

Environment, Transport and Development Committee

Item No.

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| Report title: | Strategic and Financial Planning 2017-18 to 2019-20 and Revenue budget 2017-18 |
| Date of meeting: | 27 January 2017 |
| Responsible Chief Officer: | Tom McCabe – Executive Director, Community and Environmental Services |
| Strategic impact <p>The proposals in this report will inform the Council's decisions on council tax and contribute towards the County Council setting a legal budget for 2017-18 which sees its total resources of £1.4billion focused on meeting the needs of residents.</p> | |

Executive summary

Norfolk County Council is due to agree its budget for 2017-18, and Medium Term Financial Strategy to 2019-20, on 20 February 2017. The Policy and Resources Committee works with Service Committees to coordinate the budget setting process and to develop a robust and deliverable whole-council budget. Service Committees review and advise on budget plans for their service areas, taking into account the overall planning context as advised by Policy and Resources.

The Autumn Statement 2016 was announced by the Chancellor on 23 November. The Statement did not provide significant additional funding for local government, and details of the implications of announcements by the Chancellor are set out later in this report. The Council has been informed that its Efficiency Plan, prepared after the 2016-17 Budget, has been accepted, providing access to the four-year allocations of funding announced by the Government in 2016-17. The Provisional Local Government Finance Settlement was subsequently published on 15 December, and confirmed these allocations.

The Autumn Statement 2016 confirmed that the Government intends to follow the departmental spending plans set out in the Spending Review 2015, but with the target of a balanced budget being pushed back from 2019-20 into the next parliament as a result of worsening forecasts for the wider economy. As a result, the challenges of austerity and fiscal consolidation for the public sector are now expected to continue beyond 2019-20. This means that the County Council must continue to plan for significant uncertainty and financial pressure, while the implications of major funding changes, including the move to full business rates retention by local government, remain unclear.

In preparing last year's budget, the Council undertook a large scale consultation exercise with a view to identifying a significant level of savings to be achieved by the Council radically changing its role and the way it delivers services. As a result of this, savings of £115.182m were agreed by County Council for the period 2016-17 to 2019-20. For the 2017-18 Budget, this meant that the Council faced a smaller gap to be closed, initially identified as £8.827m and subsequently revised by Policy and Resources Committee. At this point, Services were requested to identify a further £20.000m of savings to enable a balanced budget to be set due to the impact of a number of changes in the Council's budget assumptions. This resulted in new savings proposals totalling £15.249m for 2017-18 reported to Service Committees in October. In November, new savings totalling

£11.616m were reported to the Policy and Resources committee and following the Autumn Statement, the Executive Director of Finance and Commercial Services advised Policy and Resources Committee that a further £4.000m of savings needed to be found to support the preparation of the 2017-18 Budget.

As part of the preparation of the 2017-18 Budget, the Council has assessed the deliverability of planned savings, and considered the overspend pressures within the current year 2016-17. Following this review, the proposals for the 2017-18 Budget represent a considerable investment in services to deliver the Council's key priorities and ensure that a robust, balanced Budget can be presented to Full Council for consideration.

This report sets out the latest information on the Local Government Finance Settlement and the financial and planning context for the County Council for 2017-18. It summarises the Committee's saving proposals for 2017-18, the proposed cash limited revenue budget based on all current proposals and identified pressures, and the proposed capital programme.

It also reports on the findings of rural and equality assessments. The findings of the public consultation are summarised where relevant to the committee.

The information in this report is intended to enable the Committee to take a considered view of all relevant factors in order to agree budget proposals for 2017-18 and the financial plan to 2019-20, and recommend these to Policy and Resources Committee. Policy and Resources will then consider how these proposals contribute to delivering an overall balanced budget for the whole council on 6 February 2017 before Full Council meets on 20 February 2017 to agree the final budget and plan for 2017-20.

