

Annual Governance Statement for Norfolk County Council

2019-20

1. Introduction

1.1. The Accounts and Audit (England) Regulations 2015 (as amended by The Accounts and Audit (Coronavirus) Amendments Regulations 2020 (SI 2020/404)) require that:

- The Council must conduct a review at least once a year of the effectiveness of its system of internal control,
- Findings of this review should be considered by the Council,
- The Council must approve an Annual Governance Statement; and
- The Annual Governance Statement must accompany the Statement of Accounts.

For Norfolk County Council (the Council) the Audit Committee undertakes these duties on behalf of the Council. Under the amendment, the publication date for audited accounts will move from 31st July to 30 November 2020 for all local authority bodies. In relation to any meetings needed to approve the published accounts, separate regulations (The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 SI 2020/392) have been made to enable meetings to be held remotely, and to hold and alter the frequency and occurrence of meetings without the need for further notice.

1.2. The Covid-19 outbreak, which started in late 2019 and developed rapidly during early 2020, meant that the Council deployed the Civil Contingencies Act 2004^[1] provisions and in order to follow government guidance on remote working and social distancing suspended Council meetings. In May the Council successfully deployed remote Council meetings for [Cabinet](#) and [Scrutiny](#) meetings. Decisions have been taken by Cabinet Portfolio Holders or the Head of Paid Service, as allowed for in the Council's Constitution. Business and officer meetings, briefings, communication and training continued successfully in a virtual format exploiting and leveraging the Council's Microsoft TEAMS facilities. The system has shown capacity for over 3,000 simultaneous remote users. The Government passed a Coronavirus Act 2020 in March 2020 and has subsequently issued supporting regulations. The Council has participated in the Norfolk Resilience Forum and has held effective Gold and Silver meetings daily throughout the outbreak. A detailed report on the Covid-19 response and the financial implications was reported to Cabinet on Monday 11 May 2020. The report can be found at this [link](#). A NCC response to Covid-19 initial lessons learned report was reported to Cabinet on Monday 3 August 2020. The report can be found at this [link](#).

[1] Councils are category one responders under the Civil Contingencies Act 2004, which sets out the legislative framework for responding to emergencies such as the Covid-19 outbreak. As part of the local resilience forum councils work with local partner organisations to plan and activate emergency responses and there are established officer-led processes for leading the strategic (gold), tactical (silver) and operational (bronze) responses under the 2004 Act.

- 1.3. The Chief Internal Auditor reviews the effectiveness of the system of internal control throughout the year and reports annually to the Audit Committee. Due to the suspension of Council meetings the 9th April 2020 Audit Committee was cancelled. The Chief Internal Auditor reported to the Audit Committee on 30th July 2020 that, in his opinion, the system of internal control, including the arrangements for the management of risk during 2019-20, was acceptable and therefore considered sound. This statement was approved, along with the Statement of Accounts, at the 15th October 2020 meeting of the Audit Committee.
- 1.4. As part of producing this statement, Executive Directors have completed and signed an Annual Positive Assurance Statement and completed a supporting departmental assurance table. Action plans will be put in place where any strengthening may be required.

2. Scope of responsibility

- 2.1. The Council is responsible for ensuring its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way it exercises its functions having regard to economy, efficiency and effectiveness. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 2.2. The Council has approved and adopted a Code of Corporate Governance consistent with the principles of the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014). The Code was approved by the Policy and Resources Committee on 26 March 2018. The Code has now been updated for consequential changes due to the adoption of the Cabinet system from May 2019. If you require any further information regarding this statement please contact Mr. Simon George, Executive Director of Finance and Commercial Services, Norfolk County Council, County Hall, Martineau Lane, NR1 2DW.
- 2.3. Through the application of the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20, the Annual Governance Statement must include reference to controls where significant activities take place through a group entity. This includes Companies that the Council owns, or part owns.
- 2.4. This statement explains how the Council has complied with the Code of Corporate Governance and meets the requirements of regulation 4 of the Accounts and Audit (England) Regulations 2015, in relation to the publication of an Annual Governance Statement.
- 2.5. The Council administers the Norfolk Pension Fund and, until 1 August 2018, the Norfolk Firefighters Pension Fund. The governance arrangements are statutorily prescribed. The

Council complies with these requirements. For further details, please consult the [Norfolk Pension Fund Governance Statement 2019](#).

2.6. The Council hosts or is represented on several Joint Committees, which are:

- Norfolk Records Committee,
- Norfolk Joint Museum Committee,
- Eastern Shires Purchasing Organisation (ESPO),
- Norwich Highways Agency Committee,
- Eastern Inshore Fisheries and Conservation Authority
- Norfolk Parking Partnership Joint Committee
- Norfolk and Waveney Joint Health Scrutiny Committee
- Joint Committee for Transforming Cities Fund projects.

2.7. The Council owns 13 companies (eight are 100% owned, three are partially owned and two are limited by guarantee with no share ownership), detailed below:

Active Companies:

- The largest wholly owned company by the Council is the Norse Group Limited. It is the parent company of NPS Property Consultants Limited, Norse Transport, Norse Eastern Limited, Norse Commercial Services Ltd and Norse Care Ltd, plus their subsidiaries. For more information regarding NORSE and its services, please refer to its website at <http://www.norsegroup.co.uk>
- Hethel Innovation Ltd, is wholly owned by the Council. The primary purpose of the company is to support inclusive economic growth and deliver associated economic benefits for the benefit of Norfolk communities, particularly where there are specific challenges, or the market has failed to address need. For more information please refer to the website at <http://hethelinnovation.com/>.
- Independence Matters is a Community Interest Company (CIC) which started trading 1 November 2013. The Council owns 49% of the shares for the initial contract period of three years which was extended for two years to 31st May 2019. A ten-year strategic partnership agreement was signed with Norfolk County Council in July after a three month extension to the previous enterprise agreement. Within the Partnership Agreement both parties have signalled the intention to transfer the 51% staff share ownership to Norfolk County Council to support future procurement if it is in the best interest of all parties. Currently staff shares are held by Independence Staff Matters Ltd as corporate trustee of the Independence Matters Employee Benefit Trust. The new partnership agreement has removed the block contract covering the traded services, with service predominately contracted through the use of the relevant procurement framework. In response to the issues facing a national home care provider and to ensure continuity of care, Home Support Matters was set up on 10th December 2018, as a wholly owned subsidiary of Independence Matters. For more information regarding Independence Matters please refer to its website at <http://independencematters.org.uk/>.
- Norfolk Safety Community Interest Company (CIC) operates in partnership with Norfolk Fire and Rescue Service, and provides a range of risk management, training and

