the story. The Committee acknowledged there were issues to be addressed and that it was an important subject which should be considered further.
- Members agreed that Cabinet Scrutiny Committee was the correct Committee to scrutinise the issue.
- As this scrutiny had been suggested by a Member of the public, the Committee felt that full consideration should be given to it.

9.3 It was **RESOLVED** to strongly recommend that the next Cabinet Scrutiny Committee scrutinises Children's Services, particularly around Safeguarding Children.

The meeting concluded at 11am.

#### CHAIRMAN



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## **Residual Waste Treatment Contract**

### **Suggested approach by the Scrutiny Support Manager**

#### **1 Motion to Full Council**

- 1.1 On 13<sup>th</sup> May 2013 full Council received a motion from Councillor Mr John Dobson as follows:

“This new Council wishes to make good, as a matter of urgency, the democratic deficit on the part of the former Council in respect of the processes surrounding the decision to award a contract to Cory Wheelabrator for the procurement of a multi-burn incinerator at the Willows, King's Lynn. To this end the new Council now calls for an extraordinary, full Council meeting to be held within three weeks of the date of this motion, but after the date of the final submissions in the public inquiry ordered by the Secretary of State for Communities and Local Government into the award by the Council's Planning Committee of planning consent for the incinerator, solely to debate whether to proceed with procurement in its present form, or at all.

As preparation for the debate officers are to prepare short, succinct reports (not available, or not made available at the time of the original Cabinet decision two years ago) covering the continuing need for such a large incinerator, given the dwindling amounts of solid, residual, household waste still forecast to require disposal by burning over the next 25 years; the public funding (including PFI) of the incinerator, given that substantially more of the waste needed to keep it running will comprise private sector industrial and commercial waste from within and outside Norfolk's boundaries; the proximity principle, to take into account in particular the inadequacy of an important artery (A47) in the existing road network to support the additional HGV movement now forecast; deficiencies now apparent in the prior scrutiny of the environmental and health risks posed by the incinerator; challenges now made to the method officially used to calculate the carbon footprint of the incinerator. Reports are to address the major, identified discrepancies under these headings in the procurement processes carried out by the last Council and Cory Wheelabrator, as recently identified by objectors in the course of the public inquiry,”

- 1.2 This motion was subsequently amended and the following proposal was agreed:

“This new Council wishes to make good, as a matter of urgency, the democratic deficit on the part of the former Council in respect of the processes surrounding the decision to award a contract to Cory Wheelabrator for the procurement of a multi-burn incinerator at the Willows, King's Lynn.

The new Council now calls for an extraordinary, full Council meeting to be held within five weeks of the date of this motion, but after the date of the final submissions in the public inquiry ordered by the Secretary of State for Communities and Local Government into the award by the Council's Planning Committee of

planning consent for the incinerator, solely to debate whether to proceed with procurement in its present form, or at all. As preparation for the debate officers are to prepare short, succinct reports covering the continuing need for such a large incinerator, paying regard to the amounts of solid, residual, household waste still forecast to require disposal by burning over the next 25 years; the public funding (including PFI) of the incinerator, given that substantially more of the waste needed to keep it running may comprise private sector industrial and commercial waste from within and outside Norfolk's boundaries; the proximity principle, to take into account in particular the important artery (A47) in the existing road network to support the additional HGV movement now forecast; the prior scrutiny of the environmental and health risks posed by the incinerator; challenges now made to the method officially used to calculate the carbon footprint of the incinerator. Reports are to address the major, identified discrepancies under these headings as recently identified by objectors in the course of the public inquiry.

Additionally, the Cabinet Scrutiny Committee, at its meeting on 4 June 2013, is asked to consider the specified question of the contractual penalties which would arise in the event of the Council withdrawing from the contract."

## **2. Issues to consider**

- 2.1 The County Council meeting to consider the above substantive issues will be held on 17<sup>th</sup> June 2013. The Cabinet Scrutiny Committee was asked specifically to give consideration at this meeting to the question of the contractual penalties which would arise in the event of the Council withdrawing from the contract. The attached report from the Director of Environment, Transport and Development seeks to address this specific issue.

## **3 Suggested Approach**

The Cabinet Scrutiny Committee is asked to scrutinise the attached report from the Director of Environment, Transport and Development and agree whether it has any recommendations to make to full Council when it meets to consider the further issues raised in paragraph 1.2 above.

**Officer Contact:** Karen Haywood  
Scrutiny Support Manager  
01603 22813

## Residual Waste Treatment Contract

Report by the Director of Environment, Transport and Development

### Summary

On 13 May 2013 the County Council agreed that Cabinet Scrutiny Committee on 04 June 2013 should consider the contractual penalties which would arise in the event of the County Council withdrawing from the residual waste treatment contract.

The contract is on standard terms set by government for these types of services. It has been reviewed in detail by Defra and Treasury to ensure it represents value for money and it is on that basis that the Waste Infrastructure Grant worth £169 million was awarded. This report considers scenarios whereby the contract could come to an end with references made to the parts of the contract that are publicly available. It is important to note that redactions to the contract only relate to specific contractual agreements on non disclosure for which the County Council is legally accountable.