This report includes proposals for significant capital investment which includes:

- | | | | |
|---|-------------------------------------|---------|--|
| • | Scottow Enterprise Park development | £3.952 | Additional investment in the essential infrastructure at the site to support the development at the site |
| • | Replacement HWRC Norwich | £2.750m | Provision of new recycling centre for Norwich as a replacement for the existing Mile Cross site |
| • | Highways | £3.500m | Investment in Highways including potential match funding for Flood mitigation schemes |

Recommendations:

The Committee is recommended to:

- (1) Consider and comment on the Committee's specific budget proposals for 2017-18 to 2019-20 in respect of:**
 - The budget proposals set out in Appendix A (summary of new proposals) and Appendix B (list of full proposals);
 - The new and additional savings proposals to contribute to the supplementary target of £4.000m for the Council as identified to Policy and Resources Committee in November 2016; and
 - The scope for a general Council Tax increase of up to 1.99%, within the Council Tax referendum limit of 2% for 2017-18, noting that the Council's budget planning is based on an increase of 1.8% reflecting the fact that there is no Council Tax Freeze Grant being offered, and that central government's assumption is that Councils will increase Council Tax by CPI every year. The Council also proposes to raise the Adult Social Care Precept by 3% of Council Tax as recommended by the Executive Director of Finance and Commercial Services. Bringing forward increase in the

social Care Precept will mean that the 2% increase planned for 2019-20 will not occur.

- (2) Consider the findings of the equality and rural assessment (included at Appendix D) 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.
- (3) Consider and agree any mitigating actions proposed in the equality and rural impact assessment at Appendix D.
- (4) Agree and recommend to Policy and Resources Committee the draft Committee Revenue Budget as set out in Appendix B:
 - a. including all of the savings for 2017-18 to 2019-20 as set out. *Or*
 - b. removing any savings unacceptable to the Committee and replacing them with alternative savings proposals within the Committee's remit. *Or*
 - c. removing any savings unacceptable to the Committee and recommending a commensurate increase in Council Tax, within the referendum limits, to meet the shortfall.

For consideration by Policy and Resources Committee on 6 February 2017, to enable Policy and Resources Committee to recommend a sound, whole-Council budget to Full Council on 20 February 2017.

- (5) Agree and recommend the Capital Programmes and schemes relevant to this Committee as set out in Appendix C to Policy and Resources Committee for consideration on 6 February 2017, to enable Policy and Resources Committee to recommend a Capital Programme to Full Council on 20 February 2017.

1. Background

- 1.1. Norfolk County Council is due to agree its new budget and plan for 2017-18 to 2019-20 on 20 February 2017. This paper sets out the latest information on the Local Government Finance Settlement and the financial and planning context for the County Council for 2017-18 to 2019-20. It summarises the Committee's savings proposals for 2017-18, the proposed cash limit revenue budget based on all current proposals and identified pressures, and the proposed capital programme.

2. The County Council strategy

- 2.1. The County Council has clear strategy for the future – called *Moving Norfolk Forward*. The County Council has set its overall strategic direction through the [County Council Plan](https://www.norfolk.gov.uk/what-we-do-and-how-we-work/policy-performance-and-partnerships/policies-and-strategies/corporate/county-council-plan)¹, agreed by full Council earlier in 2016-17. The Plan details the Council's ambition for everyone in Norfolk to succeed and fulfil their potential and demonstrates that by putting people first a better, safer future, based on education, economic success and listening to local communities, can be achieved.