development and other services to public bodies, third sector organisations and businesses. The company is limited by guarantee with no share ownership and the guarantees are provided by County Council employees acting on behalf of the County Council. For more information on the CIC please refer to website at <http://norfolksafety.org/>

- Legislator 1656 Limited is a holding company which is jointly owned with Norwich City Council and is controlled through each party owning 50% of the voting share capital. The company owns 100% of Legislator 1657 Limited whose principal activity is the leasing of investment properties.
- Repton Property Developments Ltd was incorporated on 27 July 2017 and is wholly owned by the Council. Its primary objective is to undertake direct property development with the aim of maximising financial returns (capital receipts and revenue income) for the Council to support service delivery.
- NCC Nurseries Limited is wholly owned by the Council and was incorporated on 27 November 2019. The company has been set up to provide nursery provision after the previous provider, Great Yarmouth Community Trust, went into receivership. It operates six nurseries in the Great Yarmouth area and in due course it is expected that the company will seek alternative providers to run the nurseries and will withdraw from the sector.
- NCC HH Limited is wholly owned by the Council and was incorporated on 27 November 2019. The company has been set up to provide alternative education provision after the previous provider, Great Yarmouth Community Trust, went into receivership. It educates pupils at Shelton Horatio House School. The school had ceased admitting new pupils. NCC HH Ltd has ceased actively trading.
- LCIF 2 Limited was incorporated on 29 August 2019. The company is a management company which is responsible for the set up and implementation of the Low Carbon Innovation Fund. The company is limited by guarantee with no share ownership and the guarantees are provided 50% by the Council and 50% by the University of East Anglia. The Fund will invest in equity and convertible loans to support growing technologies across three LEP areas (New Anglia, Herefordshire and the Cambridge and Peterborough Combined Authority).

Non Active companies:

- The Great Yarmouth Development Company, which is jointly owned with Great Yarmouth Borough Council, with each party owning 50%. The company is currently in the process of being closed.

- Norfolk Energy Futures Ltd was wholly owned by the Council. The company was dissolved on 29 September.
- Educator Solutions Ltd, incorporated on 15 April 2016, was wholly owned by the Council. Educator Solutions was dissolved on 13 October 2020.
- Public Law East Limited, incorporated on 13 February 2017, is a wholly owned company. It is currently dormant.

Where appropriate the wholly owned/partly owned companies have Council Member and/or Officer representation on their boards of directors. Assurance about the governance in place for Norse has been obtained through the reports received by their Internal Auditors and a signed Group Annual Assurance Statement. All other significant companies have provided an Annual Positive Assurance Statement and completed a supporting assurance table. A governance review was carried out for Repton Property Developments Ltd in the year which found adequate controls were in place or being put in place.

2.8. The Council is a partner in five pooling arrangements, detailed below:

- The Norfolk Learning Difficulties Pooled Fund now exists only as a legal entity as part of the arrangements for commissioning Learning Difficulties health services. The Council now receives funding directly from Central Government as part of the formula funding
- Norfolk Medicines Support Service. The Council, the Clinical Commissioning Groups (CCG's) and Arden and Greater East Midlands Commissioning Support Unit, have put in place a Section 75 agreement, effective from 4th November 2019 until 31st October 2022. The CCG is the lead commissioner and Arden and GEM are the provider.
- There has been a Better Care Fund pooled arrangement in place, covering the five CCGs in Norfolk. Since April 2020, the CCGs have formed a single Norfolk and Waveney CCG. National guidance is awaited to enable a new Section 75 to be signed for 2020-21. The Better Care Fund (BCF) requires local authorities with responsibility for social services and CCGs to create a pooled commissioning fund for the provision of integrated health and community care services, with a priority purpose of supporting the integration of health and care. It incorporates Better Care Fund monies and Improved Better Care Fund grant. The pooled fund is secured through an agreement under section 75 of the National Health Service Act 2006. The Norfolk and Waveney STP Executive oversees the governance of the pooled fund. The Better Care Fund plan, which sets out how funds are spent, is required to be approved by the Health and Wellbeing Board. The Council administers the pooled funds.
- Following the Coronavirus pandemic a separate Section 75 agreement is being agreed to enable pooled fund arrangements to support the hospital discharge service requirements, commissioning of adequate step down care capacity and reclaim of related costs to the NHS. This will apply from 19th March 2020. The council will be

supporting contracts for all hospital discharge, including costs that would normally be commissioned by the CCG. Costs will be recovered via a monthly claim to NHSEI with Norfolk County Council contributing resources that would normally have been expected to support care following hospital discharge.

