

Digital Innovation & Efficiency Committee

Item No.....

Report title:	Strategic and Financial Planning 2018-19 to 2021-22 and Revenue Budget 2018-19
Date of meeting:	22nd January 2018
Responsible Chief Officer:	Executive Director, Community and Environmental Services, Executive Director, Finance and Commercial Services

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 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.

Digital Innovation & Efficiency 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 of this report.**
- 3) Consider and comment on the Committee’s specific budget proposals for 2018-19 to 2021-22, noting the findings of public consultation in respect of the budget proposals set out in section 8 of this report.**
- 4) Consider the findings of equality and rural impact assessments detailed in section 9 of this report and in doing so, note the Council’s duty under the Equality Act 2010 to have due regard to the need to:**
 - Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;**
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;**
 - 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 4:**
 - 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 5 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 2016¹, 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

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

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 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

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- 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 (1.9%) increase in council tax** above the 3% Adult Social Care precept, based on the assumptions used by the Government at the time of the 2016-17 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%² and the Council awaits guidance from the Government on the council tax referendum threshold for 2018-19. 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 £36m, 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);

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

5.1. IMT will underpin the digitally enabled transformation change activity required across the Council, through the deployment and continuous improvement of existing and new technologies, whilst continuing to ensure value for money. We will promote, design and implement, both in house and with other organisations both public and private sector, solutions to deliver the Council's objectives for digital innovation and efficiency.

5.2. The IMT Service approach and strategy is supported by both revenue and capital funding and will consist of –

- Development of public and employee portals to enable online self-service supporting digital inclusion and savings initiatives.
- Development of our information management service to support service business intelligence and performance management needs, including the establishment of a counter fraud hub.
- Upgrading and optimisation of our digital infrastructure, building on recent WAN, and server replacements and covering WAN and Wi-Fi network improvements.
- Rolling refresh of our end user devices to support changing business needs and maximise effectiveness of mobile and flexible working. This in turn will also support property rationalisation.
- Rationalisation of software to ensure that we maximise investment and avoid duplication.
- Continuing to work with Services to digitally enable their change programmes.

5.3. The budget proposals contained in Appendix 4 of this report have remained unchanged from the previous report to this Committee.

5.4. The Better Broadband for Norfolk programme will continue to implement planned improvements to broadband services throughout Norfolk.

6. Revenue Budget

- 6.1. The tables in Appendix 4 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. The Revenue Budget proposals set out in Appendix 4 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.**
- 6.3. 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.

7. Capital Programme 2018-19

- 7.1. A summary of the Capital Programme and schemes relevant to this Committee can be found in Appendix 3.
- 7.2. The proposed future capital requirements are predominantly needed to refresh the Councils existing computer hardware estate (this is usually a recurring cost on a 4 year cycle). However the "rolling" refresh of PC and mobile phones is designed to ensure each worker type in the council has access to the right technology package to enable them to work efficiently and flexibly. A quarter of the workforce is planned to be provided with new equipment each year. Having access to up-to-date, easy to use mobile and flexible working technology will improve staff efficiency, reduce travel costs and enable better use of council office accommodation. This investment also underpins planned property related savings.
- 7.3. The available funding for Better Broadband for Norfolk relates to the planned improvements to broadband services throughout Norfolk.

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/>
- 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 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.

None of the savings proposals for this Committee detailed in the Strategic & Financial Planning 2018 – 19 to 2021 – 22 report taken to October Committees were considered to require consultation.

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

9.1. There is no evidence to suggest that Digital Innovation and Efficiency Committee's budget proposals for 2018 / 19 will have any detrimental or disproportionate impact on people with protected characteristics in rural areas. This is because there is no change to service standards, quality or delivery.

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. Decisions about significant savings proposals with an impact on levels of service delivery will require public consultation. As in previous years, saving proposals, and the Council's Budget as a whole, will be subject to equality and rural impact assessments later in the budget-setting process.