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

- 2.2. Delivery of the Council's four priorities remains a core commitment for the local community. These priorities go beyond statutory responsibilities to focus on the areas that will bring the best results for Norfolk people:
- **Excellence in education** – working for a well-educated Norfolk and championing everyone's right to an excellent education, training, good health and preparation for employment;
 - **Real jobs** – real, sustainable jobs available throughout Norfolk, making Norfolk a place where businesses are able to grow or want to invest;
 - **Improved infrastructure** – making Norfolk a great place to live, work and visit, and ensuring communities are resilient, confident and safe;
 - **Supporting vulnerable people** – ensuring vulnerable people are safe, and helping people earlier before their problems get too serious.
- 2.3. Helping more people into real jobs, obtaining good qualifications, within a county which is accessible and connected to the rest of the country are key to Norfolk's future. With economic growth and sustainable services, people living here will be able to lead independent and fulfilling lives. Just as important is for the most vulnerable residents to have access to the support the need to live as independently as possible in the community.
At the same time as agreeing the overall County Plan, Members also agreed the County Plan Tracker, a three year set of targets which would signal significant progress towards each of the four priorities.
- 2.4. It is proposed that the targets already agreed by Full Council are confirmed for 2017-18, although recognising that the new council to be elected in May 2017 may choose to review and amend them as part of any wider changes to its strategic priorities.

3. Strategic financial context

- 3.1. The financial context in which the council operates continues to be challenging. Overall, councils have dealt with a 40% real terms reduction in core government grant since 2010. County Councils face some unique challenges within the local government family and research by the County Councils Network has identified that grants per head are 20% lower and social care cash funding has reduced by 21% between 2013 and 2015 while children's care referrals have increased and the needs of the frail, elderly and people with disabilities have become more complex.
- 3.2. Local authorities across the country are increasingly highlighting to Government the significant financial pressures they face, particularly in respect of social care budgets. Norfolk County Council is therefore not unique in reporting both pressure on the delivery of planned savings, alongside a current forecast overspend against the revenue budget in 2016-17. The issues being reported nationally include: consultation on emergency mid-year budget cuts for Northamptonshire County Council; a forecast £49m overspend at Birmingham City Council, which requires £78m of savings to balance the budget for 2017-18; and a savings requirement of £79m by 2020-21 for Lancashire County Council, which has also rejected the four year finance settlement on the basis that it is insufficient to deliver a balanced budget in the short to medium term. The Committee's responses to these budget pressures are set out in this paper, with the key focus being the contribution to the preparation of a robust budget for the whole Council for 2017-18.
- 3.3. In this context the government is moving towards a proposed new local government funding regime which reflects the expectations for local councils to fulfil a new role. By 2020, it is anticipated that revenue support grant will cease;

instead it is intended that councils will become self-sufficient and fund services through a system of 100% business rates retention, Council Tax and miscellaneous locally generated revenue streams.

- 3.4. This shift away from national funding allocations to locally raised income is probably the single most significant change to local government in modern times. It introduces new incentives for councils to place a priority on their role in generating economic growth, by developing the right conditions for businesses to grow, people to work, and places to thrive whilst running services on the most efficient basis so as to keep costs to a minimum. At this time the details of the new funding system remain to be fully defined.
- 3.5. Over the period from 2010-11 to 2016-17, Norfolk County Council's share of cuts has seen the authority lose £160.916m in Government funding while the actual cost pressures on many of the Council's services have continued to go up. For example, last year alone, extra demands on children's services and adult's social care services arising from circumstances outside of the Council's control – such as inflation, changes in Norfolk's population profile, and legislative changes by Government – cost another £13.790m. Absorbing ongoing spending reductions of this scale requires the Council to keep its business and operations under constant review, and to continually seek to deliver services in the most effective way possible, for the lowest cost.

4. The Council's planning process for the 2017-18 budget

- 4.1. In February 2016, the Council agreed the budget for 2016-17, and a four year medium term financial strategy (MTFS) taking account of the four year settlement figures provided by the Government. This included agreement of planned savings of £115.182m for 2016-17 to 2019-20, which resulted in a broadly balanced budget across the whole period, but with shortfalls of £8.827m and £11.714m to be addressed in 2017-18 and 2019-20 respectively.
- 4.2. In July 2016 Policy and Resources Committee received a report setting out details of the progress of the Council's budget work, which also recommended that the Council accept the Government's four year funding allocation to ensure a greater degree of certainty about future funding levels. This was followed in October with reports to Service Committees to set out options for savings to meet a projected £20.000m budget gap, and consideration of the deliverability of previously agreed savings.
- 4.3. Initial work to develop savings identified proposals totalling £15.249m for 2017-18 across the Council, which were reported to Service Committees in October. In November, new savings totalling £11.616m were reported to the Policy and Resources Committee. Following the Autumn Statement in November 2016, on the advice of the Executive Director of Finance and Commercial Services, Policy and Resources Committee heard that Services should continue to seek an additional £4.000m of savings to deliver a balanced budget for 2017-18.
- 4.4. The indicative allocation of the £4.000m of required savings to Departments and Service Committees, based on 2016-17 net budgets, is as follows:

