

# Communities Committee

Item No.....

<b>Report title:</b>	<b>Strategic and Financial Planning 2018-19 to 2021-22 and Revenue Budget 2018-19</b>
<b>Date of meeting:</b>	<b>17 January 2018</b>
<b>Responsible Chief Officer:</b>	<b>Tom McCabe– Executive Director, Community and Environmental Services</b>

## **Strategic impact**

The proposals in this report will inform Norfolk County Council's decisions on council tax and contribute towards the Council setting a legal budget for 2018-19 which sees its total resources targeted at meeting the needs of residents.

The information in this report is intended to enable the Committee to take a considered view of all the relevant factors to agree budget proposals for 2018-19 and the Medium Term Financial Strategy to 2021-22, and make recommendations on these to the Policy and Resources Committee. Policy and Resources will then consider how the proposals from Service Committees contribute to delivering an overall balanced budget position on 29 January 2018 before the Full Council meets on 12 February to agree the final budget and level of council tax for 2018-19.

## **Executive summary**

This report sets out details of the County Council's strategy which will set out the future direction, vision and objectives for the Council across all its services. It also provides an overview of the financial issues for the Council, including the latest details of the Autumn Budget 2017 and the Local Government Finance Settlement for 2018-19. It then summarises this Committee's saving proposals for 2018-19, identified budget pressures and funding changes, and sets out the proposed cash-limited revenue budget as a result of these. The report also provides details of the proposed capital programme.

Details of the outcomes of rural and equality impact assessments in respect of the 2018-19 Budget proposals are set out in the paper, alongside the findings of public consultation around specific savings proposals, where relevant to the Committee.

Policy and Resources Committee works with Service Committees to coordinate the budget-setting process, advising on the overall planning context for the Council. Service Committees review and advise on the budget proposals for their individual service areas. The report therefore provides an update on the Service Committee's detailed planning to feed into the Council's budget process for 2018-19. The County Council is due to agree its budget for 2018-19, and Medium Term Financial Strategy to 2021-22 on 12 February 2018.

## **Recommendations**

Communities Committee is recommended to:

- 1) Note the new corporate priorities – Norfolk Futures – to focus on demand management, prevention and early help, and a locality focus to service provision as set out in section 2 of this report.**
- 2) Consider and agree the service-specific budgeting issues for 2018-19 as set out in section 5;**
- 3) Consider and comment on the Committee’s specific budget proposals for 2018-19 to 2021-22 set out in Appendix 2, including the findings of public consultation in respect of the budget proposals set out in Appendix;**
- 4) Consider the findings of equality and rural impact assessments, attached at Appendix 4 to this report, and in doing so, note the Council’s duty under the Equality Act 2010 to have due regard to the need to:**
  - Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;**
  - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;**
  - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.**
- 5) Consider and agree any mitigating actions proposed in the equality and rural impact assessments;**
- 6) Consider the recommendations of the Executive Director of Finance and Commercial Services, and:**
  - a. Recommend to Policy and Resources Committee that the Council’s budget includes an inflationary increase of 2.99% in council tax in 2018-19, within the council tax referendum limit of 3.0% for 2018-19;**
  - b. Note that the Council’s budget planning includes an increase in council tax of 3.0% for the Adult Social Care precept in 2018-19, meaning that no increase in the Adult Social Care precept would be levied in 2019-20.**
- 7) Agree and recommend to Policy and Resources Committee the draft Committee Revenue Budget as set out in Appendix 5:**
  - a. including all of the savings for 2018-19 to 2021-22 as set out. *Or***
  - b. removing any savings unacceptable to the Committee and replacing them with alternative savings proposals within the Committee’s remit.**

**for consideration by Policy and Resources Committee on 29 January 2018, to enable Policy and Resources Committee to recommend a sound, whole-Council budget to Full Council on 12 February 2018.**
- 8) Agree and recommend the Capital Programmes and schemes relevant to this Committee as set out in Appendix 6 to Policy and Resources Committee for consideration on 29 January 2018, to enable Policy and Resources Committee to recommend a Capital Programme to Full Council on 12 February 2018.**