As well as providing a status report on the project the report identifies that:

- (a) Termination for failure to secure planning permission would expose the County Council to:
  - (i) The prospect of meeting a share of the contractor's costs up to £20.3 million which is a figure approved by the government and agreed in the contract.
  - (ii) The prospect of meeting around 90% of the contractor's public inquiry costs which are estimated at between £1.5 million and £2.0 million.
  - (iii) The cost or income generated from cancelling arrangements put in place to mitigate the risk of changes in foreign exchange and interest rates. The amount would be dependent on the prevailing financial conditions at the time, and based on the current markets this would generate a cost of some £11 million.
- (b) The costs to the County Council of walking away from the contract, referred to as voluntary termination, would be significantly higher than for termination linked to planning failure, i.e. significantly higher than £20.3 million and the other associated costs. This arises from a combination of costs that represents:
  - (i) Cost relating to repayment of outstanding debt provided by the banks that helped fund the project.
  - (ii) The cost of breaking arrangements in place to mitigate long term risks around foreign exchange and interest rates.
  - (iii) Any reduction to reflect money held in accounts by the contractor.
  - (iv) Cost relating to repayment of outstanding debt provided by the banks and the contractor that is underwritten by the contractor (a secured debt facility).
  - (v) Redundancy payments for the contractor's employees.
  - (vi) Sub-contractor breakage costs.
  - (vii) The value of all the expected returns on the investment made by the contractor over the remaining service period up to 2040.
- (c) The contract ending due to the contractor failing to secure a permit is no longer relevant as the contractor has been granted a permit by the Environment Agency, which confirms for the Government and others that it can operate safely and without harm to human health.
- (d) Details are provided of other routes by which the contract could end such as a court determining the contract is not valid or the contract continuing to its end date.
- (e) It is explained that in termination scenarios assets transfer to the County Council.

## 1. **Background**

- 1.1 Full Council on 13 May 2013 agreed to hold an extraordinary Full Council meeting solely to debate whether to proceed with the procurement of residual waste treatment services involving an incinerator proposal. It also agreed that Cabinet Scrutiny Committee:

*'at its meeting on 4 June 2013, is asked to consider the specified question of the contractual penalties which would arise in the event of the Council withdrawing from the contract'.*

Accordingly this report identifies a range of circumstances which could lead to the County Council withdrawing from the contract. It explains how the contract addresses each scenario and some of the associated considerations for the County Council that would originate from these.

In line with the County Council's constitution, any decision relating to the contract is a matter for Cabinet.

## 2. **Background: Project Status**

### 2.1 Permit to Operate

A permit to operate the facility was approved by the Environment Agency in August 2012 after a series of public consultations on the contractor's application in July 2011.

### 2.2 Planning Permission

The Secretary of State put in place an independent Public Inquiry to help determine whether the contractor should be granted planning permission. This Inquiry ended on 17 May 2013 and the Inspector is now expected to complete a report on the Inquiry and submit it to the Department for Communities and Local Government in September 2013. This means that a decision by the Secretary of State could follow in autumn 2013 or winter 2013/2014.

### 2.3 Contractor

The service was expected to start in 2015 but due to the protracted nature of the planning process this is not going to happen and the contractor has therefore had to put in place plans and arrangements to accommodate this delay.

### 2.4 Defra

In January 2011 Defra confirmed its award to the County Council of a Waste Infrastructure Grant for the project (previously referred to a PFI or Private Finance Initiative Grant) worth £169 million to Norfolk over the life time of the project to help meet the cost of the new service. The County Council has an ongoing obligation to respect the conditions of that grant award, for instance making material changes without approval could lead to the grant being withdrawn.

### 2.5 Contract Availability and Commercially Sensitive Information

The contract documents have been publicly available on the County Council's website since April 2012. The contract is based on a standard form of government

contract and is in the public domain in almost all its entirety, with only a limited number of redactions that are to meet contractual requirements concerning some commercially sensitive information.

### **3. Termination for Failure to Secure Planning Permission**

#### **3.1.1 Contract Breakage Costs**

If the contractor, having used all its reasonable endeavours, failed to get planning permission in the expected timeframe this can lead to the need for a revised proposal (a draft Revised Project Plan) or the termination of the contract for failure to secure planning permission. All reasonable endeavours is defined in the contract but broadly means that the contractor has done all the things reasonably necessary, complied with good industry practice and exercised proper care and skill to secure the granting of planning permission.

We have now reached the position where a Revised Project Plan is required and we are in discussion with the contractor with regards to this. It is only if this alternative plan is rejected by the County Council, or also fails, that the County Council would be exposed to some of the contractor's development costs – though this is not all of those costs. The experience on other projects is that the contract is not abandoned in the scenario of a refusal of planning permission but that a Revised Project Plan is progressed.

This is a risk, similar to the permitting risk, which waste procurements have always carried for the public sector. The contract clause is helpful though in clarifying and capping the risk as previously many projects have not had a cap meaning that costs would be unknown and significantly higher.

- 3.1.2 This scenario for termination is covered in Schedule 26 'Planning' and is explained in the contract at Clause 69 'Termination on Force Majeure' and the financial implications are found in Schedule 17 (Compensation on Termination) Part 5 'Compensation on Termination for Force Majeure or Uninsurability'.

