Norfolk County Council

Cabinet

Date:	**Monday 1 February 2021**
Time:	**10 am**
Venue:	**Teams Meeting**

Pursuant to The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020, this meeting of Norfolk County Council Cabinet will be held using Microsoft Teams.

Please use this link to view the live meeting online.

Members of the Cabinet and other attendees will be sent a separate link to join the meeting.

Membership:

Cllr Andrew Proctor	Chair. Leader and Cabinet Member for Strategy & Governance.
Cllr Graham Plant	Vice-Chair. Deputy Leader and Cabinet Member for Growing the Economy.
Cllr Bill Borrett	Cabinet Member for Adult Social Care, Public Health & Prevention
Cllr Margaret Dewsbury	Cabinet Member for Communities & Partnerships
Cllr John Fisher	Cabinet Member for Children's Services
Cllr Tom FitzPatrick	Cabinet Member for Innovation, Transformation & Performance
Cllr Andy Grant	Cabinet Member for Environment & Waste
Cllr Andrew Jamieson	Cabinet Member for Finance
Cllr Greg Peck	Cabinet Member for Commercial Services & Asset Management
Cllr Martin Wilby	Cabinet Member for Highways, Infrastructure & Transport

A g e n d a

1 **To receive any apologies.**

2 **Minutes** Page 5

To confirm the minutes from the Cabinet Meeting held on Tuesday 12 January 2021.

3 **Members to Declare any Interests**

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is on your Register of Interests you must not speak or vote on the matter.

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is not on your Register of Interests you must declare that interest at the meeting and not speak or vote on the matter

In either case you may remain in the room where the meeting is taking place. If you consider that it would be inappropriate in the circumstances to remain in the room, you may leave the room while the matter is dealt with.

If you do not have a Disclosable Pecuniary Interest you may nevertheless have an **Other Interest** in a matter to be discussed if it affects, to a greater extent than others in your division

- Your wellbeing or financial position, or
- that of your family or close friends
- Any body -
  - Exercising functions of a public nature.
  - Directed to charitable purposes; or
  - One of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union);

Of which you are in a position of general control or management.

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

4 **Matters referred to Cabinet by the Scrutiny Committee, Select Committees or by full Council.**

5 **To receive any items of business which the Chair decides should be considered as a matter of urgency**

6 **Public Question Time**

Fifteen minutes for questions from members of the public of which due notice has been given. Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk) by 5pm on Wednesday 27 January 2021. For guidance on submitting a public question, view the Constitution at https://www.norfolk.gov.uk/what-we-do-and-how-we-work/councillors-meetings-decisions-and-elections/committees-agendas-and-recent-decisions/ask-a-question-to-a-committee.

Any public questions received by the deadline and the responses will be published on the website at approximately 9.45am on the day of the meeting and can be viewed by **clicking on this link**.

7 Local Member Issues/Questions

Fifteen minutes for local member to raise issues of concern of which due notice has been given. Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk) by 5pm on Wednesday 27 January 2021.

8 Finance Monitoring Report 2020-21 P9:December 2020 — Page 54
Report by the Executive Director of Finance & Commercial Services.

9 Norfolk County Council Revenue Budget 2021-22 and Medium Term Financial Strategy 2021-25 — Page 99
Report by the Executive Director of Finance & Commercial Services

10 Capital Strategy and Programme 2021-2022 — Page 461
Report by the Executive Director of Finance & Commercial Services

11 Annual Investment and Treasury Strategy 2021-22 — Page 509
Report by the Executive Director of Finance & Commercial Services

12 Dedicated Schools Grant (DSG) Funding — Page 550
Report by the Executive Director of Children's Services

13 School Place Sufficiency – Schools' Local Growth and Investment Plan — Page 600
Report by the Executive Director of Children's Services

14 Schools Capital Programme – Update — Page 632
Report by the Executive Director of Children's Services

15 Admission Arrangements for the School Year 2022/23 — Page 640
Report by the Executive Director of Children's Services

16 Adult Learning Annual Plan — Page 655
Report by the Executive Director of Community & Environmental Services.

17 Acquisition of Property for the Great Yarmouth Third River Crossing Project. — Page 718
Report by the Executive Director of Finance & Commercial Services.

18 Reports of the Cabinet Member Delegated Decisions made since the last Cabinet meeting:
To note the delegated decisions made since the last Cabinet meeting.

Decision by the Leader and Cabinet Member for Strategy & Governance.

- Mutual Aid Agreement Norfolk & Waveney Health & Care Partnership

Decision by the Cabinet Member for Children's Services

- Children's Services - Grant Awards

19 Exclusion of the Public

Cabinet is asked to consider excluding the public from the meeting under section 100A of the Local Government Act 1972 for consideration of the items below on the grounds that they involve the likely disclosure of exempt information as defined by paragraph 3 of Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Cabinet will be presented with the conclusions of the public interest test carried out by the report author and is recommended to confirm the exclusion.

20 Acquisition of Property for the Great Yarmouth Third River Crossing. Page 722
Exempt Appendix to the report by the Executive Director of Finance & Commercial Services.

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Date Agenda Published: 22 January 2021

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Norfolk County Council

Cabinet
Minutes of the Virtual Teams Meeting held on Tuesday 12 January 2021 at 10am

Present:

Cllr Andrew Proctor	Chairman. Leader & Cabinet Member for Strategy & Governance.
Cllr Bill Borrett	Cabinet Member for Adult Social Care, Public Health & Prevention.
Cllr Margaret Dewsbury	Cabinet Member for Communities & Partnerships.
Cllr John Fisher	Cabinet Member for Children's Services.
Cllr Tom FitzPatrick	Cabinet Member for Innovation, Transformation & Performance.
Cllr Andy Grant	Cabinet Member for Environment & Waste.
Cllr Andrew Jamieson	Cabinet Member for Finance
Cllr Greg Peck	Cabinet Member for Commercial Services & Asset Management.
Cllr Graham Plant	Vice-Chairman and Cabinet Member for Growing the Economy.
Cllr Martin Wilby	Cabinet Member for Highways, Infrastructure & Transport.

Executive Directors Present:

James Bullion	Executive Director of Adult Social Services
Simon George	Executive Director of Finance & Commercial Services
Tom McCabe	Executive Director of Community & Environmental Services and Head of Paid Service.
Sara Tough	Executive Director of Children's Services
Sam Pittam-Smith	Director of Transformation

The Chairman welcomed everyone to the Cabinet meeting and advised viewers that pursuant to The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020, the meeting was being held under new Regulations which had been brought in to deal with the restrictions under Covid 19. Decisions made in the meeting would have the same standing and validity as if they had been made in a meeting in County Hall.

Cabinet Members and Executive Directors formally introduced themselves.

1 Apologies for Absence

1.1 There were no apologies for absence.

2 Minutes

2.1 The minutes from the Cabinet meeting held on Monday 7 December 2020 were agreed as an accurate record.

3 Declaration of Interests

3.1 The following declarations were declared:

- The Chairman declared a non-pecuniary interest related to agenda item 14, "Performance and Governance of Norfolk County Council owned companies", as he was a Councillor Appointed Director on Repton Properties and Norse Group, and a non-pecuniary interest related to agenda item 15, "Norse Group Business Plan", as he was a Councillor Appointed Director on Norse Group.
- The Cabinet Member for Commercial Services & Asset Management declared a non-pecuniary interest related to agenda item 14, "Performance and Governance of Norfolk County Council owned companies", as he was a Council Nominated Director of Hethel Innovation Ltd and Repton Properties.
- The Cabinet Member for Communities & Partnerships declared a non-pecuniary interest as a member of the Fire CIC.

4 Matters referred to Cabinet by the Scrutiny Committee, Select Committees or by full Council.

4.1 There were no matters referred to Cabinet.

5 Items of Urgent Business

5.1 There were no matters of urgent business discussed

6 Public Question Time

6.1 The list of public questions and responses is attached to these minutes at Appendix A.

6.2 **Supplementary Question from Mr Price**
As a supplementary question Mr Price asked if Cabinet would support district Councils through the Norfolk Climate Change Partnership to safeguard mature trees on County Council owned land through issuing appropriate tree preservation orders (TPOs).

In reply, the Cabinet Member for Environment & Waste said that Norfolk County Council would have to work in collaboration with districts to issue TPOs on Council land; he could not guarantee preserving all trees, but supported working with District Councils on appropriate trees in appropriate areas.

6.3 **Supplementary Question from Mr Atterwill**
As a supplementary question, Mr Atterwill queried whether people in Norfolk would wonder whether Councillors had the right priorities for Norfolk in mind when hearing about allowance increases for Councillors and the cost of refurbishment of the Council Chamber. He asked whether vulnerable people could be confident that Councillors, Cllr Borrett and the Council had their best interests at heart.

In reply, the Chairman said that all Councillors had the best interests of all Norfolk residents and businesses at heart in the work that they do. The judicial review outcome had been demonstrated as unforeseen and unintended. The Chairman believed Cllr Borrett did a good job in his role, and he was confident in him continuing in this role.

6.4 Mr Clark had provided a written supplementary question, which would be responded to in writing (see appendix C).

7 Local Member Questions/Issues

7.1 The list of Local Member questions and the responses is attached at Appendix B.

7.2 **Supplementary question from Cllr Ed Maxfield**
Cllr Maxfield was concerned about the delay of devolution from the Cabinet agenda and the potential impact on outcomes for children on a major redesign of children's services in Norfolk that may follow devolution. He asked Cllr Fisher to consider looking at setting up a task and finish group to look at any issues that may arise for children's services following changes brought about by devolution.

In reply, the Chairman said that he the white paper from Government on devolution was still being awaited. Certain aspects could not be considered until this was received.

7.3 **Supplementary question from Cllr Alexandra Kemp**
Cllr Kemp noted that during the lockdown in 2020, care home residents were discharged from NHS hospitals untested or with Covid-19 and was concerned about this; as the Council responsible for care homes, she asked whether the Cabinet Member for Adult Social Care, Public Health & Prevention could give assurances that this would not happen again

The Cabinet Member for Adult Social Care, Public Health & Prevention confirmed that he could give this assurance.

7.4 **Supplementary question from Cllr Brenda Jones**
Cllr Jones felt that the Cabinet Member for Adult Social Care, Public Health & Prevention had shown inability to listen to people whose lives had been affected by the MIG (Minimum Income Guarantee) policy changes and been dismissive to people who challenged his views. She asked whether the Leader would appoint a new Member in this role.

The Chairman confirmed that the Cabinet Member for Adult Social Care, Public Health & Prevention had his trust in the job that he did, and he had no intention of replacing him

7.5 The Cabinet Member for Highways, Infrastructure & Transport responded to Cllr Douglas' substantive question: officers had spoken to Highways England Historical Railways Estate who confirmed that as a result of assessments undertaken on their assets they had a programme of works to bring forward, starting with the works deemed most urgent. Currently, the bridge at Guist was subject to a 3-tonne weight restriction, so works there had been identified as priority 2 urgent. No immediate works were planned now that the issues about works threatening restoration work at the railway which had been a ambition of a private railway group has been brought to the Cabinet Member's attention; he would ensure engagement with Council officers and Highways England Historical Railways Estate to seek resolution of the issues. A representative of Highways England Historical Railways Estate had agreed to attend the next Norfolk Rail Group meeting in Feb 2021.

8 Adult Social Services charging policy for non-residential care – next steps following Judicial Review

8.1 Cabinet received the report by the Executive Director of Adult Social Services brought forward at the earliest possible moment as a result of the judgment of the High Court in respect of Norfolk County Council (the Council) changing its charging policy to reflect the Government's national guidelines.

8.2 The Cabinet Member for Adult Social Care, Public Health & Prevention introduced the report and moved the recommendations, during which the following points were noted:

- The Cabinet Member was sorry that the Council had been found to have caused discrimination although noted it had been deemed to be inadvertent
- The Cabinet Member noted that the decision may have far reaching implications for other councils as the changes had been made to bring the Council in line with Government's Minimum Income Guarantee (MIG) national guidelines
- The Cabinet Member had apologised formally to the family who brought the judicial review and had the upmost respect for people who lived with disabilities and those who cared for them, and aimed to do all he could to do improve the quality of the Council's Adult Social services and strive to make these services the best possible for those who relied on them.
- The Council had sought the changes as it did not have unlimited funds and had to make the best use of them by law. The Cabinet Member had historically supported increases in the adult social care precept and campaigned with MPs for the need for a sustainable settlement for adult social care.
- The Cabinet Member highlighted the charging policy of Norfolk compared to other comparable counties, shown on page A10 of the report, who had a lower MIG than that offered by Norfolk County Council although being within the national guidelines.

8.3 The Executive Director of Adult Social Care apologised that the Council did not sufficiently see the link between the ability of disabled people to work and have their earnings disregarded against the ability of severely disabled people to not work and have their enhanced Personal Independence Payment (PIP) taken into account as part of the charging policy; while this was in line with guidance this had been judged as discriminatory and therefore the proposal was to disregard the enhanced PIP. The Council aimed to engage with service users moving forward to see how changes would impact on disabled people, and not just severely disabled people.

8.4 The Chairman endorsed The Cabinet Member's apology and noted that this had been an unforeseen and unintended situation. The Council had responded as quickly as possible with the paper to cabinet and drawing up next steps to engage with service users properly and rigorously.

8.5 The Cabinet Member for Finance endorsed the comments made by the Cabinet Member for Adult Social Care, Public Health & Prevention and the recommendations in the report. He agreed that the Council wanted to make resources fully available to the people of Norfolk while achieving good value for money. The Adult Social Care gross budget had increased in the previous 4 years from £355million to £448million.

8.6 Cabinet **RESOLVED** to**:**

a) make an initial amendment to the charging policy for non-residential care for people of working age, setting a minimum income guarantee of £165 per week, and using discretion to disregard the enhanced daily living allowance element of Personal Independence Payment
b) apologise to those affected and implement that amendment as soon as practicable and backdate it to July 2019
c) initiate further detailed work on the impact of the charging policy as it relates to the group of severely disabled people identified by this judgment, and wider groups

8.7 **Evidence and Reasons for Decision**

In changing its charging policy in February 2019, the Council was bringing itself into alignment with many other councils. A driver for the change was to support more people into work – which many people said they wanted.

The judgment recognised that the Council had not taken the decision lightly, and that the discrimination had been inadvertent.

This approach to remedying the injustice can be put in to place swiftly, and back payment made as soon as is practicable. The longer-term review allows a more detailed, considered piece of work to be undertaken, with consultation, to ensure that the policy is equitable and sustainable in the longer term.

8.8 **Alternative Options**

An alternative option would be to not implement changes straight away, however the Council's view is that this is not a helpful or sustainable position and would be detrimental to those affected.

9 Fee levels for adult social care providers 2021/22

9.1 Cabinet received the report by the Executive Director of Adult Social Services, detailing the adult social care provider fee uplift 2021-22. The Council has legal duties under the Care Act 2014 to promote the effective and efficient operation of this market including its sustainability including setting and maintaining adequate fee levels.

9.2 The Executive Director of Adult Social Care introduced the report:

- An engagement had been carried out with the Norfolk Care Association as part of the process of setting the fee levels as set out in the report.

- The Executive Director noted the excellent work of care providers during the Covid-19 pandemic and the impact of this on costs for them which would continue to impact on them in the next year, 2021-22.
- The Executive Director pointed out a correction to the published information at paragraph 2.73 of the the report: consultation period will actually be 19 January to 15 February.

9.3 The Cabinet Member for Adult Social Care, Public Health & Prevention introduced the report and moved the recommendations, during which the following points were noted:

- The Cabinet Member thanked care providers for their hard work during the pandemic.
- The Council had historically increased the amount paid to providers above the level of inflation to provide sustainability and security for the care market and intended to do so in 21-22 also.
- The uplift percentages in table 1, paragraph 2.2, outlined the percentage increases across the different types of services.
- The announcement of the national living wage was lower than expected, therefore the Council was providing fee increases which would allow providers to pay staff an increase above this amount.

9.4 The Chairman thanked the Cabinet Member and Executive Director and noted the hard work of care providers during the pandemic, and the positive partnership working which had developed between the NHS and County Council over the past year.

9.5 The Cabinet Member for Finance endorsed the report as the changes would support long term stability in the employment market, target support where it was most needed and reward care workers for the work they had been carrying out.

9.6 Cabinet **RESOLVED** to**:**

AGREE the approach to fee uplifts for the 2021/22 financial year as set out below:

a) In respect of contracts where an inflation index or indices are referenced, an uplift is implemented to match any changes in the relevant index or indices
b) In respect of contracts where there is a fixed price for the duration of the contract, no additional uplift in contract prices takes place
c) In other contracts, where the Council has discretion in relation to inflationary fee uplifts, that uplifts are considered in line with those set out in this report
d) In respect of fees above usual price that have been negotiated within the last six months, including short term residential services, it is recommended that no automatic uplift be applied for 2021/22
e) In the case of residential and nursing care any final uplift including other adjustments is subject to formal consultation, with implementation being through the use of Chief Officer delegated powers following that process

9.7 **Evidence and Reasons for Decision:**

The legal framework – The Care Act 2014

The Care Act places duties on local authorities to facilitate and shape their market for adult care, and support as a whole, so that it meets the needs of all people in their area who need care and support, whether arranged or funded by the state, by the individual themselves or in other ways.

The ambition is for local authorities to influence and drive the pace of change for their whole market leading to a sustainable and diverse range of care and support providers, continuously improving quality and choice, and delivering better, innovative and cost effective outcomes that promote the wellbeing of people who need care and support.

The statutory guidance to the Care Act requires local authorities to commission services having regard to cost effectiveness and value for money. The guidance also states, however, that local authorities must not undertake any actions that might threaten the sustainability of the market as a whole, that is the pool of providers able to deliver the services required to an appropriate quality - for example by setting fee levels below an amount which is not sustainable for providers in the long term. The guidance emphasises the need to ensure that fee levels are sufficient to enable providers to meet their statutory obligations to pay at least the national minimum wage and provide effective training and development of staff.

Contracts

The Council spends over £310m a year in securing the care services needed through a large number of contracts. These contracts contain legally binding provisions regarding fee levels and often the treatment of inflationary and deflationary pressures on the fee levels which vary from contract to contract.

At current usage rates the fee levels proposed in this report would add £10.143m to the value of our total investment in the care market in 2020/21. This is considered to be essential to enable the Council to continue to discharge its legal obligations as well as securing stable supply in the longer term.

9.8 **Alternative Options**

The option recommended within this report is affordable within the Council's budget planning approach and alternative options are not presented. However, members could choose to make different budget decisions as part of the County Council budget process.

10 Progress with delivering the NCC Environmental Policy

10.1 Cabinet received the report by the Executive Director, Community & Environmental Services with an update for Cabinet on progress to date on the Member Oversight Group to provide the governance for delivering our new Environmental Policy, including NCC carbon reporting and future trajectory, tree planting, a concept for a land management best practice project, an approach for internal engagement within NCC which would inform department and organisation-wide future activities to deliver the Policy, and how the Policy sits within the wider context of the County’s 25 Year Environment Plan

10.2 The Cabinet Member for Environment and Waste introduced the report and moved the recommendations, during which the following points were noted:

- Last year Norfolk County Council produced 11,600 net tonnes of carbon and the Cabinet Member was determined that this would be reduced to 0 by 2030 as agreed.
- The Council had agreed to plant over 1m trees in Norfolk, a £1.5m investment in active travel, and planning was being worked out for the Burlingham estate. The Council was working with Norwich City Council and UK power networks for on-street charging points.
- Installation of 15,000 LED streetlights and a new waste contract would save 47,000 tonnes of emissions per year.

10.3 The Cabinet Member for Highways, Infrastructure & Transport welcomed the initiatives highlighted in the report. He noted the successful funding to support active travel across Norfolk and that the Council would continue to attract funding for similar schemes across the County. He felt that the work to install on-street charging points showed that the Council was working to bring innovative schemes to Norfolk and endorsed rolling it out further afield when possible.

10.4 The Cabinet Member for Finance noted that the Healthy Streets and Greenways to Green Spaces project had received funding, and that Councillors were working together to further enhance this.

10.5 The Cabinet Member for Adult Social Care, Public Health & Prevention noted that the Norfolk Climate Change Partnership demonstrated positive partnership working and he commended the Cabinet Member for bringing this together.

10.6 Cabinet **RESOLVED** to:

1. review progress to date on the delivery of the Environmental Policy and to approve changes to the Member Oversight Group's Terms of Reference (Appendix 1), reflecting ongoing activities to deliver the Policy.

10.7 **Evidence and reasons for Decision**

This report details the progress being made to deliver the commitments in the County Council's Environmental Policy. Although the work is at an early stage, good progress is being made, overseen by the Member Oversight Group and with input from key stakeholders, including the UEA

10.8 **Alternative Options**

No alternative options are being considered. The approach outlined within the report is felt to be the logical approach at this time. As delivery develops, the approach can be further refined. If major changes are envisaged these will be developed by the Member Oversight Group, for Cabinet to consider.

11 Local Flood Risk Management Strategy Review

11.1 Cabinet received the report by the Executive Director of Community & Environmental Services detailing a review of the existing policies in the Local Flood Risk Management Strategy against new and emerging national strategies and policies which had resulted in the proposal of 3 new policies and minor updates to our existing policies.

11.2 The Executive Director of Community and Environmental Services noted the flooding experienced in the County over the recent weeks; there were many organisations involved in flood prevention and it was imperative that all of these partners worked together in order to achieve best outcomes.

11.3 The Cabinet Member for Environment and Waste introduced the report and moved the recommendations, during which the following points were noted:

- The Cabinet Member sent his sympathies to people who had experienced the flooding over the past weeks and paid tribute to all residents and emergency services who responded to help.
- Flooding was now a more common event therefore national policy needed to change to reflect this, and the Council would continue to press Government for increased funding.
- There were issues of maintenance and infrastructure which needed addressing in Norfolk.

11.4 The Cabinet Member for Communities & Partnerships endorsed the plans to develop community-led action plans, drawing on local knowledge. Bringing partners together would help resolve local issues.

11.5 The Cabinet Member for Highways, Infrastructure & Transport paid tribute to the highways teams who helped residents during the recent flooding and welcomed the review of how partners and services worked together.

11.6 Cabinet Members supported the initiatives put forward in the report, noting the importance of a Norfolk-wide and partnership approach across all partners, and the ability to maintain the network and hold partners to account.

11.7 The Vice-Chairman and Cabinet Member for Growing the Economy queried the information in paragraph 2.3 and 2.11 of appendix A. The Cabinet member confirmed that this would be changed so that a record would be kept of Sustainable Drainage Systems constructed in new developments.

11.8 Cabinet **RESOLVED** to:

1. approve the new policies set out in para 2.1 of this report and the amendments to the existing policies set out in Appendix A for inclusion in the Local Flood Risk Management Strategy.
2. note the heightened risk to Norfolk from flooding and coastal change when compared to much of England and agrees to set up a task force to work with our MPs and other stakeholders to ensure that the Environment Agency develops comprehensive, costed and funded plans to meet these challenges as set out in the recently published national strategy for England.
3. To convene a series of meetings with strategic partners across Norfolk, including the District Councils, Environmental Agency, Anglian Water, Internal Drainage Boards amongst others, and find a leading figure to chair this.
4. To invest 100k in additional revenue costs for creation of three new posts (1 Flood Risk Officer and 2 Flood Risk Assistants); £300k in additional capital to cover urgent repairs on the network and to invest £250k in additional revenue to repair existing drainage systems.

The Chairman said he would find a high profile Chairman to lead this activity

11.9 **Evidence and Reasons for Decision**

With the publication of the National Flood and Coastal Erosion Risk Management Strategy for England the policies in the Local Flood Management Strategy needed to be reviewed and updated to ensure consistency.

Following the consultation minor amendments have been made to the proposed new policies.

11.10 **Alternative Options**

Members could decide to make further amendments or changes to the policies. The proposed additions and amendments are consistent with the National Strategy.

12 Responding to Ash Dieback over the next two years.

12.1 Cabinet received the report by the Executive Director of Community & Environmental Services reporting on the scale of ash dieback in Norfolk and outlining the resources required to manage the disease over the next two years

12.2 The Executive Director of Community and Environmental Services reported that over the next two years, officers were looking to develop a deeper understanding to inform the course of action over the next 10 years.

12.3 The Cabinet Member for Environment & Waste introduced the report and moved the recommendations, during which the following points were noted:

- data showed that across Norfolk there were 168,000 trees within close proximity to the highway of which NCC were responsible for 2,200, and there were 150,000 trees on the trails network.
- It may be necessary for NCC to become involved with private land as 5% of the network was unregistered and there may be a duty to fell trees on this land.
- Spending for this would need to be increased to £1m over the next 2 years and NCC would lobby government for funding.

12.4 The Cabinet Member for Highways, Infrastructure & Transport was concerned about ash dieback trees at the side of highways and trails as the Council had to ensure these were safe for users and was pleased that action would be taken.

12.5 The Vice-Chairman and Cabinet Member for Growing the Economy commented on paragraph 2.5, p125; he hoped that once finances were in place, the 150,000 trees which were planned to be planted would be on top of the 1m trees which the Council had pledged to plant to improve Norfolk's carbon footprint. He recommended trees being replanted in communities, rather than next to highways where this could pose a danger. The Cabinet Member for Environment and Waste confirmed that there was an ambition that for every tree felled, an additional tree would be planted, so there would not be a net loss. Work would be carried out with private landowners and the woodland trust to commit to planting the 1m trees as agreed by Council.

12.6 Cabinet **RESOLVED** to:

1. To increase the resource to manage Ash Dieback across NCC departments to £1m over the coming two financial years, with a view to developing a comprehensive 10 year programme.
2. Thank Defra for their support in our work to date and work with Central Government to develop the case for a nationally funded programme to manage Ash Dieback.

12.7 **Evidence and Reasons for Decision**

This report details the use of existing, interpreted and new data in a risk-based approach to target the management of ash trees.

Evidence on the increasing decline of ash trees supports the need to provide more resource to manage ash populations across NCC departments and particularly on the highway network in a responsible and defendable way.

12.8 **Alternative Options**

No alternative options are being considered. Without an increase in effort and resource to manage the risk of tree failure due to ash dieback, NCC would not be acting responsibly. The approach outlined within the report is felt to be the most appropriate at this time.

13 Finance Monitoring Report 2020-21 P8: November 2020

13.1 Cabinet received the report by the Executive Director of Finance and Commercial Services giving a summary of the forecast financial position for the 2020-21 Revenue and Capital Budgets, General Balances, and the Council's Reserves at 31 March 2021, together with related financial information.

13.2 The Cabinet Member for Finance introduced the report and moved the recommendations, during which the following points were noted:

- The forecast overspend had been reduced to £349k and remaining overspend was now all linked to financial pressure caused by Covid-19, mainly within Adult Social Care but also within Finance and Commercial Services. Most of this had been offset by additional grant funding.
- Moving funds to business risk reserves was crucial to allow the Council to remain resilient
- Children's services were seeing a significant increase in Covid-19 related costs for example the level of support to schools or increased costs of transport, which were likely to continue into the new financial year, 2021-22. Some Covid-19 grant funding had been provided for 2021-22, however, this was before the most recent lockdown and these costs were therefore not fully funded.
- It was important to provide Adult Social Care with reserves to mitigate the worst pressures resulting from the pandemic; purchase of care, made up 77% of their expenditure and the cost of care was rising to reflect increased costs in the sector. One off funding had helped reduced the overspend however this would be a recurring theme.

- Ability to deliver the necessary savings had added to pressures in 2020-21 but would impact on 2021-22.
- An earlier than expected reversion in financial arrangements agreed with NHS on funding of hospital discharges had seen the Council absorb an increasing amount of individuals for who they may not be fully compensated by the NHS and it was not possible to forecast the scale of the financial impact at that time.
- The shortfall in achieved savings of £17.685m was noted, 44% of the total budgeted for; revenue annex 3 gave detail on this. This was due to pressures caused by the impact of the pandemic. Non-delivery had been met by grant funding but there was a higher risk for next year, 2021-22
- Covid-19 related pressures were at £107.481m, a £10.161m net shortfall, with full details on table 4c and revenue annex 2.
- £419,000 funding was received for home to school transport and the Council would receive £1.5m from the Ministry of Housing, Communities and Local Government for income compensation and anticipated claiming a further at least £1.5m.
- Reprofiling of the capital programme due to timescales on when schemes could be delivered meant that the £80m borrowing may not be fully drawn down this year.

13.3 The Chairman noted that the cost of the impact of the pandemic across the Local Governments is already high.

13.4 The Cabinet Member for Children's Services reported that there were still some unknown factors related to impacts of Covid-19 on the Children's Services budget such as the impact of the costs of home schooling in the current lockdown, impact on social work teams and on the transformation programme.

13.5 The Chairman noted the Contain Outbreak Management fund was available to support issues which arose related to the pandemic

13.6 Members thanked the financial team for their work over the past year in responding to the financial challenges.

13.7 The Cabinet Member for Finance and the Chairman noted that the financial situation was challenging.

13.8 Cabinet **RESOLVED** to:

1. To approve the setting up of a CES business risk reserves of £1.681m as set out in paragraph 2.35 of Appendix 1, and to approve proposed additional transfers to the Adult Social Services business risk reserve (£3.857m), Children's Services business risk reserve (£1m) and the corporate Covid risk reserve (£2.5m) as set out in paragraphs 2.8, 2.28 and 2.43 of Appendix 1.
2. Note the period 8 general fund forecast revenue overspend of £0.349m noting also that Executive Directors will take measures to reduce or eliminate potential overspends;
3. Note the COVID-19 grant funding received of £97.320m, the proposed use of that funding, and the related expenditure pressures resulting in net Covid-19 pressure, of £10.161m taking into account proposed transfers to the Corporate Risk reserve.

4. Note the period 8 forecast shortfall in savings of £17.685m, noting also that Executive Directors will take measures to mitigate savings shortfalls through alternative savings or underspends;
5. Note the forecast General Balances at 31 March 2021 of £19.706m, before taking into account any over/under spends;
6. Note the expenditure and funding of the revised current and future 2020-23 capital programmes.

13.9 **Evidence and Reasons for Decision**

Two appendices are attached to this report giving details of the forecast revenue and capital financial outturn positions:

Appendix 1 summarises the revenue outturn position, including:
- Forecast over and under spends
- Covid-19 pressures and associated grant income
- Changes to the approved budget
- Reserves
- Savings
- Treasury management
- Payment performance and debt recovery.

Appendix 2 summarises the capital outturn position, and includes:
- Current and future capital programmes
- Capital programme funding
- Income from property sales and other capital receipts.

13.10 **Alternative Options**

In order to deliver a balanced budget, no viable alternative options have been identified to the recommendations in this report. In terms of financing the proposed capital expenditure, no grant or revenue funding has been identified to fund the expenditure.

14 Performance and Governance of Norfolk County Council owned companies

14.1 Cabinet received the report by the Executive Director of Finance and Commercial Services providing Cabinet with details of the Council's companies and setting out the governance arrangements on how the Council's interests as shareholder are safeguarded.

14.2 The Cabinet Member for Commercial Services and Asset Management introduced the report and moved the recommendations, noting the following points:

- High profile cases were being reported of local authority companies having a detrimental effect on their parent council, therefore it was an opportune time for the Council to review its companies and satisfy itself that sufficient scrutiny and challenge of its companies was taking place.
- The report demonstrated that the council had appropriate governance arrangements and oversight of its companies and that the Council's interests were safeguarded.

- The review had not identified any concerns

14.3 The Chairman noted that Norse Group and Repton Properties had non-executive directors on their Boards bringing their expertise to the companies, and Simon George as the Shareholder Representative attending many meetings.

14.4 Cabinet **RESOLVED** to:

- Review and endorse the governance arrangements for the Council's companies
- Note the performance of the Council's companies

14.5 **Evidence and Reasons for Decision**

One annex is attached to this report, giving details of the performance and governance of Norfolk County Council owned companies including:

- Details of the ownership of each company
- Why councils create companies?
- The company governance arrangements within the constitution
- The framework for assessing whether a company is delivering the intended benefits and that the Council's interest are safeguarded.

14.6 **Alternative Options**

In order to manage the Council's companies, no viable alternative options have been identified to the recommendation in this report.

15 Norse Group Business Plan

15.1 Cabinet received the report by the Executive Director of Finance and Commercial Services providing details of the Norse Group Business Plan for 2021-22.

15.2 Dean Wetteland, Chief Executive of Norse Group, introduced the Norse Group Business Plan:

- The Business Plan for 2021-22 was underpinned by a three-year strategy
- Officers had reduced costs in excess of £3m prior to covid-19, and one senior management team had been implemented across the Group. The Group had been grown, with £15m turnover and two Joint Ventures mobilised during the first lockdown in 2020.
- Returns to the public sector had been increased to around £6.7m and customer satisfaction maintained at around 92%.
- Return to the shareholder was estimated to be around £2.2m, with a target to rise to £2.4m in 2021-22.
- The pandemic had impacted on the plans of the Group; the core aims for the Group during this time were survival and maintaining as many groups as possible once the pandemic is over. The accommodation footprint had been reduced to decrease costs.
- Staff had been furloughed during the pandemic with a focus on job protection.

- The Group had recently reviewed its strategy and values, which were quality, innovation, respect and trust, and aimed to embed these into its culture further in the next 12 months.
- The Group had reviewed its mission which was that they provide public services to the public sector. Their goals were good quality, be a good employer, and generate a good return to the business and to the stakeholder.
- The services provided had been reviewed and categorised into five areas: environmental services; facilities management; highways maintenance; properties services; and consultancy and adult care
- The Group was committed to continuing to provide a service to the public sector.
- The Group was focussed on trying to improve its environmental impact as much as possible and working with partners to achieve this.
- it was planned to deliver a retained profit of £2.1m after tax, with £5.6m to be returned to the public sector, of which £2.4m would be returned to NCC.
- There were still unknown factors involved with the impact of Covid-19 and Brexit.

15.3 The Chairman noted the sad passing of Mike Britch who had been a key figure in establishing NPS and the Norse Group and offered his condolences to his family. Individual Cabinet Members did the same and paid their tributes to Mike Britch.

15.4 Fiona McDiarmid, Chair of Norse Board, said that the Board had worked hard to refresh the strategy, and the new governance arrangements of the non-executive director appointments were working well and providing good challenge and support to the executive. Fiona thanked and congratulated the team for their work over the past year in very difficult circumstances during the pandemic.

15.5 The Cabinet Member for Commercial Services & Asset Management thanked Dean Wetteland and Fiona McDiarmid for introducing the Business Plan, and the Board for bringing forward the informative Business Plan. He noted that the Norse Group was the largest Local Authority Trading Company in the country, controlling 62 companies in locations across the country. The Group was monitored by a Norfolk County Council Shareholder Committee, which meets quarterly providing feedback to the Council,. The Cabinet Member for Commercial Services & Asset Management moved the recommendations and confirmed that they reflected the Council’s aspirations as shareholder.

15.6 The Cabinet Member for Adult Social Care, Public Health & Prevention, as a Member of the Norse Shareholder Committee, endorsed the business plan, and championed the work of the Group with local authorities across the Country.

15.7 The Vice-Chairman and Cabinet Member for Growing the Economy noted the work of the Group in supplying PPE (personal protective equipment) across the County’s care homes during the pandemic.

15.8 Cabinet **RESOLVED** to:

- Review and approve the Norse Group Business Plan for 2021-22 to ensure that it reflects the aspirations of the shareholder.

15.9 **Evidence and Reasons for Decision**

Norse Group Limited Board has approved a business plan and is subsequently seeking Cabinet's consent to operate the company in accordance with the business plan. The business plan is attached as an annexe to the Cabinet report.

15.10 **Alternative Options**

The County Council, as shareholder, could set alternative objectives for the company and request a revised business plan.

16 Corporately Significant Vital Signs report

16.1 Cabinet received the report by the Director of Transformation providing an update on the Council's current performance towards achieving its strategic outcomes set out in Together, For Norfolk. Each quarterly performance report provides an opportunity to review current performance, validate the actions being taken to address gaps in performance and identify further opportunities for improvement using the resource and knowledge of the Council as a whole.

16.2 The Cabinet Member for Innovation, Transformation and Performance introduced the report and moved the recommendations, during which the following points were noted:

- These corporately significant vital signs were aligned to the four principles outlined in the Council's plan Together for Norfolk.
- Thirteen areas had met or exceeded their target, as shown in table one. Some areas were below the target set, and these were being addressed.
- The Cabinet Member noted that ICT had enabled many Council services to be delivered effectively from home during the pandemic

16.3 The Chairman thanked staff for their work during the pandemic so far and in the coming months, noting that time lost due to sickness had been lower than the national average.

16.4 The Cabinet Member for Adult Social Care, Public Health & Prevention discussed the Adult Social Services indicator which had not met its agreed level, 202, "% of people who require no ongoing formal service after completing reablement"; this was a direct result of the Covid-19 pandemic as many people were reluctant to have face to face visits and was not a reflection on the team delivering the service.

16.5 The Cabinet Member for Finance noted that there were no areas causing him any concern.

16.6 The Cabinet Member for Children's Services noted that there had been an increase in unaccompanied asylum seekers over the past year and staff had been able to make contact with them and provide support. With reference to vital sign 417 "Percentage of Relevant and Former Relevant Care Leavers in

EET", the Cabinet Member for Children's Services noted that numbers were down, but initiatives were coming forward through the corporate parenting board which it was hoped would have an impact through 2021. With reference to vital sign 416 **"**Percentage of Education, Health & Care Plans completed within timescale", the Cabinet Member for Children's Services reported that there were now resources in place to reduce the backlog of health and care plans in 2021.

16.7 Cabinet **RESOLVED** to:

- Review and comment on the current performance data and agree the planned actions as set out in Appendices 1 and 2 of the report.

16.8 **Evidence and Reasons for Decision**

N/A

16.9 **Alternative Options**

Information Report

17 Risk Management

17.1 Cabinet received the report by the Executive Director of Finance and Commercial Services setting out key messages and the latest corporate risks.

17.2 In introducing the report and moving the recommendations, the Chairman highlighted the following key areas:

- Paragraph 2.1 on page 297 highlighted the corporate risk messages.
- RM010 had a change of score; there was further detail set out on pages 303 and 317.
- There were further key changes to risks set out in appendices a and b of the report

17.3 The Cabinet Member for Innovation, Transformation & Performance discussed the change to RM010, highlighting the importance of ICT and telephony on the running of the council at that time. The risk of cyber attack had not increased as lots of work had been carried out to increase resilience against attacks, such as staff awareness training and rolling out of technology.

17.4 Cabinet **RESOLVED** to **agree**:

1. To consider and agree the key messages (2.1) and key changes (Appendices A and B) to corporate risks since the last risk management report in October 2020.
2. To consider and agree the corporate risks as at December 2020 (Appendix C).

17.5 **Evidence and Reasons for Decision**

N/A

17.6 **Alternative Options**

There are no alternatives identified.

18 Health, Safety and Well-being Annual Report 2019-20

18.1 Cabinet received the report by the Director of Transformation providing data and analysis on the Health, Safety and Well-being (HSW) midyear performance of Norfolk County Council (NCC) as an employer.

18.2 In introducing the report and moving the recommendations, the Chairman highlighted the following areas:

- The team's main focus had been on the response to the pandemic and ensuring staff safety during this time; he thanked Derryth Wright and her team for ensuring staff were working safely and efficiently
- The report showed both positive indicators and negative indicators, including an the improvement notice that had been served on the council and responded to, with the issue of violence being the biggest cause of incidents.
- Page 352, paragraph 2.1.2, discussed leadership, highlighting the importance of leadership in promoting health and safety.

18.3 Cabinet **RESOLVED** to:

1. To consider the reported performance of NCC
2. To note that the health and safety team have redirected efforts to manage service changes to create "COVID-Secure" services and workplaces, and more recently have provided professional support to Public Health colleagues and educational settings managing situations and outbreaks
3. Agree that priority actions for the HSW team are to:
    a. Continue to focus on the response to the COVID-19 pandemic,
    b. Re-instigating the monitoring programme in a COVID-Secure way
    c. Develop the training offer to enable remote delivery
4. Agree that actions for services are to focus on key priorities during continued pandemic which will support mental health, well-being and safety including:
    a. Effective people leadership and management practice as priority
    b. Working from home arrangements including DSE assessment
    c. Lone working procedures
    d. Continued well-being of staff

19 Reports of the Cabinet Member and Officer Delegated Decisions made since the last Cabinet meeting:

Cabinet **RESOLVED** to **note** the Delegated Decisions made since the last Cabinet meeting.

The meeting ended at 12.12pm.

Chairman

Appendix A

Cabinet
12 January 2021
Public Questions

Agenda item 6 **Public Question Time**

6.1 **Question from Hannah Wallis**

Will members support the introduction of a 20-mph speed limit on Thorpe Road between the junction of Clarence Road and the Fat Cat and Canary PH? Residents often find that traffic here greatly exceeds the 30-mph limit causing a danger to people as they enter or leave their parked cars. It is also dangerous for cyclists near parked cars where the road is narrowed. The introduction of the new road system here in January, will be put cyclists at increased risk as they will be forced to make an effective right turn as they enter the contraflow system. A 20-mph limit on their approach would make this safer.

Response:

The revised road layout as part of the proposed Transforming Cities Fund scheme provides a new zebra crossing and a narrowing of the carriageway. Drivers approaching the new zebra crossing should be exercising caution and pedestrians crossing will break the flow of traffic. This combination of changes should encourage a reduction in traffic speeds.

With regard to cyclists turning right into the contraflow, this is a normal manoeuvre carried out in a wide variety of highway environments and is not a reason in itself to implement a lower speed limit.

The accident record in this area shows that in the last 5 years, one accident has been recorded by Norfolk Constabulary. This was a slight injury accident in November 2020 in dark street lit conditions where speed was not identified as a contributing factor.

A 7-day automated traffic survey was carried out in November 2019 on Thorpe Road near to Heathside Road. This indicated average eastbound speeds of 25.6mph (85th%ile 29.5mph) and average westbound speeds of 22.2mph (85th%ile 27.3mph), which represents good compliance with the existing 30mph speed limit.
Given the low accident record, good speed limit compliance and that the proposed highway works should help reduce traffic speeds further, we are not recommending any further changes at this time

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6.2 **Supplementary Question from Hannah Wallis**

Other than a new pedestrian crossing, what alternative or additional measures would the council be prepared to put in place to safeguard pedestrians, cyclists, children and pets who live on this short but dangerous and busy stretch of road?

Response:

As outlined in 6.1 above, given the low accident record, good speed limit compliance and that the proposed highway works should help reduce traffic speeds further, we are not recommending any further changes at this time.

6.3 **Question from Moira Newlan**

A new study by the Centre for Cities (EDP 11 December) has shown that the improvement on Norwich's air quality during lockdown was short -lived with levels of NO2 reaching pre-lockdown levels by October 2020. In addition, levels of particulates (PM2.5) have continued to rise even during lockdown. The study says that increased post-pandemic home-working will do little to alleviate these problems, as cars are still being used for leisure and shopping activities.

What urgent measures will the Council be taking to ensure that car use is reduced, and improvements in public and cycling transport are increased?

Response:

While significant reductions in traffic emissions were seen in the first lockdown over prior levels, these did return to levels at or close to those before lockdown commenced. However, it is important to note that prior to the pandemic, significant improvements had already taken place, focussing on tackling congestion, carbon emissions and poor air quality. The 2019 Air Quality Annual Status Report from the City Council reported that overall levels of NO2 within the central Air Quality Management Area are falling. The increase in PM2.5 particulates observed during lockdown was identified as not being due to road traffic sources and was caused by dust from the Sahara blown over the UK.

Before lockdown, we saw an overall increase in the those cycling by more than 40% following investment in cycle infrastructure. In the last few months, we have had two successful funding bids from the Department for Transport (DfT) through the Transforming Cities Fund (TCF) and Active Travel Fund. The roll out of these programmes will see new cycle lanes, improved pedestrian facilities, additional bus priority features and an £18m investment by First in new and refurbished buses and increased frequency of bus services.

Other schemes that have been introduced during the last year aimed at reducing car use include the new Beryl bike share scheme, which has now been enhanced to include electric bikes, and the provision of an electric scooter trial. Both schemes have been very successful, with users of the Beryl Bike scheme cycling the equivalent of six and half times round the globe, saving 44 tonnes of CO2. Use of bikes and e-scooters is increasing all the time.

The Transport for Norwich Strategy is currently being reviewed and will be revised and updated to further support the increased use of sustainable transport, improving air quality in and around the city centre and reducing carbon emissions

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6.4 **Supplementary Question from Moira Newlan**

Are you able to supply up to date figures on the levels of NO2 and particulates within Norwich and set these in the context of levels over the whole of 2020 and in addition, can you tell me what measures are being taken to discourage parents sitting with car engines running whilst waiting for children to enter and leave school?

Response:

The whole of Norwich city centre is formally declared as an Air Quality Management

Area (AQMA), with a low emission zone in place. Levels of NO2 and particulates within Norwich are monitored and reported by Norwich City Council and is reported annually in their Air Quality Annual Status Report, which can be downloaded from the City Council website. The most recent report is for 2019 and outlines that overall levels of NO2 within the central AQMA are falling. The City Council also has an Air Quality Action Plan, which sets out measures to address air quality issues. The latest version of this is from 2015, which can also be downloaded from the City Council website; a more up-to-date 2020 version is currently being finalised. This will outline the measures being delivered through the recent funding awards, such as the Transforming Cities Fund.

In addition to highway measures that provide more cycle lanes, pedestrian facilities and public transport enhancements, we need people to change their behaviour in order to reduce current levels of single car occupancy and increase the number of people travelling sustainably. Going forwards, we are therefore seeking to promote behaviour change though a sustained and co-ordinated programme. Through this approach, there will be the opportunity to consider how best to improve air quality around schools.

6.5 **Question from Carol Smith**

On the 19/12/2020, the EDP stated that Cllr Borrett said, “I absolutely regret that people were charged the wrong amount and am very sorry for the distress this has caused.”

The young person who took the case to judicial review and her litigation friend clearly suffered great stress, so I assume that they are ‘owed’ an apology from Cllr Borrett. As Cabinet member for Adult Social Care, it was Cllr Borrett that led the changes, so should therefore take responsibility.

If Cllr Borrett is truly sorry, has he had the decency to write to the individual who took the case to Judicial review to apologise?

Response:

Thank you for your questions. I can confirm that I have.

6.6 **Supplementary Question from Carol Smith**

If Cllr Borrett has not written to apologise to the young person who took the case to judicial review can I ask why not?

Response:

Please see the answer to your first question.

6.7 **Question from Andrew Smith**

Our son has recently transitioned into Adult Social care, and the fear of the of reduced services as well as these charges, deemed illegal by the High Court, has been of great concern. Quality of life and independence were affected by the charging policy. What assurances have we that future policies do not further erode the quality and affordability of our young adults?

Response:
Thank you for your questions. The Council's aim is to help people meet their needs so they can achieve the things that matter to them. Promoting their independence to maximise their quality of life and enable them to have as much control over their lives as possible. The Council continues to look at new ways to support people, with new opportunities being offered by our day services to specialist housing like the enablement schemes at Netherwood Green and St Thomas House. These services are specifically designed to support people with disabilities to live as independently and full a life as possible. We have already taken steps via our Preparing for Adult Life Service to improve the transition for younger people between children's services and adult services. I hope that these continuing actions demonstrate the Council's commitment, because we do recognise that this is a hugely important time in people's lives.

6.8 **Supplementary Question from Andrew Smith.**
How can we be assured that NCC future actions are transparent and do not affect my son's human rights and independence and treat him as an equal citizen in every way in Norfolk?

Response: The Council makes all its decisions in a transparent way and the paper in today's Cabinet meeting confirms this and outlines the future plans.

6.9 **Question from Rose Titchiner**
When the unlawful care costs are refunded, will the full £65.95 of the Severe Disability Premium, paid to people who live independently, still be taken towards ASC care costs? It seems discriminatory and disproportionate to take all of this allowance, or will it take a new judicial review by someone receiving this benefit, to rectify this. From his track record I have no confidence that Cllr Borrett is the appropriate person to ensure this group of people, who may still be subject to MIG charges, are treated fairly and he must resign.

Response: Thank you for your questions. The immediate amendment to the charging policy set out in today's Cabinet paper will (if agreed) remove the charge in relation to the enhanced daily living allowance element of Personal Independence Payment. The treatment of the Severe Disability Premium is in line with the National Guidance. This has been the case for many years under all political administrations. If the Government were to change the guidance we would of course seek to change the Council's policy to align with it. The Council would also look to lobby the Government for compensation for any increase in costs that may arise as a result.

6.10 **Supplementary Question from Rose Titchiner**
In the light of the recent Judicial Review, how will NCC and the Cabinet ensure that

all those disabled people affected by the drop in the MIG, are repaid swiftly and fully, the money they are now owed, including repaying fully all those in receipt of the Severe Disability Premium?

Response:
Today's Cabinet paper (if agreed) sets out the Council's arrangements for reimbursing people affected by the judgment.

6.11 **Question from Jan Kerby**

I believe the Disability Norfolk Network Group, of which I am a member, have called for the resignation of Bill Borrett, Cabinet Member for Adult Social Care, which he has refused.

Mr Borrett has no empathy or understanding of Adults with Learning and/or Physical Disabilities. He appears pompous, sneering and dismissive of this community towards individuals and their families/carers.

Doesn't he see for himself how difficult life is for these people? He so obviously does not understand the situation and should not be in a position of power on the cabinet. Adult Social Care should be championed and supported at the very least.

Response:
Thank you for your questions. I am sorry that you feel the way you do and for the impact of the Council's original decision.

The Council does not have unlimited resources and has to set a balanced budget by law. It has to make some very difficult decisions across all the people that adult social care supports. Our approach to balancing the budget includes investment in prevention and housing, integrating our work with the NHS, maximising people's income through welfare benefits, advice, supporting carers and – in line with National guidance – charging people. This judgement challenges and potentially changes that Guidance, the Council is responding accordingly. It is for other councils to consider its implications too.

I have supported the raising of the Adult Social Care Precept when we have been allowed to by the Government. I have campaigned with fellow Councillors, our local MP's and Government Ministers to raise the issue of the need for a sustainable settlement for Adult Social Care. My colleagues in the Cabinet will testify to my championing for a generous share of the Council's resources for adult social care.

I have the utmost respect for people who live with disabilities, and for those who care for them. I will continue to do all I can to improve the quality of the Council's services, and strive to make the resources available work in the best possible way for the people who rely on them.

6.12 **Supplementary Question from Jan Kerby**

Can we ask Mr Borrett how he feels following the recent legal judgement made against him?

Response:
I am surprised at the result of the Judicial Review because I was advised that the Council was following the National Guidance and making a decision that had already been taken by many other similar councils. I do accept it and today's Cabinet paper is designed to reduce the uncertainty and worry for everyone affected.

6.12 **Question from John Hannaway**
When the unlawful care costs are refunded, will the full £66.95 of the severe disability premium pay to people who live independently still be taken towards ASC care costs - it seems discriminatory and disproportionate to take all of this allowance or will it take a new judicial review by someone receiving this benefit to rectify this? From this track record I have no confidence that Cllr Borrett is the appropriate person to make sure this group of people who still may be subject to MIG charges, are treated fairly and he should resign.

Response:
Thank you for your questions. As your first question is exactly the same as that asked by Rose Titchiner (No. 6.8) I refer you to the answer given there.

6.13 **Supplementary Question from John Hannaway**
When will NCC reverse the MIG and when will the over charges be reimbursed?

Response:
Today's Cabinet paper (if agreed) sets out the arrangements for reimbursing people affected by the judgment.

6.14 **Question from Matthew Plunkett**
Cllr Borrett has been responsible for introducing a policy judged to have breached the human rights of the most vulnerable people in Norfolk, despite being told many times his discriminatory actions were causing anxiety, distress, misery and hardship. His actions have caused huge reputational and financial harm to NCC. Neither can be excused with just an apology for the 'wrong charge' not even for the decision to apply it. He refuses to take ownership, despite his arrogance and lack of empathy at pushing through the MIG cuts, saying 'it was a full council decision'.' This is misleading at best. Will the responsible Member explain why he has not yet resigned?

Response:
The Council is responsible for setting its own charging policy, and to interpret the relevant guidance. It has tried to do this accurately, based on consultation and advice and the final decision was made by Members at a full Council meeting.

The judgement is clear that the discrimination in the policy was inadvertent, unforeseen and unplanned. It is however the Council's responsibility to change its approach in line with the judgement. The Council (and therefore the Cabinet

Member), did not intend to discriminate. Its intention – which the judgement acknowledges – was to amend its charging policy in line with the National Guidance, and to bring it into line with other councils. It considered this carefully and conscientiously, seeking to both phase in and mitigate the impact on vulnerable people and their income. Cllr Borrett has publicly apologised on behalf of the Council, he continues to work with the people who use services to explain the implications and he has brought forward revised arrangements for us to consider at today's Cabinet meeting.

Due to the above reasons and the acknowledged unintentional nature of the breach I do not consider this a matter for resignation

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6.15 **Question from Rachel Knights**

Councillor Borrett was specifically asked to lobby Government with DNNG members in October 2019 and refused. If he is unable to work with the people he represents then why does he hold this post?

Response:

The Council continues to lobby Government for fair and sustainable funding, including and importantly the future of Adult Social Care funding. This issue has been raised with the Chancellor and Secretary of State within written correspondence from myself and the Cabinet Member. I, with the support of the Cabinet Member, have been working with local MPs, in particular George Freeman MP to raise the issue of funding for adults with disabilities.

6.16 **Supplementary Question from Rachel Knights**

What assurances do we have that this Council will fight for the extra funding required from the Government openly and inclusively with the disabled people themselves and /or their advocates?

Response:

As referred to in the previous answer we are working with Local MPs to engage directly with the Secretary of State to highlight the need for a reform on Adult Social Care funding. If you look at the actions of the Council you will see that not only are we lobbying but we have also taken the full Adult Social Care Precept whenever the Government has allowed it to be charged. This now makes a significant contribution to the income available to the Council for adult social care

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6.17 **Question from Amanda Smy**

During the Judicial Review which I viewed live, NCC's barrister (Jonathan Auburn) referred to Direct Payments as income. This is incorrect, who briefed the barrister with this information which he publicly stated? Direct Payments are not income to be spent as pleased, they are tightly monitored on how they are spent. If unused throughout the financial year they are grabbed back and placed back into NCC's income.

Response:
Thank you for your questions. The Council did note during the Judicial Review the incorrect use of language by the barrister on this point. We have been reassured that the barrister was properly briefed and understood the position, which is that Direct Payment funding is not deemed to be 'earned income' for those that choose that service arrangement. The Council does monitor Direct Payment spend and where resources remain unused we will undertake reclaims against those accounts but always leaving up to 12 weeks funds with the service users.

6.18 **Supplementary Question from Amanda Smy**

How has NCC described DP payments as income?

Since NCC took over accounts from Equal Lives it has been extremely difficult to oversee, manage, communicate, etc. The whole scenario of care charging alongside financial services shambolic, degrading and expensive to the Council addressing many errors with manpower. I call for Councillor Borrett's resignation from his post

Response:
Please see the response given to your first question on Direct Payments.

6.19 **Question from David Fairbairn**

Can the Cabinet member for Childrens' Services please provide an update on planning for new primary school places in the Poringland area, reflecting the shortfall in places identified in the Schools local growth and Investment Plan April 2020?

Response:
I would like to thank Mr Fairbairn for his questions. We have commissioned and received a site search to look at available land which meets the criteria for a new school. This availability is slightly limited because there has been considerable house building on land around the village (hence the pressure on school places). This has been shared with NCC Highways to ensure access for any of the sites is achievable, and we are now looking at these sites in more detail.

6.20 **Supplementary Question from David Fairbairn**
Can the update include the latest projection of the shortfall in primary school places, and a list of all sites that have been or are being actively considered, identifying those that have been rejected as unsuitable?

Response:
A site search has been completed, but this makes no assumption about the land available and in particular a landowner's desire to dispose of their land. As such it wouldn't be appropriate to put this into the public domain at the moment, but as we

move forward we will share some proposals. The forecast of pupil numbers indicates a similar level of pressure for places. Some parents are choosing to send their children to other schools nearby and this is helping us to manage the pressure through the admissions process.

6.21 **Question from Jacqueline McCarney**

Mr Justice Griffiths' recent High Court judgement against the Council highlights that none of the consultation, discussion and decision-making records (including briefing papers, meeting minutes and an Equality Impact Assessment) addressed the differential impact on the most severely disabled of the Charging Policy (judgement paragraph 85). What measures and corrections will the council now undertake to ensure that its policy development processes, especially EIAs, address and ensure there are no breaches under the Human Rights Act 1998, the European Convention on Human Rights and the Equality Act 2010

Response:

Thank you for your questions. Today's Cabinet paper (if agreed) seeks to address the immediate issue through an interim amendment to the charging policy and to put in place steps to adjust people's accounts. The Council is also asking for a review of the charging policy to ensure a sustainable policy going forward, and this will include a full Equality Impact Assessment.

6.22 **Supplementary Question from Jacqueline McCarney**

The recent High Court judgement also highlights that the Council ignored warnings (judgement paragraph 90 and 91) and a suggestion of a "less intrusive measure" (paragraph 92) in Government guidance. What measures will the council introduce into its policy development processes to ensure that, in the future, guidance issued by the Secretary of State is fully followed under Section 78 of the Care Act?

Response:

As mentioned in the answer to your first question, the Council is requesting a review of the charging policy to ensure a sustainable policy going forward, and this will include a full Equality Impact Assessment.

6.23 **Question from Iain Robinson**

The 2020/21 budget allocated a total of £4.055m for the Norwich Western Link road broken down into Procurement (£637K), Design (£931K), Statutory process (£1.94m) and Outline Business Case (£544K). A further £2.98m was allocated to acquire land. A total of just over £7m. How much of each of these allocations has been spent to date and how much is allocated for each in the 2021/22 budget?

Response:

To month ending December 2020 the costs for each element are Procurement

(£0.479m), Design (£0.700m), Statutory Process (£1.559m) and Outline Business Case (£0.473m) for financial year 2020/21. There is a degree of overlap between these activities, and the development of the scheme is in line with the budget allocation.

Land acquisition costs to the end of December are £2.466m and include costs from financial year 2019/20 as well as 2020/21. Most of this is as a result of blight notices served on the Council where the qualifying criteria have been met following the preferred route announcement in July 2019.

The budget for 2021/22 will be determined following completion of the design and build contractor procurement process. All details forecasting future year budget provision will be reported to Cabinet in March 2021 and will be set out in the Outline Business Case.

6.24 **Supplementary Question from Iain Robinson**

In response to Cllr Corlett at December's cabinet, you said that the design and build contractor for the Norwich Western Link road is due to be appointed in March 2021. Who are the shortlisted companies and which Cabinet meeting will agree the appointment?

Response:

A report that will seek Cabinet's approval to appoint a contractor for the Norwich Western Link is due to be taken to a Cabinet meeting in March. We cannot disclose who the shortlisted bidders are as this information is commercially sensitive at this time.

6.25 **Question from Ben Price**

I note the targets for the Environmental Policy and welcome the commitment for Norfolk CC to get to net zero carbon emissions by 2030. It is good to see that a programme of tree planting is included in the policy. However will the cabinet member and the oversight group go further and commit to keeping all mature trees on council land in situ, as it is well documented that it will be more than 50 years before any new saplings planted now will have an appreciable effect on carbon reduction?

Response:

In response to the question, the intention of the tree-planting programme is to build on already established trees and shrubs as these are already working effectively to trap carbon. The focus initially, will be on areas where there are gaps in the existing tree cover. However, tree-felling may be needed to control disease (such as Ash dieback), to manage safety, and for development purposes. In this regard we will follow the agreed protocols in the latest version of the NCC Tree Policy.

It is worth stressing that the tree-planting programme is not just focused on the County Council's own land, but seeks to support tree planting endeavours within the community at large. The same premise applies – we aim to consolidate around existing established woodland where that already exists, if at all possible.

6.26 **Question from Harry Clarke**

Surface water flooding in Dereham is now more frequent, before and after 20i6, including September 2020 and 24th December 2020. You no longer have Surface Water Management Plans in place. Are you confident and can evidence that your new approach will work, and will you review and reintroduce Surface Water Management Plans if this is necessary and resources for the Flood Team ?

Response:

The Council prioritises and progresses flood risk mitigation studies based on the findings of the Preliminary Flood Risk Assessment (PFRA) for Norfolk. The PFRA provides a consistent evidence base to guide our work. Due to this and the Flood Investigation Report for Dereham we are undertaking a feasibility study to identify a package of measures to better protect properties at risk of flooding within the Town.

This approach is similar but more targeted than the Surface Water Management Plan process.

Implementation of these proposed measures will require external, partnership funding, but the evidence from the feasibility study provides the best evidence case to help access this funding in the future.

6.27 **Question from Christine Dring**

Cllr Borrett has been responsible for introducing a policy judged to have breached the human rights of the most vulnerable people in Norfolk, despite being told many times his discriminatory actions were causing anxiety, distress, misery and hardship. His actions have caused huge reputational and financial harm to NCC. Neither can be excused with just an apology for the 'wrong charge' not even for the decision to apply it. He refuses to take ownership, despite arrogance and lack of empathy at pushing through the MIG cuts, saying 'it was a full council decision.' This is misleading at best. Will the responsible Member explain why he has not yet resigned?

Response:

Please see answer provided at 6.14

6.28 **Supplementary Question from Christine Dring**

It says in the Cabinet Papers 4.3 that you will bring a new policy following consultation. Will that 'consultation' include ALL those who will be affected (unlike the 2018 consultation for the MIG cuts) and will you take proper notice of that consultation or just ignore the outcome as you did with the aforementioned consultation?

Response:

Thank you for your question. The Council wants to continue to work with the DNNG and other representative groups on how we engage and consult on future policy.

6.29 **Question from Tracy Clarke**

Cllr Borrett has been responsible for introducing a policy judged to have breached the human rights of the most vulnerable people in Norfolk, despite being told his discriminatory actions would cause severe hardship and distress. These actions have caused financial harm to NCC and anxiety to those unfairly charged which cannot be excused with apologies. This policy was implemented despite many attempts by those affected to point out the hardships this would cause, showing a clear lack of empathy and understanding.

Will Cllr Borrett explain why he has not yet resigned?

Response:

Please see answer provided at 6.14

6.30 **Supplementary Question from Tracy Clarke**

Will the council explain how they will move forward from here, including their plans to work with those affected, their families and carers to gain a full understanding of how these decisions will impact the lives of the most vulnerable people in Norfolk.

Response:

Today's Cabinet paper (if agreed) outlines the interim amendment to the charging policy and the steps to put in place to adjust people's accounts. The Council has also asked for a review of the charging policy to ensure a sustainable policy going forward, and this will include a full Equality Impact Assessment.

The Council wants to continue to work with the DNNG and other representative groups to on how we engage and consult with those people affected.

6.31 **Question from Anne Killett**

A net carbon footprint of -47K tCO_2e is given for the new arrangements to treat around 180,000 tonnes of Norfolk's waste at energy from waste plants outside Norfolk at agenda page 58. Please provide (in tCO_2e – tonnes of 'carbon dioxide equivalents'):

- The gross CO_2e generated by the burning process
- The avoided CO_2e from each of recycling, energy recovery, landfill diversion, transport and any other factors

Please provide clear assumptions behind the figures (eg: how many tonnes of landfill are being diverted by the new arrangements).

Response:

The figure referred in the Cabinet report as 47,000 tonnes of carbon emissions saved every year is over the period of the contract and is 'compared to sending the waste to landfill'.

This figure derives from a tool called Wrate (Waste and Resources Assessment Tool for the Environment), which is a Life Cycle Assessment tool specifically for the purpose of evaluating the environmental aspects of waste management activities, which was applied to evaluate the effects of each solution received on 20,000 tonnes of waste a year.

Using this approach, for the proposed solution Wrate established a Global Warming Potential (GWP100a) of -778,009kg CO2 equivalent. In relation to the different aspects of the proposal they were calculated as:

- The treatment process: +544,873kg of CO2 equivalent.
- Transport: +557,371kg of CO2 equivalent.
- Recycling: -1,882,296kg of CO2 equivalent.
- Landfill: +2,044kg of CO2 equivalent.

This generates a calculated -778,009kg CO2 equivalent saving or -778.01 tonnes per 20,000 tonnes of waste treated a year, which when compared to the high carbon scenario of waste landfill for 180,000 tonnes a year over the life of the contract generates the overall estimate of carbon saving referred to in the Cabinet report.

And in the proposal all 180,000 tonnes a year are being diverted from disposal direct to landfill but from the treatment process some air pollution control residues will be disposed of and that is reflected in the assessment.

6.32 **Supplementary Question from Anne Killett**

For full transparency of how waste management fits into the Corporate Environmental Policy, please publish the carbon emissions assessment in full for the new arrangements to treat around 180,000 tonnes of waste including relevant references to the carbon footprints of the waste disposal facilitie(s) being contracted by the Council.

Response:

Residual waste treatment is not the only way that waste services relate to the County Council’s Environmental Policy, as the County Council has a longstanding and significant focus on waste reduction, reuse and recycling.

The answer to the previous question provides details about the carbon emissions assessment for the new arrangements. The carbon footprint of the entire facility is not a feature of this process, as what was calculated in the evaluation and used to estimate the effect of 180,000 tonnes a year over the life of the contract, was the carbon footprint of the treatment of the County Council’s waste – which is only a part of the total capacity of the proposed new Rookery South Energy Recovery Facility at a site near Stewartby, in Bedfordshire.

For context on the carbon emissions details provided in the previous answer, these were established using a bespoke waste composition that was based on a 2015 residual waste composition study in Norfolk. The Wrate evaluation tool calculated the potential impacts arising from all processes in the waste management system that would apply to this waste, including the collection of waste from locations in Norfolk, transportation, transfer, treatment, disposal and recycling of materials. The Wrate model also takes account of the construction and operation of infrastructure and vehicles, and offsets this burden against the avoided burdens associated with materials and energy recovery, meaning that inputs of waste, energy and materials, and outputs of energy, process residues, materials and emissions are taken in to account.

6.33 **Question from Karen McKerrow**, obo National Autistic Society West Norfolk Branch.

Given that this council has wrongfully charged the most severely disabled within our autistic community more than the less severely disabled and this has been found to be discriminatory – please give assurance that not one penny more will be taken and that every penny wrongfully taken will be refunded forthwith.

Our adult children are so severely disabled with such complex needs they are never likely to be able to work and need their money back as a matter of urgency. Please confirm this will be happening.

Response:

Thank you for your questions. Today's Cabinet paper (if agreed) sets out the Council's arrangements for reimbursing people affected by the judgment.

6.34 **Supplementary Question from Karen McKerrow, obo National Autistic Society West Norfolk Branch**.

Our adult children are so severely disabled with such complex needs they are never likely to be able to work and need their money back as a matter of urgency. Please confirm this will be happening.

Response:

Please can we refer you to the answer to your first question which also covers this one.

6.35 **Question from Marilyn Heath**

The Judge stated that the discriminatory effect of the measures NCC imposed was irrational, unnecessary, and wholly out of proportion. This is what we have said from the start but it took a JR for you to listen.

There is more to be done to remove the discriminatory impact and whilst I look forward to engaging with the council to achieve this, it is impossible to accept that Cllr Borrett is the right person, given his refusal to hear us. If the Council is serious about observing Human rights and eliminating discrimination then will they put in place a person who genuinely Cares, as Cabinet member for ASC ?

Response:

Please see answer provided at 6.14

6.36 **Supplementary Question from Marilyn Heath**

1.2 correction- 3 phase

Severely disabled people and carers have suffered great stress, financial hardship and fear since this policy was announced in 2018.

The report mentions other Councils as a mitigating factor, which seems non-sensical, when the judgement means some are clearly breaking the same laws. I wish the Council was more concerned with their own breach of Human Rights

Costs are due to your mistakes.

When will the interim repayments be made?

Response:

Thank you for your question. Today's Cabinet paper (if agreed) sets out the Council's arrangements for reimbursing people affected by the judgment.

6.37 **Question from Shane Landamore**

Will the entire amount of the Severe Disability Premium paid to people who live independently continue to be taken towards care charges, does NCC consider the taking of the full amount of this benefit has a discriminatory impact, is disproportionate, makes the severely disabled worse off than the lesser disabled and does this breach Article 14 and Article 1 of Protocol 1 of the European Convention on Human Rights?

Response:

Thank you for your question. The immediate amendment to the charging policy set out in today's Cabinet paper will (if agreed) remove the charge in relation to the enhanced daily living allowance element of Personal Independence Payment. The treatment of the Severe Disability Premium is in line with the National Guidance. This has been the case for many years under all political administrations. If the Government were to change the National Guidance we would of course seek to change the Council's policy to align with it. The Council would also look to lobby the Government for compensation for any increase in costs that may arise.

6.38 **Supplementary Question from Shane Landamore**

Are you confident that you are not putting the Council at risk of further legal action by not considering the discriminatory impact on the disabled by taking the entire amount of this fully assessed benefit towards care charges?

Response:

Please refer to the answer given to your first question above.

6.39 **Question from Susan Hewitt**

I have noted in the meeting details, the MIG level is remaining for the time being at the 2019 rate of £165, a drop in benefits of £24.

In April 2021 disabled peoples benefits ESA and PIP will rise respectively by 1.7% amounting to around £3.50, My question to the Cabinet is.......

Are the cabinet aware that when the benefits ESA and PIP rise each year the disabled people will not receive this, the rise although paid within the benefits are added to the way the MIG is worked out and therefore in turn taken as part of the care contributions?

Response:

Thank you for your questions. The Council is aware which is why it has supported the call for the Government to increase the Minimum Income Guarantee in line with benefit increase.

6.40 **Supplementary Question from Susan Hewitt**

Will the Cabinet consider when charging to now start raising the MIG level with inflation each year?

The MIG level has not risen since 2015!

Response:

As mentioned in the response to your first question, the Council supports the call for a Government increase in the Minimum Income Guarantee in line with benefit increase. Given the financial pressure the Council is under, we are not able to make a decision on the position for Norfolk for next year until the relevant Government information for that year is announced.

6.41 **Question from Debbie Pegg.**

I understand if there is a rise in our sons benefits. He will not actually receive this rise. It will automatically be taken away.

Will the MIG level raise with inflation each year?

Response:

Thank you for your question. The Council has supported the call for the Government to increase the Minimum Income Guarantee in line with any benefit increase. It will be possible to take a decision on the position for Norfolk for next year when the Government announces the information for that year.

6.42 **Question from Bernard Tansley**

I refer to the judgement against Norfolk County Council by Mr Justice Griffiths and the subsequent Discrimination Ruling. Bearing in mind a comment by the judge stating, “the discriminatory effect is irrational, unnecessary and wholly out of proportion”, I question why you have chosen not to “withdraw” the existing flawed discriminatory Charging Policy and misleading Impact Assessment, nor to revert back to the original £189 MIG, whilst you produce a new Charging Policy & Impact Assessment?

Cllr Borrett has been responsible for introducing a policy judged to have breached the human rights of the most vulnerable people in Norfolk and should step down from his position forthwith.

Response:

Today’s Cabinet paper (if agreed) sets out the Council’s interim arrangements and its plans to carry out a full review of the policy.

6.43 **Supplementary Question from Bernard Tansley**

Would a decision to bring in a charging policy on the back of a flawed document render that decision null and void? I refer to NCC Jan 2019 Impact Assessment (Conclusions 39) & (Human Rights Implications 43).

Response:

Today's Cabinet paper (if agreed) seeks to introduce interim changes to the charging policy in advance of a full review taking place during 2021. If any further changes are identified as part of that review, appropriate consideration will be given as to the point in time that such changes should be introduced from. At this time we believe the actions and rectifications included as part of the interim solution are in line with the JR judgement and are reasonable given the detailed review which the Council seeks.