## **1. Introduction**

- 1.1. The Council's approach to medium term service and financial planning includes a rolling medium term financial strategy, with an annual budget agreed each year. The County Council agreed the 2017-18 Budget and Medium Term Financial Strategy (MTFS) to 2019-20 at its meeting 20 February 2017. At this point, the MTFS identified a gap for budget planning purposes of £35.015m.
- 1.2. The MTFS position is updated through the year to provide Members with the latest available financial forecasts to inform wider budget setting work across the organisation. As previously reported to Committees, Policy and Resources Committee considered a report "Strategic and Financial Planning 2018-19 to 2021-22" on 3 July 2017, which set out a forecast gap of £100.000m for the period to 2021-22.
- 1.3. This year, the budget-setting process is closely aligned with development of the new Council Plan and associated corporate strategy work. Further details of this were set out in the report "Caring for your County" and in the Strategic and Financial Planning reports considered by Policy and Resources Committee.
- 1.4. Norfolk County Council is due to agree its new Budget and Medium Term Financial Strategy for 2018-19 to 2021-22 on 12 February 2018. This paper sets out the latest information on the Local Government Finance Settlement and the financial and planning context for the County Council for 2018-19 to 2021-22. It summarises the Committee's pressures, changes and savings proposals for 2018-19, the proposed cash limit revenue budget based on all current proposals and identified pressures, and the proposed capital programme.

## **2. County Council Strategy and Norfolk Futures**

- 2.1. The County Council Strategy will set out the future direction, vision and objectives for the Council across all its services.
- 2.2. A key plank of the new strategy will be Norfolk Futures. This comprises a number of initiatives focused on demand management, prevention and early help, and a locality focus to service provision, as referenced in the Strategic and Financial Planning 2018-19 to 2021-22 report presented at Policy and Resources 30 October 2017.
- 2.3. Norfolk Futures will focus on delivering the administration's manifesto priorities over the Medium Term Financial Strategy period and include:

### **Local Service strategy:**

- We want to proactively target our services in the places where they are most needed in our market towns, Norwich, Great Yarmouth and King's Lynn.
- Joining up different areas of the council's work under one roof will enable the closure of little-used buildings and remodelled services.
- Refocusing our investment, based on the evidence we have of service usage will mean we can create services that meet the need of the residents in that place, rather than a one size fits all offer.

**A new deal for families in crisis:**

- We want to keep families together when life gets tough, and reduce the number of children entering the care system.
- To achieve this we will focus on early intervention to keep children safely at home.
- When we have to help and offer care we will use foster care and adoption where appropriate, which we know deliver better outcomes for our children.
- We will reduce our use of residential care and invest in specialist support alternatives.
- Care leavers will be better supported through high quality post 16 provision.

**Promoting independence for vulnerable adults:**

- We want to give people the skills and confidence to live independently and safely, in their own homes, for as long as possible.
- To do this we will focus on those most likely to need our formal services at some point to help them to stay independent for longer.
- This will involve supporting people to overcome problems and find renewed levels of independence.
- Helping people with learning difficulties to do the things we all want to do in life.
- Strengthen social work so that it prevents, reduces and delays need.

**Smarter information and advice:**

- We want to make it easier for people to find trusted, reliable information to make decisions that improve their independence and well being.
- Direct and connect people to services in their local community.
- This will help people to take control of their lives and their futures and to reduce reliance on health and local authority services.

**Towards a Housing Strategy:**

We care about the large number of people who are not able to afford a home of their own. As a county council we can help by accelerating the delivery of new housing, in all forms, throughout Norfolk by:

- Using county council landholdings to undertake direct development via Repton Property Developments Ltd, NCC's development company.
- Providing up-front finance for infrastructure development.
- Acquiring strategic landholdings with a view to development.
- Working in partnership with housing authorities, the HCA, and the LEP to secure additional investment.
- Highlight gaps in the type and location of accommodation to meet the needs of the people of Norfolk today and in the future.

**Digital Norfolk:**

Driving the creation of a sustainable technology infrastructure for better broadband and mobile services.

- Norfolk will be a place where all appropriate local government services are available online and are used safely and effectively by people to live, work, learn and play.
- We want to use technological solutions, to provide smarter ways of working and reduce costs within the council and in frontline services.
- Support provision of smarter information and advice by providing quicker, reliable access.
- This could include more online transactions, which are more convenient for many people and are more cost effective.

#### **Commercialisation:**

- Sweating our assets to maximise return on investment to invest in frontline services. Making the most of our under-utilised buildings and land by selling or leasing it to generate rent income.
- Running traded services profitably to make a return for the County Council to invest in frontline services.
- Seeking out new commercial opportunities.
- Managing the council's services in the most efficient way.
- Make sure the £700m we spend through contracted out services is managed and reviewed to ensure value for money.