Table 1: Allocation of Savings

| Department | Savings Target Based on 2016-17 Net Budget | Committee | Savings Target Based on 2016-17 Net Budget |
|--|---|-------------------------|---|
| | £m | | £m |
| Adult Social Care | 1.4 | Adult Social Care | 1.4 |
| Children's Services | 0.8 | Children's | 0.8 |
| CES | 1.2 | Communities | 0.3 |
| | | EDT | 0.9 |
| Resources | 0.1 | Policy and Resources | 0.6 |
| Finance, Property and Finance General | 0.5 | | |
| Total | 4.0 | Total | 4.0 |

- 4.5. Details of Service Committee savings proposals, including contributions towards this additional savings requirement, are set out later in this report.

5. The Autumn Statement 2016 and the Provisional Local Government Settlement 2017-18

- 5.1. The Autumn Statement 2016 confirmed that the period of shrinking government finance and cuts to local government funding is set to continue. The Government is no longer on course to eliminate the deficit by the end of the parliament and as a result the period of “fiscal consolidation” will continue longer than originally anticipated.
- 5.2. On 23 November 2016 the Chancellor of the Exchequer announced the Autumn Statement 2016, which set out the course for public sector expenditure up to 2021-22 and confirmed that the government would continue to follow the spending plans outlined in the 2015 Spending Review, except that the target of achieving a balanced budget would be pushed back into the next parliament. The Chancellor confirmed that departmental spending plans set out in the Spending Review 2015 will remain in place, and the £3.5bn of savings to be delivered through the Efficiency Review set out in the last Budget still need to be found. However, the Chancellor also announced that he was budgeting for up to £1bn of these savings to be reinvested in priority areas in 2019-20. These priority areas have not yet been specified. The government’s continued commitment to achieving a balanced budget means that the current period of fiscal consolidation is likely to continue well into the 2020s, so there is little prospect of an end to the financial challenges facing local government in the medium term. The government has however signalled that Departmental Expenditure Limits will increase in line with inflation from 2020-21.
- 5.3. The Council received confirmation from the Department for Communities and Local Government (DCLG) on 16 November 2016 that its Efficiency Plan submission had been accepted. This means that the Council is now formally on the multi-year settlement and can expect to receive the allocations published as part of the 2016-17 settlement for the period to 2019-20 (subject to future events such as transfers of functions and barring exceptional circumstances). The multi-year settlement does not include all of the funding in the local government settlement. The relevant elements that are included are:

Table 2: Certainty funding allocations for Norfolk County Council

| | 2017-18 | 2018-19 | 2019-20 |
|-------------------------------|----------------|----------------|----------------|
| | £m | £m | £m |
| Revenue Support Grant | 77.926 | 58.035 | 38.810 |
| Transitional Grant | 1.657 | - | - |
| Rural Services Delivery Grant | 3.195 | 2.458 | 3.195 |
| Total | 82.779 | 60.493 | 42.005 |