6.44 **Question from Sharon Sapwell**

We welcome the changes to the care charges however after 2 years. You have been told numerous times the impact of these charges will have on the severely disabled, by themselves or their family and carers. I ask are they not worthy of a quality of life, the same rights that you hold?.

This had to be taken to high court for you to finally wake up and see the stress, anxieties, scared, frightened you have caused families.

As we go forward Cllr Borrett is not the appropriate person to make sure this vulnerable group of people, who may still be subject to MIG charges, and therefore should resign, to make way for someone who cares, and do right by them

Response:

Please see answer provided at 6.14

6.45 **Supplementary Question from Sharon Sapwell**

Do you agree to work with the disabled themselves and family carers, as this has been said by you before, and then you refused to meet with any of those that you are discriminating against, this has now been proven at high court, to see for yourselves the impact of hardship, isolated, scared, me having to give up our motability car because of these charges. Its time for you to look upon the severely disabled as people with rights

Response:

Thank you for your question. The Council wants to continue to work with the DNNG and other representative groups to look at how we engage and consult on these matters.

6.46 **Question from Corinne Fulford**

The actions of Cllr Borrett in bringing forward the MIG proposal caused distress to vulnerable people and brought disgrace on Norfolk for breaching their human rights. Why has he not resigned?

Response:
Please see answer provided at 6.14

6.47 **Question from Simon Skull**

How can Norfolk put their trust in a cabinet member who has been found to have breached the human rights of some of the most vulnerable people in Norfolk? Whether or not it was deliberate surely resigning is the only honourable thing to do.

Response:
Please see answer provided at 6.14

6.48 **Question from Mike Wabe**

The actions of Cllr Borrett in bringing forward the MIG proposal caused distress to vulnerable people and brought disgrace on Norfolk for breaching their human rights. Why has he not resigned?

Response:
Please see answer provided at 6.14

6.49 **Supplementary Question from Mike Wabe**

How can Norfolk put their trust in a cabinet member who has been found to have breached the human rights of some of the most vulnerable people in Norfolk? Whether or not it was deliberate surely resigning is the only honourable thing to do.

Response:
Please see answer provided at 6.14

6.50 **Question from Jack Manzi**

Cllr Borrett is the cabinet member for adult social care. In bringing forward the MiG proposal that caused so much distress to those that he is meant to represent, he has utterly failed in this role. When so many of the very people he is meant to represent are calling for his resignation, what possible justification is there for the councillor to carry on in his role?

Response:
Please see answer provided at 6.14

6.51 **Supplementary Question from Jack Manzi**

How can the councillor, in good conscience, stand before the council and insist that he is still the right person for the job

Response:
Please see answer provided at 6.14

6.52 **Question from Roger Atterwill**

In light of the recent devastating High Court ruling which found that NCC had breached the human rights of vulnerable people here in Norfolk in an attempt to save money, it is disappointing to see that you have not removed Cllr Borrett from his cabinet post nor has he found the moral courage to resign. This gives the impression of arrogance and that neither of you really care about our vulnerable people. Given the reputational damage to Cllr Borrett and NCC, can you please explain how, going forward, vulnerable people in this county can have confidence that this council has their best interests at heart?

Response:
Please see answer provided at 6.14

Appendix B

Cabinet
12 January 2021
Local Member Questions

Agenda item 7 **Local Member Issues/Questions**

7.1 **Question from Cllr Mick Castle.**

I welcome the prospect of Norfolk developing a concerted bid for funding to address the threat from surface water flooding to thousands of homes in Norwich and our Market Towns but - if we are to have an overall strategy embracing both inland surface water flooding and coastal flooding and erosion - does the Cabinet agree with me that it must recognise that the latter is concentrated in a small number of locations and that the position of Yarmouth as a heavily-populated port and industrial town is quite different to a rural location where managed retreat and adaption might be more appropriate?

Response:

We would acknowledge that Gt Yarmouth does present unique challenges when it comes to addressing flood risk compared to areas inland. However, there are links with regard to upstream impacts. Though as far as coastal erosion specifically focused on Gt Yarmouth is concerned, any action going forward will be determined by conclusions in the work emanating from the Broadland Futures Initiative – a partnership that includes the Environmental Agency, Broads Authority and Norfolk County Council. The work within the partnership has not drawn final conclusions as yet but will be outlining approaches to meet the challenge of the expected sea level rise in the southern North Sea by 2125, where it is not expected to exceed 160cm. In addition, we continue to liaise with those coastal authorities forming Coastal Partnership East along the Norfolk and Suffolk Coasts as part of ongoing coastal strategy work to identify measures to manage the risk of coastal erosion and flooding to people and the developed environment along the coastline.

7.2 **Supplementary Question from Cllr Mick Castle**

Does the Cabinet agree with me that the Council needs to continue to balance its Economic Development and Regeneration imperatives alongside its wider commitment to carbon-reduction especially when Yarmouth as an Energy Hub is so essential to the meeting those latter targets and that it is a matter of regret that the Cameron/Clegg Coalition Government jettisoned implementation of SUDs back in 2013 which is critical to progress on alleviating surface water flooding?

Response:

Great Yarmouth as an energy hub is indeed essential both to driving clean growth jobs and helping the county transition from fossil fuels to renewable energy. We are seeking to address both economic growth and carbon reduction aims by putting forward the Offshore Wind Operations and Maintenance Centre as part of the package of capital projects deliverable within 18 months for the Government's call for the Getting Building Fund last summer. The project received £6M from the Fund.

In terms of SUDs, all new development is required to use Sustainable Drainage Systems to drain their sites, in line with the National Planning Policy Framework, Planning Policy Guidance and the Non-statutory technical standards for sustainable drainage systems. The County Council, as Lead Flood Authority has a clearly defined role to support sustainable urban drainage through the planning system and continues to exercise these functions.

7.3 **Question from Cllr Ed Maxfield**
What work is being done to model how Children's Services will work following local government reorganisation if, say, the current arrangement is replaced with two or three unitary authorities covering Norfolk?.

Response:
We aren't modelling any scenarios until we receive government guidance around Local Government Reform. Any work done before the publication of the white paper towards developing a detailed deal or unitary proposals will take up time and effort and will not be the best use of scarce resources at a time when we are focused on the COVID19 impact and recovery. It is fully recognised that this is emerging government policy and that we must take a positive approach to working to deliver it but only once the white paper is published or we are completely certain of its content and direction.

7.4 **Question from Cllr Eric Seward**
For some two years the County Council in different formats has commissioned the delivery of a Social Prescribing Service in Norfolk. In North Norfolk the District Council was commissioned by the County Council to provide a social prescribing service. It consists of three officers and currently funding for the service ends on March 31st 2021. My question is:

How does the County Council view the advice and support service provided by the Social Prescribing Project in North Norfolk?

Response:
Thank you for your questions. The Council recognises the value of the service and its ability to respond to the needs of its community, so much so that despite the intense budget pressures in Adult Social Care we were able to add a further year's investment. Social Prescribing has enabled the provision of additional access into other services provided by Adult Social Services, for example our Information Advice and Advocacy services and Social Isolation and Loneliness services.

7.5 **Supplementary Question from Cllr Eric Seward**
What plans does the County Council have for the continued funding of the Social Prescribing Project in North Norfolk beyond March 2021?

Response:
The Council took an early lead on funding Social Prescribing, but the initial money available was just for two years. We have managed to extend our funding by an extra year despite budget pressures. The council's funding ends on 31st March 21. We are very pleased that the NHS has also recognised the value of the work and there is now funding for Primary Care Networks to fund social prescribing.

Even though the Council's direct investment ends in 2021, there still exists the opportunity to work with all partners on the development of a strong Norfolk Social Prescribing offer. It is important to note the links with the Social Isolation & Loneliness service. Loneliness is one of the top 3 reasons for a Social Prescribing referral and based on this, the Council has begun to develop the options for continuing delivery of the Social Isolation and Loneliness service beyond the current contract end date.

7.6 **Question from Cllr Dan Roper**

How many complaints has the council lost over the last two years in judgements by the Local Government and Social Care Ombudsman on Children Services and Adult Social care complaints and what have been the financial implications of these?

Response:

Thank you for your questions. During 2019/2020 the Local Government and Social Care Ombudsman received 127 complaints regarding Adult or Children's Services at Norfolk County Council. Of those, 68 were closed after initial enquiries or referred back to the Council for local resolution. The Ombudsman's office made a final decisions in 56 cases, following detailed investigations. Fault was identified in 63% of those cases. This compared to an average of 66% in similar authorities. The Council agreed with the Ombudsman's recommendation of a financial remedy in 28 cases , with payments to recognise fault, backdate allowances, refund charges, agree to waive outstanding fees or arrange additional services totalling £33,694.95.

In the previous year, 2018/2019, the Local Government and Social Care Ombudsman received 125 complaints regarding Adult or Children's Services at Norfolk County Council. Of those, 64 were closed after initial enquiries or referred back to the Council for local resolution. The Ombudsman's office made final decisions in 58 cases, following detailed investigations. Fault was identified in 67% of those cases. This compared to an average of 64% in similar authorities. The Council agreed with the Ombudsman's recommendation of a financial remedy in 24 cases, with payments to recognise fault, backdate allowances, refund charges, agree to waive outstanding fees or arrange additional services totalling £64,918.02.

It is important to note there may be a significant elapse of time between the circumstances giving rise to a complaint and the Ombudsman arriving at a final decision, at the conclusion of what may be a lengthy and complex investigation by his office. Whilst the Ombudsman normally expects a complaint is brought within 12 months, this can be extended if it is felt a person was not in a position to raise the matter earlier. Some of the circumstances which the Ombudsman investigates are therefore historic in nature, for instance those brought by former looked after children when they become adults, and may not be reflective of contemporary services.

7.7 **Question from Cllr Alexandra Kemp**

The Covid Vaccination Programme in GP Surgeries began in West Norfolk on Tuesday 15 December and on Wed 30 Dec at the QE's Inspire Centre, prioritising people over 80, Care Home Residents and Care Home Workers. The NHS is responsible for the Covid Vaccination Programme, while the County Council regulates Care Homes. Can the Cabinet Member for Adults Social Care tell us if every care home in Norfolk has now been contacted with available timeslots for residents and staff to receive their first doses of vaccine, or when this is expected to happen, bearing in mind that the Govt target is to vaccinate all vulnerable cohorts by 15 February.

Response:
Thank you for your question. The Covid-19 vaccination programme is a fast moving and fast changing picture and is particularly challenging and complex for care homes and people who are housebound.

National guidance recommends that staff and residents from the care homes with the largest number of beds are vaccinated first, and this is the approach we have followed locally. All care homes have been asked to complete a return for NHSE/I identifying their staff numbers and locations. Staff lists from our largest care homes have been provided to the hospital hubs who have contacted these staff direct to arrange appointments for vaccination. Primary care hubs are also inviting staff from their aligned care homes and others to attend appointments for their vaccine.

Lowestoft, Thetford and Swanton Morley PCNs participated in a care home Pfizer pilot and vaccinated 75 care home residents between Christmas and New Year. We are now starting to vaccinate more care homes residents using roving teams, led by our PCNs. The roving teams will be using the Oxford/AstraZeneca vaccine and the care homes will be contacted directly to inform them when vaccination will take place.

The NHS is refining its planning based on the pilot and work done to date, as well as conducting preparatory work (for example talking with care homes and organising consent), so that the system is as ready as it can be as the supplies of vaccines increase. There has been positive feedback from those care providers and from those who have received the vaccination as part of the care home pilots.

7.8 **Question from Cllr Emma Corlett**
How much has the Minimum Income Guarantee legal case cost Norfolk County Council to date?

Response:
We are still calculating the costs and will publish these as soon as we can (subject to commercial confidentiality on certain aspects).

7.9 **Question from Cllr Brenda Jones**
How are you going to restore trust given the breakdown in relationships between those affected and those Cabinet members responsible for promoting the unlawful Minimum Income Guarantee policy?

Response:
Thank you for your question. I have apologised to those affected on behalf of the Council. The Council did not intend to discriminate. Its intention – which the judgement acknowledges – was to amend its charging policy in line with the National Guidance, and to bring it into line with other councils (see appendix 2). It considered this carefully and conscientiously, seeking to both phase in and mitigate the impact on vulnerable people and their income. I hope that we can continue to work together in the future.

7.10 **Question from Cllr David Rowntree**
Given the substance of the legal judgment regarding the Council's interpretation of the Human Rights Act and the Equalities Act, why does the Leader believe it is reasonable to publish an Easy Read version less than four hours before the deadline to inform questions submitted to this meeting?

Response:
I am disappointed that it took as long as it did to publish the easy read version and as a result, we extended the question deadline for questions on the report to 10am Friday 8th January.

7.11 **Question from Cllr Terry Jermy**
On Boxing Day hundreds of Thetford residents were advised of possible flooding. Having been contacted by dozens of residents asking for advice I attempted to speak to County Council officers on the emergency numbers but could not speak with anyone - the telephone system advised the offices were closed.

I spoke with the Emergency Team at Breckland Council who advised County Council had advised there were no sandbags available for Thetford residents and they would not be replenished until at least the 29th December 2020.

Please can the Cabinet Member urgently review arrangements for the provision of sandbags across Norfolk to ensure the County is better prepared for future incidents?

Response:
The usual procedure for Norfolk County Council out of hours response is via Highways, Norfolk Fire and Rescue and Adults Social services and all these teams were available. Highways received over 200 calls and NFRS over 400 for Flooding across Norfolk.

The provision of flood protection measures (including sandbags) is a District Authority function.

The Norfolk Resilience Forum have already started a multi-agency de-brief procedure and an information request has been sent out to all agencies for their input and feed back. A full structured de-brief will take place on 26th January when all lesson learnt will be captured. This will then form an action plan to ensure that required measures and mitigations are put into place.

7.12 **Question from Cllr Mike Smith-Clare**
In response to a question I asked the Cabinet Member for Children's Services on 11th May 2020, his response was:

- Schools have been working in clusters and have resilience plans in place which ensure that if they have significant reductions in staff and are unable to be open safely, there is back up provision for places for children elsewhere.
- Furthermore there is a plan for an emergency workforce that can be drafted in to support schools.

Why then aren't there enough places now and why did he make these claims, when he must have known they were unachievable?

Response:
I would like to thank Cllr. Smith-Clare for his question. The situation for this lockdown is different compared to March 2020. The support that was in place then was appropriate and schools were able to operate effectively.

The guidance from the Department for Education for how schools need to operate in this Lockdown with regard to the attendance of pupils was issued on Thursday 6th January 2021.

Schools have needed this week to understand the demand for provision and the staff that are available. With regard to capacity a number of factors have affected this, including staff ill health, shielding, and union action. On Thursday 6th January some aspects of the union action were changed which continues to affect the capacity that schools have to offer places in school.

Schools have been open as normal for the last term, and services that supported the cluster structure also returned largely to normal working as this infrastructure is not needed when schools are open. Since Tuesday staff have once again be re-focused to support schools at a District level.

With regard to an emergency workforce different control measures to prevent transmission, compared to March affect how school staff and any additional adults can be used in school. Supply teachers cannot be used in the same way as previously, as adults must be locked into bubbles and cannot be swapped for different teachers.

7.13 **Question from Cllr Chrissie Rumsby**
Since the beginning of December 2020, how quickly have decisions been made on applications to the Norfolk Assistance Scheme?

Response:
The Council has seen a significant increase in applications to the Norfolk Assistance Scheme (NAS) throughout 2020 with an average of around 450 applications per month in the first quarter of the 2020/21 financial year. December saw the launch of the Winter Hardship scheme and we received 2,920 applications within the month for the NAS element. This has proven a challenge however applications for food, heating and living costs were able to be processed from receipt of application to fulfilment on average within 3 working days. Further additional staff have been recruited and are currently being trained to support the continued increasing application numbers.

7.14 **Question from Cllr Mike Sands**
In response to a question in regarding the distribution of the Councils allocation of 1,800 laptops to children with social workers on 6th July 2020 the Cabinet Member for Children's Services stated that "the laptops for children with a social worker have been distributed already via Norfolk schools." On 7th December 2020 however, he advised that "this scheme is still active and distributing devices to care

leavers and children with a social worker in Norfolk."

Please could he therefore clarify whether or not the laptops have been distributed, when, and why there is a disparity in his responses to this issue?

Response:
I would like to thank Cllr. Sands for his question. The criteria for this government scheme limits the distribution of devices to children with a social worker, who don't already have access to a device. We contacted schools and families of more than 2000 children to identify who most needed this support. We responded to all requests received from schools and distributed the devices as previously advised. The remaining devices are allocated to social work teams, so that any emerging need could be responded to immediately. Schools and social workers continue to be aware of this scheme. Devices are held in three locations across the county to ensure swift distribution

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7.15 **Question from Cllr Colleen Walker**
Can the Cabinet Member for Children's Services explain what he has done to ensure SEND families receive the support they need during this lockdown?

Response:
I would like to thank Cllr. Walker for her question. Our approach during this latest lockdown follows the way we worked during the first lockdown, appreciating that direct support for SEND children and their families comes from our early years settings, schools and colleges.

We are again ensuring close working with our parent/carer groups and special school headteachers. This contact ensures that we have a two-way process; hearing their concerns and providing LA support as well as ensuring that they are aware of the requirements set out by the DfE nationally. Officers are meeting every day with a range of setting, school and college leaders and this week has met twice with leaders in Special Schools, hearing the extraordinary lengths they are going to in order to support families.

We know that some families will need additional support during this time and staff across children's services are working together, with schools to provide additional support where needed.

7.16 **Question from Cllr Julie Brociek-Coulton**
The Cabinet Member Delegated Decision Report on use of the Infection Control Fund Round 2 made on 11th December 2020 states that £100,000 will be allocated to carer support, with "more detailed proposals pending." One month on from this decision being made, can the Cabinet Member for Adult Social Services expand on what this funding is for and how, if appropriate, carers will be able to access this money?

Response:
Thank you for your question. The infection control fund is a national grant which has been allocated to Norfolk County Council to put in place infection control and prevention measures.

We aim to deliver wellbeing packs to carers using this funding, which includes PPE as well as information on the Carers Matter Norfolk Service and other support available to them over the Winter. In line with the grant conditions, funding will be used by the end of March 2021, we are urgently working with delivery partners to ensure the quickest mobilisation possible.

7.17 **Question from Cllr Chris Jones**
Could the Cabinet Member for Finance confirm how much funding Norfolk County Council will be receiving from the Government which could be used to support a Localised Council Tax Support Schemes in each Norfolk district?

Response:
The £670 million of new funding for 2021-22 – the "local council tax support grant" announced at the Spending Review 2020 is being provided in recognition of the increased costs of providing local council tax support (LCTS) and other help to economically vulnerable households following the pandemic. For the avoidance of doubt, this grant is mainly to cover lost income arising from the anticipated extra cost of LCTS schemes in 2021-22 including costs due to higher unemployment (i.e. higher numbers of claimants and extensions of LCTS schemes). The grant is therefore being used by the County Council to enable the continued provision of all services.

The Government has published indicative allocations for this funding (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/946116/LCTS_indicative_allocations.xlsx), which are subject to confirmation following consultation on the provisional settlement. These provide the following for Norfolk, including a County Council allocation of £7.512m

Billing authority	Initial total billing authority area allocation (£m)	Of which: Indicative County allocation (£m)	Indicative Police allocation (£m)	Indicative Billing Authority allocation (£m)
Breckland	1.334	1.009	0.187	0.137
Broadland	1.051	0.788	0.146	0.117
Great Yarmouth	1.423	1.082	0.201	0.140
Kings Lynn and West Norfolk	1.462	1.104	0.205	0.153
North Norfolk	1.177	0.879	0.163	0.134
Norwich	2.307	1.677	0.311	0.319
South Norfolk	1.317	0.973	0.181	0.163
Total	**10.070**	**7.512**	**1.395**	**1.163**

7.18 **Supplementary Question from Cllr Chris Jones**
Could the Cabinet Member for Finance confirm what this additional funding will be used for if not to support Local Council Tax Support Schemes?

Response:
The Government expects that the funding will meet the additional costs associated

with increases in local council tax support ('LCTS') caseloads in 2021-22. Decisions on local council tax support scheme design for 2021-22 are for billing authorities to take, in consultation with their major precepting authorities (the County Council), and the public.

In essence, the grant funding is intended to compensate for reduced council tax income due to LCTS changes and increased uptake in 2021-22. This will impact on the County Council via the tax base set by the billing authority, which should represent the amount that they estimate they can collect in 2021-22, taking into account growth in the number of properties on the valuation list, the impact of local council tax support schemes, and the estimated collection rate. As such the grant will be included within the proposed 2021-22 Revenue budget to offset these LCTS scheme impacts.

The County Council provides targeted support for the most vulnerable people in the county through the Norfolk Assistance Scheme, which is available to all people who are unable to meet their immediate needs or need practical support to set up home, as well as those who are struggling because of coronavirus.

7.19 **Question from Cllr Danny Douglas**

Will Norfolk County Council call for the retention on Bridge 1171 on the Fakenham to Wymondham line, which is under threat of being demolished by Highways England? This will keep the possibility of the rail network to be reconnected to Fakenham and support the Norfolk Orbital Railway project.

Response:

The concerns regarding this bridge, which carries a minor road across the old railway near Guist, were only brought to the council's attention on 5th January.

This bridge is one of a number of similar structures across the county which is the responsibility of Highways England Historical Railway Estates. HE Railway Estates took over responsibility for bridges on disused railway lines from the British Rail Property Board some years ago.

Our Bridges Team has had no communication from HE Railway Estates regarding any proposals for this bridge.

Officers have not yet been able to contact HE Railway Estates to get clarity about what, if any, proposals they intend to bring forward on this structure. I hope that I am able to give an oral update at Cabinet once officers have spoken to the HE Railway Estates team. The team will also be invited to attend the next meeting of the Norfolk Rail Group (in February) to give a broader outline about their assets on old railway lines and their management plans for these.

7.20 **Question from Cllr Steff Aquarone**

To the Leader:

If the High Court judgment over cuts to the MIG isn't a resigning matter for a cabinet member, then can he give a specific example of a (non-criminal) action that would lead him to call for a resignation?

Response:
If a Cabinet Member loses my trust and confidence I would only then consider asking for their resignation. I would suggest an incident such as the Greyhound Opening Scandal, which happened under the Leader of the opposition's watch would be a perfect example for a call for resignation.

Appendix C

Written Supplementary Questions requiring written responses from the Cabinet Meeting held on Tuesday 12 January 2021

Agenda item 6 **Public Written Supplementary Questions**

Written Supplementary Question from Harry Clarke.
Its important I think that NCC gets buy in from partners such as District Councils to help boost flood resilience, communication and with the public. Will NCC consider bringing back the Norfolk wide Water Management Partnership, and if agreed when will this start?

Response from the Cabinet Member for Environment & Waste:
The Cabinet on the 12th of January 2021 agreed:
To convene a series of meetings with strategic partners across Norfolk, including the District Councils, Environmental Agency, Anglian Water, Internal Drainage Boards amongst others, and find a leading figure to chair this. It is expected that the first of these meetings will be held in the Spring.

Additionally, it is important to note that all relevant stakeholders, including District Councils, are already involved in flooding related feasibility studies. This ensures support and agreement of any proposed measures.

Agenda item 7 **Local Member Written Supplementary Questions**

Written supplementary question from Cllr Terry Jermy:
With the hindsight of latest incidents concerning the general public driving their cars into flooding, will the County consider a public safety campaign so the people will better understand that flash flooding is dangerous and even in a four wheel drive you are putting yourself at risk as well as the Norfolk Fire and Rescue Service?

Response by the Cabinet Member for Environment & Waste:
The Norfolk Resilience Forum has already started a multi-agency de-brief procedure and information requests have been sent out to all partners for their input and feedback. A full structured de-brief will take place on 26th January when all lessons identified will be captured. This will then form an action table to ensure that required measures and mitigations are put into place. The de-brief process allows for mitigation actions to be raised and we will recommend that the Norfolk Resilience Forum reviews and updates its procedures and plans with regards to flooding. Part of this should be a Norfolk wide campaign to remind the public of all the dangers and risks associated with flooding.

Written supplementary question from Cllr Colleen Walker:
At the 6/7/20 Cabinet meeting, Fisher said “Just this week all four of the key parent / carer SEND forums met with senior officers to look at the range of ways we can improve this, and I have requested to meet with these groups over the next few weeks.”
When did these meetings take place and how have these meetings informed the Council’s work supporting SEND families through the pandemic?

Response by the Cabinet Member for Children’s Services:
The senior lead for SEND strategy and transformation met with the parent/carer groups on a weekly basis from April through to October 2020. These were initially solely for the purpose of COVID support and, from June onwards, focussed on our collective response to the SEND inspection by Ofsted/CQC. There were meetings held in July and I, as Cabinet

Member for Children's Services attended one of those on July 7th. I also attended EHCP workshops with a mixed group of officers and parent/carer representatives during July and August. A monthly meeting now takes place with parent/carers. I attend the SEND Ofsted improvement Board with Cllr Mike Smith Clare and Cllr Ed Maxfield which also has representatives from parent/carer forums.

Written supplementary question from Cllr Mike Sands:
I understand that schools in Norfolk surveyed parents after October half term about digital exclusion. Has the Council collated and mapped this information, and if not, when is this important piece of work going to start in light of the current national lockdown?

Response by the Cabinet Member for Children's Services:
Last year schools carried out their own surveys to understand the digital needs of families. We were able to support schools in providing laptops for many children with social workers. We also provided NCC laptops to other vulnerable children during the last lockdown.

We asked schools last week to tell us how many children lack access to an appropriate device, how many had connectivity issues and how many families needed technical support. We are working with colleagues across Children's Services, Information Management Technology and the Library Service to ensure that everyone who can access a DfE Laptop has one, and those who are excluded from this scheme receive one from us if they need it to access learning. We are prioritising our efforts to make sure that we support where it will make the most difference.

The next batch of NCC laptops will start to be sent out to schools from the 13th January. We are already providing advice and support to schools to help them meet the remote learning expectations. In order to best support learners once they have access to a device, we will also be providing access to support to parents via the library service, to help all children and young people to access their school/colleges' remote provision'

Written supplementary question from Cllr Chrissie Rumsby:
If parents are not eligible for free school meals but are in hardship, are they being advised that they can access the Edenred Voucher scheme through the discretionary decision of the Norfolk Assistance Scheme?

Response by the Leader and Cabinet Member for Children's Services
The Norfolk Assistance Scheme staff have access to the NCC account on EdenRed and are continuing to provide vouchers to families in need.

Report to Cabinet

Item No. 8

Report title	**Finance Monitoring Report 2020-21 P9: December 2020**
Date of meeting	**1 February 2021**
Responsible Cabinet Member	**Cllr Andrew Jamieson (Cabinet Member for Finance)**
Responsible Director	**Simon George (Executive Director of Finance and Commercial Services)**
Is this a key decision?	**No**

Introduction from Cabinet Member

This report gives a summary of the forecast financial position for the 2020-21 Revenue and Capital Budgets, General Balances, and the Council's Reserves at 31 March 2021, together with related financial information.

Executive Summary

Subject to mitigating actions, the forecast revenue outturn for 2020-21 at the end of period 9 (December) was an **underspend of £0.165m** on a net budget of £430.421m. General Balances are £19.7m and service reserves and provisions are forecast to total **£111.8m.**

Covid-19 financial pressures are taken into account in the forecasts in this report. Details of these pressures and progress on achieving saving are addressed in detail in this report.

Recommendations

1. To approve proposed additional transfer of £1m to the corporate Covid Risk Reserve as set out in paragraph 2.46 of Appendix 1.

2. To approve the forecast allocation of the Contain Outbreak Management Fund (COMF) budget as set out in paragraph 5.13 of Appendix 1.

3. To (a) approve the continuation of financial support to providers as described in section 5, including specifically grants described in paragraphs 5.8 and 5.14 of Revenue Appendix 1, consistent with detailed government guidance relating to the latest lockdown and (b) delegate authority to relevant Cabinet members to make decisions relating to the ongoing measures that are still needed to support providers for the remainder of 2020-21, subject to those payments remaining within the remaining budgets, and Covid-19 funding available for that purpose.

4. Note that the Council has received £0.602m of funding to provide support to Clinically Extremely Vulnerable individuals, and that further allocations are due to be received for the January / February 2021 lockdown period, and to agree that

this will be used for the purposes set out by MHCLG in their guidance to local authorities, as summarised in Appendix 1 paragraphs 5.5-5.7.

5. Note the period 9 general fund forecast revenue **underspend of £0.165m** noting also that Executive Directors will take measures to reduce or eliminate potential over-spends;

6. Note the COVID-19 grant funding received of **£104.588m,** the proposed use of that funding, and the related expenditure pressures resulting in net Covid-19 pressure, of **£9.838m** taking into account proposed transfers to the Corporate Risk reserve.

7. Note the period 9 forecast shortfall in savings of **£17.580m**, noting also that Executive Directors will take measures to mitigate savings shortfalls through alternative savings or underspends;

8. Note the forecast General Balances at 31 March 2021 of £19.706m, before taking into account any over/under spends;

9. Note the expenditure and funding of the revised current and future 2020-23 capital programmes.

1. Background and Purpose

1.1. This report and associated annexes summarise the forecast financial outturn position for 2020-21, to assist members to maintain an overview of the overall financial position of the Council including the financial implications of the Covid-19 pandemic.

2. Proposals

2.1. Having set revenue and capital budgets at the start of the financial year, the Council needs to ensure service delivery within allocated and available resources, which in turn underpins the financial stability of the Council. Consequently, progress is regularly monitored and corrective action taken when required.

3. Impact of the Proposal

3.1. The impact of this report is primarily to demonstrate where the Council is anticipating financial pressures not forecast at the time of budget setting, primarily relating to the implications of the Covid-19 pandemic, together with a number of other key financial measures.

3.2. The capital expenditure proposals will ensure sufficient capital funding is available for these newly identified purposes, without affecting the remainder of the capital programme or the current year's revenue budget.

4. Evidence and Reasons for Decision

4.1. Two appendices are attached to this report giving details of the forecast revenue and capital financial outturn positions:

Appendix 1 summarises the revenue outturn position, including:

- Forecast over and under spends
- Covid-19 pressures and associated grant income

- Changes to the approved budget
- Reserves
- Savings
- Treasury management
- Payment performance and debt recovery.

Appendix 2 summarises the capital outturn position, and includes:

- Current and future capital programmes
- Capital programme funding
- Income from property sales and other capital receipts.

5. Alternative Options

5.1. In order to deliver a balanced budget, no viable alternative options have been identified to the recommendations in this report. In terms of financing the proposed capital expenditure, no grant or revenue funding has been identified to fund the expenditure.

6. Financial Implications

6.1. As stated above, the forecast revenue outturn for 2020-21 at the end of P9 was an **underspend of £0.165m** linked to a forecast shortfall in savings of **£17.580m**. Forecast service reserves and provisions are forecast to total **£111.8m**, and general balances of **£19.7m**. Grant funding of **£104.588m** has been received to off-set additional expenditure occurred as a result of the COVID-19 pandemic, resulting in net Covid-19 pressure of **£9.838m**.

Within the forecast overspend are net financial pressures identified in Adult Social Services and Finance and Commercial Services, mainly relating to Covid-19 related pressures, the majority of which have been offset by additional grant funding received. A full narrative is given in Appendix 1.

The Council's capital programme is based on schemes approved by County Council on 17 February 2020, previously approved schemes brought forward plus schemes subsequently approved.

7. Resource Implications

7.1. None, apart from financial information set out in these papers.

8. Other Implications

8.1. **Legal Implications**
In order to fulfil obligations placed on chief finance officers by section 114 of the Local Government Finance Act 1988, the Executive Director of Finance and Commercial Services continually monitors financial forecasts and outcomes to ensure resources (including sums borrowed) are available to meet annual expenditure.

8.2. **Human Rights implications**
None identified.

8.3. **Equality Impact Assessment**
In setting the 2020-21 budget, the Council consulted widely. Impact assessments are carried out in advance of setting the budget, the latest being published on page 450 of the 13 January 2020 Cabinet agenda as "Budget

proposals 2019-2020 Overall Summary: Equality & rural impact assessment report".

The Council is maintaining a dynamic COVID-19 equality impact assessment to inform decision making during the pandemic.

The Council's net revenue budget is unchanged at this point in the financial year and there are no additional equality and diversity implications arising out of this report.

9. Risk Implications/Assessment

9.1. The Council's Corporate Risk Register provides a full description of corporate risks, including corporate level financial risks, mitigating actions and the progress made in managing the level of risk. Specifically, risk RM002, which is included in in Appendix C of the Corporate Risk Management report to January 2021 Cabinet, outlines the potential risk of failure to manage significant reductions in local and national income streams. In addition, the majority of corporate risks, if not managed, could have significant financial consequences such as failing to generate income or to realise savings.

Unlike many other parts of the public sector such as the NHS, local authorities are required by law to set a balanced budget. As part of their duties, the Executive Director of Finance and Commercial Services has a responsibility to report to members if it appears to him that the authority will not have sufficient resources to finance its expenditure for the financial year. While not underestimating the severity of the current crisis and its continuing impact on the Council's finances, the Executive Director of Finance and Commercial Services believes the current year's forecast gap will be closed through mitigating actions.

10. Select Committee comments

10.1. None

11. Recommendation

11.1. Recommendations are set out in the introduction to this report.

12. Background Papers

12.1. Equality & rural impact assessment report (page 450)
COVID-19 equality impact assessment
Covid-19 financial implications for Norfolk County Council report (page 152)
DSG Budget paper (on this agenda)

Officer Contact

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

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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.

Appendix 1: 2020-21 Revenue Finance Monitoring Report Month 9

Report by the Executive Director of Finance and Commercial Services

1 Introduction

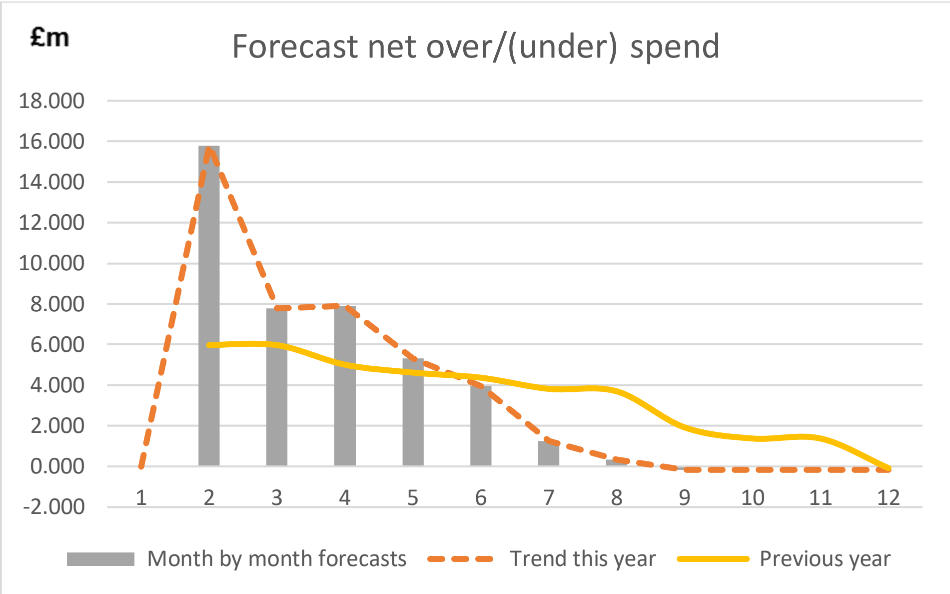
1.1 This report gives details of:

- the P9 monitoring position for the 2020-21 Revenue Budget
- additional financial information relating to the Covid-19 pandemic
- forecast General Balances and Reserves at 31 March 2021 and
- other key information relating to the overall financial position of the Council.

2 Revenue outturn – over/underspends

2.1 **At the end of December 2020** an **underspend of £0.165m** is forecast on a net budget of £430.421m

Chart 1: forecast /actual revenue outturn 2020-21, month by month trend:



2.2 Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. They have been charged with reviewing all their cost centres to ensure that, where an overspend is identified, action is taken to ensure that a balanced budget will be achieved over the course of the year.

2.3 Details of all under and over spends for each service are shown in detail in Revenue Annex 1 to this report, and are summarised in the following table:

Table 1: 2020-21 forecast (under)/over spends by service

Service	Revised Budget	Net (under)/ over spend	%	RAG
	£m	£m		
Adult Social Services	255.793	1.000	0.4%	A
Children's Services	196.311	0	0.0%	G
Community and Environmental Services	161.799	0	0.0%	G
Strategy and Governance	9.362	0.029	0.3%	G
Finance and Commercial Services	32.671	0.035	0.1%	G
Finance General	-225.515	-1.229	0.5%	G
Totals	**430.421**	**-0.165**	**0.0%**	**G**

Notes:

1) the RAG ratings are subjective and take into account risk and both the relative (%) and absolute (£m) impact of overspends.

2.4 **Children's Services:** The forecast outturn as at Period 9 (end of December 2020) remains at a break-even position, considering the immediate impact of Covid-19, the allocated Covid-19 grants and the re-started transformation programme, with only a minor adjustment to reflect an updated position regarding covid-19 grants offsetting a small increase in social care expenditure. The department continues to review the financial impact of Covid-19 in this financial year as well as looking ahead to the risks for the next financial year.

2.5 The significant pressures previously identified remain in the areas of Learning & Inclusion (primarily lost trading income and home to school / college transport) and Social Care (primarily delays in savings delivery, approximately 6 months delay to the transformation programme, and support for the market). These have been offset by government grants allocated to the service.

2.6 The business planning for this financial year had included significant investment in additional staffing capacity through the transformation programme and, in particular, the social care operating model. Significant progress has been made to implement the new operating model despite the pandemic, but there has been delays in recruitment whilst attention was focussed upon both the immediate and ongoing response to the pandemic. This has led to a one-off staffing underspend in this financial year.

2.7 Alongside this one-off impact upon staffing, the department has identified some direct one-off pandemic related expenditure that is likely to continue into the new financial year for which there is no additional government funding identified, for example increased support to schools and education providers, additional cost of provision for children and families due to ensure provision is covid secure, market pressures within social care and transport due to the uncertainty of the current trading conditions, and uncertainty regarding the impact of further peaks in infection upon transformation.

2.8 Any surge, or the impact of the second peak that we are now seeing as a nation, could lead to unpredictable demand for social care support and placements, and could disrupt current, stable placements. The department has undertaken modelling of the potential surge that may be seen now that schools have returned to full-time, primarily classroom-based teaching, considering various patterns of demand and impact upon services.

2.9 The department has continued to see a significant rise in referrals both to Family Support teams (through the Childrens' Advice and Duty Service) and to the Inclusion Helpline for schools compared to the same time period last year. There has also been a significant increase in the number of parents electing to home educate, which brings additional duties to the authority. It is too early to know how these trends will continue and how they may translate into increased demand on Social Work and, potentially, placements in the medium-to-longer-term. Therefore, this risk will continue to be kept under close review.

2.10 It should be noted that although this position continues to be reviewed, there remains a significant degree of uncertainty in relation to expenditure and income for Children's Services as a result of Covid-19 at the time of preparation. Given the current national context, there continues to be significant influences beyond the Council's control that continue to make delivery of the transformation programme (and, therefore, savings) difficult in light of the ongoing recovery work, ongoing Covid-related restrictions, potential surge in demand and further waves. Again, this risk will continue to be kept under close review.

2.11 **Dedicated Schools Grant**: The outturn forecast is £11.504m overspend on the High Needs Block, with a small underspend of (£0.244m) on the Schools Block and all other blocks forecast to break-even. Therefore, the net forecast outturn as at Period 9 (end of December 2020) is £11.260m.

2.12 As the Autumn term has progressed, the information regarding changes to school placements has become clearer and the forecast picks up all known changes to school placements. It should be borne in mind that the forecast is based upon the best information available at the time of preparation and, given the uncertainty surrounding expectations upon schools and education providers as a result of Covid-19, it will be subject to review as the situation, and year, progresses.

2.13 In comparison to this forecast, 2019-20 saw an overspend of £10.307m within the High Needs Block and this forecast represents an increase in expenditure year-on-year compared to 2019-20 of approximately £8m, primarily due to demographic growth and increasing needs seen nationwide, and the full-year effects of last year's pressures, partially offset by in-year savings delivered due to the SEND & AP Transformation Programme. This in-year overspend will be combined with the cumulative overspend of £19.703m brought forward from prior years. This forecast is in line with the latest reset of the DSG Recovery Plan for Norfolk and considers:

- demographic growth based upon modelling;
- the significant pressure seen in 2019-20 for Section 19 related support and post-16 support;
- ongoing pressure for special school places (2019-20 included a significant increase (approx. £2-2.5m) in independent school expenditure in the last third of the year);
- presumed continued reduction in expenditure for Alternative Provision following significant work to reduce exclusions alongside schools;
- savings based upon the special school and SRB places opening during the financial year reducing the demand upon independent provision;
- specific school-based posts to support inclusion within mainstream schools and to reduce demand for specialist placements.

2.14 Whilst there was a HNB increase year-on-year of funding allocation of £11.3m, approximately £5.4m was assumed prior to the Autumn government announcements regarding 2020-21 HNB funding (both 1% growth assumption previously seen in funding allocations alongside ongoing transfer from the Schools Block in line with the 2019-20 that would have required approval from the Secretary of State). Given the government funding announcements in the Autumn, the funding increase above our planning expectations was just under £5.9m.

2.15 Significant work is being undertaken through the Special Educational Needs and Disabilities (SEND) and Alternative Provision (AP) part of the Transformation programme both to ensure that the right specialist provision is in the right place to meet needs, whilst also progressing work to transform how the whole system supports additional needs within mainstream provision.

2.16 Learning and Inclusion colleagues have continued to actively support the Covid-19 response from the Council, with their focus upon supporting the schools of Norfolk (mainstream and specialist) to remain open, as appropriate, in line with government expectations and Public Health advice, as well as to support schools to support pupils to adapt to the changed expectations upon them. This work will continue for the foreseeable future to support schools to continue to adapt as the education landscape changes in response to the latest government announcements. However, focus has also returned to the transformation programme work, wherever possible.

2.17 Construction work was paused during the first national lockdown, affecting builds in relation to expanding Specialist Resource Base provision and additional special school places. This work has restarted, and the forecast is based upon the current anticipation that the additional places will be open in line with pre-Covid-19 expectations.

2.18 Whilst all schools in Norfolk returned in line with Government expectations for the Autumn term, they are now all operating differently with remote learning for the majority of pupils except for those offered childcare either because parents/carers are critical workers or they are vulnerable children. Given the fluid situation, there remains considerable uncertainty as to how school budgets have been affected by Covid-19 in the medium term and, in the short-term, there is significant variances between schools with regards to the financial impact. Therefore, there remains a risk that if schools have seen a significant impact this could cause further pressure in terms of schools being unable to meet the needs of children. This could result in increases in exclusion, higher referral rates for Education, Health and Care Plans, higher requests for HNB support into mainstream or special schools.

2.19 At the end of the summer term, the government announced additional, DSG funding for 2021-22 onwards. Estimates of the impact for Norfolk have been produced and shared with schools as part of the funding consultation undertaken with all schools and Norfolk Schools Forum in October and November 2020. The final DSG funding was confirmed in December 2020 and the Dedicated Schools Grant Budget is included within this meeting’s agenda.

2.20 The impact of the additional DSG funding announced for 2021-22 for the HNB has been built into the DSG Recovery Plan for Norfolk, with the latest version included in the DSG Budget paper on this agenda. The plan has recently been reset to reflect the latest information available with respect to demand, funding and the SEND & AP Transformation Programme, and has been shared with Norfolk Schools Forum and the Department for Education. The plan will be reviewed on a regular basis to reflect amendments to assumptions and to refine the financial modelling.

2.21 **Adult Social Services:** The forecast outturn as at Period 9 (end of December 2020) remains a net overspend of £1.000m after utilising £26.052m of Council Covid-19 grant funding and an estimated £27m of funding from the NHS to support hospital discharge arrangements. The forecast also includes previously reported transfers of £3.857m to the Adult Social Services Business Risk Reserve to mitigate some of the continuing financial risks arising from the pandemic, affecting both the current forecast position and additional financial pressures for next financial year. The Adult Social Care business risk reserve is £10.361m. The risks for the service have been highlighted to Cabinet in previous reports and are detailed below. Following the final instalment, the service has received £22.829m of infection control funding during the year, which will be allocated to the Norfolk care market and used in full to enable care providers to action infection control measures in line with government guidance. Further government announcements of funding support to the care market were made in January to help funding of costs to boost staffing levels and to support testing in care homes. At the time of writing, further details of the allocation of the £120m staffing grant is awaited. However, in relation to the testing in care homes, which totals £149m nationally, Norfolk will receive £3.068m to help finance some of the costs of lateral flow testing in care homes. This grant will primarily be passported to care homes based on an amount per registered bed.

2.22 The forecast overspend remains at £1.000m, as per the Period 8 position.

2.23 As reported in previous monitoring reports, the forecast has been challenging this year, due to changing legislation affecting the number and breadth of people that we are supporting; the funding routes requiring monthly reclaim of costs; the price of care during the pandemic and the difficulty delivering a significant proportion of planned savings. The three key financial risks are described in more detail below.

2.24 Hospital discharge – our front-line teams are supporting significantly more discharges, particularly during this wave of the pandemic. This means many more people being supported with adult social care by the Council. This is predominately due to the hospital discharge arrangements during the pandemic, which required self-funders and people who would normally have received continuing health care to be supported through council held contracts for discharges before 1 September and for up to six week for discharges after this date. The additional costs of this have been funded via monthly claims to NHS England and Improvement (NHSEI), however, from 1 September 2020, adult social care teams and the Norfolk and Waveney Clinical Commissioning Group are in the process of reinstating normal funding arrangements for people discharged before September. We cannot accurately know how many people will remain with NCC funded contracts, as it depends on factors such as continuing healthcare assessments. However, we are estimating we will have a volume of service users slightly above the number at the start of the year. This mainly impacts on purchase of care for older people, with current forecasts showing a £8.856m overspend on expenditure for this budget and £5.725m of additional income. Our forecast is based on being able to continue to reclaim on a reducing basis for these care costs, introduction of charging for NCC service users and the reinstatement of self-funders to private contracts. There are risks related to these assumptions, which have been taken into account within the forecast. In particular the forecast has been updated to reflect the ongoing reinstatement process and this will continue to evolve for the remainder of the year. The Council is reliant on the reclaim of funding from the NHS, any change to this or variation to the assumptions around reinstatement of normal funding will either reduce or increase the overspend position. However, due to the current escalation in the pandemic, reinstatement progress and assessment following discharge is adversely affected, which is likely to create a financial risk for the Council when NHS funding ceases, as planned, at the end of March 2021.

2.25 Price of care – although prices have remained relatively stable for service users that were in receipt of care prior to the pandemic, we have seen increasing prices for new care packages, particularly where there is discharge from hospital. Although some of the pressure has arisen through increased acuity of people leaving hospital, it is also due to provider concerns within the market and changes to the business models for self-funded care. The price has no doubt been affected by both health and social care needs being part of the discharge model, but the price of care is not financially sustainable for social care alone. Although the risks of this are absorbed within the forecast for this financial year, due to one-off funding, this presents a significant financial risk for 2021-22. Commissioning and operational teams are taking action to help reduce the longer-term financial impact, however this is further hindered by the current escalation of Covid-19 cases and increased demand for social care placements.

2.26 Delivery of savings - The service started the year having achieved good progress in 2019-20 towards demand management through the promoting independence strategy. However, the outlook for 2020-21 was challenging with a £23m savings target – mostly related to demand management – and therefore strong delivery of the savings programme, in this financial year, was critical for the service. We have forecast that £13.251m of our savings will not be achieved in this financial year and the allocation of the NCC covid grant funding has helped support this. Due to the additional grant funding this will be managed within this financial year, however, there remains a significant risk for next year. As described above, we are expecting that our volume of service users will be slightly higher than at the start of the year, however, due to the level of demand management savings our budget is based on 896 fewer service users across all specialisms. It is increasingly clear that the environment that teams and providers are working within will not be back to normal for the foreseeable future. This will mean that the higher volumes and prices compared to our base budget will not be rectified before the end of this financial year and will therefore increase budget pressures next year.

2.27 Covid-19 has meant that our staff have had to work differently in continuing to meet our duties. Financially this has meant that embracing a socially distanced approach to social care has meant that recruitment and staff travel have naturally slowed leading to a reduction in the associated expenditure in this area. Across our 3 core front line areas of the department we have seen the identification of vacancies, combined with a reduction in expenditure for travel and subsistence, for Care & Assessment teams within Community Social Work (£0.596m) and Community Health and Social Care (£0.728m), as well as within Early Help & Prevention (£0.806m). In addition, the reinstatement work and new hospital discharge arrangements mean that social work teams are requiring some additional capacity to manage the temporary but increased workloads. There is some funding from NHSEI to support these costs.

2.28 The department recognises the financial pressure the future risks, and in particular, the under-delivery of 2020/21 savings is having on the Council. The Covid-19 recovery governance includes a specific financial recovery workstream. This is predominately looking at the transition arrangements for the hospital discharge service requirements, to mitigate financial risks and to look at the price of care in the market and opportunities to manage this. The service is working to reinstate approaches that will enable some savings programme work to recommence. However, it is clear that there will be remaining financial pressures from the pandemic that will extend beyond the current one-off funding. As agreed previously funding has been transferred to the Business Risk Reserve to help support these costs next financial year and provide some additional time for both stabilisation of prices and work to be able to recommence to reduce demand. These transfers have increased the business risk reserve to £10.361m.

2.29 With the Purchase of Care (POC) budget making up 77% of our ASC budget, and being heavily dependent on the individual needs of the 14,000+ people at any one time being supported by this budget, it is perhaps not surprising that this is the area feeling the financial pressure. One-off funding is helping to reduce the overspend on the purchase of care budget, reducing the in-year overspend to £3.130m. The department had been aiming to achieve savings of £23m in this financial year, and as described in the budget savings section of this paper, it has been extremely difficult in the current climate to deliver against this challenge.

2.30 The largest area of forecast overspend is with Purchase of Care for Older People. As highlighted above for this financial year, we expect additional Covid funding to meet the majority of these additional costs. Our Living Well ethos requires a different climate to be wholly effective in preventing, reducing and delaying need for formal services. In the first four months of the year many of our care providers were paid fixed (minimum amounts whereby additional services provided are paid for in addition) payment amounts to enable them to have secure cash flow during Covid-19. Whilst this is a vital investment in sustaining a crucial market, it has meant that the spend per month was fixed at a level above which we had initially budgeted. We have also ensured that where providers have been in a position to undertake home support above this level that additional payment have been made. These costs have been offset by adjustments to spend on respite care, which has been significantly lower due to the pandemic. The transition from payment based on averages to actuals was completed earlier in the autumn. The only exception is day services where providers are delivering service below normal capacity to enable social distancing guidelines. This has meant that people continue to not be charged for these services and this has formed part of the claim to MHCLG for lost sales and fee income.

2.31 During the pandemic we have seen a combination of additional packages put in place to meet differing or escalating care needs and with our NHS partners have also had to manage a different hospital discharge arrangement, that has also temporarily altered our financial assessment procedures. Whilst we have been recovering the Covid-19 related costs incurred on behalf of the NHS, it has clearly meant a different approach that has required the focus of the service.

2.32 Whilst our income related to the NHS has increased due to the Covid-19 reclaims, our general customer contribution levels has decreased. For those that are part of the NHS discharge arrangement, we will not lose out financially in the short term, but as described above there are increasing risks as this income is due to cease at the end of March 2021 Where services are not being fully supplied to the customer, but still being paid for by NCC, such as Day Care, we will not be recovering any financially assessed customer contributions. Our forecast includes £0.331m for income compensation from MHCLG. In addition, we have reviewed our planned phase 2 charging policy around the Minimum Income Guarantee which will reduce our income against the associated saving target.

2.33 The forecast takes into account the agreed remedial action following the outcome of the recent Judicial Review regarding the Council's non residential charging policy for working age adults. Planned implementation of phase 2 of the charging policy had already been reviewed in April 2020 and the forecast has included the reduction in income throughout this financial year.

2.34 Outside of purchase of care, our budgets for NorseCare and Independence Matters within Commissioning are both forecast to overspend, due to the expected non-delivery of savings. However, actions are being taken to reduce this variance in-year.

2.35 **CES:** Historically CES budgets have been fairly stable throughout the year and we continue to review the financial impacts of Covid-19. We are currently forecasting a balanced position, after taking into account Covid-19 grant income of £6.112m, forecast recovery of income losses from the MHCLG income compensation scheme, and the Local Outbreak Control Public Health grant of £3.718m and the Contain Outbreak Management Fund of £7.143m. The forecast also includes the previously agreed transfer of £1.681m to a CES Business Risk Reserve, to mitigate some of the continuing financial risks arising from the pandemic

2.36 The most significant pressure for CES is the ability to achieve planned income which accounted for the majority of the current forecast pressures within Community Information and learning and Culture and Heritage. Pressures on Income also account for part of the services pressure within Highways and Waste.

2.37 There is a significant uncertainty in relation to the impacts on income and we will therefore be reviewing and revising these forecasts as the year progresses. Overall, we have assumed that this position is likely to be mitigated when income under the Local government income compensation scheme for lost sales, fees and charges is received, although this is subject to on-going calculations.

2.38 The forecast pressures within Highways and Waste also relates to waste volumes and Impacts of Dutch Incineration tax on the cost of waste disposal.

2.39 As a consequence of Covid-19 the County Council's waste services have experienced a surge in the volumes of waste, recycling and garden waste. This increase in materials being generated by households is being experienced nationwide and is mainly due to changes in householder behaviours in response to Covid-19 regulations, combined with the effect of many shifting to working from home.

2.40 Waste levels managed by the County Council for the full 2020/21 financial year are currently projected to be around 6% or 14,000 tonnes more than expected. Similarly, the amount of recycling and garden waste collected by District Councils, which the County Council contributes to the cost of dealing with, is expected to be around 7% or 11,000 tonnes more than expected.

2.41 During 2021/22 these levels of increases in waste, recycling and garden waste are expected to be sustained, due to an expected prolonged effect of Covid-19 on householder behaviours. However, although in the longer term these effects are expected to reduce it is also expected that many will retain some work from home habits, such that levels of both waste and recycling in the longer term will remain at levels several thousand tonnes a year higher than the pre-Covid-19 levels.

2.42 The service has also incurred additional costs in relation to the re-opening of Household Waste Recycling Centres for traffic management and site security.

2.43 The Department is also reviewing any potential areas for savings that will help off-set this pressure which will include reduced spend on travel, printing and other administration areas. There are also likely to be a number of posts that are currently vacant and therefore we have not been able to recruit to, which will deliver a one-off saving.

2.44 **Corporate services:** Both the Strategy and Governance and Finance and Commercial Services directorates are forecasting minor net overspends. The overspend primarily relates to property management: both additional costs and reduced income, and other central Covid-19 related costs, largely offset by government grant income.

2.45 **Finance General:** The forecast underspend in Finance General is £1.229m. A significant underlying overspend is made up of unbudgeted Covid-19 related costs. However, this is off-set by forecast underspends on the costs of borrowing and additional government Emergency Assistance and Winter Grant funding for Food and Essential Supplies, together with MHCLG funding received to defray covid related costs.

2.46 Following approval at 7 December 2020 Cabinet, a new Corporate Covid Risk Reserve has been created. £9.108m has been set aside in this reserve to address financial pressures resulting from the pandemic, either in 2020-21 or in future financial years. This includes MHCLG tranche 4 Covid grant funding of £5.608m, £2.5m previously set aside for in-year Covid-19 pressures, and a proposed additional £1.0m to address future pressures. Further details are given in Revenue Annex 1.

3 Approved budget, changes and variations

3.1 The 2020-21 budget was agreed by Council on 17 February 2020 and is summarised by service in the Council's Budget Book 2020-21 (page 19) as follows:

Table 2: 2020-21 original and revised net budget by service

Service	Approved net base budget	Revised budget P8	Revised budget P9
	£m	£m	£m
Adult Social Services	255.740	255.793	255.793
Children's Services	196.211	196.311	196.311
Community and Environmental Services	163.471	161.799	161.799
Strategy and Governance	9.365	9.365	9.365
Finance and Commercial Services	30.811	32.668	32.668
Finance General	-225.177	-225.515	-225.515
Total	**430.421**	**430.421**	**430.421**

Note: this table may contain rounding differences.

3.2 During period 9, there were no movement of budget between services. The Council's net budget for 2020-21 has remained unchanged.

4 General balances and reserves

General balances

4.1 On 17 February 2020 Council agreed the recommendation from the Executive Director of Finance and Commercial Services for a minimum level of General Balances of £19.623m through 2020-21. The balance at 1 April 2020 was £19.706m. The forecast for 31 March 2021 is unchanged, before any over or underspends.

Reserves and provisions 2020-21

4.2 The use of reserves anticipated at the time of budget setting was based on reserves balances anticipated in January 2020. Actual balances at the end of March 2020 were higher than planned, mainly as a result of grants being carried forward, including Covid-19 support grants, and reserves use being deferred.

4.3 The 2020-21 budget was approved on the basis of a forecast reduction in earmarked revenue reserves and provisions (including schools reserves but excluding LMS and DSG reserves) from £73m to £65m, a net use of £8m.

Table 3: Reserves budgets and forecast reserves and provisions (excluding LMS/DSG)

Reserves and provisions by service	Budget book forecast balances 1 April 2020	Actual balances 1 April 2020 (1)	Increase in opening balances after budget setting	2020-21 Budget book forecast March 2021	Latest forecast balances 31 March 2021
	£m	£m	£m	£m	£m
Adult Social Services	16.896	20.291	3.395	10.371	21.775
Children's Services (inc schools, excl LMS/DSG)	1.961	6.107	4.146	3.321	8.459
Community and Environmental Services	35.847	40.416	4.569	32.612	41.949
Strategy and Governance	3.042	3.847	0.805	3.265	3.668
Finance & Commercial Services	2.469	3.879	1.410	2.472	2.866
Finance General	12.915	49.429	36.514	12.915	33.083
Reserves and provisions excluding LMS and DSG balances (see below)	**73.130**	**123.969**	**50.839**	**64.956**	**111.800**
Schools LMS balances	12.001	12.361	0.360	4.212	12.814
DSG Reserve (negative)	-18.387	-19.703	-1.316	-18.83	- 30.963
Total	**66.744**	**116.627**	**49.883**	**50.338**	**93.651**

Note (1): the actual balances has been adjusted for previous rounding of school reserves, and to reflect movements of activities between services during the year.

4.4 Actual overall provisions and reserves (excluding capital, DSG and LMS reserves) at 31 March 2020 were approximately £50m in excess of 2020-21 budget book assumptions. This is due primarily to £26.8m Covid-19 government grants received in late March, which will be fully used in 2020-21, plus general increases in reserves including unspent grants and contributions, brought forward after budget setting.

4.5 The forecast also includes a proposed additional transfer of £1.0m to the Corporate Business Risk Reserve.

4.6 As a result of these factors, the latest forecast net total for reserves and provisions at 31 March 2021 (excluding schools LMS and DSG reserves) is approximately £47m higher than was assumed at the time of budget setting due to the increase in grants brought forward, government grants being set aside to address continuing covid-19 pressures, and a Business Rates reserve of approximately £10m added after budget setting.

4.7 **Provisions included in the table above**

The table above includes forecast provisions of £26.7m comprising £9.9m insurance provision, £12.6m landfill provision (this provision is not cash backed), £4.1m provisions for bad debts, and a small number of payroll related provisions.

5 Covid-19 financial implications

5.1 Details of central government funding announcements, and forecast Covid-19 pressures are set out below.

5.2 Covid-19 funding secured to date is as follows:

Table 4a: Covid-19 funding

Funding	Actual/forecast 2020-21 £m
MHCLG tranche 1 (received March 2020)	26.932
MHCLG tranche 2	16.742
MHCLG tranche 3	6.001
MHCLG tranche 4	5.608
Contain Outbreak Management Fund	7.262
Infection Control Fund – first round	12.386
Infection Control Fund – second round	10.443
Home to School and College Transport Funding – Tranche 1	0.747
Home to School and College Transport Funding – Tranche 2	0.503
Home to School and College Transport Funding – Tranche 3	0.419
Wellbeing for Education Return Grant	0.146
Local Outbreak Control: test and trace service support grant	3.718
MHCLG - income compensation scheme April - July	2.657
Emergency Assistance Grant for Food and Essential Supplies	1.016
COVID Winter Grant Scheme	2.740
Total previously reported P8	**97.320**
Adult Social Care Rapid Testing Fund	3.068
MHCLG - income compensation scheme August - November	1.523
Additional Contain Outbreak Management Fund for December 2020	2.075
Clinically Extremely Vulnerable – first tranche	0.602
Total to date	**104.588**

New / confirmed funding

5.3 **Adult Social Care Rapid Testing Fund**: A £149m grant has been announced to help increase and support testing, particularly in care homes. The allocation for Norfolk for testing is £3.068m of which 80% must be allocated to care home providers.

5.4 **COMF**: An additional allocation of £2.075m has been received from the Government's Contain Outbreak Management Fund for the four weeks from 2nd-29th December 2020. This is in addition to the funding summarised in 5.10 below.

5.5 **CEV**: The Council has received £0.602m of funding to provide support to Clinically Extremely Vulnerable (CEV) individuals.

5.6 The CEV funding is being provided as an unringfenced grant in recognition of the new pressures placed on councils by shielding guidance. The Government expects funding to be used to deliver the activities and outcomes outlined in the Shielding Framework. This includes the overheads of setting up and managing the local system, contacting CEV individuals within the area of intervention, assessing the food and basic support needs of CEV individuals and facilitating the delivery of that support where necessary, and reporting on the level of support provided. There is also an expectation that upper tier authorities will provide sufficient resources to lower tier authorities to carry out any responsibilities that they are asked to undertake to support CEV individuals. The Council has so far committed to provide £0.017m to each District. Allocation requirements are discussed as part of the Community Resilience partnership to ensure a consistency of support to CEV residents across the county as delivered by the agreed operating model.

5.7 Further government allocations are due to be received for the January / February lockdown period.

5.8 **Workforce Capacity Fund:** The Government has recently announced a £120m funding for local authorities to help increase workforce capacity to support the care sector. At the time of writing this paper the local allocations and grant conditions have not been announced.

Previously reported funding

5.9 **MHCLG funding**: The tranches of MHCLG funding listed above are unringfenced, and expected to address additional expenditure, lost income and delayed or irrecoverable savings while assisting those who are in most need of additional support and social care, and those at higher risk of severe illness. The latest tranche of £5.608m has been transferred to a new Corporate Covid Risk reserve, to mitigate against future cost pressures resulting from the pandemic.

5.10 **Contain Outbreak Management Fund (COMF)**: From 12 October 2020, Local Authorities have been eligible for tiered payments from the Contain Outbreak Management Fund which is ring-fenced for public health purposes to tackle COVID-19, working to break the chain of transmission and protecting the most vulnerable.

5.11 When national restrictions came into force on 5 November, all Upper Tier Local Authorities were allocated the maximum of £8 per head of population. For Norfolk this amounted to £7.262m. In addition, the Government has confirmed that the Contain Outbreak Management Fund will provide monthly payments to local authorities facing higher restrictions until the end of the financial year, and an additional allocation of £2.075m has been received for the four weeks 2-29 December 2020.

5.12 Further government allocations are anticipated to cover the period from January to March 2021, and these will be reported to Cabinet when secured. The Future allocations will look to support the following principles:

- Norfolk’s Outbreak Control Plan Aims underpin allocations – Protect Ourselves. Protect Others. Protect Norfolk.
- Enable direct inter-agency support and capabilities
- Immediate response funding support to contain Covid-19 transmission.
- Promote and enable support to hard-to-reach where there is a gap in funding.
- Provide funding where otherwise not available to address current needs and support.

5.13 To enable District Councils to implement immediate mitigating actions, 7 December 2020 Cabinet approved the allocation of a maximum of £2.645m to District Councils. In addition, the Health Protection Board has considered the allocation of COMF funding. Of the £9.3m received, the Board is recommending allocation of the majority (£8.965m) in accordance with the following table and Cabinet is asked to approve this:

Table 4b: Covid-19 funding allocation

Phase 1 budget allocations to the end December 2020		**Local Outbreak Control**	**Norfolk County Council**	**CCG**	**District Council's**	**Total**
		£m	**£m**	**£m**	**£m**	**£m**
Local testing capacity, including hard to reach groups		0.250		1.000		**1.250**
Contact tracing and support to self isolate, including local surge capacity		3.000			**0.600**	**3.600**
Enhanced communication and marketing			0.300			**0.300**
Essentials for those in self-isolation.		0.100	0.100			**0.200**
Covid wardens/support wardens					**0.875**	**0.875**
Specialist support (behavioural science, bespoke comms, data and intelligence		0.270	0.500			**0.770**
Additional resource for compliance, (trading standards)			0.100			**0.100**
Measures to support compliance with public health guidance.					**0.875**	**0.875**
Additional emergency planning capacity					**0.120**	**0.120**
Targeted support for education settings			0.500			**0.500**
Support for social excluded groups and rough sleepers		0.200			**0.175**	**0.375**
Total COMF allocated		**3.820**	**1.500**	**1.000**	**2.645**	**8.965**

5.14 **Infection Control Fund**: "to ensure care homes can cover the costs of implementing measures to reduce transmission", with a proportion passed straight to care homes in Norfolk (regardless of whether they contract with the Council), with the remaining element spent on broader infection control measures. In addition to the first-round grant of £12.386m, a second round of Infection Control Grants has been announced, with an additional £10.443m to be received by Norfolk in October and December 2020. This round requires 80% to be passed to care homes and community care providers. Funding for both payments has been paid to care providers in line with the grant conditions. The allocation of the discretional funds has focused on wider measures for care homes and community care providers, as well as day services.. This will enable wider use of funding for supporting staff with testing and vaccine rollout.

5.15 **Dedicated Home to School and College Transport Funding:** for transport authorities to help address the impact of social distancing rules on public transport, for the period September 2020 to February 2021 half term. A third tranche of £0.419m covering the first half of the Spring term was announced on 8 December 2020, bringing to the total for Norfolk to £1.669m.

5.16 **Wellbeing for Education Return Grant**: to support pupils' and students' wellbeing and psychosocial recovery as they return to full-time education in autumn 2020.

5.17 **Local Outbreak Control: Test and Trace Service Support Grant:** to fund expenditure relating to the mitigation against and management of local outbreaks of COVID-19 as part of the Council's public health responsibilities.

5.18 **Local government income compensation scheme for lost sales, fees and charges.** This scheme compensates local authorities for irrecoverable income losses due to the impact of COVID-19, as much as 75% of lost income where losses exceed 5% of planned income. The first claim of £2.657m, covered the period April to July 2020, and a second claim for the period from 1 August to 30 November 2020 totalling £1.523m was certified in December 2020. The claims are split between services as follows:

Table 4c: income compensation claims to date

	Apr-Jul	Aug-Nov
	£m	**£m**
Adult Social Services	0.253	0.078
Children's Services	0.647	0.277
Community and Environmental Services	1.260	1.027
Strategy and Governance	0.342	0.039
Finance and Commercial Services	0.155	0.102
	2.657	**1.523**

The scheme has been extended until June 2021, and further claims will be summarised in future reports.

5.19 **Emergency Assistance Grant / COVID Winter Grant Scheme**: to help those who are struggling to afford food, energy and water bills and other associated costs due to Covid-19.

Covid-19 related cost pressures

5.20 A summary of the forecast Covid-19 related cost pressures are as follows:

Table 4d: Covid-19 cost pressures

	Adult Social Services	**Children's Services**	**Community and Environmental Services**	**Strategy and Governance Department**	**Finance and Commercial Services and Finance General**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Previously reported	**56.654**	**8.689**	**18.035**	**1.138**	**14.857**	**99.373**
Net changes this month	3.068		2.677		0.200	5.945
In year cost pressures	**59.722**	**8.689**	**20.712**	**1.138**	**15.057**	**105.318**
Corporate risk reserve					9.108	9.108
Total cost pressures	**59.722**	**8.689**	**20.712**	**1.138**	**24.165**	**114.426**
Government support						**104.588**
Net Covid-19 pressure						**9.838**

5.21 The net cost pressure has reduced marginally from £10.2m in P8. The latest forecast cost pressure includes transfers to reserves of £9.1m to cover costs which are likely to be incurred in the early part of the next financial year. This will allow the Council to meet its response to the coronavirus pandemic.

5.22 Details of cost pressures by services are set out in Revenue Annex 2. The cost pressures shown in Finance and Commercial Services and Finance General include additional staff and property costs relating to the Covid-19 response and lost income from County Hall car park. Also within Finance General is the impact of the Council continuing to incur costs sourcing PPE, medical requisites, and cleaning materials for use across our services.

Other pressures

5.23 An additional element of cost mitigation included in forecast over and underspends is the Government's **Coronavirus Job Retention Scheme**. While the scheme has not been used to duplicate other sources of public funding, such as the Covid-19 support grants, the government has recognised that there are exceptional cases where, for example, Local Authorities have needed to close venues such as museums and registry offices. Claims for the period from March to the end of December 2020 total £0.983m.

5.24 A particular risk relates to Business Rates and Council Tax income. No pressures have been included for 2020-21 with any impact not expected to have an impact on the general fund until 2021-22 and this is being taken into account during 2021-22 budget setting. To assist future budgeting, the government will allow Council's to spread their tax deficits over 3 years rather than the usual one year

5.25 The costs and income pressure relating to Covid-19 vary from the overall Council forecast net overspend shown in this report. This is due to non-Covid-19 related under and over-spends, and actions already put in place by Chief Officers to mitigate the financial impacts of the pandemic.

Support to providers

5.26 Cabinet previously agreed the continuation of financial support to Children's Services providers for the remainder of the financial year, where necessary, at its October 2020 meeting. The current national lockdown does not require any amendment to these support arrangements, and they are being used flexibly to ensure value for money for Norfolk's taxpayers whilst also providing ongoing support to support sustainability of the market and service continuity.

5.27 During the first national lockdown, PPN 02/20 was in placed and stated that contracting authorities should continue to pay their at-risk suppliers to ensure business and service continuity. This included home to school transport operators, and those who were paid at 100% of their contract costs, but were not fully delivering the contract, were expected to abide by the following:

- that staff are treated fairly and are not left with no income, whilst companies still receive 100% pay for their contracts

- that any sub-contractors or self-employed staff are treated fairly and still receive their fair share of the contract cost

- that by receiving 100% they are able to respond immediately with some level of resource if and when we need you, to either carry out school transport or any other transport work as part of NCC's Covid-19 response work, e.g. discharges from care homes, delivering medicines and other supplies, so that we can provide essential journeys in these difficult times.

5.28 Operators responded well, meeting alternative requests made of them at no extra cost, and no supplier went out of business, which was important to ensure stability in the market place for future transport provision. When schools fully re-opened in September, contracts were operating fully and payments were made as normal, and this continued throughout the Autumn term.

5.29 The current national lockdown has seen many more children and young people remaining in school for childcare provision, and so many routes need to continue to operate as ‘normal’. However, there will be some contracts that do not need to run, though this may vary due to the nature of the in-school childcare and changing parental choice. Operators were paid at 100% for the first two weeks of term, given the considerable uncertainty. For the remainder of the lockdown we will look to reduce payments of non-operating contracts to reflect the variable costs that will not be incurred, at a level of reduction that should not impact upon the operators’ ability to cover core costs that would normally be covered by NCC contracts, whilst also ensuring good stewardship of tax-payers money. Any provider who can access other government business support will be expected to do so to reduce their call on NCC funds, and any provider that has concerns about their sustainability will be encouraged to speak to NCC at the earliest opportunity to enable us to support them, where appropriate.