### **3. Strategic financial context**

- 3.1. Through the submission of an Efficiency Plan in 2016<sup>1</sup>, the Council has gained access to confirmed funding allocations for the four years 2016-17 to 2019-20. As a result, the Council's main funding settlement in the period to 2019-20 is not expected to change substantially, although allocations are confirmed annually in the Local Government Finance Settlement.
- 3.2. The **Autumn Budget**, announced by the Chancellor of the Exchequer, Philip Hammond, on Wednesday 22 November 2017 contained relatively few announcements with implications for the County Council. The Chancellor characterised it as a "balanced approach" being adopted in the Budget, including preparing for the exit from the EU, maintaining fiscal responsibility, investing in skills and infrastructure, supporting housebuilding and home ownership and helping families with the rising cost of living.
- 3.3. The **provisional Local Government Finance Settlement for 2018-19** was announced on 19 December 2017. The 2018-19 Settlement represents the third year of the four year certainty offer which began in 2016-17, and was described by the Government as providing a path to a new system which will build on the current 50% retention scheme and will see councils retain an increased proportion of locally collected business rates. The Department for Communities and Local Government plans to implement the latest phase of the Business Rates Retention Scheme (BRRS) in 2020-21, which will see 75% of business rates retained by local government. This is to be achieved by rolling in existing grants including Public Health Grant and Revenue Support Grant. Local Government will also retain a 75% share of growth from the 2020-21 reset onwards. 100% Business Rates pilots are continuing with a number of new

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<sup>1</sup> <https://www.norfolk.gov.uk/what-we-do-and-how-we-work/our-budget-and-council-tax/our-budget/our-budget>

pilots announced for 2018-19. Norfolk was not one of the 2018-19 pilots, although there may be a further opportunity to apply to participate in 2019-20.

- 3.4. In recognition of the pressures facing local government, the settlement includes plans for the core council tax referendum limit of 2% to be increased by 1% to **allow a maximum increase of 3%** before a local referendum is required (in line with inflation) in both 2018-19 and 2019-20. The implications of this are discussed in the section on the latest 2018-19 budget position below.
- 3.5. The Settlement acknowledged concerns about planned reductions to Rural Services Delivery Grant (RSDG) and as a result this is to be increased by £15m in 2018-19 – so that RSDG will remain at £65m throughout the settlement period (i.e. to 2019-20). There has been no change to the distribution methodology, which means an additional (one-off) £0.737m for the County Council in 2018-19.
- 3.6. The Government set out plans to look at options for dealing with the negative Revenue Support Grant (RSG) allocations within the settlement which appear in 2019-20, and intends to consult in the spring to inform planning for the 2019-20 settlement. It should be noted that Norfolk is not in a negative RSG position during the four year settlement. The Government has also published a formal consultation on the review of relative needs and resources, intended to deliver an updated and more responsive distribution methodology for funding to be implemented from 2020-21.
- 3.7. No new funding has been announced for social care. However the Government has recognised that a long term solution to adequately funding social care services is required, and confirmed that a green paper on future challenges within adult social care is due to be published in summer 2018. There was no mention in the Settlement of any funding for the recently announced local government pay offer for 2018-19 and 2019-20 of 2% in each year, with higher increases for those earning less than £19,430. There was also no extension of the Transitional Grant provided in 2016-17 and 2017-18, which has ceased in 2018-19.
- 3.8. The latest estimate of the Council's overall budget position for 2018-19 as a result of the above, and any other issues, will be reported to Policy and Resources Committee in January.

## **4. 2018-19 Budget planning**

### **2017-20 Medium Term Financial Strategy**

- 4.1. County Council approved the 2017-18 Budget and the Medium Term Financial Strategy for the period 2017-18 to 2019-20 on 20 February 2017. The Medium Term Financial Strategy to 2019-20 set out a balanced budget for 2017-18, but a deficit remained of £16.125m in 2018-19, and £18.890m in 2019-20. The Medium Term Financial Strategy for 2017-20 therefore set out a forecast gap for the years 2018-19 and 2019-20 of **£35.015m** and included planned net savings of **£72.737m**.