- Norfolk County Council with all seven district councils are members of the Norfolk Business Rates Pool. The Pool enables Norfolk Authorities to retain revenue from additional business rates growth by avoiding a levy on growth which would otherwise be payable to Central Government. The pooled funds are used to support economic development projects in Norfolk with Norfolk Leaders approving the allocation of funds to projects. Norfolk Authorities submitted an application to become a 75% Business Rates Pilot Pool in 2019-20. It was confirmed in the Local Government Finance Settlement that Norfolk's application had been successful. In addition to the pooled funds used to support economic development projects, the pilot is forecast to deliver additional retained business rates income for Norfolk Authorities, with the financial benefits expected to materialise in 2020-21. In practical terms, the pilot means that Norfolk as a whole will benefit from retaining an additional 25% of any business rates growth experienced in 2019-20 over and above the level that would have been retained under the previous 50% Business Rates Pool. The actual level of this additional growth will be confirmed after 2019-20. A pilot governance agreement has been agreed by Norfolk Leaders and submitted to the Ministry of Housing, Communities and Local Government.
- Norfolk County Council acts as the accountable body for the Greater Norwich Growth Board Infrastructure Investment Fund. The 2013 Greater Norwich City Deal allows, amongst other things, access to £60 million of Public Works Loan Board (PWL) borrowing at a reduced rate to fund strategic infrastructure. The agreement included a commitment from Broadland District Council, Norwich City Council and South Norfolk Council to pool CIL income, and in October 2015 an agreement including Norfolk County Council was signed to pool CIL income in order to create a substantial local growth fund to support local infrastructure projects". Further information can be found at <https://www.greaternorwichgrowth.org.uk/>

2.9 Norfolk County Council has been designated to manage the 2014-2020 France (Channel) England Interreg Va European programme.

A written guarantee has been received from the Ministry of Housing, Communities and Local Government (MHCLG) confirming that the UK Government will cover all the costs of NCC in ensuring the delivery of the programme in the event of no deal to ensure the smooth transition into whatever new arrangement apply as a result. In order to deliver a smooth transition, the UK Government would like NCC to manage the FCE programme until such time as a clear way forward has been agreed. The written guarantee ensures that this is at no cost to the NCC. The Treasury Guarantee provides assurance that funding is for projects committed by 31 December 2020. The risks associated with Brexit arrangements are reported through the Council's risk management function; RM022 Potential changes in laws, regulations, government policy or funding arising from the UK leaving the European Union, which may impact on Council objectives, financial resilience and affected staff ('Brexit').

The programme is an EU Commission programme funded through the Cohesion Fund and provides up to €223M of grant covering the geographic area of South and East England

and Northern France. This will leverage up to a total of €315M of funds (with match funding). The programme budget is agreed by the French and UK Governments. The Cooperation Programme (CP) was approved by both national governments and by the Commission in October 2015. For further information please refer to website <https://www.channelmanche.com/en/programme/about-the-programme/>

Within the Council, a Project Board has been set up to oversee the management of risks this initiative generates for the authority.

The Audit Authority reports to the Audit Committee on progress made against the audit strategy and audit plan. Should significant issues arise and fail to be resolved with regards to the management and control system, these would be reported to the Audit Committee. No such issues were reported in 2019/20.

The programme also has its own governance arrangements involving Member States and EC representatives.

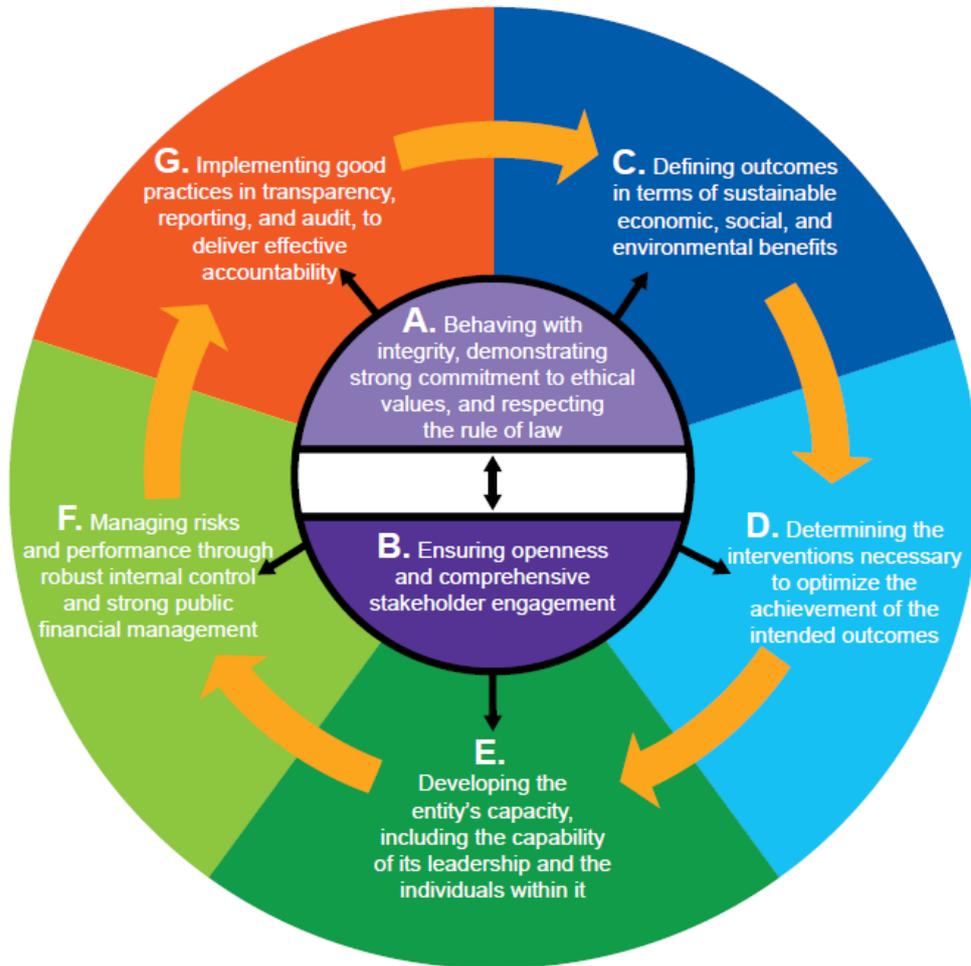
3. The purpose of a governance framework

- 3.1. A governance framework comprises the systems and processes, culture and values by which the Council is directed and controlled and through which it accounts to, engages with and leads the community. It enables the County Council to monitor the achievement of its strategic objectives and consider whether they have led to the delivery of appropriate, cost effective services.
- 3.2. The system of internal control is a significant part of that framework designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process to identify and prioritise such risks. It evaluates the likelihood of them being realised and the impact they would have should they be realised and helps manage them efficiently, effectively and economically.
- 3.3. All wholly owned companies have a system of governance which is the responsibility of their Board of Directors and designed to give the Directors adequate information to review the activities of the Group and review and control the business risks.