6 Budget savings 2020-21 summary

6.1 In setting its 2020-21 Budget, the County Council agreed net savings of £40.244m. Details of all budgeted savings can be found in the 2020-21 Budget Book. A summary of the total savings forecast to be delivered is provided in this section.

6.2 The latest monitoring reflects total forecast savings delivery of £22.664m and a **total shortfall of £17.580m** (44%) forecast at year end.

6.3 The forecast savings delivery is anticipated as shown in the table below:

Table 5: Analysis of 2020-21 savings forecast

	Adult Social Services	Children's Services	Community and Environmental Services	Strategy and Governance Department	Finance and Commercial Services	Finance General	Total
	£m	£m	£m	£m	£m	£m	£m
Budget savings	22.897	9.250	5.013	-0.613	1.389	2.308	**40.244**
Period 9 forecast savings	9.343	6.879	3.898	-0.691	0.927	2.308	**22.664**
Savings shortfall (net)	13.554	2.371	1.115	0.078	0.462	0.000	**17.580**

Commentary on shortfall savings

6.4 The impact of the COVID-19 pandemic is having a profound effect on the Council's ability to achieve planned budget savings. Further details on the emerging financial implications of COVID-19 including the impact of non-delivery of savings are reflected elsewhere in this report.

6.5 Thirty-four savings are forecasting a shortfall, representing a budgeted total savings value of £28.949m and a forecast gross savings shortfall of £18.493m. This total is before adjustment for forecast savings over-delivery of £0.913m detailed in the paragraphs below. Commentary on each saving is provided in Revenue Appendix 3.

Commentary on overdelivering savings

6.6 Two saving are currently forecast to over-deliver in 2020-21.

Adult Social Services:
ASC035 Investment and development of Assistive Technology approaches, budget £0.500m, over delivery £0.910m: Current projections, tested by the ASTEC Board, suggest we will over-deliver.

In addition, there is a favourable variance of £0.003m on ASC052 relating to the reversal of one-off use of repairs and renewal reserve.

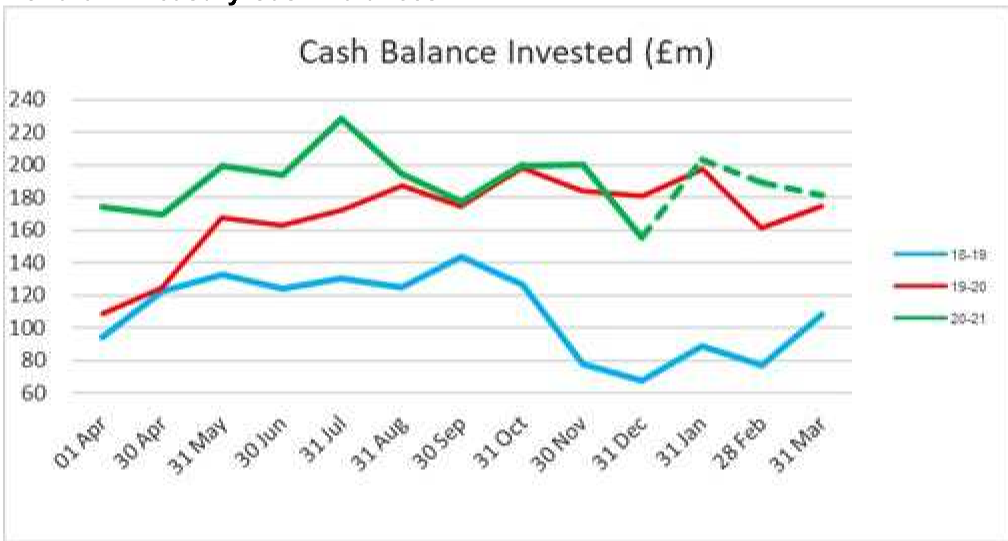
2021-22 to 2023-24 savings

6.7 Budget setting in 2020-21 saw the approval of £20.747m savings for 2021-22, £2.383m for 2022-23 and £0.412m savings for 2023-24. Any impact on the deliverability of these savings, and any 2020-21 savings that are permanently undeliverable, has been considered as part of the budget setting process for 2021-25 reported elsewhere on this agenda.

7 Treasury management summary

7.1 The corporate treasury management function ensures the efficient management of all the authority's cash balances. The graph below shows the level of cash balances over the last two financial years to March 2020, and projections to March 2021.

Chart 2: Treasury Cash Balances



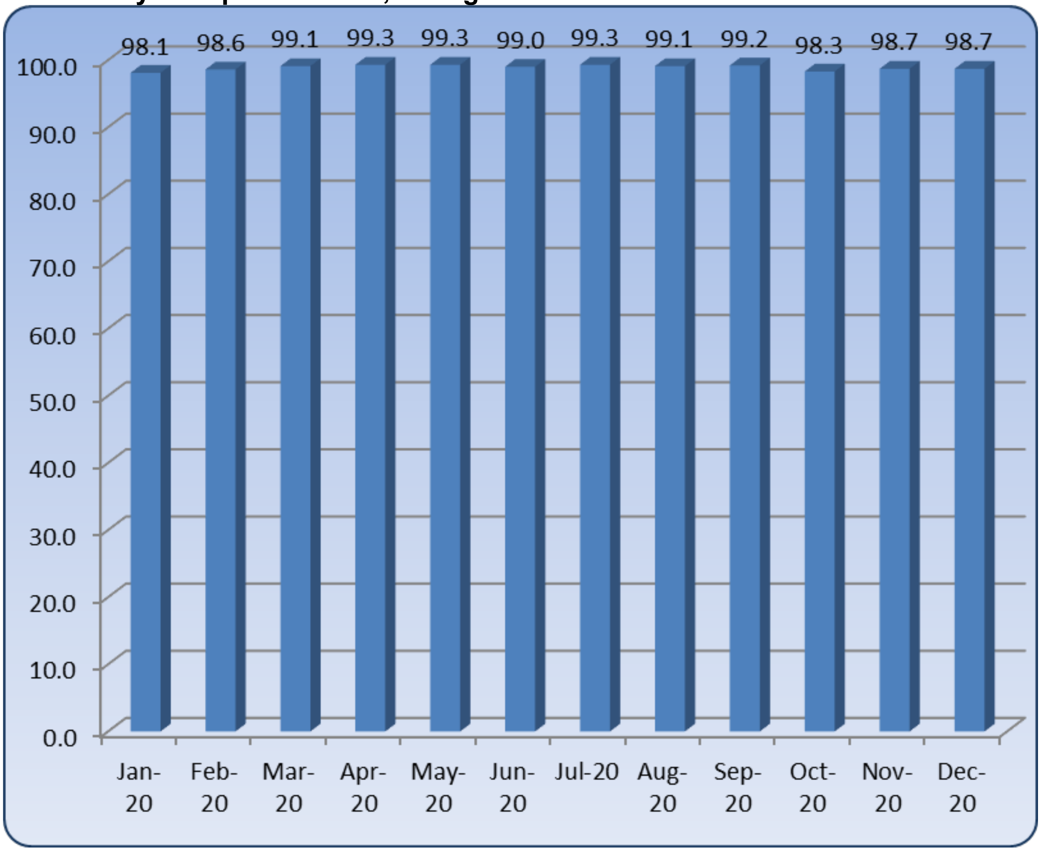
7.2 Assuming £80m is borrowed in the current financial year to fund capital expenditure, in line with the Council's Treasury Strategy, the forecast closing balance is approximately £181m, above average for recent years but in line with the balance at 31 March 2020.

7.3 PWLB and commercial borrowing for capital purposes was £699.8m at the end of December 2020. Associated annual interest payable on existing borrowing is £29.3m.

8 Payment performance

8.1 This chart shows the percentage of invoices that were paid by the authority within 30 days of such invoices being received. Some 470,000 invoices are paid annually. 98.7% were paid on time in December against a target of 98%. The percentage has not dropped below the target of 98% in the last 12 months.

Chart 3: Payment performance, rolling 12 months



Note: The figures include an allowance for disputes/exclusions.

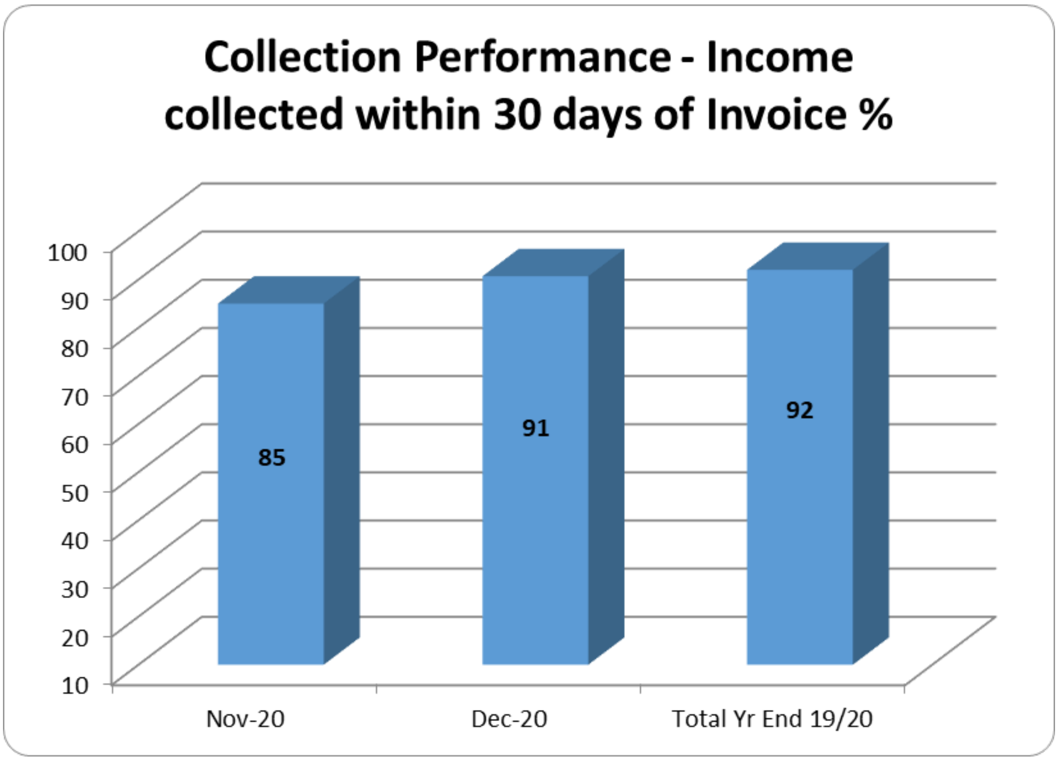
9 Debt recovery

9.1 **Introduction**: In 2019-20 the County Council raised over 160,000 invoices for statutory and non-statutory services totalling over £1.4bn. Through 2019-20 92% of all invoiced income was collected within 30 days of issuing an invoice, and 98% was collected within 180 days.

Debt collection performance measures – latest available data

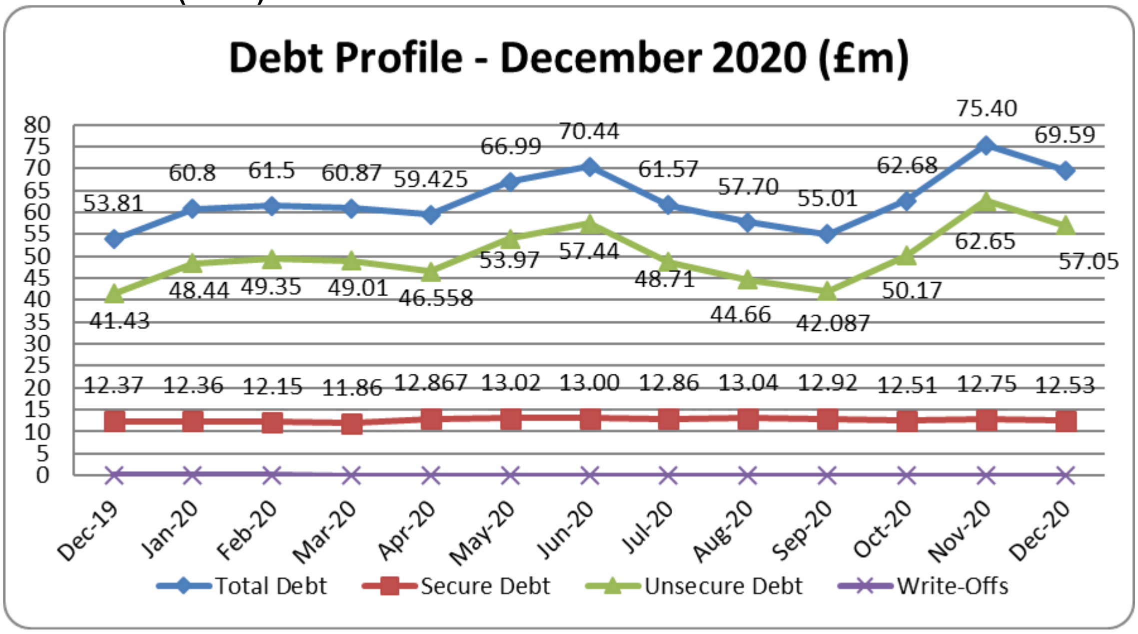
9.2 The proportion of invoiced income collected within 30 days for invoices raised in the previous month – measured by value – was 91% in December 2020.

Latest Collection Performance



9.3 The value of outstanding debt is continuously monitored, and recovery procedures are in place to ensure that action is taken to recover all money due to Norfolk County Council. The level of debt is shown in the following graph:

Debt Profile (Total)



9.4 Of the £57.1m unsecure debt at the end of December, £10.0m is under 30 days. The largest area of unsecure debt relates to charges for social care, £46.6m, of which £26.1m is debt with the CCG's for shared care, Better Care Pooled Fund, continuing care and free nursing care.

9.5 Secured debts amount to £12.5m. Within this total £4.6m relates to estate finalisation where the client has died, and the estate is in the hands of the executors.

9.6 **Debt write-offs**: In accordance with Financial Regulations and Financial Procedures, Cabinet is required to approve the write-off of debts over £10,000. The Executive Director of Finance and Commercial Services approves the write-off of all debts up to £10,000.

9.7 Service departments are responsible for funding their debt write-offs. Before writing off any debt all appropriate credit control procedures are followed.

9.8 For the period 1 April 2020 to the end of December 2020, 202 debts less than £10,000 were approved to be written off following approval from the Executive Director of Finance and Commercial Services. These debts totalled £14,227.71.

9.9 No debts over £10,000 have been approved for write-off since 1 April 2020.

Revenue Annex 1

Forecast revenue outturn

Revenue outturn by service

Table A1a: revenue over and (under) spends by service

Service	Revised Budget	Net total over / (under) spend	Over / (under) spend as %	Forecast net spend
	£m	£m		£m
Adult Social Services	255.793	1.000	0.4%	256.793
Children's Services	196.311	0	0.0%	196.311
Community and Environmental Services	161.799	0	0.0%	161.799
Strategy and Governance	9.362	0.029	0.3%	9.391
Finance and Commercial Services	32.671	0.035	0.1%	32.706
Finance General	-225.515	-1.229	0.5%	-226.744
Forecast outturn this period	**430.421**	**-0.165**	**0.0%**	**430.256**
Prior period forecast	430.421	0.349	0.1%	430.770

Reconciliation between current and previously reported underspend

Table A1b: monthly reconciliation of over / (under) spends

	£m
Forecast overspend brought forward	**0.349**
Movements November 2020	
Adult Social Services	-
Children's Services	-
Community and Environmental Services	-
Strategy and Governance	-
Finance and Commercial Services	-0.870
Finance General	0.356
Outturn over/(under) spend	**-0.165**

Covid-19 grant allocation by service

Table A1c: Covid-19 grant received and service allocations to mitigate overspends

	P8	Income comp	P9 Other	Total
	£m	£m	£m	£m
Adult Social Services	49.134	0.078	3.068	52.280
Children's Services	7.174	0.277		7.451
Community and Environmental Services	18.352	1.027	2.677	22.056
Strategy and Governance	0.674	0.039		0.713
Finance and Commercial Services	1.515	0.102		1.617
Finance General	20.469			20.469
Rounding	0.002			0.002
Covid-19 grants received	**97.320**	**1.523**	**5.745**	**104.588**

Revenue Annex 1 continued

The net underspend is a result of a range of underlying forecast over and underspends which are listed below.

Revenue budget outturn by service – detail

Adult Social Services	**Over spend**	**Under spend**	**Changes**
	£m	**£m**	**£m**
Purchase of Care	29.515		0.030
Commissioned Services	1.425		-0.123
Community Social Work		-0.631	-0.035
Business Development		-0.015	-0.023
Early Help & Prevention		-0.535	0.271
Community Health & Social Care		-0.847	-0.119
Management, Finance & HR		-1.528	0.078
Use of Infection control grant	22.829		
Covid-19 grant allocation		-49.213	-0.079
Adult Social Care Rapid Testing Fund		-3.068	-3.068
Full use of Adult Social Care Rapid Testing Fund	3.068		3.068
Forecast over / (under) spends	**56.837**	**-55.837**	**-**
Net total	**1.000**		
Children's Services	**Over spend**	**Under spend**	**Changes**
	£m	**£m**	**£m**
Learning & Inclusion	1.879		
Social Care	0.957		0.277m
Commissioning, Partnerships and Resources	-0.200		
Use of Home to School and College Transport Funding	1.669		
Use of Wellbeing for Education Return Grant	0.146		
Covid-19 grant allocation		-7.451	-0.277m
Contribution to Children’s Services Business Risk Reserve	3.000		
Forecast over / (under) spends	**7.451**	**-7.451**	
Net total	**-**		
Dedicated schools grant			
High Needs Block	11.504		0.004
Schools block		-0.244	-0.044
Increase in net deficit to be carried forward	-	-11.260	0.040
Forecast over / (under) spend	**11.500**	**11.500**	**-**
Net total	**-**		

Community and Environmental Services	Over spend	Under spend	Changes
	£m	£m	£m
Community Information and Learning	0.743		
Culture and Heritage	1.058		
Fire	0.298		
Growth and Development	0.906		
Highways and Waste	3.226		
Performance and Governance		-0.487	
Director of Public Health		-0.053	
Covid-19 grant allocations		-8.399	-1.027
Use of August-November income compensation grant to support services	1.027		1.027
Local Outbreak Control: test and trace service support grant		-3.718	
Use of Local Outbreak Control: test and trace service support grant	3.718		
Contain Outbreak Management Fund		-9.337	-2.075
Use of Contain Outbreak Management Fund	9.337		2.075
Clinically Extremely Vulnerable – first tranche		-0.602	-0.602
Use of Clinically Extremely Vulnerable – first tranche	0.602		0.602
Contribution to CES Business Risk Reserve	1.681		
Forecast over / (under) spend	**22.596**	**-22.596**	**0**
Net total	**0**		

Strategy, Finance and Finance General	Over spend	Under spend	Changes
	£m	£m	£m
Strategy and Governance			
Registrars and other net loss of income	0.742		0.039
Covid-19 grant		-0.713	-0.039
Forecast over / (under) spend	**0.742**	**-0.713**	**0**
	0.029		
Finance and Commercial Services			
Client Property Management	0.652		-0.370
Covid-19 related costs - loss of income/recharges	1.620		0.485
Covid-19 related costs - savings delays	-		-0.463
Finance directorate reduced overheads and costs		-0.620	-0.420
Covid-19 grant allocation		-1.360	-
Covid-19 income compensation scheme		-0.257	-0.102
Forecast over / (under) spend	**2.272**	**-2.237**	**-0.870**
	0.035		
Finance General (see below for narrative)			
Covid-19 additional costs – including a large proportion of PPE, shielding and homeworking costs.	9.579		0.344
Income: transfers of PPE to partner organisations		-0.154	0.016
DEFRA Local Authority Emergency Assistance Grant		-1.016	
Local assistance scheme	1.516		
COVID Winter Grant Scheme		-2.740	
Use of COVID Winter Grant Scheme funding	2.740		
Extended rights to free travel grant		-0.463	
Members travel		-0.086	-0.004
Interest on balances		-3.000	-1.000
MHCLG Covid-19 grant allocation		-5.104	
MHCLG Covid-19 grant tranche 3		-6.001	
MHCLG Covid-19 grant tranche 4		-5.608	
Transfer to new Corporate Covid Risk reserve (incorporating reserve to meet increase staffing capacity and related costs)	9.108		1.000
Forecast over / (under) spend	**22.943**	**-24.172**	**0.356**
Net total		**-1.229**	

Finance General forecast over and underspends

Explanations for the Finance General forecast under and overspends are as follows:

Covid-19 additional costs and associated income:

- Covid-19 additional costs: forecast overspend £9.579m
- Income: transfers of PPE to partner organisations: forecast underspend £0.154m
- Covid-19 grant allocation: forecast underspend £5.104m
- DEFRA Local Authority Emergency Assistance Grant for Food and Essential Supplies £1.016m (see paragraph below)
- Covid-19 grant tranche 3 – forecast underspend £6.001m
- Covid-19 grant tranche 4 – forecast underspend £5.608m transferred to corporate covid risk reserve.

Costs related to Covid-19 pandemic which have not been allocated to service departments have resulted in a forecast overspend, partly off-set by government grants. Expenditure includes the purchase of medical supplies and protective (PPE) clothing to ensure continuity of supply for council staff, care homes, early years providers and others. Some of this PPE is forecast to be transferred to partner organisations at cost. To address costs of meeting pressures from a Covid-19 “second wave”, a corporate covid risk reserve has been created to meet increase staffing capacity and related costs.

Local assistance scheme / Emergency Assistance Grant
The Norfolk Assistance Scheme helps by providing emergency food, cash and household expenses. Due to the coronavirus situation, a coordinated emergency relief response has been developed for Norfolk people in crisis. In period 3, government funding was made available which is being used to provide food and essential supplies for those in the greatest need. An additional 0.500m from Core Covid grant funding was allocated to the scheme, and in period 7 an additional £2.740m COVID Winter Grant Scheme government funding was received and is forecast to be fully spent in 2020-21.

Extended rights to free travel grant (forecast underspend £0.463m)
Additional grant forecast in respect of extended rights to free travel.

Members travel (forecast underspend £0.086m)
Since the start of the financial year, meetings have not been held at County Hall. Members have instead held meetings electronically significantly reducing the costs of travel.

Interest on balances (forecast underspend £3.000m)
The interest payable/receivable budget was prepared on the basis of a number of assumptions including cash flows, interest rates and the amount of borrowing. The cost and timing of borrowing has resulted in a significant forecast underspend.

Covid-19 grant tranche 3 – (forecast underspend £6.001m)
As noted in section 5 of this report, Covid-19 grant tranche 3 government funding of £6.001m was allocated to the Council to defray Covid related costs. This funding is now being used to off-set central PPE costs within Finance General.

Corporate Covid risk reserve (£9.107m)
As noted in section 5 of this report, Covid-19 grant tranche 4 government funding of £5.607m has been allocated to a new Corporate Covid risk reserve. An additional £2.5m allocation have been approved, and this report includes a proposed additional £1.0m to address future pressures.

Revenue Annex 2

Impact of Covid-19 – forecast cost pressures

Forecast cost pressures summarised in paragraph 5 of the main report are as follows:

	2020-21 Forecast £m
<u>Identified / forecast costs</u>	
Adult Social Care	
Enhancements to packages of care where not related to hospital discharge (mainly LD and MH and includes care need escalation)	1.450
Additional Block capacity purchased from market	0.500
Provider support payments to cover liquidity/sustainability issues and any additional costs where not specifically related to a person's changing care needs	11.541
Other care market pressures	3.722
Paying for additional day time support to Supported Living/Residential providers whilst the day centres are closed	0.887
Loss of income: Adults: No charges for services not received	0.613
Equipment and Support for our teams (e.g. PPE for in-house teams)	0.035
Support for people experiencing domestic abuse	0.150
Loss of savings: Adults: Savings delivery risk	10.727
Temporary postponed implementation of the second phase of the charging policy implementation (2020-21 cost pressure)	3.000
Equipment - spike in usage and increase in costs	0.200
Weekend or Overtime staff costs	0.700
Vulnerable People Resettlement	0.200
Redeployed interims	0.100
Full use of infection control funding	22.829
Full use of Adult Social Care Rapid Testing Fund	3.068
Adult Social Care Total	**59.722**
Children's Services	
Loss of income - Children's Services - Estimate primarily relating to trading with schools	1.895
Loss of income - Transport	0.243
Safeguarding campaign - *Project Stay Safe*	0.010
Loss of savings: Children's: Savings delivery risk	2.476
Maintaining Early Year's Provision	0.460
Education Cell Outbreak Management Centre	0.127
Additional placement costs for over-18s	0.342
Additional placement costs for under-18s	0.250
Additional costs of contracted delivery	0.250
Sustainability grants and support to the market	0.250
Enhanced Zoom licenses	0.015
Additional frontline agency costs	0.554
Book fund for Social Work apprentices	0.002
Full use of Home to School and College Transport Funding	1.669
Full use of Wellbeing for Education Return Grant	0.146

	2020-21 Forecast £m
Children's Services Total	**8.689**
Community and Environmental Services	
Food boxes for older people (NCC provision)	0.700
Waste – Contract costs reflecting 15% increase in residual waste volumes	0.192
Waste – Recycling credits reflecting 15% increase in recyclables / garden waste	0.240
Reopening Recycling Centres – (traffic management, security, volume increase)	0.365
Loss of income: CES including Museums / Libraries	2.060
Loss of income: CES including Adult Education / Records Office	0.754
Loss of income: CES including Highways and Public Transport	1.045
Loss of income: CES including Planning and Development	0.008
Loss of income: CES including Recreation and Sport	0.021
Loss of income: Parking Services	0.500
Loss of income: CES including Centres and Blue Badges	0.325
Loss of income: CES including On-street Parking	0.555
Loss of savings: CES	0.290
Full use of Local Outbreak Control: test and trace service support grant	3.718
Full use of Contain Outbreak Management Fund	9.337
Full use of Clinically Extremely Vulnerable – first tranche	0.602
Community and Environmental Services Total	**20.712**
Strategy and Governance	
Norfolk Community Foundation - grant donation	0.100
Joint comms systems for the Norfolk Resilience Forum	0.035
Increased Coroner's costs	0.250
Loss of income: Registrars	0.675
Loss of savings: Strategy and Governance	0.078
Strategy and Governance Total	**1.138**
Finance and Commercial Services and Finance General	
Emergency Planning Director / Strategic Command Group / MAFG Director costs	0.020
Covid response costs - redeployed staff, property costs	0.637
Mortuary facility vans provided by NORSE	0.004
Corporate procurement of PPE	5.100
Food distribution hub - Site costs	0.050
Re-assignment of FES staff (HR and Finance System replacement) to COVID-19 response	0.335
Homeworking equipment	1.200
Extension of SWIFTS Pool Cars / Enterprise	0.037
Extension of Norfolk Assistance Scheme (NAS)	1.516
Software solution from Agilisys and Microsoft to handle the contacts to vulnerable adults in receipt of Letters and all related activities	0.060
Lost income not eligible on lost SFC scheme	0.561
Loss of income across Finance and Commercial Services including IMT Services to Schools, Property and Car Park income	0.574
Loss of savings: Finance and Commercial Services / Finance General	0.463

	2020-21 Forecast £m
Additional costs associated with the NCC schools contracts, between NCC and Norse Eastern Ltd	0.750
Vulnerability Tracker App	0.010
Provision for match funding Business Rates Pool to establish Norfolk Strategic Fund	1.000
Use of COVID Winter Grant Scheme funding	2.740
Finance and Commercial Services and Finance General Total	**15.057**
Covid-19 financial pressures Norfolk County Council total	**105.318**

Revenue Annex 3

Commentary on forecast savings shortfalls

Commentaries on savings shortfalls referred to in paragraph 6 of the main report are as follows:

Adult Social Services:

ASC006 Promoting Independence for Younger Adults, budget £5.000m, shortfall £2.550m: Relies on our ability to offer alternatives (including accommodation) which are not currently available. Staff teams set up for dedicated reviewing have been repurposed to directly support COVID response. There is less ability to focus on prevention when in crisis and needs may escalate due to current pandemic. The service has reviewed the schedule of LD PFAL cases expected to transition in 2020-21 and the forecast saving has been reduced in relation to forecast Autism costs.

ASC006 Promoting Independence for Older Adults, budget £5.000m, shortfall £4.000m: Operational teams are focused on the COVID response. Elements of plan to deliver requires governance that has not yet been set up and has been delayed due to programme manager redeployment.

ASC036 Maximising potential through digital solutions, budget £1.000m, shortfall £0.887m: The current climate adds difficulty in restructuring services and has materially impacted pricing structures.

ASC038 Procurement of current capacity through NorseCare at market value: budget £1.000m, shortfall £1.000m: The provider is focused on delivery of safe services in COVID and not on service transformation.

ASC046 Revise the NCC charging policy for working age adults to apply the government's minimum income guarantee amounts, budget £3.000m, shortfall £3.000m: At the outbreak of the pandemic, a decision was taken to mitigate the changes to the Minimum Income Guarantee (MIG) that would have been implemented in April, for four months, recognising the impact that the lockdown would have on people and the services they receive. The cost of this decision was covered by some of the Government's Covid-19 funding that the Council received. Cabinet has decided given the impact to date, and the uncertainty of the future for those affected by the changes, to continue to mitigate the impact of phase 2 of the changes to charging. This would be extended to allow for Government intentions around funding reform for social care to be published.

ASC049 Shift to community and preventative work within health and social care system – demand and risk stratification, budget £1.000m, shortfall £0.800m: The pandemic has meant that some areas of work and system changes have been delayed, although work is restarting and there will be potential for more opportunities through collaboration and remodelling of systems there remains risk in this financial year.

ASS001 Expanding home based reablement, which saves money in the long term by preventing unnecessary hospital admissions and supporting more people to swiftly return home from hospital, budget £3.000m, shortfall £0.750m: Service is focused on safe discharge and therefore long-term outcomes may suffer leading to higher ongoing costs.

ASS002 Expanding accommodation based reablement, which saves money by enabling people with higher needs to quickly return to their home from hospital without needing residential care, budget £0.750m, shortfall £0.600m: Provision of new accommodation based reablement beds has been postponed due to pandemic and those we have, have been repurposed to COVID support.

ASS003 Extending home based support for people with higher level needs or dementia so that they can remain in their home especially after an illness or hospital stay, which saves money on residential care, budget £0.200m, shortfall £0.100m: The service is fully focused on supporting discharge.

ASS004 Working better across health and social care teams to help prevent falls, which in turn helps prevent hospital admissions and saves money on residential care, budget £0.140m, shortfall £0.140m: Elements of plan to deliver requires governance that has not yet been set up and has been delayed due to programme manager redeployment.

ASS005 Supporting disabled people to access grants that are available for access to education and support to attend university, budget £0.050m, shortfall £0.050m. This saving will continue to be pursued where possible, but is identified as at risk due to change of focus for many grants and universities.

ASS006 Increasing opportunities for personalisation and direct payments, which will help both increase choice of services and value for money, through more efficient commissioning, budget £0.500m, shortfall £0.200m. Some of the work has been refocused to support the pandemic response and recovery. Although there will continue to be opportunities to increase personalisation, there will be challenges for delivering the value for money aspect of the work.

ASS007 Reviewing how we commission residential care services to save money by making sure we have the right services in the right place, budget £0.500m, shortfall £0.200m. This saving will continue to be reviewed throughout the year, but commissioning actions have needed to focus on the system capacity and to secure adequate capacity as part of the hospital discharge service requirements. Challenges currently faced across the market will make it difficult to deliver savings from these contracts.

ASS008 Developing consistent contracts and prices for nursing care by working more closely with health services, budget £0.190m, shortfall £0.190m. The service is currently working under the Government Hospital Discharge Service Requirements, and the council is contracting for both health and social care nursing contracts. The challenges currently faced across the social care market will make it deliver savings from these contracts in this financial year.

Children's Services:

CHS001 Prevention, early intervention and effective social care – Investing in an enhanced operating model which supports families to stay together and ensures fewer children need to come into care, budget £1.000m shortfall £0.607m: At the start of the financial year, we were unable to work as closely with some families to support resilience during isolation, family support networks reduced, and pressure of people being at home together potentially leading to an increase in domestic abuse. Additionally, resources have been diverted away from transformation activity due to the covid-19 response, resulting in delays to planning and implementation of the programme.

CHS003 Transforming the care market and creating the capacity that we need – Creating and commissioning new care models for children in care – achieving better outcomes and lower costs, budget £3.500m, shortfall £1.764m: It is been harder to move forward new foster carers, people wanting to adopt, and permanency arrangements as social workers have been restricted to essential visiting only where necessary to ensure the safety and welfare of a child. Resources have also been diverted away from transformation activity due to the covid-19 response and, additionally, construction work delays have impacted upon the opening of new semi-independent accommodation for care leavers and solo / dual placements for children looked after.

Community and Environmental Services:

CMM045 Income generation – Norfolk Community Learning Services, budget £0.125m shortfall £0.125m: Closed sites and reduced activities impacting income generation opportunities.

CMM046 Income generation – Library and Information Service, budget £0.111m shortfall £0.111m: Closed sites and reduced activities impacting income generation opportunities.

CMM060 Increased income – Trading Standards and library service, budget £0.070m shortfall £0.070m: Closed sites and reduced activities impacting income generation opportunities.

EDT050 Improved management of on-street car parking, budget £0.350m shortfall £0.350m: Less on street parking during lockdown.

EDT065 Household Waste Recycling Centres – reuse shops, budget £0.050m shortfall £0.050m: Closed sites and reduced activities impacting income generation opportunities.

EDT068 Re-model back office support structure, budget £0.090m shortfall £0.090m: The support services have restructured following the transfer of works to Norse, however we have not been able to deliver the saving in the way that we had originally anticipated.

CES005 Adjusting our budget for recycling centres in line with predicted waste volumes, budget £0.200m shortfall £0.200m: In previous years we had seen reduced waste volumes at HWRC's, however due to the Covid-19 pandemic, based on recent activities we are expecting an increase in volumes.

CES020.1 Income generation across various Community and Environmental Services budgets. (Trading Standards calibration), budget £0.025m shortfall £0.025m: Closed sites and reduced activities impacting income generation opportunities.

CES020.2 Income generation across various Community and Environmental Services budgets. (Trading Standards trusted trader), budget £0.024m shortfall £0.024m: Closed sites and reduced activities impacting income generation opportunities.

CES020.3 Income generation across various Community and Environmental Services budgets. (Norfolk Records Office), budget £0.020m shortfall £0.020m: Closed sites and reduced activities impacting income generation opportunities.

CES020.5 Income generation across various Community and Environmental Services budgets. (Escape Room income), budget £0.015m shortfall £0.015m: Closed sites and reduced activities impacting income generation opportunities.

CES020.8 Income generation across various Community and Environmental Services budgets. (Developer travel plans), budget £0.030m shortfall £0.030m: Closed sites and reduced activities impacting income generation opportunities.

CES020.9 Income generation across various Community and Environmental Services budgets. (Equality and Diversity), budget £0.005m shortfall £0.005m: Closed sites and reduced activities impacting income generation opportunities.

Strategy and Governance Department:

SGD002 Reducing our spending on supplies and services by 5%, budget £0.155m shortfall £0.078m: Current forecasts indicate this saving will not be delivered in full.

Finance and Commercial Services:

B&P002 Property centralisation of budgets, budget £0.400m shortfall £0.100m: Finance and Commercial Services savings at risk of delay due to the Covid-19 pandemic.

DIE001 IMT savings, budget £0.700m shortfall £0.175m: Finance and Commercial Services savings at risk of delay due to the Covid-19 pandemic.

P&R027 Property savings, budget £0.650m shortfall £0.163m: Finance and Commercial Services savings at risk of delay due to the Covid-19 pandemic.

BTP005 Reviewing all of Norfolk County Council's traded services to make sure they are run on a fair commercial basis - IMT Schools, budget £0.099m shortfall £0.025m: Finance and Commercial Services savings at risk of delay due to the Covid-19 pandemic.

Finance General:

BTP001-5 Business Transformation savings: Currently forecasting no variance on the delivery of planned Business Transformation savings. An updated plan and new business transformation baseline are being prepared. Any updates to the forecast delivery of savings will be included in future monitoring to Cabinet.

Appendix 2: 2020-21 Capital Finance Monitoring Report

Report by the Executive Director of Finance and Commercial Services

1 Capital Programme 2020-21

1.1 On 17 February 2020, the County Council agreed a 2020-21 capital programme of £282.688m with a further £253.909m allocated to future years', giving a total of £536.577m.

1.2 Additional re-profiling from 2019-20 resulted in an overall capital programme at 1 April 2020 of £645m. Further in-year adjustments have resulted in the capital programme shown below:

Table 1: Capital Programme budget

	2020-21 budget	Future years
	£m	£m
New schemes approved February 2020	21.497	24.414
Previously approved schemes brought forward	261.650	235.779
Totals in 2020-23+ Budget Book (total £543.340m)	**283.147**	**260.193**
Schemes re-profiled after budget setting	94.503	0.598
Other adjustments after budget setting including new grants	7.531	
Revised opening capital programme (total £645.972m)	**385.181**	**260.791**
Re-profiling since start of year	-130.296	130.296
Other movements including new grants and approved schemes	77.041	44.105
Total capital programme budgets (total £767.120m)	**331.927**	**435.193**

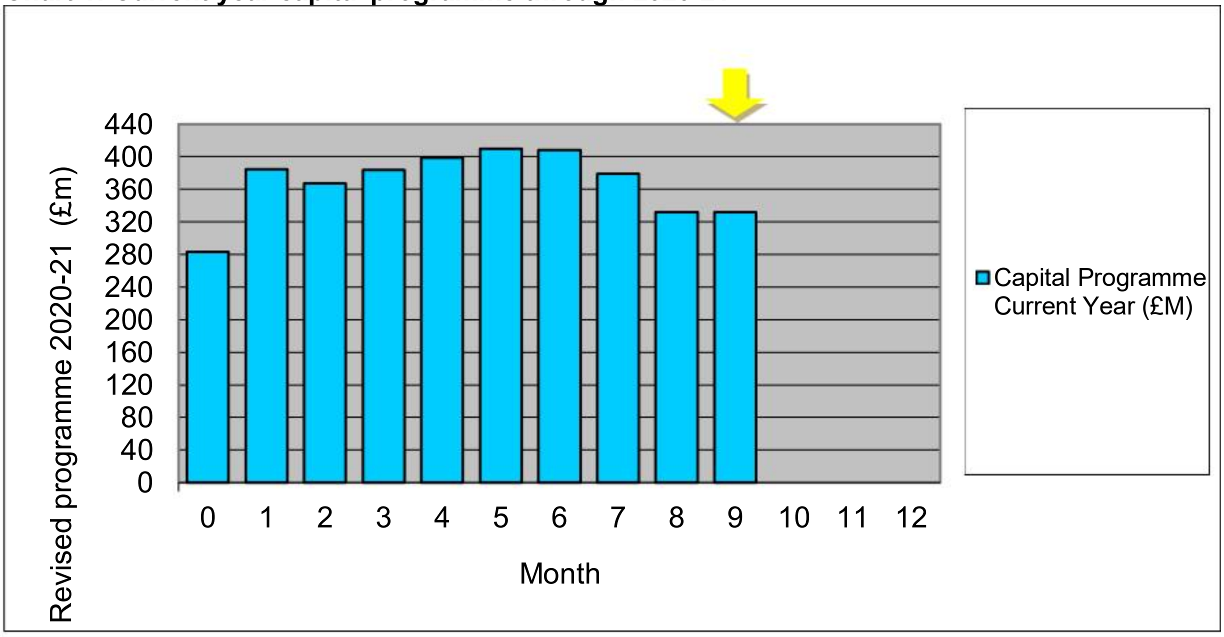
Note: this table and the tables below contain rounding differences

1.3 The "future years" column above includes existing and new schemes approved as part of the 2020-21 capital strategy and programme.

Changes to the Capital Programme

1.4 The following chart shows changes to the 2020-21 capital programme through the year.

Chart 1: Current year capital programme through 2020-21



1.5 Month "0" shows the 2020-21 capital programme at the time of budget approval, with schemes reprofiled after budget setting shown in month 1 followed by the most up to date programme. The current year programme will change as additional funding is secured, and when schemes are re-profiled to future years as timing becomes more certain.

1.6 The current year's capital budget is as follows:

Table 2: Service capital budgets and movements 2020-21

Service	Opening programme	Previous report	Reprofiling since previous report	Other Changes since previous report	2020-21 latest Capital Budget
	£m	£m	£m	£m	£m
Children's Services	122.963	71.410			71.410
Adult Social Care	15.604	11.627			11.627
Community & Environmental Services	165.262	188.354			188.354
Finance & Comm Servs	81.252	60.436			60.436
Strategy and Governance	0.100	0.100			0.100
Total	**385.181**	**331.928**	**-**	**-**	**331.928**

Note: this table may contain rounding differences.

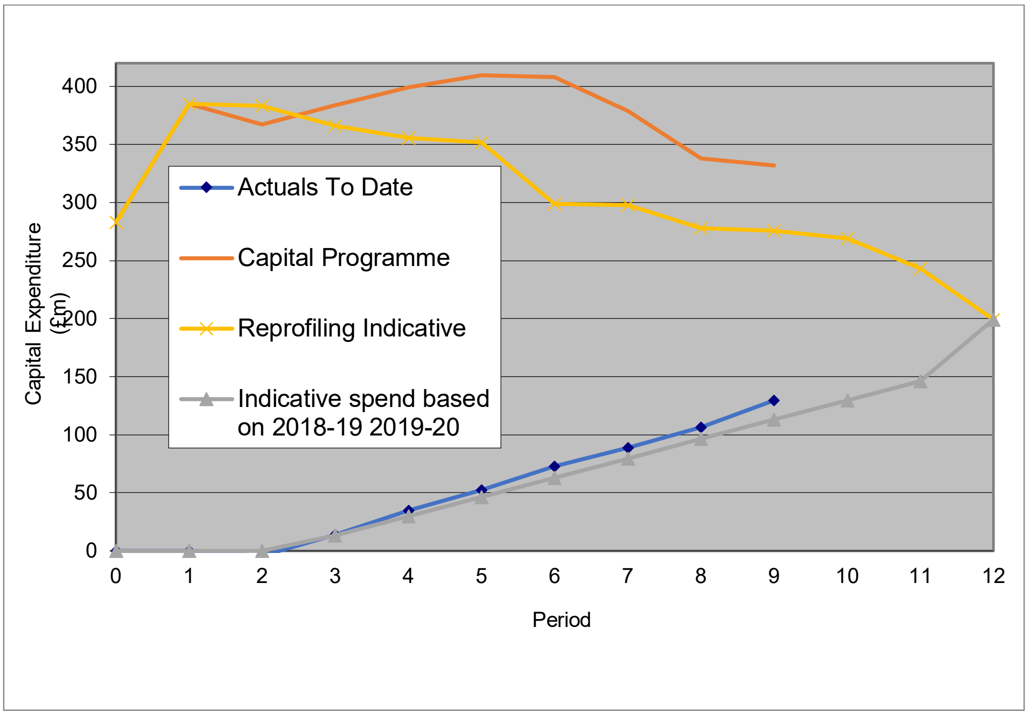
1.7 The revised programme for future years (2021-22 to 2023-24 and beyond) is as follows:

Table 3: Capital programme future years 2021+

Service	Previously reported future programme	Reprofiling since previous report	Other Changes since previous report	2020+ Future Capital Budget
	£m	£m	£m	£m
Children's Services	204.158			204.158
Adult Social Care	37.442			37.442
Community & Environmental Services	130.580			130.580
Finance & Comm Servs	62.613			62.613
Strategy and Governance	0.400			0.400
Total	**435.193**	**-**	**-**	**435.193**

Note: this table may contain rounding differences

1.8 The graph below shows the movement on the current year capital budget and year to date capital expenditure:



The graph shows that actual year to date capital spend is slightly higher than forecast, based on the opening capital programme and an indicative calculation based on previous year's expenditure. It also shows that budgets are being re-profiled to future years as the progress on projects becomes clearer. As a result, capital expenditure of approximately £210m - £220m is expected to take place in 2020-21.

2 Financing the capital programme

2.1 Funding for the capital programme comes primarily from grants and contributions provided by central government and prudential borrowing. These are supplemented by capital receipts, developer contributions, and contributions from revenue budgets and reserves.

Table 4: Financing of the capital programme

Funding stream	**2020-21 Programme**	**Future Years Forecast**
	£m	**£m**
Prudential Borrowing	151.917	304.758
Use of Capital Receipts	-	-
Revenue & Reserves	0.381	-
Grants and Contributions:	-	-
DfE	40.388	42.408
DfT	99.900	58.117
DoH	8.546	0.291
MHCLG	0.240	0.019
DCMS	5.532	0.183
DEFRA	0.133	1.940
Developer Contributions	11.123	20.351
Other Local Authorities	0.888	-
Local Enterprise Partnership	3.468	-
Community Infrastructure Levy	0.853	0.282
National Lottery	2.463	6.771
Commercial Contributions	3.224	-
Business rates pool fund	1.658	-
Other	1.215	0.073
Total capital programme	**331.928**	**435.192**

Note: this table may contain rounding differences

2.2 Significant capital receipts are anticipated over the life of the programme. These will be used either to re-pay debt as it falls due, for the flexible use of capital receipts to support the revenue costs of transformation, with any excess receipts used to reduce the call on future prudential borrowing. For the purposes of the table above, it is assumed that all capital receipts will be applied directly to the re-payment of debt and transformation projects, rather than being applied to fund capital expenditure.

2.3 Developer contributions are funding held in relation to planning applications. Section 106 (Town and Country Planning Act 1990) contributions are held in relation to specific projects: primarily schools, with smaller amounts for libraries and highways. The majority of highways developer contributions are a result of section 278 agreements (Highways Act 1980). The Commercial Contribution referred to above is in respect of next generation broadband access (Better Broadband for Norfolk).

3 Capital Receipts

3.1 The Council's property portfolio is constantly reviewed to ensure assets are only held where necessary so that capital receipts or rental income can be generated. This in turn reduces revenue costs of the operational property portfolio.

3.2 The capital programme, approved in February 2020, gave the best estimate at that time of the value of properties available for disposal in the three years to 2022-23, totalling £14.0m.

Table 5a: Disposals capital programme forecast

Financial Year	**Property sales forecast £m**
2020-21	10.6
2021-22	1.5
2022-23	1.9
2023-24	1.0
	14.0

The timing of future year sales is the most optimistic case, and may slip into future years if sales completions are delayed.

3.3 The revised schedule for current year disposals is as follows:

Table 5b: Capital receipts and forecast use current financial year £m

Capital receipts 2020-21	**£m**
Capital receipts reserve brought forward	1.347
Loan repayments – subsidiaries forecast for year	0.504
Loan repayments – LIF loan repayments to date	2.471
Actual property sales to P9 net of estimated costs	1.028
Secured capital receipts to date	**5.350**
Potential current year farms sales	3.000
Potential current year non-farms sales	0.100
Potential development property sales	2.900
Potential capital receipts	**11.350**
Forecast use of capital receipts	
Budget 2020-21 to repay debt	2.000
Maximum flexible use of capital receipts to support transformation costs	3.000
Total forecast use of capital receipts	**5.000**

As can be seen from this table, sufficient capital receipts will be secured in order to support the 2020-21 revenue budget. Further sales may occur this year to increase the value of capital receipts, and estimated values are shown above, but the timing cannot be guaranteed.

Capital Annex 1 - changes to capital programme since last Cabinet

Note: period 9 changes, where known at the time of publication, were incorporated into the Finance Monitoring Report presented to 12 January Cabinet. As a result, there have been no changes to the existing capital programme in this P9 report.

Proposed new capital schemes are addressed in a separate Capital budget 2021-25 report on this agenda.

Cabinet

Item 9

Decision making report title:	**Norfolk County Council Revenue Budget 2021-22 and Medium Term Financial Strategy 2021-25**
Date of meeting:	**1 February 2021**
Responsible Cabinet Member(s):	**Cllr Andrew Proctor (Leader of the Council)** **Cllr Andrew Jamieson (Cabinet Member for Finance)**
Responsible Director:	**Simon George (Executive Director of Finance and Commercial Services)**
Is this a key decision?	**Yes**

Introduction from Cabinet Member

The 2021-22 Budget sees the Council making a further significant investment in maintaining service delivery, and proposes a sustainable budget based on an increase of 3.99% council tax (including 2% for the Adult Social Care precept). It has not been necessary for the Council to apply the full 3% available Adult Social Care precept increase in 2021-22 and the remaining 1% flexibility has therefore been deferred to 2022-23 as part of a prudent financial management approach.

As has been reported throughout the financial year, the impact of the COVID-19 pandemic on the council's finances in 2020-21 has been profound, with an inevitable major knock-on effect for the council's 2021-22 Budget setting. As a result, the Revenue Budget has once again been prepared in a climate of very significant uncertainty, with no long-term funding outlook from Government, major risks around ongoing COVID-19 related cost pressures and extreme levels of uncertainty about the stability of income from business rates and council tax. Nevertheless, the council must continue to comply with the statutory requirement to set a balanced Revenue Budget. Norfolk County Council is therefore due to agree its budget for 2021-22, and Medium Term Financial Strategy to 2024-25, on 22 February 2021.

In line with the timetable agreed last year, Cabinet has coordinated the budget setting process, establishing the parameters for Service Departments in order to develop a robust and deliverable whole-council budget. Departments have developed, reviewed and advised on budget plans for their service areas, taking into account the overall planning context as set out by the Cabinet through the year.

This report forms a key part of the strategic and financial planning framework for the council. It builds on reports received by Cabinet through 2020 in June, September and October to set out the detailed Revenue Budget proposals for 2021-22.

In the context of the significant impact of COVID-19 on all local authority finances, in order to develop the 2021-22 Budget, the council has:

- reviewed performance in the delivery of savings during 2020-21;
- considered the over and underspend positions within the current year, 2020-21, including the extent to which these have been driven by one off and exceptional items;
- considered the resources available to support the delivery of services in 2021-22 and the remainder of the medium term financial strategy period;

- considered the provision of short-term and one-off funding by Government to meet COVID-19 expenditure, and the extent to which these cost pressures will extend beyond the next financial year;
- developed new savings proposals for 2021-22 and beyond;
- considered the need for further investment to support service delivery; and
- re-assessed the deliverability and timing of existing planned savings for 2021-22 onwards.

At the time that the 2020-21 Budget was set (in February 2020, just prior to the significant escalation in the severity of the coronavirus COVID-19 pandemic), the council's planning was based on a forecast gap of **£93.694m** for the three years of the Medium Term Financial Strategy 2021-22 to 2023-24. The current financial monitoring position indicates a small underspend position for 2020-21, which includes making provision for carry-forward of both specific and un-ringfenced funding to address COVID-19 pressures in 2021-22. The proposals set out in these reports will enable the council to close the previously identified gap for 2021-22, as well as dealing with the significant additional pressures which have emerged as a result of COVID-19 and through the budget setting process. Looking ahead, the budget gap for 2022-23 identified in the updated Medium Term Financial Strategy is of a similar order to the gap closed for this year's Budget. The council's past performance and robust planning methodology therefore provides assurance that the council will be able to find the necessary savings to close the gap in 2022-23, although in this context it is important to recognise that the 2021-22 position has been supported through significant one-off measures including additional COVID-19 funding which will represent a major challenge to be addressed.

The council's budget proposals for 2021-22 as set out in the appendices to this report see the council's total resources aligned to the *Together, for Norfolk* strategy, and focussed on meeting the needs of residents and businesses. **The 2021-22 Budget provides for the council to make further significant investment, while addressing continuing severe pressure on services**, in order to preserve the delivery of services during the COVID-19 pandemic, including:

- **Adults:** £28.197m of growth pressure (including for the National Living Wage), against planned savings of £17.858m.
- **Children's:** £7.014m of growth pressure, against planned savings of £11.300m.
- **Community and Environmental Services:** £10.512m of growth pressure, against planned savings of £8.288m.
- **Corporate provision of £18.829m** for short-term COVID-19 pressures.

Overall, **the Budget therefore includes service growth pressures of over £45.723m[1], plus an additional central provision of £18.829m set aside for COVID-19** in 2021-22, representing a continued sustained and significant investment in maintaining and strengthening the council's key services, while simultaneously providing the maximum possible resources to address ongoing COVID-19 costs expected to continue into 2021-22.

The 2021-22 Budget has been prepared using planning assumptions based on information from the Spending Review 2020 announced 25 November 2020 and the provisional Settlement 2021-22 announced 17 December 2020 in order to inform the financial and planning context for the County Council for 2021-22. At this stage, there remains scope for change to budget assumptions linked to final District Council forecasts of council tax and business rates due in late January, and in the final Settlement expected in late January / early February 2021. In this context, the appended reports summarise the saving proposals for 2021-22, the proposed cash limited revenue budget based on all current proposals and identified pressures, and the level of council tax. A separate report on the agenda details the proposed capital programme.

[1] Adults, Children's and CES growth for economic and inflationary, legislative, demand and demographic, and policy pressures

Also appended is the feedback received to consultation on the level of council tax and Adult Social Care precept for 2021-22, two specific proposals, a summary of wider comments received on the council's saving proposals, and the findings and mitigating actions proposed from rural and equality impact assessments.

The information in this report and its appendices is intended to enable Cabinet to consider how proposals contribute to delivering an overall balanced budget for the whole council, and take a considered view of all relevant factors to inform budget proposals for 2021-22 and the financial strategy to 2024-25, in order to recommend these to County Council when it meets on 22 February 2021 to agree the final budget and Medium Term Financial Strategy for 2021-25.

Taking into account the council's overall budgetary position, consultation responses, and the recommendation of the Executive Director of Finance and Commercial Services, this report has been prepared on the basis of an **increase in general council tax of 1.99% and 2.00% for the Adult Social Care precept** in 2021-22, and a **deferred increase of 1.00% in the Adult Social Care precept for 2022-23**. This reflects the provisional referendum thresholds outlined by the Government at the time of the Spending Review and in the provisional Settlement.

Executive Summary

As in previous years, this report includes a suite of appended papers that support the council's budget setting process for 2021-22.

- Appendix 1: Norfolk County Council Revenue Budget 2021-22
- Appendix 2: Medium Term Financial Strategy 2021-22 to 2024-25
- Appendix 3: Statement on the Adequacy of Provisions and Reserves 2021-22 to 2024-25
- Appendix 4: Statement on the Robustness of Estimates 2021-22 to 2024-25
- Appendix 5: Findings of Public Consultation
- Appendix 6: Equality and Rural Impact Assessment

Collectively, these papers set out the overall direction of travel for strategic and financial planning for 2021-22 to 2024-25 and provide the detailed information to support Cabinet's Revenue Budget and council tax recommendations to the County Council, including the Executive Director of Finance and Commercial Services' (Chief Finance Officer) assessment of the robustness of the overall budget.

The papers:

- explain the background to planning for the 2021-22 Revenue Budget, including the wider funding context for the County Council;
- identify the growth and savings proposals for budget planning in both the 2021-22 Revenue Budget and the Medium Term Financial Strategy for 2022-23 to 2024-25;
- propose the overall level of council tax in 2021-22 and the element of the deferred Adult Social Care precept for 2022-23;
- set out forecasts of the level of reserves and provisions across the life of the Medium Term Financial Strategy;
- provide the Executive Director of Finance and Commercial Services' view on the robustness of the estimates used in the preparation of the 2021-22 Budget;
- set out details of the council's assessment of its compliance with the Financial Management Code published by the Chartered Institute of Public Finance and Accountancy (CIPFA); and
- outline the findings of public consultation and equality and rural impact assessment, along with proposed mitigations.

Recommendations

1) To consider the statements regarding the uncertain planning environment, robustness of budget estimates, assumptions and risks relating to the 2021-22 budget, and authorise the Executive Director of Finance and Commercial Services, in consultation with the Leader of the Council and the Cabinet Member for Finance, to make any changes required to reflect Final Local Government Finance Settlement information (if available), or changes in council tax and business rates forecasts from District Councils, in order to maintain a balanced budget position for presentation to Full Council. For the avoidance of doubt, to enable a final balanced Budget position to be recommended to County Council, Cabinet is asked to agree that any additional resources which become available will be added to the Corporate Business Risk Reserve, and any income shortfall will be addressed from the Corporate Business Risk Reserve (to the extent possible).

2) To review the findings of public consultation as set out in Appendix 5, and consider these when recommending the budget changes required to deliver a balanced budget as set out in Appendix 1.

3) To consider and comment on the findings of equality and rural assessments, as set out in Appendix 6 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; and
    - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

4) To note that the council has responded to the consultation undertaken on the provisional Settlement.

5) To note the decision by Norfolk Leaders, acting as the Pool Board, to withdraw from 2021-22 Business Rates pooling as set out in section 9 of Appendix 1.

6) To agree the council's assessment of compliance with the CIPFA Financial Management Code as detailed in section 15 of Appendix 1.

7) To agree to recommend to County Council:

    a) The level of risk and budget assumptions set out in the Robustness of Estimates report (Appendix 4), which underpin the revenue and capital budget decisions and planning for 2021-25.
    b) The principle of seeking to increase general fund balances as part of closing the 2020-21 accounts and that in 2021-22:
        i) any grant funding received from the Local Tax Income Guarantee scheme be added to the Corporate Business Risk Reserve to offset tax income losses resulting from COVID-19 as they arise;
        ii) any further additional resources which become available during the year should be added to the general fund balance wherever possible.
    c) The findings of public consultation (Appendix 5), which should be considered when agreeing the 2021-22 Budget (Appendix 1).
    d) An overall County Council Net Revenue Budget of £439.094m for 2021-22, including budget increases of £127.170m and budget decreases of -£118.498m as set out in Table 11 of Appendix 1, and the actions required to deliver the proposed savings, subject to

any changes required in line with recommendation 1 above to enable a balanced budget to be proposed.

e) The budget proposals set out for 2022-23 to 2024-25, including authorising Executive Directors to take the action required to deliver budget savings for 2022-23 to 2024-25 as appropriate.

f) With regard to the future years, that further plans to meet the remaining budget shortfalls in the period 2022-23 to 2024-25 are developed and brought back to Cabinet during 2021-22.

g) To note the advice of the Executive Director of Finance and Commercial Services (Section 151 Officer), in section 7 of Appendix 1, on the financial impact of an increase in council tax, and confirm, or otherwise, the assumptions that:
   i) the council's 2021-22 budget will include a general council tax increase of 1.99% and a 2.00% increase in the Adult Social Care precept, an overall increase of 3.99% (shown in section 7 of Appendix 1), and for 2022-23 a 1.00% Adult Social Care precept (being a partial deferral of the 2021-22 Adult Social Care precept), based on the current discretions offered by Government and as recommended by the Executive Director of Finance and Commercial Services.
   ii) the council's budget planning in future years will include general council tax increases of 1.99% for planning purposes, as set out in the Medium Term Financial Strategy (MTFS Table 4 in Appendix 2). These council tax assumptions have regard to the level of referendum threshold expected to be set for the year and take into account the Government's historic assumptions that local authorities will raise the maximum council tax available to them. Notwithstanding any decision to defer a portion of the Adult Social Care precept, the final level of council tax for future years is subject to Member decisions annually.
   iii) Beyond the 1.00% deferral of the Adult Social Care precept, no further increases in the Adult Social Care precept for 2022-23 onwards are assumed based on current Government policy, but that these will be subject to Member decisions annually within and informed by any parameters defined by the Government.
   iv) if the referendum threshold were increased in the period 2022-23 to 2024-25 to above 1.99%, or any further discretion were offered to increase the Adult Social Care precept (or similar), then it is likely that the Section 151 Officer would recommend the council take full advantage of any flexibility in view of the council's overall financial position as set out in the assumptions in section 6 of Appendix 1.

h) That the Executive Director of Finance and Commercial Services be authorised to transfer from the County Fund to the Salaries and General Accounts all sums necessary in respect of revenue and capital expenditure provided in the 2021-22 Budget, to make payments, to raise and repay loans, and to invest funds.

i) To agree the Medium Term Financial Strategy 2021-25 as set out in Appendix 2, including the two policy objectives to be achieved:
   i) Revenue: To identify further funding or savings for 2022-23 to 2024-25 to produce a balanced budget in all years 2021-25 in accordance with the timetable set out in the Revenue Budget report (Table 1 of Appendix 1).
   ii) Capital: To provide a framework for identifying and prioritising capital requirements and proposals to ensure that all capital investment is targeted at meeting the Council's priorities.

j) The mitigating actions proposed in the equality and rural impact assessments (Appendix 6).

k) Note the planned reduction in non-schools earmarked and general reserves of 43.0% over five years, from £113.949m (March 2020) to £64.953m (March 2025) (Reserves Table 6 in Appendix 3);

l) Note the policy on reserves and provisions in Section 3 of Appendix 3;

m) Agree, based on current planning assumptions and risk forecasts set out in Appendix 3:
   i) for 2021-22, a minimum level of general balances of £19.706m, and

ii) a forecast minimum level for planning purposes of

- **2022-23, £21.206m;**
- **2023-24, £22.706m; and**
- **2024-25, £24.206m.**

as part of the consideration of the budget plans for 2021-25, reflecting the transfer of risk from Central to Local Government, and supporting recommendations;

n) Agree the use of non-school Earmarked Reserves, as set out in Reserves Table 5 of Appendix 3.

1. Background and Purpose

1.1. The council's approach to medium term service and financial planning is based on the preparation of a rolling Medium Term Financial Strategy, with an annual budget agreed each year. The County Council agreed the 2020-21 Budget and Medium Term Financial Strategy (MTFS) to 2024 at its meeting 17 February 2020.

1.2. This report brings together a range of information including details of Cabinet decisions, the outcomes of Service Department and Corporate planning, input from Scrutiny Committee and Select Committees during the year, the results of public consultation and rural and equality impact assessments, and latest information about the provisional Local Government Finance Settlement. This is intended to enable Cabinet to consider how the proposals contribute to delivering an overall balanced budget for the whole council, and take a considered view of all relevant factors to agree budget plans for 2021-22 and the financial strategy to 2024-25, in order to recommend these to Full Council when it meets to agree the final budget and strategy for 2021-25.

2. Proposals

2.1. This is the second budget prepared under the Cabinet system. The strategic and financial planning approach to setting the budget this year continues with the robust and well-established framework adopted last year, with some minor changes to adapt to the remote working environment resulting from the COVID-19 pandemic. Cabinet considered the MTFS position in June 2020, which provided Members with a starting point to inform wider budget setting work across the organisation. This report identified a forecast gap of £117.852m for the period to 2024-25 including an indicative gap of £38.992m for 2021-22. Cabinet agreed an allocation of savings targets to departments. In September, Cabinet received an update to the MTFS position which indicated an overall gap of £129.779m with £45.434m relating to 2021-22 and considered the broad approaches to savings development being adopted in each department. In October, Cabinet then considered the detail of service department proposals intended to close the budget gap for 2021-22 and noted the requirement for a further process to generate robust and sustainable service savings to enable a balanced budget for 2021-22. Cabinet agreed to begin public consultation on the level of council tax and Adult Social Care precept. This consultation also provided the opportunity for the public to comment more generally on any of the council's new proposals for 2021-22 onwards. During the budget setting process, Scrutiny Committee has considered the development of the budget. The Council's three Select Committees received reports on the broad approach to developing budget proposals for the services within their remit at meetings held in September and noted the opportunities for Members to continue to contribute through the remainder of the 2021-22 Budget process.

2.2. This paper now sets out the latest information on the financial and planning context for the County Council for 2021-22 to 2024-25. It summarises the pressures, changes and savings proposals for 2021-22 for all Departments, to present the proposed cash limited revenue budget. The detailed work undertaken through the 2021-22 budget setting process has enabled the identification of robust savings and also reflects continuing investment into key service areas, and provision for short-term COVID-19 pressures, which will ultimately allow the council to set a realistic and balanced budget for 2021-22. Norfolk County Council is due to agree its new Budget and Medium Term Financial Strategy for 2021-22 to 2024-25 on 22 February 2021.

3. Impact of the Proposal

3.1. The COVID-19 crisis has affected virtually all aspects of life and its impact will continue to be felt for months and years to come. Throughout this period, the Council has taken action to maintain the delivery of vital services across all areas of its operations, and has worked in partnership across the whole system to protect vulnerable people, support businesses, and ensure the safety of all staff delivering this vital work. As a Council, we continue transform the way we work, including our people, assets, technology, structures and service delivery to improve outcomes.

3.2. The economic downturn caused by coronavirus is resulting in widespread economic impacts. In July 2020, the Council launched the "Norfolk Delivery Plan"[2], which is our contribution to the New Anglia Local Enterprise Partnership's "Norfolk and Suffolk Covid-19 Economic Recovery Plan"[3]. Rebuilding the local economy, while attracting investment and putting infrastructure in place to support further growth remains a priority alongside protecting the natural environment. We have seen the world change since the start of the COVID-19 pandemic in March 2020, especially in the way we work, shop and travel, and we want to springboard off those changes to both build back better and to build back greener.

3.3. The recommendations set out in this report are intended to enable Full Council to agree a balanced budget and the level of council tax for 2021-22. The proposals, in line with our ambitions, will impact upon the nature and type of services provided by the council, as well as delivering transformation to underlying council structures and operating models. In particular, they will:

- provide for growth and investment in key services, and the implementation of budget savings across council departments, which will help to shape service and financial activity for the year to come;
- position the council to respond positively to announcements made in the Spending Review 2020 and provisional Settlement for 2021-22;
- contribute to the council setting a balanced budget for 2021-22;
- inform future development of the 2022-23 budget and the MTFS beyond 2024-25; and
- assist the council in managing the significant future uncertainty around the Fair Funding Review, Business Rates Retention, social care reform, the UK's departure from the European Union, the short and medium term impacts of

[2] https://www.norfolk.gov.uk/care-support-and-health/health-and-wellbeing/adults-health/coronavirus/business-support/support-for-businesses/norfolk-delivery-plan

[3] https://newanglia.co.uk/covid-economic-recovery/

COVID-19, and future funding levels as a whole by establishing the baseline to build on in 2022-23.

3.4. Success in operating within the approved budget for the year, and the achievement of identified savings, will both be monitored throughout the year and reported to Cabinet as part of regular financial reporting. The budget setting process for 2022-23 will also be reported to Cabinet in line with the timetable set out in the appended papers.

4. Evidence and Reasons for Decision

4.1. Through the course of 2020-21, the council has faced an unprecedented and ongoing financial and public health crisis which has had significant implications for budget setting. It remains critical to engage with Government and other stakeholders to ensure adequate and sustainable funding for Norfolk to continue to deliver vital services to residents, businesses and visitors. Government announcements, including funding allocations for 2021-22 have informed financial planning assumptions, but it remains to be confirmed whether these are sufficient to address ongoing COVID-19 costs in 2021-22 and beyond. The Council's MTFS planning builds on the position agreed in February 2020 and this has been continually updated as more reliable information about cost pressures and funding impacts has emerged through the process.

4.2. The full suite of information and evidence to support the council's 2021-22 budget proposals is laid out in the appended papers. The Cabinet needs to recommend a budget in order for the council to fulfil the legal requirement to set a balanced budget for 2021-22 and determine the level of council tax for the year. The need to identify savings is driven by both service cost pressures, and the wider funding position of local government as set out elsewhere in the appended papers.

4.3. The proposals in this report are informed by the council's constitution, local government legislation, best practice recommendations for financial and strategic planning (including the CIPFA Financial Management Code) and feedback from residents and other stakeholders via the public consultation on the 2021-22 Budget as detailed within this report.

5. Alternative Options

5.1. The papers appended to this report represent the culmination of the process to develop detailed budgets and saving proposals for 2021-22 to be recommended to Full Council. However, at this stage it remains the case that no proposals have been agreed, meaning that a range of alternative options remain open.

5.2. In particular, there are a number of areas where Cabinet could choose to consider different parameters for the budget and recommendations to Full Council, such as:

- Varying the level of council tax and/or Adult Social Care precept for 2021-22, cognisant of the referendum principles for the year, and the implications for the level of savings to be found and the overall budget position;
- Considering alternative saving proposals, taking into account the time constraints required to develop proposals, undertake public consultation (where necessary), and meet statutory deadlines for the setting of council tax.
- Changing other assumptions within the MTFS (including reducing assumptions about budget pressures or varying the level of council tax) and therefore altering the level of savings required in future years.

5.3. The deliverability of the overall budget and saving proposals is kept under review by the Section 151 Officer in order to advise on final budget setting proposals. Final decisions on the Budget need to be taken by the County Council in February 2021 informed by final Local Government Finance Settlement figures, forecasts supplied by District Councils, and the findings of EQIA and public consultation activity.

6. Financial Implications

6.1. The budget papers appended to this report set out details of proposals which will contribute to the council's long-term financial sustainability and enable the setting of a balanced Budget for 2021-22. This includes the level of council tax for the year, and the savings which will need to be delivered by each department, subject to formal approval by Full Council in February 2021.

6.2. In the event that additional budget pressures, or any removal of savings for 2021-22 were identified by Cabinet or Full Council, there would be a requirement to identify equivalent further savings or increased income for 2021-22.

6.3. A number of significant financial implications have been described in this report and the supporting papers. As highlighted in the report and appendices, there has been a high level of uncertainty throughout the budget process about both the impact of the Local Government Finance Settlement for 2021-22 and the response to COVID-19. The provisional Settlement was announced 17 December 2020, but final figures remain to be confirmed in January or February. The implications of changes for future years, now expected to be implemented in 2022-23 (including a longer term funding settlement, the Fair Funding Review and 75% Business Rates Retention) remain the subject of very considerable uncertainty and although they have been reflected as far as possible in the council's 2021-22 planning processes, these impacts will need to be refined as further information is made available by Government.

7. Resource Implications

7.1. **Staff:** A number of the specific proposals set out in this report have various staffing implications and staff consultation will therefore need to be undertaken as appropriate as the proposals are further developed and implemented following approval by the County Council.

7.2. **Property:** The budget will have various property implications including the further disposal and rationalisation of certain properties. Consultation and engagement will therefore need to be undertaken as appropriate as the proposals are further progressed through to implementation following approval by the County Council. In addition, existing saving plans include activities linked to property budgets and assumptions around levels of capital receipts to be achieved.

7.3. **IT:** A number of the specific proposals set out in this report will have various IT implications, including the development, implementation and exploitation of new systems and approaches. In particular the 2022-23 savings include significant savings to be delivered through the implementation of the HR and Finance System replacement project. Existing saving plans include activities linked to IMT budgets.

8. Other Implications

8.1. Legal Implications

None specifically identified. This report forms part of the process to enable the council to set a legal and balanced budget for 2021-22. Specific legal considerations apply to the requirements around the setting of council tax and undertaking public consultation and these are addressed within the appended papers.

8.2. Human Rights implications

No specific human rights implications have been identified.

8.3. Equality Impact Assessment (EqIA)

When exercising public functions, the Council must give due regard to the Public Sector Equality Duty.

Equality and rural impact assessments have therefore been carried out on all 77 new proposals within the budget for 2021-22, and the proposal to increase council tax and the Adult Social Care precept. The assessments are set out in Appendix 6.

As in previous years, the findings of public consultation (set out elsewhere on the agenda) are part of the core evidence base informing the equality and rural assessments, and must be read alongside Appendix 6.

Based on the evidence available, it is possible to conclude that some proposals may have a positive impact on people with protected characteristics or in rural areas, and some proposals may have a detrimental impact, for the reasons set out in Appendix 6.

The Cabinet is therefore advised to take these impacts into account when deciding whether or not the proposals should go ahead, in addition to the mitigating actions recommended.

Some of the mitigating actions will address the detrimental impacts identified in this report, but it is not possible to address all the impacts.