## 2017-18 budget position

- 4.2. The latest details of the Committee's 2017-18 budget position are set out in the budget monitoring report elsewhere on the agenda. The Council's overarching budget planning for 2018-19 continues to assume that the 2017-18 Budget will be fully delivered (i.e. that all savings are achieved as planned and there are no significant overspends).

## The budget planning process for 2018-19

- 4.3. As reported to Service Committees in September, since the preparation of the Medium Term Financial Strategy, further pressures on the budget were identified, resulting in changes to the Council's budget planning position. At that point, the estimate of the budget gap for the four year planning period up to 2021-22 was **£100.000m**, and in September Service Committees were informed of the allocation of savings targets to aid in closing this projected gap.
- 4.4. In October, Service Committees then reported to Policy and Resources on the savings proposals identified to assist in closing the forecast gap for 2018-19. The total **gross** savings proposed were £41.593m. Policy and Resources Committee also considered a number of further changes to the Council's budget planning including the reversal and delay of a number of savings agreed as part of the 2017-18 Budget that had been identified as no longer deliverable in 2018-19. After new savings had been included, against the target **a budget gap of £7.806m remained for 2018-19 and £63.351m for the MTFS planning period 2018-22**. Policy and Resources Committee launched consultation on £3.580m of savings for 2018-19, and the level of council tax for the year, in order for Service Committees to consider the outcomes of consultation in January to inform their budget setting decisions.
- 4.5. In November Service Committees were updated on the position reported to Policy and Resources Committee but were not asked to identify further savings. In view of the remaining gap position for 2018-19, Committees were advised that **any change to planned savings or removal of proposals would require alternative savings to be identified**.
- 4.6. The budget position and the associated assumptions are kept under continuous review. The latest financial planning position will be presented to Policy and Resources Committee in January prior to budget-setting by County Council in February. The outline budget-setting timetable for 2018-19 is set out for information in Appendix 1 to this report.

## Latest 2018-19 Budget position

- 4.7. The council's budget planning was originally based on an increase in council tax of 4.9%, and the general approach set out in the council's Medium Term Financial Strategy has been to raise general council tax in line with inflation, reflecting the Government's assumptions within the local government financial settlement.
- 4.8. The Government has now provided the discretion to raise general council tax by an additional 1% without the need for a local referendum in both 2018-19 and 2019-20, recognising the higher forecast rate of inflation. **This means council tax can be raised by 3% for general council tax and 3% for the adult social**

**care precept, a total of 5.99% in 2018-19.** The Government's core spending power figures now assume the council will raise council tax by the maximum amount available of 5.99%.

- 4.9. Since the last budget report to Policy and Resources Committee in October 2017, a number of pressures have emerged which require funding in 2018-19. These include:
- Additional on-going funding to support Children's Services;
  - Funding for the £12m investment in Children's Services;
  - The national pay award offer of 2% plus higher increases for those earning less than £19,430;
  - Changes to planned savings; and
  - Continuing higher inflation rates.
- 4.10. **An additional 1.09% increase in council tax, to raise council tax by the maximum amount of 5.99% without requiring a local referendum would be worth approximately £3.9m in 2018-19 based on current tax base estimates. This would contribute to funding the above pressures, closing the gap in 2018-19, and reducing the 2019-20 forecast budget gap. A council tax increase of 5.99% would therefore enable a substantially more robust budget for 2018-19 and significantly reduce the risks for the council over the Medium Term Financial Strategy period.**
- 4.11. In setting the annual budget, Section 25 of the Local Government Finance Act 2003 requires the Executive Director of Finance (Section 151 Officer) to report to members on the robustness of budget estimates and the adequacy of proposed financial reserves. This informs the development of a robust and deliverable budget for 2018-19.

### **Budget planning assumptions 2018-19**

- 4.12. Key assumptions within the Council's current budget model include:
- **A CPI (2.99%) increase in council tax** above the 3% Adult Social Care precept, based on the updated assumptions used by the Government in the time 2018-19 local government settlement. Any reduction in this increase will require additional savings to be found. It should be noted that currently CPI is running at 3.0%<sup>2</sup>. The assumed council tax increases are subject to Full Council's decisions on the levels of Council Tax, which will be made before the start of each financial year. In addition to an annual increase in the level of Council Tax (but with no increase in council tax in 2021-22), the budget assumes modest annual tax base increases of 0.5%;
  - **That Revenue Support Grant will substantially disappear in 2020-21. This equates to a pressure of around £39m, but significant uncertainty is attached to this and clearly the level of savings required in year three could be materially lower should this loss of funding not take place;**
  - 2017-18 Budget and savings delivered in line with current plans (no overspend);