- 5.4. The Government also indicated that tariffs and top-ups in 2017-18, 2018-19 and 2019-20 would not be altered for reasons related to the relative needs of local authorities, and in the final year may be subject to the implementation of 100% business rates retention.
- 5.5. In spite of this welcome additional clarity, significant uncertainty remains about the implications of the Government's plans for 100% business rates localisation, intended to be in place before the end of the parliament. As a result the County Council continues to face major financial challenges and considerable planning uncertainty. Taken together, the Autumn Statement, and Provisional Settlement represent a key input for the Council's budget and service planning over the next three years, and will be one of the many elements that the Committee will need to take into account in determining its savings proposals and budget for 2017-18, and its financial plans up to 2019-20.
- 5.6. On 15 December 2016, the Government announced its Provisional Local Government Settlement 2017-18, which confirmed the figures set out in the multi-year settlement. The funding settlement provides provisional details for 2017-18, and is expected to be confirmed in late January / early February. The Settlement Funding Assessment (made up of Revenue Support Grant and Business Rates funding) is £0.106m higher than expected in 2017-18.
- 5.7. The adjusted Settlement Funding Assessment for 2016-17 is £250.382m, for 2017-18 the Settlement Funding Assessment reduced by £27.689m to £222.693m.
- 5.8. Alongside the main settlement figures, the Government announced additional funding for social care. This was in the form of a new Adult Social Care Support Grant worth £4.197m for Norfolk (one off for 2017-18), and increased flexibility (subject to Member decisions) to raise the Adult Social Care Precept by a further 1%. This would represent approximately £3.3m in 2017-18 but at the expense of the discretion to increase by 2% in 2019-20 being removed. As a result, subject to council tax decisions, the Council's overall position following the Provisional Settlement announcement reflects an improvement by around £7.500m when compared to previous assumptions.
- 5.9. The Adult Social Care Support Grant has been funded by bringing forward reductions in New Homes Bonus (reduction in grant of £0.934m compared to 2016-17). Reductions in New Homes Bonus of a similar amount have already been assumed in the budget planning model. In 2018-19 onwards, changes in New Homes Bonus Grant have already been planned to fund the Improved Better Care Fund, the allocations for this have been confirmed and are unchanged as per the council's budget planning from 2016-17.

6. The Council's budget planning assumptions 2017-18

- 6.1. The Council's budget planning assumes:

- That remedial actions will be successfully implemented to achieve a balanced budget in 2016-17, supporting the delivery of 2017-18 budget plans.
- That undeliverable savings have been removed as set out elsewhere in this report, and that all the remaining savings proposed and included for 2017-18 can be successfully achieved.
- Financial planning **assumes a CPI increase in council tax** above the 3% Adult Social Care precept in 2017-18 and 2018-19, and a CPI increase only in 2019-20. This is in line with the assumptions used by the Government at the time of the 2016-17 local government settlement, amended for the new flexibility in the Adult Social Care precept. Any reduction in this increase will require additional savings to be found. These are of course 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, the budget assumes modest annual tax base increases of 0.5% for future years.

6.2. The Executive Director of Finance and Commercial Services' judgement on the robustness of the 2017-18 Budget is substantially based upon these assumptions.

7. Investing in Norfolk's priorities

7.1. At a time of significant and sustained financial pressure, the Council has continued to invest in infrastructure through significant capital projects; it has invested to support and sustain a strong care market through funding for pressures such as the living wage, and has largely protected children's services as it continues on its improvement journey. Protection for Social care services in the 2017-18 budget includes:

- £25.872m to support the **Adult Social Care** budget:
 - £6.134m for demographic growth pressures.
 - £4.500m for Cost of Care pressures.
 - £5.660m for pay and price market pressures.
 - £9.578m to address 2016-17 overspend pressures (including £4.197m one-off Adult social Care support grant in 2017-18).
- To support the **Children's Services** budget: £9.000m to address 2016-17 overspend pressures (one-off for 2017-18).

7.2. Budget planning for 2017-18 has included extensive work to review the deliverability of savings and understand service pressures. As a result, the 2017-18 Budget sees a **significant investment in Service Committee budgets** through both the removal of previously planned savings and recognition of budget overspend pressures.

7.3. The table below summarises the proposed investment in services which is also being made in the 2017-18 Budget through the removal and delay of savings.