4. The Governance Framework

- 4.1. The council achieves good standards of governance by applying the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (The 'International Framework').

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



- 4.2. This diagram illustrates how the various principles for good governance in the public sector relate to each other. To achieve good governance the Council should achieve their intended outcomes while acting in the public interest at all times. As overarching requirements for acting in the public interest, principles A and B apply across all other principles (C – G)
- 4.3. The Council's [Code of Corporate Governance](#) details the arrangements in place to comply with each of the principles. Several meetings, such as the 15th April 2019 County Council, the 18th April 2019 Audit Committee and the 24th April 2019 Health and Wellbeing Board were held under the previous Constitution. The Code has now been updated for consequential changes due to the adoption of the Cabinet system from May 2019. This Annual Governance Statement reviews the effectiveness of those arrangements and references changes that took place at the end of the financial year (and remain to date) for the Governance of the Council, as a result of the Covid-19 outbreak.
- 4.4 In response to the Covid-19 emergency the Council has developed a Distribution Infrastructure) to assist with the distribution of supplies to vulnerable members of the community. The Council established a 'step down' facility to assist with transfer of care

cases from the NHS. The Council's Customer Services Centre have supported helplines. The Council has supported the local care market through constructive management of its contracts and payments. The Council has worked to source Personal Protective Equipment (PPE) for health and social care organisations including privately managed care homes in the County. We have worked with the Norfolk and Waveney CCG to ensure emergency PPE provided by central government, the CCG and NCC is provided to those organisations most in need. The Council has also proactively established internal staffing and wellbeing procedures to ensure that staff and managers are fully supported and resourced when working remotely or in the community during the emergency.

- 4.5 The Council has had to divert significant resources to responding to the Covid-19 pandemic. Strategic and operational control, including redirecting effort from other activities, has been exerted by a Gold and Silver command structure. The incurring of expenditure and the setting of policy has, where a key decision (as defined in the Council's constitution) was required, been authorised by the relevant Cabinet member. Existing projects, such as the Third River Crossing, SEND Capital Programme and the Western Link, and programmes, such as the Children's Services Transformation Programme are respecting Government guidance on remote working and social distancing and, as such, some activities were temporarily put on hold. Along with other local authorities the Council has received significant financial assistance from the Government in relation to liabilities associated with responding to the Covid-19 situation. The risk management framework has been followed to provide for both a Covid-19 Operational Risk Register for use by the tactical Silver Group and a Covid-19 Strategic Risk Register for use by the Corporate Board to manage emerging risks through the different phases of the pandemic and once the emergency response lifts. The Corporate Board have considered a report giving an assessment of the risks of longer term disruption and consequences arising from the coronavirus pandemic. Risk Management is also embedded at Departmental level and services are reviewing their specific risks. In September 2020 Cabinet supported the move to the Council becoming a locally supported contact tracing area to support and protect Norfolk residents recognising that full costs are still to be confirmed and that they are likely to create a cost pressure and delegating the final decision to the Leader as the Chair of the Norfolk Covid 19 Engagement Board.

5. Effectiveness of the governance framework

- 5.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

That review is informed by:

- The work of the Head of Paid Service and Executive Directors within the County Council who are responsible for the development and maintenance of the governance environment
- The statutory roles of the Council's Monitoring Officer and Section 151 Officer
- The signed departmental assurance statements received and signed by Executive Directors for 2019-20
- The Annual Governance Statement working group
- Work performed by Internal Audit

- Comments made by the external auditors and other review agencies and inspectorate
- Systems and controls carried out as outlined in the Code of Corporate Governance.

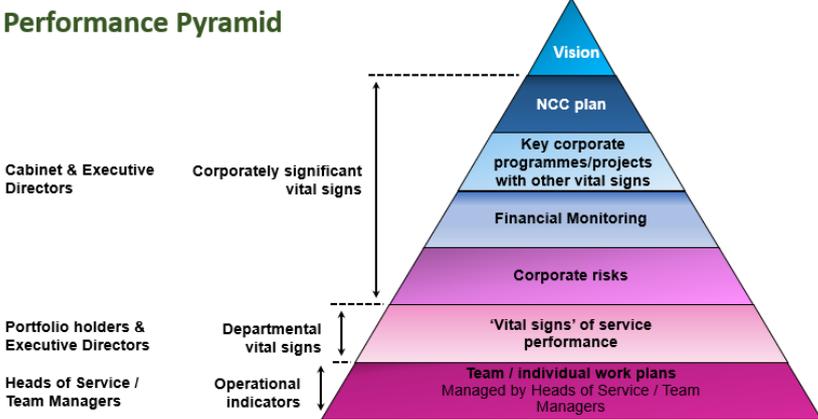
Responsibility for this annual review has been delegated to the Audit Committee. Overall, it is considered the Council's governance arrangements continue to be fit for purpose, in accordance with the governance framework.