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<sup>2</sup> UK consumer price inflation: October 2017, published by the Office for National Statistics:  
<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/october2017>



- Use of additional Adult Social Care funding during 2017-18 and future years as agreed by Adult Social Care Committee 10 July 2017, with no changes to the overall funding allocations in 2018-19;
  - 2017-18 growth in Children's Services is included as an ongoing pressure and additional investment is included with Children's Services budgets to reflect 2017-18 pressures;
  - Ongoing annual pressures will exist in waste budgets; and
  - That undeliverable savings have been removed as set out elsewhere in this report, and that all the remaining savings proposed and included for 2018-19 can be successfully achieved.
- 4.13. The Executive Director of Finance and Commercial Services' judgement on the robustness of the 2018-19 Budget is substantially based upon these assumptions.

## 5. Service Budget, Strategy and Priorities 2018-19

### Autumn budget 2017 – implications for Communities Committee

- 5.1. As part of the Autumn Statement the Chancellor confirmed that as of 2020-21 the plan to implement latest phase of BRRS which will see 75% retained by local government from 2020-21 (**rolling in existing grants including Public Health and RSG**). In addition we have received notification of further reduction to the Ringfenced Public Health Grant in 2019-20. The implications of this are set out below (paras 5.5-5.10).

### Approach to developing budget saving proposals

- 5.2. As in previous years, the proposals developed by officers are those which are considered to be deliverable. The proposals seek to complement the thrust of Norfolk Futures (see section 2).
- 5.3. Where possible, we have continued to seek to prioritise bringing forward proposals which do not impact on front-line service delivery, including efficiencies, new processes and deleting vacant posts.
- 5.4. We have also continued to seek to bring forward proposals for delivery as soon as possible, to enable any associated saving to be delivered as soon as possible. This has been balanced with ensuring there is sufficient time to develop and re-model services, where needed.

### Changes to proposals since the Committee considered them in October

- 5.5. **Registrars CMM047** – note that the original figure for income generation in 2018/19 has increased by £0.020m since last reported to Members.
- 5.6. **Public Health** – the report the Committee considered in October set out a proposed £5m saving in Public Health, with £2m in 2018/19 and a further £1m in each of the subsequent three years. Since that time, officers have reviewed the activity within Public health and have looked to release funding for 2018-19 by:

- Adjusting budget allocation based on known spend and where no commissioned contract change required
  - Reduction in overall staffing establishment – proposed and detailed as part of CES budget savings re-organisation consultation November 2017.
  - Use of PH reserve to ensure reallocation of funding in year 1 proposals
- 5.7. This review identified £1m of funding that could be reallocated to support the delivery of Public Health finding activity throughout the Authority. Further details of how the savings are planned to be delivered and where the funding will be allocated are set out in Appendix 7.
- 5.8. We have also just received confirmation of the allocations of the Ring-fenced Public health grant and whilst 2018-19 is in line with what we had previously assumed (a reduction of £1.031m), the 2019-20 allocation will also be reduced by a further £1m. The Chancellors statement also highlighted that, as of 2020-21, authorities will no longer receive a ring-fenced Public Health Grant and this will be rolled into the retained business rates scheme, but only on the understanding that appropriate assurance arrangements are in place. Public Health England are therefore working with the Department of Health to agree the assurance arrangements that will need to be in place before the grant comes to an end and expect to confirm those measures by spring 2019. Should this not be possible, the Government may wish to consider retaining the ring-fenced grant beyond 2020. Therefore, we will need to consider how this would impact on the ability of the service to be able to deliver savings in the way that was previously assumed.
- 5.9. The Revenue Budget proposals set out in Appendix 5 form a suite of proposals which will enable the County Council to set a balanced Budget for 2018-19. **As such recommendations to add growth items, amend or remove proposed savings, or otherwise change the budget proposals will require the Committee to identify offsetting saving proposals or equivalent reductions in planned expenditure.**
- 5.10. The Executive Director of Finance and Commercial Services is required to comment on the robustness of budget proposals, and the estimates upon which the budget is based, as part of the annual budget-setting process. This assessment will be reported to Policy and Resources Committee and County Council.