Table 3: Summary of saving removal and delay

| Savings Removal and Delay | Relating to 2016-17 and prior years | 2017-18 | 2018-19 | 2019-20 | 2020-21 | Total |
|---|--|----------------|----------------|----------------|----------------|---------------|
| | £m | £m | £m | £m | £m | £m |
| Adults | 3.000 | 10.000 | 7.000 | -10.000 | -10.000 | 0.000 |
| Children's | 3.500 | 0.700 | 0.085 | -0.535 | 0.000 | 3.750 |
| Communities | 0.000 | 0.000 | 1.357 | 0.000 | 0.000 | 1.357 |
| EDT | 0.000 | 1.600 | 10.355 | 0.000 | 0.000 | 11.955 |
| Policy and Resources | 0.350 | 1.025 | -0.325 | 0.000 | 0.000 | 1.050 |
| Total | 6.850 | 13.325 | 18.472 | -10.535 | -10.000 | 18.112 |
| | | | | | | |
| Total removal / delay from 2017-18 Budget planning | 20.175 | | | | | |

8. Service Strategy and Priorities 2017-18

- 8.1. The Committee will be aware that there are a number of different services under the remit of the EDT Committee, with a range of different strategies etc. supporting the County Council's four core priorities. Some key areas of work to note for 2017-18 are set out below.
- 8.2. The services reporting to EDT Committee are part of the CES Department. As previously reported, work is underway to implement a new Locality based model for the department. The new model of delivery will be based on a strong place based vision that will enable us to deliver growth, through designing interventions and projects specific to local needs and conditions, working more effectively with partners and the voluntary and community sector. Underpinning the model is strong emphasis on integration, blending the strengths of the disciplines within CES. There will be a clearer focus on targeting resources to meet local needs, with more decisions made in localities, rather than at HQ. It is anticipated that a staff consultation on a proposed new organisational structure will be ready for consultation in June 2017.
- 8.3. Work is also ongoing to deliver the Councils waste strategy "Moving Towards Zero Waste". Working with District Councils and partners to reduce the overall waste produced with a target of 1kg+ reduction in residual waste per household in Norfolk to <9.4kg for 2018/19.
- 8.4. The department continues to provide the strategic leadership for the development of the significant infrastructure projects for the County which are vital to support the economy. These projects include transport projects, flood defences and utility (power) schemes.
- 8.5. Alternative funding sources will continue to be sought to enable continued investment in our services, for example the Environment Service. We will continue to work closely with partners and other stakeholders to maximise income generation opportunities.

9. Implications of the settlement for EDT Committee

- 9.1. There are no specific implications arising from the settlement that impact directly on the services falling within the remit of EDT Committee.

10. Budget proposals for EDT Committee

- 10.1. Budget proposals for this Committee have been developed within the context of some well understood factors that affect the way services are planned, in particular:
- Weather/environment - a number of services have risks directly related to the weather/environment. For example, the amount of spend on winter maintenance depends on how hard the winter season is and for how long, waste volumes increase during long periods of good weather (green waste like grass cuttings), flooding events impact local communities and the condition of the highway.
 - Waste volumes – there continues to be an increase in the volumes of residual waste to be disposed of.
 - Concessionary fares - there continues to be a shortfall in the funding from Government. Another 3 year deal has been successfully negotiated with bus operators to mitigate this.
 - 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.
- 10.2. In response to the need to identify additional savings of £4.000m to contribute to closing the budget gap 2017-18, the following proposals have been prepared for this Committee. These are in addition to those previously considered by the Committee in October (a full list of new proposals for 2017/18 is at Appendix A, including officer views on deliverability):

Table 4: Additional savings proposed

| Reference (if an existing saving) | Savings Proposal | 2017-18 £m | 2018-19 £m | 2019-20 £m |
|---|---|-----------------------------|-----------------------------|-----------------------------|
| | Additional income generation – Scottow Enterprise Park | 0.100 | | |
| | One-off saving – capitalisation of recycling centre spend | 0.030 | | |
| | Use of Better Broadband Reserves | 0.500 | | |
| Total | | 0.630 | | |