In consequence, therefore, the task for the Cabinet is to consider the various impacts set out in Appendix 6, alongside the many other factors to be taken into account to achieve a balanced budget that focuses the Council's resources where they are most needed.

It is important to note that the assessments only consider the impact of the Council's budget proposals for this year. For obvious reasons, they do not detail the various positive impacts of the Council's day-to-day services on people with protected characteristics and in rural areas – such as the proposed programme of capital investment for 2021-2022; promoting independence for disabled and older people; supporting children and families to achieve the best possible outcomes; keeping vulnerable adults and children safe, and lobbying nationally on the big issues for residents and businesses.

Equality issues in relation to brought forward saving proposals were considered in the Equality Impact Assessment of the 2020-21 Budget.

The dynamic Equality Impact Assessment in respect of the Council's response to COVID-19 can be found here.

8.4. **Health and Safety implications**

None identified.

8.5. **Sustainability implications**

At its meeting 15 April 2019, the County Council recognised the serious impact of climate change globally and the need for urgent action, and committed to cutting down unnecessary resource use and waste, reducing its impact on the world, and shaping a more efficient, sustainable and competitive economy. Following this, on 25 November 2019, the County Council approved a new Environmental Policy. The 2020-21 Budget then recognised the implications of the new policy and made provision of £0.350m (£0.175m in 2020-21 rising to an ongoing £0.350m from 2021-22 onwards) within the revenue budget. This remains in 2021-22 budget plans. Provision for £1.000m of capital expenditure to support the Environmental Policy was also made within the 2020-21 Capital Programme.

Individual proposals within the 2021-22 Budget may also have an impact on the environmental sustainability of the County Council, particularly proposals for additional resources to respond to flooding, and those relating to changes in ways of working (smarter working) – such as increased remote working, better utilisation of our property estate, measures intended to promote reduced and greener business mileage (including promoting improved travel choices, better use of technology and flexible working approaches), and digitisation of paper, print, and physical record storage (with associated reductions in courier activity). Where individual budget proposals relate to (re)procurement activity, the council will also review contracts as they become due for renewal, with regard to any indirect impacts of the supply chain.

8.6. **Any other implications**

Significant issues, risks, assumptions and implications have been set out throughout the budget papers appended to this report.

9. Risk Implications/Assessment

9.1. A number of significant risks are set out throughout the papers appended to this report.

9.2. At the time of preparing budget papers, the final Local Government Finance Settlement for 2021-22 remains to be confirmed and the overall level of government funding for next year therefore remains an area of limited risk. However, the Government has provided allocations of funding for pressures, and support for income losses relating to COVID-19, which may or may not prove sufficient depending on the further progress of the response to the pandemic in 2021-22 and this is an area of significant risk which will continue to evolve over the course of the next financial year. Further risks related to COVID-19 were set out in the October Cabinet report and include medium to long term financial implications such as the impact on the wider economy and council tax and business rates base and income. Subject to the final details of the Local Government Finance Settlement and any other associated announcements, there may be a need for further actions to be taken in response to maintain a balanced budget position for 2021-22, and this position will need to be kept under careful review throughout the remainder of the budget setting process.

9.3. The Spending Review announcements in 2020 covered one year only, and as a result there remains high uncertainty about the levels of funding for 2022-23 and beyond. In particular, it is of significant concern that while Government has provided material short-term allocations for COVID-19 support, the 2021-22 Settlement provides only a very limited uplift in core funding, with significant reliance and expectation being placed on locally raised income. If this trend persists, the financial pressures for 2022-23 and beyond may become unsustainable. There remains a specific risk in relation to the longer term Comprehensive Spending Review and Fair Funding Review, which are both now expected to impact on 2022-23 budget setting, that a failure by the Government to provide adequate resources to fund local authorities could lead to a requirement for further service reductions, particularly where the Fair Funding Review results in a redistribution between authority types or geographical areas. Changing Government policies around the nature, role, responsibilities and requirements of Local Government may also represent an area of risk, as will changing expectations of the public, taxpayers and service users.

9.4. The Council's Corporate Risk Register provides a full description of corporate risks, including corporate level financial risks, mitigating actions and the progress made in managing the level of risk. A majority of risks, if not managed, could have significant financial consequences such as failing to generate income or to realise savings. These Corporate risks include:

- RM002 - The potential risk of failure to manage significant reductions in local and national income streams.
- RM006 - The potential risk of failure to deliver our services within the resources available over the next 3 years commencing 2018-19 to the end of 2020-21.
- RM022a – Implications of Brexit for Council staff and services
- RM022b – Implications of Brexit for external funding / Norfolk businesses
- RM032a – Effect of COVID-19 on NCC business continuity (staff, service users, and service delivery)

Further details of all corporate risks, including those outlined above, can be found in Appendix C of the Risk Management report to Cabinet on 12 January 2021 (item 17).

9.5. Decisions about significant savings proposals with an impact on levels of service delivery have required public consultation in previous years. New 2021-25 saving proposals, and the council's Budget as a whole, have been subject to equality and rural impact assessments as described elsewhere in this report.

9.6. High level risks associated with budget proposals are described as part of the report on the Robustness of Estimates. The Robustness of Estimates and the Statement on the Adequacy of Provisions and Reserves also set out financial risks that have been identified as part of the assessment of the level of reserves and provisions in order to evaluate the minimum level of general balances. In setting the Budget, the council can accept different level of risks, for example, minimising risk through investment in services, reducing higher risk savings, or putting in place additional reserves for specific risks. The robustness of the budget estimates are evaluated, setting out budget assumptions and areas of risk, to enable Members to consider the assumptions and risks that will underpin further decisions for agreeing the budget and level of general balances. The assumptions set out in the Robustness of Estimates report directly impact on the risk assessment of the level of general balances.

9.7. Executive Directors have responsibility for managing their budgets within the amounts approved by County Council. Executive Directors will therefore take measures throughout the year to identify, and then reduce or eliminate, potential overspends.

10. Select Committee comments

10.1. Select Committee comments were reported to Cabinet in October and included a request that consultation be undertaken earlier in the 2022-23 Budget process. This has been proposed in the timetable for next year's Budget.

11. Recommendations

11.1. **Recommendations as set out in the Executive Summary.**

12. Background Papers

12.1. Caring for our County, the vision for Norfolk: Link
Together, For Norfolk – an ambitious plan for our County 2019-2025: Link
County Council Budget 2020-21, 17 February 2020: Link
Budget Book 2020-21: Link
Strategic and Financial Planning 2021-22, 8 June 2020 Cabinet Paper (Item 12): Link
Strategic and Financial Planning 2021-22, 7 September 2020 Cabinet Paper (Item 11): Link
Strategic and Financial Planning 2021-22, 5 October 2020 Cabinet Paper (Item 11): Link
Fee Levels for Adult Social Care Providers 2021-22, 12 January Cabinet, (Item 9): Link

Finance Monitoring Report 2020-21 (on this agenda)
Capital Programme 2021-22 to 2023-24+ (on this agenda)
Treasury Management Strategy 2021-22 (on this agenda)
Dedicated Schools Grant Budget (on this agenda)

CIPFA FM Code: https://www.cipfa.org/policy-and-guidance/publications/f/financial-management-code

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Norfolk County Council
Revenue Budget 2021-22

1. Introduction and financial context

1.1. Local authorities across the country continue to face extreme levels of uncertainty about their finances. The COVID-19 pandemic, the process of leaving the European Union, and the delays to long awaited reforms to council finances have combined to create a highly turbulent environment for budget setting for 2021-22. Major reforms to local government finance including the Fair Funding Review, Business Rates Reform, and Social Care funding reform remain outstanding with no definitive timescales attached to them. Coupled with this, the impacts of COVID-19 are continuing to be realised in terms of cost pressures, income losses (including council tax and business rates), and non-delivery of planned savings. The response to the pandemic has led the Government to announce a one-year Spending Review, which was followed by a provisional Local Government Finance Settlement[4] that provided allocations for 2021-22 only; these remain to be confirmed in the Final Settlement due in January / February 2021. As a result, local government has very little clarity about funding beyond next year and the picture for 2022-23 onwards remains extremely unclear, with uncertainty around any future Comprehensive Spending Review (CSR), and the continued response to COVID-19.

1.2. A key area of concern is that the provisional Local Government Finance Settlement in December 2020 saw limited additional "core" funding being targeted towards local government, although some extra resources were provided to address the short-term financial implications of COVID-19. In this context, a long-term solution to the challenge of adequately funding Adult Social Care remains desperately overdue. In its response to the provisional Settlement, the council has therefore continued to call for a prompt resolution to the Fair Funding Review, to deliver adequate and sustainable funding levels for county councils.

1.3. Although the Government highlighted increased resources for local government in the settlement announcement (quoting a 4.5% cash-terms increase in "core spending power" (CSP)[5]), this is heavily predicated on local decisions to raise council tax and assumptions about tax base growth. As discussed elsewhere in this report, Government assumes that Norfolk County Council's CSP will increase by 5.3%, in 2021-22, however the majority (80%) of this is derived from assumed increases in council tax, including an optimistic forecast of tax base growth and applying the full 5% increase available in 2021-22. Therefore, when the major risks and uncertainties around COVID-19 are considered in conjunction with the substantial reductions in core government grant experienced since 2010, the overall level of uncertainty means that the financial environment for local government remains extremely challenging for the foreseeable future. In particular, it remains the case that local authorities face a growing gap between funding levels and service demand and cost pressures, driven in part by demographic changes, unfunded burdens such as the National Living Wage, and the needs of vulnerable social care users becoming increasingly complex. Children's services, in both social care and education (particularly the High Needs Block), also continue to be under very significant stress. Other services such as transport, planning, environment, and trading standards have been subject to

4 https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2021-to-2022

5 https://www.gov.uk/government/news/government-announces-new-funding-boost-for-councils

significant restrictions which have also seen increasing pressure placed on discretionary and preventative services as a source for budget savings in recent years.

1.4. Prior to the pandemic, there had been a national trend of retrenchment towards statutory service provision across local government. Although local government expects to receive very welcome additional funding to meet COVID-19 costs in 2021-22, it remains unclear whether this will be adequate to fully address any ongoing cost pressures, and the limited level of core funding increases announced in the 2021-22 Settlement are unlikely to be sufficient to meet ongoing demand and demographic pressures in the medium term. As a result, they fall short of reversing the sustained level of reductions experienced since 2010-11, and the funding gap is likely to widen from 2022-23, unless there are sustained increases in council tax and / or Government provides additional new funding to local authorities in future spending reviews.

1.5. In the Government's core spending power analysis for the period 2015-16 to 2021-22, Norfolk County Council has experienced a reduction in Settlement Funding of £92.828m and has been required to offset this through savings or increased local income. Simultaneously, cost pressures are increasing on many of the council's services. 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, and changes in Norfolk's population profile – cost another £40.109m. Dealing with ongoing spending pressures and funding 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. This imperative, alongside the council's vision and strategy, and the council plan *Together, for Norfolk*, have informed the preparation of the council's 2021-22 Budget and Medium Term Financial Strategy (MTFS). The council's detailed budget planning work has enabled the development of a robust set of proposals for 2021-22, which close the budget gap of £38.992m identified in the 2020 Medium Term Financial Strategy, support the continued investment in key services, and allow a balanced budget for 2021-22 to be put forward for recommendation by Cabinet.

1.6. The latest estimate of the council's overall budget position for 2021-22 as a result of the above, and other emerging issues, is set out in the remainder of this paper. In line with the Financial Regulations and associated Budget Protocol, it is possible that the position will need to be updated between Cabinet and the County Council meeting in February to incorporate any final Settlement information and also to reflect any final changes to District Council business rates and council tax forecasts due at the end of January. It is proposed that any adjustments required are handled through adjustment to the Corporate Business Risk Reserve.

2. Impact of COVID-19

2.1. The COVID-19 pandemic has had a profound impact on the Council's activities and finances in 2020-21. Significant additional funding has been provided in-year by Government as part of the response to COVID-19 to meet additional cost pressures, compensate for lost income and offset the impact of non-deliverable savings. At the same time, normal operations have been severely disrupted and although considerable uncertainty remains, it is likely that this disruption, and additional costs, will endure well into 2021-22. Full details of the 2021-22 position are set out within the Financial Monitoring report to Cabinet.

2.2. Funding announcements for 2021-22 included additional resources to address COVID-19 issues, although the level of funding is significantly less than has been provided for 2020-21 and the adequacy of this is a key area of risk. Nevertheless, the Budget seeks to provide the maximum possible resources in 2021-22 to meet COVID-19 pressures. Whether this is sufficient will be highly dependent on the further progress of the pandemic and the Council will inevitably be reliant on further Government support if the situation were to deteriorate or persist longer than Government anticipates. Details of the forecast impact of COVID-19 on the 2021-22 Budget are set out through this report, including within the Service department information in section 10.

2.3. It is particularly important to recognise in this context that the Government funding announcements for 2021-22 reflected in this Budget report were largely made at the provisional Settlement in December 2020. The allocations were, therefore, made prior to the imposition of the third national lockdown and it is unclear whether the funding provided will be adequate for the cost pressures faced as a result of this. It is also uncertain whether Government will seek to provide additional funding in either 2020-21 or 2021-22 in recognition of the impacts of the national lockdown which could have a material impact on the Budget position as it is set out. Very welcome Government financial support for COVID-19 has been announced throughout the course of the 2020-21 financial year and significant adjustments to financial planning have been required as a result. It is highly possible that this operating environment will persist into 2021-22.

3. County Council strategy and transformation

3.1. The COVID-19 crisis has affected virtually all aspects of life and its impact will continue to be felt for months and years to come. Individuals, families, businesses and community groups are all experiencing the strain and some of the most vulnerable people have been affected the most.

3.2. Throughout this period, the Council has taken action to maintain the delivery of vital services across all areas of its operations, and has worked in partnership across the whole system to protect vulnerable people, support businesses, and ensure the safety of all staff delivering this vital work. The impacts of the COVID-19 crisis will continue to have a significant impact on demand for our services and on the budget we have available. Demand for some services continues to rise each year with more older people requiring social care and more children with special needs and disabilities needing support. New pressures from the crisis will continue to add to this, and the economic and psychological distress of lockdown on our residents is expected to increase demand for our social care and support services. Our service transformation programmes are delivering new models of service, ensuring that, while we are meeting current needs, we are also safeguarding the future by continuing to invest in preventative action and early intervention. The Council is also working jointly with health partners as part of transformation within the health and social care system, such as discharge arrangements from hospital and short term care.

3.3. The economic downturn caused by coronavirus is causing widespread economic impacts. In July 2020, the Council launched the "Norfolk Delivery Plan[6]", which is our contribution to the New Anglia Local Enterprise Partnership's "Norfolk and Suffolk Covid-19 Economic Recovery Plan[7]". Rebuilding the local economy, while attracting investment and putting infrastructure in place to support further growth remains a priority. Tackling the climate crisis and protecting the natural environment and

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6 Norfolk Delivery Plan - Norfolk County Council
7 https://newanglia.co.uk/covid-economic-recovery/

heritage of Norfolk also continues to be an urgent priority, as well as investing in the built environment and creating communities to be proud of. The Council's Environmental policy clearly sets out our ambitions for the authority. We have seen the world change since the start of the Covid-19 pandemic in March 2020, especially in the way we work, shop and travel, and we want to springboard off those changes to both build back better and to build back greener.

3.4. As a Council, we continue to transform the way we work. Over the past year, we have accelerated, in a number of areas, our Business Transformation and Smarter Working programme. This brings together change projects consistently across the council and creates opportunities to transform the way we work, including our people, assets, technology, structures and service delivery. Delivering change in an organisation as large and as complex as Norfolk County Council is difficult, particularly in a pandemic, and it is essential that we take our service users, residents, staff, partners and providers with us.

County Council Strategy and Transformation

3.5. Our Corporate Plan *Together, for Norfolk* sets out three overriding ambitions which drive the Council's priorities: a growing economy, thriving people, and strong communities. Our Plan also underpins and contributes to the delivery of the New Anglia Local Enterprise Partnership Norfolk and Suffolk Economic Strategy[8].

3.6. The plan provides a whole-Council view of significant activities, including, service change or redesign, infrastructure, assets and technology, including capital programmes or projects, strategy or policy development. Our services support our ambition by ensuring children and young people have the best start in life, protecting vulnerable people, developing strong infrastructure and helping improve the economy. As we begin to understand more about the impact that COVID-19 has on our people, place, and economy, we will update and align our plan to our COVID-19 recovery plans.

3.7. The Council's transformation programme has three key strands, core to the Council's objectives and ambitions.

1. **Safer children and resilient families**
The Council's ambition is to have a greater focus on prevention at scale. By supporting families and communities at the right time in the right place we will reduce the number of children coming into care and high volume of contacts and referrals into our statutory services, supporting better outcomes for children and families. We will ensure that, where children do need to come into care, there are sufficient placements for children and young people that meet their needs.

2. **Promoting independence for vulnerable adults**
By enabling more people to live independently for longer, the Council aims to prevent, reduce and delay the need for formal care. We will focus on improvements to front door arrangements, early help and intervention, helping people stay connected with others in their communities, reablement and social work practice, as well as integration with the local health system. For younger adults with disabilities, we want them to have access to work, housing and social activities which contribute to a good quality of life and wellbeing.

[8] https://newanglia.co.uk/economic-strategy-for-norfolk-and-suffolk/

3. **Smarter working and business transformation**
   This programme is an enabler to our broader services transformation and brings together smarter information and advice, business transformation, innovation through technology, commercialisation and our property strategy, to change the way we work and enable the sustainable delivery of our strategies.

3.8. In all that we do, we continue to be guided by four core principles that frame our recovery and transformation work:

- Offering our help early to prevent and reduce demand for specialist services;
- Joining up work so that similar activities and services are easily accessible, done once and done well;
- Being business-like and making best use of digital technology to ensure value for money; and
- Using evidence and data to target our work where it can make the most difference.

3.9. Our service transformation programmes are delivering new models of service, ensuring that, while we are meeting current needs, we are also safeguarding the future by continuing to invest in preventative action and early intervention. We are also embracing technology and opportunities to be more efficient in how we provide services, externally and internally, moving towards digital access where this is convenient and appropriate. We want to meet the current and future challenges head-on and continue to innovate in the way we deliver services and conduct our business, to achieve the best outcomes and the best value for money for our people of Norfolk.

4. The council's strategy and planning process for the 2021-22 Budget

4.1. The council's budget planning for 2021-22 has been undertaken in line with the following overarching timetable. The proposed outline timetable for next year's budget setting is also set out below and adopts a similar approach to this year.

Table 1: Budget planning timetable 2021-22 and proposed 2021-22

Activity/Milestone	Time frame
2021-22	
June Cabinet (to consider 2021-22 budget process and timetable, agree allocation of savings required and framework for service planning).	08/06/2020
Scrutiny Committee	23/06/2020
~~*FFR exemplifications to be published by Government*~~	~~*Originally Spring / Summer, now delayed*~~
Treasury Fundamental Business Rates Review	July 2020 to Spring 2021
Comprehensive Spending Review	July 2020 to 24/09/2020
NCC Financial Regulations update	Autumn 2020
Budget Challenge (Corporate Board and portfolio leads to consider proposals at extended Corporate Board / Budget Challenge session BC1 and BC2)	July 2020 (Round 1) September 2020 (Round 2)
September Cabinet (to review MTFS assumptions, proposed areas for savings, and agree any revisions to 2021-22 budget gap targets)	07/09/2020

Appendix 1: Norfolk County Council Revenue Budget 2021-22

Activity/Milestone	Time frame
Select Committees to consider proposed areas for savings	September 2020
Scrutiny Committee	23/09/2020
October Cabinet (to consider final 2021-22 savings proposals for consultation, and overall budget position. Key decision – agree 2021-22 budget proposals for consultation)	05/10/2020
Scrutiny Committee	21/10/2020
Public consultation on 2021-22 Budget proposals[9]	26/10/2020 to 14/12/2020
~~Autumn Budget 2020 and~~ Spending Review 2020[10]	25/11/2020
Budget Challenge (BC3)	8 December 2020 (Round 3)
Provisional Settlement	17/12/2020
Final Settlement	*January 2021**
February Cabinet (to recommend 2021-22 Budget and council tax to County Council).	01/02/2021
Scrutiny Committee (scrutiny of 2021-22 budget proposals, consultation and EQIA)	17/02/2021
County Council Budget Setting (to agree final 2021-22 Budget and level of council tax)	22/02/2021
2022-23 Proposed	
Government Spring Budget 2021[11]	03/03/2021
Cabinet review of the financial planning position for 2022-26 – including formal allocation of targets	TBC May 2021
Select Committee input to 2022-23 Budget development	June or July 2021
Service review of budget pressures and development of detailed savings proposals 2022-26	May – September 2021
Conclusion of HM Treasury fundamental review of business rates	Spring 2021
*Comprehensive Spending Review 2021 to be launched?**	*TBC Spring / Summer 2021*
*Further indicative details and consultation on Fair Funding Review?**	*TBC Summer / Autumn 2021*
Cabinet considers emerging proposals and service budget strategies	TBC September 2021
Cabinet considers full savings proposals and agrees proposals for public consultation	TBC October 2021
*Chancellor's Autumn Budget 2020(?) – including outcomes of Comprehensive Spending Review**	*TBC October / November 2021*
Public consultation on 2022-23 Budget and council tax and Adult Social Care precept options	TBC October to December 2021
Reporting to **Cabinet** as appropriate	November – December 2021
*Provisional Local Government Finance Settlement announced including provisional council tax and precept arrangements**	*TBC around 5 December 2021*
Confirmation of District Council tax base and Business Rate forecasts	31 January 2022
Cabinet considers outcomes of service and financial planning, EQIA and consultation feedback and agrees	31 January 2022 (TBC)

[9] https://norfolk.citizenspace.com/consultation/budgetconsultation2021-2022/
[10] https://www.gov.uk/government/topical-events/spending-review-2020
[11] https://www.gov.uk/government/news/budget-2021

Activity/Milestone	Time frame
revenue budget and capital programme recommendations to County Council	
*Final Local Government Finance Settlement**	*TBC January / February 2022*
Scrutiny Committee 2022-23 Budget scrutiny	16 February 2022 (TBC)
County Council agrees Medium Term Financial Strategy 2022-23 to 2025-26, revenue budget, capital programme and level of council tax for 2022-23	21 February 2022 (TBC)

**Assumed Government activity*

4.2. The current year's Budget and Medium Term Financial Strategy (MTFS) for the period 2020-21 to 2023-24 was agreed 17 February 2020 including £63.786m of savings and with a remaining gap of £93.694m. The MTFS provided the starting point for the council's 2021-22 Budget planning activity. Full details of cost pressures assumed in the council's MTFS are set out in the 2020-24 Budget Book[12].

4.3. The latest information about the council's 2020-21 financial position is set out in the financial monitoring report elsewhere on the agenda. The council's overarching budget planning for 2021-22 is based on the assumption that a balanced 2020-21 outturn position is delivered (i.e. that savings are achieved as planned and there are no overall overspends). Ongoing pressures and non-delivery of savings within the forecast 2020-21 position have been provided for as detailed later in this paper. It is important to note in the context of COVID-19 that there has been a significant impact on the delivery of savings in the current year 2020-21 and some of this non-delivery has been mitigated within the budget process. Where it has not, this reflects the fact that non-delivery is due to delays in implementing savings and the realisation of these planned savings on a sustainable ongoing basis will be fundamental to the delivery of the 2021-22 Budget. In the short term, some provision for further delays in the delivery of these prior year savings may be available from Service COVID-19 risk reserves.

4.4. In June 2020, Cabinet considered the council's overall budget position in the context of emerging budget risks and uncertainties, and particularly the potential impact of COVID-19. Cabinet agreed an approach to service planning and budget setting including the allocation of savings targets to services, recognising the potential need for flexibility. Since then, Service Departments have been undertaking their budget planning to identify savings proposals, cost pressures and key risks for the 2021-22 Budget, in the context of the significant uncertainty caused by COVID-19. On 7 September 2020, Cabinet received an update report on the approach to savings development in each Service. On 5 October 2020, Cabinet received a further update and considered the:

- Significant areas of risk and uncertainty around emerging budget pressures for the 2021-22 Budget and Medium Term Financial Strategy.
- Uncertainty about national funding announcements.
- Assumptions about the level of council tax and Adult Social Care precept for 2021-22.
- Budget gap in the order of £15.062m which remained to be closed for 2021-22.

4.5. In October, Cabinet also agreed:

[12] https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/budget-book-2020-24.pdf

- The proposed savings to be taken forward in budget planning for 2021-22, subject to final decisions about the overall Budget in February 2021.
- That public consultation should be undertaken on the 2021-22 Budget and saving proposals, and the level of council tax and Adult Social Care precept for 2021-22.
- The actions required to develop further saving proposals in light of the significant uncertainty about the overall financial position.

4.6. The budget position and associated assumptions are kept under continuous review. The latest financial planning position and details of all Service Department savings proposals are set out for Cabinet to consider in this report prior to budget-setting by County Council in February 2021.

5. Proposed Revenue Budget 2021-22

5.1. As in previous years, the proposed 2021-22 Budget has been developed in a context of very considerable uncertainty. The provisional Settlement in December 2020 however provided a certain degree of assurance about funding for 2021-22, in particular in relation to COVID-19 costs. The proposals for next year are therefore intended to provide the maximum possible capacity and flexibility to respond to the short-to-medium term impacts of COVID-19 while also seeking to ensure that the 2021-22 Budget is as robust and deliverable as possible, given the council's wider service pressures and funding challenges. This includes reducing the planned reliance on proposals which are one-off in nature and would give rise to significant further budget pressures in future.

5.2. With the exception of COVID-19 resources, indicative funding announcements in the provisional Settlement were broadly in line with what had previously been assumed, with very limited increases to core funding, and as such the council continues to expect to need to draw on its earmarked reserves over the period covered by the MTFS. Some contributions into reserves will be made but this mainly reflects the timing of spend funded from specific grants (particularly in relation to COVID-19) and planning does **not** include any draw on the council's general balances. The use of reserves is also in part a reflection of the various severe cost pressures and challenges in achieving planned savings, which the council faces across almost all service areas. It is important to recognise that as a result, the council is **not** in a position to be able to remove or reverse any of the key service saving proposals agreed as part of the 2020-21 budget, including those savings which are due for implementation during 2021-22, beyond those set out later in the this report.

5.3. The Revenue Budget proposals set out in this document form a suite of proposals which will enable the County Council to set a balanced Budget for 2021-22. As such, **recommendations to add growth items, amend or remove proposed savings, or otherwise change the budget proposals, will require Cabinet (or ultimately, County Council) to identify offsetting saving proposals or equivalent reductions in planned expenditure**.

5.4. 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 is set out in the Robustness of Estimates report (Appendix 4).

5.5. The overall net budget proposed for 2021-22 is £439.094m. The provisional Local Government Finance Settlement for 2021-22 was published 17 December 2020 but remains to be confirmed in January 2021 and therefore amendments may be required to reflect any changes, although these are considered unlikely.

5.6. Table 2 below summarises the overall proposed final budget for 2021-22, including the cash limited budgets by service. Details of the proposed changes for each service are shown in section 10. The structure of the budget is based on the current Service Departments within the organisational framework. This reflects the establishment of a Strategy and Transformation directorate and a Governance department following Employment Committee decisions on 3 November 2020.

5.7. The net budget reflects the council tax requirement only, that is, the amount to be funded by council taxpayers. All income from the Business Rates Retention Scheme is accounted for as council income. The net budget also includes current information received from the District Councils on their respective council tax base, Collection Funds and expected Business Rates.

5.8. At the time of preparing this report in early January 2021, estimates of business rates collection, and the impact of Districts' council tax decisions are not fully known and therefore may change prior to reporting to County Council. In addition, the Local Government Finance Settlement is also not finalised and so the proposed 2021-22 Budget may need to be altered to reflect any changes to government funding amounts for 2021-22 following the final Settlement publication, expected to be announced at the end of January or early February 2021. Likewise, final changes to the District Councils' collection funds and the final Business Rates position will not be confirmed until the end of January and may alter the proposed 2021-22 Budget.

5.9. In relation to council tax, if the County Council agrees to increase council tax by 3.99% overall (1.99% in relation to general council tax and 2.00% for the Adult Social Care precept), this would generate £16.966m additional funding in 2021-22. Further details about council tax are included within section 7 of this report.

5.10. Service and budget planning for 2021-22 has been based on a number of assumptions about changes in core government funding, which remain to be confirmed. The details of all such assumptions and the remaining key risks are set out in section 6 of this report. The policy and position of the council's reserves and balances is set out in Appendix 3 and recommends a minimum level of general balances, reflecting budget risks and uncertainty around future government funding.

5.11. There is currently a small forecast underspend on the 2020-21 budget of £0.165m (Period 9 as reported at February 2021), and it is anticipated that an underspend or balanced position will be achieved at year-end as discussed in further detail in the Financial Monitoring report. The non-delivery of savings in 2020-21 has been considered as part of the 2021-22 budget process with mitigating actions in place as set out elsewhere in this report and in financial monitoring.

5.12. **Cabinet is asked to recommend to County Council the 2021-22 Budget proposals, subject to any changes they may have**. The proposed overall budget is shown in the table below and detailed in the remainder of this report.

Appendix 1: Norfolk County Council Revenue Budget 2021-22

Table 2: Net 2021-22 Revenue Budget

Service Department	2020-21 Base Budget	Budget increases - cost pressures	Budget decreases - savings	2021-22 Recommended Budget before funding and cost neutral changes	Net funding changes	Net cost neutral changes	2021-22 Recommended Net Budget
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Adult Social Services	255.740	28.197	-17.858	**266.080**	-5.581	-7.948	252.550
Children's Services	196.211	7.014	-11.300	**191.925**	0.000	-13.039	178.886
Community and Environmental Services	163.471	10.512	-8.288	**165.695**	-1.827	-5.561	158.307
Strategy and Transformation	6.813	1.271	-0.553	**7.530**	0.000	0.016	7.546
Governance	2.552	0.581	-0.353	**2.780**	0.000	0.000	2.780
Finance and Commercial Services	30.811	1.688	-1.927	**30.572**	0.000	1.862	32.435
Finance General	-225.178	46.003	-0.900	**-180.075**	-38.005	24.670	-193.410
Total	**430.421**	**95.265**	**-41.179**	**484.508**	**-45.414**	**0.000**	**439.094**

Notes:
Tables throughout the budget reports are rounded to the nearest £0.001m and therefore may not sum exactly.
Budgets for Strategy and Transformation and Governance have been restated for 2020-21 to provide comparator / starting figures.

5.13. Any new budget pressures, changes to planned savings, or removal of proposals will require alternative savings to be identified by the relevant Service Department in order to maintain a balanced budget position.

5.14. Note:

- Budget increases of £95.265m include £17.730m inflationary pressures, £10.462m legislative pressures, £13.097m of demand and demographic pressures and £53.976m of pressures arising from policy decisions (including corporate provision of £18.829m for COVID-19 pressures). See detailed Service Budgets in section 10.
- Details of £41.179m savings are also shown within the relevant Service Department in section 10. Of the budget savings, £7.738m relate to one-off savings in 2021-22, which will result in a pressure in subsequent years. These are detailed in Table 4 below. The budget also includes one-off use of reserves (included in Table 4) and detailed in the Reserves and Balances report (Appendix 3).
- The net funding increase of £45.414m includes £50.101m funding increases and £4.688m funding decreases as shown in Table 3. Of the funding increases, £31.948m is assumed to relate to one-off COVID-19 resources in 2021-22.
- Further details of the £27.217m of cost neutral changes are provided in the detailed Service Budgets in section 10.
- The change in the net revenue budget between 2020-21 and 2021-22 is £8.673m. The breakdown of this is set out in Table 5 below.

Table 3: Breakdown of net funding changes

	2021-22 £m
Funding increases	
New 2021 Social Care grant	-5.587
Revised Public Health grant	-1.915
Revenue Support Grant	-0.218
Rural Services Delivery Grant	-0.197
Core funding and business rates retention	-10.237
Local Council Tax Support Grant (one-off)	-7.512
COVID-19 funding Tranche 4 (one-off)	-5.608
COVID-19 funding Tranche 5 (one-off)	-18.829
Total funding increases	**-50.101**
Funding decreases	
Net reduction in Adults grants (Local Reform and Community Voices, Social Care in Prisons, and War Pensions Disregard Grant)	0.005
CES Brexit Grant funding ceasing	0.088
New Homes Bonus grant	0.665
Business Rates Pilot	3.879
Extended Rights to Free Travel Grant	0.050
Total funding decreases	**4.688**
Net funding changes	**-45.414**

Table 4: One-off savings

Department	Saving	2021-22 £m	2022-23 £m
ASS	Reducing the amount we have set aside to cover potential bad debts. (One-off benefit).	-1.000	1.000
ASS	Releasing amounts previously carried forward in one-off reserves. (One-off benefit).	-0.475	0.475
ASS	BC3 - Use of Business Risk Reserve (one-off)	-2.000	2.000
CS	BC3 - 2021-22 New Roads transformation contribution capitalisation (one-off)	-1.000	1.000
CS	BC3 - 2021-22 transformation capitalisation (one-off)	-1.000	1.000
CES	One off use of reserves to fund economic projects budget	-0.174	0.174
CES	BC3 - One off reduction of the Arts Service budget (Health & Wellbeing)	-0.005	0.005
S&T	BC3 - One-off release of Strategy and Governance reserves	-0.300	0.300
FCS	One-off savings and use of reserves within Budgeting and Financial Management.	-0.255	0.255
FCS	One off saving from release of reserves.	-0.372	0.372
FCS	BC3 - Budgeting and Accounting one-off use of Finance Org Change reserve.	-0.157	0.157
FG	One off release of Organisational Change Fund	-0.500	0.500
FG	Insurance review (One-off use of reserves)	-0.500	0.500
	Total	**-7.738**	**7.738**

5.15. Note:

- These figures exclude funding increases (base adjustments), such as from the improved Better Care Fund and social care funding, and cost neutral changes. A summary is provided within Table 11 and details provided within Table 20.
- The 2021-22 Budget and Medium Term Financial Strategy (MTFS) also includes one-off use of resources such as the use of Public Health Reserves to deliver public health outcomes and which will result in future budget pressures. The implications of one-off funding are discussed in further detail in section 5 of the MTFS.

Table 5: Change in Net Revenue Budget 2020-21 to 2021-22

	£m
Budgeted council tax 2020-21	430.421
Increase due to:	
Tax base change (increase 1,192 Band D equivalent)	1.688
General council tax increase (1.99%)	8.470
Adult Social Care precept (2.00%)	8.497
Forecast reduction in Collection Fund[13]	-9.982
Budgeted council tax 2021-22	**439.094**

5.16. The table below sets out a summary of the savings proposals for 2021-22 to 2024-25. The council has identified a net £20.432m of **new** savings proposals in this budget round to help enable the council to set a balanced budget for 2021-22. Since reporting proposed savings for public consultation to Cabinet in October 2020, a number of proposals have been removed including CES027 relating to the Reduction of opening hours at Recycling Centre, and SGD011 relating to funding for elections. In addition, FCS015 relating to property savings has been delayed to 2022-23 to more realistically reflect the timescales for achievement. The following new proposals have also been identified for inclusion in budget planning. Further details of all the savings within 2021-22 planning can be found in the detailed Service Budgets in section 10.

- Use of Business Risk Reserve (one-off) (Adults)
- 2021-22 New Roads transformation contribution capitalisation (Children's)
- 2021-22 transformation capitalisation (Children's)
- Develop Gressenhall as an Environmental Hub for Norfolk (CES)
- Develop Norfolk Record Office 2050 Vision (CES)
- Capitalisation of Planning Advice & Information service within Environment (CES)
- One off reduction of the Arts Service budget (Health & Wellbeing) (CES)
- Recharge of staff time to alternative funding sources (CES)
- Review Staff structures in Highways team (CES)
- Fire and Rescue white and grey fleet arrangements (CES)
- Vacancy management (HR&OD) (S&T)
- One-off release of Strategy and Governance reserves (S&T)
- HR & Finance System - Benefits realisation from HR & Finance System replacement in HR&OD (S&T)
- Budgeting and Accounting one-off use of Finance Org Change reserve. (FCS)
- Treasury management interest payable budget saving (FIN)

[13] The forecast reduction in Collection Fund position reflects a material movement from a surplus position in the 2020-21 Budget to a deficit position for 2021-22 planning. This is due to the impact of the COVID-19 pandemic on council tax collections in 2020-21, and reflects provisions made by Government to mandate that a deficit arising in 2020-21 must be phased over a three year period. The position for 2021-22 also reflects the correction of a previous over-estimate of the Collection Fund position by the Borough Council of King's Lynn and West Norfolk in 2020-21. Apart from Norwich City Council, all Norfolk districts forecast a deficit position on the Collection Fund as set out in Table 17 of this report.

Table 6: Summary of recurring net budget savings by Department

	2021-22 Saving £m	2022-23 Saving £m	2023-24 Saving £m	2024-25 Saving £m	Total Saving £m
Adult Social Services	-17.858	4.275	2.000	0.000	**-11.583**
Children's Services	-11.300	-6.900	-3.500	-2.500	**-24.200**
Community and Environmental Services	-8.288	-0.466	0.000	0.000	**-8.754**
Strategy and Transformation	-0.553	-0.180	0.000	0.000	**-0.733**
Governance	-0.353	0.000	0.000	0.000	**-0.353**
Finance and Commercial Services	-1.927	0.026	-0.100	0.000	**-2.001**
Finance General	-0.900	1.000	0.000	0.000	**0.100**
Grand Total	**-41.179**	**-2.245**	**-1.600**	**-2.500**	**-47.524**

5.17. As in previous years, budget planning across the council has also included work to review in detail the deliverability of planned savings and to understand service pressures. Following this activity, the 2021-22 Budget sees further investment in essential services through both the removal of previously planned savings and recognition of budget overspend pressures. The changes to previously agreed savings proposed in this report reflect a considerable effort to ensure that the 2021-22 Budget will be both robust and deliverable. Across the whole MTFS, the **net saving position above reflects the removal or delay of £10.783m of saving proposals brought forward from previous budget rounds**.

5.18. Details of the key elements of the Council's proposed revenue budget are set out here.

Income

5.19. The Council has four main funding streams:

- Business Rates Retention Scheme (including Revenue Support Grant)
- Council Tax
- Specific Grants
- Fees and Charges

5.20. The main issues to consider are:

1. **Business Rates Retention Scheme**
The provisional Local Government Funding Settlement in December 2020 set out details of the council's Settlement Funding Assessment (SFA) allocations for 2021-22, which include the authority's Revenue Support Grant (RSG) and business rates baseline funding level which were in line with the estimates made based on the information provided at the Spending Review 2020.

   The business rates baseline within SFA is normally uprated annually in line with CPI (previously RPI up to 2017-18). For 2021-22, the Government has announced that the Business Rate multiplier will be frozen. The real terms (0.55% CPI) increase which would normally be expected will instead be provided via a Section 31 grant. Until recently, in order to ensure that local government spending was within the national departmental expenditure limits, after taking into account the business rates baseline funding, RSG has been used as a balancing figure and subsequently was reducing year on year in line with the Government's deficit reduction plan. Planned reductions in RSG have given rise to a "negative RSG adjustment" for some local authorities since 2019-20 (Norfolk was not affected), which the Government has decided to continue to eliminate. RSG is being uplifted in line with CPI as expected for 2021-22.

The tables below show the breakdown of the 2021-22 Settlement Funding Assessment compared to the 2020-21 allocations, and the component elements. In overall terms, the provisional Settlement shows an increase of £0.218m or 0.1% to core government funding compared to the 2020-21 actual amounts, although this does not reflect the Section 31 grant. It should be noted these figures remain subject to confirmation in the final Settlement in January 2021.

Table 7: Provisional Settlement Funding Assessment changes

	2020-21 Actual	**2021-22 Provisional**	**% Change (2020-21 actual to 2021-22 provisional)**
	£m	**£m**	**%**
Upper-tier funding within Baseline Funding Level	147.134	147.134	0.0%
Fire and Rescue within Baseline Funding Level	7.884	7.884	0.0%
Total Baseline Funding Level	**155.019**	**155.019**	**0.0%**
Upper-tier funding within RSG	35.357	35.553	0.6%
Fire and Rescue within RSG	4.085	4.107	0.6%
Total Revenue Support Grant	**39.442**	**39.660**	**0.6%**
Total Settlement Funding Assessment	**194.461**	**194.679**	**0.1%**

Table 8: Breakdown of Provisional Settlement Funding Assessment

	2020-21 Actual	2021-22 Provisional	Change (2020-21 actual to 2021-22 provisional)
	£m	£m	£m
Settlement Funding Assessment	**194.461**	**194.679**	**0.218**
Notional breakdown:			
Revenue Support Grant	39.442	39.660	0.218
Business Rates Baseline	155.019	155.019	0.000
Via: Top-up	*127.897*	*127.897*	*0.000*
Retained Rates	*27.122*	*27.122*	*0.000*

2. Council Tax

The level of council tax remains a matter for local councils and the four options open to the council are to:

- Decrease council tax;
- Freeze council tax;
- Increase council tax below the council tax referenda limits; or
- Increase council tax above the council tax referenda limits and undertake a council tax referendum within Norfolk.

These budget papers have been prepared on the basis of a 1.99% increase in general (basic) council tax and a 2.00% increase in the Adult Social Care precept. This 3.99% increase generates £16.966m and results in total council tax of £439.094m for the year The Budget also proposes that the remaining 1.00% increase available on the Adult Social Care precept in 2021-22 should be agreed but deferred to 2022-23. This deferred amount would be in addition to any further Adult Social Care precept which might be available in future years. The council previously opted to raise the full 8% adult social care precept available over the period 2016-17 to 2018-19, with no increase available in 2019-20 and a further 2% raised in 2020-21. The Government's assumptions within the settlement about local authorities' abilities to raise council tax continue to mean that any decision to raise council tax by less than the Government's inflation assumptions, result in underfunding of the council compared to Government's expectations as expressed within the "core spending power" position.

3. Other Income

A table on total Government grant funding is shown below, with further details provided in the Medium Term Financial Strategy (Appendix 2).

Table 9: List of key grants and funding

	2020-21	2021-22	2022-23	2023-24	2024-25
	Budget	Estimated	Estimated	Estimated	Estimated
	£m	£m	£m	£m	£m
Un-ring-fenced					
Business Rates Baseline (50% scheme)	155.019	155.019	155.019	155.019	155.019
Revenue Support Grant	39.442	39.660	39.660	39.660	39.660
Rural Services Delivery Grant	3.981	4.178	4.178	4.178	4.178
New Social Care Grant	24.755	30.342	30.342	30.342	30.342
Section 31 Grant (compensation for Government business rate initiatives)	9.939	8.077	8.077	8.077	8.077
New Homes Bonus	2.934	2.269	0.807	0.000	0.000
School Improvement Monitoring and Brokering Grant	0.725	0.725	0.725	0.725	0.725
Fire Pension Grant	1.629	1.629	1.629	1.629	1.629
Fire Revenue	1.057	1.047	1.047	1.047	1.047
Inshore Fisheries	0.152	0.152	0.152	0.152	0.152
Local reform and community voices	0.599	0.599	0.599	0.599	0.599
Extended rights to free travel (Local Services Support Grant)	1.009	1.009	1.009	1.009	1.009
PFI Revenue Grant (streetlights and schools)	7.905	7.905	7.905	7.905	7.905
Social Care in Prisons	0.352	0.352	0.352	0.352	0.352
Independent Living Fund Grant	1.379	1.379	1.379	1.379	1.379
Improved Better Care Fund	38.454	38.454	38.454	38.454	38.454
War Pensions Scheme Disregard	0.245	0.245	0.245	0.245	0.245
Ring-fenced					
Public Health	40.630	40.630	40.630	40.630	40.630
Dedicated Schools Grant[14]	646.495	699.469	699.469	699.469	699.469
Pupil Premium Grant	33.469	33.469	33.469	33.469	33.469
Locally collected tax (forecasts)					
Council tax (assuming increase 3.99% 2021-22 (including ASC precept), 2.99% 2022-23 (including ASC precept), 1.99% (including ASC precept) 2023-24 and 1.99% 2024-25)	430.421	439.094	455.976	470.366	485.188
Pooled funding					
NHS Funding (incl. Better Care Fund)	62.057	62.057	62.057	62.057	62.057
COVID-19 funding[15]					
COVID-19 Grant funding	70.277	18.829	0.000	0.000	0.000
Local council tax support grant	n/a	7.512	0.000	0.000	0.000
Local tax income guarantee	n/a	TBC	0.000	0.000	0.000

Expenditure – underlying trends

5.21. As always, the aim of the budget planning process is to deliver a robust budget that supports the council's priority areas, protects and develops services, but is affordable within the available levels of funding. The major areas of cost affecting Norfolk County Council that have been incorporated into the 2021-22 budget plans are:

1. **Price inflation**

   Significant elements of the council's services continue to be delivered externally to the County Council – through partners, private sector contracts, and via the council's own company (Norse) – meaning that contractual arrangements are a key driver of the Council's cost pressures. A significant proportion of the council's spend is via third party contracts and the effective management of these contracts to ensure both value for money and proper standards of service, is critical. It is important to note that price rises driven by the Covid-19 pandemic have not been included in underlying budget planning although a corporate provision has been set aside. Such cost pressures will be considered as part of the Council's ongoing financial response to the pandemic.

2. **Demographics**

   Demand for services continues to rise, both through the age profile of the county, population changes and through changes to need, such as increasing complexity partially as a result of medical advancements and economic changes. Preventative strategies are in place and, wherever possible, continue to be developed, but these alone will not be sufficient to stem the growth in levels of demand. Budget savings designed to reduce the impact of growth are shown separately. For example, in children's social care, the national picture shows a significant rise in demand both in terms of numbers and complexity of need, thus cost. Current commitments in Norfolk show that whilst the overall number of children being looked after has reduced during 2020-21, the proportion of higher-cost placements has increased due to the level of need. However, this is the net position of the demographic growth being offset, at least partially, by the departments' transformation programme and associated budgetary savings.

3. **Pay award and the National Living Wage**

   The costs of the National Living Wage increase in 2021-22 for both the council's directly employed staff and contracted services. The Budget assumes a pay freeze in 2021-22, although it makes provision for pay increases of £250 for those on salary scales less than £24,000 in line with Government announcements for other public sector workers. A contingency of 2% has been provided in the event that the actual pay award for 2021-22 is greater than this. The pay award remains subject to confirmation at this point.

[14] DSG is before Academy recoupment

[15] COVID-19 funding was not budgeted for in 2020-21, figures represent in-year allocations and remain subject to change. The Local council tax support grant allocation is subject to confirmation at the final Settlement. Local tax income guarantee amounts will be confirmed during 2021-22.

4. **Increased costs of COVID-19 response**

   The 2021-22 Budget makes one-off provision to support exceptional costs of responding to the COVID-19 pandemic. At this point, the specific nature of these cost pressures remain to be confirmed, and although the majority are expected to arise within social care provision, there may be other costs linked to areas such as the local government elections (currently scheduled for May 2021). The one-off Government funding for COVID-19 in 2021-22 has been set aside and is being held corporately to respond to these pressures as they arise. The costs are assumed to be short-term only (in line with the Government funding allocation) and in the absence of further Government support, there is no scope within this Budget to provide at this stage for any further increases in costs or costs which may persist into 2022-23.

5. **Increased costs of borrowing**

   Increased costs are anticipated from 2021-22 in line with borrowing forecast to be undertaken in 2020-21 and 2021-22, with an element of contingency for possible interest rate growth and any additional borrowing for cash flow or capital purposes. The council continues to seek to minimise borrowing costs, including by assessing alternative sources of borrowing, and accessing lower rates for infrastructure investment where possible.

5.22. The Capital Programme will be funded from external capital grants, prudential borrowing, revenue budgets and/or reserves. The majority of schemes have historically been funded from capital grants received from central government departments. The largest capital grants are from the Department for Transport and the Department for Education, and this is reflected in the balance of the programme. Capital receipts can only be used to fund capital expenditure (which in turn reduces the future revenue impact of borrowing), to repay debt, or (as a result of additional flexibilities from the 2015 Spending Review) to support the revenue costs of transformation projects as set out in the Capital Programme report elsewhere on the agenda. The proposed Revenue Budget for 2021-22 includes the previously planned use of £2.000m of capital receipts for debt repayment and £3.000m of capital receipts for transformation activity in order to ensure that the overall MTFS is robust and deliverable.

5.23. Subject to the timing of borrowing and the application of the Minimum Revenue Provision (MRP) policy, the future annual revenue cost of prudential borrowing can be significant (as much as 7% of the amount borrowed based on a typical asset life). The amount and timing of these costs is reflected in the revenue budgets where appropriate and in particular assumes additional borrowing for future years. Separate reports to Cabinet, elsewhere on this agenda, set out the detail of the Treasury Management Strategy and the Capital Strategy including the 2021-25+ programme and funding plans.

5.24. Financial planning assumptions for future years take account of the latest monitoring position for 2020-21, as reported to Cabinet elsewhere on this agenda. Further details of the financial planning context are set out in the Medium Term Financial Strategy 2021-25.

5.25. The Statement on the Robustness of Estimates 2021-25 (Appendix 4) sets out the Executive Director of Finance and Commercial Services' (Section 151 Officer) view on the robustness of the estimates made for the purposes of the calculation of the precept and therefore in agreeing the County Council's budget. The factors and budget assumptions used in developing the 2021-25 budget estimates are set out as part of that judgement. The level of reserves has been analysed in terms of risk and is reported to Cabinet as part of these budget papers. The recommended level of general balances is £19.706m for 2021-22. Provision has been made within the 2022-23 position to increase the General Fund to contribute to achieving a target balance of 5% of the net revenue budget in future years. There may also be some opportunity to increase general reserves as part of the closure of 2020-21 accounts. The Medium Term Financial Strategy 2021-25 assumes that general balances will remain at or above the recommended level.

Expenditure and savings – proposals

5.26. Table 11 to Table 14 set out in detail the proposed cash limited budget for all Service Departments for 2021-22, and the medium term financial plans for 2022-23 to 2024-25. These are based on the identified pressures and proposed budget savings shown in the table below. Cost neutral adjustments are also reflected within the Service Department budgets.

5.27. As previously set out, significant uncertainty remains around the following areas:

- District council tax and business rate forecasts are not finalised, these remain subject to change until final forecasts are received at the end of January.
- The provisional Local Government Finance Settlement was published on 17 December, but the final settlement is not expected to be confirmed until the end of January 2021.
- The impact of COVID-19.

5.28. Any changes arising following Cabinet recommendations, or as a result of these uncertainties, will be reported to Full Council for decisions as appropriate and in line with the Budget Protocol.

5.29. The table below provides a summary of the changes in budget planning from the February 2020 MTFS to the current position across the four years of the 2021-25 MTFS.

Table 10: Budget planning position 2021-22 to 2024-25 – changes from the 2020-21 MTFS position

Item	2021-22	2022-23	2023-24	2024-25	Total
	£m	£m	£m	£m	£m
Medium Term Financial Strategy 2020-24					
Cost pressures and funding decreases					
Economic and inflationary pressures	19.758	20.338	20.338	0.000	**60.434**
Legislative requirements	7.813	6.851	8.017	0.000	**22.681**
Demand and demographic pressures	11.480	11.380	11.980	0.000	**34.840**
Council policy decisions	29.680	2.754	5.755	0.000	**38.188**
Funding decreases	4.017	0.050	0.050	0.000	**4.117**
Total cost pressures and funding decreases	**72.748**	**41.373**	**46.140**	**0.000**	**160.261**

Appendix 1: Norfolk County Council Revenue Budget 2021-22

Item	2021-22	2022-23	2023-24	2024-25	Total
	£m	£m	£m	£m	£m
Council tax					
Collection Fund	3.215	1.000	0.500	0.000	**4.715**
Council tax increase %	-8.588	-8.884	-9.187	0.000	**-26.659**
Tax base increase	-7.636	-6.606	-6.839	0.000	**-21.081**
Total change in council tax income	**-13.009**	**-14.490**	**-15.526**	**0.000**	**-43.025**
Savings and funding increases					
Adult Social Services	-7.344	-0.235	0.000	0.000	**-7.579**
Children's Services	-6.400	-2.000	0.000	0.000	**-8.400**
Community and Environmental Services	-2.765	1.264	0.000	0.000	**-1.501**
Strategy and Governance	0.000	0.000	0.000	0.000	**0.000**
Finance and Commercial Services	-0.650	0.000	0.000	0.000	**-0.650**
Finance General	-3.588	-1.412	-0.412	0.000	**-5.412**
Sub-total savings	**-20.747**	**-2.383**	**-0.412**	**0.000**	**-23.542**
Funding increases	0.000	0.000	0.000	0.000	**0.000**
Total savings and funding increases	**-20.747**	**-2.383**	**-0.412**	**0.000**	**-23.542**
Original gap at MTFS 2020-21 to 2023-24 (surplus)/deficit as agreed by Full Council in February 2020	**38.992**	**24.500**	**30.203**	**0.000**	**93.694**
Economic and inflationary pressures for all services	-2.027	-1.609	-1.453	19.352	**14.262**
Legislative requirements					
Extend legislative pressure assumptions for 2024-25	0.000	0.000	0.000	5.999	**5.999**
ASS - National Living Wage pressures	0.752	0.221	0.682	1.011	**2.666**
ASS - Provision for Minimum Income Guarantee judgement	0.600	0.000	0.000	0.000	**0.600**
CES - Fire Pension pressures	0.000	0.850	0.000	0.000	**0.850**
CES - Remove CES highways A and B class signage review pressures	-0.500	0.500	0.000	0.000	**0.000**
CES - Increased traffic management costs linked to more stringent national standards	0.280	0.000	0.000	0.000	**0.280**
CES - Public Health expenditure pressures for revised grant allocation	1.915	0.000	0.000	0.000	**1.915**
CES - Increased fuel costs for gritting vehicles	0.000	0.050	0.000	0.000	**0.050**
FG - EELGA pension deficit recovery payment	0.002	0.000	0.000	0.000	**0.002**
Demand and demographic pressures					
Extend demand and demographic pressure assumptions for 2024-25	0.000	0.000	0.000	11.000	**11.000**
CS – Home to School Transport: additional three days of provision (2021-22)	0.617	0.000	0.000	0.000	**0.617**

Appendix 1: Norfolk County Council Revenue Budget 2021-22

Item	2021-22	2022-23	2023-24	2024-25	Total
	£m	£m	£m	£m	£m
CS - Home to School Transport: additional demand pressures	1.000	0.000	0.000	0.000	**1.000**
CES - A143 / A12 link road scheme - landscaping pressures	0.015	0.000	0.000	0.000	**0.015**
CES waste pressure - remove as a result of re-procurement	-0.964	0.000	0.000	0.000	**-0.964**
Council policy decisions					
Extend council policy pressure assumptions for 2024-25	0.000	0.000	0.000	0.111	**0.111**
ASS - Adult Social Care – other revenue cost pressures including engagement	0.261	0.000	0.000	0.000	**0.261**
CS - Six-month delay to implementation of Children's Services new operating model (linked to delay in saving delivery)	0.580	0.210	-0.690	-0.100	**0.000**
CES - Countywide traveller site clearance works and highway repairs	0.030	0.000	0.000	0.000	**0.030**
CES - Highways pressure for cutting / clearance of drainage grips to reduce road flooding risks	0.235	0.000	0.000	0.000	**0.235**
CES - Full mapping and condition survey of cycling infrastructure to enable effective asset management	0.150	-0.150	0.000	0.000	**0.000**
CES - Weed spray application on new Trods being constructed via Parish Partnership Schemes	0.050	0.000	0.000	0.000	**0.050**
CES - Funding pressure for either additional Inspectors to ensure safety of network or moving towards technological solutions using cameras installed in vehicles	0.100	-0.100	0.000	0.000	**0.000**
CES - Funding of previous costs pressures delivered through one-off options (ITS)	0.125	0.000	0.000	0.000	**0.125**
CES - ICT Autocad licenses - change in licensing model	0.120	0.000	0.000	0.000	**0.120**
CES - Equality resources	0.120	-0.020	0.000	0.000	**0.100**
CES - Flooding budget revenue provision	0.350	0.000	0.000	0.000	**0.350**
CES - One-off contribution to establish a Flood Reserve	1.500	-1.500	0.000	0.000	**0.000**
CES - Fire - Fleet	0.270	0.000	0.000	0.000	**0.270**
S&T - Information Governance Service 2020-21 restructure	0.335	0.000	0.000	0.000	**0.335**
S&T - HR Apprenticeship Levy team pressure	0.160	0.000	0.000	0.000	**0.160**
GOV - Nplaw income pressure	0.375	0.000	0.000	0.000	**0.375**
GOV - Establish budget for legal advice relating to governance issues	0.035	0.000	0.000	0.000	**0.035**
S&T - Remove pressures previously addressed through short term measures or on a one-off basis	0.152	0.000	0.000	0.000	**0.152**

Appendix 1: Norfolk County Council Revenue Budget 2021-22

Item	2021-22	2022-23	2023-24	2024-25	Total
	£m	£m	£m	£m	£m
S&T - Establish transformation team revenue budget (previously Norfolk Futures)	0.550	0.000	0.000	0.000	**0.550**
FCS - Property - Whitegates running cost/undeliverable saving	0.100	0.000	0.000	0.000	**0.100**
FCS - ESPO dividend pressures	0.200	0.000	0.000	0.000	**0.200**
FCS - Pressure for significant change / growth in IMT contact centre telephony services	0.067	0.000	0.000	0.000	**0.067**
FG - Adjust Pension Fund deficit budget provision	-0.400	0.000	0.000	0.000	**-0.400**
FG - Future year MRP pressures	0.000	0.000	0.000	3.000	**3.000**
FCS - Digital transformation project accommodation costs	0.173	0.000	0.000	0.000	**0.173**
FCS - Property cost pressures	0.379	-0.178	0.000	0.000	**0.201**
Provision to increase General Fund level to maintain at target 5% net Budget	0.000	1.500	0.000	0.000	**1.500**
Provision for COVID pressures including Adults (centrally held)	18.829	-18.829	0.000	0.000	**0.000**
Funding decreases from 2020-21 MTFS					
Adults grant assumption changes (2020-21 allocations for Local Reform and Community Voices, Social Care in Prisons, and War Pensions Disregard Grant)	0.005	0.000	0.000	0.000	**0.005**
Change in New Homes Bonus grant	0.665	1.463	0.806	0.000	**2.934**
Savings and funding increases					
Changes to savings brought forward from 2020-21 MTFS					
Remove non-deliverable element of existing 2021-22 savings plans - ASC036: Maximising potential through digital solutions	1.000	0.000	0.000	0.000	**1.000**
Remove non-deliverable element of existing 2021-22 savings plans - ASS001: Expanding home based reablement	0.750	0.000	0.000	0.000	**0.750**
Remove non-deliverable element of existing 2021-22 savings plans - ASS001: Expanding accommodation based reablement	0.250	0.000	0.000	0.000	**0.250**
Remove non-deliverable element of existing 2020-21 savings plans - ASC038: Procurement of current capacity through NorseCare at market value	1.000	0.000	0.000	0.000	**1.000**
Defer implementation of existing 2020-21 and 2022-23 savings plans - ASC046: Revise the NCC charging policy for working age adults to apply the government's minimum income guarantee amounts	3.000	0.235	0.000	0.000	**3.235**

Appendix 1: Norfolk County Council Revenue Budget 2021-22

Item	2021-22	2022-23	2023-24	2024-25	Total
	£m	£m	£m	£m	£m
Delay budgeted delivery of existing 2020-21 and 2021-22 savings plans by six months to reflect impact of COVID-19 on implementation plans - CHS001: Prevention, early intervention and effective social care	0.500	-0.500	0.000	0.000	**0.000**
Delay budgeted delivery of existing 2020-21 and 2021-22 savings plans by six months to reflect impact of COVID-19 on implementation plans - CHS003: Transforming the care market and creating the capacity that we need	1.900	-1.900	0.000	0.000	**0.000**
Delay budgeted delivery of existing 2020-21 savings plans by twelve months to reflect impact of COVID-19 on implementation plans - CES001: Increasing the income we get from Adult Learning	0.240	-0.240	0.000	0.000	**0.000**
Delay budgeted delivery of existing 2020-21 savings plans by twelve months to reflect impact of COVID-19 on implementation plans - CES017: Reviewing the operation of Museum catering facilities to make them more commercial	0.035	-0.035	0.000	0.000	**0.000**
Extend assumptions about use of Public Health reserves from 2020-21 savings plans - PHE004: Use of Public Health reserves	0.000	-1.664	0.000	0.000	**-1.664**
Remove existing 2021-22 to 2023-24 savings plans which will be delivered within new service proposals - BTP001-5: Business Transformation savings	4.388	1.412	0.412	0.000	**6.212**
Net new saving proposals 2021-22 Budget Round					
Adult Social Services - new 2021-22 saving proposals	-16.514	4.275	2.000	0.000	**-10.239**
Children's Services - new 2021-22 saving proposals	-7.300	-2.500	-3.500	-2.500	**-15.800**
Community and Environmental Services - new 2021-22 saving proposals	-5.798	0.209	0.000	0.000	**-5.589**
Strategy and Transformation - new 2021-22 saving proposals	-0.553	-0.180	0.000	0.000	**-0.733**
Governance - new 2021-22 saving proposals	-0.353	0.000	0.000	0.000	**-0.353**
Finance and Commercial Services - new 2021-22 saving proposals	-1.277	0.026	-0.100	0.000	**-1.351**
Finance General - new 2021-22 saving proposals	-1.700	1.000	0.000	0.000	**-0.700**
Funding increases from 2020-21 MTFS					
Change in Revenue Support Grant	-0.218	0.000	0.000	0.000	**-0.218**
Change in Rural Services Delivery Grant	-0.197	0.000	0.000	0.000	**-0.197**
Local Council Tax Support Grant	-7.512	7.512	0.000	0.000	**0.000**
Tax Income Guarantee Scheme	TBC	0.000	0.000	0.000	**0.000**

Appendix 1: Norfolk County Council Revenue Budget 2021-22

Item	2021-22	2022-23	2023-24	2024-25	Total
	£m	£m	£m	£m	£m
Unringfenced grant funding carried forward into 2021-22	-5.608	5.608	0.000	0.000	**0.000**
Public Health Grant increase 2020-21	-1.915	0.000	0.000	0.000	**-1.915**
One-off Business Rates gain	-2.265	2.265	0.000	0.000	**0.000**
Rebase Business Rates budget	-7.972	0.000	0.000	0.000	**-7.972**
Share of new £300m Social Care Grant at SR20	-5.587	0.000	0.000	0.000	**-5.587**
Share of new £1.55bn COVID Grant for 2021-22	-18.829	18.829	0.000	0.000	**0.000**
Changes in council tax assumptions					
Council tax % increase (1.99% general council tax assumed for planning purposes in all years)	0.118	0.027	-0.003	-9.467	**-9.325**
Council tax collection fund (assumes deficit in 2021-22 with gradual recovery)	6.767	-2.360	-2.262	-0.645	**1.500**
Council tax base (0.4% growth 2021-22, 0.5% 2022-23, 0.75% 2023-24, 1.0% thereafter)	5.948	4.392	3.401	-4.710	**9.031**
Council tax ASC precept (2% ASC precept 2021-22, 1% ASC precept 2022-23 (Spending Round 2020))	-8.497	-4.451	0.000	0.000	**-12.948**
Proposed 2021-22 Revenue Budget and forecast MTFS gap (surplus)/deficit	**0.000**	**38.868**	**29.495**	**23.051**	**91.414**

5.30. Reflecting these proposed adjustments, the resulting budgets for the period of the MTFS are shown below.

Appendix 1: Norfolk County Council Revenue Budget 2021-22

Table 11: Summary Net Budget Changes 2021-22

	Adult Social Services	Children's Services	Community and Environmental Services	Strategy and Transformation	Governance	Finance and Commercial Services	Finance General	Norfolk County Council
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Base Budget 2020-21	255.740	196.211	163.471	6.813	2.552	30.811	-225.178	**430.421**
Growth								
Economic and inflationary	7.451	2.477	1.929	0.074	0.043	0.357	5.400	**17.730**
Legislative requirements	7.692	0.000	2.107	0.000	0.000	0.000	0.663	**10.462**
Demand and demographic	6.100	5.117	1.800	0.000	0.080	0.000	0.000	**13.097**
Policy decisions	6.954	-0.580	4.676	1.197	0.458	1.331	39.940	**53.976**
Funding reductions	0.005	0.000	0.088	0.000	0.000	0.000	4.594	**4.688**
Cost neutral increases	0.052	0.100	0.131	0.016	0.000	1.885	25.034	**27.217**
Total budget increase	**28.255**	**7.114**	**10.731**	**1.286**	**0.581**	**3.572**	**75.631**	**127.170**
Reductions								
Total savings	-17.858	-11.300	-8.288	-0.553	-0.353	-1.927	-0.900	**-41.179**
Funding increases	-5.587	0.000	-1.915	0.000	0.000	0.000	-42.600	**-50.101**
Cost neutral decreases	-8.001	-13.139	-5.692	0.000	0.000	-0.022	-0.364	**-27.217**
Total budget decrease	**-31.446**	**-24.439**	**-15.895**	**-0.553**	**-0.353**	**-1.949**	**-43.863**	**-118.498**
Base Budget 2021-22	**252.550**	**178.886**	**158.307**	**7.546**	**2.780**	**32.435**	**-193.410**	**439.094**

Funded by: Council tax	-442.861
Collection Fund surplus	3.767
	-439.094
2021-22 Budget Gap	0.000

Appendix 1: Norfolk County Council Revenue Budget 2021-22

Table 12: Summary Net Budget Changes 2022-23

	Adult Social Services	Children's Services	Community and Environmental Services	Strategy and Transformation	Governance	Finance and Commercial Services	Finance General	Norfolk County Council
	£m	£m	£m	£m	£m	£m	£m	£m
Base Budget 2021-22	252.550	178.886	158.307	7.546	2.780	32.435	-193.410	**439.094**
Growth								
Economic and inflationary	8.211	4.645	3.711	0.289	0.192	0.854	0.827	**18.730**
Legislative requirements	6.495	0.000	0.900	0.000	0.000	0.000	1.077	**8.472**
Demand and demographic	6.100	3.500	1.700	0.000	0.080	0.000	0.000	**11.380**
Policy decisions	0.000	-1.370	-1.770	0.000	0.051	-0.538	-12.686	**-16.313**
Funding reductions	0.000	0.000	0.000	0.000	0.000	0.000	35.726	**35.726**
Cost neutral increases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Total budget increase	**20.806**	**6.775**	**4.541**	**0.289**	**0.324**	**0.316**	**24.944**	**57.995**
Reductions								
Total savings	4.275	-6.900	-0.466	-0.180	0.000	0.026	1.000	**-2.245**
Funding increases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Cost neutral decreases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Total budget decrease	**4.275**	**-6.900**	**-0.466**	**-0.180**	**0.000**	**0.026**	**1.000**	**-2.245**
Base Budget 2022-23	**277.631**	**178.762**	**162.382**	**7.655**	**3.104**	**32.776**	**-167.466**	**494.844**

Funded by: Council tax	-458.383
Collection Fund surplus	2.407
	-455.976
2021-22 Budget Gap	0.000
2022-23 Budget Gap	38.868

Appendix 1: Norfolk County Council Revenue Budget 2021-22

Table 13: Summary Net Budget Changes 2023-24

	Adult Social Services	Children's Services	Community and Environmental Services	Strategy and Transformation	Governance	Finance and Commercial Services	Finance General	Norfolk County Council
	£m	£m	£m	£m	£m	£m	£m	£m
Base Budget 2022-23	277.631	178.762	162.382	7.655	3.104	32.776	-167.466	**494.844**
Growth								
Economic and inflationary	8.256	4.509	3.851	0.292	0.201	0.878	0.898	**18.884**
Legislative requirements	6.728	0.000	-0.090	0.000	0.000	0.000	2.061	**8.699**
Demand and demographic	6.700	3.500	1.700	0.000	0.080	0.000	0.000	**11.980**
Policy decisions	0.000	-0.890	0.000	0.000	0.105	-0.052	5.902	**5.065**
Funding reductions	0.000	0.000	0.000	0.000	0.000	0.000	0.856	**0.856**
Cost neutral increases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Total budget increase	**21.683**	**7.119**	**5.461**	**0.292**	**0.386**	**0.826**	**9.717**	**45.485**
Reductions								
Total savings	2.000	-3.500	0.000	0.000	0.000	-0.100	0.000	**-1.600**
Funding increases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Cost neutral decreases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Total budget decrease	**2.000**	**-3.500**	**0.000**	**0.000**	**0.000**	**-0.100**	**0.000**	**-1.600**
Base Budget 2023-24	**301.314**	**182.380**	**167.843**	**7.947**	**3.490**	**33.503**	**-157.749**	**538.728**

Funded by: Council tax	-471.011
Collection Fund surplus	0.645
	-470.366
2021-22 Budget Gap	0.000
2022-23 Budget Gap	38.868
2023-24 Budget Gap	29.495

Appendix 1: Norfolk County Council Revenue Budget 2021-22

Table 14: Summary Net Budget Changes 2024-25

	Adult Social Services	Children's Services	Community and Environmental Services	Strategy and Transformation	Governance	Finance and Commercial Services	Finance General	Norfolk County Council
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Base Budget 2023-24	301.314	182.380	167.843	7.947	3.490	33.503	-157.749	**538.728**
Growth								
Economic and inflationary	8.440	4.626	3.949	0.301	0.208	0.903	0.924	**19.351**
Legislative requirements	7.010	0.000	0.000	0.000	0.000	0.000	0.000	**7.010**
Demand and demographic	5.500	3.500	2.000	0.000	0.000	0.000	0.000	**11.000**
Policy decisions	0.000	-0.100	0.000	0.000	0.111	0.000	3.000	**3.011**
Funding reductions	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Cost neutral increases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Total budget increase	**20.950**	**8.026**	**5.949**	**0.301**	**0.319**	**0.903**	**3.924**	**40.372**
Reductions								
Total savings	0.000	-2.500	0.000	0.000	0.000	0.000	0.000	**-2.500**
Funding increases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Cost neutral decreases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Total budget decrease	**0.000**	**-2.500**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**-2.500**
Base Budget 2024-25	**322.264**	**187.906**	**173.792**	**8.248**	**3.809**	**34.406**	**-153.825**	**576.600**

Funded by: Council tax	-485.188
Collection Fund surplus	0.000
	-485.188
2021-22 Budget Gap	0.000
2022-23 Budget Gap	38.868
2023-24 Budget Gap	29.495
2024-25 Budget Gap	23.051

6. Key risks and assumptions for the 2021-22 Budget

6.1. In setting the annual budget, Section 25 of the Local Government Finance Act 2003 requires the Executive Director of Finance and Commercial Services (Section 151 Officer, S151) 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 2021-22.

6.2. The Executive Director of Finance and Commercial Services' judgement on the robustness of the 2021-22 Budget is set out in Appendix 4, and will be substantially based upon the following considerations:

Changes in Budget planning

- Significant service pressures, totalling over £45.723m, which have been identified for 2021-22 and been incorporated into the Budget in February after being reviewed and validated.
- Potential additional COVID-19 cost pressures have been provided for, reflecting the Government support being made available for 2021-22.
- Recognising the fundamental changes in operating context brought about by the COVID-19 pandemic, work to review and validate the deliverability of the previously planned saving programmes has been undertaken so that changes can be reflected in final budget setting for 2021-22. As a result, it is considered that the MTFS agreed in February 2020 included a number of saving proposals which are now judged to be at risk of either non-delivery or delay. These savings totalling £13.063m have been removed or delayed as appropriate from 2021-22 and future years (£10.783m over the full MTFS period).
- Options to reduce the level of reliance on capital receipts and one-off measures across the life of the MTFS have been identified and reflected in planning where possible.
- Budget planning reflects final changes to inflation forecasts for 2021-22, however it should be noted that inflation figures are estimates only for future years and these will continue to change.