### **Service specific commentary on proposals**

- 5.11. Below is some service specific information about some individual proposals. This is included to help ensure that the Committee can consider all relevant information in making a decision.

**Capitalisation** – this has no impact on service delivery or standards. The funding needed to do this is included in the Capital Programme at Appendix 6.

**Providing a joined up Library and Childrens Centre Service** – this is being developed as part of the Local Service Strategy workstream of Norfolk Futures (see Section 2).

**Proposals with staff changes** – some of the proposals relate to changes in staff/organisational structures. Where this is the case, the relevant staff consultation has been carried out and processes are underway to implement any changes. This is to ensure that we are in a position to deliver the associated saving for 1 April, assuming these proposals are agreed.

For Communities Committee services, there will be a net reduction in staffing establishment of 38.81ftes, out of a total of 1,909ftes in the CES department; note that the changes include deleting 13 vacant posts.

Included within these changes is an increase in the number of front-line library staff by 9.3ftes and an increase in the pay for front-line branch library staff (as agreed by Personnel Committee in December 2017). This relates to delivery of a saving already agreed by Members (see 5.12 below).

### **Delivery of some existing agreed 2018/19 savings**

- 5.12. The strategic financial planning report to Committee in October included an update on how two areas of saving previously agreed by Members were intended to be delivered. There are no decisions for Members to take on these as the savings targets were agreed in previous budget setting rounds. However, to enable transparency around how the savings will be delivered, and avoid any confusion with the new proposals set out in this report, a short summary on each of these is included below:

**Fire and Rescue Service** - £490k saving – this is being delivered through some changes in back office processes and efficiencies, and capitalisation of some spend (which is reflected in the capital programme at Appendix 6). The proposals should not have any impact on service delivery or staffing levels, and they do not relate to front-line service delivery or fire stations.

**Library and Information Service** - £622k saving – the majority of this is being delivered by re-shaping the staffing structure at libraries. This includes streamlining the management arrangements, changing some back office support arrangements and increasing the number and pay of frontline branch library staff. As reported in October, it is intended to re-model the mobile library service for 2019/20. We will bring a further report to Committee with proposals on this so that Members can have full sight of work on this.

## **6. Revenue Budget**

- 6.1. The tables in Appendix 5 set out in detail the Committee's proposed cash limited budget for 2018-19, and the medium term financial plans for 2019-20 to 2021-22. These are based on the identified pressures and proposed budget savings reported to this Committee in October, which have been updated in this report to reflect any changes to assumptions. Cost neutral adjustments for each Committee will be reflected within the Policy and Resources Revenue Budget 2018-19 to 2021-21 paper which will be presented on the 29 January 2018.
- 6.2. Appendix 6 provide details the list of proposed new savings for 2018-22, this is broadly in line with what members considered as part of the October Committee meeting, with the exception of an increase in the proposed saving deliverable

through the registrars services and proposed changes to the Public Health savings.

## **7. Capital Programme 2018-19**

- 7.1. A summary of the Capital Programme and schemes relevant to this committee can be found in Appendix 6.

## **8. Public Consultation**

- 8.1. Under Section 3(2) of the Local Government Act 1999, authorities are under a duty to consult representatives of a wide range of local people when making decisions relating to local services. This includes council tax payers, those who use or are likely to use services provided by the authority and other stakeholders or interested parties. There is also a common law duty of fairness which requires that consultation should take place at a time when proposals are at a formative stage; should be based on sufficient information to allow those consulted to give intelligent consideration of options; should give adequate time for consideration and response and that consultation responses should be conscientiously taken into account in the final decision.
- 8.2. Saving proposals to bridge the shortfall for 2018-19 were put forward by committees, the majority of which did not require consultation because they could be achieved without affecting service users.
- 8.3. Where individual savings for 2018-19 required consultation:
- The public consultations ran from the 6 November 2017 to 2 January 2018.
  - Those consultations were published and consulted on via the Council's consultation hub Citizen Space at:  
<https://norfolk.citizenspace.com/consultation/budget2018/>
  - A copy of the relevant elements of the consultation document are included at Appendix 8.
  - We promoted the consultation through Your Norfolk residents' magazine, online publications, social media and our website.
  - People were able to respond online and in writing. We also received responses by email to [HaveYourSay@norfolk.gov.uk](mailto:HaveYourSay@norfolk.gov.uk) and accepted responses in other format, for example, petitions.
  - Consultation documents were available in hard copy, large print and easy read as standard and other formats on request.
  - Every response has been read in detail and analysed to identify the range of people's opinions, any repeated or consistently expressed views, and the anticipated impact of proposals on people's lives.
- 8.4 One of the Communities Committee proposals required public consultation, and a summary of the outcomes of this consultation is below.