- 10.3. In addition, the values of the following budget savings have been amended since they were last considered by Committee in October:-

Table 4a: Further changes to savings proposed

| Reference (if an existing saving) | Savings Proposal | Increase or decrease in amount proposed for 2017-18 £m | 2018-19 £m | 2019-20 £m |
|---|--|---|-------------------|-------------------|
| | Vacancy management and deletion of vacant posts (increased from 0.403 to 0.488) | 0.085 | | |
| | Bring forward part of EDT032 – implementing new waste strategy (decreased from 0.250 to 0.100) | -0.150 | | |
| Total | | -0.065 | | |

- 10.4. Table 5 below sets out a summary of the savings proposals total values for 2017-18 to 2019-20. EDT Committee has identified £3.998m of new savings proposals to help enable the Council to set a balanced budget for 2017-18.

Table 5: Summary of recurring net budget savings proposals by Committee

| Committee | 2017-18 Saving £m | 2018-19 Saving £m | 2019-20 Saving £m | Total Saving £m |
|----------------------|--------------------------|--------------------------|--------------------------|------------------------|
| Adult Social Care | -7.976 | -18.653 | -10.000 | -36.629 |
| Children's Services | -1.854 | -0.859 | -0.535 | -3.248 |
| Communities | -2.711 | -0.102 | 0.000 | -2.813 |
| EDT | -6.020 | -0.156 | -0.005 | -6.181 |
| Policy and Resources | -27.061 | 6.454 | -0.769 | -21.376 |
| Grand Total | -45.622 | 13.316 | 11.309 | 70.247 |

- 10.5. With the exception of the additional savings set out in tables 4 and 4a above, the new budget proposals detailed in Appendices A and B are the same as those considered by the Committee at the meeting in October 2016.
- 10.6. In addition, a number of previously agreed savings have been identified as undeliverable following a robust review of deliverability. It is proposed that, on that basis, those savings are removed. Details of these savings for EDT Committee are set out in Appendix B under the heading 'removal of prior year savings and one-off items' wing

11. Revenue budget

- 11.1. The tables in Appendix B set out in detail the Committee's proposed cash limited budget for 2017-18, and the medium term financial plans for 2018-19 and 2019-20. These are based on the identified pressures and proposed budget savings reported to this Committee in October and November, and have been updated in this report to reflect any changes to assumptions. The main changes impacting on this committee are around the removal of previous savings, as mentioned in paragraph 10.5 above. Cost neutral adjustments for each Committee will be

reflected within the Policy and Resources Revenue Budget 2017-18 to 2019-20 paper which will be presented on the 6 February 2017.

- 11.2. The revenue budget proposals set out in Appendices A and B form a suite of proposals which will enable the County Council to set a balanced Budget for 2017-18. 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.
- 11.3. 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.

12. Capital budget

- 12.1. A summary of the Capital Programme and schemes relevant to this committee can be found in Appendix C.
- 12.2. These capital bids, if agreed, represent additional investment in services of £30.426m. This includes funding to further develop Scottow Enterprise Park and to enable some flood mitigation measures in market towns. A summary of the proposed investment includes:

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|---|-------------------------------------|---------|--|
| • | Scottow Enterprise Park development | £3.952 | Additional investment in the essential infrastructure at the site to support the development at the site |
| • | Replacement HWRC Norwich | £2.750m | Provision of new recycling centre for Norwich as a replacement for the existing Mile Cross site |
| • | Highways | £3.500m | Investment in Highways including potential match funding for Flood mitigation schemes |