5.2 The effectiveness of the governance framework can be demonstrated by the following:

	Principles	Comment
A	Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.	<p>Executive Directors confirmed, in all significant respects services comply with the Council's Constitution, Financial Regulations and key policies and procedures which include for declarations of interest, compliments and complaints and whistleblowing. Actions are in place to ensure full compliance.</p> <p>A register of Members interests, and a register of gifts and hospitality is published for each Member on the Norfolk County Council internet.</p> <p>The Standards Committee met once during 2019-20 on 9th October 2019. The role of the Standards Committee is to promote and maintain high standards of conduct by councillors and co-opted members.</p> <p>Progress on the Council's Equality, Diversity and Inclusion objectives 2017-2020 was reported to Cabinet in December 2019 Page 27.</p> <p>The Monitoring Officer's Annual Report was reported to the Audit Committee on 30th July 2020. There are no exceptions to report.</p>
B	Ensuring openness and comprehensive stakeholder engagement.	<p>From May 2019 the Council changed from a Committee system of governance to an Executive Leader and Cabinet system of governance. The new Constitution was adopted in the Annual General Meeting in May 2019.</p> <p>Cabinet, Scrutiny Committee, Select Committees and Full County Council have met regularly throughout the year. These are open meetings and the agenda and public reports are available to the public prior to the meetings. Full County Council and Cabinet meetings are filmed and streamed live on You Tube on the NCC Democratic Services Channel. There is also provision for the public to ask questions. Decisions taken at these meetings have been recorded in minutes. The agendas, public reports and minutes are available on the Council website, with the exception of certain confidential information.</p>

	Principles	Comment
		<p>A Norfolk Strategic Planning Framework has been endorsed by all stakeholder authorities in October 2019. It includes the shared objectives with Norfolk's Local Planning Authorities (including Norfolk County Council).</p> <p>During the year the Council has effectively engaged with stakeholders, residents and people who use the services provided. The Council consults on changes to services and other key decisions, such as the annual budget. The Council embraces the "We Asked, You Said, We Did" approach to consultation by publishing key findings from consultations and feeding back how these have contributed to council decisions.</p> <p>As well as formal consultations the Council runs a variety of events and manages a variety of panels or forums. These create opportunities for open dialogue with people who use the services enabling them to feed back their views, interests and concerns relating to the services offered. The key events and research included a business rates consultation event, resident research which offers an insight into the experiences of Norfolk residents and provided useful context for the NCC 6-year business plan. We delivered Meet the Leader sessions and we also engaged with people through the In-Care Council, Norfolk Youth Parliament and communicated with the Your Voice email list of residents.</p> <p>Norfolk wide engagement projects included feedback sessions with families across Norfolk to gauge their views and help the Council to design a new Early Years and Childhood Family Service; the Voluntary Sector Partnership Group helps to create better ways of working with the voluntary sector in Norfolk; bespoke engagement events designed to support the redevelopment of historical buildings in Norwich have also been delivered.</p> <p>There is an agreed Communication Strategy and Media Protocol delivered by the media team.</p> <p>As a result of the Covid-19 outbreak, which started in late 2019 and developed rapidly during early 2020, meant that the Council deployed the Civil Contingencies provisions and suspended Council meetings. Decisions have been taken by Cabinet Portfolio Holders or the Head of Paid Service, as allowed for in the Council's Constitution.</p> <p>Decisions taken by the Head of Paid Service and Portfolio Holders are published as a Summary which is reported to Cabinet. Any Delegated Decisions called in from those</p>

	Principles	Comment
		<p>made by Cabinet Members will be considered at a subsequent Scrutiny Committee. As a result of the Covid-19 adjustments Officer Delegated decisions were reported at part 10 (pages 3 and 4) of the 11th May 2020 Cabinet agenda.</p> <p>Many officer meetings continued in a virtual format. The Government passed a Coronarvirus Act 2020 in March 2020 and has subsequently issued supporting regulations.</p>
C	<p>Defining outcomes in terms of sustainable economic, social and environmental benefits.</p>	<p>The vision for Norfolk in 2021, was approved by Full Council on 12 February 2018. This set out the direction of the Council in the next three years and what it would like to achieve.</p> <p>The 'Vision for Norfolk 2021 Caring for our County' outlines the Council's commitment to:</p> <ul style="list-style-type: none"> - Building communities we can be proud of - Making the most of our beautiful County - Starting a new relationship with Norfolk families - Investing in children and families - Helping our population remain independent, resilient and well - Getting our own house in order. <p>Across the Council, teams and departments have developed 'Plans on a Page' bringing fresh thinking to the task of proposing new and different ways to prepare for the future. Plans on a page support the Council's vision.</p> <p>On 7 May 2019 the Council formally adopted "Together, for Norfolk an ambitious plan for our County 2019-2025". It includes clear priorities and outcomes, as stated below:</p> <p>Priorities</p> <p>Focusing on inclusive growth and improved social mobility Encouraging housing, infrastructure, jobs and business growth across the County Developing our workforce to meet the needs of the sectors powering our local economy.</p> <p>This way we can help Norfolk have a growing economy, full of thriving people living in strong communities we are proud of.</p> <p>Outcomes</p>

	Principles	Comment
		<p>See page 64 of the County Council Agenda</p> <p>The Council's new Environmental Policy was presented and approved at Full Council on 25 November 2019.</p>
D	<p>Determining the interventions necessary to optimise the achievement of the intended outcomes.</p>	<p>Performance Pyramid</p>  <p>The diagram illustrates a pyramid with six levels. From top to bottom: Vision; NCC plan; Key corporate programmes/projects with other vital signs; Financial Monitoring; Corporate risks; 'Vital signs' of service performance. Below the pyramid, three levels of monitoring are indicated: 'Corporately significant vital signs' (linked to Cabinet & Executive Directors), 'Departmental vital signs' (linked to Portfolio holders & Executive Directors), and 'Operational indicators' (linked to Heads of Service / Team Managers). The bottom level of the pyramid is labeled 'Team / individual work plans Managed by Heads of Service / Team Managers'.</p> <p>During the year Cabinet received performance monitoring reports on the identified key areas (vital signs). These included performance dashboards and a detailed review of those areas not performing as expected. These provided both quantitative and qualitative performance information. Where performance is not meeting expectations, the reasons why are discussed and the required action to improve performance is identified.</p> <p>The vital signs were revised in April 2020 to reflect the revised priorities and to ensure they provide early indicators of future operational and strategic risks.</p> <p>Each Executive Director/Departmental Management Team reviewed performance at least monthly, with challenge provided by the Business Intelligence function.</p> <p>The annual report showing how we are delivering against the plans and commitments stated in the Norfolk County Council Plan 2019-2025 has been delayed due to Covid-19. It is the intention to refresh the Together, for Norfolk plan in April 2021 to align with recovery work, other long terms implications of Covid-19 and any policy changes from central government.</p> <p>The Scrutiny Committee has met monthly during the year.</p> <p>External challenge has been provided through benchmarking, inspections and peer reviews. In October 2019 an LGA Corporate Peer Review was undertaken. It identified there needed to be an increased corporate</p>