This part of Schedule 17 in section 1.7 shows that the County Council's cost for this is capped at £20.3 million plus or minus the costs or receipts arising under the arrangements put in place on 07 February 2012 to mitigate foreign exchange and interest rate changes. These contracts were put in place by the contractor to provide an element of certainty around the cost of the project (in relation to the level of secured funding) which would otherwise be subject to changes in the movements of interest rates and foreign currency values.

The £20.3 million cap is payable on auditable and evidenced costs against specified heads relating to bank fees and bid development costs. This is plus or minus the cost or income from breaking arrangements in place to hedge long term risks around foreign exchange and interest rates.

The positions were approved by Defra when the competitive dialogue process was closed - Defra only allows this when its commercial team is satisfied that all positions are in line with market positions for deals recently closed or in the final stages of closing and meet Treasury requirements.

3.1.3 The County Council's position in relation to planning risk is entirely in accordance with the government's standard terms and the waste market. As waste infrastructure projects have been shown to carry very significant planning risk unless that risk is shared with the public sector, the banks that generally fund these developments will not agree to fund them. Due to the scale of the capital expenditure, i.e. in this case around £150 million, many companies do not have the ability to fund many if any waste deals corporately, hence the emphasis on bank funding for residual waste treatment projects.

3.1.4 These detailed breakage costs payable on planning failure were extensively scrutinised by Members in the Cabinet Scrutiny meetings of 23 November 2010 and on 19 April 2011 as part of that Committee's call in procedure. In addition they were presented in reports considered by Cabinet and the Environment, Transport and Development Overview and Scrutiny Panel in detail in November 2010 and January and March 2011.

3.2 Cost of Breaking Arrangements to Mitigate Foreign Exchange and Interest Rate Changes

On 07 February 2012 the contractor put in place contracts to mitigate the risk of changes to the cost of elements of the project priced in Euro and Swiss Francs and to mitigate the effects of changes in interest rates. This mitigation was required by the banks that fund the project to convince them that whatever happens in these markets the project remained viable within the approved amounts of debt provided.

Due to the delay the contractor is now intending to extend the contracts put in place to mitigate the risks of foreign exchange and interest rates until they are required.

If these arrangements are ended as a part of a termination it could generate a cost or an income to the County Council. However, due to the changes in the relevant foreign exchange and interest rates since February 2012 the current position is that this would generate a cost of some £11 million. This sum is subject to daily fluctuations in the light of interest rate and currency exchange movements.

3.3 Planning Inquiry Cost

The County Council also has to meet 90% of the contractor's cost for the Public Inquiry above a five figure sum, i.e. above a figure between £10,000 and £99,000. The precise sum is contained within the County Council's confidentiality obligations. This 90:10 split is the standard government and market position for projects of this nature.

Whilst the Public Inquiry process has recently finished the final contractor's cost for participating is unclear but could reasonably be expected to be between £1.5 million and £2 million pounds. This cost reflects the length of the Public Inquiry as determined by the Inspector.

3.4 Loss of Government Grant

The cost of the contract is supported by the benefit of £91 million Waste Infrastructure Credits (previously referred to as PFI credits) awarded to the County Council by Defra.



These credits generate a cash grant equivalent to £169 million over the life of the contract. This would be provided quarterly starting from the point of commissioning of the facility, which was previously expected to be in 2014/15.

Norfolk was one of only 11 waste projects to retain its allocation as a part of the Government's Spending Review in 2010. Defra's evaluation criteria in deciding which projects to support were value for money, likelihood of delivery of the facility and how soon the facility was planned to be operational. Where Defra has removed provisional allocations of credits, as from seven projects in 2010, and more recently from three projects in 2013, it has not provided any equivalent scale of financial support to help those authorities meet the cost of the future services. Some of those projects have continued in procurement without credit support, whilst others are facing difficult decisions about available options and affordability and cost.

#### **4. Termination for Failure to Secure an Environmental Permit**

##### **4.1 Contract Breakage Costs**

This scenario is now irrelevant as the contractor has been granted a permit to operate by the Environment Agency. However, had there been a failure to secure an environmental permit this scenario is covered in Schedule 27 'Approach to Permit Risk' and is explained in the contract at Clause 69 'Termination on Force Majeure' and the financial implications are found in Schedule 17 (Compensation on Termination) Part 5 'Compensation on Termination for Force Majeure or Uninsurability'.

This part of Schedule 17 in section 1.7 shows that the County Council's cost for this is capped at £19.3 million, i.e. not the same as the breakage cost of £20.3 million relating to planning failure, plus or minus the costs or receipts arising under the foreign exchange and interest rate hedging contracts put in place at financial close on 07 February 2012.

#### **5. Council Termination – Decision to Walk Away From the Contract**

##### **5.1 The County Council could walk away from the Contract at any time during the contract period up to expiry date of 31 March 2040, this is called Voluntary Termination by the Authority (see Clauses 73 and 74).**

However, if it were considering to do so before a decision was made by the County Council it would need to understand and assess the likely scale of the financial implications for the County Council of its contractual obligations. This would be required to allow the County Council to determine whether such a course of action would have wider legal as well as financial implications for the County Council and to be clear about the potential for any mitigating actions before a decision were made.