Risks

- The S151 Officer has considered the **adequacy of the overall general fund balance**, as well as the need for providing a general contingency amount within the revenue budget. This assessment is informed by the increasing level of the council's net budget, uncertainty about business rates income, Government funding and the implications of Brexit, the impact and uncertainty linked to the COVID-19 pandemic, and the council's overall value for money position. In broad terms, the general fund balance provides for around 16 days of the council's net budget activity. While recognising the changing picture, and increasing levels of risk, the proposed revenue budget for 2021-22 is based on maintaining general balances at £19.706m. This position acknowledges the significant pressures within the revenue budget and also takes into account the fact that specific earmarked reserves have been established which will help to address COVID-19 related pressures and risks in 2021-22. Having regard to the reserves and balances risk assessment, the S151 Officer further continues to recommend a principle of seeking to increase general fund balances and that any additional resources which become available during 2021-22 from (but not limited to) the following sources, should be added to the general fund balance wherever possible:
    - in year revenue underspends as reported through the monthly revenue monitor to Cabinet or at year end;

  - one off revenue funds which become available such as one-off unbudgeted income;
  - any other resources which become available on an unforeseen or unbudgeted basis.
- The latest information about the 2020-21 budget monitoring position is set out in the Financial Monitoring report elsewhere on the agenda. A number of the issues identified in the 2020-21 position are provided for in the pressures included in the 2021-22 Budget, however, save where they have been specifically mitigated within the budget process, the underlying assumption for budget setting is that the 2020-21 Budget is delivered (i.e. that all savings are achieved as planned and there are no significant unfunded overspends).
- The 2021-22 Budget provides for **no general salary inflation** for council employed staff apart from £250 for all employees earning less than £24,000. However, the pay award for the year has not yet been agreed, and at the time of writing, unions have not yet submitted a claim for 2021-22. In broad terms, every 1% pay increase represents an additional £2.5m pressure to the council. A contingency has been set aside for a pay award of up to 2%.
- Pay inflation from 2022-23 onwards is assumed and included in budget planning at 3% per year, broadly reflecting national pressures and expected increases to the level of the minimum wage / national living wage, however increases may also have further implications for some of the lower points on the council's current salary scales and this will need to be refined as pay negotiations progress.
- There is a risk that the Adults Business Risk Reserve may also be required to fund new pressures in 2021-22 linked to the non-delivery of savings and / or deprivation of liberty safeguards (DOLS) and any further impact following the expected ruling of the Supreme Court on sleep in shifts in the event that they arise during the year. Where these reflect ongoing costs, they will potentially give rise to further significant budget pressures from 2021-22 onwards. The level of pressure linked to DOLS is estimated to be £2m for a full year, however the timing of any pressures and whether these would attract funding from Government is currently unclear.
- The council submitted a disapplication request in respect of the **Dedicated Schools Grant (DSG)** for 2021-22 for 1% transfer in addition to the 0.5% transfer from the Schools Block (SB) to the HNB agreed by Schools Forum on 13 November 2020. The Council was notified on the 18 January 2021 that this request to the Secretary of State has been declined, with the resulting in-year forecast pressure for 2021-22 and cumulative deficit anticipated by the end of 2021-22 increasing by £5.243m. The DSG deficit arises from the historic underfunding of the High Needs Block, which supports high needs places in state special schools, independent schools, and Alternative Provision (AP). Norfolk is currently carrying an outstanding DSG deficit from previous financial years, with a forecast £30.963m cumulative deficit forecast for the end of 2020-21. On the basis of the accounting treatment introduced in 2020[16] by the Government:

  - the DSG is a ring-fenced specific grant separate from the general funding of Local Authorities;
  - any deficit an authority may have on its DSG account is expected to be carried forward and is not required to be covered by the authority's general reserves;
  - the deficit should be repaid through future years' DSG income.

[16] https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2019-to-2020/dedicated-schools-grant-conditions-of-grant-2019-to-2020#accounting

There is no easy solution to these funding challenges, and the system overall lacks sufficient funding to meet the needs of all pupils, given the increasing complexity of needs for significant numbers. Future uncertainty in relation to all DSG funding makes it extremely difficult for both schools and the council to plan ahead and to understand the implications of any decisions made. Nevertheless, the council recognises that the needs of current students must be considered alongside the offer for the future, and it is critical that mainstream schools have the funding locally to invest in creative solutions to achieve increased inclusivity. Removing funding from the mainstream schools (Schools Block) risks escalation of need that cannot be met at a lower level driving more pupils into high needs provision that is significantly more expensive. However, the revised terms and conditions of the DSG left the Council with little choice but to apply for an increased block transfer. The LA recognises the pressures on schools' budgets and the desire of schools to receive the maximum funding possible directly into their budgets via the funding formula, and that maximising funding in schools may support increased inclusivity and reduced escalation of needs. However, the LA must weigh this up against the current and forecast levels of DSG deficit and be responsible in considering how the deficit can be repaid from within the DSG in future years, as required by the regulations. The LA is required to have a plan in place for recovery of the DSG. Norfolk's plan has been presented to the DfE as well as to Schools Forum and the latest version is included in the Dedicated Schools Grant Budget report elsewhere on this agenda.

It should be noted that the Council's SEND (Special Educational Needs and Disability) and AP transformation programme is expected to deliver significant savings, which are shown in the table below:

Table 15: Forecast savings

	2020-21 £m	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
Savings (iterative)	-1.488	-3.608	-4.266	-2.525	-1.764
Savings (cumulative in-year)	-1.488	-5.097	-9.363	-11.888	-13.652
Savings (cumulative total)	-1.488	-6.585	-15.947	-27.835	-41.487

Lower delivery of savings, or growth above budgeted levels, could result in an increase to the cumulative deficit forecast in the DSG recovery plan.

The demand that the local authority is anticipating outstrips supply in future years, based upon the trends seen since the policy changes made in the SEND Reform Act. The local authority is of the view that the funding for the High Needs Block has not kept pace with the financial impact of these policy changes (including the emphasis upon parental choice) and, based upon current projections, the significant capital investment and transformation programme that is underway will not be sufficient to sustainably balance the DSG. To be able to properly meet the needs of Norfolk's population, the local authority is of the view that central government needs to allocate both sufficient revenue funding and capital funding, with the capital funding sufficient to both maintain the condition of existing maintained special schools, but also to expand provision (similar to capital grant allocations for mainstream schools).

The accounting treatment for DSG cumulative deficits diverges from normal accounting practice and allows councils to carry a negative balance on these reserves. This treatment is being dictated by Government but will need to be kept under review as it potentially remains a significant issue for Norfolk County Council and will result in a material deficit balance in the council's Statement of Accounts until the DSG recovery plan has been delivered.

- There are financial risks linked to the Council's ambitious net zero carbon emissions target which is set out within the Environment Policy adopted by the County Council in 2019-20. This aims to achieve carbon neutrality by 2030.
- There is an ongoing risk in relation to potential pressures within the Council's waste budgets which relates to the overall waste volumes. There are a number of factors that impact on waste volumes such as effects of the general economy, changing working routines, consumer confidence and behaviours and weather patterns. There have been significant increases in waste volumes over the last year, largely driven by greater numbers of people working from home and changes in consumer behaviours. These factors remain highly uncertain and could impact on waste volumes significantly. As a consequence of Covid-19 the County Council's waste services have experienced a surge in the volumes of waste, recycling and garden waste. This increase in materials being generated by households is being experienced nationwide and is mainly due to changes in householder behaviours in response to Covid-19 regulations, combined with the effect of many shifting to working from home. The waste levels managed by the County Council for the full 2020-21 financial year are currently projected to be around 6% or 14,000 tonnes more than expected. Similarly, the amount of recycling and garden waste collected by District Councils, which the County Council contributes to the cost of dealing with, is expected to be around 7% or 11,000 tonnes more than expected. During 2021-22 these levels of increases in waste, recycling and garden waste are expected to be sustained, due to an expected prolonged effect of Covid-19 on householder behaviours. However, although in the longer term these effects are expected to reduce it is also expected that many will retain some work from home habits, such that levels of both waste and recycling in the longer term will remain at levels several thousand tonnes a year higher than the pre-Covid-19 levels.
- Winter Hardship Funds have been provided to upper tier local authorities to support families and adults who are struggling financially as a result of the covid pandemic. The specific additional funding from central government to support those in hardship is currently in place to the end of March 2021. Therefore, there is a risk that given the ongoing pandemic, the third lockdown (implemented since the scheme was launched), and growing economic difficulties, that the need will continue beyond the end of March and that the local authority will be expected to meet this need without sufficient resource.
- On 25 November 2020, the Government announced[17] National Living Wage increases which will come into effect from April 2021. These reflect a 2.2% increase from £8.72 to £8.91 for workers aged over 23 (previously 25). This level of increase in the National Living Wage is allowed for in the council's own pay scales, but will have implications for some of our third party providers, particularly in respect of Adult Social Care as discussed in further detail in the Fee Levels for Adult Social Care Providers 2021-22 report to Cabinet in January 2021[18]. These announcements have significant financial implications for the council as every penny increase in the National Living Wage represents a pressure of approximately £0.200m for Adult Social Care. Increases to meet at least the National Living Wage have been provided for within 2021-22 budget plans.

[17] https://www.gov.uk/government/news/national-living-wage-increase-to-protect-workers-living-standards

[18] Agenda Item 9, Cabinet 12 January 2021

Assumptions

- The Chancellor's Spending Review announcements, as confirmed in the provisional Settlement, are expected to provide additional resources in 2021-22 beyond the level assumed in the February 2020 MTFS, although almost all of these are one-off funding linked to the COVID-19 response. Further details are provided in section 8 below. However, on the basis that COVID-19 cost pressures are genuinely short-term in nature, it is anticipated that this additional funding will enable a number of the pressures identified in the Budget to be mitigated to ensure a robust position can be established for 2021-22. As set out elsewhere in these papers, details of the final Local Government Finance Settlement remain to be confirmed although significant changes are considered unlikely.
- Assumptions have also been made that elements of funding will continue in 2022-23 and beyond. However, the short-term nature of the Spending Review announcement (for 2021-22 only) means that **risks remain around the provision of this funding in future years and therefore a material impact and potential cliff-edge may emerge in 2022-23 if these assumptions have to be subsequently reversed**. In addition, there is only a very limited increase in core ongoing funding provided in the 2021-22 provisional Settlement and Government has made assumptions about council tax increases which effectively transfer the burden of funding services to Norfolk taxpayers.
- A **1.99% increase in general council tax in 2021-22 and 1.99% in subsequent years** based on the current amounts allowed by Government before a local referendum is required. 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.
- An **increase of 2.00% in the Adult Social Care precept** from the 2020-21 level, based on the new flexibility offered by Government, with a deferred 1.00% increase for 2022-23. No further increases in the Adult Social Care precept are assumed beyond 2022-23 as the Government has not yet announced what options will be available to local authorities.
- In future years there will be an opportunity to consider the required level of council tax and Adult Social Care precept in light of any future Government announcements relating to the Fair Funding Review and Comprehensive Spending Review. However, it is currently the view of the Executive Director of Finance and Commercial Services that the pressures within the current budget planning position are such that the council will have very limited opportunity to vary these assumptions, and **in the event that the Government offered the discretion for larger increases in council tax, or further increases in the Adult Social Care precept, this would be the recommendation of the Section 151 Officer** in order to ensure that the council's financial position remains robust and sustainable.
- In addition to an annual increase in the level of council tax, the **budget assumes relatively modest annual tax base increases of 0.5% in 2022-23 and 0.75% for 2023-24 and 1.0% for subsequent years**. If these do not occur, the budget gap would be increased, but equally, additional growth would reduce the gap. This position reflects an allowance being made for an ongoing medium-term impact from COVID-19 on the overall tax base level. It should be noted that council tax forecasts from District Councils for tax base and collection fund have not yet been finalised and updated information will be provided at the end of January 2021.
- 2020-21 Budget and savings will be delivered in line with current forecasts and plans (no overall overspend). This also assumes that any "unmitigated" non delivery of savings from 2020-21 can be effectively made up during 2021-22.
- Use of additional Adult Social Care funding in line with conditions, and that non-Covid-19 related market pressures can be absorbed within existing budgets.

- Transformational change and growth pressures forecast in Children's Services relating to vulnerable children and families, and home to school transport, can be delivered within the funding allocated.
- Assumptions have been made in relation to the allocation of the new 2021-22 Social Care grant which sees the grant being fully aligned to Adult Social Services.
- The High Needs Block overspend and brought forward DSG deficit position can be treated in line with the accounting treatment proposed by Government and as such places no pressure on the local authority budget (as discussed in more detail in the risks section above).
- Cost pressures and capital schemes to achieve 2030 carbon neutrality as set out in the Environmental Policy are sufficient.
- Pressures forecast within waste and highways budgets can be accommodated within the additional funding allocations.
- The assumed use of one-off funding including £4.233m of reserves within savings proposals.
- That all the savings proposed and included for 2021-22 can be successfully achieved.
- The council is currently in the process of procuring a new HR and Finance System, following approval of the business case presented in May 2019[19]. The budget makes provision for the revenue and capital costs associated with the system, which is expected to deliver savings from 2022-23, with full benefits achieved from 2023-24, subject to implementation during the 2021-22 financial year. As a result, this Budget incorporates some early savings realised within Finance and Commercial Services in 2021-22, with the majority of savings now assumed in the planning position from 2022-23, which assists in closing the MTFS gap position in future years. The latest details about the progress of this major project are provided in the Human Resources and Finance Programme Update report to Corporate Select Committee in January 2021[20].

6.3. Taking these issues into account, it is the recommendation of the Section 151 Officer that early planning is undertaken in respect of 2022-23 and the scope to address pressures within the constraints of the overall budget should be reviewed in the round during 2021-22 when further specific details of the longer term funding allocations are known. **It will be essential that the council is able to produce a realistic plan for reducing the budget requirement in future years through the early identification of saving proposals for 2022-23, or the mitigation of currently identified pressures**, and that all proposals are considered in the context of the significant budget gap identified for that year.

7. Council tax

7.1. The council tax / precept is set in the context of restrictions and requirements imposed by Government. In particular, the Localism Act requires that any council tax increase in excess of a limit determined by the Secretary of State for Housing, Communities and Local Government and approved by the House of Commons, will be decided by local voters, who, through a local referendum, will be able to approve or veto the proposed increase. The threshold for 2021-22 has been provisionally announced as 5% (2% for general council tax and 3% for the Adult Social Care precept, with an

[19] HR and Finance System Business Case (agenda item 10, Cabinet, 20 May 2019)

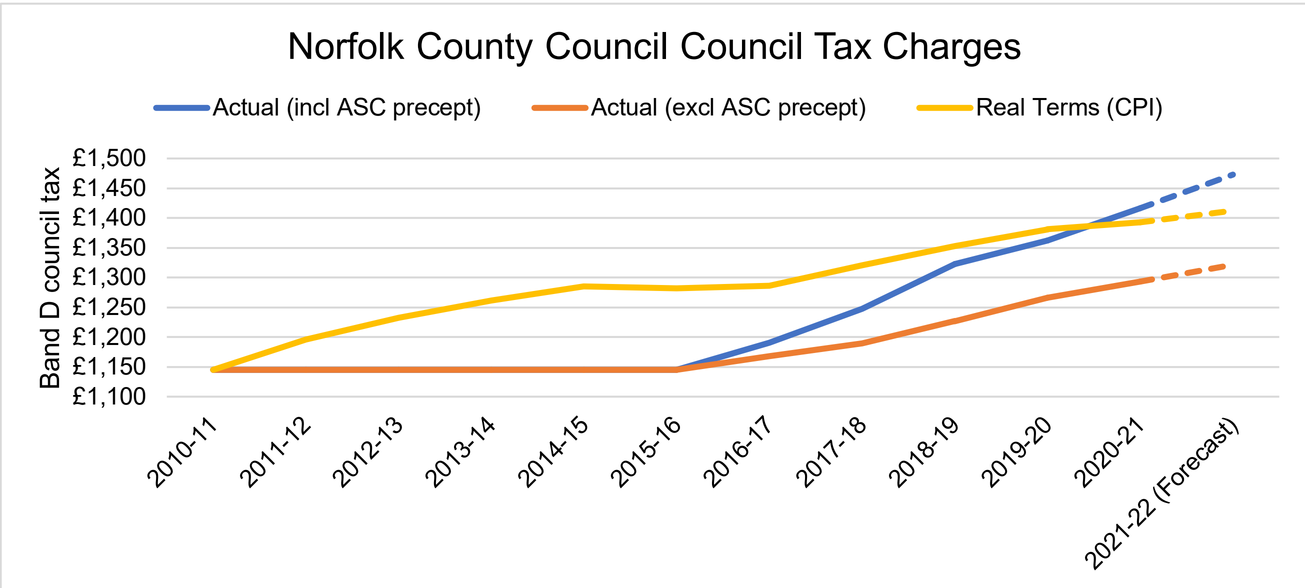
[20] Human Resources and Finance Programme Update, Agenda Item 9, Corporate Select Committee 25 January 2021

option for some or all of the precept to be deferred to 2022-23). This is usually finalised alongside the publication of the Final Local Government Finance Settlement.

7.2. As set out in the assumptions section above, the County Council's planning is based on an increase of 1.99% in general council tax and 2.00% on the Adult Social Care precept, with a further 1% Adult Social Care precept increase deferred to 2022-23. The increases in 2021-22, are forecast to raise approximately £8.470m and £8.497m respectively based on the latest tax base forecasts. This contributes to closing the 2021-22 budget gap and mitigating the gap in future years. An overall council tax increase of 3.99% therefore enables a substantially more robust budget for 2021-22 and the deferred 1% increase helps to reduce risks for the council over the Medium Term Financial Strategy period.

7.3. The increased referendum threshold level of 5% was set out at the provisional Settlement 2020 to enable local authorities to raise additional funds to support social care budgets. The chart below illustrates that with a 3.99% increase in 2021-22, Norfolk County Council's council tax is now slightly ahead of the level it would have been if CPI increases had been applied since 2010-11. However, excluding the effect of the Adult Social Care precept, general council tax remains substantially lower than it would otherwise have been. This is reflective of the Government's policy of encouraging councils to limit council tax increases in the period to 2015-16, prior to the more recent policy of assuming that local authorities will raise the maximum council tax available.

Chart 1: Actual council tax levels compared to CPI increases

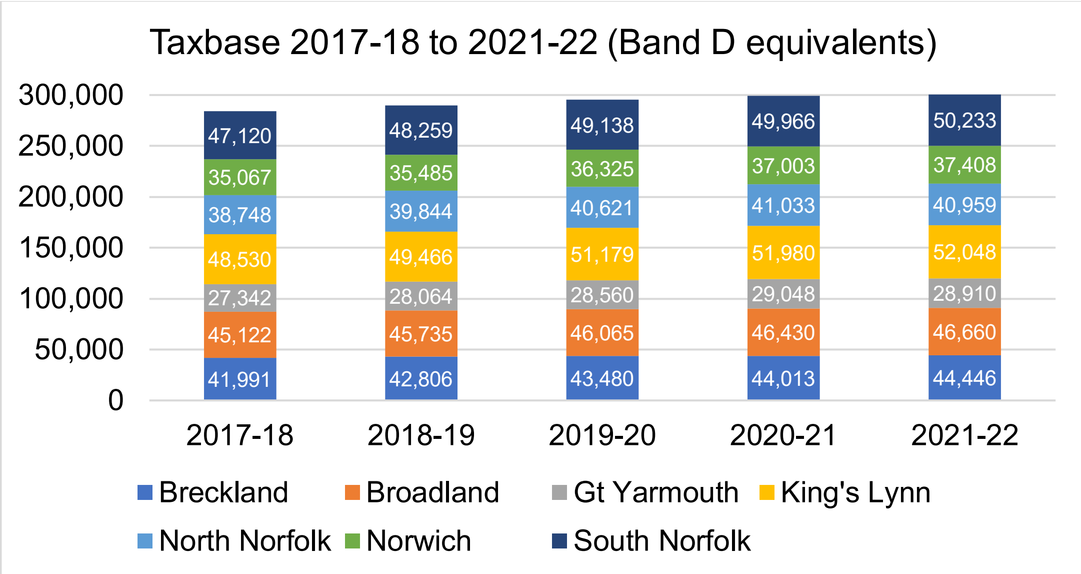


7.4. The Government will examine council tax increases and budget increases when final decisions have been made throughout the country. County Councils are required by regulations to declare their level of council tax precept by the end of February.

7.5. The council is required to state its council tax / precept as an amount for an average Band D property, together with information on the other valuation bands i.e. Bands A to H. Band D properties had a value in April 1991 of over £68,000 and up to £88,000.

7.6. To calculate the level of the County Council's council tax / precept, District Councils supply information on the number of properties in each of their areas. This information also includes estimated losses in council tax / precept collection and any deficits or surpluses on District Council collection funds. Over the past five years, Norfolk has experienced average growth in the tax base of 1.45%. However, the level of growth forecast for 2021-22 is significantly lower, at 0.4% reflecting the impacts of COVID-19. The chart below shows the change in tax base in each district since 2016-17.

Chart 2: Change in Norfolk Band D equivalent tax base 2017-18 to 2021-22 (forecast)



7.7. As has been previously reported to Members, the council has utilised the flexibility provided by Government in 2016-17 for authorities with Adult Social Care responsibilities to increase their council tax by 8% more than the core referendum principle over the period 2016-17 to 2019-20, on the basis that the additional precept raised is allocated to Adult Social Care. The Government then offered a further flexibility to increase the Adult Social Care precept by 2% in 2020-21, which the Council also opted to raise. In respect of 2021-22, Government has confirmed the option to raise the Adult Social Care precept by up to 3%, but with the possibility for some or all of this increase to be deferred (to 2022-23). This Budget report proposes that the Adult Social Care precept should be increased by 2% in 2021-22 with a further 1% increase deferred to 2022-23. This reflects both sensitivity to the cumulative impact of council tax increases, and the facts that in the view of the Section 151 officer:

- a robust budget can be proposed for 2021-22 based on a 2% Adult Social Care precept increase;
- it is however important to secure available increases in the Adult Social Care precept within the base budget to provide additional resources to meet Adult Social Care pressures. Deferring 1% of the Adult Social Care precept provides an opportunity to do this, and will enable demographic and other pressures within the Adult Social Care budget to be met in 2022-23;
- the Government generally assumes that councils will increase council tax at the referendum limit, make use of the flexibility to raise a social care precept where available, and will benefit from ongoing levels of council tax base growth. Failure to raise council tax in line with the Government's assumptions would lead to the Council experiencing a different change in spending power than the Government forecasts. In addition, a decision not to maximise locally available resources makes the council's position more difficult when calling for additional funding from Government.

7.8. Under the Local Government Finance Act 1992, the Section 151 Officer is required to provide confirmation to Government that the adult social care precept is used to fund Adult Social Care. This must be done within seven days of the Council setting its budget and council tax for 2021-22.

7.9. Details of the findings of public consultation on the level of council tax are set out in Appendix 5 to inform decisions about budget recommendations to County Council.

Implications of council tax proposals

7.10. Taking into account the findings of consultation set out elsewhere in this report, Cabinet is asked to consider and confirm, or otherwise, the assumption that the council's 2021-22 budget will include a general council tax increase of 1.99% and an Adult Social Care precept increase of 2.00%, plus a deferred increase of 1.00% in the Adult Social Care precept for 2022-23 as recommended by the Executive Director of Finance and Commercial Services (Section 151 Officer). This will need to be considered at the County Council meeting on 22 February 2021.

7.11. The Medium Term Financial Strategy assumes increases of general council tax of 1.99% from 2022-23 for planning purposes, but with no increases in the Adult Social Care precept assumed (beyond the deferred 1.00% in 2022-23). If the referendum threshold were increased in 2022-23 and subsequent years to above 1.99%, or any further discretion were offered to increase the Adult Social Care precept (or similar), then it is likely that the Section 151 Officer would recommend the council take advantage of this flexibility in view of the council's overall financial position.

7.12. The calculation of total payments of £439.094m due to be collected from District Councils in 2021-22 based on a council tax increase of 3.99%, together with the instalment dates and the council tax level for each valuation band A to H is set out below.

7.13. The council is also required to authorise the Executive Director of Finance and Commercial Services to transfer from the County Fund to the Salaries and General Accounts, all sums necessary in respect of revenue and capital expenditure provided in the 2021-22 budget in order that he can make payments, raise and repay loans, and invest funds.

Council Tax Precept 2021-22 (Council Tax increase 3.99%)

7.14. The number of properties, in each council tax band and in each district is converted into 'Band D' equivalent properties to provide the council tax base. The number of properties in each district is shown below.

7.15. The council tax base is then multiplied by the 'Band D' amount to calculate the council tax income (the precept). The precept generated in each district is shown below.

Table 16: Council tax precept 2021-22

	£m
2021-22 Council Tax Requirement	442.861
Plus:	
Estimated Deficit on District Council Collection Funds etc.	-3.767
Precept Charge on District Councils	**439.094**
Council Tax for an average Band "D" Property in 2021-22	£1,472.94
Council Tax for an average Band "B" Property in 2021-22	£1,145.62

Table 17: Total payments to be collected from District Councils in 2021-22

District Council	**Tax Base**	**Collection Fund Surplus / (Deficit)**	**Precept**	**Total Payments Due**
	(a)	**(b)**	**(c)**	**(d)**
		£	**£**	**£**
Breckland	44,446.30	-£328,908	£65,466,733	£65,137,825
Broadland	46,660.00	-£328,403	£68,727,380	£68,398,977
Great Yarmouth	28,910.00	-£708,851	£42,582,695	£41,873,844
King's Lynn and West Norfolk	52,048.00	-£2,326,081	£76,663,581	£74,337,501
North Norfolk	40,959.18	-£286,542	£60,330,415	£60,043,872
Norwich	37,408.00	£395,127	£55,099,740	£55,494,867
South Norfolk	50,233.00	-£183,023	£73,990,195	£73,807,172
Total	**300,664.48**	**-£3,766,681**	**442,860,739**	**439,094,058**

Council tax collection

7.16. The precept (column (c) above) for 2021-22 will be collected in 12 instalments from the District Council Collection Funds, as follows:

Table 18: 2021-22 Precept instalments

Payment	Date	%
1	30 April 2021	8%
2	19 May 2021	9%
3	21 June 2021	9%
4	19 July 2021	9%
5	19 August 2021	9%
6	20 September 2021	9%
7	19 October 2021	9%
8	22 November 2021	9%
9	20 December 2021	9%
10	19 January 2022	9%
11	21 February 2022	3%
12	21 March 2022	8%
		100%

7.17. Where a surplus on collection of 2020-21 council tax (column (b) above) has been estimated, the District Council concerned will pay to the County Council its proportion of the sum by ten equal instalments, as an addition to the May 2021 to February 2022 precept payments.

7.18. Where a deficit on collection of 2020-21 council tax (column (b) above) has been estimated, the District Council concerned will receive from the County Council its proportion of the sum by ten equal instalments, as a reduction to the May 2021 to February 2022 precept payments.

2021-22 Council tax bands

7.19. In accordance with Section 40 of the Local Government Finance Act 1992, the County Council amount of the council tax for each valuation band be as follows:

Table 19: Norfolk County Council 2021-22 council tax bands

Band	£
A	981.96
B	1,145.62
C	1,309.28
D	1,472.94
E	1,800.26
F	2,127.58
G	2,454.90
H	2,945.88

8. Government funding assumptions

8.1. The national response to the COVID-19 pandemic has had a major impact on Government planning timescales and the financial operating context, resulting in the cancellation of the Autumn Budget 2020 and an impact on the timeframe for the Spending Review 2020, which was reduced to cover one year only (2021-22). As a result of the timing of the Spending Review, the provisional Local Government Finance Settlement (originally expected early December) was not announced until 17 December 2020.

Spending Review 2020

8.2. The Chancellor of the Exchequer, Rishi Sunak, announced the outcome of the one year Spending Review 2020[21] on 25 November 2020 including departmental funding allocations for 2021-22. The Spending Review announcement was dominated by the response to the COVID-19 pandemic, but also set out details of the Government's plans to deliver "*stronger public services*." Nationally, the Spending Review provided £55bn to respond to COVID-19 in 2021-22 and represented a cash terms increase in departmental spending of £14.8bn for day to day budgets compared to 2020-21.

8.3. Details of the specific implications of the Spending Review for local government were subsequently set out in the provisional Local Government Finance Settlement.

Provisional Local Government Finance Settlement

8.4. The provisional Local Government Finance Settlement was announced via a Ministerial statement by the Secretary of State, Robert Jenrick, on 17 December 2020[22]. The provisional Settlement provided details of how Spending Review 2020[23] announcements will impact on specific funding streams including Revenue Support Grant and Rural Services Delivery Grant at an individual authority level for 2021-22. Alongside the provisional Settlement, the Ministry of Housing, Communities and Local Government (MHCLG) issued two consultations; the usual consultation on the provisional Settlement[24] itself, which closed 16 January 2021, and a consultation of the elements of the settlement related to COVID-19 response, which closed 14 January 2021.

8.5. The Council has responded to both consultations. The response to the provisional Settlement set out that:

- The Council appreciates the funding provided in the current financial year to address the extraordinary impacts of COVID-19, but that it is however a concern that the support for 2021-22 is materially lower than that provided for 2020-21, and this is something that Government will need to keep under review.
- The increase in ongoing core funding provided in the provisional Settlement, while welcome, is significantly lower than the uplift provided in the 2020-21 settlement and is not sufficient to keep pace with growth pressures across council services

[21] https://www.gov.uk/government/topical-events/spending-review-2020
[22] https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2021-to-2022
[23] https://www.gov.uk/government/publications/spending-review-2020-documents
[24] https://www.gov.uk/government/consultations/provisional-local-government-finance-settlement-2021-to-2022-consultation

such as ongoing demand and demographic pressures, and national and local policy decisions.

- After nearly a decade of reductions, the new funding falls far short of removing the need to continue to deliver significant savings to set a balanced budget and assumes substantial council tax increases simply to "stand still".
- In this context there remains a vital need for Government to provide an adequate quantum of funding and long term certainty via the next Comprehensive Spending Review, as well as to finally deliver the Fair Funding Review to ensure that sufficient, sustainable resources are available to sustain essential local services into the future.

8.6. The provisional Settlement confirmed a number of the announcements set out in the Spending Review 2020. However, the Settlement did not provide any indication of funding beyond 2021-22. The key announcements in the provisional Settlement included:

- The Settlement assumes Core Spending Power (CSP) will increase nationally by 4.5% (£2.2bn). Government states this is a real terms increase in resources and represents the third settlement in a row to increase resources in real terms. **For Norfolk the quoted overall CSP increase is 5.3%**, however the majority (80%) of this is derived from MHCLG assumptions about increases in council tax (which includes an expectation of raising the full 5%).
- Council tax referendum thresholds proposed were as set out in the Spending Review as **2% for general council tax plus 3% for the Adult Social Care Precept**, with the option to defer an element to 2022-23;
- Confirmed 75% compensation for lost council tax and business rates will be available (the tax income guarantee scheme) although precise details remain to be confirmed.
- A new Local Council Tax Support (LCTS) grant of £670m nationally, to support councils directly (rather than a continuation of the 2020-21 Hardship Fund)[25]. The new scheme is intended to compensate all authorities for lost income due to the expected higher cost of LCTS in 2021-22 and will be provided to billing and precepting authorities. The Secretary of State commented that this was "outside the settlement." Allocations remain to be confirmed, but the council's **indicative allocation is £7.512m**. The Government proposes to distribute the funding "on the basis of each billing authority's share of the England level working-age local council tax support caseload, adjusted to reflect the average bill per dwelling in the area.";
- The council's share of the new un-ringfenced £1.55bn COVID Grant for 2021-22 has been confirmed as **£18.829m**;
- The core **settlement for 2021-22 is overall broadly neutral** compared to 2020-21, and current planning assumptions, including:
  - Increase in Revenue Support Grant of £0.218m;
  - Reduction in New Homes Bonus of £0.665m, with further reductions in 2022-23;
  - Increase in Rural Services Delivery Grant (from £81m to £85m nationally) equating to an additional £0.197m for the council;

[25] The Local Council Tax Support (LCTS) grant is being provided to billing and precepting authorities in 2021-22 in proportion to council tax shares to compensate for lost council tax income expected to arise from increased numbers of LCTS claimants. The cost of LCTS support is borne in proportion to their share of council tax by the billing (District) and precepting authorities (County / Police) through changes in the tax base. Council tax funds the provision of all county council services and the grant is being used (as Government intends) to supplement lost income and therefore support the delivery of these services in 2021-22. There is no requirement for the grant to be transferred between tiers.

- Existing social care grants being continued as previously announced.
- The council's share of the new (additional) £300m social care grant for 2021-22 has been confirmed as **£5.587m**; and
- No change to improved Better Care Fund (iBCF) allocations.

- The Secretary of State confirmed an allocation of £165m to continue the Troubled Families programme. Since the Settlement announcement, funding for the Adoption Support Fund has also been confirmed for 2021-22.
- There was no announcement about the level of Public Health grant for 2021-22.
- Nationally, the Settlement also includes:
  - £2.2bn investment in School building programme.
  - £1.7bn for road maintenance and potholes.
- As part of the provisional Settlement announcement, the Secretary of State confirmed the Government's intention to move forward with the Fair Funding Review and the implementation of 75% Business Rates Retention, to provide longer term certainty "when there is a clearer path ahead." Subsequent announcements indicate that this is unlikely to be in place for 2022-23. The Secretary of State also confirmed the desire to provide a new multi-year settlement next year, subject to decisions by the Chancellor in 2021-22.

8.7. Other announcements included:

- £111m nationally for "lower tier services grant."
- £125m funding was announced for new duties under the Domestic Abuse Bill.
- Funding for Rough Sleepers, amounting to £750m in total next year, highlighted as a 60% increase on the previous spending review.
- £15m nationally to implement the findings of the Redmond review (to support the ongoing sustainability of the local audit market).

8.8. The provisional Settlement will be confirmed in the final Settlement, which is expected to be announced around the end of January 2021. A number of separate grants and funding announcements (including for example, final allocations of Public Health grant) remain to be confirmed. Further announcements about actual funding levels for 2021-22 could have a material impact on the council's overall budget planning position, and may need to be reflected in the final Budget papers presented to Cabinet and Full Council in February 2021.

9. 2021-22 Business Rate pooling

9.1. Since 2013-14 Norfolk County Council has participated in a Business Rate Pool (Pilot in 2019-20) with other Norfolk Local Authorities. There is considerably higher risk and uncertainty attached to pooling in 2021-22 as a result of the significant and widespread impact of the COVID-19 pandemic on business rates.

9.2. Taking into account the level of risk, and the lack of clarity offered by Government in relation to the continuation (or otherwise) of exceptional retail, hospitality and other reliefs in 2020-21, Norfolk Leaders agreed at their meeting of 8 January 2021 to withdraw from pooling in 2021-22. The opportunity for pooling is to be reviewed for 2022-23.

9.3. Cabinet are asked to note the position and the decision of the Pool Board in respect of the 2021-22 Pool.

10. Investing in Norfolk's priorities – Service Department budget planning

Adult Social Services

Financial Strategy

10.1. At a time of such uncertainty, the service remains committed to our clear vision – to support people to be independent, resilient and well. Our strategy to achieve this is Promoting Independence – which is shaped by the Care Act with its call to action across public services to prevent, reduce and delay the demand for social care. However, the immediate need to ensure people are safeguarded and to plan and respond to the pandemic continue to be a priority and will remain so into the new financial year. Our budget plans therefore recognise the on-going need to utilise one-off government funding as part of the Covid-19 response and the risks set out in this paper highlight the requirement to continue to closely monitor this need and, in particular, continuing costs.

10.2. More so than ever, our strategy focuses our work alongside our partners in supporting thriving local communities and within micro economies. Both internally, with the Council's service departments, and externally with Norfolk Councils, health partners, voluntary sector and private partners, we work to improve the infrastructure that enables and promotes jobs, education, housing, health and wellbeing. Our integrated arrangements with our Health colleagues allow us to jointly pursue models of health and care that build upon a person's strengths, abilities and support networks (current or potential). With our joint 'home first' culture, we continue to recognise the importance, and stability, of a person's home, whether it's a person's ability to stay there, or return there, should they require the support of Norfolk's Health and Social Care system.

10.3. As well as improving outcomes for people, this approach has helped the service to deliver the significant financial savings needed to continue to meet the increasing demands for social care across Norfolk. Within the overall strategy for Promoting Independence our financial strategy for achieving savings and financial sustainability is focussed on:

- Investing in early intervention and targeted prevention to keep people independent for longer
- Investing in excellent social work which helps people regain and retain independence, and reduces, prevents and delays the need for formal social care
- Commissioning services which enable and re-able people so they achieve and maintain as much independence as they can and reducing the amount of formal social care they need
- Reducing the proportion of people who are placed in permanent residential and nursing care; including focusing on wider housing options alongside care, for older and younger adults
- Leading and developing the market for social care so that it is stable and sustainable and aligns with the ambitions of promoting independence.
- Working with health partners to reduce system demand and improve outcomes, including focusing on areas of intermediate and shared care that can support improved discharge and avoidance of hospital admission.
- Increasing the use of technology to enable more people to live independently for longer

- Strengthening the contract management of our commissioned contracts and pursuing efficiencies in all areas of our work.

10.4. We are proud of how Norfolk's care market has responded to the recent challenges we have all faced. During the last year we have worked closely with the care market, and its care association, to ensure a consistency of safe and quality provision of care. As we look towards 2021-22, it remains one of our key priorities to support the sustainability of Norfolk's care market, including helping the market to respond to the changes to demand that the pandemic has created and helping to ensure that care workers are properly rewarded for the work they do.

10.5. To give us the best possible chance of delivering our ambitions we continue to develop our Promoting Independence programme. Our change programme provides us with the internal infrastructure to realign our resources to enhance the quality and value for money of the services we provide and this has also supported the service to deliver priority and recovery actions during the Covid-19 pandemic when many of the planned savings could not be implemented.

10.6. As well as improving outcomes for people, our approach to service delivery has helped the department to deliver the significant financial savings needed to continue to meet the increasing demands for social care across Norfolk. In order to truly provide the strong foundation Adult Social Care needs to thrive, we strongly believe that there is an imperative for Central Government to deliver meaningful reform of the social care funding system, which needs to work alongside the development of a long term plan for Adult Social Care.

10.7. Alongside our existing programme of work, our new savings proposals for 2021-24 seek to utilise our financial strategy and can be grouped into five main themes:

- **Independence and enabling housing**
  Adult Social Services is already working to develop more alternative types of accommodation to give people other choices and more independence. The budget proposals extend this, particularly for younger adults, through use of existing accommodation, collaboration with health partners, and putting in place strategic funding arrangements for developing alternative accommodation.

- **Revising the short term out of hospital offer**
  Adult social services has historically played a significant role in funding and delivering out of hospital care. New Discharge to Assess guidance, post-COVID, highlights the importance of this for the health and social care system as a whole. We want to review what our offer is – as part of a health and social care intermediate care offer. This will allow us to focus more resources on home first services, including greater therapy input, and moving away from reliance on short-term beds.

- **Our commissioned models of care**
  The majority of our spend is through purchase of care with external providers and we will continue to seek savings from some commissioned services, particularly maximising block contracts and re-shaping those which are no longer value for money. Part of this will include looking at the cost of care, given the significant changes in the market as a result of COVID.

- **Self-direction, prevention and early help**
  Our prevention and early help approach has enabled us to achieve significant savings in demand, by preventing, reducing and delaying the need for formal care. We will look to consolidate initiatives, strengthening those which are effective and ceasing some activities if there is duplication.

- **Digital efficiency, value for money**
  We are already delivering significant savings through exploiting digital technology, but we believe we can go further to embrace technology across the service. This means we not only fully consider its application within our day to day work, but also challenge ourselves to seek innovation. We believe with the right support, we can live in a digitally enabled society that can thrive by unlocking its potential. Our Adult Social Care Technology Programme (ASTEC) allows us to give focus to this key area of development and budget proposals extend the work undertaken so far, taking up new opportunities to improve productivity and drive out costs.

Risks

10.8. The pandemic has had a significant impact on adult social care and this will continue to be the case into the new financial year. Corporate budget plans reflect the high degree of unknown costs and income for 2021-22, in particular in relation to adult social care. The following section provides some more detail about the specific risks for this financial period.

Since March 2020 the funding arrangements for supporting people post hospital discharge and for avoiding hospital admission temporarily changed. During 2020-21 new government guidance has meant that the council supported both health and social care placements for a period of time, with additional costs reclaimed from the NHS. Further announcements are awaited regarding any continuation of hospital discharge arrangements and funding beyond March 2021, but at present funding is expected to cease. However, due to the current wave and escalation of cases, it is not expected that all social care cases will have been reinstated by this deadline, which will create an immediate financial pressure for the Council. In addition, the Council has seen a significant shift in prices as well as retaining higher volumes than budgeted for, due to a mix of higher demand, escalation of social care needs for some vulnerable adults and being unable to reduce demand through the planned savings programme. The full extent of this financial risk will be clearer in the next three months, but it is expected to create a financial pressure and call on the Council's covid grant for 2021-22.

10.9. The recommended fee uplift for care provision was agreed at January Cabinet. This took account of the latest information on the National Living Wage and inflation. It did not take account of temporary costs for providers related to the pandemic. It is proposed that these costs are managed separately, including through additional government support such as the infection control fund that was provided in 2020-21. Further announcements are awaited regarding similar support for 2021-22 and cessation of support could create a financial risk to the Council. Further work will continue during 2021-22 to understand the underlying and ongoing cost implications for the provision of care across the care sector.

10.10. The price of new care packages has increased during the pandemic, through a mix of drivers – capacity, acuity of care, funding routes and the temporary loss of the usual self funder market affecting normal business models. As the impact of the pandemic subsides, prices should stabilise, but there is a risk of medium to longer term financial impact.

10.11. There is a risk that the Adults Business Risk Reserve may also be required to fund new pressures in 2021-22 linked to the non-delivery of savings, deprivation of liberty safeguards (DOLS) and any further impact following the expected ruling of the Supreme Court on sleep in shifts, in the event that they arise during the year. Where these reflect ongoing costs, they will potentially give rise to further significant budget pressures from 2021-22 onwards. The level of pressure linked to DOLS is estimated to be £2m for a full year, however the timing of any pressures and whether these would attract funding from Government is currently unclear.

10.12. COVID-19 has caused a seismic and immediate refocus of services, process and planning. The financial consequences of this continue to emerge, but it is having a material impact on the ability to deliver our transformation and therefore the full level of planned savings in both 2020-21 and 2021-22. Currently, advice remains to avoid all but emergency visits to care homes and public health advice to avoid transferring people, both mean that much of the previously successful demand management work as part of the Promoting Independence strategy has temporarily stopped. As a result, alongside the longer-term delivery of Promoting Independence, the immediate priority and context for Adult Social Services' financial planning in 2021-22 is the post-pandemic recovery – with services facing unprecedented challenges and continued uncertainty – particularly relating to demand, funding and the wider market. The savings set out are deliverable as part of the overall strategy for the service, however, there is risk to delivery if covid restrictions continue.

Table 20: Detailed budget change forecast Adult Social Services 2021-25

Adult Social Services					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
	OPENING BUDGET	**255.740**	**252.550**	**277.631**	**301.314**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (0% for 21-22, 3% 22-23 to 24-25)	0.584	1.970	1.944	2.002
	Basic Inflation - Prices	6.867	6.241	6.312	6.438
	Legislative Requirements				
	Pay and Price Market Pressures	7.092	6.495	6.728	7.010
	Minimum income guarantee (JR)	0.600	0.000	0.000	0.000
	Demand / Demographic				
	Demographic growth	6.100	6.100	6.100	6.100
	Leap year pressure in Adult Social Care	0.000	0.000	0.600	-0.600
	NCC Policy				
	Recurrent pressures arising from 2019-20 service delivery	5.472	0.000	0.000	0.000
	Recurrent pressures arising from 2020-21 service delivery	3.674	-3.674	0.000	0.000
	One off use of Adults reserves to address recurrent 2020-21 pressures	-3.674	3.674	0.000	0.000
	One off use of Adults reserves to address recurrent pressures	1.221	0.000	0.000	0.000
	iBCF - 2022-23 Other spend adjustment	-1.760	0.000	0.000	0.000
	iBCF - 2021-24 Other spend adjustment	1.815	-1.815	0.000	0.000
	iBCF - 2021-24 Reserve usage adjustment	-1.815	1.815	0.000	0.000
	iBCF - 2022-23 Reserve usage Adjustment	1.760	0.000	0.000	0.000
	Living Well Homes for Norfolk Invest to save	-0.140	0.000	0.000	0.000
	Living Well 3 Conversations Invest to save	-0.242	0.000	0.000	0.000
	ASS - Adult Social Care – other revenue cost pressures including engagement	0.261	0.000	0.000	0.000
	Use of ASC Business Risk Reserve - towards invest to save	0.382	0.000	0.000	0.000
		28.197	**20.806**	**21.683**	**20.950**
	SAVINGS				
ASC035	Investment and development of Assistive Technology approaches	-0.700	0.000	0.000	0.000
ASC036	Maximising potential through digital solutions	-2.000	0.000	0.000	0.000
ASC037	Strengthened contract management function	-0.200	0.000	0.000	0.000
ASC038	Procurement of current capacity through NorseCare at market value	1.000	0.000	0.000	0.000
ASC044	Extra care housing programme	-0.200	0.000	0.000	0.000

Adult Social Services					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
ASC046	Revise the NCC charging policy for working age adults to apply the government's minimum income guarantee amounts	3.000	0.000	0.000	0.000
ASC049	Shift to community and preventative work within health and social care system – demand and risk stratification	-1.000	0.000	0.000	0.000
ASS001	Expanding home based reablement, which saves money in the long term by preventing unnecessary hospital admissions and supporting more people to swiftly return home from hospital.	-1.250	0.000	0.000	0.000
ASS003	Extending home based support for people with higher level needs or dementia so that they can remain in their home especially after an illness or hospital stay, which saves money on residential care.	-0.150	0.000	0.000	0.000
ASS007	Reviewing how we commission residential care services to save money by making sure we have the right services in the right place.	-0.234	0.000	0.000	0.000
ASS008	Developing consistent contracts and prices for nursing care by working more closely with health services.	-0.110	0.000	0.000	0.000
ASS009	Debt management (one-off) - reclaiming money owed by other organisations.	0.500	0.000	0.000	0.000
ASS013	Supporting more people to move into independent housing, reducing the reliance on residential care.	-0.500	0.000	0.000	0.000
ASS014	Strategic approach with health partners to manage joint funding of packages to support better use of resources across the health and social care system.	-1.000	0.000	0.000	0.000
ASS015	Revising the short term out of hospital offer - We want to review what our offer is – as part of a health and social care intermediate care offer. This will allow us to focus more resources on home first services, including greater therapy input, and moving away from a reliance on short-term beds.	-3.670	2.000	2.000	0.000
ASS016	Efficiency targets for some core contracts and ensuring that we maximise the usage of block contracts.	-0.500	0.000	0.000	0.000
ASS017	Introduce more individual service funds as an alternative to commissioned care for some people, to give them more control and choice over their care - This gives people the opportunity to choose a provider and work with that provider to arrange services and support. Similar to a direct payment, but the individual does not have to manage the money as the provider does it for them.	-0.069	-0.200	0.000	0.000
ASS018	Working with our partners to reshape and refocus our approach to supporting people upon their initial contact with Adult Social Care.	-0.500	0.000	0.000	0.000
ASS019	Reducing the amount we have set aside to cover potential bad debts. (One-off benefit).	-1.000	1.000	0.000	0.000

Adult Social Services

Reference		Final Budget change forecast 2021-25			
		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
ASS020	Releasing amounts previously carried forward in one-off reserves. (One-off benefit).	-0.475	0.475	0.000	0.000
ASS021	Digital business transformation and staffing efficiencies across Adult Social Care, embedding efficiencies from smarter working.	-0.800	0.000	0.000	0.000
ASS022	Capitalisation of Assistive Technology Equipment - the use of capital funding as an alternative to revenue funding for our Assistive Technology equipment purchases.	-0.500	0.000	0.000	0.000
ASS023	Capitalisation of Adult Social Care Transformation programmes - the use of capital receipts as permitted by Government to fund transformational activity which will deliver future savings.	-1.000	0.000	0.000	0.000
ASS024	Contract renegotiation - Ensuring the requirements of commissioners are reflected in the Norsecare contract.	-2.000	-1.000	0.000	0.000
ASS025	Working with NORCA (Norfolk Care Association) to develop a targeted approach to the annual price uplift for 2021-22 recognising the overall local authority budget pressure.	-2.500	0.000	0.000	0.000
ASS026	BC3 - Use of Business Risk Reserve (one-off)	-2.000	2.000	0.000	0.000
		-17.858	**4.275**	**2.000**	**0.000**
	BASE ADJUSTMENTS				
	New 2021-22 Social Care Grant - Spending Review 2020 - Adults	-5.587	0.000	0.000	0.000
	Adults grant assumption changes (2020-21 allocations for Local Reform and Community Voices, Social Care in Prisons, and War Pensions Disregard Grant)	0.005	0.000	0.000	0.000
		-5.581	**0.000**	**0.000**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
	Depreciation transfer	-0.001	0.000	0.000	0.000
	REFCUS	-8.000	0.000	0.000	0.000
	Norse fuel rebate budget from FG	0.052	0.000	0.000	0.000
		-7.948	**0.000**	**0.000**	**0.000**
	NET BUDGET	**252.550**	**277.631**	**301.314**	**322.264**

Children's Services

Financial Strategy

10.13. Despite the ongoing and considerable uncertainty faced, the core strategy and transformation approach remain unchanged and Children's Services continues to project benefits from existing schemes and new schemes in the same strategic areas. Specifically, these are:

1. Inclusion
2. Prevention and Early Intervention
3. Quality of Practice
4. Edge of Care and Alternatives to Care
5. Re-shaping the care and specialist support market

10.14. The proposed budget for Children's Services for 2021-22 has been developed in line with these existing themes and represent some continuation of existing programmes as well as some major new elements, such as the "New Roads" (previously known as "No Wrong Door" model), which is intended to achieve good and improving outcomes at lower long-term cost for the children with the most complex need. We are continuing with this core strategy because it is working.

10.15. At the time of preparing this report, the Council has approximately 180 fewer children looked after (excluding unaccompanied asylum seeking children whose needs are met through specific government funding) than at the peak in January 2019. On average it costs approximately £50k per annum for a child looked after placement, and so our success in keeping families together and reducing numbers in care will have delivered avoided cost pressure and savings of approximately £9m per annum delivered through the core strategy and transformation approach. The new proposals will build upon this success. However, whilst numbers of children in care have decreased, the average unit cost of placements has risen and, in particular, the very high costs for the children and young people with the most complex needs have partially offset the financial gains. As such, we are bringing forward a number of schemes including the "New Roads" model with a specific focus on meeting those high needs differently and at lower cost.

10.16. The core strategy and transformation approach is an ongoing programme of work for the department with work ongoing to enable the identification of further new initiatives that could deliver substantial transformation.

10.17. These areas are now supported by a major focus on modernisation, efficiency and opportunities to work differently which will be enabled by technology and the cultural shift that is being accelerated by COVID-19. These include:

- Efficient Processes
- Reduced Travel
- Using Buildings Differently
- Exploiting Technology

10.18. The department has sought to identify areas for efficiency but will require significant support to deliver, for example to drive out the benefits of technology, to enable teams to operate with reduced reliance on buildings, to progress the staff skills agenda. The department is committing to delivering fairly substantial savings targets in these areas, over and above those to be delivered through the major transformation programme.

10.19. The department is undertaking a close internal review of staffing – especially in support and 'back office' teams. This review has looked through a number of lenses such as whether we can automate processes, identify any areas of duplication and how we can build on the recent move to remote and flexible working to drive out cost savings – for instance from reduced travel cost claims. This work continues in preparation for the 2021-22 financial year with the focus upon achieving efficiency without compromising quality and effectiveness of service. However, there remains a risk that the quality and quantity of service that can be provided will reduce to enable the required savings to be delivered in the context of the Council's very challenging financial circumstances.

Specific Funding

10.20. The Government previously announced on 5 January 2020 that they were continuing the £165m funding for 2020-21 to continue the Troubled Families programme for an additional year (originally set to run for 5 years from 2015 to 2020). The funding is made up of various elements including a payment by results amount that is driven by the number of families supported in the programme. Delivery of these results is through social care staff embedded in the social care operating model as part of their core offer. It was announced as part of the provisional settlement in December 2020 that the £165m funding will be extended for another additional year, 2021-22. However, no specific details of Norfolk's funding have yet been provided, leaving a risk that actual funding received is insufficient to meet existing commitments.

10.21. It had previously been announced that the Adoption Fund would end at the end of 2020-21, and the risk of the loss of funding had been raised in previous reports in the 2021-22 Budget Planning process. In December 2020, it was announced that the Adoption Fund would continue for another year, alleviating immediate concerns.

COVID-19 Impact and Context

10.22. COVID-19 has had a significant impact on Children's Services. Initially, demand for core statutory services fell by around 40-50%, although this returned to normal levels once schools fully returned, seeing a slight dip again at the start of the third lockdown.

10.23. The department planned for a significant spike in demand in the autumn following the return of schools, in line with many other authorities. This spike has not been seen in social work demand yet, but a surge in demand has been seen at the earlier end of intervention with a persistent increase in demand for Family Support, which has placed those teams under significant pressure. Whilst it cannot be certain that this demand will progress to increasing social work demand (statutory services), this is a possibility and is being planned for; in turn this may translate into higher demand for more costly interventions and increasing numbers of children looked after. However, it should be noted that the situation remains highly uncertain, and the current third lockdown may only add to this.

10.24. There have been delays to the Transformation Programme, particularly early in the pandemic, that have had a knock-on effect to the savings that have been delivered in 2020-21 and this, in turn, has had an impact upon the Medium Term Financial Strategy for the department with a delay of £4m of savings previously committed for 2021-22 slipping into 2022-23. However, the department is still committed to delivering all of these savings, and the new proposals more than compensate for the 2021-22 delays.

10.25. During the 2020-21 financial year, there has been a steady reduction in the number of children in care, albeit with average unit costs rising, and some additional costs have been incurred in managing the disrupted care market. At the time of preparation, there has been a reduction of c. £1m full year's equivalent cost of care for the current cohort when compared to those in care at the start of the financial year. This reflects the impact of the significant progress that has been made over the initial years of the Transformation Programme, alongside the continued delivery of transformation despite the ongoing pandemic.

10.26. In a best-case scenario, the number of children in care will continue to fall in line with the recent trend – however, it is quite possible that there is, at least, a temporary rise aligned, but subsequent, to the surge in demand if this progresses from Family Support through to Social Work. Some authorities are projecting a significant rise over an extended period and so this will need to be closely monitored and an additional financial pressure could emerge as 2021-22 progresses.

10.27. Due to the timing of the outbreak of the pandemic, COVID-19 has resulted in a significant delay to the introduction and embedding of the new social care operating model. Some elements had to be put on hold with the focus turned to meeting the immediate needs arising from the pandemic and ensuring resilience of service, utilising all available staff. The implementation of the new operating model recommenced alongside the re-starting of the whole transformation programme. The impact of the delay has been mitigated where possible but did lead to a one-off under-spend on staffing in 2020-21 due to delays in recruiting to the new posts. These posts are now recruited to and the impact of the revised service is being seen.

10.28. Children's Services has identified a range of other, less obvious, impacts on demand – including hidden need, trauma, and economic factors. It is hard to know what the experiences of children will have been during lockdown and how that will play out in the medium to longer term. Some key external markets are also under major strain, for example transport, early years, the voluntary sector as well as care. This includes some specialist provision from external providers that has been reduced during the pandemic and, in some cases, on an ongoing basis, to ensure that they are 'COVID secure.' That, alongside lengthy absences from school-based educational provision, may result in additional demand that will need to be sourced.

10.29. As a result of COVID-19, the expectations upon the Council with respect to its leadership role within the whole education sector in Norfolk has significantly changed. This has led to staff being redeployed to support the significantly increased workload, many of whom previously provided traded services and / or support to improve achievement and increased inclusion in schools. Therefore, there has been major disruption to the normal work of Learning and Inclusion staff, including the traded services model with schools, for which there is a review underway. It is still not clear what the Government's expectations are of local authorities with respect to support and leadership to the education sector in the medium-to-long-term, and whether these will be deliverable within the current funding envelope available. This will remain a 'watching brief'.

10.30. As with any disruption, as well as challenges, there are also opportunities. The service has looked to identify these, and the leadership continues to consider how these opportunities can be built upon to develop improved services and improved working relationships for the future:

- The relationship with the school system, in particular, has been strengthened, creating an opportunity to wrap support around in a preventative way;
- Greater family resilience is being evidenced and family networking is thriving in the current context, and this is an area to build on;
- Increasing responsiveness to meet families' needs at times better for them and professional assessment purposes rather than being constrained by office opening hours;
- The potential to unlock the capacity and budgets normally tied up at the higher tiers;
- Significant opportunity to strengthen recruitment and retention through greater flexible working and opportunity to increase workforce stability;
- In the mental health arena, the crisis has accelerated the move away from the previous clinic-based model;
- Volunteers have come forward in much greater numbers than previously;
- Virtual working is unlocking creative practice and improved relationship and engagement with families and young people that could be included in the overall offer as a "new normal" is established;
- Potential to move 'upstream' together and have more and better 'early help' across cohorts; and
- Partnership working has deepened and accelerated.

Savings proposals 2021-22

10.31. The impact of COVID-19 is projected to cause delays to the delivery of existing saving plans which will have an impact on 2021-22 plans brought forward of £2.4m, meaning the service is currently planning to make up for any potential shortfall on previously planned savings as well as delivering against new targets.

10.32. Alongside our existing programme of work, our new savings proposals for 2021-24 seek to continue to utilise our core financial strategy, expanding upon key themes identified for the 2020-23 Medium Term Financial Strategy:

- **Prevention, early intervention and effective social care**
  Investing in an enhanced operating model which supports families to stay together and ensures fewer children need to come into care.
  For 2021-22, the additional saving reflects anticipated reduced Family Court costs - as we aim for fewer children to be looked after as a result of changes to how we work, we anticipate a reduction in legal advice and associated fees.

- **Alternatives to care**
  Investing in a range of new services which offer alternatives to care using enhanced therapeutic and care alternatives, combined with a focus on support networks from extended families keeping families safely together where possible and averting family crises.
  The expanded savings programme from 2021-22 onwards relates to the conversion of two in-house residential homes to create spaces to provide services for children and young people that offer alternatives to long-term care. "New Roads" will be delivered in partnership with North Yorkshire County Council, based on their successful No Wrong Door model with financial support provided by the Department for Education.

- **Transforming the care market and creating the capacity that we need**
  Creating and commissioning new care models for children in care – achieving better outcomes and lower costs.
  Continuation of the transformation of the care market to keep children and young people who require placements close to home and based in Norfolk wherever possible and appropriate to do so. This includes the introduction of in-county solo/dual placements for young people with complex needs resulting in the reduction of expensive out of county placements and more effective use of our residential estate. Additionally, we will embed the transformation of cost-effective support arrangements and placements for unaccompanied asylum seekers, reducing reliance on external providers through in-house provision of young parent and baby semi-independent accommodation, and ensuring cost-effective practice for special guardianship orders.

- **Inclusion (Home to School Transport)**
  Through finding school places closer to home for children and young people with Special Educational Needs and Alternative Provision requirements, we will reduce the home to school transport costs associated with long journeys

10.33. In addition, based upon our core financial strategy, we also have a major focus on modernisation, efficiency and capturing the financial benefits of smarter working opportunities:

- **Smarter Working**
  Efficiencies through increased use of automation and robotics, continued modernisation through shift to different ways of working (accelerated by COVID-19 and enabled through use of IT), departmental review of posts to ensure no duplication of activity, and promotion of flexible working arrangements advantageous to employees and the department.

- **Rationalisation and relocation of office accommodation**
  It is proposed that office accommodation needs of the department are reviewed in light of smarter working (accelerated by the COVID-19 pandemic and enabled through use of IT) with the view to rationalising accommodation whilst still meeting ongoing service needs.

10.34. In total, the new savings proposals combined with existing savings within the Medium Term Financial Strategy will result in Children's Services delivering £11.3m of revenue savings in 2021-22.

Risks

10.35. It remains unclear precisely what the medium- and longer-term financial impacts will be of the covid-19 pandemic. What is clear is that some very significant financial risks associated with the pandemic exist in terms of the long-term design of some services, in relation to joint working, public expectations, levels of demand, and the underlying cost base.

10.36. The level of pressures included in the Children's Services budget for future years is substantially lower than has been provided for in 2020-21. Risks within Children's Services include the potential for additional cost pressures linked to surges in demand, particularly in relation to looked after children. In addition, there is a risk that the wider operating environment has shifted, which may put pressure on assumptions about trading with schools.

10.37. Some specific risks that should be noted are:

- **Surges in demand leading to additional cost pressures**
  Demand surges, either due to delayed demand from 2020-21 or increased need following the impact of the pandemic, could be seen in 2021-22 and beyond. It could take time for this demand to materialise, but initial increases are evident in demand for Family Support services who are under significant pressure already. This appears to be due to a new cohort of children and families who are using these services due to a combination of increased strains on families and a reduction in the availability of universal support networks as a result of the pandemic. Such demand could lead to increasing requirement for staffing resource on a medium-to-longer-term basis, such as additional Family Support services and / or investment in tier 2, and / or additional placement and support costs, to ensure that the right outcomes for children and families are achieved;

- **Impact upon the transformation programme of the ongoing pandemic response**
  The need for key officers and the service to focus on significant time and resource to the changing and ongoing pandemic response could exacerbate delays that have already been seen during 2021-22;

- **Pandemic economic and societal impact leading to staffing instability**
  The pandemic has resulted in many individuals reflecting upon their lives and considering changing roles or careers who previously had not been anticipating this, whilst others may have put on hold such plans. There have always been challenges filling some roles and the longer the current conditions exist, there is a risk that these challenges are exacerbated. Conversely, as the pandemic ends and restrictions lift, there is a risk of quick and significant changes in the workforce that could risk staffing stability and recruitment and retention work from the previous years;

- **Provider market instability leading to key provider failure**
  The economic conditions of the pandemic have left many businesses with financial pressures, despite ongoing contracts and access, where applicable, to government support. Whilst Children's services will always bear the risk of the failure of a significant provider, this risk has increased in the current climate. The implications could be increased, unforeseen costs and / or diversion of key resources to ensure continuity of provision;

- **Impact of current economic and societal conditions on the VCSE sector**
  A significant portion of Children's Services commissioned provision is through the VCSE sector, with the sector also providing a significant proportion of universal services. Many VCSE organisations, whose financial positions may well have been fragile prior to the pandemic, have been negatively affected by their reduced ability to fundraise as a result of the pandemic combined with increased demand for services. Financial failure of these organisations could lead to increased costs to Children's Services either through additional funding required to maintain provision or through having to fund alternatives;

- **Demand for SEND home to school transport**
  Recent increases in demand for SEND home to school transport provision has mirrored increasing demand for special school and specialist resource base

provision. Additional resources are allocated in this budget to reflect this situation, but there remains a risk that demand will exceed the financial resources available;

- **Longevity of the pandemic leading to excessive strain on families caring for a child with significant additional needs and / or disabilities**
  The majority of families have found the pandemic causing strain upon their relationships and ability to cope with the stresses of life, and families who are caring for a child with significant additional needs and / or disabilities are likely to have seen this effect magnified given the reduced services available to support them with their caring roles, such as short-breaks provision, periods of reduced schooling, and friends and family networks of support. Many families have had the resilience to cope during the early stages of the pandemic, but as the disruption continues over a longer period of time, there is the increased risk of family break-down and, subsequently, increased demand for services;

- **Shift in the wider operating environment, particularly in relation to schools and the role of local authorities**
  There is a risk that the wider operating environment has substantially and irreversibly shifted as a result of the expectations upon local authorities by central government in terms of supporting the whole school sector (academy and independent schools, as well as locally maintained schools). This support has been welcomed by schools and met through refocusing staff from less critical, but important, work, staff going above and beyond in a way that is unsustainable in the medium-to-longer-term, and through some additional covid monies to fund additional resource. If these additional expectations continue post pandemic, then there will be an increased pressure on funding for staffing resources to be able to deliver this level of support, and it may impact upon our ability to trade successfully in some areas, where the net income contributes to supporting our core Learning and Inclusion infrastructure;

- **Insufficient DfE funding for the New Roads programme**
  A risk has been identified relating to the council's funding from the Department for Education (DfE) in relation to the national Strengthening Families and Protecting Children programme and, specifically, the "No Wrong Door" model, now known as "New Roads" in Norfolk, which combines residential care and foster care in specialist hubs. As a result of the bid, the council will fund the capital costs of establishing the hub buildings and contribute the revenue funding equivalent to running two existing residential children's homes, while the DfE will provide the majority of the revenue funding to "pump prime" and operate two hubs for two years with a minimum amount of £4.6m. When the full costing of the model has been completed, in line with the approved model from North Yorkshire and the DfE, the total costs of required revenue investment from the DfE exceeds the funding available, which is the case for other authorities participating in the SFPC programme. The cashflow of the DfE funding means that sufficient funding will be received for the first two years of the programme, but there may be insufficient funds in the third (final) year, 2023-24. The DfE have advised that they will look to identify additional funding for the SFPC programme as time progresses, but there are no guarantees. In mitigation, the programme is expected to deliver substantial savings for Norfolk and if savings exceed anticipated levels by the third year then this will offset the potential reduced funding. Norfolk have been advised that they cannot amend the model to reduce costs;

- **The level of pressures included in the Children's Services budget for future years is substantially lower than has been provided for in 2020-21**

The Council invested heavily in Children's Services over recent year and, whilst the budget includes growth monies that are designed to reflect anticipated demographic pressures, there is a risk that the pandemic has skewed demand in 2020-21 that could have resulted in true demographic pressures having been underestimated.

Table 21: Detailed budget change forecast Children's Services 2021-25

Children's Services					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
	OPENING BUDGET	**196.211**	**178.886**	**178.762**	**182.380**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (0% for 21-22, 3% 22-23 to 24-25)	0.680	2.679	2.734	2.816
	Basic Inflation - Prices	1.797	1.966	1.775	1.810
	Legislative Requirements				
	NCC Policy				
	Recruitment & Retention Investment offset by Agency Reduction	-0.170	-0.610	-0.540	-0.100
	New operating model investment	-0.410	-0.760	-0.350	0.000
	Demand / Demographic				
	Social care: demographic growth	3.000	3.000	3.000	3.000
	Home to School Transport: demographic growth	0.500	0.500	0.500	0.500
	Home to School Transport: additional three days of provision (2021-22)	0.617	0.000	0.000	0.000
	Home to School Transport: additional demand pressures	1.000	0.000	0.000	0.000
		7.014	**6.775**	**7.119**	**8.026**
	SAVINGS				
CHL049	Norfolk Futures Safer Children and Resilient Families Programme: Better outcomes for children and young people and reducing demand for services	-2.000	0.000	0.000	0.000
CHS004	Merging existing children looked after transformation savings (CHL049) into new proposals (CHL001-3), which will replace and augment the existing deliverable plans.	2.000	0.000	0.000	0.000
CHS001	**Prevention, early intervention and effective social care** – Investing in an enhanced operating model which supports families to stay together and ensures fewer children need to come into care.	-0.500	-1.000	0.000	0.000
CHS001	Expansion of 2019-20 CHS001: **Prevention, early intervention and effective social care** (Reduced Family Court Costs) - Investing in an enhanced operating model which supports families to stay together and ensures fewer children need to come into care.	-0.200	0.000	0.000	0.000

Children's Services					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
CHS002	**Alternatives to care** – Investing in a range of new services which offer alternatives to care using enhanced therapeutic and care alternatives, combined with a focus on support networks from extended families keeping families safely together where possible and averting family crises.	-1.400	0.100	0.000	0.000
CHS002	Expansion of 2019-20 CHS002: **Alternatives to care** (New Roads) - Investing in a range of new services which offer alternatives to care using enhanced therapeutic and care alternatives, combined with a focus on support networks from extended families keeping families safely together where possible and averting family crises.	-1.700	-4.400	-3.500	-2.500
CHS003	**Transforming the care market and creating the capacity that we need** – Creating and commissioning new care models for children in care – achieving better outcomes and lower costs.	-2.100	-3.500	0.000	0.000
CHS003	Expansion of 2019-20 CHS003: **Transforming the care market and creating the capacity that we need** - Creating and commissioning new care models for children in care – achieving better outcomes and lower costs.	-1.000	-0.100	0.000	0.000
CHS007	**Inclusion** (Home to School Transport) - Through finding school places closer to home for children and young people with Special Educational Needs and Alternative Provision requirements, we will reduce the home to school transport costs associated with long journeys	-0.500	0.000	0.000	0.000
CHS008	**Smarter Working** - Efficiencies through increased use of automation and robotics, continued modernisation through shift to different ways of working (accelerated by COVID-19 and enabled through use of IT), departmental review of posts to ensure no duplication of activity, and promotion of flexible working arrangements advantageous to employees and the department.	-1.900	0.000	0.000	0.000
CHS010	BC3 - 2021-22 New Roads transformation contribution capitalisation	-1.000	1.000	0.000	0.000
CHS011	BC3 - 2021-22 transformation capitalisation	-1.000	1.000	0.000	0.000
		-11.300	**-6.900**	**-3.500**	**-2.500**
	COST NEUTRAL ADJUSTMENTS				
	Depreciation transfer	-1.131	0.000	0.000	0.000
	Debt management transfer	-0.002	0.000	0.000	0.000
	REFCUS transfer	-11.969	0.000	0.000	0.000
	CS to CES - Funding for Working Together Partnership	-0.021	0.000	0.000	0.000
	FG to CS - Care Leavers Council.Tax Exemption Grants	0.100	0.000	0.000	0.000
	CS to S&T - Transfer to L&D cc KH8100	-0.016	0.000	0.000	0.000
		-13.039	**0.000**	**0.000**	**0.000**

Children's Services					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
	NET BUDGET	**178.886**	**178.762**	**182.380**	**187.906**

Schools' Funding

10.38. Schools funding is primarily provided by the Department for Education (DFE) through the Dedicated Schools Grant (DSG), which is paid to the County Council who then have responsibility to delegate this funding to schools in accordance with the agreed formula allocation.

10.39. The DSG is split into four funding blocks: The Schools Block, the High Needs Block, the Early Years Block and the Central School Services Block. Movements up to 0.5% from the Schools Block to the other blocks can be agreed by Norfolk Schools Forum. Any request above the 0.5%, or where the Schools Forum has not agreed up to 0.5%, has to be agreed by the Secretary of State. The High Needs Block in Norfolk remains under significant pressure as set out in the risks section in section 5 of this paper.

10.40. Further detail of schools funding for 2021-22 is set out in the Dedicated Schools Grant Budget report elsewhere on this agenda.

Community and Environmental Services

Financial Strategy

10.41. Community and Environmental Services (CES) has responsibility for the delivery of a wide range of services; there is no hierarchy as each area has a vital role to play in achieving better outcomes for the whole of Norfolk. CES proactively provide information and advice to help people to make better choices that enable them to live fulfilling, independent lives. Teams continue to provide vital services to ensure that residents are safe, both in their own homes and when out and about in the county.