	Principles	Comment
		<p>overview of performance and the opportunity for greater challenge. Details of other inspections and peer reviews are included in Appendix 1.</p>
E	<p>Developing the entity's capacity, including the capability of its leadership and the individuals within it.</p>	<p>Developing NCC's capacity</p> <p>The performance development conversations framework provides an evidence-based approach to setting goals, developing people and their performance. Training for managers supports their ability to lead high-quality conversations, however there is more work to do to ensure achievement of the target of 95% of colleagues having a record of these conversations on the system at 18 September completion was 79%). The Executive Directors are proactively championing the Performance Development Conversations approach now, a reporting dashboard is in development and work is underway to ensure that the new HR/Finance system will improve recording and reporting functionality to support improvement.</p> <p>Please note: since the coronavirus outbreak a modified approach to performance conversations has been agreed and implemented. Whilst performance development conversations remain a priority for ensuring clarity of individual and team goals, the focus will reflect the altered working practices and priorities of the organisation during this time.</p> <p>The Norfolk Development Academy provides learning and development resources required to develop and secure the capability of employees to meet the needs of the organisation; covering Leadership and Management, Core Skills, Digital Skills, Induction, NCC Apprenticeships, and Professional Communities.</p> <p>The NCC coaching strategy is underway and by Autumn 2020 there will be a cohort of internal, professionally qualified coaches available to support one to one learning and development.</p> <p>The Social Care Academy provides learning and development resources specifically to those colleagues working in social care.</p> <p>Both academies have a clear and robust governance structure in place led from the top of the organisation.</p>

	Principles	Comment
		<p>The annual staff survey is the primary pan-organisation measure of engagement and colleagues' sense of the 'deal' between themselves and NCC. This enables directorates and services to track their progress with leadership effectiveness, and to identify themes for improvement and parts of the organisation requiring more support. Corporate Board and SLTs govern action plans arising from the staff survey results.</p> <p>Pan-organisation leadership development provision is in early stages, as identified by the recent peer review. It currently focuses on the provision of level 7 apprenticeship in leadership and management (MBA) and twice-yearly leadership conference for the top 150 leaders which will be reshaped and delivered in a virtual way in 2020.</p> <p>The newly created post of Head of Organisation Effectiveness and Learning holds the overall, high-level plan for the above and this is governed via the HR Leadership Team, the Norfolk Development Academy Board and Executive Directors.</p>
F	<p>Managing risks and performance through robust internal control and strong public financial management.</p>	<p>Corporate and departmental risk registers are up to date and are being used by managers as a management tool.</p> <p>Reporting of risk management activity to Members and senior management is embedded; for instance, corporate risk registers have been reported quarterly and annually to Cabinet, the Audit Committee and Corporate Board. Departmental risk registers were reported in the Cabinet Agenda for the April 2020 meeting which was published; although the meeting itself was cancelled due to Covid-19 considerations. The quality and range of data and information included in these reports has been strengthened to better inform on progress with managing specific risks and give them a better overview of the risk profile of each service. The risk management framework and policy have been updated during the year, which was reported in the Annual Risk Management report in July 2020.</p> <p>Under the Fire and Rescue Services Act 2004 (The Act), the Council is the statutory Fire and Rescue Authority (FRA). The Act makes it a statutory requirement for the Fire and Rescue Authority to produce an Integrated Risk Management Plan. Norfolk FRA published its Integrated Risk Management Plan (IRMP) for 2020-23 January 2020. The latest published annual Norfolk Fire and Rescue</p>

	Principles	Comment
		<p>Statement of Assurance 2017/18 covering 2017-18, was approved and published in March 2019. On 5 August 2020 Cabinet approved the Norfolk Fire and Rescue Authority Statement of Assurance 2018/19. Collaboration arrangements between the Fire and Rescue Service and Norfolk Constabulary have been formalised through a Memorandum of Understanding and collaboration agreement. This collaboration has enabled a number of service improvements to be put in place, including:</p> <ul style="list-style-type: none"> - a new shared emergency control room, taking 999 calls from across Norfolk - more shared fire and police stations - a shared approach to dealing with missing persons - shared resources and training. <p>Oversight of activities is carried out through the Council's Cabinet system, with any decisions taken in line with the Council's Constitution.</p> <p>All the Executive Directors have confirmed there are approved protocols, signed contracts and effective governance arrangements are either in place or in the process of being put in place for work performed by third parties.</p> <p>Performance of wholly owned companies is monitored by Senior Officers and Members attendance at Board Meetings.</p> <p>Before May 2019 decisions were made by all-party committees with membership reflecting the overall political makeup of the Council. Committees debate, challenge and make decisions.</p> <p>From May 2019 there has been a Scrutiny Committee and three Select Committees which together constitute the Council's overview and scrutiny arrangements pursuant to section 21 of the Local Government Act 2000. The Scrutiny Committee monitors the decisions made by the Cabinet, Officers making executive decisions on delegated authority and other decisions. The Scrutiny Committee have 'called-in' decisions which have been made by the Cabinet but not yet implemented. This enabled them to consider whether the decision is appropriate.</p> <p>The three select Committees are:</p> <ol style="list-style-type: none"> a) People and Communities Committee b) Infrastructure and Development Committee c) Corporate Committee