##### **5.2 There is no figure in the contract for all the financial implications of Voluntary Termination for each period of the contract up to the expiry date, but a useful indication of the costs can be taken from an assessment completed for Cornwall Council in relation to its possible decision to walk away from a contract for a proposed Energy From Waste Facility. This estimated an amount for Authority**

Voluntary Termination by the Authority of between £80 million and £90 million in November 2012. This apparent lack of precision is authentic as it reflects the unknown costs of the elements used to calculate a voluntary termination cost which requires the gathering of a range of commercial information and the recognition that these costs would foreseeably be the subject of legal argument.

As another illustration of the likely scale of costs, Plymouth City Council, which is a partner with two other authorities in a residual waste treatment contract, also looked at ending its involvement in a similar contract. After considering the contractual implications and the resulting financial consequences to the Authority in August 2012 the City Council concluded that the impact on the Authority's budget and services was such that a decision was beyond its legal capacity.

- 5.3 The compensation payable by the County Council in a Voluntary Termination depends on the timing of the decision because the compensation is linked to how long the contract has to run – this is why there is no specified amount for the cost of this scenario in the contract. However the contract does prescribe how a cost would be calculated and this is set out in Schedule 17 'Compensation on Termination', Part 2.
- 5.4 The provisions of Schedule 17 (Compensation on Termination) Part 2 include the following components of the compensation payable:
1. Cost relating to repayment of the outstanding debt provided by the banks that helped fund the project.
  2. The cost of breaking arrangements in place to hedge long term risks around foreign exchange and interest rates.
  3. Any reduction to reflect money held in accounts by the contractor.
- (1 to 3 together referred to as the 'Base Senior Debt Termination Amount').
4. Cost relating to repayment of all the outstanding debt provided by the banks and the contractor that is underwritten by the contractor (referred to as the Secured Debt Facility Debt).
  5. Redundancy payments for the contractor's employees.
  6. Sub-Contractor Breakage Costs – such as for materials ordered, expenditure incurred, costs of demobilising, reasonable losses relating to other business arrangements, losses relating to cancellation of off take contracts or third party users of the facility, and breakage costs relating to capped lost profits payable to sub-contractors.
  7. The value of all the expected returns on the investment made by the contractor over the remaining service period adjusted for the timing of the early termination. This is referred to as 'Base Case Equity IRR' (where IRR means the internal rate of return). An indicative scale of the IRR for generic PFI projects can be taken from HM Treasury's PFI Value for Money evaluation model which sets the maximum (post

tax) IRR at 15%. In view of the risks assumed by the private sector for waste transactions, the projected IRR target may actually be higher than 15%, although this is not the case in this contract.

All amounts under these headings are payable within 40 Business Days of the termination date and would require the County Council to identify a source of funding to meet these costs. The County Council would not be allowed to borrow to meet in part or full the termination costs agreed.

- 5.5 In the early part of the contract the aggregate of all these costs would be significantly higher than for termination linked to planning failure, i.e. of the order indicated in the example above (i.e. Cornwall Council) and significantly higher than £20.3 million and the other associated costs for Termination due to Planning Failure.
- 5.6 Additionally the County Council would lose the grant provided by government to keep the cost of the service down if the termination occurred before the commissioning of the facility (see Section 3.4 above). In the event termination happened when the facility was up and running the probability is that the support would also be lost. This support is approved at £169 million over the life of the contract.

## **6. Termination Due to the Authority Breaching Its Contractual Obligations**

- 6.1 If the County Council takes control over a material part of the assets or shares of the contractor, or alternatively fails to make payments equivalent to a month's costs promptly, or blocks the contractor from meeting its obligations or transfers its interests in the contract to another body, then this is called Authority Default (see Clause 65 'Termination for Authority Default' and the term 'Authority Default' in Schedule 1 'Definitions').
- 6.2 The compensation payable by the County Council in an Authority Default are as for Authority Voluntary Termination (see Section 5 above), i.e. how a cost would be calculated is as in Schedule 17 'Compensation on Termination', Part 2.

## **7. Unenforceability of Contract Following a Court Order**

- 7.1 If a determination or order is made by a court of final jurisdiction that the contract does not have effect or is unenforceable then this is called Unenforceability of Contract (see Clause 4.4 'Unenforceability of Contract' and the term 'Authority Default' in Schedule 1 'Definitions').
- 7.2 In this situation the Relevant Discharge Terms (set out in Schedule 13) apply. These are essentially equivalent to the compensation as for Authority Default. Therefore the compensation payable by the County Council in such a scenario is as for Voluntary Termination (see Section 5 above).

## **8. Termination Due to Contractor Default or Persistent Breach of Contract**

- 8.1 If the contractor commits a 'Contractor Default' the County Council is entitled to

terminate the contract (see Clause 67 'Contractor Default' and the term 'Contractor Default' in Schedule 1 'Definitions'). Examples of contractor default are if the contractor:

- Breaches any of its material obligations that adversely affects the performance of the services.
- Persistently breaches obligations.
- Is wound up, or goes in to administration or receivership, or voluntary insolvency.
- Transfers its interests in the contract or sub-contracts without the County Council's permission.
- Changes ownership at any time up to the end of the first year following service commencement or at any time to an 'unsuitable entity' without the prior consent of the County Council.
- Abandons the works or fails to commence the works on time.
- Fails to issue certificates of readiness or acceptance on time.
- Breaches the performance requirements.
- Fails to maintain required insurances.