10.42. In terms of an overall strategy for developing budget proposals, the broad range of services and outcomes means that a single approach would not be beneficial. Instead, CES savings proposals are focussed on two general approaches:

- Cost reduction – including through use of new technology and contract renegotiations
- Ways of working – including efficiencies in back office processes and organisational re-design

10.43. In previous years, the department has also had a focus on income generation. However, given the current pressures and risks associated with existing income generation targets it is not considered prudent for new income generation to be a key strand of the financial strategy for next year.

Service issues and priorities

- The Department plays a significant role in supporting the delivery of the County Councils ambitions Environment policy. The External Funding team is developing a Green Funding Framework, built on Norfolk's evidenced natural asset baseline, to bring forward projects that will enhance Norfolk's environment in a measurable and comprehensive approach. We will seek to develop and leverage innovative funding mechanisms to deliver these projects, alongside the use of existing funding sources.
- Significant work will be needed to support delivery of the Norfolk and Suffolk Economic Recovery Restart Plan, working with New Anglia LEP. A number of projects and measures have been developed to support the Norfolk economy including through advice for businesses, support for the visitor economy, investment in infrastructure and support for individuals to reskill and upskill.
- The department is heavily reliant on generating external income, such as museums admissions income. Given the extended period that services were not able to operate, and new restrictions in the foreseeable future, this will have a significant impact on the income generating activities already built into the budget.
- Higher volumes of residual waste are anticipated due to residents being at home rather than places of work, and different consumer behaviours, therefore generating more waste through the kerbside collections.
- Whilst Government have provided support to transport operators, both directly and through the County Council, CES continues to work with operators to ensure there is resilience of the public transport network including home to school transport. Work is also underway with operators to ensure they have the ability to provide viable services under social distancing measures and through a period where there may be low public confidence in using public transport.
- Increased costs are also expected for the delivery of capital schemes to accommodate safe working practices.

- Some services in the department continue to carry out significant work specifically on Covid-19 response and recovery, in particular the Public Health, Growth and Development and Resilience teams. It is anticipated that there will continue to be a need for significant support from these areas for some time.

Savings development 2021-22

10.44. CES activities are at the heart of communities and play a major role in supporting the *Together, for Norfolk* ambitions of a growing economy, thriving people, and strong communities. CES has a very strong track record of securing external income off-setting the cost of service delivery and will continue to look for opportunities for investment. Further budget reductions could have a significant impact on the ability to continue to generate income and support communities. In developing our savings proposals, we have considered a number of key services issues:

- The Fire Service 2020-23 IRMP, agreed by Full Council in March 2020, sets out the budget required for service delivery outcomes including the allocation of resources for the mitigation of risks. It sets out the management strategy and risk-based programme for enforcing the provisions of the Regulatory Reform (Fire Safety) Order 2005. Any deviation from this would require public consultation and approval by Full Council.
- Libraries are positioned at the heart of the Council's Local Service Strategy and will play a key role in the successful operation of our multi-function hubs, with critical computer access to a number of users and forms a fundamental part of the Children's Services Early Years offer as well as providing crucial facilities to support individuals seeking employment and to support the social care demand management agenda. Open library technology and the opportunity to rent meeting rooms gives local clubs, groups and societies place to meet.
- Whilst the Museum Service is highly successful in securing external funding, it is based on a level of local authority commitment to the Service and further reductions could undermine the relationships with key external funders such as Arts Council England and the National Lottery Heritage Fund. Additional income from the planned Norwich Castle: Gateway to Medieval England project, to transform the medieval Keep of Norwich Castle, recreating the 12th century Norman Royal Palace and creating a British Museum Gallery of the Medieval Period, a dedicated Early Years learning facility and a rooftop viewing platform have already been factored into the MTFS.
- Public Health is funded via a ringfenced grant and opportunities are already being taken to use it to fund activities across the wider Council that meet the criteria of the grant.
- CES have historically delivered savings primarily through service efficiencies, cost reduction, management of vacancies and collaboration activities, and will continue to explore all opportunities, although over time this becomes more difficult. The service will continue to look for opportunities for efficiencies especially through new ways of working as a result of Covid-19.

Table 22: Detailed budget change forecast Community and Environmental Services 2021-25

Community and Environmental Services					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
	OPENING BUDGET	**163.471**	**158.307**	**162.382**	**167.843**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (0% for 21-22, 3% 22-23 to 24-25)	0.636	2.078	2.138	2.202
	Basic Inflation - Prices	1.293	1.633	1.713	1.747
	Legislative Requirements				
	A and B Class signing review pressure	0.500	-0.500	0.000	0.000
	Public Health expenditure pressures for revised grant allocation	1.915	0.000	0.000	0.000
	Trading Standards - additional trading standards requirements following Brexit	0.000	0.000	-0.090	0.000
	Assumed Brexit costs	-0.088	0.000	0.000	0.000
	Fire Pension pressures	0.000	0.850	0.000	0.000
	Remove CES highways A and B class signage review pressures	-0.500	0.500	0.000	0.000
	Increased traffic management costs linked to more stringent national standards	0.280	0.000	0.000	0.000
	Increased fuel costs for gritting vehicles	0.000	0.050	0.000	0.000
	Demand / Demographic				
	Waste pressure - demand and demographic (tonnage)	1.700	1.700	1.700	2.000
	Highways Maintenance pressures	0.100	0.000	0.000	0.000
	NCC Policy				
	Waste pressure - unit costs (Brexit / exchange rate / capacity)	1.436	0.000	0.000	0.000
	Revenue pressures arising from Environmental Policy agreed at Council 25/11/2019	0.175	0.000	0.000	0.000
	CES - Countywide traveller site clearance works and highway repairs	0.030	0.000	0.000	0.000
	CES - A143 / A12 link road scheme - landscaping pressures	0.015	0.000	0.000	0.000
	Highways pressure for cutting / clearance of drainage grips to reduce road flooding risks	0.235	0.000	0.000	0.000
	Full mapping and condition survey of cycling infrastructure to enable effective asset management	0.150	-0.150	0.000	0.000
	Weed spray application on new Trods being constructed via Parish Partnership Schemes	0.050	0.000	0.000	0.000
	Funding pressure for either additional Inspectors to ensure safety of network or moving towards technological solutions using cameras installed in vehicles	0.100	-0.100	0.000	0.000

Community and Environmental Services					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
	Funding of previous costs pressures delivered through one-off options (ITS)	0.125	0.000	0.000	0.000
	ICT Autocad licenses - change in licensing model	0.120	0.000	0.000	0.000
	Flooding - additional revenue costs (staffing and drainage system repairs)	0.350	0.000	0.000	0.000
	One-off contribution to establish a Flood Reserve	1.500	-1.500	0.000	0.000
	Equality resources	0.120	-0.020	0.000	0.000
	Fire - Fleet	0.270	0.000	0.000	0.000
		10.512	**4.541**	**5.461**	**5.949**
	SAVINGS				
CMM043	Income generation – Norfolk Museums Service	0.000	-0.400	0.000	0.000
EDT032	Waste strategy - implementing a new waste strategy focussed on waste reduction and minimisation with a target to reduce the residual waste each household produces by at least one kilogram per week	-1.850	0.000	0.000	0.000
EDT067	Highways commercialisation	-0.040	0.000	0.000	0.000
CES001	Additional efficiencies in staffing and operations to progress the Adult Learning service towards its goal of being cost neutral.	0.000	-0.240	0.000	0.000
CES002	Achieving economies of scale in our Customer Service Centre by expanding the services that we deliver.	-0.100	0.000	0.000	0.000
CES017	Reviewing the operation of Museum catering facilities to make them more commercial.	0.000	-0.035	0.000	0.000
PHE004	Use of Public Health reserves	-0.500	0.000	0.000	0.000
CES022	Back office savings across CES (non-staff budgets) - Savings from reduction in travel and subsistence, printing, postage and telephone budgets.	-0.137	0.000	0.000	0.000
CES023	Back office savings in CES (staff budgets) - Restructure and review the number of posts in a number of back office teams.	-0.356	0.000	0.000	0.000
CES024	One off use of reserves to fund projects budget - Remove the remaining economic projects budget and fund from reserves in 2021-22 (one-off), with the revenue budget reinstated for 2022-23.	-0.174	0.174	0.000	0.000
CES025	Back office savings in CES Growth and Development - Savings from reduction in back office activities (travel budgets and other back office activities).	-0.047	0.000	0.000	0.000
CES026	Savings achieved through procurement of new contract - Reductions in waste disposal costs delivered through procurement of new contract.	-1.800	0.000	0.000	0.000
CES028	Back office savings in CES Highways and Waste (non-staff budgets) - Savings from reduction in travel and subsistence budgets.	-0.012	0.000	0.000	0.000
CES029	Culture and Heritage - Service redesign and additional fee income	-0.330	0.000	0.000	0.000

Community and Environmental Services					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
CES030	Staff savings at the Norfolk Record Office (NRO) - Savings through efficiencies in back office processes and service re-design.	-0.066	0.000	0.000	0.000
CES031	Reduce Norfolk Arts Service (NAS) budget - Reduce the NAS budget via limited service redesign.	-0.037	0.000	0.000	0.000
CES032	Libraries - Cease purchase of newspapers and periodicals for Norfolk libraries, except for local history purposes. Newspapers and periodicals will continue to be available to access for free via the Libraries app.	-0.050	0.000	0.000	0.000
CES033	Redesign/ changes to staff structures in Community Information and Learning	-0.118	0.000	0.000	0.000
CES034	Fire Service - back office savings through reduction in fuel costs, printing and photocopying, and advertising expenses.	-0.101	0.000	0.000	0.000
CES035	Savings in Culture and Heritage including staffing savings - Savings delivered through service redesign, back office savings and vacancy management.	-0.383	0.000	0.000	0.000
CES036	Fire and Rescue Service - Review of managerial and functional posts including contract arrangements. Reviewing equipment purchases and staff training budget.	-0.261	0.000	0.000	0.000
CES038	Further Street Lighting LED upgrade - Upgrade 15,000 street lights on main roads, along with the CMS (central management system), to enable energy savings.	-0.900	0.000	0.000	0.000
CES039	Income Generation / recharging for services - Additional income from charging for services / roundabout sponsorship and charging for activities on the highway.	-0.345	0.000	0.000	0.000
CES040	Reduction in grass cutting - Saving delivered by reducing urban grass cutting from 5 cuts per year down to 4 cuts per year, and reducing rural grass cutting on C and U class roads from 2 cuts per year down to 1 cut per year.	-0.100	0.000	0.000	0.000
CES041	Back office savings in CES Highways and Waste - Savings from reducing overtime budgets and deletion of vacant posts.	-0.106	0.000	0.000	0.000
CES042	Reduction in contract spend - Savings from renegotiation of contract rates as part of a package to extend some current Highways contracts	-0.082	0.030	0.000	0.000
CES043	BC3 - Develop Gressenhall as an Environmental Hub for Norfolk	-0.067	0.000	0.000	0.000
CES044	BC3 - Develop Norfolk Record Office 2050 Vision	-0.080	0.000	0.000	0.000
CES045	BC3 - Capitalisation of Planning Advice & Information service within Environment	-0.100	0.000	0.000	0.000
CES046	BC3 - One-off reduction of the Arts Service budget (Health & Wellbeing)	-0.005	0.005	0.000	0.000

Community and Environmental Services					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
CES047	BC3 - Recharge of staff time to alternative funding sources	-0.088	0.000	0.000	0.000
CES048	BC3 - Review staff structures in Highways team	-0.003	0.000	0.000	0.000
CES049	BC3 - Fire and Rescue white and grey fleet arrangements – getting best value for money for our white and grey fleet (cars and vans) through procurement and arrangements for servicing and repairs.	-0.050	0.000	0.000	0.000
		-8.288	**-0.466**	**0.000**	**0.000**
	BASE ADJUSTMENTS				
	Revised Public Health grant	-1.915	0.000	0.000	0.000
	Brexit Grant funding	0.088	0.000	0.000	0.000
		-1.827	**0.000**	**0.000**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
	Depreciation transfer	0.061	0.000	0.000	0.000
	Debt management transfer	0.000	0.000	0.000	0.000
	REFCUS	-4.000	0.000	0.000	0.000
	CS to CES - Funding for Working Together Partnership	0.021	0.000	0.000	0.000
	Esri Annual Maintenance Renewal to FCS	-0.103	0.000	0.000	0.000
	Safety of Sports Grounds Money from FCS	0.020	0.000	0.000	0.000
	FIRE ICT transfer to IMT ICT to FCS	-1.589	0.000	0.000	0.000
	CES/FCS - Adult Learning - Corporate Property	0.002	0.000	0.000	0.000
	CES/FG - Finance Leases - Fire ICT 2016	0.001	0.000	0.000	0.000
	CES/FG - Finance Leases - Mobile Libraries 2011	0.017	0.000	0.000	0.000
	CES/FG - Finance Leases - Mobile Libraries 2011 (SLS)	0.009	0.000	0.000	0.000
		-5.561	**0.000**	**0.000**	**0.000**
	NET BUDGET	**158.307**	**162.382**	**167.843**	**173.792**

Strategy and Transformation

10.45. The restructured Strategy and Transformation department provides a continuum of services from strategy development, organisational development and upskilling, innovation and transformation delivery, insight and performance, strategic communications and resource stewardship. The department's key functional areas are Human Resources, Transformation, Communications and Intelligence & Analytics. Strategy and Transformation provides:

- A **strategic focus** – to provide advice and to support the political and managerial leadership of the Council in their strategic approach. At a time when resources are stretched, and a number of "unknowns" remain in the financial and government policy space associated with the pandemic, it is essential to have the capability to:
  - look to the future and anticipate change,
  - provide analytical and problem-solving expertise to the executive team and departments
  - offer professional leadership to the organisation and to Norfolk Resilience Forum (NRF) partners in key areas such as strategy, communications and intelligence and analytics, to drive insights and actions.

- A **transformational focus** – to support and enable change and drive innovation, as well as provide capacity and support to services by:
  - defining transformational solutions to strategic problems across all areas of processes, people and systems
  - delivering projects and transformation at pace where required
  - supporting the Council to improve its performance through, governance of all transformation activity through building transformation delivery capability

- A **support service focus** – providing more responsive internal services from all elements of the department to managers and staff while:
  - achieving lower costs through greater use of technology,
  - developing and implementing simpler and more streamlined processes that deliver the desired outcomes
  - building on professional services through heads of profession
  - supporting and driving evidence-based decision making
  - clear concise communications internally and externally to support service provision
  - building the Council's positive reputation for delivery and influence positive behavioural change

10.46. Critical objectives for the year include:

- Create wider organisational capacity and capability in strategy, policy, innovation and operational performance, through enhanced direct support to services and deeper engagement into the organisation
- Develop, implement and embed a new performance management framework
- Provide insight, accessible information and resources in a timely and meaningful way so to enable evidence and intelligence led decision-making in the delivery of our services
- Create meaningful conversations with residents, staff, partners and stakeholders to highlight how the council is bringing positive change
- Continue to deliver the Smarter Working programme and realise benefits across the organisation

- Strengthen the transformation programmes governance framework, ensuring a direct connection to organisational performance and return on investment.
- Build a central transformation delivery capability to assure transformation delivery and ability to respond to an organisational priority.

10.47. In this context, the budget proposals may have a significant impact on the organisation's strategic capabilities as well as on service departments. The proposals set out below have been developed in line with the department's strategic approach and are intended to:

- Work to **drive our professional leads model**, in providing support across the organisation to maximise efficiency, and effectiveness
- Ensure the **realisation of benefits** identified in the Business Transformation and Smarter Working programmes
- Maximise any saving opportunities arising from changed expectations and **working practices** as a result of COVID-19.

Table 23: Detailed budget change forecast Strategy and Transformation 2021-25

Strategy and Transformation					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
	OPENING BUDGET	**6.813**	**7.546**	**7.655**	**7.947**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (0% for 21-22, 3% 22-23 to 24-25)	0.078	0.297	0.301	0.310
	Basic Inflation - Prices	-0.004	-0.009	-0.009	-0.009
	NCC Policy				
	Information Governance Service 2020-21 restructure	0.335	0.000	0.000	0.000
	HR Apprenticeship Levy team pressure	0.160	0.000	0.000	0.000
	Communications - remove pressures previously addressed on a one-off basis	0.152	0.000	0.000	0.000
	Establish budget for Transformation Team previously funded from Norfolk Futures	0.550	0.000	0.000	0.000
		1.271	**0.289**	**0.292**	**0.301**
	SAVINGS				
SGD006	Information Governance - Streamlining of Information Governance processes to deliver efficiencies.	-0.020	0.000	0.000	0.000
SGD007	Your Norfolk Digitisation - Stopping paper production and distribution of Your Norfolk and moving to a more frequent digital solution.	-0.100	0.000	0.000	0.000
SGD008	Strategy and Governance back office savings - Reducing print, post, stationery and travel expenditure across the whole Department.	-0.019	0.000	0.000	0.000
SGD009	Professional Lead and Career Family Model - Implementation of the Professional Lead and Career Family Model across the Insight and Analytics (I&A), Communications, and Strategy capability across the organisation.	0.000	-0.200	0.000	0.000
SGD012	Further savings to deliver a net 2.75% reduction in staffing budgets across Strategy and Governance teams - Targeting vacancy management and natural turnover as a priority; savings will be linked to achieving efficiencies through the HR and Finance System replacement.	-0.061	0.000	0.000	0.000
SGD013	BC3 - Vacancy management (HR&OD)	-0.053	0.000	0.000	0.000
SGD014	BC3 - One-off release of Strategy and Governance reserves	-0.300	0.300	0.000	0.000
SGD015	BC3 - HR & Finance System - Benefits realisation from HR & Finance System replacement in HR&OD - Benefits realisation work is still underway to quantify value of saving, but current forecast reflects savings of £0.280m in 2022-23	0.000	-0.280	0.000	0.000
		-0.553	**-0.180**	**0.000**	**0.000**

Strategy and Transformation					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
	COST NEUTRAL ADJUSTMENTS				
	Transfer to L&D from CS	0.016	0.000	0.000	0.000
		0.016	**0.000**	**0.000**	**0.000**
	NET BUDGET	**7.546**	**7.655**	**7.947**	**8.248**

Governance

10.48. The newly created Governance department brings together Democratic Services and Legal Services, which support the Council to be an effective organisation, ensuring there is strong governance that keeps the organisation safe and legally sound supporting elected members to shape and deliver the Council's key priorities. The department provides:

- A governance focus to ensure the organisation is safe, compliant and governed effectively and with strategic focus and purpose, with strong stewardship / control systems and processes, joining up across the local government system.
- An income generating focus – to create value for NCC through maximising the opportunities provided through public service provision, for genuine fee earning activities which don't deviate from, but enhance, our statutory purpose and core offer. The Governance department as a whole relies heavily on income, particularly Nplaw and Registrars, so proposals to review headcount need to take into account the potential for fee earning.

10.49. Priorities for the following year include:

- Implementing recommendations of the LGA governance review and ADSO review of Democratic Services
- Delivering regulatory services which are business-like and joined up, making a positive contribution to the Council's priorities
- Developing a team of well trained, effective, flexible staff who are responsive to the changing needs of our customers.
- Finalising arrangements with district councils for delivery of legal services new under a new ten-year contract for services
- Pursuing opportunities to increase external legal work to increase trading surplus to be contributed to Council front line services
- Making better use of technology to further improve legal support to customers and continue move away from paper-based systems

10.50. In the above context, budget proposals can have a significant impact on service departments. The proposals set out below have been developed in line with the department's objectives and targets, and are intended to:

- Ensure that we keep the organisation safe and legal as efficiently and effectively as possible.
- Balance opportunities to maximise income for genuine fee earning services, against cost savings, without deviating from our core service offering.
- Work to drive our professional leads model, in providing support across the organisation to maximise efficiency, and effectiveness.
- Maximise any saving opportunities arising from changed expectations and working practices as a result of COVID-19

Table 24: Detailed budget change forecast Governance 2021-25

Governance					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
	OPENING BUDGET	**2.552**	**2.780**	**3.104**	**3.490**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (0% for 21-22, 3% 22-23 to 24-25)	0.069	0.243	0.251	0.259
	Basic Inflation - Prices	-0.026	-0.050	-0.050	-0.051
	Demand / Demographic				
	Coroners - additional cost for storing bodies	0.080	0.080	0.080	0.000
	NCC Policy				
	Nplaw income pressure	0.375	0.000	0.000	0.000
	Establish budget for legal advice relating to governance issues	0.035	0.000	0.000	0.000
	Coroners Officers administrative team (12 FTE) transfer from Police	0.048	0.051	0.105	0.111
		0.581	**0.324**	**0.386**	**0.319**
	SAVINGS				
SGD004	NPLaw Structural Review - Savings from structural review linked to development of the partnership agreement.	-0.200	0.000	0.000	0.000
SGD005	Democratic Services Review - Democratic Services savings linked to changes arising from the Peer Review and Association of Democratic Services Officers (ADSO) review.	-0.030	0.000	0.000	0.000
SGD010	Democratic Services (staff budgets) - Review and realign existing structure to deliver new post COVID-19 ways of working.	-0.075	0.000	0.000	0.000
SGD012	Further savings to deliver a net 2.75% reduction in staffing budgets across Strategy and Governance teams - Targeting vacancy management and natural turnover as a priority; savings will be linked to achieving efficiencies through the HR and Finance System replacement.	-0.048	0.000	0.000	0.000
		-0.353	**0.000**	**0.000**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
		0.000	**0.000**	**0.000**	**0.000**
	NET BUDGET	**2.780**	**3.104**	**3.490**	**3.809**

Finance and Commercial Services

10.51. Finance and Commercial Services provides capacity to enable the Council to act swiftly, innovatively and effectively in the context of rapid change. The Department is focused on delivering the following key objectives:

- Enhancing financial performance;
- Supporting and training service managers;
- Effective management of property assets to make best use and maximise the return on investments;
- Efficient and effective contract management;
- Providing information which supports good decision making;
- Reducing the costs of our services whilst improving their effectiveness, utilising new technology and implementing smarter ways of working; and
- Rolling out technological infrastructure, improving customer service and saving money.

10.52. These objectives have informed the approach to identifying budget proposals which minimise the impact on front line services.

Table 25: Detailed budget change forecast Finance and Commercial Services 2021-25

Finance and Commercial Services					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
	OPENING BUDGET	**30.811**	**32.435**	**32.776**	**33.503**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (0% for 21-22, 3% 22-23 to 24-25)	0.215	0.692	0.713	0.734
	Basic Inflation - Prices	0.141	0.162	0.165	0.169
	NCC Policy				
	Revenue pressure for HR and Finance System replacement	0.412	-0.360	-0.052	0.000
	Property cost pressures - Whitegates	0.100	0.000	0.000	0.000
	Reduced ESPO dividend income - COVID-19 impact	0.200	0.000	0.000	0.000
	Pressure for significant change / growth in IMT contact centre telephony services	0.067	0.000	0.000	0.000
	Digital transformation project accommodation costs	0.173	0.000	0.000	0.000
	Property cost pressures	0.379	-0.178	0.000	0.000
		1.688	**0.316**	**0.826**	**0.903**
	SAVINGS				
P&R027 /P&R058 /P&R060	Delay of Property savings	-0.650	0.000	0.000	0.000
FCS003	Automation of IMT processes (staff budgets) - Automation for simple repetitive tasks such as provision of access rights to file shares. Staffing reductions to be delivered by targeting vacancy management and natural turnover, although some potential for redundancies.	-0.200	0.000	0.000	0.000
FCS004	New network and telephony support arrangements - Reduced administrative effort to maintain network and telephone systems. Review small scale headcount reduction and / or reduced expenditure on third party support contracts.	-0.100	0.000	0.000	0.000
FCS006	Schools IT reduced cost and increased income - Implement a range of measures to improve profitability of the Schools IT operation, through increased efficiency / reduced costs to provide service, and ceasing trading in areas where the income does not cover the full cost of provision.	-0.050	0.000	0.000	0.000
FCS007	Switching all IMT mobile phones over to bring your own device (BYOD) - Reduced expenditure on mobile telephony through BYOD, usage policies and contract management.	-0.020	0.000	0.000	0.000
FCS008	Reduced expenditure on software applications such as Adobe Acrobat and MS Project -	-0.020	0.000	0.000	0.000

Finance and Commercial Services					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
	Challenging current use and requirements, and providing lower cost alternatives.				
FCS009	Travel and transport budget in IMT - Reduced costs through increased mobile and flexible working, more virtual visits and reduced courier / delivery costs.	-0.010	0.000	0.000	0.000
FCS010	Increased Data Centre Income - Sharing the NCC data centre more widely with Norwich City Council, and possibly other partners, enabling income targets to be overachieved.	-0.003	0.000	0.000	0.000
FCS011	One-off use of reserves - One-off savings and use of reserves within Budgeting and Financial Management.	-0.255	0.255	0.000	0.000
FCS012	Vacancy management within Internal Audit Service - Vacancy management and team structure review, and review of contracted services budget.	-0.015	0.000	0.000	0.000
FCS013	Introduction of new technology and reduction in posts in Finance Exchequer Services - Savings from reduction in headcount enabled by introduction of new technology including additional employee self-service.	-0.075	0.000	0.000	0.000
FCS014	Benefits realisation from the HR & Finance System replacement project in Finance Exchequer Services - Benefits realisation work is still underway to quantify value of saving from the HR & Finance System replacement, but current forecast reflects savings of £0.4m in 2022-23 which will be delivered by a combination of reduction in posts and changes to licence costs. Expected full year effect of the project being implemented is currently estimated as a further £0.1m from 2023-24.	0.000	-0.400	-0.100	0.000
FCS015	Corporate Property savings in direct revenue costs - Savings achieved through reduced maintenance, security and other revenue costs based on exiting some additional sites, enabled by changes to ways of working due to COVID-19.	0.000	-0.358	0.000	0.000
FCS016	One-off saving from release of reserves.	-0.372	0.372	0.000	0.000
FCS017	BC3 - Budgeting and Accounting one-off use of Finance Org Change reserve.	-0.157	0.157	0.000	0.000
		-1.927	**0.026**	**-0.100**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
	Depreciation transfer	0.010	0.000	0.000	0.000
	Debt management transfer	-0.002	0.000	0.000	0.000
	Esri Annual Maintenance Renewal from CES	0.103	0.000	0.000	0.000
	Safety of Sports Grounds Money to CES	-0.020	0.000	0.000	0.000
	Rates Revaluations from FG	0.125	0.000	0.000	0.000
	Pool Car Budget from FG	0.060	0.000	0.000	0.000

Finance and Commercial Services					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
	FIRE ICT transfer to IMT ICT from CES	1.589	0.000	0.000	0.000
	FCS/CES - Adult Learning - Corporate Property	-0.002	0.000	0.000	0.000
		1.862	**0.000**	**0.000**	**0.000**
	NET BUDGET	**32.435**	**32.776**	**33.503**	**34.406**

Finance General

10.53. Finance General is a corporate budget, which includes council wide expenditure and income. This is a net income budget as total income exceeds total expenditure. A net income budget is shown as a negative figure.

10.54. Finance General includes employee related costs such as corporate pension payments due to changes following the actuarial valuation of the pension fund. Pension deficit recovery is identified as a cash sum and is budgeted for in Finance General. Other expenditure includes redundancy and pension payments arising from organisational review; grant payments; audit fees; member allowances; and capital financing costs. Income includes funding through the Business Rates Retention System; interest from investments; and depreciation on capital from services.

Table 26: Detailed budget change forecast Finance General 2021-25

Finance General					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
	OPENING BUDGET	**-225.178**	**-193.410**	**-167.466**	**-157.749**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (2% central contingency for 21-22, 3% 22-23 to 24-25)	5.102	0.773	0.842	0.867
	Basic Inflation - Prices	0.297	0.054	0.056	0.057
	Legislative Requirements				
	NCC Pensions valuation 31 March 2019 for 2020-21 to 2022-23	-0.248	0.168	1.152	0.000
	Other Pensions valuation 31 March 2019 for 2020-21 to 2022-23	0.848	0.848	0.848	0.000
	Environment Agency Levy increase	0.050	0.050	0.050	0.000
	Increased IFCA Precept	0.011	0.011	0.011	0.000
	EELGA pension deficit recovery payment	0.002	0.000	0.000	0.000
	NCC Policy				
	Minimum Revenue Provision	21.000	3.000	3.000	3.000
	Increased Treasury Management costs	0.216	1.643	2.902	0.000
	Implementation of council tax activities	-0.105	0.000	0.000	0.000
	Provision to increase General Fund level to maintain at target 5% net Budget	0.000	1.500	0.000	0.000
	Provision for COVID pressures including Adults (centrally held)	18.829	-18.829	0.000	0.000
		46.003	**-10.781**	**8.861**	**3.924**
	SAVINGS				
FCS001	Making a one-off saving from our organisational change and redundancy budgets.	0.500	0.000	0.000	0.000
FCS002	Recognising additional income forecast from our business rates pilot.	0.300	0.000	0.000	0.000

Finance General					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
FIN001	One off release of Organisational Change Fund - Underlying annual budget provision for organisational change and redundancy costs is £2.7m (2019-20). Assessment of amount required to be held against organisational need, experience of actual costs incurred, and the likely organisational and staffing impact of emerging saving proposals for 2021-22, indicate that it would be possible to continue release £0.500m from this budget on the same basis as 2020-21. This reflects a delay of cost pressure for 2021-22 to 2022-23.	-0.500	0.500	0.000	0.000
FIN002	Insurance review (One-off use of reserves) - Review of Insurance reserves, claims and risks allows £0.500m to be released on a one-off basis.	-0.500	0.500	0.000	0.000
FIN003	Interest Payable / Receivable - Revised estimates of interest payable and receivable budgets for 2021-22 based on latest forecasts enable a reduction in budget provision.	-0.120	0.000	0.000	0.000
FIN004	BC3 - Treasury management interest payable budget saving	-0.580	0.000	0.000	0.000
		-0.900	**1.000**	**0.000**	**0.000**
	BASE ADJUSTMENTS				
	New Homes Bonus Grant	0.665	1.463	0.806	0.000
	Business Rates Pilot	3.879	0.000	0.000	0.000
	Change in Revenue Support Grant	-0.218	0.000	0.000	0.000
	Change in Rural Services Delivery Grant	-0.197	0.000	0.000	0.000
	Local Council Tax Support Grant	-7.512	7.512	0.000	0.000
	Tax Income Guarantee Scheme	0.000	0.000	0.000	0.000
	Extended Rights to Free Travel Grant	0.050	0.050	0.050	0.000
	One-off release of Covid funding Tranche 4 carried forward for 2021-22 pressures	-5.608	5.608	0.000	0.000
	One-off Business Rates gain	-2.265	2.265	0.000	0.000
	Rebase Business Rates budget	-7.972	0.000	0.000	0.000
	COVID-19 Grant 2021-22 (Tranche 5)	-18.829	18.829	0.000	0.000
		-38.005	**35.726**	**0.856**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
	Depreciation transfer	1.060	0.000	0.000	0.000
	Debt management transfer	0.004	0.000	0.000	0.000
	REFCUS transfer	23.969	0.000	0.000	0.000
	Rates Revaluations to FCS	-0.125	0.000	0.000	0.000
	Pool Car Budget to FCS	-0.060	0.000	0.000	0.000
	Care Leavers Council Tax Exemption Grants to CS	-0.100	0.000	0.000	0.000
	Norse fuel rebate budget to ASS	-0.052	0.000	0.000	0.000
	Finance Leases - Fire ICT 2016	-0.001	0.000	0.000	0.000

Finance General					
		Final Budget change forecast 2021-25			
Reference		2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
	Finance Leases - Mobile Libraries 2011	-0.017	0.000	0.000	0.000
	Finance Leases - Mobile Libraries 2011 (SLS)	-0.009	0.000	0.000	0.000
		24.670	**0.000**	**0.000**	**0.000**
	NET BUDGET	**-193.410**	**-167.466**	**-157.749**	**-153.825**

11. Public Consultation

11.1. 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 taxpayers, 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.

11.2. In 2021-22 the council has consulted on proposals to:

- increase council tax by 1.99%;
- increase the Adult Social Care precept by 2.00%; and
- increase the council tax and ASC precept by more (if permissible).

11.3. The council also invited comments on the approach to budget savings or any of the individual proposals themselves. Two specific proposals were anticipated to have an impact on service delivery and so were presented in detail separately by way of wider consultation, these being:

- reducing summer opening hours for recycling centres by one hour (closing at 4pm rather than 5pm); and
- reducing the frequency of roadside grass-cutting in urban and rural areas.

11.4. The approach to consultation involved:

- Consultation took place between 26 October 2020 and 14 December 2020 with consultation feedback available for Cabinet in January 2021;
- Proposals were published and consulted on via the council's consultation hub, Citizen Space: https://norfolk.citizenspace.com/consultation/budgetconsultation2021-2022/;
- Letters were sent to key partners, stakeholders and parish/town councils;
- Parish councils were invited to attend a Zoom-platform webinar hosted in conjunction with the Norfolk Association of Local Councils (NALC);
- Consultation documents were made available in large print and easy read as standard, and other formats on request;
- The council made every effort to find out the views of people who may be affected by the proposals and carry out impact assessments;
- Opportunities for people to have their say on budget proposals, council tax and precept were promoted through Your Norfolk Extra email, news releases, online publications, council website and multiple social media channels;
- Opportunities for council staff to have their say on budget proposals were promoted by Member briefings, management briefings, intranet/newsletters, Friday Takeaway and other cascades and channels as available; and
- 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.

11.5. It should be noted that the consultation did not cover the proposals brought forward in the third round of savings development, in December 2020 as described in paragraph 5.16. The savings arising from this exercise are considered to be efficiency type savings which will not impact on front line service delivery and therefore would not require public consultation.

Your views on our budget consultation 2021-22: consultation feedback

11.6. We received 500 responses in total. The great majority of responses have come from individuals or family representatives amongst the general public (88%); with a relatively balanced gender mix, the majority of respondents aged 45+, three quarters of respondents declaring themselves White British, and 11% with a disability. Nineteen town/parish councillors, one district councillor, one county councillor, twelve voluntary groups, five statutory organisations, and thirteen employees responded directly.

11.7. The feedback in relation to each section of the consultation is as follows:

COUNCIL TAX (proposal to increase NCC's share of the general council tax by 1.99% in 2021-22):

- We received 438 responses to this section with a slight skew to agreement - a half (224) either agreed (132) or strongly agreed (92) with this proposal
- Agreement tends to be underpinned by belief that the increase is necessary because 'needs must', services are vital, that the proposal is intrinsically fair, that service continuity is essential, that COVID-19 impacts need mitigating or increasing demand needs to be met
- A third (155) either disagreed (50) or strongly disagreed (105); whilst 57 were neutral
- Disagreement tends to be attributed to the increase being unaffordable and/or related financial anxieties, to perception that the proposed increase is unfair or unjustifiable, that too much is already being paid in tax, the impacts of COVID-19, a lack of evidence of benefit from previous increases or lack of personal benefit experienced
- Other prominent themes (of many) include fairness/equality, various Covid-19 impacts, service quality, value for money and demand for further council salary/expense savings.

ADULT SOCIAL CARE PRECEPT (proposal to increase the adult social care precept by 2% in 2021-22):

- We received 434 responses to this section of whom a majority (255) either agreed (120) or strongly agreed (135) with this proposal
- Agreement tends to be underpinned by belief that the increase is necessary because 'needs must', services are vital, to meet growing demand for services, to mitigate impacts of COVID-19, and to ensure continued support for the vulnerable
- A quarter (115) either disagreed (37) or strongly disagreed (78); whilst 57 were neutral
- Disagreement is largely attributed to the proposed increase being unaffordable or being unfair, alongside the impacts of COVID-19, desire for greater Central Government funding, and perceptions of paying too much already.

'INCREASE BY MORE' (proposal of an increase in more than the assumed 1.99% for general council tax and 2% for ASC precept, pending Government announcements in this regard):

- We received 430 responses to this section balanced between agreement (176) and disagreement (184) with this proposal, with 62 neutral
- Of those two-fifths (176) were in agreement with this proposal, 98 agreed and 78 strongly agreed
- Agreement tends to be underpinned by belief that the increase is necessary because 'needs must', services are vital, that service continuity is essential, that COVID-19 impacts need mitigating, that underfunding needs addressing (notably with Central Government) or increasing demand needs to be met
- Of those two-fifths (184) in disagreement with this proposal, 62 disagreed and 122 strongly disagreed
- Disagreement tends to be attributed to the increase being unaffordable and/or related financial anxieties, the impacts of COVID-19, that the increase is unjustifiable, that the council needs to increase its efficiency (and perhaps finding savings amongst salaries, staff, expenses and allowances)

RECYCLING CENTRE HOURS REDUCTION BY ONE HOUR IN SUMMER:

- 225 respondents reviewed this proposal, with a half (114) expressing disagreement, of whom 42 disagreed and 72 strongly disagreed; whilst only a third (76) expressed agreement with 42 agreeing, and 34 strongly agreeing; and 34 are neutral
- Disagreement tends to be driven by concerns over fly-tipping (and costs incurred as a result by the council), inconvenience of access (notably for those working during the week), unsuitability of shortening summer hours on assumption this is the season of greatest demand, and other negative impacts such as queuing and tangential environmental impacts
- Agreement tends to be driven by an acceptance of the necessity of the proposal, this being preferable to site closures, or there being no perceived impact on the individual respondent.
- There are many suggestions relating to applying the reduced hour in winter rather than summer, opening later in morning rather than closing earlier in afternoon, or varying opening hours across days of the week/weekend.

REDUCING FREQUENCY OF ROADSIDE GRASS CUTTING:

- 289 respondents reviewed this proposal with the majority, almost two thirds, in agreement (180), of whom 52 agreed and 128 strongly agreed
- Just over a quarter are in disagreement (79) with 33 disagreeing and 46 strongly disagreeing; and 29 respondents neutral.
- Agreement tends to be driven by positive outcomes for the environment, biodiversity, wildlife and wildflowers, aesthetic enhancement, related wellbeing impacts and the "win win" of saving money whilst enhancing the environment. Those in agreement make some caveats as to the need still to be attentive to safety/visibility too; and make some references to the need to be mindful of the timing of cut (after flowering/Autumn suggested) and the collection (or not) of cuttings.
- Disagreement is principally driven by concerns over safety/visibility, also with some references to aesthetic impacts if deemed untidy/overgrown

11.8. A full summary of the consultation feedback on the proposals above can be seen at Appendix 5. This also includes a summary of the comments that people made in respect of our overall approach to budget in departments and specific budget proposals.

12. Representatives of non-domestic ratepayers

12.1. The Council has a statutory duty under Section 65 of the Local Government Finance Act 1992 to consult with representatives of non-domestic ratepayers. In January 2021, a summary of key issues relating to the 2021-22 Budget was circulated to representatives of the business sector via the Chambers of Commerce, with feedback and questions invited to HaveYourSay@Norfolk.gov.uk.. Representatives were provided with a summary of the financial challenges facing the council in 2020-21, and an overview of the proposals for budgets.

13. Medium Term Financial Strategy

13.1. The Medium Term Financial Strategy builds on the 2021-22 Revenue Budget to provide a longer term view of the council's financial prospects, risks and challenges in order to inform future financial planning. The MTFS is set out in Appendix 2.

14. Capital

14.1. A summary of the Capital Programme is set out in the separate Capital Programme report elsewhere on the agenda.

15. The Financial Management Code

15.1. The Chartered Institute of Public Finance and Accountancy (CIPFA) recognises that the challenging financial environment has placed local authority finances under intense pressure. High profile failures of other local authorities have inevitably raised concerns about weaknesses in financial management across the sector. In response, CIPFA has published a Financial Management Code (the FM Code) which needs to be considered in the context of the council's budget setting process as described in further detail below.

15.2. The FM Code is intended to provide guidance about good and sustainable financial management, along with assurance that resources are being managed effectively. As such the code requires authorities to demonstrate that processes are in place which satisfy the principles of good financial management. It identifies risks to financial sustainability and sets out details of a framework of assurance which reflects existing successful practices across the sector. Crucially, the code establishes explicit standards of financial management, and highlights that compliance with these is the collective responsibility of elected members, the chief finance officer and the wider Corporate Board.

15.3. Although the FM Code is not statutory, CIPFA considers that it "*it is difficult to envisage circumstances in which the absence of statutory backing for the FM Code would provide a reason for non-compliance.*"[26] The code builds on elements of other CIPFA codes and in particular has clear links with The Prudential Code for Capital

[26] CIPFA Financial Management Code, page 12, https://www.cipfa.org/policy-and-guidance/publications/f/financial-management-code.

Finance, the Treasury Management in the Public Sector Code of Practice and the Code of Practice on Local Authority Accounting in the United Kingdom.

15.4. The code is based on the following principles:

- Organisational **leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- **Accountability** – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- Financial management is undertaken with **transparency** at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
- Adherence to professional **standards** is promoted by the leadership team and is evidenced.
- Sources of **assurance** are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
- The long-term **sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

15.5. These principles are underpinned by seventeen Financial Management Standards with which the council needs to demonstrate compliance. The manner in which this is to be achieved is not prescribed, however, the Code sets out that it relies on "*the local exercise of professional judgement backed by appropriate reporting. To ensure that self-regulation is successful, compliance with the FM Code cannot rest with the CFO acting alone,*" and emphasises that it "*should not be considered in isolation and accompanying tools, including the use of objective quantitative measures of financial resilience, should form part of the suite of evidence to demonstrate sound decision making.*"

15.6. Compliance with the FM Code is expected from 2021-22. Most, if not all, of the requirements of the FM Code represent good practice which should already be reflected in the council's planning, policies and systems. The following table sets out the assessment of the Council's compliance with the FM Code as it relates to the 2021-22 Budget.

Table 27: Assessment of compliance with Financial Management Code

Section	Statement	Summary of assessment of compliance
1	**The responsibilities of the Chief Finance Officer and Leadership Team**	
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money	Executive Directors keep their services under continuous review and seek to achieve value for money. The requirement to deliver savings as part of the annual budget setting process helps to ensure that a focus on value for money is maintained. Various sources of benchmarking are used by different teams and services where appropriate across the organisation. A scheme of delegation has been imbedded into the monthly financial monitoring and annual budget setting process.

Section	Statement	Summary of assessment of compliance
		As part of the annual audit of the Council's Statement of Accounts, the External Auditors consider the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources.[27] No issues have been identified as part of this exercise.
B	The authority complies with the *CIPFA statement on the role of the Chief Finance Officer in local government*	The Executive Director of Finance and Commercial Services is CCAB qualified and complies with CPD requirements. Financial Regulations clearly set out the role and responsibilities of the Executive Director of Finance and Commercial Services including requirements of Section 151 of the Local Government Act 1972, and the Council's compliance with the CIPFA Statement on the Role of the CFO in Local Government[28].
2	**Governance and financial management style**	
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	The authority has a clear framework for governance and internal control. The Accounts and Audit (England) Regulations 2015 (as amended by The Accounts and Audit (Coronavirus) Amendments Regulations 2020 (SI 2020/404)) require the Council to conduct a review of the effectiveness of its system of internal control at least once a year. The Chief Internal Auditor reviews the effectiveness of the system of internal control throughout the year and reports annually to the Audit Committee. As part of the production of the Annual Governance Statement[29] which accompanies the Statement of Accounts, Executive Directors complete an Annual Positive Assurance Statement and supporting departmental assurance table. Action plans are put in place where any strengthening may be required. The Council's Financial Regulations establish the role and responsibilities of the Executive Director of Finance and Commercial Services and explain how these interact with responsibilities of Members, other Executive Directors, and officers. Executive Directors have responsibility for managing their budgets within the amounts approved by County Council. They have been charged with reviewing all their cost

[27] https://www.norfolk.gov.uk/what-we-do-and-how-we-work/our-budget-and-council-tax/statement-of-accounts

[28] https://www.cipfa.org/policy-and-guidance/reports/the-role-of-the-chief-financial-officer-in-local-authorities

[29] https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/statement-of-accounts/annual-governance-statement-2019-2020.pdf

Section	Statement	Summary of assessment of compliance
		centres to ensure that, where an overspend is identified, action is taken to ensure that a balanced budget will be achieved over the course of the year.
D	The authority applies the CIPFA / SOLACE *Delivering Good Governance in Local Government: Framework* (2016).	The Council has approved and adopted a Code of Corporate Governance consistent with the principles of the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014). The authority seeks to apply the principles, behaviours and actions set out in the Framework within its own governance arrangements, including the Financial Regulations which form part of the County Council Constitution. These are supported by the Financial Procedures which are more detailed. This is further supported through regular reporting to the Audit Committee (including high priority findings) and the development of the Internal Audit Strategy.
E	The financial management style of the authority supports financial sustainability.	Financial Regulations and Budget reports collectively set out the Council's approach to prudent, sustainable financial planning and the Executive Director of Finance and Commercial Services' role in commenting on the robustness of estimates, and duties under section 114 of the Local Government Finance Act 1988. A balanced revenue Budget is prepared annually and Members have historically taken decisions on available council tax increases which ensure future sustainability. The Medium Term Financial Strategy also considers a longer term horizon. The wider financial management style of the authority supports financial sustainability in that reports taken to committee have to consider and document the financial implications of any material decision taken. Cabinet regularly receive financial monitoring and forecasts. Managers are encouraged to enhance their financial literacy through a suite of online training and support from finance professionals.
3	**Medium to long-term financial management**	
F	The authority has carried out a credible and transparent financial resilience assessment.	The Council underwent a Local Government Association Corporate Peer Review / Challenge

Section	Statement	Summary of assessment of compliance
		in October 2019[30], which included consideration of financial planning and viability. Findings included that the "*council has successfully addressed the financial challenge to date in balancing its budget. In meeting this challenge, the authority has demonstrated both a prudent approach and a willingness to take difficult decisions.*" The authority undertakes an annual resilience review, as part of the budget setting process, including a sensitivity analysis.
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.	The authority has a robust understanding of the risks to its financial sustainability and reports regularly to Corporate Board, Cabinet and other relevant committees to highlight the impact of these in relation to short, medium and long term decision making. Issues relating to long term financial sustainability are considered in detail in the annual Budget setting reports to Cabinet and County Council, and are regularly articulated to Government via consultation responses and other engagement. The Council has considered its position as evidenced in CIPFA's Financial Resilience Index, which provides a tool for recognising potential signs of risk to councils' financial stability and can be used to assess the organisation's position relative to its peers.
H	The authority complies with the CIPFA *Prudential Code for Capital Finance in Local Authorities*	Norfolk County Council prepares and publishes an annual Capital Strategy as part of the budget setting process, covering four years. This is summarised in the MTFS and published alongside the revenue budget papers. The authority has a set of prudential indicators included within the Treasury Management Strategy, in line with the Prudential Code and has suitable mechanisms in place for monitoring performance against those set.
I	The authority has a rolling multi year medium-term financial plan consistent with sustainable service plans.	Annually produced, rolling four-year medium term financial strategy which also looks at the longer term (10 years) to establish potential sensitivities within the budget setting process. Annual Budget sets out links to annual Service Committee Plans. Annual Strategic Planning activity also makes the link between budget-

[30] Plan to develop Peer Challenge Recommendations into Action Plan, (Item 16), Cabinet, 2 December 2019

Section	Statement	Summary of assessment of compliance
		setting and the Council's wider strategy and transformation activity within Service Departments. The Budget Book also details budgets to a lower level of analysis and incorporates planned savings etc.
4	**The annual budget**	
J	The authority complies with its statutory obligations in respect of the budget setting process.	The authority is aware of its statutory obligations in respect of the budget setting process and sets a balanced budget for the current year within the required timeframe. The proposals set out within this report will enable the council to set a balanced budget for the forthcoming year.
K	The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.	The adequacy of reserves and provisions budget report includes details of the earmarked reserves held, explains the purpose of each reserve, the estimated opening balances for the year, details of planned additions/withdrawals and the estimated closing balances. Information and details of the assumptions used to support the Executive Director of Finance and Commercial Services' statement on the Robustness of the Estimates (budget report) provides assurances to Members prior to recommending and agreeing the revenue and capital budgets and plans.
5	**Stakeholder engagement and business cases**	
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.	The authority knows who the key stakeholders are and has processes in place to ensure they are engaged with throughout the year, and as part of the annual budget setting process. The effectiveness of this engagement is kept under review to ensure improvements can be made where necessary. Further details about the approach to engagement are provided within this report and Appendix 5
M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions	The capital prioritisation process is set out in the annual Capital Programme. Significant decisions are subject to review of business case and approval by Members in line with Financial Regulations. A new Capital Programme Quarterly Review Board has been established to co-ordinate and provide oversight of the Council's overall capital programme. It is led by the Cabinet Member for Finance and attended by officer representatives from each major service. The board provides a

Section	Statement	Summary of assessment of compliance
		forum to discuss, co-ordinate and, if necessary, prioritise new schemes to be added to the programme, as well as on-going schemes.
6	**Performance monitoring**	
N	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	The Council produces regular revenue finance monitoring reports for members, based on forecasting by budget holders which is regularly considered by senior managers. Reporting includes details of the monthly monitoring position against the budget, forecasts general balances and reserves for the end of the financial year, and highlights any other pertinent information relating to the overall financial position of the council. These reports also detail relevant service specific financial and operational issues. Financial information is also aligned with and reported alongside corporately significant vital signs, which provide details of the Council's current performance towards achieving its strategic outcomes. Vital signs support the Council to review current performance, validate the actions being taken to address gaps in performance and identify further opportunities for improvement
O	The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability.	The authority routinely monitors and reports the material elements of the balance sheet that may give indications of a departure from financial plans.
7	**External financial reporting**	
P	The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.	The role of the Executive Director of Finance and Commercial Services is set out within the Financial Regulations. The statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom. Statements in Statement of Accounts confirm compliance.
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.	Outturn figures are presented as part of the monthly financial monitoring and forecasting process, so shape strategic decisions going forward. The final outturn is presented within the Statement of Accounts along with supporting narrative. These figures then form a part of the decision making within the following year's annual budget setting process.

The Financial Resilience Index

15.7. CIPFA has also developed and published (16 December 2019) a Financial Resilience Index. Further details of the results and implications of the index are set out in the Statement on the Robustness of Estimates (Appendix 4).

16. Summary

16.1. The information included in budget papers needs to be considered when Cabinet recommends a budget to the County Council. Issues that need to be considered and where decisions are required are:

- Additional costs and savings options;
- Level of general balances;
- Level of reserves and provisions;
- Robustness of estimates;
- Overall level of the 2021-22 Revenue Budget and proposals for 2022-23 to 2024-25;
- Overall level of the 2021-22 to 2024-25+ Capital Programme;
- Prudential Code indicators for 2021-22;
- Level of the council tax / precept for 2021-22 and for the period 2022-23 to 2024-25;
- Implications of the Revenue Budget for 2022-23 to 2024-25;
- Responses from the public consultation on the budget; and
- The outcome of equality and rural impact assessments and proposed mitigations.

16.2. The proposed 2021-22 Budget represents a balanced and deliverable package of measures which can be achieved within the council's expected resources for the year. However, it is critical to acknowledge the significant risk posed by COVID-19 which has a potentially far-reaching impact on the 2021-22 Budget. Beyond the impact of COVID-19, a number of further risks and uncertainties remain, as set out within this paper, which will need to continue to be kept under close review up to final budget setting by the County Council in February 2021.

Norfolk County Council
Medium Term Financial Strategy 2021-22 to 2024-25

1. Introduction

1.1. The Medium Term Financial Strategy (MTFS) 2021-25 replaces the Medium Term Financial Strategy 2020-24. In preparing the 2021-25 MTFS, the council faces unprecedented levels of uncertainty about the impact of COVID-19, medium term funding allocations, and Government plans for both the funding system for the future, and the role and operating context of local authorities, and therefore the Medium Term Financial Strategy will need to remain flexible to adapt to changing circumstances.

1.2. A lot has changed since the previous MTFS was prepared. COVID 19 has changed every aspect of our daily lives and will have a huge impact for years to come. It has caused a seismic and immediate refocus of services, process and planning. The financial consequences of this continue to emerge, but it is **having a material impact on the ability to deliver the full level of planned savings in both 2020-21 and 2021-22, which is likely to have a sustained impact on the Medium Term Financial Strategy going forward**. Given the national context, there continue to be significant influences beyond the Council's control that will make delivery of savings difficult considering the ongoing recovery work, Covid-19 related restrictions, potential surges in demand and further waves of the pandemic.

1.3. At the time of preparing this MTFS, the pandemic continues, measures are likely to be in place until well into 2021-22, cost pressures remain, and significant **risks around future year council tax and business rate income exist** and will need to be addressed. The Government's one year Spending Review[31] (Announced 25 November 2020) assumes no ongoing Covid-related expenditure from 2022 onwards, however the long term impacts from Covid are yet to be seen and fully understood.

1.4. The financial implications for the latter three years of the MTFS (2022-25) are largely unknown, and therefore remain subject to considerable change and uncertainty. This will contribute to making budget planning activity for 2022-25 particularly challenging.

1.5. In the context of this uncertainty, the MTFS sets out the latest available information about national and local factors which are likely to impact upon budget planning decisions. This year, the MTFS has been produced in the context of the CIPFA Financial Management Code. The MTFS forms a key part of the council's financial management approach and supports the identification and management of the key risks to the council's financial sustainability. As such it details funding changes and explains the strategy for how the council intends to manage these, to make transformative change, and plan new initiatives, while continuing to meet its statutory responsibilities in the medium term.

1.6. As detailed more fully in the Revenue Budget paper, the funding of social care remains a major issue for the County Council. Pressures are being experienced in key areas such as Adult Social Care and Children's Services (including children looked after, family support to enable children to remain at home, home to school transport and the High Needs Block of Dedicated Schools Grant).

[31] Spending Review 2020 documents - GOV.UK (www.gov.uk)

1.7. Alongside the ongoing impact from changes such as the National Living Wage, these and other pressures continue to give rise to significant additional costs for the organisation and have contributed to a budget deficit forecast in the later years of this financial strategy. As a result, the council will need to develop early and robust responses, including significant further realistic and deliverable savings plans, during future budget planning rounds.

2. National Factors

Coronavirus Pandemic

2.1. The COVID-19 pandemic and the public health measures taken to contain it have delivered one of the largest shocks to the UK economy and public finances in recent history. Risks around COVID-19 and the budgetary impacts have been reported to Cabinet as part of financial monitoring through 2020-21 and are specifically set out within these budget reports presented to Cabinet in February 2021. The MTFS assumes a short-term impact with no material impact in 2022-23 onwards, but the long term implications such as increased costs or changes in behaviour are still largely unknown and represent a key area of risk.

2.2. Data from the ONS shows that while the summer saw the UK economy move towards recovery, as at October 2020 (latest release as at 05/01/21) it is still 7.9% below where it was in February 2020, before the main impacts of Coronavirus pandemic were seen.[32] The economic impact of the further national lockdowns imposed in November 2020 and January 2021 remain to be seen, but the Chancellor commented at the Spending Review that the "economic emergency has only just begun." Most recently, in an Economic Update to parliament on 11 January, he stated that "the economy is going to get worse before it gets better."[33]

2.3. The Office for Budget Responsibility produced the Economic and Fiscal Outlook (25 November 2020[34]) including a central forecast, reflecting the combined impact of the virus on the economy and the Government's fiscal policy response. It shows the UK's budget deficit in 2020-21 as £394bn (19% percent of GDP), significantly higher the £55bn predicted at the budget in March. However, in their modelling, the peak could be between 353 and 440 billion (17 to 22 percent of GDP) and will continue to rise as a share of GDP over the next five years in all but the upside scenario. This is due to increased Government spending in response to the Coronavirus pandemic and the corresponding decreased receipts. Over the period of this Medium Term Financial Strategy, the Chancellor may look to reduce public spending where possible, such as a public sector pay freeze in future years.

Government funding

2.4. During the previous multi-year settlement, in 2020-21, and in the current year 2021-22, the level of, and uncertainty around, **one-off funding allocations** have been a significant issue for local authority planning. While this is of course understandable as part of the unprecedented response to COVID, over the course of the preceding four-year settlement, councils saw additional allocations for a range of funding including the improved Better Care Fund, Rural Services Delivery Grant, and various social care grants.

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[32] GDP monthly estimate, UK - Office for National Statistics (ons.gov.uk)
[33] https://www.gov.uk/government/speeches/economic-update-speech
[34] Overview of the November 2020 Economic and fiscal outlook (obr.uk)

2.5. This additional funding was clearly welcome and has supported the County Council to set a balanced budget, however it is important to recognise that these announcements have a substantial impact on longer term planning and lead to increased uncertainty from year to year. In some cases, additional funding has not been announced until very late in the budget-setting process, which does not lend itself to effective service planning. The one-off or time limited nature of some of this funding also means that it is not prudent to include it within base budgets, but in areas such as social care, the additional activities which the funding supports cannot in all cases simply be "switched off". Similar considerations apply to the additional cost pressures which have been addressed by short-term COVID funding allocations.

2.6. The delays to the **Fair Funding Review**, while clearly unsurprising in the circumstances, are disappointing as it appeared that the direction of travel was generally favourable for upper tier shire authorities. The Council continues to lobby the government to ask that the Fair Funding Review be concluded to provide an adequate overall quantum of funding for local government within the system, update the relative needs formula, and fully recognise the costs associated with rurality and sparsity.

2.7. Settlement funding information is rarely provided in sufficient time for local authorities to meaningfully consider it and develop a response. The 2021-22 Provisional Settlement was announced 17 December 2020 (and for 2020-21, on 20 December 2019). This is hugely disappointing considering the Ministry's previous acceptance of the recommendations of the Hudson Review[35] that the settlement should be published around 6 December. Setting the dates for the settlement announcements in advance, and crucially then adhering to them, would be of enormous benefit to local authority planning.

2.8. Looking beyond the immediate impacts of coronavirus, the overall level of uncertainty means that the financial environment for local government remains extremely challenging for the foreseeable future. **Local authorities continue to face a growing gap between funding and service pressures, driven in part by demographic changes, unfunded burdens such as the National Living Wage, and the needs of vulnerable social care users becoming increasingly complex**. Children's services, in both social care and education (particularly the High Needs Block), are also under very significant stress. This pressure is anticipated to increase in the medium-term as a result of additional needs driven by effects of COVID-19 and the associated lockdowns and restrictions. Other services such as transport, planning, environment, and trading standards have been subject to significant restrictions which have also seen increasing pressure placed on discretionary and preventative services.

2.9. At the time of preparing this Strategy in January 2021, the last major fiscal event was when the Chancellor of the Exchequer, Rishi Sunak, announced the Budget 2020[36] in March 2020. Due to the unprecedented economic impact the chancellor announced a number of additional measures throughout the year, and updated forecasts (with no reference to Brexit) in the Spending Review 2020. The next Budget is scheduled for March 2021.

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[35] Local government finance: review of governance and processes - GOV.UK (www.gov.uk)

[36] https://www.gov.uk/government/topical-events/budget-2020

2.10. The Office for Budget Responsibility (OBR) have published an updated Economic and Fiscal Outlook[37] to set out forecasts for the UK's public finances alongside the Spending Review 2020. The OBR forecast indicated that UK GDP is set to fall by 11% this year, the largest drop in annual output since 1709, and that receipts this year are set to be £57 billion lower, and spending £281 billion higher, than last year.

European Union withdrawal / Brexit

2.11. The UK's future relationship with Europe, alongside other policies and decisions by the Government, have a significant impact on the council's planning. A Queen's speech was delivered 19 December 2019 and on 20 December 2019 the Withdrawal Agreement Bill was passed. Following European Parliament approval, UK formally left the EU on 31 January 2020 with a withdrawal deal, which was followed by a transition period until 31 December 2020. During the transition period the UK and EU negotiated a post Brexit agreement to take effect from 11pm 31 December 2020. The implications of leaving the EU for the County Council's service delivery and finances, as well as for the local economy more widely are only just emerging. Further details of anticipated impacts are set out below.

The process of leaving the EU and impact upon European programmes in which Norfolk County Council is involved

2.12. Until December 2020, there had been continuing uncertainty around the process and terms upon which the Britain would leave the EU.

2.13. The decision to leave the EU taken in June 2016 will have a long-term impact on the European funding available to the county. It also creates a potential workforce risk, as the nature of any immigration policy decided after leaving the EU may result in issues for the care and agricultural sectors.

2.14. Norfolk County Council and "Norfolk plc" has historically benefited from European programmes and we have built up substantial expertise in designing, managing and delivering European projects and programmes. However, the referendum decision also provides an opportunity to influence alternative future funding schemes to benefit our local area.

2.15. European funding in Norfolk has been spent on a variety of activity such as:

- Economic growth and regeneration (for example supporting small businesses to start and grow);
- Skills, worklessness and employment support (for example, supporting unemployed people back into work);
- Environmental protection (for example, support for landowners to create wildlife habitats);
- Research and development (for example, support for universities to undertake research); and
- Agricultural support via the common agricultural policy (for example, subsidies for farmers, and grants for rural economic growth).

2.16. In the immediate period following the EU referendum, activity across the range of EU funded programmes available to Norfolk stalled, awaiting advice from central

[37] Economic and fiscal outlook – November 2020 (obr.uk)

government on how to proceed. Some development time was lost as applicants waited for further news before taking the decision to apply for EU funds.

2.17. In October 2016, the then Chancellor announced that all EU funded projects contracted before we leave the EU would be honoured in full. This guarantee includes honouring funding for projects which are due to complete in the years following the UK's departure from the EU. The guarantee is subject to projects meeting two criteria: 1) value for money and 2) fit with national priorities; both of which are tested when projects are assessed. This guarantee has now been extended to cover the transition period, so all projects contracted before 31 December 2020 are covered. This is a welcome extension, since it gives the council additional time to commit the funding allocated so that businesses and organisations can continue to benefit from EU-funded schemes available in our local area until funding contracts expire.

2.18. The Economic Programmes team have been promoting the EU funding opportunities to potential applicants to maximise drawdown and benefit in Norfolk before we leave the EU and the £9m LEADER programme was fully committed in the summer of 2019. While our new £3M DRIVE (Delivering Rural Investment and Vital Employment) Programme will provide capital grants of £55-£30k to businesses, it cannot help rural businesses to diversify - as LEADER did - so we will seek to target the new Shared Prosperity Fund (see following paragraph) to address this issue.

2.19. The Government has pledged to replace EU funding with the Shared Prosperity Fund[38] and, in the November 2020 Spending Review announced that an initial £220m would be made available for 21-22 to help local areas prepare for the introduction of the Fund and pilot programmes and new approaches. More details are due in Spring 2021. The Council will respond to the request for proposals and is already considering the outline criteria for the pilot programmes set out in the Spending Review document.

2.20. The INTERREG France (Channel) England programme which we manage, will continue through to fruition, closing formally in 2025. The Programme remains subject to EU regulations in accordance with the legal framework in place pre-Brexit. There are areas requiring further action where we are working closely with the EU and the UK Government representatives from MHCLG and BEIS to ensure compliance. These include procurement and use of the UK tender platform replacing OJEU and Standard Contractual Clause amendments to ensure data flows freely from the EU to the UK, which will need to be put in place over the next 6 months.

2.21. The European Commission has also confirmed *"that the negative interests charged by the banks are bank charges which are linked to the usual administration of the accounts and therefore […] eligible".* Therefore, as regards **the treatment of such eligible costs**, these costs should be certified under the technical assistance priority axis, applying the corresponding co-financing rate. As in all other cases of eligible bank charges, the expenditure incurred should be supported by appropriate (banking) documents. The programme is calculating the recovery amounts for inclusion in future claims.

Government policy and economy forecasts

2.22. Alongside the Spending Review[39], in November 2020, the Government published an update to its preferred measure of illustrative core spending power, which

[38] https://researchbriefings.files.parliament.uk/documents/CBP-8527/CBP-8527.pdf
[39] Spending Review 2020 documents - GOV.UK (www.gov.uk) para 6.65

suggests that Local Government's core spending power will increase by 4.5% in cash terms, largely relating to the Government's forecast of increased revenues associated with the 2% increase to local council tax, the 3% adult social care precept and an additional grant of £300 million in social care funding. The government also expects to provide over £3 billion of additional support for Covid-19 pressures in 2021-22.

2.23. However, it does little to address the fact that since October 2010, the Government implemented significant spending reductions with the aim of reducing the national deficit, which fell more heavily on local government than many other parts of the public sector. Norfolk County Council has absorbed a reduction of **£219.955m** in core funding from Government between 2010-11 and 2019-20. Nationally, local government will still be worse off in real terms in 2021-22 compared to 2010-11.

2.24. The Bank of England's Monetary Policy Committee (MPC) at a special meeting on 19 March 2020 voted to cut Bank rate to 0.1% and increase its holdings of UK government and corporate bonds by £200 billion to a total of £645 billion[40]. Both investment earnings rates and new borrowing rates remain low by historical standards.

2.25. The council's treasury management objectives remain safeguarding the timely repayment of principle and interest, whilst ensuring liquidity for cash flow and the generation of investment yield. The council works closely with its external treasury advisors to determine the criteria for high quality institutions, including high quality banks and financial institutions, and local authorities. The council applies a minimum, acceptable credit-rating criteria to generate a pool of highly creditworthy UK and non-UK counterparties which provides diversification and avoids concentration risk. These are detailed further in the Annual Investment and Treasury Strategy 2021-22 (elsewhere on the agenda).

2.26. The council makes non-treasury investments for policy purposes, for example capital loans to subsidiaries and other companies. These are addressed further in the Annual Investment and Treasury Strategy 2021-22.

2.27. The level of commissioning undertaken by the council sees a wide range of services being delivered by partners and through private sector contracts. Contractual obligations are often linked with the Consumer Price Index (CPI), meaning these rates will impact on the council's budget setting activity and medium term planning. CPI[41] is currently running at 0.6% (December 2020 data, published 20 January 2021). Over the previous 12 months, it reached its highest in January 2020 (1.8%) and at its lowest level, it was 0.2% (August 2020).

2.28. Some of our waste, highways, and care contracts are experiencing pressures requiring inflation well over CPI. Increases in care costs are driven primarily through pay costs and the National Living Wage increase is likely to incur nearly a 2.2% increase. Details regarding how inflationary increases within identified cost pressures have been calculated are included within the Robustness of Estimates report.

2.29. The Government continues to prioritise the integration of the National Health Service and social care in order to improve services for patients and deliver efficiencies as set out in the NHS Long Term Plan[42]. By April 2021 all areas of the country will

[40] Monetary Policy Summary for the special Monetary Policy Committee meeting on 19 March 2020 | Bank of England

[41] Inflation and price indices - Office for National Statistics (ons.gov.uk)

[42] The NHS Long Term Plan (norfolkandwaveneypartnership.org.uk)

have an Integrated Care System[43] (ICS). The Norfolk and Waveney Health and Care Partnership is working alongside the county Health and Wellbeing Boards to fully implement the integrated care system for the Norfolk and Waveney area.

3. Local factors

3.1. In responding to these national pressures, Norfolk County Council is operating in the context of significant change in both the scope and scale of public services, while simultaneously absorbing the impact of historic sustained reductions in levels of funding. This pressure on resources has come at a time of increasing levels of demand, and complexity of needs, for many of the services the council provides.

3.2. At the same time as playing its part in delivering the Norfolk response to COVID-19, **the council remains focussed on meeting the twin challenges of increasing demand and limited central government funding, whilst minimising the impact on the front-line delivery of services, and delivering the six year business plan *Together, for Norfolk***. This Medium Term Financial Strategy has been developed to support this work to ensure that the council's gross budget of £1.4bn is spent to best effect for Norfolk people.

3.3. There are a number of local factors that impact upon services provided or commissioned by Norfolk County Council and therefore affect the budget, yet are (at least in part) outside of the council's control. The most significant of these relate to demographics, the local economy, and ecological pressures.

Demographics

3.4. Norfolk's population is an estimated 907,800 in mid-2019[44] – an increase of around 4,100 on the previous year.

3.5. Over the six years between 2013 and 2019, Norfolk's population has increased by 4.1% (or around 37,500 people), compared with an increase of 4.6% in the East of England region and 4.3% in England.

3.6. Over the six-year period from 2013 to 2019, in terms of broad age groups, numbers of children and young people (aged 0-15) in the county increased by around 8,100 (increase of 5.2% compared with an increase of 5.6% nationally); numbers of working age adults (aged 16-64) increased by around 7,000 (increase of 1.3% compared with an increase of 2.2% nationally); and numbers of older people (aged 65 and over) increased by around 22,400 (increase of 10.0% compared with an increase of 10.1% nationally).

3.7. The estimates for mid-2019 confirm that Norfolk's population has a much older age profile than England as a whole, with 24.5% of Norfolk's population aged 65 and over, compared with 18.4% in England.

3.8. The ONS 2018-based population projections are trend-based[45], and on this basis, Norfolk's overall population is projected to increase from 2018 to 2028 by around 60,600 people– this is an increase of 6.7% which is below the East of England projected increase of 5.0% and the England projected increase of 5.0%.

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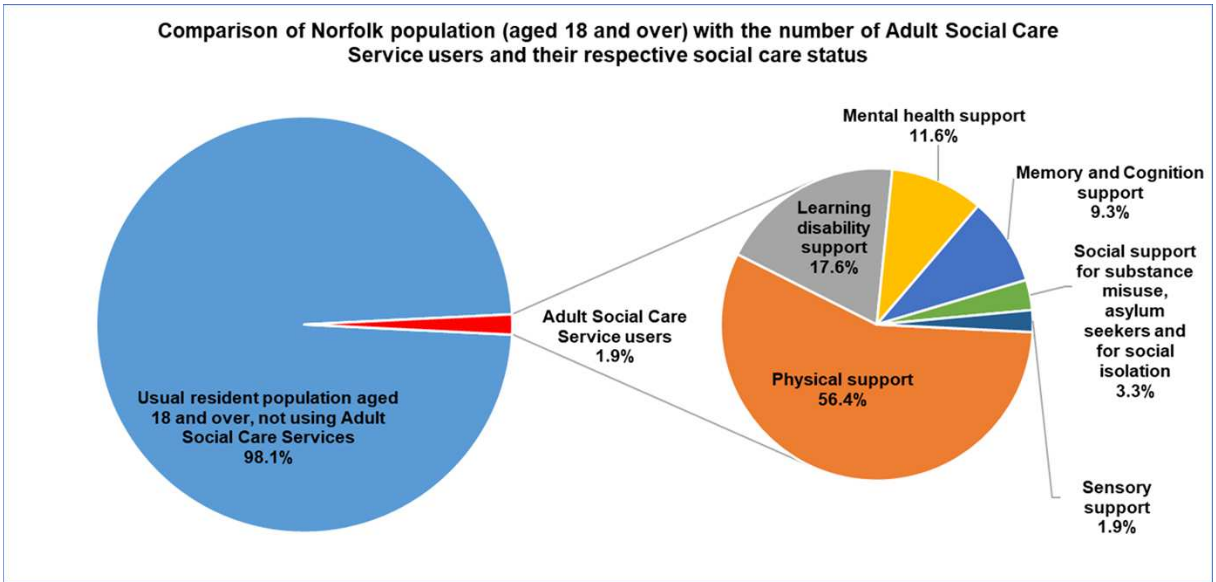
[43] Creating an Integrated Care System (norfolkandwaveneypartnership.org.uk)
[44] ONS 2019 population estimates (September 2019)
[45] ONS 2018-based subnational population projections (March 2020)

3.9. Norfolk's oldest age groups are projected to grow the quickest over the ten years to 2028, with numbers of 75 to 84-year-olds projected to increase by around 37% and numbers of those aged 85 and over projected to increase by around 24%. This age group is the most likely to require social care, so increases in the size of this older group are likely to have a high impact on the demand for social care services.