### **Children's centres and libraries consultation feedback**

- 8.5 The findings of this consultation are being reported back to the Children's Services Committee and the Communities Committee because our proposals relate to the work of both committees.

8.6 In addition to the steps the council has taken to promote the consultation, we have also had meetings with all the organisations who run our children's centres to discuss our proposals with them and we asked the organisations to promote the consultation on our behalf. We have also promoted the consultation on the Family Information Service social media.

8.7 There were 355 responses received to this consultation. Of these, just over half (172 people or 51%) replied as individuals. Twenty respondents told us they were responding on behalf of a group, organisation or business but not all gave the names of their organisations, some were residents whose response did not necessarily represent the organisational view. Of the respondents who described their relationship to the service, most were people who use the library service (197) and / or parents/carers of a child (or children) under aged 0-5 (139).

We received a petition with 5,792 signatures. Norfolk County Council Labour Group undertook a separate consultation and submitted the responses they received which contained 81 comments relating to this proposal.

8.8 Key issues and concerns were:

- a) Children's centre services are valued, and some respondents said they regard them as essential or a priority.
- b) Several people said they think that children's centre services should be reviewed, for example because it is good practice to review any service periodically and because children's centre services need to adapt to changes in the way people live their lives.
- c) Several respondents said that they think our proposals would have a negative effect on the health and wellbeing of families, and they are worried that families would become more isolated.
- d) A majority of people said that there need to be some children's centre services which all families can use, although some of these respondents said that there could be fewer universal services than there currently are.
- e) Several respondents said that having fewer universal services would make it harder for families to get help early on and before problems escalate, so families would end-up needing more intensive and costly support because they would end-up in crisis.
- f) Several respondents said it is difficult to identify which families need support – it is not just families on low incomes – the needs of families change over time and it is easier to provide support if families have built up a trusting relationship with children's centre staff from having attended universal groups.
- g) Some people said that children's centre services should be focused on the families that need them most, because the County Council has less money and so it is right or sensible that we should target our resources.
- h) Some people said they are worried that families living in rural areas would be negatively affected by the proposed changes to children's centre services, in particular some respondents said they are worried about having to travel further to get to services.
- i) Several people expressed support for children's centres and libraries sharing buildings, for example because it would help to get children reading or because it would help to make both services viable – although some people added caveats or said that each area would need to be

looked at on a case-by-case basis because co-location would not be suitable in every area.

- j) Many respondents said it would be difficult for our existing buildings to accommodate children's centre and library services because there would not be enough space for both services, the buildings would not have the right facilities and there would not be enough parking for everyone.
- k) Many people said it would not be appropriate for children's centres and libraries to share buildings because they offer very different services, in particular people raised concerns about offering sensitive and confidential support to families in libraries which are public buildings.

- 8.9 A full summary of the consultation feedback received to the children's centre and libraries proposal can be seen at Appendix 3a.

### **Reduction in Health-watch grant**

- 8.10 In addition to our public consultation on the above proposal we carried out more local consultation on some proposals by engaging directly with relevant organisations/groups. In particular we consulted with Healthwatch on our proposal to reduce the grant we give them by £189,000. The overall amount of funding has also been reduced by Government, so there is a real-time reduction for Healthwatch of around £220k.

- 8.11 Healthwatch raised their concern that our proposal would adversely affect their ability to make sure that the views and experiences of local people inform how health and social care services are delivered, particular affecting their ability to capture the views of people from underrepresented groups.

- 8.12 They also stated that the proposed reduction in funding would not guarantee their ability to be represented on a range of different bodies/attendance at meetings which enabled both health and social care commissioners and providers, and would affect their ability to contribute to the Sustainability and Transformation Partnership.

- 8.13 Healthwatch asked that this Committee considers an alternative approach for the reduction in funding to be implemented as follows, to enable them to look at securing some alternative funding:

25% in year one i.e. £30,000 cut, 50% in year two i.e. £60,000 cut, 75% in year three i.e. £90,000 cut.