There are seventeen events that would give rise to Contractor Default contained in Schedule 1 'Definitions', four of these have been redacted to meet contractual obligations on commercially sensitive information.

- 8.2 Compensation payable in this situation is set out in the provisions of Schedule 17, Part 3 'Compensation on Termination for Contractor Default'. This means that the County Council can decide to either re-tender the services or not.

If it decided to put the contract out to tender it would use the tendering process to establish a market value for the remaining period of the contract which would then be used as the basis for making a payment to the contractor. This process is detailed in Schedule 17 'Compensation on Termination', Part 3, '1. Retendering Election'.

- 8.3 If the County Council decided not to retender the contract, or if there were no active market, it could get an independent valuation of the value of the contract, i.e. what a third party would pay to the County Council as the market value, and use this as the basis for a payment to the contractor. If the figure is less than zero the contractor would have to pay the County Council. This process is detailed in Schedule 17 'Compensation on Termination' Part 3, '3. No Retendering Procedure'.

## 9. **Termination Linked to Breach of Refinancing Provisions**

- 9.1 Bank debt is used to fund the delivery of this project. If the terms of that debt are amended (i.e. the contractor is able to 're-mortgage' the project) and the new terms lead to an improvement (i.e. a saving on the cost of the debt which the County Council is entitled to share) the County Council would need to give its prior written consent to this refinancing.

If the contractor failed to do this, or did not act in good faith in relation to any refinancing, then it would be a Breach of Refinancing Provisions (see Clause 75 'Breach of Refinancing Provisions'). The contract deals with the details and

mechanics of this in further detail in Schedule 16 'Refinancing'. This is redacted in line with the contractual issues of confidentiality which the County Council is legally obliged to respect.

- 9.2 If the County Council wished to terminate the contract for breach of the refinancing provisions it would do so in accordance with Clause 75 (Termination for Breach of Refinancing Provisions), and the provisions of Schedule 17 'Compensation on Termination' Part 6, 'Compensation Following Breach of the Refinancing Provision' would apply. The County Council's costs are as for the first part of Authority Voluntary Termination (see above), i.e.:

1. Cost relating to repayment of the outstanding debt provided by the banks that helped fund the project.

2. The cost of breaking arrangements in place to hedge long term risks around foreign exchange and interest rates.

3. Any reduction to reflect money held in accounts by the contractor.

(together referred to as the 'Base Senior Debt Termination Amount').

## 10. **Termination Relating to Corrupt Gifts and Fraud**

- 10.1 If the contractor or its sub-contractors gives gifts or rewards to any servant of the County Council for doing or not doing things in relation to the contract, including showing them favour, enters in to contracts where commission has been paid without prior disclosure, commits corrupt or fraudulent acts, bribery or defrauds the County Council then this is a Prohibited Act (as defined in Schedule 1, 'Definitions').

If a Prohibited Act is committed the County Council may give notice to the Contractor in line with Clause 71 'Termination on Corrupt Gifts and Fraud' that it will terminate. In certain circumstances (e.g. where the prohibited act is committed independently of the contractor) the contractor has an opportunity to rectify the situation (e.g. by terminating the relevant employee's contract of employment) to avoid termination.

- 10.2 If the County Council terminates the contract compensation is payable in accordance with the provisions of Schedule 17 'Compensation on Termination' Part 4, 'Compensation following Corrupt Gifts and Fraud' and the County Council's costs are as for termination following breach of refinancing provisions (see Section 9 above), i.e.:

1. Cost relating to repayment of the outstanding debt provided by the banks that helped fund the project.

2. The cost of breaking arrangements in place to hedge long term risks around foreign exchange and interest rates.

3. Any reduction to reflect money held in accounts by the contractor.

(together referred to as the 'Base Senior Debt Termination Amount').

## **11. Termination Due to Uninsurability**

- 11.1 If a risk usually covered by insurance becomes uninsurable the County Council and the contractor shall meet to discuss how the risk should be managed or shared. If agreement cannot be reached then this can lead to termination for uninsurability (Clause 57). In such a case the provisions of Schedule 17 Compensation on Termination, Part 5 'Compensation on Termination for Force Majeure or Insurability' apply.

The relevant provisions of Schedule 17 (Compensation on Termination) Part 5 include the following components:

1. Cost relating to repayment of the outstanding debt provided by the banks that helped fund the project.
2. The cost of breaking arrangements in place to hedge long term risks around foreign exchange and interest rates.
3. Any reduction to reflect money held in accounts by the contractor.

(1 to 3 together referred to as the 'Base Senior Debt Termination Amount').

4. Cost relating to repayment of all the outstanding debt provided by the banks and the contractor that is underwritten by the contractor (referred to as the Secured Debt Facility Debt).

5. Redundancy payments for the contractor's employees.

6. Sub-Contractor Breakage Costs – such as for materials ordered, expenditure incurred, costs of demobilising, reasonable losses relating to other business arrangements, losses relating to cancellation of off take contracts or third party users of the facility, and breakage costs relating to capped lost profits payable to sub-contractors.