13. The public consultation process

- 13.1. Those individual savings for 2017-18 which required consultation have been published and consulted on via the Council's consultation hub [Citizen Space](https://norfolk.citizenspace.com/)². Targeted consultation with those who may be affected by any changes has been carried out equality and rural impact assessments completed. The Council carried out a substantial consultation programme in autumn 2015 and this has provided a strong body of evidence of views. This has been used as a starting point, where it is still relevant and current, and supplemented with additional targeted consultation with affected groups, particularly those at risk of disadvantage.
- 13.2. The set of new budget savings proposals falling under the remit of EDT Committee did not require any public consultation. Some proposals relate to changes to staffing structures and teams, and relevant staff consultations have been carried out.
- 13.3. As set out elsewhere in the report, financial planning for 2017-18 is based on an increase in council tax of 3% for the Adult Social Care precept, and an inflationary increase of 1.8%. People were invited to give their views on council tax increases through the Council's website, and through the on-line edition of Your Norfolk. To inform decisions about the budget at Full Council in February, a

² <https://norfolk.citizenspace.com/>

summary of the views expressed has been prepared. An equality impact assessment has also been carried out, updating the findings from previous year.

14. Equality and rural impact assessment – findings and suggested mitigation

- 14.1. When making decisions the Council must give due regard to the need to promote equality of opportunity and eliminate unlawful discrimination of people with protected characteristics. The Council's impact assessment process for 2017-18 budget proposals has sought to identify the potential for adverse impacts on protected groups and rural communities, so that decisions can be informed, and where appropriate, action can be taken to address any impacts identified. A full copy of the assessment relating to new budget proposals for EDT Committee is included at Appendix D.
- 14.2. Overall, there is no evidence to suggest that EDT Committee budget proposals for 2017/18 will have any detrimental or disproportionate impact on people with protected characteristics or people in rural areas.
- 14.3. However, the assessments have highlighted some issues it will be important to address in going forward. These are summarised in the assessments, and proposed as mitigating actions.
- 14.4. The proposed actions for EDT Committee are:
 - (i) 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.
 - (ii) Officers to identify potential opportunities for maximizing accessibility for disabled and older people across EDT services, and bring a report to Strategic Equality Group proposing possible options. The advice of Strategic Equality Group on these potential options will be provided to EDT Committee for consideration.
- 14.5. The full assessment findings are attached at Appendix D. Clear reasons are provided for each proposal to show why no adverse impact has been identified.

15. Implications and risks for budget planning for 2017-18

- 15.1. There continues to be a risk in relation to delivery of the NDR. Further information on this risk, which officers have recently increased the risk score for, is set out in the Finance Monitoring Report on the agenda for discussion at this meeting.
- 15.2. The impacts of dealing with Residual waste remains one of the biggest risks to this committee. The service is working with partners to reduce the amount of residual waste and this continues to be one of the key areas of activity. However there are a number of other factors that influence the amount of residual waste including weather conditions and growth.
- 15.3. The condition of the highway network also is a major risk for this committee, the service continues to effectively plan and priorities its available resources to ensure that the highway asset is adequately maintained but this is also subject to a number of issues such as weather.
- 15.4. A number of the services reporting to this committee are reliant on funding from external bodies. These relationships, and any requirements associated with funding grants and allocations, needs to be carefully managed to ensure that the service can to deliver the outcomes required and ensure that we have the best chance of continued successful bidding for external funding.

16. Evidence

- 16.1. The proposals in this report are informed by the Council's constitution, local government legislation, best practice recommendations for financial and strategic planning, and feedback from residents and stakeholders via the Re-imagining Norfolk public consultation launched in October 2015, which has been supplemented by targeted consultation on specific new savings proposals for 2017-18 as detailed within this report.

17. Financial implications

- 17.1. The financial implications of the 2017-18 budget proposals are detailed throughout this paper.

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, e.g. equality impact assessment, please get in touch with:

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|-----------------|--------------|--|
| Tom McCabe | 01603 222500 | tom.mccabe@norfolk.gov.uk |
| Andrew Skiggs | 01603 223144 | andrew.skiggs@norfolk.gov.uk |
| Simon George | 01603 222400 | simon.george@norfolk.gov.uk |
| Debbie Bartlett | 01603 222475 | debbie.bartlett@norfolk.gov.uk |



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