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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5. 2018-19 to 2021-22 Capital Budget Proposals

2018-19 Budget Timetable

Activity/Milestone	Time frame
County Council agree recommendations for 2017-20 including that further plans to meet the shortfall for 2018-19 to 2019-20 are brought back to Members during 2017-18	20 February 2017
Spring Budget 2017 announced	8 March 2017
Consider implications of service and financial guidance and context, and review / develop service planning options for 2018-20	March – June 2017
Executive Director of Finance and Commercial Services to commission review of 2016-17 outturn and 2017-18 Period 2 monitoring to identify funding from earmarked reserves to support Children's Services budget.	June 2017
Member review of the latest financial position on the financial planning for 2018-20 (Policy and Resources Committee)	July 2017
Member review of budget planning position including early savings proposals	September – October 2017
Consultation on new planning proposals and Council Tax 2018-21	October to December 2017 / January 2018
Service reporting to Members of service and budget planning – review of progress against three year plan and planning options	November 2017
Chancellor's Autumn Budget 2017	TBC November / December 2017
Provisional Local Government Finance Settlement	TBC December 2017
Service reporting to Members of service and financial planning and consultation feedback	January 2018
Committees agree revenue budget and capital programme recommendations to Policy and Resources Committee	Late January 2018
Policy and Resources Committee agree revenue budget and capital programme recommendations to County Council	29 January 2018
Confirmation from Districts of council tax base and Business Rate forecasts	31 January 2018
Final Local Government Finance Settlement	TBC February 2018
County Council agree Medium Term Financial Strategy 2018-19 to 2020-21, revenue budget, capital programme and level of Council Tax for 2018-19	12 February 2018

Not applicable to this Committee

Summary of Rural and Equalities Impact Assessments

Not applicable to this Committee

2018-19 to 2021-22 Proposed Committee Revenue Budget

Budget change forecasts for 2018-22 Digital Innovation and Efficiency					
Reference		2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m
	OPENING BUDGET	16.048	13.488	12.791	12.401
	ADDITIONAL COSTS				
	Inflationary				
	Basic Inflation - Pay (2% for 18-22)	0.174	0.171	0.175	0.175
	Basic Inflation - Prices	0.144	0.133	0.135	0.135
		0.318	0.304	0.310	0.310
	SAVINGS				
EDT048	Use of Better Broadband reserves	0.500			
P&R050	Cutting costs through efficiencies by a zero based review of our services - working with services to establish the base requirement and shape of resources to support the future needs of the organisation	-0.339			
P&R062	Raising revenue through recharging the full costs of our services to external customers - ensuring that ICT services to schools, and other external clients, fully reflect both the direct and indirect costs incurred	-0.302			
P&R063	Cutting costs through efficiencies by menu based pricing - the services provided have evolved since the formation of Shared Services in 2010, services have had little visibility of costs or the ability to control them. A full review of the prices of services and equipment would offer visibility and choice to services - alternatives may include self service	-0.264			
P&R064	Cutting costs through efficiencies by reducing unit costs - the menu based proposition above offers the opportunity to reduce costs by reduced demand, this proposition offers the opportunity to reduce unit costs, e.g. by benchmarking and taking any appropriate resulting actions	-0.321			
P&R082	Release ICT lease budget no longer required		-0.059		
DIE001	IMT – various savings within IMT including: · Exit from the HPE contract · Restructuring and headcount reduction (management and technical support costs) · Income generation, particularly services for schools		-0.941	-0.700	
		-0.726	-1.000	-0.700	0.000
	COST NEUTRAL ADJUSTMENTS				
	Budget moved to Customer Services	-0.065			
	Print recharge	-0.008			
	Depreciation transfer	0.136			
	Debt management transfer	0.000			
	REFCUS transfer	-2.215			
		-2.152	0.000	0.000	0.000
	NET BUDGET	13.488	12.791	12.401	12.711

2018-19 to 2021-22 Capital Budget Proposals

	Budget 2018 - 19	Budget 2019-20	Budget 2020 - 21	Budget 2021 - 22
	£m	£m	£m	£m
IMT				
Server hardware	2.235	1.335	2.235	1.335
Software licensing		2.500		
Device refresh rolling programme	1.795	1.795	1.795	1.795
LAN, Wi Fi, security	2.400		2.400	
Website, portal and BI	0.555	0.555	0.555	0.555
Data centre, disaster recovery	1.533	0.030	1.533	
	8.518	6.215	8.518	3.685
Better Broadband	2.201	18.708	0.644	
	10.719	24.923	9.162	3.685