7. Repayment of the value of shares owned by the contractor minus any amounts already received by shareholders as dividends.

The implications are different to those for Voluntary Termination, i.e. where the County Council decides to walk away, as with regards to this scenario it is viewed as occurring due to matters beyond the control of the party, i.e. 'Force Majeure' as discussed below in Section 12.

## **12. Termination Due to Reasons Beyond Either Parties Control - Force Majeure**

- 12.1 A Force Majeure situation occurs when a party to the contract is unable to fulfil its obligations under the contract essentially for reasons which can be evidenced as being beyond its control (see Schedule 1 'Definitions' – 'Force Majeure') and includes matters such as war. The procedure to follow is that the affected party

notifies the other party of the details of the Force Majeure event, including providing evidence of the effect on the obligations of the affected party and any action proposed to mitigate its effect.

- 12.2 If the parties cannot agree appropriate terms to mitigate the effects of the Force Majeure event and facilitate the continued performance of the contract in a way that avoids the affected party being unable to comply with its obligations under this contract for a period of more than one hundred and twenty business days, then either party may terminate this contract by giving twenty business days written notice to the other party. If the contractor serves a notice to terminate the contract the County Council may elect to continue provided it continues to pay the contractor and compensates it for other lost income associated with the project (e.g. from electricity sales).
- 12.3 The detailed mechanism to apply if there is a Force Majeure event is explained in the contract at Clause 69 'Termination on Force Majeure' and the relevant provision relating to the compensation on termination are set out at Schedule 17 (Compensation on Termination) Part 5. Compensation in such circumstances is the same as for termination due to uninsurability as set out at Section 11 above.

### 13. **Natural Expiry – The Contract Continues to the Contract End Date**

- 13.1 The expiry date is 31 March 2040, which is when the services provided under the contract are due to end. What happens on expiry of the contract is set out in the contract documents at Clause 80 'Consequences of Termination or Expiry'.

The County Council has the right to extend the contract by up to five years, Clause 3.3 'Option to Extend the Contract Period', but it has to give 24 months prior notice if it wishes to do so and if both parties can't reach agreement on the terms of the extension (which must be lawful within the public procurement rules) in that time then the contract ends.

- 13.2 When the contract period ends the assets are transferred to the County Council, i.e. the energy from the waste facility including the visitor centre and bottom ash processing plant, the land, the information relating to the facility such as records and plans, intellectual property rights, consents and any revenues and other contractual rights such as guarantees, warranties, insurances and third party income (see Clause 80 'Consequences of Termination or Expiry' and 'Assets' as defined in Schedule 1 'Definitions').
- 13.3 If alternatively the County Council wished to retender the service rather than extending the existing contract or provide the services itself, the contractor would be obliged to hand over the relevant assets to the new contractor instead. The County Council would have to give the contractor 18 months prior notice (prior to expiry) to co-operate in any transfer to a new contractor. This scenario is explained in Clause 80.9 'Retendering the Services on Expiry'.

### 14. **Consequences of Termination**

- 14.1 On termination, as is the case with natural expiry, Clause 80 'Consequences of Termination or Expiry' applies and the assets are transferred to the County Council

(or replacement contractor) as described in Section 13 above.

## Background Papers

Residual Waste Treatment Contract – hyperlink to Project Agreement and Schedules  
[http://www.norfolk.gov.uk/Environment/Waste\\_and\\_recycling/Waste\\_disposal/Future\\_of\\_household\\_waste\\_in\\_Norfolk/NCC103678](http://www.norfolk.gov.uk/Environment/Waste_and_recycling/Waste_disposal/Future_of_household_waste_in_Norfolk/NCC103678)

Information Note on Redactions of Commercial Information - hyperlink  
<http://www.norfolk.gov.uk/view/NCC103648>

Printed copies of the redacted contract on A4 in ring binders will be made available to Committee members during the meeting.

## Officer Contact

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

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**Cabinet Scrutiny Committee: Forward Work programme**

**Suggested Approach by the Scrutiny Support Manager**

**1. Role of Cabinet Scrutiny Committee**

- 1.1 The Cabinet Scrutiny Committee is an over-arching committee with powers to scrutinise decisions made, or action taken, about any function of the Council. However, the committee is expected to co-ordinate its work with that of the Overview and Scrutiny Panels. It examines the work of the Cabinet and individual service areas. It also has the power to 'call-in' decisions taken by the Cabinet and can recommend that these decisions are re-examined. The Cabinet Scrutiny Committee can insist that the Leader of the Council, any Cabinet Member or council officer attends the committee to answer questions about decisions and policies. It can also invite any person or organisation involved in Norfolk life, or whose decisions affect life in the county, to attend its meetings to answer questions.