	Principles	Comment
		<p>The Member Training Programme ensures Members are aware of their responsibilities in decision making. This includes being sufficiently challenging and ensuring they have the appropriate level of support and information to enable them to make an informed decision. It is the intention to refresh and re-establish the Member Support and Development Advisory Group (MSDAG) to provide strategic steer to planning training and development.</p> <p>The Council has robust internal control:</p> <ul style="list-style-type: none"> • An Annual Internal Audit Report from the Executive Director of Finance and Commercial Services/Chief Internal Auditor was made to the Audit Committee at its 30th July 2020 meeting. There were no exceptions to report. • Systems and processes for financial administration, financial control and protection of the Council's resources and assets are in place and these are continually reviewed to ensure they meet the Council's business requirements. These controls are clearly described in the Council's Strategic Financial Plan agreed by the Council in February 2019. In addition, a Going Concern Statement has been produced to provide additional assurance. • Effective internal control arrangements are in place. These include financial guidance, budgetary systems, monitoring systems, delegation arrangements, accounting procedures, information systems and authorisation and approval processes. • Annual accounts are published on a timely basis. • An effective internal audit function is resourced and maintained. • Risk management arrangements are effective. • An effective Audit Committee is in place. • Measures are in place to prevent, detect and investigate fraud and corruption. • The internal audit team is compliant with the relevant professional standards, namely the United Kingdom Public Sector Internal Audit Standards. From January 2017 these were updated and are now known as the International Standards for the Professional Practice of Internal Auditing. An external review was undertaken by CIPFA in May 2017.

	Principles	Comment
		<ul style="list-style-type: none"> • Outstanding corporate high priority audit recommendations are followed up to ensure controls are put in place as soon as possible. A summary of the outstanding corporate high priority audit findings is reported to the Audit Committee. <p>Executive Directors have confirmed there are processes in place to ensure the quality of data maintained or used as part of the decision making. The Council had successfully implemented a plan for the General Data Protection Regulation (GDPR) introduced on 25 May 2018. Data sharing arrangements are currently being made more robust.</p> <p>We have strong public financial management. Responsible Budget Officers are responsible for managing their budgets effectively. At the end of every month financial information on expenditure is produced including forecast expenditure and the planned impact on earmarked reserves. Finance Monitoring Reports have been discussed monthly at Cabinet.</p>
G	Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.	<p>During the year the Council has published information, including reports, in a manner which is accessible to citizens and other stakeholders. The Council complies with the Local Government Transparency Code 2015 by publishing accurate data within appropriate time frames.</p> <p>Reporting on performance, value for money and stewardship have been included in the Annual Report, Statements of Accounts and Annual Governance Statement.</p> <p>The Audit Committee has considered matters of governance, including internal audit, risk management, anti-fraud and corruption, the annual statement of accounts, treasury management and external audit during 2019/20.</p> <p>An Annual Internal Audit Report from the Executive Director of Finance and Commercial Services/Chief Internal Auditor was made to the Audit Committee at its 30th July 2020 meeting. There were no exceptions to report.</p> <p>All Executive Directors have confirmed staff are aware of their responsibility to report upwards any unresolved matters of concern about internal control.</p>

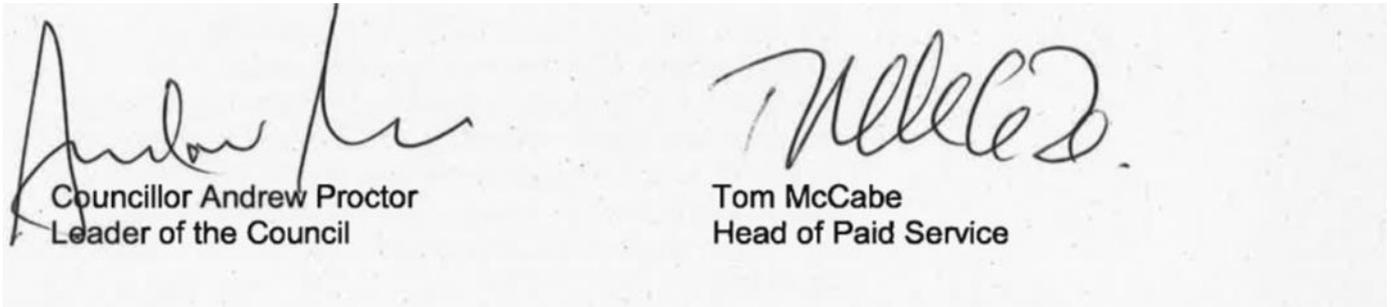
5.3 Active wholly owned Companies have completed assurance statements confirming the effectiveness of their governance framework. No concerns have been identified.

6. Review of Effective Action on Significant Governance Issues 2018/19

6.1 There were no significant governance issues reported in 2018-19.

7. Significant Governance Issues

7.1 There are no significant governance issues to report for 2019-20. The Council has a robust risk management function where corporate risks were managed through Cabinet and reported to the Audit Committee during the year.