- 8.14 Thirty one (31) residents contacted the council during the consultation period and expressed their support for Healthwatch's alternative approach. Many also took the opportunity to express their support for Healthwatch and tell us how invaluable they found their work.

## **9. Equality and rural impact assessment – findings and suggested mitigation**

- 9.1 When making decisions the Council must give due regard to the need to promote equality of opportunity and eliminate unlawful discrimination.

- 9.2 Equality and rural impact assessments have been carried out on each of Communities Committee's 13 budget proposals for 2018/19, to identify whether there may be any disproportionate or detrimental impact on people with protected characteristics or in rural areas.
- 9.3 Only two of the proposals are deemed likely to have a detrimental impact on people with protected characteristics— including disabled and older people, people with health conditions, Black, Asian and minority ethnic people, some parents of 0-3 year olds and people living in rural areas:
- Reduction in Healthwatch funding
  - Norfolk Community Learning Services – remodelling the staff structure.
- 9.4 In addition to this, although the proposal to provide a more joined up library and children's centre service may have a long term positive impact on community cohesion and equality, there are some issues to address to ensure accessibility for all users, particularly people in rural areas.
- 9.5 Four mitigating actions are proposed to address these impacts:
- (i) If the proposal to reduce Healthwatch grant goes ahead, offer assistance to Healthwatch to help prioritise activity in line with the areas of highest need for people with protected characteristics, and highlight alternative sources of funding or opportunities that may be available to Healthwatch.
  - (ii) If the proposal to remodel the staff structure of Norfolk Community Learning Services goes ahead, support learners who currently use the childcare service to access alternative provision, including ensuring staff are trained to be able to inform them of their entitlement to alternatives.
  - (iii) If the proposal to provide a joined up Library and Children's Centre service goes ahead, at an appropriate stage when the review has taken place, equality/rural impact assessments to be carried out, to identify any potential impacts on service users. This to include a risk assessment of access planning of potential sites, and a cost impact assessment on users. If any detrimental impacts are identified, they should be reported to Communities/Children's Committee as appropriate, along with any proposed mitigating actions that could be carried out, for consideration before a final decision is made.
  - (iv) HR Shared Service to continue to monitor whether staff with protected characteristics are disproportionately represented in redundancy or redeployment figures, and if so, take appropriate action.
- 9.6 The full assessment findings are attached for consideration at Appendix 4. Clear reasons are provided for each proposal to show why, or why not, detrimental impact has been identified, and the nature of this impact.

## **10. Financial implications**

- 10.1. Financial implications for the Committee's Budget are set out throughout this report.

## **11. Issues, risks and innovation**

- 11.1. Significant risks or implications have been set out throughout the report. Specific financial risks in this area are also identified in the Corporate Risk Register, including the risk of failing to manage significant reductions in local and national income streams (RM002) and the risk of failure to effectively plan how the Council will deliver services (RM006).
- 11.2. Income generation - as we continue to maximise and increase reliance on generation of income, from various sources, and become more reliant on market factors, we increase our risk.
- 11.3. External funding – there are a number of projects and services being fully or partly funded by external funding, for example grants from other organisations and successful funding bids. Many of these include an element of match funding or similar expectations about the County Council's input. Reductions in revenue funding could impact on our ability to do this and we could risk losing funding or our ability to successfully bid for funding in the future.
- 11.4. Staffing - It will not be possible to deliver the level of savings required without some changes and reductions in staffing levels. The CES Department has already made a number of changes/reductions to staff in recent years, including reducing the number of managers in the department, but further reductions will be needed. Although we will take steps to minimise the impact of any changes as far as possible, including by introducing new ways of working, there is a risk that a reduced workforce will directly impact on the level of service we are able to deliver.

## **12. Background Papers**

- 12.1. Background papers relevant to the preparation of this report are set out below.

Norfolk County Council Revenue and Capital Budget 2017-20, County Council, 20 February 2017, Item 4:

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/444/Committee/2/SelectedTab/Documents/Default.aspx>

Norfolk County Council Budget Book 2017-20, May 2017:

<https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/the-2017-2020-budget-book.pdf?la=en>

Caring for your County, Policy and Resources Committee, 3 July 2017, Item 7:

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1359/Committee/21/Default.aspx>

Strategic and Financial Planning 2018-19 to 2021-22, Policy and Resources Committee, 30 October 2017, Item 7:

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/638/Committee/21/SelectedTab/Documents/Default.aspx>

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