**2. Forward Work Programme**

- 2.1 Cabinet Scrutiny Committee has a standing item on each agenda outlining the Committee's forward work programme for forthcoming meetings. This is the first meeting of the Cabinet Scrutiny Committee following the County Council elections in May. Members of the previous Committee were conscious that new members would be inheriting their work programme and therefore no items have been scheduled for 2013-14.
- 2.2 The Committee did however have a number of issues that it wished the new Committee to give consideration to and agree how to take forward. These issues are outlined in detail in Appendix A and are as follows:
- Safeguarding in Children's Services: Issues arising from the recent Ofsted Inspection
  - Blue Disabled Badge Scheme
  - Eastport, Great Yarmouth
  - Apprenticeships in Norfolk County Council
  - Fenland Infrastructure
  - Norfolk County Council's Transformation Portfolio
  - Support for Carers
- 2.3 This report asks the Committee to give consideration to the issues raised by the previous Council and agree whether they wish to retain them on the scrutiny forward work programme.

**3. Work Planning Session**

- 3.1 The Committee may wish to hold a short work planning session following the meeting on 25<sup>th</sup> June 2013 in order to propose new ideas for future scrutiny topics and devise a forward work programme. A draft forward work programme could then

be brought to the Committee meeting on 23<sup>rd</sup> July 2013.

#### **4. Suggested Approach**

It is suggested that the Cabinet Scrutiny Committee:

- gives consideration to the issues outlined in Appendix A and agrees whether to proceed with further scrutiny.
- considers whether there are any additional scrutiny issues to add to the forward work programme at this stage
- considers whether to hold a short work planning session following the meeting on 25<sup>th</sup> June 2013.

**Officer Contact: Karen Haywood  
Scrutiny Support Manager  
01603 22813**

### Previous Issues raised by the Cabinet Scrutiny Committee

#### **1. Safeguarding within Children's Services: Issues arising from the recent Ofsted Inspection**

- 1.1 At the last meeting of Cabinet Scrutiny Committee the Chairman, Mr George Nobbs suggested that the post election Cabinet Scrutiny Committee should urgently consider scrutinising Safeguarding Services within Children's Services. He outlined that there had been serious concerns highlighted during the recent Ofsted inspection.
- 1.2 The Committee also heard from the then County Councillor for South Smallburgh, Mr Paul Rice, who read out a statement from one of his constituents regarding the problems that they had experienced with Children's Services. The Committee acknowledged that it could not look at individual cases and were mindful that they had not had the opportunity to hear from officers in Children's Services as to the particular case in question.
- 1.3 In light of the seriousness of the issue and as the scrutiny had been suggested by a member of the public, it was agreed that full consideration should be given to it. Members agreed that Cabinet Scrutiny Committee was the correct Committee to scrutinise this issue and resolved to strongly recommend to the new Committee that 'Safeguarding Children in Children's Services' should be scrutinised.
- 1.4 The Committee may need to be mindful that the Children's Services department has a new improvement process being developed following the recent Ofsted inspection. At the Children's Services Overview and Scrutiny Panel meeting on 14 March 2013, the Cabinet Member welcomed member involvement throughout the improvement process and suggested that a cross-party member working group could be set up to monitor progress.

#### **2. Blue Disabled Badge Scheme**

- 2.1 Following concerns from members about the difficulties that some members of the public had faced in applying for blue disabled parking badges, Cabinet Scrutiny Committee have received several reports in the last 6 months seeking to address these concerns and clarify the application and issue process for the badges.
- 2.2 Cabinet Scrutiny Committee last gave consideration to this issue at the April 2013 meeting and agreed to revisit it in the Autumn to consider how the online payment system was progressing as well as the online application system and also how many people were applying for blue badges via the Registrars service.

#### **3. Eastport, Great Yarmouth**

- 3.1 The Cabinet Scrutiny Committee first gave consideration to Eastport and the County Council's investment in the project in February 2011. The original aims of the scrutiny were to consider:

- the background to the County Council's investment in the Eastport development and why we chose to invest
- from Norfolk County Council's point of view, if the project had met its original aims and objectives
- what governance arrangements were put in place by the County Council to protect our investment
- Whether there were any lessons that could be learnt for future similar large scale investments

3.2 The issue was last scrutinised in September 2012 when the Committee received a progress report on Eastport. It was agreed at this meeting that following the election the Cabinet Scrutiny Committee be asked to consider whether it wishes to revisit this scrutiny. It was agreed unanimously that if the Committee agreed to further scrutinise this issue then an update should be provided on the ongoing communication issues with the public as concerns had been raised at previous meetings around this issue.

#### **4. Apprenticeships at Norfolk County Council**

4.1 On 12<sup>th</sup> February 2013 the Committee considered a report outlining the purpose and scope of the County Council's apprenticeships scheme. The scheme aims to improve the employability and skills of 30 young people by providing paid workplace experience and access to an apprenticeship qualification. It was agreed at this meeting that a further update report would be brought to a meeting of Cabinet Scrutiny Committee in the summer to focus on the progress being made by the apprentices and to see if any apprentices had dropped out of the scheme and if so their reasons for doing so.

#### **5. Fenland Infrastructure**

5.1 The Committee considered a report on Fenland Infrastructure at their meeting on 18<sup>th</sup> December 2012. At the request of members the report focused upon the infrastructure and economy of the area. The Committee focussed scrutiny in particular on the need to improve road and rail infrastructure in the area and the difficulties in maintaining the existing roads.