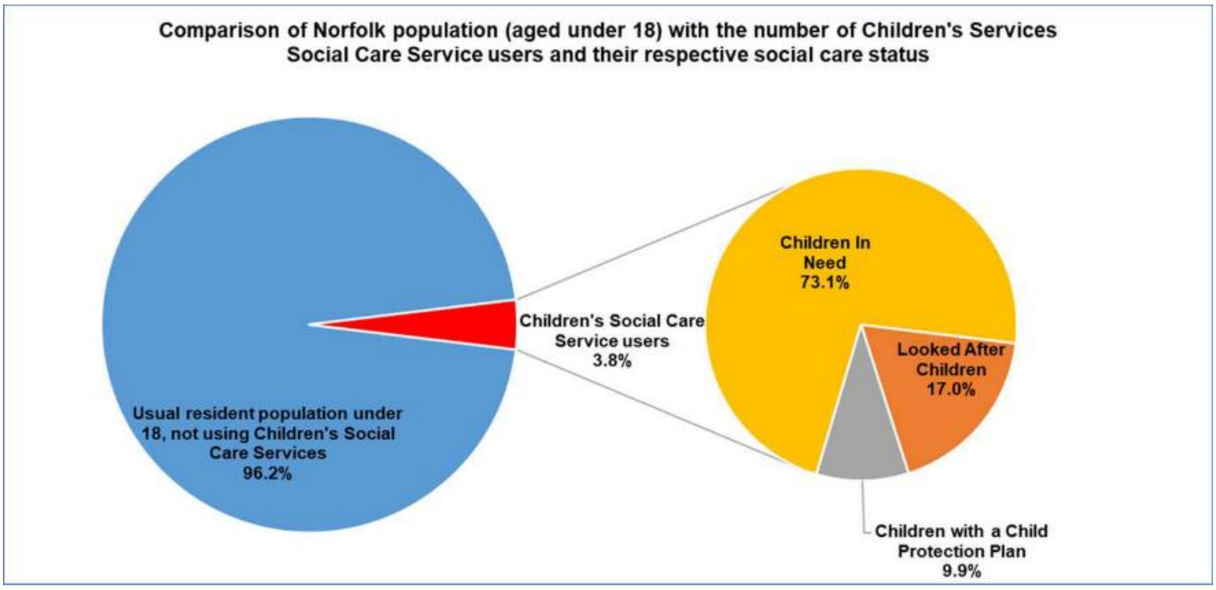
3.10. Looking further ahead, there is projected growth from 2018 to 2041 of around 99,500 people in Norfolk – this is an increase of 11.0% which is below the East of England projected increase of 13.6% and above the national projected increase of 10.6%.

3.11. Further demographic information is provided below, relating to the proportions of adults (aged 18 and over) and children (aged under 18) in Norfolk's population, compared with the proportions who are social care service users, along with their respective social care status.

MTFS Chart 1: Adults demographic information



MTFS Chart 2: Children's demographic information



Population data from mid-2019 ONS estimates; service data all 2019-20.

Social Mobility

3.12. Social mobility is a complex, systemic issue affecting many areas and people in Norfolk. The COVID-19 pandemic has served to further highlight the issue of social mobility and will potentially contribute to worsening some of its impacts in terms of health inequalities, access to education and facilities for learning, employment and the ability engage with new expectations about working remotely. To address social mobility, we want to prevent causes of social and economic exclusion and to foster sustainable, prosperous communities. To do this, we need to work across all our services and at all levels of government, private and third sectors. Fair funding for rural areas is also fundamental to us being able to achieve our ambitions for the people of Norfolk.

3.13. Improving social mobility across all generations will provide more sustainable benefits for growth for Norfolk, as high levels of employment are generally protective against inequalities and cycles of decline in geographic communities.

3.14. Although often perceived as an urban issue, the 2017 social mobility commission report[46] highlighted problems in our rural and coastal areas. In the commission's ranking of social mobility, the districts of Breckland, Great Yarmouth, King's Lynn and West Norfolk, North Norfolk and Norwich were amongst the worst 10% in England.

3.15. Social mobility is also linked to inter-related factors such as health and well-being, affordable housing and deprivation. Deprivation trend data shows us that Norfolk has experienced an increase in relative deprivation over time.

[46] The Social Mobility Commission's "State of the Nation 2017: Social Mobility in Great Britain" report (and accompanying Social mobility index)

3.16. The key issues for Norfolk remain:

- When comparing Indices of Multiple Deprivation (IMD) from 2015 to 2019, there has been a slight relative increase in deprivation. In the 2015 IMD data Norfolk as a whole ranked 88th out of 151 upper tier local authorities, but is now ranked 84th (1 being the most deprived, 151 being the least deprived).
- Based on 2018 population estimates, there are approximately 135,030 people living in the 20% most deprived areas in Norfolk. The areas remain largely urban around Norwich, Great Yarmouth and Kings Lynn, although there are some rural areas in the most 20% deprived.
- Norfolk has an economy somewhat reliant on tourism (which in the short term is being severely impacted by COVID-19 restrictions) and agriculture that means that employment opportunities for residents can be both seasonal and low wage, with limited scope for progression. This particularly impacts rural areas and the coast with over 50% of people on low wages living in rural or coastal areas.
- Average earnings in Norfolk are significantly below national and regional levels.
- Typically, access to services is focused on urban areas as the economic case to deliver to smaller numbers in rural areas is challenging. However, in combination with decreasing access to public transport, it is difficult for residents to access support.
- Currently, Norfolk doesn't have a well-established culture of training at all stages of employment, which impacts on progression within the workplace.
- Access to affordable childcare for low income families is a major barrier to social mobility and removes parents, particularly mothers, from the work place for long periods of time.

3.17. A whole council approach, working in partnership with others across the whole public sector system, is needed to address the many inter-related issues that affect social mobility and our local economy.

Local Economy

3.18. The Council's work to drive economic growth is shaped by the New Anglia Economic Strategy[47] for Norfolk and Suffolk and the Council's business plan, *Together, for Norfolk*[48]. However, in light of the pandemic we worked at pace with the New Anglia Local Enterprise Partnership (LEP) to develop a targeted 'Restart' Plan[49], with the Council's contribution to it outlined in its Norfolk Delivery Plan[50].

3.19. Initiatives to support businesses in the pandemic have included: the creation of a £6.75m Norfolk Strategic Fund for projects to drive the recovery, starting with a £2.225m tourism support package; the LEP's £6.1m Business Resilience and Recovery Grant Scheme and district council partners distributing £399.33m from the Government's Small Business Grants Fund to 34,449 businesses (more than 50% of the Norfolk and Suffolk business base).

3.20. £17m was also secured from the Government's Getting Building Fund for capital projects deliverable in 18 months, which secured funding for the offshore wind Operations & Maintenance base at Great Yarmouth and the Food Innovation Centre at Honingham Food Enterprise Park.

[47] Economic Strategy for Norfolk and Suffolk - New Anglia
[48] Together, for Norfolk - Norfolk County Council
[49] New-Anglia-LEP-NSU-Recovery-Plan-2020-FINAL.pdf
[50] Norfolk Delivery Plan - Norfolk County Council

3.21. To support our people, the Council developed the BEST programme (Bringing Employment and Skills Together) which aims to support over 650 businesses and over 1200 individuals. Its Recruit, Reward, Retain strand provides a financial incentive for employers to take on a new or redundant apprentice and the Employer Training Incentive Project provides employees with the skills needed to help the business they work for survive and grow. The Council also successfully bid to become a gateway organisation for the Government's £2bn Kickstart programme, with businesses able to recruit 16-24 year olds at risk of long-term employment via our portal.

3.22. Promoting the development and expansion of the local economy will become ever more significant if the Government implements plans for localisation of business rates. Already, the Council's priorities place the people of Norfolk at the forefront of our plans and investments. Through the Growth and Development team, the council aims to promote, secure and manage funding to support Norfolk's economic growth. The County Council supports the implementation of a wide range of initiatives intended to deliver growth, including working closely with the LEP on a number of projects such as the development of Enterprise Zone sites across the County and the capital projects mentioned elsewhere, including infrastructure projects, transport improvements such as the Norwich Western Link, and ongoing delivery of Better Broadband, which will all help to drive the creation of higher value jobs in key sectors, such as offshore wind and agri-food. The Council is a member of the Greater Norwich Growth Board which oversees the delivery of the Greater Norwich City Deal and supports infrastructure improvements which will drive growth.

3.23. Despite these interventions it is however important to recognise the potential impact of decisions outside the council's control. For example, the decision to leave the European Union has had an impact on the investment and operational decisions by many businesses, both locally and nationally. The securing of a deal at the end of December 2020 meant that tariff-free trade could continue. However, the financial services sector, which is important for the Norfolk economy was notably absent and will be subject to future EU negotiations.

3.24. It is also important to note that since the introduction of the Business Rates Retention Scheme in 2013-14, Norfolk has not seen any significant growth or decline in the amount of business rates collected. This is a significant concern for Norfolk for future years, when considering the increasing levels of demand, the move towards Business Rates localisation and the potential changes to Revenue Support Grant. Most significantly, local authorities have relatively limited ability to influence some of the major factors which can impact on the level of business rates collected, including for example the impact of Covid-19 on business rates income, the current NHS Trusts challenge, and decisions made by large employers (such as the closure of the Britvic and Colman's/Unilever sites in Norwich and the Construction Industry Training Board (CITB) relocation from its base in Bircham Newton), which can result in large changes to rates income.

Adult Social Care: Care Market Workforce

3.25. There are 27,000 jobs across the adult social care market in Norfolk. Recruiting and retaining care staff therefore remains a key focus to achieve a stable care market and improve quality of care. The Council was recently successful in jointly securing European Social fund monies for the Development Skills in Health and Social Care Programme, which together with match funding from partnership organisations will support a total skills project value of £7.580m for Norfolk and Suffolk. As well as providing support to individuals in the care workforce, it is expected that higher take up of qualifications will lead to better recruitment and retention rates, improved quality of care and improved leadership and management skills to help sustainability within the care market.

Ecology: Waste

3.26. The County Council is responsible for dealing with the left over rubbish (residual waste) collected by all local authorities in Norfolk. Increases in households and the effects of economic growth mean that the amount of left over rubbish and the cost of dealing with it are expected to increase significantly. To help mitigate these effects, the aim of the waste service is to reduce the amount of waste, increase reuse and recycling, and reduce unit costs. These objectives require measures to be put in place by all local authorities in Norfolk and they are actively working on this together as the Norfolk Waste Partnership.

3.27. The long term trends for household numbers in Norfolk, as well as effects of the general economy, changing working routines, consumer confidence and behaviours and weather patterns remain uncertain. These variables, as well as things such as service changes by other authorities and changes in legislation, can all have a major effect on the cost of this service, meaning that the suitable approach to managing budgets for this service is to make justifiable and evidence based allowances in medium and longer term plans that are continually subject to review.

Ecology: Flooding

3.28. Norfolk is identified in the Norfolk Local Flood Risk Management Strategy[51] as the area 10th most at risk of local flooding in England. The county has approximately 34,000 properties at flood risk from local sources during a rainfall event with a 1 in 100 annual chance of occurring. These local sources include flooding from surface runoff, groundwater and from over 7,500 km of watercourses within Norfolk. The County Council's two core aims as Lead Local Flood Authority are to reduce the existing local flood risk for communities and to prevent new development from increasing flood risk. Whilst not directly the authority's responsibility, the county also has nearly 100 miles of coastline and is vulnerable to tidal inundation and surges.

3.29. In the event of a major flooding incident, it is likely that the council would have recourse to the Bellwin scheme of emergency financial assistance to Local Authorities[52]. This would enable the council to be reimbursed for 100% of eligible expenditure above a threshold set by the government. The most recently published threshold for Norfolk was £1.164m in 2017-18 (i.e. this is the maximum liability for the County Council in the event of a major incident eligible for support under the Bellwin rules). However, the annual threshold is 0.2% of the net revenue budget for the year. If the scheme is activated more than once during the year, the threshold is compared with the cumulative expenditure.

3.30. Following the recent flooding events which affected large parts of Norfolk in late December and January 2021, Cabinet approved changes to the Local Flood Risk Management Strategy and agreed[53] to additional funding to assist with the immediate response, clear up operation and repairs to the existing drainage systems damaged or broken by the floodwater. The required works are extensive and as well as

[51] Norfolk Local Flood Risk Management Strategy
[52] Bellwin Scheme thresholds published October 2017 https://www.gov.uk/government/publications/bellwin-scheme-guidance-notes-for-claims
[53] Local Flood Risk Management Strategy Review, Agenda Item 11, Cabinet, 12 January 2021

immediate urgent repairs that are required on the network, the floodwater debris has blocked many existing highway drainage systems, which now require jetting out and in some cases extensive repairs. Flood investigations into the 100+ properties that suffered internal flooding have also now commenced and Flood Investigation Reports will be published over the next three to six months. These reports will identify areas where improvements should be made to reduce the future risk of surface water flooding. Some of these recommendations may have implications for Council systems (as the Council is one of a number of stakeholders who have responsibility for water management systems).

4. Organisational factors

Organisational structure and governance changes

4.1. The County Council is currently a Conservative controlled authority and moved to an Executive Leader and Cabinet governance structure in May 2019. The senior management structure is based on five Executive Directors leading the following directorates: Children's Services; Adult Social Services; Community and Environmental Services; Finance and Commercial Services; and Strategy and Transformation. The Director of Governance leads the Governance Department and reports to the Head of Paid Service. The statutory Head of Paid Service role is undertaken by the Executive Director of Community and Environmental Services.

4.2. A local government pay award is yet to be agreed for 2021-22 onwards, however the Medium Term Financial Strategy assumes no across the board pay increase but provides for a 2% contingency in 2021-22 (to be held corporately until the final award is confirmed) and provides for 3% in budgets from 2022-23 onwards. To take into account the National Living Wage (NLW), the lowest spinal point rate rose to £9.00 per hour in 2019-20. This was to ensure that the new pay spine would reflect future forecast NLW amounts per hour for 2021-22 onwards, which have now been confirmed as £8.91, for those aged 23 and over.

The Norfolk and Waveney Health and Care Partnership

4.3. The Partnership includes the following members, but works closely with the local health watch organisations, district councils and the voluntary, community and social enterprise sector.
- NHS Norfolk and Waveney Clinical Commissioning Group (CCG)
- Norfolk's acute hospitals
- Norfolk and Suffolk County Councils
- Norfolk and Suffolk NHS Foundation Trust
- Norfolk Community Health and Care NHS Trust
- East Coast Community Healthcare Community Interest Company (CIC)

4.4. A priority in the NHS Long Term Plan is to join-up health and care services and by April 2021 all areas of the country will have an Integrated Care System (ICS). The Norfolk and Waveney Health and Care Partnership is working alongside the county Health and Wellbeing Boards to fully implement the integrated care system for the Norfolk and Waveney area.

4.5. The focus for the future is to plan, commission and organise some specialised services at the ICS level and to devolve a greater share of primary care funding and improvement resource to a more local level – with a focus on place. Considerable work has already taken place, with a single Clinical Commissioning Group in place since April 2020, as well as the introduction of 17 primary care networks (PCN) place based around groups of GP practices and made up of different health and care professionals. These teams include an adult social care lead and team, mental health workers and community healthcare teams. The PCN also works with local voluntary and community groups as part of the wider work to achieve healthy and well communities.

4.6. The governance arrangements for the partnership are still being finalised but will include elected members from NCC and officers at the Partnership Board. The Council will also be represented at the Executive Group and system wide functional and planning teams, which will support the development of aligned strategies, policies and practice, recognising the autonomy and governance of the individual organisations. The development of the Place Operating Plans and overarching Norfolk and Waveney Place Framework will be agreed by the Partnership Board in April 2021.

4.7. The King's Fund forecasts that the wider system (nationally) has a total (non-COVID) budget of over £161bn to spend on health and social care in 2020-21[54]. However, underlying (non-COVID) spend is more than the recurring budget provision and there is currently a significant financial deficit for the system. Rising to the challenges of the pandemic, temporary changes to funding and variation to normal spending and service demand, has affected plans and transformation. However, it has also identified opportunities for new approaches and fast tracked some changes to ways of working, such as services following hospital discharge. The aspiration continues to be work through the financial needs for the system as a whole and developing whole system solutions.

4.8. The council's 2021-25 budget plans for adult and children's social care and public health reflect the relevant aspects of the health and social care programme of work. Joint funding plans, including the Better Care Fund, are agreed with health partners in line with Department of Health and Social Care guidance.

4.9. Plans within the partnership include significant involvement from council services and partnership working has enabled joint agreements supporting investment and risk share. In particular, the strategy covers the following areas:

- Supporting effective discharge and admission services through the Ageing Well programme;
- Reducing pressure on emergency services;
- Giving people more control over their health and more personalised care when they need it;
- Digitally enabled care; and
- Local NHS organisations focusing on population health.

Consultation with citizens and equality and rural impact assessments

4.10. The council has undertaken **public consultation** and produced **equality and rural impact assessments** in relation to the 2021-22 Budget and MTFS proposals. Detailed information about the findings of these are included in the Revenue Budget paper (Appendix 1) and in Appendix 5 and Appendix 6.

[54] https://www.kingsfund.org.uk/projects/nhs-in-a-nutshell/nhs-budget

Resource plans, funding, service pressures and savings

4.11. The plans and assumptions in the council's budget and Medium Term Financial Strategy have been reviewed as part of the preparation of the 2021-22 Budget to ensure that they are robust and deliverable. The Executive Director of Finance and Commercial Services' recommendation of a 3.99% council tax increase is made on the basis that this will enable a more robust budget for 2021-22 and for future years, however the outlook for 2022-25 remains extremely challenging and the MTFS is based on the deferred 1% Adult Social Care precept being taken in 2022-23 (alongside the underlying assumption of a 1.99% general increase).

4.12. Experience of the implementation of savings plans demonstrates that in some cases the cost, complexity and time required to deliver transformational change is likely to be greater than that originally allowed. As a result, the removal or delay of a number of previously agreed savings has been proposed over the life of the MTFS. As set out elsewhere in the report, COVID-19 has had a particular impact on the delivery of savings in the current year 2020-21 and some of this non-delivery has been mitigated within the budget process. Where it has not, this reflects expectations that non-delivery is due to delays in implementing savings and the realisation of these planned savings on a sustainable ongoing basis will be fundamental to the delivery of the 2021-22 Budget. This remains a key risk and any extension of current lockdown measures may impact on the achievability of both the saving assumptions carried forward from 2020-21 and new savings planned for 2021-22.

4.13. As set out elsewhere, the Provisional Settlement has provided clarity about funding levels for 2021-22 for local authorities. However, there remains very considerable uncertainty around the final three years of the Medium Term Financial Strategy (2022-25).

4.14. Savings are being delivered through a range of approaches as described in the Service commentary within the Revenue Budget. The table below provides a summary of the savings within current budget planning. Efficiency related savings continue to be targeted as a priority.

MTFS Table 1: Summary of savings in 2021-22 planning

	2021-22	2022-23	2023-24	2024-25	Total
	£m	£m	£m	£m	£m
Savings brought forward from 2020-21 MTFS	-7.684	-5.075	0.000	0.000	**-12.759**
New savings subject to specific consultation in 2021-22	-0.100	0.000	0.000	0.000	**-0.100**
New savings subject to general public consultation in 2021-22	-27.913	-1.352	-1.600	-2.500	**-33.364**
Other savings (December 2020 proposals)	-5.483	4.182	0.000	0.000	**-1.301**
Total savings	**-41.179**	**-2.245**	**-1.600**	**-2.500**	**-47.524**

Implications of one-off funding allocations

4.15. Council funding (especially relating to adult social care services) in recent years has predominately been provided on a one-off basis. Whilst the council has aimed to align one-off funding to one off expenditure, such as invest to save proposals, this is not always possible. In particular, the use of winter funding is targeted at managing demand arising from timely discharge from hospital which predominately reflects recurrent costs. If short-term funding allocations are not made permanent, they will materially increase the pressures arising in future years. This illustrates sharply the case that continues to be made by the council for a sustainable financial solution for adult social care.

General and Earmarked Reserves and provisions

4.16. General reserves are an essential part of good financial management and are held to ensure that the council can meet unforeseen expenditure and respond to risks and opportunities. The amount of reserves held has been set at a level consistent with the council's risk profile and with the aim that council taxpayers' contributions are not unnecessarily held in provisions or reserves.

4.17. Earmarked Reserves support the council's planning for future spending commitments. In the current climate of limited resources, the planned use of Earmarked Reserves allows the council to smooth the impact of funding reductions and provides time for the implementation of savings plans. As part of the year-end closure of accounts, a detailed review of the reserves and provisions held by the council is undertaken. The Medium Term Financial Strategy assumes an overall decrease in the level of Earmarked Reserves. Further details of the anticipated use of Earmarked Reserves are included in the Statement on the Adequacy of Provisions and Reserves 2021-25 (Appendix 3).

4.18. When taking decisions on using reserves, it is important to acknowledge that reserves are a one-off source of funding. Once spent, reserves can only be replenished from other sources of funding or reductions in spending. Therefore, reserves do not represent a long term solution to the historic funding reductions and continuing cost pressures facing the council.

5. Local Government Funding

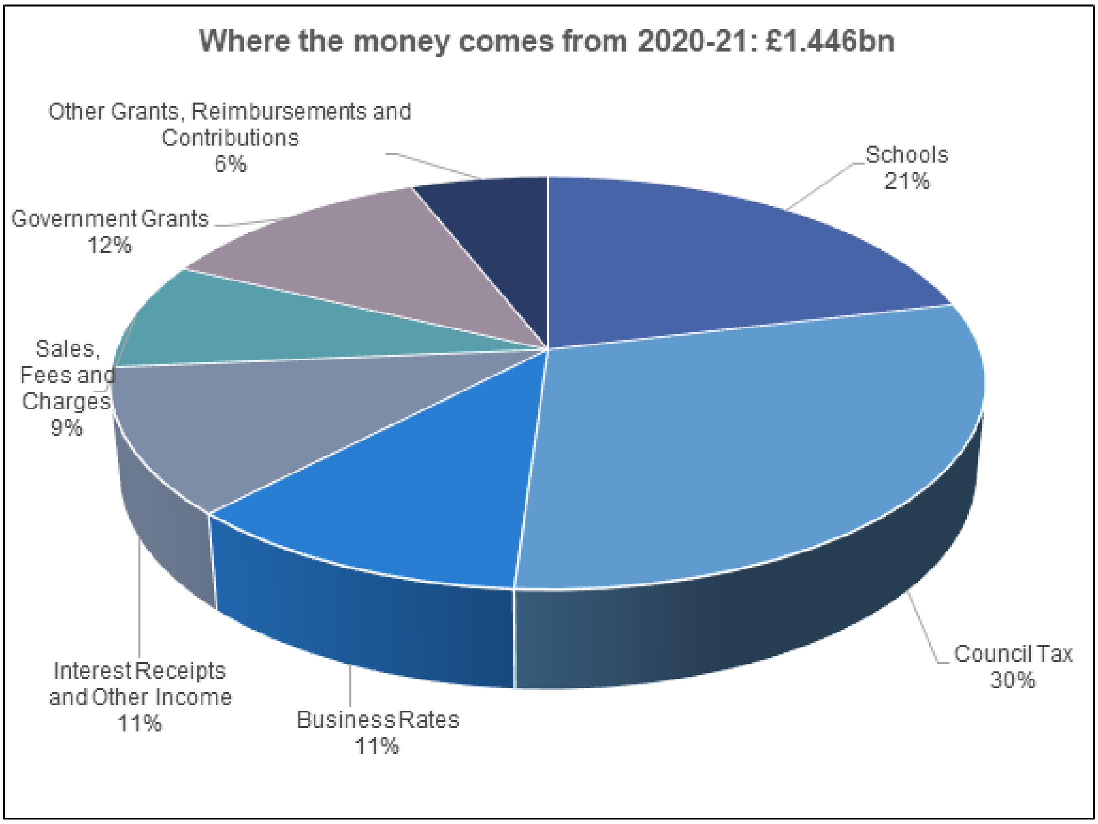
5.1. Local Government funding has three major components:

- money received through council tax;
- money received through partial retention of locally generated Business Rates; and
- money redistributed by Government in the form of Revenue Support Grant (RSG) and specific grants.

5.2. Councils also generate income through sales, fees and charges. The breakdown of this **budgeted funding** in 2020-21 is shown in the pie chart below, though the reality is income streams have been materially affected by Covid-19.

5.3. In recent years, the government has provided a larger proportion of funding through one-off specific grants, which makes it increasingly difficult to plan services for the long term. Therefore the completion of the Fair Funding Review is vital to support delivery of sustainable services.

MTFS Chart 3: Council funding sources 2020-21



Business Rates (11%)

5.4. Since April 2013, councils have no longer received Formula Grant, but instead received funding from a mix of locally retained business rates and government grants that are allocated from centrally retained business rates.

5.5. The introduction of the business rates retention scheme resulted in a direct link between local business rates growth and the amount of money councils have to spend on local people and local services. The scheme provides incentives for local authorities to increase economic growth, through retention of a share of the revenue generated from locally collected business rates. This does not alter the way that business rates are set, and they continue to be set nationally by central government.

5.6. Local authorities benefit from 50% of business rates growth (or indeed suffer the consequences of business rates decline) in their area. The scheme is complex, involving a system of tariffs, top-ups and levies, however, at its simplest, for every £100 change in rates in Norfolk, £50 would go to central government, £40 to the district councils and £10 to Norfolk County Council.

5.7. Baselines are fixed in-between reset periods and only adjusted for inflationary increases to allow local authorities to retain generated growth for a period of time. The next reset was due in 2021-22 but it has been delayed. Until any reform of the system is completed, upper tier authorities are restricted in gains but also protected from reductions somewhat, as a large proportion of income is received through index linked top-ups.

5.8. Challenges within the current Business Rates scheme include the level of financial risk that councils face due to appeals and business rate avoidance, with little scope for these risks to be managed under the current arrangements. Some councils are of the view that the risks outweigh the rewards available to councils through incentives to grow the local economy. The Government has implemented a new three-stage approach to business rates appeals: "Check, Challenge, Appeal," aimed at providing a system which is easier to navigate, with an emphasis on early engagement to reach a swift resolution of cases. The new system came into force on 1 April 2017, to coincide with the national revaluation of rateable values.

5.9. Risks to business rates income are considered to be significantly higher in 2021-22 due to the impact of COVID-19 and the level of uncertainty around continued Government support for businesses. In light of the significant uncertainty around the business rates position for next year, Norfolk local authorities have decided not to form a business rates pool for 2021-22 and have notified the Ministry for Housing, Communities and Local Government requesting the Norfolk Pool be revoked. The position will be reviewed if there is an opportunity to form a Norfolk business rates pool for 2022-23.

5.10. In respect of the 2021-22 budget, updated District Council forecasts are being collated and the level of income the council will receive is not yet confirmed.

Changes to the Business Rates Retention Scheme

5.11. The Government has previously stated that it remains committed to increasing local share of business rates retention to 75%. However, there remains uncertainty at this point about the detailed plans for implementation and when implementation will take place.

5.12. The Spending Review confirmed that "full conclusions" from the fundamental review of business rates are due to be published in Spring 2021. Barring any radical changes being proposed, this will help to shape any wider reforms of local government funding. A key issue for the County Council will be to ensure that reforms include a review of funding needs which accurately captures the pressures faced by Norfolk, particularly in respect of social care, demographic issues, and the specific local pressures arising from sparsity, rurality and social mobility.

Revenue Support Grant (RSG) (3%)

5.13. The amount of funding the council receives is published as the Settlement Funding Assessment. As shown in the table below, in comparison to other councils, Norfolk remains somewhat reliant on Revenue Support Grant (RSG) and therefore cuts to this funding stream have a significant impact on the budget. Following the Provisional Local Government Finance Settlement, the council's budget planning assumes that RSG is uplifted by 0.55% in 2021-22.

5.14. The table below shows Norfolk's assumed Settlement Funding Assessment, which reflects the actual 2020-21 funding allocations. There is currently no information about Settlement Funding beyond 2021-22 and the MTFS gap assumes this will be unchanged from the assumed 2021-22 allocations.

MTFS Table 2: Settlement Funding Assessment

	2020-21 (comparative)		2021-22 (assumed)	
	£m	%	£m	%
Settlement Funding Assessment	194.461	100.0%	194.679	100.0%
Received through:				
Revenue Support Grant	39.442	20.3%	39.660	20.4%
Baseline Funding Level	155.019	79.7%	155.019	79.6%
Via Top-Up	*127.897*		*127.897*	
Retained Rates	*27.122*		*27.122*	

Specific government grants (12%) and schools funding (21%)

5.15. The table below summarises the amount of specific grants due to be received in 2020-21, along with provisional figures for 2021-22. In most cases the allocations for the years beyond 2021-22 have not yet been confirmed by the Government and there is therefore limited information available about amounts beyond next year. Ring-fenced funding below includes funding to schools, over which the County Council has no control.

MTFS Table 3: Grants and Council Tax

	2020-21 Actual (restated comparative) £m	**2021-22 Provisional £m**
Un-ringfenced	262.454	265.919
Ring-fenced (schools)	679.964	732.938
Ring-fenced (Public Health)	40.630	40.630
Emergency Coronavirus funding[55]	70.277	26.341
Council tax (council tax increase of 3.99% 2020-21 and 2021-22)	430.421	439.094
Local Business Rates	27.122	27.122

5.16. Details of significant specific grants are set out below:

Ring-fenced grants

5.17. **Public Health** – Public Health grant continues to be ring-fenced grant in 2020-21 for public health services. The Government has not yet confirmed grant allocations for 2021-22. Public Health covers a wide range of services that may be provided directly to communities or to other organisations that deliver services supporting the health and wellbeing of our population.

[55] Including LCTS Grant in 2021-22

5.18. **Dedicated Schools Grant (DSG)** – Schools funding is provided through the Dedicated Schools Grant (DSG) and other grants. The DSG is allocated to local authorities who then delegate the funding to schools in accordance with the agreed formula allocation. Grants are allocated by local authorities to schools as per the Department of Education (DfE) conditions of grants, which vary depending upon the purpose and aims of the funding. The Local Authority will receive its DSG allocation for 2021-22 based on the new national funding formula. Pupil premium will continue as a separate, ring-fenced grant.

5.19. It is the local authority's decision how the Schools Block is distributed as, at present, there is no requirement upon local authorities to allocate the block as per the national funding formula unit values. However, central government policy indicates a move towards a 'hard' formula in future and, therefore, the implications of this need to be considered by local authorities when determining their local formula. The options for the local formula for Norfolk were co-produced with Norfolk Schools Forum and all schools were consulted on the options available.

5.20. At the end of the summer term 2020, the government announced additional DSG funding for 2021-22 onwards. Estimates of the impact for Norfolk have been produced and shared with schools as part of the funding consultation undertaken with all schools and Norfolk Schools Forum in October and November 2020

5.21. The Government has announced DSG for 2021-22 totalling £699.469m (2020-21 £646.495m). The DSG is before academy recoupment.

5.22. **Pupil Premium Grant (PPG)[56]** – 2021-22 allocations have not yet been announced but funding rates for the pupil premium in the financial year 2021 to 2022 will stay the same as for 2020 to 2021, however allocations will be based on October 2020 rather than January 2021 school census data. In 2020-21, disadvantaged pupils: primary were allocated £1,345, which is aimed to help primary schools raise attainment and ensure that every child is ready for the move to secondary school. £955 was allocated for disadvantaged pupils: secondary. Disadvantaged pupils are those who have been registered for free school meals at any point in the last six years.

5.23. The pupil premium plus (for children looked after) is £2,345 per pupil. The eligibility for this includes those who have been looked after for one day or more, and (from 2015-16) children who have been adopted from care or have left care under a special guardianship or child arrangement order. Schools receive £2,345 for each eligible pupil adopted from care who has been registered on the school census and the additional funding will enable schools to offer pastoral care as well as raising pupil attainment.

5.24. Children with parents in the armed forces continued to be supported through the service child premium. In 2021-22, the service child premium will be £310 per pupil.

5.25. **High Needs Block[57] (HNB) -** High needs funding is intended to provide the most appropriate support package for children and young people (from early years up to aged 25) with special educational needs and disabilities in a range of settings, taking account of parental and student choice. Guidance[58] sets out some changes to the 2021-22 high needs funding system, although the national funding formula and underpinning

[56] Pupil premium: conditions of grant 2020 to 2021 - GOV.UK (www.gov.uk)
[57] High needs funding arrangements: 2021 to 2022 - GOV.UK (www.gov.uk)
[58] High needs operational guide 2021 to 2022 (publishing.service.gov.uk)

operational processes and principles remain largely unchanged from 2020-21. Further details of the HNB impact on the overall Dedicated Schools Grant position are set out in the Revenue Budget report (Appendix 1) and in the Dedicated Schools Grant Budget report elsewhere on the agenda.

Un-ring-fenced grants

5.26. **NHS funding (Better Care Fund)** – Since 2015, the Government's aims around integrating health, social care and housing, through the Better Care Fund (BCF), have played a key role in the journey towards person-centred integrated care. This is because these aims have provided a context in which the NHS and local authorities work together, as equal partners, with shared objectives. The plans produced are owned by Health and Wellbeing Boards, representing a single, local plan for the integration of health and social care in all parts of the country.

5.27. The BCF is developed alongside CCGs (and District Councils in relation to the effective deployment of disabled facility grant, which is passported in full to District Councils). The service continues to work closely with health partners within the Sustainability and Transformation Partnership (STP) and Transforming Care Programme (TCP) and particularly as the wider system works towards Integrated Care System status; the budget plans reflect priorities within the programme, including supporting carers, use of reablement, discharge planning and high impact change model to improve delayed transfers of care from hospital.

5.28. The BCF will continue in 2021-22 and is expected to be uplifted by 5.3% in real terms from its existing minimum contribution.

5.29. Disabled Facilities Grant (DFG) allocations are transferred to District Councils through the BCF. This enables Housing Authorities to meet their statutory duty to provide adaptations to the homes of people with disabilities to help them live independently for longer. From 2016-17 the DFG allocations have included amounts to offset the discontinuation of the Social Care Capital Grant. The Spending Review 2020 confirmed that the DFG will also continue and will be worth £573m nationally in 2021-22[59].

5.30. **Social Care Grant** – The provisional Settlement confirmed a £300m national expansion of this grant, which when added to the sums continued from 2019-20 and 2020-21, takes the total fund to £1.710bn. This provides a further £5.587m for Norfolk, and brings our total grant for 2021-22 to £30.342m. This grant is ringfenced towards helping to address cost pressures across both Adults and Children's social care. Nationally, (£60m) of the additional funding has been distributed based on the adult social care relative needs formula and (£240m) has been used to "equalise" the impact of the distribution of the adult social care council tax precept in 2021-22. This methodology is favourable to Norfolk due to the comparatively lower tax base.

5.31. **Improved Better Care Fund** – From 2017-18 the County Council has received additional funding for Adult Social Care via Improved Better Care Fund (iBCF) allocations funded from changes to the New Homes Bonus grant. The three year plan covering the period 2017-2020 setting out the use of this funding was agreed by the County Council and health partners in July 2017. The iBCF will continue to support delivery of services in line with the agreed plans. The funding represents a mix of recurrent and one-off funding and the council has created a reserve to ensure that the

[59] Better Care Fund: policy statement 2020 to 2021 - GOV.UK (www.gov.uk)

agreed plans are delivered over multiple years. The adult social care budget reflects these movements and use of reserves. The Spending Review 2020 confirmed that iBCF grant will continue in 2021-22 and be maintained at its current level.

5.32. The grant must only be used for “meeting adult social care needs; reducing pressures on the NHS, including seasonal winter pressures; supporting more people to be discharged from hospital when they are ready; ensuring the social care provider market is supported”. As grant recipient, we work with our local Clinical Commissioning Group and providers to ensure the grant conditions are met. In 2019-20 the government announced that the winter pressures funding previously provided as a distinct grant would be rolled into the iBCF. In addition, the governance changed with a requirement to pool this grant alongside the wider Better Care Fund.

5.33. The provisional Settlement in December 2020 announced that, for a second successive year, the iBCF be retained at 2019-20 levels, and would be extended into 2021-22. This meant a continuation of Norfolk’s **funding of £38m from 2021-22**. The Adult Social Care budget reflects the spending plans for the grant.

5.34. **Local Reform and Community Voices grant** – allocations for this grant, which consists of three funding streams (Deprivation of Liberty Safeguards in Hospitals; local Healthwatch funding; and funding for the transfer of Independent NHS Complaints Advocacy Service to local authorities) have not been announced for 2021-22 or future years. It may be that the grant has been reduced or removed, but in the past allocations have not been published until after the start of the financial year and it is therefore assumed that this funding continues in 2021-22 and in future financial years, however if not received, a pressure of £0.599m will arise.

5.35. **Independent Living Fund (ILF)** – the ILF provides support for disabled people with high support needs, to enable them to live in the community rather than in residential care settings. From 1 July 2015 responsibility for supporting ILF users in England passed to local authorities, with associated grant funding being provided. Allocations have not been published for 2021-22 or future year. The past allocations have not been published until after the start of the financial year and it is therefore assumed that this funding continues in 2021-22 and in future financial years, however if not received, a pressure of £1.379m will arise.

5.36. **Social Care in Prisons grant** – the Social Care Act establishes that local authorities are responsible for assessing and meeting the care and support needs of offenders residing in any prison, approved premises or bail accommodation within its area. This grant is to provide additional funding to undertake this new burden. Allocations have not yet been announced for 2021-22 onwards but it is assumed that the funding continues. If the funding is not received a pressure of £0.352m will arise in Adult Social Care for this and future financial years.

5.37. **War Pensions** – In the 2016 Budget, the government announced that a change would be made to the care and support charging arrangements in England to treat the schemes more consistently. This was done by requiring regular payments made to veterans under the War Pensions Scheme to be disregarded (i.e. not taken into account) when local authorities conduct the Adult Social Care financial assessment. This grant compensates local authorities who lost income from this change in charging policy. The past allocations have not been published until after the start of the financial year and it is therefore assumed that this funding continues in 2021-22 and in future financial years, however if not received, a pressure of £0.245m will arise

5.38. **New Homes Bonus Funding** – New Homes Bonus (NHB) is a grant paid by central government to local councils for increasing the number of homes and their use. The New Homes Bonus is paid for each new home, linked to the national average of the council tax band, originally for a period of six years. As part of the provisional Settlement, the Government has confirmed that the national baseline for housing growth will continue to be 0.4%, effectively reducing the number of eligible properties in the calculation of the grant. Since 2018-19 NHB payments have been made for four, rather than five years. The Government has committed to reforming the NHB and 2021-22 will be the final year under the current approach. The new payments in this year (Year 11 of the NHB) will not attract any legacy payments, as they would have done in previous years. However, we will receive legacy payments relating to year 8 (2018-19) and year 9 (2019-20). In two-tier areas, the annual payment will continue to be split: 80% for shire districts and 20% for shire counties. It appears unlikely that New Homes Bonus (forecast to be worth £2.269m in 2021-22) will continue beyond 2021-22, with all legacy payments ceasing by 2023-24.

5.39. **Rural Services Delivery Grant** – Rural Services Delivery Grant (RSDG) recognises the extra costs of delivering services in rural areas. The provisional Settlement confirmed that allocations of Rural Services Delivery Grant will be £85m nationally in 2021-22, an increase of £4m since 2020-21.

COVID funding

5.40. Throughout 2020 the Council has received one-off emergency funding in relation to the pandemic to meet the additional costs arising due to Covid-19 and a limited number of these funding streams are set to continue into 2021-22, alongside additional measures. It is important to note that the level of COVID-19 funding in 2021-22 is materially lower than that being provided in 2020-21 which may reflect a Government assumption that financial impacts of the pandemic for local authorities will not persist in the medium-term. It remains to be seen if this will be the case in practice. Further details of funding received in 2020-21 are set out in the Financial Monitoring report elsewhere on the agenda, and details of the use of funding for 2021-22 within the budget papers. Headlines include:

5.41. **Sales, Fees and Charges** The income loss scheme whereby councils absorb losses up to 5% of their budgeted sales, fees and charges income, with the government compensating them for 75p in every pound of relevant losses thereafter, has been extended into the first quarter of 2021-22.

5.42. **COVID-19 Grant funding Tranche 1-4 (£55.282m 2020-21) Tranche 5 (£18.829m 2021-22)** The core unringfenced COVID-19 grant to local government has been extended with a fifth tranche due to be paid in 2021-22. The Tranche 5 allocation represents only 34% of the total provided for 2020-21 and was announced prior to the increase in infections and national lockdown restrictions in January 2021. It therefore remains to be confirmed if this level of funding is sufficient for the cost pressures faced or further resources will be provided in recognition of this.

5.43. Government is also providing support to local authorities in 2021-22 to address expected impacts of COVID-19 on key income streams. This includes the **Local Council Tax Support Grant (one-off £7.5m 2021-22)** and the **Tax Income Guarantee** which will compensate local authorities for 75% of irrecoverable losses in council tax and business rates income in respect of 2020-21. These measures are in addition to the measures which provide for phasing of any collection fund deficit over three years.

5.44. Significant funding has been provided into the **Public Health** system during 2021-22 via the Test and Trace Grant and Contain Outbreak Management Fund. At this point no further allocations for 2021-22 have been announced although Government has indicated that grant funding provided in 2020-21 can be used into 2021-22. Similarly, significant resources have been provided into the Social Care Market, particularly via the **Infection Control Fund** and currently there are no details as to whether this will be extended into 2021-22.

Council Tax (30%)

5.45. Council tax is a key source of locally raised income. This helps make up the difference between the amount a local authority needs to spend and the amount it receives from other sources, such as business rates, government grants, and fees and charges.

5.46. In 2016-17 the Government introduced a new discretion for local authorities providing adult social care to raise additional council tax as an Adult Social Care precept. This gave authorities the option to raise an additional precept of 2%, on top of their existing discretion to raise council tax within the referendum limit (at the time also 2%). In 2017-18, the Government further extended the flexibility around the Adult Social Care precept, allowing councils to raise it by 3% in 2017-18 and 2018-19, but in this event having no rise permitted in 2019-20. The council took advantage of this flexibility to raise the maximum Adult Social Care precept by 2018-19 meaning no increase was applied in 2019-20. In 2020-21, a further 2% was raised through the Adult Social Care Precept.

5.47. The Government included within the provisional Local Government Finance Settlement[60] (December 2020), a core council tax referendum principle of up to 2% and an adult social care precept of 3% on top of the core principle, with the opportunity to split this over two years. The Medium Term Financial Strategy is based on the following council tax assumptions for planning purposes (in view of the current discretions available and subject to Member decisions in each year) and proposes to split the 3% adult social care precept increase with 2% applied in 2021-22 and 1% in 2022-23.

5.48. Since 2015-16, Council Tax Base increases have been projected across the MTFS period at around 2%, however the increase in 2020-21 was lower at 1.39% and projected increases are significantly smaller for the duration of the current MTFS (2021-25) as shown in **Table 4** below.

[60] Provisional local government finance settlement 2021 to 2022: consultation - GOV.UK (www.gov.uk)

MTFS Table 4: Council Tax assumptions

	2021-22	2022-23	2023-24	2024-25
Assumed increase in general council tax (based on CPI)	1.99%	1.99%	1.99%	1.99%
Assumed increase in Adult Social Care precept	2.00%	1.00%[61]	0.00%	0.00%
Total assumed council tax increase	**3.99%**	**2.99%**	**1.99%**	**1.99%**
Assumed Council Tax Base	**300,664**	**302,168**	**304,434**	**307,478**
Assumed increase in Council Tax Base (%)	**0.40%**	**0.50%**	**0.75%**	**1.00%**

5.49. It should be noted that in the event of an increase in the referendum limit, or given the scope to further increase the Adult Social Care precept, it is likely that the Section 151 Officer would recommend the maximum available council tax be raised in future years, in view of the council's wider financial position. Further background information about council tax is provided below and in the Revenue Budget report.

Council Tax assumptions within Core Spending Power for 2016-17 onwards

5.50. In 2016-17 the Government introduced a measure of "core spending power", intended to reflect the resources over which councils have discretion. However, in reality, the council has limited discretion over how much to raise council tax, and cannot significantly influence whether businesses pay Business Rates, or the level of allocated central government funding. Core spending power risks painting an unrealistic picture of how well a council might be faring. For example, Norfolk's core spending power has risen from £606.3m in 2015-16 to £731.1m in 2021-22, an increase of £124.8m, however £141.7m of this increase has been delivered through increased council tax, effectively transferring the burden to local council tax payers. During this time the council has also had to plan to make substantial savings to meet wider cost pressures and reductions in funding and enable the setting of a balanced budget.

5.51. The assessment of core spending power was used in 2016-17 as a mechanism to distribute reductions in Revenue Support Grant for the period up to 2019-20 to ensure that within each tier of Local Government (upper-tier, lower-tier, fire and rescue, and GLA other services), authorities of the same type received the same percentage change in settlement core funding. The inclusion of council tax in this calculation represented a significant change in Government policy. The Spending Review document at the time stated that this was intended to "*rebalance support including to those authorities with social care responsibilities by taking into account the main resources available to councils, including council tax and business rates.*"[62]

5.52. Nonetheless, by previously using core funding as a mechanism for the distribution of funding in the settlement, the Government has effectively assumed that councils will raise council tax at the referendum threshold, will raise the Adult Social

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61 Deferred from 2021-22 flexibility. If further increases in the ASC precept are available in 2022-23, it is likely that the Executive Director of Finance and Commercial Services would recommend this be taken in addition.

62 *Spending Review and Autumn Statement 2015*, para 1.242, p59, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf

Care precept if available, and that historic levels of tax base growth will persist. As a result, any decision to raise council tax by less than the maximum available will lead to underfunding when compared to the Government's expectations, and may make it more difficult to lobby for additional central government funding.

6. Revenue strategy and budget

6.1. The primary objective of the Medium Term Financial Strategy 2021-25 is to show a balanced four year position. At present further savings or additional revenue funding need to be identified to meet the shortfall shown in the period 2022-23 to 2024-25 below:

MTFS Table 5: Provisional medium term financial forecast budget shortfall

	2021-22	2022-23	2023-24	2024-25
	£m	£m	£m	£m
Additional cost pressures and forecast reduction in Government grant funding	99.953	57.995	45.485	40.373
Forecast council tax increase	-8.673	-16.882	-14.390	-14.822
Identified saving proposals and funding increases	-91.280	-2.245	-1.600	-2.500
Budget shortfall	**0.000**	**38.868**	**29.495**	**23.051**

6.2. The council's revenue budget plans deliver a balanced budget for 2021-22, but a shortfall remains in the subsequent years 2022-23 to 2024-25 (an **overall deficit in the Medium Term Financial Strategy of £91.414m**). The gap in 2022-25 is broadly similar to gaps forecast in previous years (2020-24 gap was £93.694m). The Medium Term Financial Strategy (MTFS) is intended to aid forward planning and help mitigate financial risk. The detailed timetable for the identification of the required savings and future year budget setting is set out in the Revenue Budget report (Appendix 1).

6.3. Uncertainty remains around several key areas which could impact on the MTFS in future years:

- the level of reliance on one off funding in 2021-22
- uncertainty regarding previous one-off funding beyond 2021-22 and in particular the use of one-off funding to deliver recurrent services.
- pressure on budgets from needs led services, relating to adults and children's social care, where the number of service users and the complexity of need continues to increase.
- the long term impact of the pandemic on social care demand and price of care packages.
- the level of Dedicated Schools Grant funding provided to deliver High Needs Block SEND provision, and the progress in recovering the deficit position on these budgets;
- the impact of the decision to leave the EU on local government funding and the wider local economy;
- whether the financial demands of wider government spending decisions will necessitate changes in the way local services are delivered and organisations are configured as demonstrated by the wider debates about reorganisation taking place across local government;

- the delayed implementation of 75% Retention of Business Rates and the fair funding review, whether there will be any additional responsibilities transferred to Local Government as part of this process, and the level of any further funding reductions;
- the ability of local tax payers to continue to absorb increases in council tax and the Adult Social Care precept; and
- further integration of health and social care, including Transforming Care Plans, which aims to move people with learning disabilities, who are currently inpatients within the health service, to community settings.

6.4. CIPFA's Financial Management Code sets out a requirement for councils to consider a long-term financial view which recognises financial pressures. This should include an assessment of the sensitivity of the council's position to a range of alternative scenarios. The table below therefore provides a summary long term financial outlook for the council, based on currently known pressures and an assumption that government funding continues at the same level as 2021-22.

6.5. Norfolk County Council has a strong history of good financial management and therefore we are well placed to achieve compliance with the Financial Management code requirements by March 2021.

6.6. The 6 Principles of Good Financial Management set out in the FM Code are:

- Organisational leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- Accountability – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
- Adherence to professional standards is promoted by the leadership team and is evidenced.
- Sources of assurance are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
- The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

MTFS Table 6: Long term financial forecast budget position

	Medium Term Financial Strategy				Long Term Financial Outlook						Total
	2021-22	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Growth Pressures											
Economic and inflationary	17.730	18.729	18.885	19.352	20.109	20.734	21.371	22.021	22.695	23.371	**204.997**
Legislative requirements	10.862	8.472	8.699	7.010	0.000	0.000	0.000	0.000	0.000	0.000	**35.043**
Demand and demographic	12.148	11.380	11.980	11.000	11.000	11.000	11.000	11.700	11.100	11.100	**113.408**
Policy decisions	35.696	2.516	5.065	3.011	0.111	0.118	0.124	0.000	0.000	0.000	**46.642**
COVID-19 pressures	18.829	-18.829	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Funding decreases	4.688	35.726	0.856	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**41.269**
Savings and funding increases											
Identified savings	-41.179	-2.245	-1.600	-2.500	0.000	0.000	0.000	0.000	0.000	0.000	**-47.524**
Funding increases	-50.101	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**-50.101**
Council tax changes	-8.673	-16.882	-14.390	-14.822	-14.604	-15.043	-15.496	-15.962	-16.443	-16.938	**-149.252**
Forecast Gap (Surplus)/Deficit	**0.000**	**38.868**	**29.495**	**23.051**	**16.617**	**16.808**	**16.999**	**17.758**	**17.352**	**17.533**	**194.482**

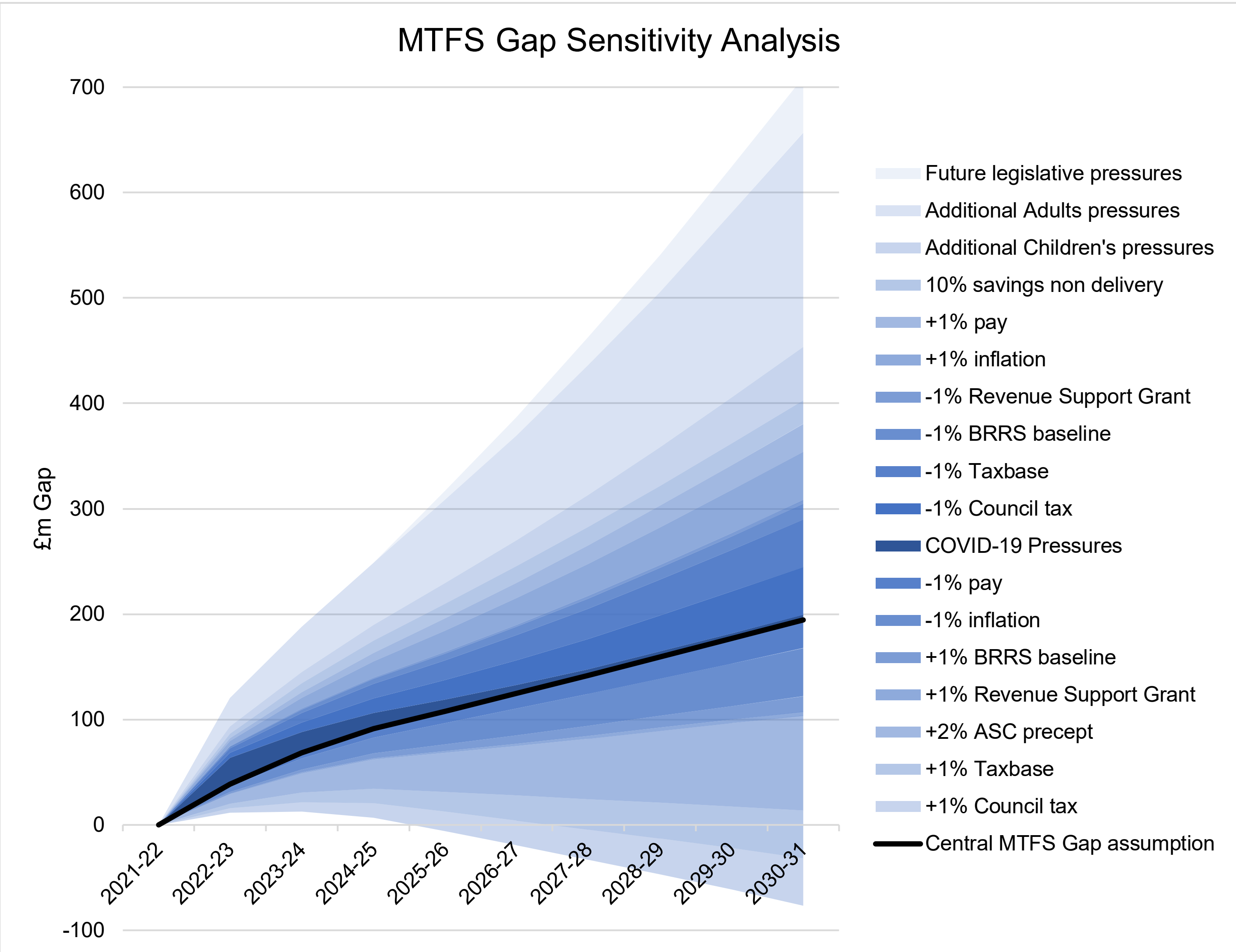
6.7. The long term outlook suggests a cumulative budget gap of almost £200m by 2030-31, if no mitigating actions are taken. However, the level of this gap is highly sensitive to changes in assumptions and is ultimately likely to be materially different. In particular, the level of uncertainty within these forecasts inevitably increases for later years. The sensitivity of the budget in 2021-22 to changes in key assumptions is shown in the following table.

MTFS Table 7: Assumption sensitivity 2021-22

Change in assumption	£m
10% savings non delivery	+/- 4.118
+/-1% pay inflation	+/- 2.551
+/-1% general inflation	+/- 5.183
+/-1% Revenue Support Grant	+/- 0.397
+/-1% Business Rates baseline	+/- 1.550
+/-1% Council tax base	+/- 4.429
+/-1% Council tax	+/- 4.429

6.8. The graphic below illustrates the range of sensitivity around the central MTFS forecast shown in **MTFS Table 6**. The graphic indicates that if all upside assumptions occurred, there would be no gap in 2030-31, however if all downside risks materialise, the gap could potentially be well in excess of £650m. The reality is likely to be somewhere around the central forecast, but this provides a sense of the uncertainty linked to potential variation and level of risk over the longer term planning horizon.

MTFS Chart 4: MTFS Gap Sensitivity Analysis



7. Capital strategy and budget

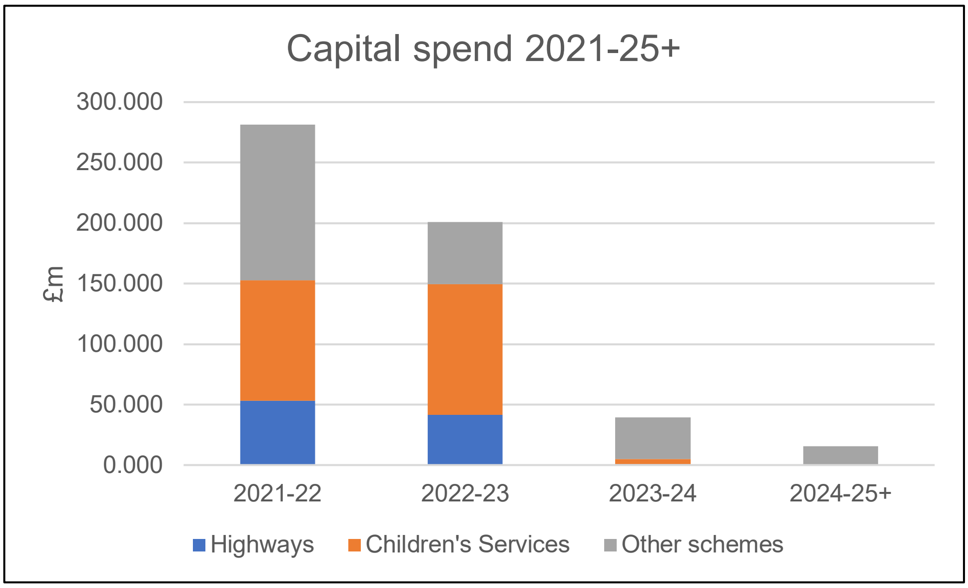
7.1. The Capital Strategy provides a framework for the allocation of resources to support the council's objectives. The capital strategy is intended to:

- give a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability; and
- demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability.

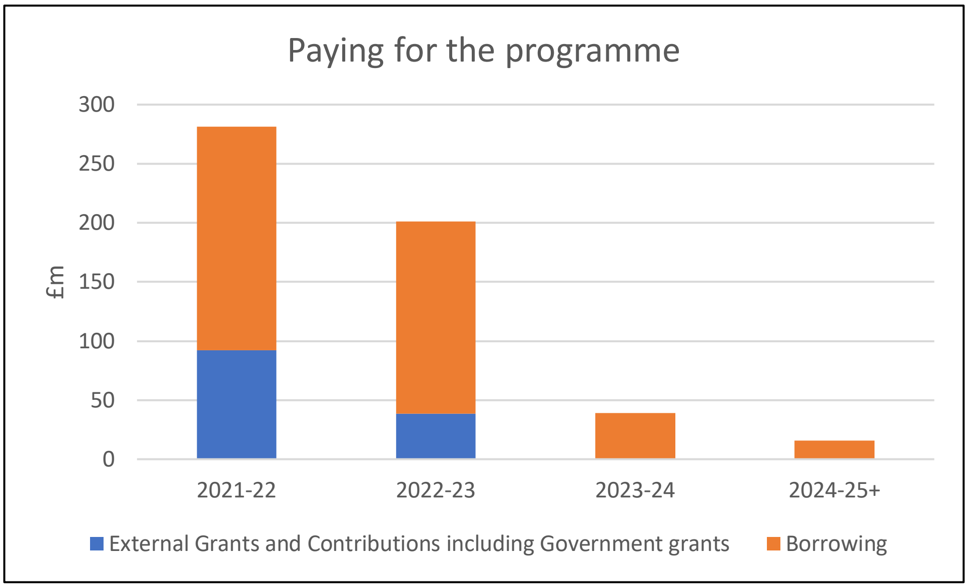
7.2. A proposed capital programme for 2021-25+ of £537.660m is included elsewhere on the agenda.

7.3. The bar charts below show the split of capital spend and how it is funded.

MTFS Chart 5: Capital Programme expenditure 2021-25+



MTFS Chart 6: Capital Programme funding 2021-25+



7.4. The main use of capital receipts over the next three years will be to apply the first £2m directly to the re-payment of debt as it falls due in order to support the revenue budget, and to support costs incurred expanding and maintaining the farms estate. Any surplus will either be retained to support future demands and reduce borrowing or to fund transformation projects as permitted under the flexible use of capital receipts strategy (including service restructuring and demand management). The amount and timing of capital receipts is subject to a great deal of uncertainty, particularly in respect of development land. The programme of potential sales is regularly updated, and the latest forecasts suggest that capital receipts of around £20m are anticipated over the next four years, of which £8.0m is forecast to be directly applied to debt repayments.

County Farms

7.5. The County Farms Estate is managed in accordance with the policy approved by the council in October 2017. Following three recent acquisitions, the size of the estate has been maintained in excess of the minimum 16,000 acres as required under the constitution and now extends to 17,149 acres. The Farms Estate generates circa £2.416m annual rent income for the council and this is projected to rise to £2.440m. After deducting direct landlord's expenditure in maintaining and improving the Estate, and the cost of management there was a net surplus of £1.110m for the financial year 2019-20.

7.6. There is a significant backlog of repairs and maintenance across the Estate which is now being addressed. This has a consequent effect on the Estate's ability to make a more substantial revenue contribution. For example, £96,242 was spent on statutory fixed wire testing and remedial works in 2018-19. The majority of the backlog was cleared during 2019-20 leading to an enhanced revenue yield.

7.7. A programme of planned improvements is continuing to be implemented, funded both from the Capital Programme for larger schemes and from the trading account for revenue improvement schemes. In 2019-20 the estimated expenditure of capital and revenue improvements amounts to just over £1.709m. Revenue repair budget is £0.662m for 2020-21 and the capital budget currently totals £4.166m.

8. Summary

8.1. The Medium Term Financial Strategy sets out details of the high level national and local factors which are considered likely to impact on the council's budget planning over the next four years. It provides information about how the council intends to respond to these challenges and needs to be considered when the County Council makes decisions about the Budget. The MTFS provides an overview of the likely implications of 2021-22 budget decisions for the future years 2022-23 to 2024-25, and outlines the potential longer-term issues facing the council, such as (for example) the further localisation of business rates and the fair funding review.

8.2. The overarching purpose of the Medium Term Financial Strategy is to support the council in developing balanced budget plans over the three year period, and to support this objective a proposed planning timetable for setting a balanced budget for 2022-23 is included within the 2021-22 Revenue Budget report.

8.3. The Medium Term Financial Strategy links closely with the new CIPFA Financial Management Code and as such it is an important component of the authority's financial management framework. In particular, the Medium Term Financial Strategy is one of the tools which supports the council to develop plans which will assist in understanding and maintaining financial resilience in the medium to longer term. The Strategy has been further refined for 2021-22 in order to reflect the implications of COVID-19 and align it with the requirements of the Financial Management Code, alongside its implementation in 2021-22.

Norfolk County Council
Statement on the Adequacy of Provisions and Reserves 2020-21 to 2023-24

1. Introduction

1.1. This report sets out the Executive Director of Finance and Commercial Services' statement on the adequacy of provisions and reserves used in the preparation of the County Council's budget. As part of budget reporting to Cabinet and the County Council, the Executive Director of Finance and Commercial Services is required under the Local Government Act 2003 to comment on the adequacy of the proposed financial reserves. Members must consider the level and use of reserves and balances to inform decisions when recommending the revenue budget and capital programme.

1.2. Reserves are an essential part of good financial management and are held to ensure the council can meet unforeseen expenditure and to smooth expenditure across financial years. They enable councils to manage unexpected financial pressures and plan for their future spending commitments. While there is currently no universally defined level for councils' reserves, the reserves a council holds should be proportionate to the scale of its future spending plans and the risks it faces as a consequence of these. Norfolk County Council's policy has been to set limits consistent with the council's risk profile and with the aim that council taxpayer's contributions are not unnecessarily held in provisions or reserves.

1.3. This report sets out the County Council policy for reserves and balances and details the approach to setting a risk assessed framework for calculating a recommended level of general balances. This explicitly identifies the risks, over ten categories, and the quantification of those risks, in arriving at the recommended level. Taking into account the overall position, it is considered that the current level of general balances should be maintained at a minimum proposed level of £19.706m.

1.4. Details of the County Council's other reserves and provisions are also provided alongside an assessment of their purpose and expected usage during 2021-25.

2. Purpose of holding provisions and reserves

2.1. The council holds both provisions and reserves. **Provisions** are made for liabilities or losses that are likely or certain to be incurred, but where it is uncertain as to the amounts or the dates on which they will arise. The council complies with the definition of provisions contained within CIPFA's Accounting Code of Practice. **Reserves** (or Earmarked Reserves) are held in one of three main categories:

- Reserves for special purposes or to fund expenditure that has been delayed – reserves can be held for a specific purpose, for example where money is set aside to replace equipment or undertake repairs on a rolling cycle, which can help smooth the impact of funding.
- Local Management of Schools (LMS) reserves that are held on behalf of schools – the LMS reserve is only for schools and reflects balances held by individual schools. The balances are not available to support other County Council expenditure.
- General balances – reserves that are not earmarked for a specific purpose. The general balances reserve is held to enable the County Council to manage

unplanned or unforeseen events. The Executive Director of Finance and Commercial Services is required to form a judgement on the level of the reserve and to advise Cabinet accordingly.

2.2. Reserves are held for both revenue and capital purposes. However, some are specific e.g. Usable Capital Receipts can only be used for capital purposes. The following section of this report constitutes the council's policy on reserves and provisions and can be used to provide guidance in assessing their level.

3. Norfolk County Council Policy on Reserves and Provisions

3.1. **Objective**

3.1.1. The objective of holding provisions, reserves, and general balances is to ensure the council can meet unforeseen or uncertain expenditure, and to meet specific future commitments as they fall due.

3.1.2. The level of provisions and reserves are continually reviewed to ensure that the amounts held are within reasonable limits. Those limits should be consistent with the council's risk profile and should ensure that council taxpayers' contributions are not unnecessarily held in provisions or reserves.

3.2. **Provisions**

3.2.1. Provisions are made for liabilities or losses that are likely to be incurred, or certain to be incurred, but uncertain as to the amounts or the dates on which they will arise. The council complies with the definition of provisions contained within CIPFA's Accounting Code of Practice.

3.2.2. The provision amounts are reported to Cabinet on a regular basis and are continually reviewed to ensure that they are still needed and that they are at the appropriate amount. If necessary, the amount is increased or decreased as circumstances change to ensure that the provisions are not over or understated.

3.3. **Reserves**

3.3.1. The council's reserves consist of the following main categories:

- Earmarked Reserves (Reserves for special purposes or to fund expenditure that has been delayed)
- Local Management of Schools (LMS) reserve
- Dedicated Schools Grant (DSG) reserve
- General balances (Reserves that are not earmarked for a specific purpose)

3.3.2. Further detail of these categories is set out below. The council complies with the definition of reserves contained within CIPFA's Accounting Code of Practice.

3.3.3. Similar to provisions, reserves are reported to Cabinet on a regular basis and are continually reviewed in the context of service specific issues and the council's financing strategy. Reserves are held for revenue and capital purposes. Some reserves, such as general balances, could be used for either capital or revenue purposes, whilst others may be specific e.g. Usable Capital Receipts can only be used for capital purposes.

3.3.4. **Reserves for special purposes or to fund expenditure that has been delayed.**
Reserves can be held for a specific purpose. An example of a reserve is repairs and renewals. Money is set aside to replace equipment on a rolling cycle. This effectively spreads the impact of funding the replacement equipment when the existing equipment is no longer fit for purpose.

3.3.5. **LMS reserve**
The LMS reserve is only for schools and reflects balances held by individual schools. These balances are not available to support other County Council expenditure.

3.3.6. **DSG reserve**
The DSG reserve represents the cumulative position of the ringfenced DSG funding provided by the DfE. From the 2018-19 outturn, DSG reserves or deficits have been reported as a separate ring-fenced reserve. A DSG deficit does not need to be covered by an equivalent amount in a local authority's general reserves.

3.3.7. **General balances**
The general balances reserve is held to enable the County Council to manage unplanned or unforeseen events. The Executive Director of Finance and Commercial Services is required to form a judgment on the level of this reserve and to advise Cabinet and County Council accordingly.

In forming a view on the level of general balances, the Executive Director of Finance and Commercial Services takes into account the following:

- Provision for Unforeseen Expenditure
- Uninsured risks
- Comparisons with other similar organisations
- Level of financial control within the Council

3.3.8. **Provision for Unforeseen Expenditure**
Unforeseen expenditure can be divided into two categories:

- Disasters
- Departmental Overspends

In a disaster situation, the council can have recourse to the Government using the Bellwin rules under which the council would have to fund the first £1.164m of costs (2017-18 threshold). Central government would provide grant funding of 100% for eligible expenditure incurred above this amount. Examples of natural disasters are severe flooding and hurricane damage.

The council also needs to be able to fund a departmental overspend, should one occur.

3.3.9. **Uninsured risks**
A combination of external insurance cover and the council's insurance provision provides adequate cover for most of the council's needs. Considerable emphasis has been placed upon risk management arrangements within the council in order to minimise financial risks.

However, there are some potential liabilities, such as closed landfill sites, some terrorism cover, and some asbestos cover, where it is not economical or practical to purchase external insurance cover. The County Council needs to have some provision in the event of such a liability arising.

3.3.10. **Comparisons with similar organisations**

As part of assessing the minimum level of general balances to be held, comparisons are made with other County Councils. Based on the latest Cabinet monitoring report, the forecast level of general balances at 31 March 2021 is £19.706m, prior to allowing for the revenue budget year end position. The County Council holds balances of 4.6% as a percentage of its net 2020-21 budget (Council Tax Requirement). This percentage can only be used as a guide as each council's circumstances are different. However, the percentage of general balances compared to the net revenue expenditure is below average in comparison to other County Councils, which is 6.9%. In the medium term, the Council aspires to hold a general balance equivalent to 5% of the net Budget.

3.3.11. **Level of financial control within the council**

Factors that are taken into account in assessing the level of financial control are:

- The state of financial control of the Revenue Budget and the Capital Programme;
- The adequacy of financial reporting arrangements within the council;
- Adequate financial staffing support within the council, including internal audit coverage;
- Working relationships with Members and Executive Directors;
- The state of financial control of partnerships with other bodies; and
- Any financial risks associated with companies where the council is a shareholder.

In evaluating the level of general balances, as part of producing the 2021-22 Budget, the Executive Director of Finance and Commercial Services has used a framework based on considering all risk areas and then quantifying the risk using the related budget and applying a percentage factor, which will vary according to the assessed level of risk. The total value against each risk provides an estimate of the level of balances required to cover the identified risk and overall provides an assessment of the level of general balances for the County Council.

The ten areas of risk considered in the general contingency are set out in the report to the Cabinet budget meeting, including an explanation of the potential risks faced by the council. The report also details the calculation of the general balances. The balances reflect spending experience and risks to which the council is exposed.

3.3.12. **Minimum Level of General Balances**

Taking all of the above factors into account, the Executive Director of Finance and Commercial Services currently advises that the council holds the following minimum level of general balances for 2021-22 and indicative minimum levels for planning purposes for 2022-23 to 2023-24.

Reserves Table 1: Norfolk County Council general balances requirement

2020-21 (31/03/2021 Forecast)		2021-22	2022-23	2023-24	2024-25
£m		£m	£m	£m	£m
19.706	Assessment of the level of General Balances	19.706	21.206	22.706	24.206

Having considered the adequacy of the overall general fund balance, the Executive Director of Finance and Commercial Services considers that it is not appropriate to make further budget reductions to accommodate an increase in the level of general balances, but having regard to the reserves and balances risk assessment, any additional resources which become available in 2021-22 should be added to the general fund balance wherever possible.

Executive Directors are expected to comply with financial regulations and deliver their services within the budget approved by the County Council and therefore departments are not expected to draw upon the £19.706m.

If the level of general balances is reduced to below the minimum balance, currently £19.706m, the shortfall will need to be replenished as soon as possible or as part of the following year's budget.

4. Current context

4.1. The minimum level of general balances is recommended at £19.706m for 2021-22. The projected actual level at 31 March 2021 is £19.706m, prior to allowing for the revenue budget year end position, which is currently forecasting an underspend of £0.165m (period 9 as per the monitoring report to Cabinet 1 February 2021). Executive Directors are continuing to take action to secure achievement of a balanced outturn position for the year. The budget proposals for 2021-22 do not include any use of general balances. The level of minimum balance is informed by an assessment of the financial risk to which the council is exposed, whilst also taking account of the level of financial controls within the council. Financial management and reporting arrangements are considered to be effective and this has been commented on by the external auditors.

4.2. Norfolk County Council's provisions and reserves are reported to Cabinet on a monthly basis and are subject to continual review. As previously discussed, in comparison with other County Councils, the Council holds a lower than average percentage of general balances and this is borne out by the position shown in the published CIPFA Financial Resilience Index as discussed in further detail in of section 3 Appendix 4.