Councillor Andrew Proctor
Leader of the Council

Tom McCabe
Head of Paid Service

30th November 2020

Notes:

Note 1: The following senior officers have contributed to drafting this statement

- Head of Paid Service
- Executive Director of Community and Environmental Services
- Executive Director of Adult Social Services
- Executive Director of Children's Services
- Executive Director of Finance and Commercial Services (Section 151 Officer)
- Executive Director of Strategy and Governance
- Director for People
- Director of Governance
- Director of Financial Management

Executive Directors who have produced signed Annual Positive Assurance Statements and supporting assurance tables

Head of Paid Service and Executive Director of Community and Environmental Services
Executive Director of Adult Social Services
Executive Director of Finance and Commercial Services
Executive Director of Children's Services
Executive Director of Strategy and Governance

Appendix 1

External Reviews carried out during the year

	Comment
3	<p>Finance and Commercial Services</p> <p>The overall key message in the external auditor’s (EY) Annual Audit Letter (available on the Council Finance webpage Statement of Accounts 2018-19) was that an unqualified opinion was issued on the Council’s accounts for 2018-19.</p> <p>The County Council was also given an unqualified ‘Value for Money’ opinion, within the Annual Audit Letter 2018-19.</p> <p>Children’s Services</p> <p style="padding-left: 20px;">Ofsted focused visit on ‘Front Door’ Services – October 2019</p> <p style="padding-left: 20px;">Ofsted Local Area SEND inspection – February 2020</p> <p>Adult Social Services</p> <p>The 6 April 2020 Cabinet (Page 10) considered the Local Government & Social Care Ombudsman (LGSCO) Public Report, at this link, published on 27th February 2020. The report concluded that there was fault and made recommendations to the Council for improvements. Where a fault has been found it is a statutory duty that the report be laid before the authority concerned and the Council are required to respond to the Ombudsman within three months of publication the action it has or intends to take.</p> <p>An ADASS Peer Challenge took place, as part as an ongoing programme</p> <p>In February 2018, ASC commissioned Socitm Advisory to conduct a strategic review to assess the current maturity of Adults digital and AT services, and develop a digital roadmap and ascribe savings potential to these actions</p> <p>The output of this work has been used by Adults to shape their ASTEC projects over the last 2 years.</p> <p>Socitm Advisory visited NCC on 14th January 2020 to meet with the project team, discuss progress and achievements, and share insight. The finding of this visit was “overall, NCC has made significant progress over the last 2 years. ASC are of course on a digital journey, and there are many opportunities to progress further, however we would consider NCC as one of the more mature digital programmes”</p> <p>Community and Environmental Services</p>

	Comment
	<p>Customer Service Excellence (trademark of the Cabinet Office) reviewed the Customer Service Centre operation on 12 November and awarded us their quality mark. (This is an annual review)</p> <p>'Good' rating from Ofsted for Adult Learning (inspection was in January).</p> <p>Trading Standards</p> <p>An annual assessment by the United Kingdom Accreditation Service (UKAS), as the UK National Accreditation Body, is performed to confirm that the Trading Standards calibration laboratory is meeting the standards required to maintain its accreditation status. At the assessment performed by UKAS during June 2019 the laboratory achieved accreditation to the new standard. The assessment team were extremely complimentary of the services provided and confirmed that compliance is being achieved on a continuing basis and therefore accreditation was maintained.</p> <p>An annual assessment by an ISO9001 certification body of the Trading Standards laboratory was performed during April 2020. Following confirmation that the requirements of standards and regulations were met on a continuing basis, certification was maintained.</p> <p>An annual assessment by representatives of the Secretary of State (BEIS) is performed to confirm that the Trading Standards laboratory's notified body – managed by Norfolk on behalf of the East of England Trading Standards Association Limited – is meeting the requirements of the appropriate EU directives and UK legislation. The assessment in March 2020 identified that requirements are being met on a continuing basis and therefore designation by the Secretary of State was maintained.</p> <p>An annual assessment was conducted in April 2020 by our nominated Radiation Protection Advisor (RPA) to ensure that controls the Trading Standards laboratory has in place, when using ionising radiation (IR), comply with the legal requirements of the IRR17. This provides the laboratory with consent to use IR within the Trading Standards' laboratory facilities at Hethel Engineering Centre.</p> <p>As part of its enforcement function, Officers of the Trading Standards Service are accredited on an annual basis by the National Crime Agency to conduct Financial Investigations. At the close of 2019/20 the national regulator had confirmed the accreditations of two Financial Investigators, three Financial Intelligence Officers and four Senior Appropriate Officers.</p> <p>An annual inspection by the Investigatory Powers Commissioners' Office (IPCO) of the National Anti-Fraud Network (NAFN) took place on 25-27 November 2019. NAFN provides technical expertise and processes Single Point of Contact (SPoC) communication data requests on behalf of Trading Standards and other regulatory services within the Community and Environmental Services Directorate. NAFN reported a positive and successful inspection, with the IPCO inspector reporting that he had 'identified a good overall standard of compliance across NAFN, underpinned</p>

	Comment
	<p>by a dedicated and experienced SPoC department... In particular, I highlight the work of your SPoC unit...finding management and staff to be most engaging, helpful and committed to assisting their colleagues in local authorities undertake their statutory responsibilities to investigate crime and safeguard vulnerable people’.</p> <p>An annual inspection by the Sports Grounds Safety Authority (SGSA) in December 2019 found that the Council had carried out an effective discharge of its duties under the legislation. The function moves to Trading Standards from Democratic Services in June 2020. Processes are in place to ensure effective handover of the function without a reduction in high standards achieved. A further recommendation from the SGSA inspection report is that the Council should give serious consideration to a move away from prescriptive type General Safety Certificate to the risk-based type. This will be taken forward with the Safety Advisory Group during 2020-2021.</p> <p>Governance and Strategy</p> <p>Two LGA Peer Reviews were carried out during the year. The first reported the Council is changing at considerable pace. There is an increased feeling of stability and it has successfully addressed the financial challenge to date. Areas for improvement include an increased corporate overview of performance and greater challenge. The second confirmed there was greater clarity and accountability that has resulted from the shift to the Cabinet system with Portfolio Holders. Recommendations include a review of its’ Constitution through a cross party working group and to establish a corporate approach to work programming across Cabinet, Scrutiny Committee and the Select Committees.</p> <p>Information Management Governance review by SOCITM</p> <p>Norfolk County Council (NCC) commissioned a review of its Information Management Governance Framework Arrangements by the Society for Innovation, Technology and Modernisation (SOCITM) – the professional network for leaders engaged in the innovation and modernisation of public services. The report was received in early March 2020 and has been used as a basis to create an action plan to further improve our current arrangements.</p>