5.2 The Committee also received details of correspondence that had been sent on behalf of the County Council and Cabinet members in Lincolnshire, Cambridgeshire, Suffolk and Peterborough outlining the exceptional damage experienced to roads in the Fens area as a result of the period of extreme drought in 2011 and early 2012 and requesting additional capital funding to enable this damage to be rectified. The Committee were disappointed with the response received from the Secretary of State for Transport which acknowledged that fenland roads were particularly susceptible to drought but that it was the 'responsibility of local highway authorities' to 'ensure that they have a contingency to deal with these types of problems that may arise from time to time'.

- 5.3 At the request of members a further letter was sent to the Secretary of State. The response received outlined that £215 million had been allocated to local highways authorities in England for highways maintenance. Norfolk County Council's share of this was £3.7 million in 2013-14 and £1.9 million in 2014/15 and the Secretary of State suggested that that the County Council may wish to use this funding to repair the damage to roads in the fens area.
- 5.4 Having considered the report the Committee agreed that following the election the Cabinet Scrutiny Committee be asked whether they wish to continue to scrutinise this issue further.

## **6. Norfolk County Council's Transformation Portfolio**

- 6.1 In November 2010 the then Leader of the Council, Derrick Murphy announced the establishment of a new Cabinet post with a strong focus on 'Transformation'. The position was created to ensure that the County Council had a strong focus within it to drive through the sharing of services with other bodies. Cabinet Scrutiny Committee agreed that they wished to look at this role further and received a report from Mr Murphy considering the main objectives of the portfolio and its achievements.
- 6.2 The Committee received a further report in October 2012 and agreed at this meeting that a further update would be received at a later date. Cabinet Scrutiny Committee is asked to consider whether it wishes to continue with this scrutiny.

## **7. Support for Carers**

- 7.1 Earlier this year Cabinet Scrutiny Committee agreed terms of reference for a small working group to look at 'the support that NCC provides for carers'. The terms of reference for this working group are attached at Appendix B however the main objectives for the scrutiny were:
- To establish how effective Norfolk County Council strategies are at identifying and supporting carers
  - To determine if there are any further steps that Norfolk County Council can take to address the needs of carers in the County
- 7.2 The Committee may need to be mindful that the Community Services Overview and Scrutiny Panel's Remodelling of Care Scrutiny Working Group has also touched upon the issue of carer support in their final report considering:
- What provision has NCC made available to carers historically?
  - Has this changed with the introduction of Personal Budgets?
  - What impact is this new way of working having on carers?

The Working Group's final report went to Community Services Overview and Scrutiny Panel on 5<sup>th</sup> March 2013 and provided an update on carer support within the Council.

- 7.3 In light of the County Council elections and the work that the Remodelling of Care Working group has undertaken around this area Cabinet Scrutiny Committee have delayed any work on this scrutiny.

<b>Norfolk County Council: Cabinet Scrutiny Committee</b>
<p><b>Terms of reference for Scrutiny of</b></p> <p>The support that Norfolk County Council provides to Carers</p>
<p><b>Scrutiny by</b></p> <p>Cabinet Scrutiny Committee to agree whether the scrutiny will be undertaken by the main committee or a small working group</p>
<p><b>Reasons for Scrutiny</b></p> <p>Cabinet Scrutiny Committee held a work programming session in March 2012 to review the forward work programme for the year and suggest future topics for consideration.</p> <p>The Committee raised the issues of 'Support for Carers' as a potential future topic for consideration as the issue cuts across the services provided by both Community Services and Children's Services.</p> <p>(This was given a priority rating of 6 by members)</p>
<p><b>Purpose and Objectives for Scrutiny</b></p> <ul style="list-style-type: none"> <li>• To establish how effective Norfolk County Council strategies are at indentifying and supporting carers</li> <li>• To determine if there are any further steps that Norfolk County Council can take to address the needs of carers in the County.</li> </ul>
<p><b>Issues and Questions to be addressed</b></p> <ul style="list-style-type: none"> <li>• What is the scale and volume of carers in Norfolk in comparison with other Counties</li> <li>• How do we identify carers and in particular young carers and what strategies ad information are in place to deal with them</li> <li>• Examine the range of support provided to carers and its accessibility</li> <li>• What support does Norfolk County Council provide to the Carers Council</li> <li>• How are carers involved in the planning of County Council strategies and decision making to ensure that their needs are met</li> <li>• How do carers who self fund their own care receive information from the County Council</li> </ul>

- How do we raise awareness of the issues affecting carers within work places, schools etc. What training do we provide to schools to identify carers.
- How do the services that the County Council provide reflect the very different needs of both young and older carers
- How can we encourage better identification of young carers
- What impact does caring responsibilities have on carers e.g. health, mental health, schooling, employment
- How does Norfolk County Council support carers who work within the organisation and is this a model of good practice
- What examples of good practice do we have of providing services for carers from elsewhere
- What impact will the changes in social care and personal budgets, reduction in funding have on carers

#### **People to Speak to:**

Director of Children's Services  
 Young Carers Strategy Adviser  
 Service Development Manager (Vulnerable Children and Young people)  
 Director of Community Services  
 Director of Commissioning Community Health and Care  
 Carers Council  
 Cabinet members for Community Services and Children's Services

#### **Deadlines and Timetable**

To be agreed by Cabinet Scrutiny Committee

#### **Terms of Reference agreed by Cabinet Scrutiny Committee**