4.3. In setting the annual budget, a review of the level of reserves is undertaken, alongside any under or overspend in the current year, to determine whether it is possible to release funding to support the following year's budget or whether additional funding is required to increase the level of reserves. That review is informed principally by an assessment of the level of financial risk to which the council is exposed and an assessment of the role of reserves in supporting future spending plans.

4.4. The overall level of general balances needs to be seen also in the context of the earmarked amounts set aside and the council's risk profile. Whilst it is recognised that all county councils carry different financial risk profiles, the position in Norfolk is that the level of its general balances is below that of most other counties. The Executive Director of Finance has therefore **recommended general fund balances are maintained in 2021-22 followed by an increase in general fund balances of £1.500m in future years** and that any additional resources which become available during the year should be added to the general fund balance wherever possible (as set out in further detail in section 6 of Appendix 1). The recommended general balance position for 2021-22 has in particular been set with reference to the Government's response to the COVID-19 pandemic and takes into account the facts that (1) Government has to date provided material levels of financial support to local authorities to enable them to deliver the COVID-19 response and ensure their financial sustainability and (2) the Council has been able to make contributions into earmarked reserves during 2020-21 to seek to ensure that as far as possible sufficient resources are available to meet COVID-19 pressures in 2021-22 (as detailed within the Financial Monitoring report throughout the year and elsewhere on this agenda). As a result, the 2021-22 Budget does not envisage any call on general balances to address COVID-19 pressures and no increase in the level of general balances is required in this regard. The level of cost and other pressures, and therefore the associated Government support required, remains uncertain.

5. Assessment of the level of general balances

5.1. The framework for assessing the level of general balances is based on considering all risk areas and then quantifying the risk using the related budget and applying a percentage factor, which will vary according to the assessed level of risk. The total value against each risk provides an estimate of the level of balances required to cover the identified risk and overall provides an assessment of the level of general balances for the County Council. It takes into consideration the most significant risks and issues including the following:

- Level of savings and transformation. One of the most significant risks continues to be the level of transformation that has to take place across the council to deliver the required budget savings. Risk has been considered as part of the assessment of the robustness of the budget proposals, and reflected in the reprofiling and removal of some savings. The remaining risks will be monitored within and across services as part of the council's ongoing risk management process and mitigating actions will be identified and monitored. Robust financial monitoring controls are in place and additional monitoring of the transformation programme is being undertaken.
- Managing the cost of change. The council will need to budget for the cost of any redundancies necessary to achieve the required budget savings and service restructuring to the extent they are not contained in the budget proposals. The council has a separate redundancy reserve for this purpose.
- The effect of economic and demand changes. There is always some degree of uncertainty over whether the full effects of any economy measures and / or service reductions will be achieved. Whilst the budget process has been prudent in these assumptions and those assumptions, particularly about demand led budgets, should hold true in changing circumstances, an adequate level of general contingency provides extra reassurance the budget will be delivered on target. Changes in the economic climate may also influence certain levels of income to be received at a lower level than previous years.
- Cost of disasters. The Bellwin Scheme of Emergency Financial Assistance to Local Authorities provides assistance in the event of an emergency. In a disaster situation, the council can claim assistance from the Government using the Bellwin rules. Thresholds were set for 2017-18 and mean the council would have to fund emergency costs below £1.164m. Central Government would then

provide 100% grant funding for any eligible expenditure incurred above this amount. Examples of natural disasters eligible for the scheme would include severe flooding and hurricane damage. The Government has not activated the Bellwin scheme in response to the COVID-19 pandemic, opting instead to provide a wider package of measures to support individuals, the public sector (including local authorities) and wider economy.
- Uncertainty arising from the introduction of new legislation or funding arrangements such as the moves towards retention of business rates.
- Risk of changes to the levels of grant funding and factors affecting key income streams such as council tax and business rates.
- Unplanned volume increases in major demand led budgets, particularly in the context of high and accelerating growth.
- The risk of major litigation, both currently and in the future.
- The need to retain a general contingency to provide for any unforeseen circumstances which may arise.
- The need to retain reserves for general day to day cash flow needs.

5.2. The ten areas of risk considered in the general contingency are detailed below with an explanation of the potential risks faced by the council.

Reserves Table 2: Key financial risks for Norfolk County Council general balances calculation

Area of risk	Explanation of risk
1) Legislative changes	Key government policy and legislative changes will impact on the council's budget plans. Forecasts have been based on the latest information available but there is risk of variation and there is in particular greater risk in future years, where estimates cannot be based on firm government announcements. Key elements include: • **Government grant:** 2021-22 represents a one year funding allocation. Uncertainty about the outcomes of the Comprehensive Spending Review (CSR), Fair Funding Review (FFR), and 75% Business Rates Retention Scheme (BRRS) means that the council faces a very significant level of uncertainty about funding levels from 2022-23. • **Business Rates:** Council funding is affected by the level of business rates collected. The council receives a share of the combined rates across all Norfolk councils, which helps smooth out any specific peaks and troughs, however the impact on businesses of Covid-19, appeals and applications for relief such as NHS Foundation Trusts can result in significant volatility. • **Council tax base and collection fund:** Council funding is impacted if there is a reduction in the tax base or in the amount collected by the billing authorities. The budget is based on a forecast 0.50% increase in tax base in 2022-23, 0.75% for 2023-24 and 1.00% for 2024-25. The impact of Covid-19 on future tax base remains unknown and so represents a financial risk to budgeted income. • **NHS/Social Care Funding:** The improved Better Care Fund (iBCF) funding represents a mix of recurrent and one-off funding. Detailed information for future years for the Better Care Fund, including any uplifts, is still awaited. Planning assumptions are based on a continuation of the use and level of funding. The provisional Settlement confirmed that existing social care funding of £24.756m plus additionally announced social care funding of £5.587m will also be

Area of risk	Explanation of risk
	provided in 2021-22. The MTFS assumes these will be ongoing, but outcomes of the CSR and FFR are awaited to determine whether this is correct. • **Pay:** The National Living Wage was introduced from 2016-17, starting at £7.20. The rate for 2021-22 has been confirmed as £8.91. Further details are provided in the Statement on the Robustness of Estimates.
2) Inflation	The government has announced it will "temporarily pause headline pay awards for some workforces." Pay rises for front line NHS workers will be maintained and public sector workers earning less than £24,000 will receive a minimum £250 increase. Details of how this will translate to local government pay negotiations remain to be confirmed. Pay inflation has been assumed at 0% for 2021-22 (with a centrally held contingency to mitigate risk) and 3% for 2022-23 to 2024-25. The County Council is currently part of the national agreement and therefore pay awards for 2021-22 onwards will be determined by any agreements reached – negotiations for 2021-22 have not commenced. Every 1% variation in pay amounts to just over £2.5m for the council. There is therefore a risk that pay awards could vary from this assumption over the planning period. Price inflation has been included based on contractual need. There is a risk that inflation will be required during the planning period, even where there is no current contractual element. In addition, many contracts are negotiated post budget agreement and therefore forecast inflation levels may be different in practice. Inflation on fees and charges is set by NCC – a 1% increase has been assumed for 2021-22 and 2% in the following years. However, there is a risk that market forces may require this to be varied during the planning period.
3) Interest rates on borrowing and investment	Budgeted interest earnings on investments are based on guaranteed fixed deposit returns, available instant liquidity rates and market forecasts provided by our Treasury Advisors. Current rates are at historically low levels and are not forecast to increase at any significant pace over the next couple of years. The revenue cost of borrowing is based on the rates of interest payable on the council's existing debt and assumptions in respect of capital expenditure to be funded from borrowing which has yet to be borrowed.
4) Government funding	The provisional Settlement provided only indications for one year of funding allocations in 2021-22, which still remain to be confirmed in the final Local Government Finance Settlement. Uncertainty about the outcomes of the Comprehensive Spending Review (CSR), Fair Funding Review (FFR), and 75% Business Rates Retention Scheme (BRRS) means that the council faces a very significant level of uncertainty about funding levels from 2022-23. A number of issues may also impact on future funding levels: • The effect of Covid-19 on public finances. • The impact of the UK to leaving the European Union and any consequential impact on the national economy, which may have a significant impact on the levels of funding for the public sector at national level.

Area of risk	Explanation of risk
	• The operation of the business rates retention scheme and increased risks to business rates income. • On occasion general issues arise on funding which place the council at risk of clawback. • Key funding for integrated health and social care is via the Department of Health and Social Care and is dependent on the agreement of plans and further information regarding payment by results.
5) Employee related risks	Staffing implications of budget planning proposals have been evaluated and reflected within the financial plans, including the cost of redundancy. However, variations could occur as detailed implementation plans are developed.
6) Volume and demand changes	Many of our largest budgets are demand led and these present long standing areas of risk. Forecasts for social care are based on current outturn predictions and applied to population forecasts. Costs could vary if the population varies, or if the proportion of people either requiring or eligible for care is different to the forecast. Budgets for children looked after and support for vulnerable children take into account the County Council's strategy for minimising the number of children in care. Financial risks include delivery of the strategy and external factors that can lead to an increase in the number of children looked after and/or the complexity of need due to societal changes. Waste forecasts are based on the latest available information. If tonnage levels increase, this will lead to an increased pressure.
7) Budget savings	The Medium Term Financial Strategy includes £47.524m budget savings to be delivered across four years. A full assessment of all proposals has tested the robustness of each saving to minimise the financial risk, however a risk remains that the programme is delivered at a slower rate, or that some savings are not achievable at the planned level. In addition, further savings need to be identified to close the £91.414m funding shortfall between 2022-23 and 2024-25.
8) Insurance and emergency planning provision	Unforeseen events and natural disasters can increase the level of insurance claims faced by the council. The council's insurance arrangements, including actuarial review of the fund, additional provisions for unforeseen and unreported claims, service risk management and emergency planning procedures minimise this risk.
9) Energy, security and resilience	Resilience risks include: • Were a disaster to occur, we must have a reserve in place to pick up the costs that will fall to the council. • Norfolk includes flood risk areas and emergency procedures are in place to manage this. • Resilience of IMT can create a risk that might have financial implications for the council.
10) Financial guarantees /legal exposure	Certain contracts contain obligations that, if not fulfilled, would attract a penalty. The Council has PFI Schemes for street lighting and schools. However, there is no risk to the financing of these schemes at present.

Appendix 3: Statement on the Adequacy of Provisions and Reserves 2020-21 to 2023-24

5.3. The following table details the calculation of the general balances having regard to the identified areas of risk.

Reserves Table 3: General balances calculation

Area of Risk	2021-22			2022-23			2023-24			2024-25		
	Budget	Risk Level	Value	Budget	Risk Level	Value	Budget	Risk Level	Value	Budget	Risk Level	Value
	£m	%	£m	£m	%	£m	£m	%	£m	£m	%	£m
Legislative Changes												
Government Grant (RSG)	39.660	0.00%	0.000	39.660	0.50%	0.196	39.660	0.75%	0.297	39.660	1.00%	0.397
Business Rates	163.096	0.25%	0.408	163.096	0.50%	0.813	163.096	0.50%	0.815	163.096	0.75%	1.223
Council Tax Variation to Base/Collection	439.094	0.25%	1.087	455.976	0.50%	2.280	470.366	0.50%	2.352	485.188	0.50%	2.426
NHS/Social Care Funding	62.057	0.00%	0.000	62.057	1.00%	0.621	62.057	1.00%	0.621	62.057	1.00%	0.621
Apprenticeship Levy	0.946	0.25%	0.002	0.975	1.00%	0.010	1.004	1.00%	0.010	1.034	1.00%	0.010
Landfill Tax - waste recycling (price)	23.978	1.00%	0.240	26.157	1.00%	0.262	28.381	1.00%	0.284	28.948	1.00%	0.289
	728.831		**1.737**	**747.921**		**4.181**	**764.564**		**4.379**	**779.983**		**4.966**
Inflation												
Employees	307.703	0.00%	0.000	314.275	0.25%	0.770	324.312	0.50%	1.622	334.041	0.50%	1.661
Premises	16.795	0.25%	0.041	16.760	0.50%	0.083	16.931	0.50%	0.085	17.269	0.50%	0.086
Transport	66.131	0.25%	0.162	67.347	0.50%	0.333	68.567	0.50%	0.343	69.938	0.50%	0.348
Supplies and Services	110.383	0.50%	0.552	103.914	0.50%	0.514	119.010	0.50%	0.595	121.390	0.50%	0.604
Agency and Contracted	476.365	0.50%	2.382	479.886	0.50%	2.375	487.241	0.50%	2.436	496.986	0.50%	2.471
Income (Fees and charges)	123.588	0.50%	0.618	126.332	0.50%	0.625	129.133	0.50%	0.646	131.716	0.50%	0.655
	1,100.964		**3.755**	**1,108.514**		**4.701**	**1,145.194**		**5.726**	**1,171.341**		**5.824**
Interest Rates												
Borrowing	31.008	0.25%	0.078	32.651	0.25%	0.082	35.553	0.25%	0.089	40.000	1.00%	0.400
Investment	0.336	0.25%	0.001	0.336	0.25%	0.001	0.336	0.25%	0.001	0.336	1.00%	0.003
	31.344		**0.078**	**32.987**		**0.082**	**35.889**		**0.090**	**40.336**		**0.403**
Grants												
Public Health Grant funding	40.630	0.00%	0.000	40.630	0.25%	0.100	40.630	0.50%	0.203	40.630	1.00%	0.406
Other General Fund Grants	21.489	0.25%	0.054	20.027	0.25%	0.049	19.220	0.25%	0.048	19.220	0.50%	0.096
	62.120		**0.054**	**60.657**		**0.149**	**59.851**		**0.251**	**59.851**		**0.502**

Appendix 3: Statement on the Adequacy of Provisions and Reserves 2020-21 to 2023-24

Area of Risk	2021-22			2022-23			2023-24			2024-25		
	Budget	Risk Level	Value	Budget	Risk Level	Value	Budget	Risk Level	Value	Budget	Risk Level	Value
	£m	%	£m	£m	%	£m	£m	%	£m	£m	%	£m
Employee Related Risks												
Pensions actuarial valuation	15.944	0.00%	0.000	16.591	5.00%	0.830	18.240	5.00%	0.912	20.000	5.00%	1.000
	15.944		**0.000**	**16.591**		**0.830**	**18.240**		**0.912**	**20.000**		**1.000**
Volume / Demand Changes												
Capital Receipts	2.000	5.00%	0.100	2.000	7.50%	0.150	2.000	10.00%	0.200	2.000	10.00%	0.200
Customer and Client Receipts	123.588	0.75%	0.921	126.332	0.75%	0.941	129.133	0.75%	0.962	131.716	0.75%	0.981
Demand Led Budgets (Adult Social Care third party and transfer payments)	363.858	0.75%	2.711	368.270	0.75%	2.744	376.095	0.75%	2.802	383.617	0.75%	2.858
Demand Led Budgets (Children's Services third party and transfer payments)	76.120	0.75%	0.567	71.827	0.75%	0.535	69.748	0.75%	0.523	71.143	0.75%	0.530
Winter Pressures	3.127	10.00%	0.313	3.229	10.00%	0.323	3.283	10.00%	0.328	3.348	10.00%	0.335
Landfill Tax - waste recycling (volume)	23.978	1.00%	0.240	26.157	1.00%	0.262	28.381	1.00%	0.284	28.948	1.00%	0.289
Public Health third party spend	35.845	1.00%	0.358	35.557	1.00%	0.356	34.427	1.00%	0.344	34.427	1.00%	0.344
Social care and Better Care Fund Spend	62.057	1.00%	0.621	62.057	1.00%	0.621	62.057	1.00%	0.621	62.057	1.00%	0.621
	690.572		**5.830**	**695.429**		**5.930**	**705.124**		**6.064**	**717.256**		**6.158**
Budget Savings												
Budget Reductions	41.179	7.50%	3.088	2.245	7.50%	0.168	1.600	7.50%	0.120	2.500	7.50%	0.188
	41.179		**3.088**	**2.245**		**0.168**	**1.600**		**0.120**	**2.500**		**0.188**
Insurance/Public Liability Third Party Claims												
Uninsured Liabilities	0.000		4.000	0.000		4.000	0.000		4.000	0.000		4.000
Bellwin rules	1,163.554	0.10%	1.164	1,163.554	0.10%	1.164	1,163.554	0.10%	1.164	1,163.554	0.10%	1.164
	1,163.554		**5.164**	**1,163.554**		**5.164**	**1,163.554**		**5.164**	**1,163.554**		**5.164**
TOTAL			**19.706**			**21.206**			**22.706**			**24.206**

5.4. The required level of general balances is therefore identified as £19.706m in 2021-22, rising to £24.206m by 2024-25. It is essential in setting a balanced budget that the council has money available in the event of unexpected spending pressures. The "balances" need to reflect spending experience and risks to which the council is exposed.

5.5. The latest budget monitoring position reported to Cabinet forecasts general balances at 31 March 2021 of £19.706m, prior to allowing for the revenue budget end of year position, which is currently forecasting an underspend of £0.165m.

5.6. The increase in the minimum level of risk-based balances needed in the later years of the Medium Term Financial Strategy reflects the increased level of risk around budget assumptions, such as pay awards, where the longer forecasting horizon increases the level of uncertainty, and in particular the increased levels of risk relating to council tax base assumptions and uncertainty about government funding allocations, which add £3.678m to the assessed balance required by 2024-25. The actual level of balance ultimately required will reduce as the planning timeframe shortens and the uncertainty diminishes.

6. Review of Earmarked Reserves and Provisions

6.1. As part of the 2021-22 budget planning process, a detailed review has been undertaken in respect of each of the reserves and provisions held by the council. In general, the earmarked reserves and provisions are considered by the Executive Director of Finance and Commercial Services to be adequate and appropriate to reflect the risks they are intended to cover. However, it is considered that changes could be made to some reserves, due to changing circumstances. Reserves Table 4 summarises the earmarked reserves for each service department. The balances for individual reserves are shown in the subsequent detailed table (Reserves Table 5).

Covid-19

6.2. Funding from one-off grants and underspends has been transferred into departmental business risk reserves to mitigate some of the continuing financial risks arising from the pandemic, affecting both the current forecast position and additional financial pressures for future financial years. The amounts forecast to be transferred to reserves are set out in Reserves Table 5 and details of central government funding announcements, and forecast Covid-19 pressures, are reported in the period 9 monitoring report to Cabinet elsewhere on this agenda.

6.3. In addition to the subsequent balances there will be a carry forward of the Contain Outbreak Management Fund, Test and Trace (Local Outbreak Control) Grant, Clinically Extremely Vulnerable funding, and other Covid-19 specific grant funding to address expenditure arising from the pandemic in specific areas in the next financial year.

Reserves Table 4: Summary of Earmarked Reserves and Provisions 2020-25

Department	Balance at 31/03/20 £m	Forecast at 31/03/21 £m	Forecast at 31/03/22 £m	Forecast at 31/03/23 £m	Forecast at 31/03/24 £m	Forecast at 31/03/25 £m
Adult Social Services	20.291	21.775	10.682	9.407	9.407	9.407
Children's Services	3.707	5.828	1.572	0.785	0.735	0.735
Community and Environmental Services	40.416	41.949	37.173	34.138	31.140	31.140
Strategy and Transformation Directorate	2.089	1.785	1.265	1.265	1.265	1.265
Governance Department	1.759	1.883	0.908	1.233	1.558	1.883
Finance and Commercial Services	3.879	2.866	1.872	1.382	0.911	0.911
Finance General	49.428	33.083	20.710	20.710	20.710	20.710
Total (excluding schools)	**121.570**	**109.168**	**74.181**	**68.919**	**65.725**	**66.050**
Reserves for capital use	1.000	1.000	1.000	1.000	1.000	1.000
Schools	2.399	2.631	2.780	3.167	3.061	3.061
School - LMS	12.361	12.814	7.308	7.308	7.308	7.308
DSG Reserve	-19.703	-30.963	-34.355	-37.012	-44.151	-54.260

Appendix 3: Statement on the Adequacy of Provisions and Reserves 2020-21 to 2023-24

Reserves Table 5: Detailed table of Reserves and Provisions 2020-25

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2020	Forecast Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025
		£m	£m	£m	£m	£m	£m
Earmarked Reserves							
All Services							
Building Maintenance: This reserve is to ensure that the capital value of the Council's building stock is maintained and facilitates the rolling programme of building maintenance. It also allows NPS Property Consultants Ltd to respond to emergencies by carrying out repairs from day to day and as the need arises.	Expected to be fully utilised by the end of 2020-21.	0.469	0.000	0.000	0.000	0.000	0.000
Information Technology: The reserve is used by multiple services to set aside money for specific IT projects.	The reserve is used by multiple services to set aside money for specific IT projects.	3.437	3.230	2.193	1.693	1.222	1.222
Repairs and Renewals: This fund is to meet the cost of purchasing and repairing specific equipment.	The need for the reserve has changed over time as more equipment is procured via leases. Use of the reserve over the next four years is expected.	3.553	3.512	2.516	2.403	2.347	2.347
Unspent Grants and Contributions: This reserve contains the balances on the council's unconditional grants and contributions.	Mostly grants and contributions which will be used to fund spend over the budget planning period.	18.702	15.866	9.387	6.038	4.568	4.568
		26.162	**22.608**	**14.096**	**10.134**	**8.137**	**8.137**
Adult Social Services							

Appendix 3: Statement on the Adequacy of Provisions and Reserves 2020-21 to 2023-24

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2020	Forecast Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025
		£m	£m	£m	£m	£m	£m
Business Risk Reserve: Reserves established to manage key risks.	Transfer of one-off impacts in 2020-21 has increased the reserve which will be used to mitigate continuing financial risks including those arising from the Covid-19 pandemic in future years.	4.905	10.361	6.288	6.288	6.288	6.288
Social Care workforce and training: This includes funds to support planned workforce and training projects.	Expected to be fully utilised by the end of 2022-23.	0.360	0.321	0.047	0.000	0.000	0.000
Service Development Reserve: This reserve contains funds set aside to support delivery of Adult Social Services.	Expected to be fully utilised by the end of 2021-22.	1.529	1.855	0.000	0.000	0.000	0.000
		6.794	**12.536**	**6.335**	**6.288**	**6.288**	**6.288**
Children's Services							
Business Risk Reserve: Reserves established to manage key risks.	Transfer of one-off impacts in 2020-21 to mitigate continuing financial risks including those arising from the Covid-19 pandemic in future years.	0.000	3.000	0.000	0.000	0.000	0.000
		0.000	**3.000**	**0.000**	**0.000**	**0.000**	**0.000**
Community and Environmental Services							
Business Risk Reserve: Reserves established to manage key risks.	Transfer of one-off impacts in 2020-21 to mitigate continuing financial risks including those	0.000	1.681	1.681	1.681	1.681	1.681

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2020	Forecast Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025
		£m	£m	£m	£m	£m	£m
	arising from the Covid-19 pandemic in future years. It is likely that some or all of this reserve will be called upon in 2021-22 but actual forecast of use is not known at this stage.						
Flood Reserve: Reserves established to manage response to flooding	Reserve established as part of 2021-22 budget setting. Will be used as required to fund urgent works, repairs, and to enable recommendations from the Flood Investigation Reports	0.000	0.000	1.500	1.500	1.500	1.500
Adult Education Income: The County Council is required to approve a budget for the Adult Education service five to six months in advance of the funding announcement by the Skills Funding Agency. In addition, the Skills Funding Agency can also impose penalties on the service in the event that targets are not met and these are dependent on results assessed at year end. This reserve enables the Council to manage risks associated with potential changes in Skills Funding Agency working.	Some use of this reserve is planned over the budget planning period.	0.742	0.452	0.329	0.306	0.306	0.306
Bus De-registration: This is funding to meet costs associated	This reserve will be drawn upon as required over the period.	0.026	0.022	0.022	0.022	0.022	0.022

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2020	Forecast Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025
		£m	£m	£m	£m	£m	£m
with the commercial deregistration of bus services.							
Demand Responsive Transport: This reserve is to enable pump priming of demand responsive transport services as changes are made in supporting public transport by increasing public transport patronage rather than directly subsidising transport operators.	There is no current planned use of this reserve.	0.004	0.004	0.004	0.004	0.004	0.004
Economic Development and Tourism: This is primarily the Apprenticeship Scheme balance and committed EU project funding.	Funding for apprenticeships and EU Projects are mainly committed over the budget planning period.	2.414	2.620	1.495	0.737	0.000	0.000
Fire Operational/PPE/Clothing: This reserve is to meet variable demands for new operational equipment and personal protective equipment.	The reserve is for items such as hazmat suits and training in dealing with chemicals.	0.310	0.319	0.295	0.273	0.273	0.273
Fire Pensions: This reserve is to smooth higher than anticipated costs due in respect of ill health retirements, injury retirements and retained fire fighters who qualify for the Whole Time Uniformed scheme.	Reserve will be drawn upon as required over the period.	0.089	0.089	0.045	0.045	0.000	0.000

Appendix 3: Statement on the Adequacy of Provisions and Reserves 2020-21 to 2023-24

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2020	Forecast Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025
		£m	£m	£m	£m	£m	£m
Fire Retained Turnout Payments: This reserve is to meet variable demands from larger incidents and higher than expected turnouts.	There is no current planned use of this reserve.	0.031	0.031	0.031	0.031	0.031	0.031
Highways Maintenance: This reserve enables a wide range of maintenance schemes to be undertaken. An annual amount is transferred to the works budget. The reserve is also used to carry forward balances on the Highways Maintenance Fund.	The balance mainly relates to commuted sums to meet future liabilities. These sums are paid by Developers to cover the additional maintenance work arising from their developments. The profile of use of the reserves reflects the future liabilities and planned general Highways expenditure.	8.140	7.867	7.702	7.537	7.372	7.372
Historic Buildings: This is used to buy and restore historic buildings at risk of being demolished and to make grants towards the restoration of buildings.	This reserve is used as and when required.	0.048	0.026	0.026	0.025	0.025	0.025
Park and Ride: The reserve is for future site works.	There is currently no planned usage of the fund, but it is retained to meet potential necessary site works.	0.012	0.012	0.012	0.012	0.012	0.012
Prevention Fund: This includes a commuted sum from Developers to cover new bus routes and lump sums received from the Government for improvements to bus services.	Some planned usage in 2020-21.	0.352	0.152	0.152	0.152	0.152	0.152

Appendix 3: Statement on the Adequacy of Provisions and Reserves 2020-21 to 2023-24

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2020	Forecast Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025
		£m	£m	£m	£m	£m	£m
Residual Insurance and Lottery Bids: When a cash settlement was agreed with our insurers in respect of the library fire the proceeds were paid into an earmarked reserve. Subsequent costs have been funded from this source, and outstanding costs for buildings and books have been transferred to earmarked reserves. A few issues remain outstanding (e.g. Records conservation).	The reserve incorporates externally funded grants earmarked towards projects. Included within this are sums required to complete the conservation of damaged documents. The timings for use of this reserve are not yet known.	0.128	0.081	0.081	0.081	0.081	0.081
Road Safety: This reserve reflects the surplus resulting from Speed Awareness Courses run by the council on behalf of the Police, to be reinvested within Road Safety.	There is currently no planned use of this reserve.	0.207	0.207	0.207	0.207	0.207	0.207
Street Lighting PFI Sinking Fund: This reserve has been created as a result of the Street Lighting PFI scheme and reflects receipt of government PFI grant and contributions which will be needed in future financial years to meet contract payments.	Reductions in the level of this reserve are expected over the next four years.	4.891	4.387	2.500	1.996	1.492	1.492
Waste Management Partnership Fund: This reserve is for waste management initiatives.	Expected to be fully utilised by the end of 2022-23.	0.852	0.353	0.047	0.000	0.000	0.000

Appendix 3: Statement on the Adequacy of Provisions and Reserves 2020-21 to 2023-24

Title and purpose of Reserve / Provision	**Planned future use**	**Opening Balances 31/03/2020**	**Forecast Balances 31/03/2021**	**Forecast Balances 31/03/2022**	**Forecast Balances 31/03/2023**	**Forecast Balances 31/03/2024**	**Forecast Balances 31/03/2025**
		£m	**£m**	**£m**	**£m**	**£m**	**£m**
		18.246	**18.303**	**16.130**	**14.609**	**13.159**	**13.159**
Strategy and Transformation Directorate							
Strategic Ambitions Reserve: This reserve supports the council in achieving its aspirations and strategic ambitions for Norfolk.	Expected to be fully utilised by the end of 2021-22.	0.255	0.162	0.000	0.000	0.000	0.000
		0.255	**0.162**	**0.000**	**0.000**	**0.000**	**0.000**
Governance Department							
NPLaw: This reserve has been created to support the development and increased activities of the business and smooth variations in trading.	The reserve has been built up from Nplaw Trading and as such belongs to the Partners of the scheme.	0.458	0.339	0.339	0.339	0.339	0.339
Election Reserve: This is to cover the cost of holding County Council elections.	Regular ongoing contributions to the reserve are planned each year. The reserve will be used for the next election and will then be built up again. Usage will be dependent on the timing of elections in 2021.	0.650	0.975	0.000	0.325	0.650	0.975
		1.108	**1.314**	**0.339**	**0.664**	**0.989**	**1.314**
Finance and Commercial Services							
Archive Centre Sinking Fund: This reserve is to maintain the Archive Centre in accordance with a lease agreement between	There is no current planned use of this reserve.	0.259	0.269	0.279	0.289	0.289	0.289

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2020	Forecast Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025
		£m	£m	£m	£m	£m	£m
the County Council and the University of East Anglia.							
County Farms: This reserve is to hold income related to the County Farms estate.	Expected to be fully utilised by the end of 2020-21.	0.513	0.000	0.000	0.000	0.000	0.000
		0.772	**0.269**	**0.279**	**0.289**	**0.289**	**0.289**
Finance General							
Business Risk Reserve: Reserves established to manage key risks.	To be used to support delivery future year budgets.	9.768	10.310	8.045	8.045	8.045	8.045
Corporate Covid Risk Reserve: Reserves established to hold funding for Covid related expenditure	Government grant funding held in reserve at the end of 2019-20 and 2020-21 to be utilised in the following financial years.	26.799	9.108	0.000	0.000	0.000	0.000
Insurance Reserve: This reserve reflects monies set aside for future potential insurance liabilities that are in excess of those provided for in the Insurance Provision.	Balance reviewed in the 2021-22 budget.	1.165	1.165	0.665	0.665	0.665	0.665

Appendix 3: Statement on the Adequacy of Provisions and Reserves 2020-21 to 2023-24

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2020	Forecast Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025
		£m	**£m**	**£m**	**£m**	**£m**	**£m**
Organisational Change and Redundancy Reserve: This reserve was created to provide one-off funding to support and invest in transformational change e.g. change initiatives such as Workstyle and to fund redundancy costs.	The timing of when the reserve is used is dependent upon future events and it is expected it will be mainly used to fund redundancy costs.	3.174	3.886	2.849	2.849	2.849	2.849
		40.907	**24.470**	**11.560**	**11.560**	**11.560**	**11.560**
Non-Schools Total		**94.243**	**82.662**	**48.740**	**43.545**	**40.422**	**40.747**
Reserves for Capital Use							
Usable Capital Receipts		1.000	1.000	1.000	1.000	1.000	1.000
Schools Reserves							
LMS Balances: This reserve represents estimated surpluses and deficits against delegated budgets for locally managed schools. These funds are retained for schools in accordance with the LMS arrangements approved by the DfE and are not available to the Council for general use.	The future usage will be part of individual school's financial plans.	12.361	12.814	7.308	7.308	7.308	7.308

Appendix 3: Statement on the Adequacy of Provisions and Reserves 2020-21 to 2023-24

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2020	Forecast Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025
		£m	£m	£m	£m	£m	£m
Children's Services Education Equalisation: To fund the variance in the number of Home to School/College Transport and School Catering days in a financial year as a result of the varying dates of Easter holidays.	Expected to be required and used in 2021-22 and future years' balances will be dependent upon the dates of future school years.	0.750	0.750	0.542	0.750	0.750	0.750
Norwich Schools PFI Sinking Fund: This reserve has been created as a result of the Norwich Schools PFI scheme and reflects receipt of government PFI grant and schools contributions which will be needed in future financial years to meet contract payments.	Some use of reserve expected in 2021-22. The reserve will then be replenished over the planning period.	0.212	0.444	0.324	0.503	0.647	0.647
Building Maintenance: This is money put aside to spend on building maintenance of schools.	Reserve balances ate reviewed and utilised as required.	0.801	0.801	1.279	1.279	1.029	1.029
Schools Sickness Insurance: This reserve is a mutual insurance scheme operated on behalf of schools.	Use of the reserve will depend upon the demand of member schools.	0.059	0.059	0.059	0.059	0.059	0.059
Schools Non-Partnership maintenance fund: This reserve is held on behalf of schools for building maintenance activities.	The future usage will be part of individual school's financial plans.	0.548	0.548	0.548	0.548	0.548	0.548

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2020	Forecast Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025
		£m	£m	£m	£m	£m	£m
School playing surface sinking fund: This reserve is to maintain and replace the astro turf playing surface at schools in accordance with a lease agreement between the schools' governing body and the County Council.	In line with lease agreement.	0.029	0.029	0.029	0.029	0.029	0.029
Schools Total		**14.760**	**15.445**	**10.088**	**10.475**	**10.369**	**10.369**
DSG Reserve: DSG is a ring-fenced grant, provided outside the local government finance settlement. The reserve represents the cumulative position of the ringfenced funding provided by the Department for Education.	The DSG deficit arises from the historic underfunding of the High Needs Block which supports high needs places in state special schools, independent schools and Alternative Provision as well as high needs provision in mainstream schools. The level of the deficit reflects our current forecasts.	-19.703	-30.963	-34.355	-37.012	-44.151	-54.260
Provisions							
Adult Social Services							
Provision for doubtful debts: A provision to cover bad debts.	This provision will change as bad debts are reviewed during the year, although the timing of this use cannot be predicted. A significant proportion is for specific debts with an element for general service-user related debts.	3.743	3.186	2.186	2.186	2.186	2.186

Appendix 3: Statement on the Adequacy of Provisions and Reserves 2020-21 to 2023-24

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2020	Forecast Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025
		£m	£m	£m	£m	£m	£m
Children's Services							
Provision for doubtful debts: A provision to cover bad debts.	This provision will change as bad debts are reviewed during the year, although the timing of this use cannot be predicted.	0.899	0.664	0.664	0.664	0.664	0.664
Community and Environmental Services							
Closed landfill long term impairment provision: Provision created to fund long term impairment costs arising from Closed Landfill sites, as per Government legislation and External Audit recommendation.	This is required to cover the legal requirements, but there is currently no specific call on the provision identified. A fixed amount from revenue is released each year to cover impairment costs.	12.647	12.647	12.582	12.515	12.444	12.444
Fire Service: This provision is held to meet variations on Fire Service staffing costs.	There is no current specific requirement for the use of this provision.	0.048	0.048	0.048	0.048	0.048	0.048
Finance General							
Insurance: Provision for insurance claims.	Contractual commitment based on reported claims and provision for incurred but unreported claims.	9.961	9.961	9.961	9.961	9.961	9.961
Redundancy: A provision to meet redundancy and pension strain costs.	This provision is forecast to be used in full in 2020-21.	0.028	0.000	0.000	0.000	0.000	0.000
Non-Schools Provisions Total		**27.326**	**26.506**	**25.441**	**25.374**	**25.303**	**25.303**

6.4. The planned change in total non-school's reserves is a reduction of 43.0% over five years as shown in the following table.

Reserves Table 6: Change in reserves 2020-25

	March 31, 2020	March 31, 2025	Reduction %
	£m	£m	
General Balances	19.706	24.206	
Earmarked Reserves	94.243	40.747	
Total	**113.949**	**64.953**	**43.0%**
The comparative figures for last year were:			
	March 31, 2019	**March 31, 2024**	**Reduction %**
General Balances	19.623	26.431	
Earmarked Reserves	69.086	28.678	
Total	**88.709**	**55.109**	**37.9%**

6.5. When taking decisions on utilising reserves or not it is important that it is acknowledged that reserves are a one-off source of funding and once spent, can only be replenished from other sources of funding or reductions in spending. The practice has been to replenish reserves as part of the closure of accounts, however this can be difficult to predict, and these contributions are therefore not reflected in the figures shown. The forecast year end position of all reserves and provisions is reported to each meeting of Cabinet.

6.6. It should be noted that the Department for Education (DfE) consulted in November 2018[63] on proposals to require local authorities to report DSG reserves or deficits as a separate ring-fenced reserve in annual returns. What this meant for local authorities was that DSG deficits do not need to be covered by an equivalent amount in local authorities' general reserves. Consequently, new lines were added to the 2018-19 RO returns and local authorities are now expected to state their cumulative DSG deficit every year. In October 2019, the government consulted again[64] to clarify that DSG is a ring fenced grant separate from other general local authority funding. This consultation emphasised that the "*Government's intention is that DSG deficits should not be covered from general funds but that over time they should be recovered from DSG income. No timescale has been set for the length of this process.*"

6.7. The DSG deficit arises from the historic underfunding of the High Needs Block (HNB) which supports high needs places in state special schools, independent schools, and Alternative Provision. Norfolk is currently carrying an outstanding DSG deficit from previous financial years, with a forecast £34.355m deficit forecast for the end of 2021-22. On the basis of the accounting treatment proposed by government, this deficit DSG reserve position is not reflected in the reserve balances presented within this report but is included for completeness within the detailed Reserves Table 4 above.

[63] *Consultation on the implementation of new arrangements for reporting deficits of the dedicated schools grant*, Department for Education, 12 November 2018: https://www.gov.uk/government/publications/esfa-update-14-november-2018/esfa-update-local-authorities-14-november-2018#information-consultation-on-the-new-arrangements-for-reporting-deficits-of-the-dedicated-schools-grant-dsg

[64] https://consult.education.gov.uk/funding-policy-unit/revised-arrangements-for-the-dsg/

7. Summary

7.1. Members could choose to agree different levels of reserves and balances, which could increase or decrease the level of risk in setting the revenue and capital budget. This would change both the risk assessment for the budget and the recommended level of balances.

7.2. The proposed level of reserves and balances set out in this report is considered to provide a prudent and robust basis for the Revenue Budget 2021-22 and will ensure the Council has adequate financial reserves to manage the delivery of services and the proposed savings in the financial years covered by the associated Medium Term Financial Strategy.

Norfolk County Council Statement on the Robustness of Estimates 2020-21 to 2023-24

1. Introduction

1.1. As part of the budget setting process, the Executive Director of Finance and Commercial Services (Section 151 Officer) is required under Section 25 of the Local Government Act 2003 to report on the robustness of the estimates made for the purposes of the calculation of the precept and therefore in agreeing the County Council's budget. The level of risk and budget assumptions underpin decisions when setting the revenue budget and capital programme, and affect the recommended level of general balances held. Members must therefore consider the details of these as set out in this report when recommending or agreeing the revenue budget and capital programme. This report includes the Section 151 Officer's formal statement and provides more detailed information on the risks, robustness of revenue estimates, and capital estimates used in the preparation of the County Council's budget.

2. Approach to providing assurance on robustness of estimates

2.1. The budget proposals are estimates of spending and income made at a point in time prior to the start of the next financial year. As such, this statement about the robustness of estimates does not provide an absolute guarantee but does provide Members with reasonable assurances that the draft budget has been based on the best available information and assumptions, and has been subject to scrutiny by relevant staff, Executive Directors, and Members.

2.2. The requirement to report on the robustness of estimates has been met through key budget planning processes during 2020-21, including:

- Departmental reviews of budgets including consideration of the deliverability of planned savings to inform decision making, which has led to the removal or delay of a number of savings to ensure that the proposed budget is robust;
- Review by finance staff of all cost pressures and regular reports to Executive Directors to provide challenge and inform approach;
- Issue of guidance to all services on budget preparation;
- Routine monitoring of current year budgets to inform future year planning;
- An organisational approach to planning with Cabinet providing guidance early on and throughout the process;
- Member review and scrutiny of developing proposals through budget challenge sessions which considered all services in July, September and December 2020.
- Member review and challenge via Cabinet in the June, September, October and February meetings;
- Public review and challenge through budget consultation for specific proposals where required via the Council's consultation hub Citizen Space, including impact assessment of proposals;
- Assurance from fellow Executive Directors that final budget proposals to be considered by County Council are robust and are as certain as possible of being delivered;
- Member and Executive Director peer review of all service growth and savings throughout the budget planning process.

2.3. In addition, and as set out in the Scheme of Authority and Financial Responsibility, Executive Directors are responsible for the overall management of the approved budget and the appointment of Responsible Budget Officers (RBOs) who are responsible for ensuring that authorised budgets are managed in the most effective and efficient manner in accordance with agreed plans and financial controls. Therefore managers with RBO responsibilities also play a key part in monitoring the financial position, identifying variances and financial risks and planning for service changes including forecast contractual, demographic, legislative and policy changes. In preparing estimates, considerable reliance is placed on Executive Directors and RBOs carrying out these responsibilities effectively.

3. CIPFA Financial Resilience Index and Financial Management Code

3.1. As set out in the Revenue Budget report (Appendix 1), CIPFA has published a Financial Resilience Index[65] which sits alongside the new Financial Management Code (FM Code). Although CIPFA has not yet updated the index with 2019-20 data, both of these have helped to inform the council's 2021-22 budget setting process and the Executive Director of Finance has referred to the range of indicators shown in the index, and the requirements of the FM Code, in order to reach his conclusions on the robustness of estimate statement for 2021-22.

3.2. The index suggests that when compared to all other county councils:

- Norfolk holds a comparatively **low level of reserves**.
- Norfolk has a relatively **high level of gross external debt**.
- Norfolk **spends a relatively high proportion** of its net revenue budget[66] **on social care** (for both Adults and Children).
- Council tax funds a relatively low proportion of net revenue expenditure (i.e. the council is **relatively more reliant on government grant**). This is linked to the relatively low tax base in Norfolk (a higher proportion of lower-banded properties compared to the England average).
- Norfolk **experiences relatively limited growth in business rates** income above the Business Rates Baseline.

3.3. It is important to note that the indicators within the index look at retrospective data and only provide an insight into the relative position of similar authorities. The council's level of reserves and external debt are considered annually as part of the budget setting process and monitored regularly throughout the year. Although for a number of historical reasons the council's level of reserves and external debt are respectively lower and higher than other county councils, this position reflects the council's overall strategies of avoiding holding taxpayers' resources unnecessarily in reserves and investing in strategic infrastructure projects. Both the level of reserves held, and the level of external debt, are considered appropriate in light of the council's strategy and the risks it is exposed to. Further details of these considerations are set out throughout the budget papers.

3.4. The council is well aware of the key financial risks that it faces, reporting on them regularly to members as part of both financial monitoring and within the council's risk register. All risks are kept under ongoing review. In addition, the council has taken a

[65] https://www.cipfa.org/services/financial-resilience-index/financial-resilience

[66] It should be noted that the index refers to net revenue expenditure as used in government financial returns, this includes central government funding e.g. Settlement Funding allocations and is therefore higher than the council's net revenue budget (which is council tax only).

number of steps to minimise these risks and ensure that it remains financially resilient in the short to medium term. Actions have included:

- Regularly communicating financial pressures and risks to key stakeholders including to government as part of consultation responses and other lobbying activity.
- Fully engaging with Government as part of the COVID-19 response including reporting requirements to identify financial pressures and maximise financial resources available to support Norfolk as a whole
- Making difficult decisions locally in order to maximise income and minimise cost pressures (for example, raising council tax and the adult social care precept, implementing difficult savings) to do everything in its power to protect its financial position.
- Submitting responses to consultations including those on the 2020 Spending Review, provisional Settlement and reviews of Business Rates, to seek to maximise the funding available for rural shire counties.
- Working with District Councils to reach a consensus position to suspend Business Rates pooling in 2021-22 in order to minimise exposure to significant financial risks for Norfolk local authorities as a whole.
- Providing for budget pressures in Adults and Children’s social care as a priority, while recognising that the system as a whole is not sustainable in the long term and a national funding solution is required.
- Considering and responding as appropriate to the value for money findings of external audit and the findings in relation to financial management from the LGA peer review undertaken in October 2019.
- Ongoing budget-setting work for 2021-22 to set a robust, balanced budget, and regular monitoring of the 2020-21 position including capital and treasury management.
- Annually undertaking a risk-based assessment of the level of general balances required and agreeing the Reserves policy.

3.5. The council keeps its financial position under careful review, and in 2021-22 will be looking in particular at any further actions needed to enhance compliance with the new CIPFA Financial Management code. The council’s self-assessment of the current extent of compliance is set out within the Revenue Budget report (Appendix 1).

4. Risk Assessment of Estimates

4.1. The council manages risk registers corporately, for each service and for key projects. These incorporate all types of risk, including financial. In addition, a formal risk assessment has been undertaken of the revenue budget estimates in order to support the recommendation of the level of general balances. This risk assessment is detailed in the Statement on the Adequacy of Provisions and Reserves 2021-25 report (Appendix 4).

4.2. Budget proposals and emerging pressures were reported to Cabinet in October, along with identified key risks associated with these. This enables Members to assess the risk associated with achievability of the savings identified and supports consideration now of the overall robustness of the budget plans for 2021-22.

4.3. Early identification of risks enables Executive Directors to take mitigating action and to enable higher risk budgets to be more closely monitored during the year. The key budget risks that will require ongoing attention are:

- **Covid-19:** normal operations have been severely disrupted and although considerable uncertainty remains, it is likely that this disruption, and additional costs, will endure well into 2021-22. The adequacy of Government financial support for this is a key area of risk.
- **Local sources of income:** In relation to council tax and business rates, District Council forecast figures are to be confirmed 31 January 2021;
- **Government funding:** The final 2021-22 settlement has not yet been published, meaning that some uncertainty remains about next year's allocations, as discussed in detail elsewhere. In addition, significant reforms to key government grant funding are anticipated in the delayed Fair Funding Review and there is major uncertainty about plans for 75% Business Rates Retention from 2022-23. A list of revenue grants is included within Table 9 of the Revenue Budget 2021-22 report (Appendix 1);
- **General pay and prices:** Inflationary pressures affecting the council's contracted spend and uncertainty about the level of future pay awards;
- **Adult Social Services:** Managing increased demand for services and complexity of need, and facilitating adequate investment to deliver financially sustainable service provision;
- **Children looked after:** Meeting the challenge of delivering improvements within Children's Services to achieve both better outcomes and financial sustainability within the service, whilst also dealing with increased demand and complexity of needs;
- **High Needs Block (HNB):** Managing increased demand for high needs places in state special schools, independent schools, and Alternative Provision which currently represent a shortfall in funding within Dedicated Schools Grant (DSG). Although the Government has now prescribed an accounting treatment for the DSG deficit and confirmed that there is no expectation for local government to fund the DSG from council resources, this position is not guaranteed and will remain a subject of scrutiny for External Auditors. If the council is unsuccessful in resolving the DSG deficit position over the medium term, the pressures and level of forecast overspend are such that it could represent a very real threat to the overall financial viability of the whole council. The position of the DSG budget in future years will therefore continue to have a very significant bearing on the Executive Director of Finance and Commercial Services' judgement about the council's financial resilience and the robustness of its Budget.
- **Major capital schemes:** These include the **Great Yarmouth Third River Crossing, Norwich Western Link, Better Broadband, and the investment in specialist school places and services**, all of which are significant capital projects required to be met within planned capital funding; and
- **Organisational Change:** Managing significant transformation and staffing changes, including the delivery of planned business transformation and smarter working savings, and the realisation of expected savings from the replacement of the HR and Finance system.

4.4. The budget estimates span a four year period, 2021-25, and whilst forecast using the best available information, the planning assumptions and forecasts for future years will necessarily be based on less robust data and known factors. This is particularly exaggerated in 2022-23 for the reasons set out in more detail in the Revenue Budget report and Medium Term Financial Strategy. As part of the ongoing budget planning and monitoring cycle, these assumptions and emerging state of affairs are reviewed allowing the development of more detailed planning for the next financial years and revised medium term financial plans.

5. Robustness of Revenue Estimates

5.1. Within the framework set by the council's business plan, *Together, for Norfolk*, the service and budget planning process has focussed on the key priorities for service departments, including those services that are required by law, and involves a continuous review of the way that services are provided. Cost pressures to manage unavoidable inflationary, legislative and demand pressures have been included in the revenue budget estimates.

5.2. During July, September and December 2020, Cabinet members and Executive Directors undertook budget challenge sessions to consider budget plans and spending proposals. This provided an opportunity to evaluate initial proposals, risks arising from savings proposals, and emerging planning issues for services. The most significant spending implications affecting the Council continue to relate to Adults and Children's Services, and in particular:

- The majority of Children's Services spend is demand led, and across all areas of the children's agenda the council continues to see high and rising levels of need and demand. This includes a significant increase in the number of children with complex Special Educational Needs and Disabilities who require high levels of support and intervention whilst living in the community as well as within residential settings, and significant pressures in placements and support budgets for children looked after, keeping children safe at home and care leavers. Priorities for the service include continuing the implementation of the Safer Children and Resilient Families transformation plan to ensure that the right interventions are in place for the right children and families at the right time so that needs are effectively met rather than escalating, to continue to work towards being rated 'good' (with outstanding features) as defined by Ofsted, and the implementation of a new operating model. A comprehensive strategy is in place to mitigate the increasing levels of demand, but the national pressures and trends result in risk remaining.
- Managing rising demographic pressures through embedding strategies for Adults service delivery to promote independence. In particular invest to save in early intervention and targeted prevention to keep people independent for longer, developing integrated arrangements with Health (Better Care Fund and the Sustainability and transformation plan (STP)) including actions to improve delayed transfers of care. Supporting a stable care market though funding price inflation and market pressures (including national living wage and cost of care increases).

5.3. As part of the budget process, Cabinet and Executive Directors have considered all the budget reductions and growth pressures and these are reflected in the proposed budget. In addition, some of the key risks identified, including risks relating to the achievability of savings, have been taken into consideration in the Cabinet's budget recommendations, which will enable some budget risks to be managed down and this is reflected in the risk assessment of the recommended level of general balances.

5.4. Budget planning for 2021-22 has included extensive work to review the deliverability of savings and understand service pressures. As a result, the 2021-22 Budget sees a significant investment in Departmental budgets through both the removal of previously planned savings, to provide assurance about the robustness of the revenue budget and the deliverability of savings. This represents the net removal or delay of £13.063m previous budget round savings from next year's budget.

5.5. The Council's budget planning assumes that any undeliverable savings have been removed in the exercise detailed above and therefore that all the remaining savings included for 2021-22 are deliverable.

5.6. The table below shows the current budget position and the following three years based on the recommendations set out in the Revenue Budget report (Appendix 1) and the current budget forecast for 2020-21. The Medium Term Financial Strategy does not reflect plans to fully meet the funding shortfall between 2022-23 to 2024-25. As part of developing the budget for future years, work will continue to identify further proposals for service provision in order to identify ways to address these deficits in future years. The Revenue Budget report sets out in section 6 details of the assumptions which inform the Section 151 Officer's judgement of the robustness of estimates and in particular confirms that **early planning to address the 2022-23 Budget gap will be essential along with the production of a realistic plan for reducing the budget requirement** in future years through robust saving proposals, or the reduction of currently identified pressures.

Robustness Table 1: Forecast Budget Deficit 2020-21 to 2024-25

	2020-21 (Period 9 forecast)	2021-22 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget
	£m	£m	£m	£m	£m
Forecast outturn budget deficit	-0.165	0.000	38.868	29.495	23.051

5.7. Work is underway by Executive Directors and budget holders to deliver a balanced outturn position at year end as reported in period 9 Financial Monitoring report which currently forecasts that the outturn position will be an underspend of £0.165m at year-end. The non-delivery of unachievable future year savings from the 2020-24 budget round has been addressed as part of the 2021-22 budget process, however 2020-21 savings which have not been achieved in-year due to timing delays are assumed to be delivered in 2021-22.

5.8. The factors and budget assumptions used in developing the 2021-25 budget estimates are detailed over sixteen headings, including drivers of growth, savings and other planning assumptions and set out below.

Robustness Table 2: Summary of budget assumptions and approach

Budget Assumption	Explanation of financial forecast and approach
Growth Pressures	
1) Inflation	Pay inflation has been assumed at 0% for 2021-22 (with a central provision held to mitigate risk of an increase up to 2%) and 3% for 2022-23 to 2024-25. The County Council is currently part of the national agreement and therefore pay awards for 2021-22 onwards will be influenced by any agreements reached – negotiations for 2021-22 have not commenced at the time of preparing the Budget. Every 1% variation in pay amounts to just over £2.5m for the council. There is therefore a risk that pay awards could vary from this assumption over the planning period, and particularly in 2021-22. Pensions – The 2019 actuarial valuation of the pension fund has set the employer contribution rates from 1 April 2020 at 15.5% (unchanged) plus a lump sum for each of the three years 2020-23.

Appendix 4: Norfolk County Council Statement on the Robustness of Estimates 2021-22 to 2024-25

Budget Assumption	Explanation of financial forecast and approach
	Price Inflation is provided where a contractual increase is required. This is at the contractual rate where appropriate, or at the forecast rate for CPI.
2) Demand and Demographics	There are three key areas where demand and demographic pressures have a significant impact on the council's budget planning: • Gross demographic pressures in Adult Social Care totalling £6.100m reflecting rising demand for services as people live longer and transition of service users from Children's Services to adult social care. • Gross demand pressures of £5.117m in Children's Services reflecting additional costs including increasing demand and complexity of need for children looked after, keeping children safe at home and care leavers, alongside home to school transport pressures, particularly for children with special educational needs and disabilities. • Demand and demographic pressures from increased waste tonnage.
3) Legislative changes	The budget estimates include the following assumptions with regard to current and future legislative changes: • The Government implemented a National Living Wage (NLW) from 2016-17, starting at £7.20. In April 2021 it was increased to £8.91[67]. The exact level at which the National Living Wage will be set in future years has therefore not been confirmed. Although assumed cost pressures relating to the National Living Wage have been included in budgets, there is a risk these could diverge in future. • Cost pressures assuming an increase above the core price inflation for pay and price market pressures have been included. • Cost pressures have been included associated with the increased income received for the Improved Better Care Fund.
4) Policy decisions	The 2021-22 budget includes: • £6.954m to address pressures in Adult Social Services; • £4.676m to address pressures in Community and Environmental Services, including Waste unit costs, funding for Flooding response activities and Highways; and • £0.458m to support Governance.
5) Interest Rates	Budgeted interest earnings on investments are based on guaranteed fixed deposit returns, available instant liquidity rates and market forecasts provided by the council's Treasury Advisors.
Savings	
6) Income	Inflationary increases to fees and charges have been included within the budget proposals where appropriate. Other changes to income either through expected reductions in income, or initiatives to increase income generation, are reported as individual budget proposals.
7) Savings	Savings have been identified across all services and range from productivity efficiency savings, to reductions in service provision. All managers are responsible for ensuring that proposed savings are robust and delivered in accordance with plans. Measures throughout the planning process have supported review and challenge of the deliverability of savings and where appropriate a number of savings have been removed or re-profiled to later years.

[67] https://www.gov.uk/government/news/national-living-wage-increase-to-protect-workers-living-standards

Budget Assumption	**Explanation of financial forecast and approach**
	Changes or delays in delivering savings will result in variance to the budget and as such savings will be closely tracked throughout the year as part of the budget monitoring process and reported to Cabinet, with management actions identified as necessary.
Other Planning assumptions	
8) Funding changes	The provisional Settlement provided only indications for one year of funding allocations in 2021-22, which remain to be confirmed in the final Local Government Finance Settlement. Uncertainty about the outcomes (and indeed in some cases progress) of the Comprehensive Spending Review (CSR), Fair Funding Review (FFR), and 75% Business Rates Retention Scheme (BRRS) means that the council faces a very significant level of uncertainty about funding levels from 2022-23. The provisional Settlement confirmed that existing social care funding of £24.756m plus additionally announced social care funding of £5.587m will also be provided in 2021-22. The MTFS assumes these will be ongoing, but outcomes of the CSR and FFR are awaited to determine whether this is correct The Revenue Budget report sets out the detail of key grants and highlights that many key areas of funding are yet to be confirmed for 2021-22. In relation to schools, funding is provided through the Dedicated Schools Grant (DSG) and Pupil Premium, which is paid to the County Council and passed on to schools in accordance with the agreed formula allocation. It is assumed that all school pay and prices inflationary pressures will be absorbed within the DSG allocation. Norfolk faces severe pressures on High Needs Block (HNB) funding within DSG and submitted a disapplication request in respect of the Dedicated Schools Grant (DSG) for 2021-22 for 1% transfer in addition to the 0.5% transfer from the Schools Block (SB) to the HNB agreed by Schools Forum on 13 November 2020. The Council was notified on the 18 January 2021 that this request to the Secretary of State has been declined. The council is required to have a plan in place for recovery of the DSG. Norfolk's plan has been presented to the DfE as well as to Schools Forum and the latest version is included in the Dedicated Schools Grant Budget report elsewhere on this agenda. The accounting treatment for DSG cumulative deficits allows councils to carry a negative balance on these reserves. This treatment is dictated by Government but potentially remains a significant issue and will result in a material deficit balance in the council's Statement of Accounts until the DSG recovery plan has been delivered.
9) Financial risks inherent in any significant new funding partnerships; major contracts or major capital developments	Financial risks are included within the assessment of the level of general balances. The financial risks arising from major capital schemes such as the Great Yarmouth Third River Crossing, Norwich Western Link and investment in specialist school places continue to be closely monitored and reflected within the County Council's capital budget proposals.
10) Availability of funds to deal with major contingencies	All provisions and earmarked reserves have been reviewed to test their adequacy and continued need. A risk assessment of the level of general balances has been undertaken and the budget reflects the assessed level

Budget Assumption	Explanation of financial forecast and approach
	of balances required. The council also has recourse to the Bellwin scheme in the event of disasters or emergencies.
11) Overall financial standing of the authority	The council's treasury management activity manages both short term cash to provide security, liquidity and yield, and the council's longer term borrowing needs to fund capital expenditure through either long term borrowing or the utilisation of temporary cash resources pending long term borrowing. In accordance with the approved strategy, the council currently continues to borrow for capital purposes, while using cash balances on a temporary basis to avoid the cost of 'carrying' debt in the short term. At 30 November 2020, the council's outstanding debt totalled £702m. The council continues to maintain its total gross borrowing level within its Authorised Limit of £1,067m (prudential indicators) for 2020-21. The Authorised Limit being the affordable borrowing limit required by section 3 of the Local Government Act 2003. There are a number of treasury related indicators to restrict treasury activity within certain limits and manage risk. These include maturity profile of debt; and investments greater than 365 days. Monitoring is reported regularly to Cabinet on an exception basis. The council's treasury management activities are regularly benchmarked against those of other local authorities. The County Council has upper quartile investment performance; is cost effective; pays comparable rates of interest on its debt; and is effective at managing risk. At the end of November 2020 (Period 8), the council's cash balances stood at £200m.
12) The authority's track record in budget and financial management	As at the end of December 2020 (Period 9) the 2020-21 revenue budget is forecast to underspend by £0.165m on a net budget of £430.421m (gross £1.446bn). Executive Directors are working to deliver a balanced outturn position at year-end. Ernst and Young, the council's external auditor, has issued an unqualified opinion on the 2019-20 accounts and concluded that the council made appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.[68]
13) The authority's capacity to manage in-year budget pressures	The level of general balances is assessed as part of the budget setting process, reviewed monthly and reported to Cabinet as part of the regular monitoring process. Review and challenge improves the accuracy of budget estimates, which aims to support management and the early identification of budget issues. The regular reporting of risk and monitoring of mitigating actions supports in-year budget management.
14) The strength of the financial information and reporting arrangements	Information on budget and actual spend is reported publicly and monitoring reports are published regularly throughout the year. The reports are on a risk basis, so that attention is concentrated on what is most important.
15) The end of year procedures in relation to budget	Guidance on end of year procedures is reported annually and arrangements are monitored. Detailed year-end financial information is reported alongside

[68] https://www.norfolk.gov.uk/what-we-do-and-how-we-work/our-budget-and-council-tax/statement-of-accounts

Budget Assumption	Explanation of financial forecast and approach
under/overspends at authority and departmental level	services' performance monitoring. The proposed year end arrangements will be reported to Cabinet for approval.
16) The authority's insurance arrangements to cover major unforeseen risks	The County Council has a mix of self-insurance and tendered insurance arrangements. Premiums are set on an annual basis and reflected within the budget planning. Premiums are subject to annual variance due to external factors and internal performance, risk and claims management. General balances include assessment of financial risk from uninsured liabilities.

6. Robustness of capital estimates

6.1. As with the revenue budget, the capital programme is designed to address the authority's key priorities, including schemes which will help transform the way in which services are provided. To this end, the programme is prepared on the basis of a number of factors, including previously agreed projects, spend to save proposals, and infrastructure and property requirements.

6.2. Projects are costed using professional advice relative to the size and nature of the scheme. Where appropriate, a contingency allowance is included in cost estimates to cover unavoidable and unforeseeable costs. The programme is guided by a simple prioritisation model: schemes that score less than that achieved by the repayment of debt represent bad value for money. In this way, the Council will achieve the most economic use of its scarce capital resources.

6.3. The largest on-going capital programmes relate to transport infrastructure and schools. In both cases there is significant member involvement through Cabinet. For other large projects, appropriate oversight is put in place.

6.4. An estimate of potential capital receipts is made each year. The actual level of receipt in any one financial year can never be forecast in advance with any degree of certainty due to market conditions and interest from purchasers and reduced receipts may result in fewer capital projects going ahead or additional future revenue costs.

6.5. The risks associated with having to fund large unforeseen programme variations are addressed mainly as a result of the Council being able to amend the timing of projects between years. The ability to re-profile projects between years does not result in a significant funding risk because the vast majority of funding is not time-bound, although there are inflationary risks which have to be considered.

7. Summary

7.1. This appendix sets out details of the assessment of the robustness of the estimates used in preparing the proposed revenue and capital budget. There are no direct resource implications arising from this report, but it provides information and details of the assumptions used to support the Executive Director of Finance and Commercial Services' statement on the Robustness of the Estimates and provides assurances to Members prior to recommending and agreeing the revenue and capital budgets and plans for 2021-25.

7.2. Members could choose to agree different assumptions and therefore increase or reduce the level of financial risk in setting the revenue and capital budgets. This would potentially change the risk assessment for the budget and the recommended level of general balances held.

2021-22 Budget Consultation report

1. Background

As required, and in line with previous years, Norfolk County Council has conducted an annual budget consultation for financial year 2021-22. This Budget Consultation was open between 26 October and 14 December 2020, and sought views from the public and stakeholders on the level of council tax, including the adult social care precept. We also invited comments on the council's budget approach and proposals. In particular, the consultation asked for views on our proposals to:

- increase Norfolk County Council's share of general council tax by 1.99% in 2021-22
- raise the adult social care precept by 2% in 2021-22
- raise either council tax or social care precept by more if permissible
- reduce the summer opening hours for recycling centres by one hour
- reduce the frequency of grass cutting on roadside verges in urban and rural areas

No other outline budget proposals needed to go out to further public consultation as none are deemed to directly impact on service delivery. However, if it is apparent, once the budget is agreed and the Council starts to implement the proposals, that any of the proposals do impact on delivering services, then we may need to carry out detailed consultation on those proposals in the future.

2. Methodology

An online consultation was developed which ran for seven weeks, closing on the 14 December 2020. This was hosted on the County Council's Citizen Space consultation hub. Paper copies, large print copies and Easy Read copies were available to download from the online portal, and also available on request by email and phone (with a Freepost returns process in place).

People could choose which proposals they wanted to comment on, so not all respondents answered all questions. Some people also indicated that they did not want their comments made public in which case their feedback is integrated but no related verbatim commentary included.

3. Promotion

In order to ensure as many residents as possible could take part in the consultation it was promoted through the following channels:

- Press releases to all media partners/channels across Norfolk
- Social media promotion on Twitter, Facebook, LinkedIn, NextDoor
- Members briefing to all NCC councillors
- NCC Managers briefing (cascaded to enable/encourage staff to participate)
- Information on the staff intranet and staff newsletters (including Friday Takeaway)

- Information on the Council's website www.norfolk.gov.uk.
- Letters sent to key stakeholders
- Letter to 520 Parish Councils, and promotion via Norfolk Association of Local Councils
- Parish Council webinar (see details below in Section 3.1)
- Special edition Your Norfolk Extra email to residents signed up to the service

It should be noted that the consultation was conducted against the backdrop of the COVID-19 pandemic with its related restrictions upon society, behaviours and the Council's operations. This included the implementation of a 'lockdown' between 5 November and 2 December 2020 (with Norfolk starting on Tier 1 regulations, and emerging on Tier 2 regulations). This may have impacted on public sentiment, visibility of the consultation and opportunity to participate – whether positively or negatively so.

3.1 Parish Council Webinar Event

On Wednesday 18 November, we participated in a webinar hosted by the Norfolk Association of Local Councils (NALC) and delivered via the Zoom platform. Parish Council representatives were invited to this online meeting with Cllr Andrew Jamieson, Cabinet Member for Finance and Grahame Bygrave, Director of Highways and Waste.

Participants were invited to find out more about our budget consultation and our specific proposals. The event started with a video showing the A-Z of council services, a PowerPoint presentation outlining our proposals, followed by questions and answers session. After the session closed, participants were invited to visit our consultation online and provide written feedback if they so wished.

Representatives from 2 Town Councils and 15 Parish Councils attended this NALC event, these included:

- Boughton
- Feltwell
- Gissing
- Harleston
- Harling
- Hethersett
- Hickling
- Hockwell
- Holt Town Council
- Horsford
- Marham
- North Runton
- Sheringham Town Council
- South Creak
- Thornham
- West Dereham
- West Winch

4. Analysis and reporting

Every response has been read in detail and analysed to establish the range of people's opinions, identify any repeated or consistently expressed views, and evaluate the anticipated impact of proposals on people's lives.

In most instances data is expressed in terms of the *number* of respondents owing to relatively small sample bases. Where *percentages* are used, totals may not necessarily add up to 100% because of rounding or multiple responses. The bases for each question vary owing to respondent selection of questions they wished to answer.

When summarising the feedback to the open questions relating to general council tax, adult social care and budget proposals, we have selected quotations to help illustrate the spectrum of key themes emerging from the consultation feedback but these should not be taken to reflect the entirety of opinion. These quotes faithfully reflect an individual's articulation of that theme, and as such all quotations are given verbatim, with respective spelling/punctuation.

Please note that some respondents asked that we did not publish their comments. In addition, comments about individual services have been fed back directly to departments where felt appropriate or necessary.

5. Respondent numbers

We received exactly 500 responses to our consultation. Of these, 374 people or 74.8% replied as individuals.

Responding as:			
An individual / member of the public	374	74.80%	87.80%
A family	65	13.00%	
On behalf of a voluntary or community group	12	2.40%	3.40%
On behalf of a statutory organisation	5	1.00%	
On behalf of a business	0	0.00%	
A Norfolk county councillor	1	0.20%	6.80%
A district or borough councillor	1	0.20%	
A town or parish councillor	19	3.80%	
A Norfolk County Council employee	13	2.60%	
Not Answered	10	2.00%	2.00%
TOTAL	*500*	*100.00%*	*100.00%*

Of the 500 responses received, the overwhelming majority (462 or 92.4%) were online submissions to the consultation.

How we received the responses		
Online submission	462	92.40%
Email	37	7.40%
Paper	1	0.20%
Total	500	100.00%

Responses by groups, organisations and businesses
Twenty nine online consultation respondents told us which group, organisation or business they were responding on behalf of. The organisations cited were: • Age UK Norfolk and Age UK Norwich • Beetley Parish Council • Bergh Apton Conservation Trust • Bramerton Parish Council • Chet Valley B-Line • Cringleford Parish Council • Dilham Parish Council • Diss Town Council • Equal Lives • Felthorpe Parish Council • Framingham Earl Parish Council • Fransham Parish Council • Happisburgh Parish Council • Kimberley and Carleton Forehoe Parish Council • Long Stratton Town Council • Longham Parish Council • Mileham, Tittleshall, Litcham & Horningtoft Parish Council • Necton Parish Council • Norfolk Community Advice Network (NCAN) • Norfolk VCSE Sector Leadership Group • Norwich Community History Club • Norwich Older People's Forum • South Yare Wildlife Group (covering Whitlingham to Loddon) • Stanhoe Parish Council • Stokesby with Herringby Parish Council • Thetford Town Council • Weston Longville Parish Council • Whissonsett Parish Council • Woodton Parish Council

It should be noted that respondents could choose which proposals they wanted to comment on, so not all respondents answered all questions; and as such, the bases for each question vary according to respondent question selection.

6. Respondent Profile

The profile of 'individual' respondents is as below:

Responses by gender (374 individuals)

Gender		
Male	179	47.9%
Female	167	44.7%
Prefer to self-describe	2	0.5%
Prefer not to say	16	4.3%
Not Answered	10	2.7%
Total	374	100.0%

Responses by age (374 individuals)

Age		
Under 18	0	0.0%
18-24	5	1.3%
25-34	20	5.3%
35-44	20	5.3%
45-54	60	16.0%
55-64	82	21.9%
65-74	118	31.6%
75-84	17	4.5%
85 or older	2	0.5%
Prefer not to say	22	5.9%
Not Answered	28	7.5%
Total	374	99.9%

Responses by long-term illness, disability or limiting health problem (374 individuals)

Long-term illness, disability or limiting health problem		
Yes	40	10.7%
No	272	72.7%
Prefer not to say	31	8.3%
Not Answered	31	8.3%
Total	374	100.00%

Appendix 5: Findings of Public Consultation

Responses by ethnic group (374 individuals)

Ethnic group		
White British	285	76.2%
White Irish	4	1.1%
White other	5	1.3%
Mixed / multiple ethnic group	1	0.3%
Asian or Asian British	2	0.5%
Black / African / Caribbean / Black British	1	0.3%
Other ethnic group	3	0.8%
Prefer not to say	39	10.4%
Not Answered	34	9.1%
Total	374	100.0%

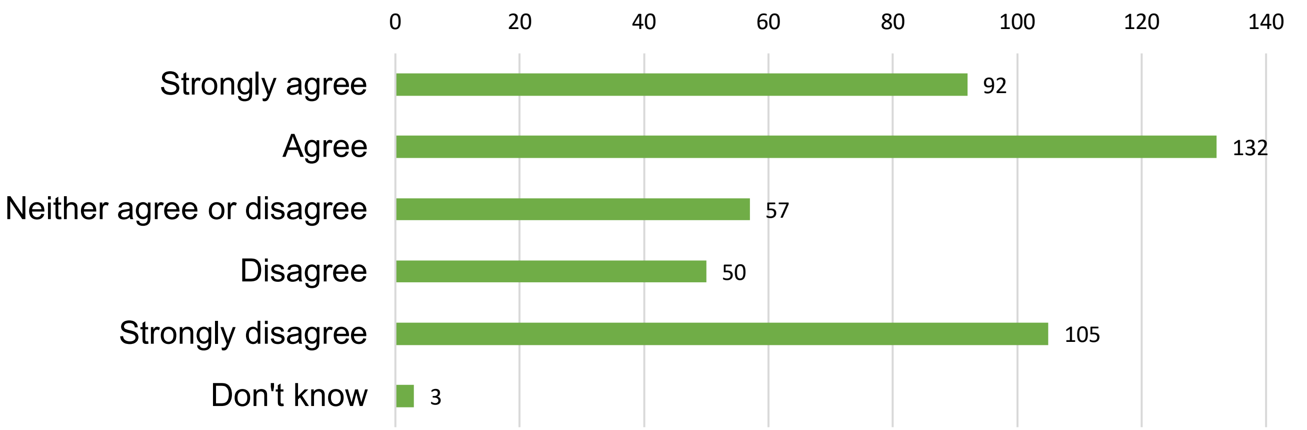
7. Feedback: Council Tax

Q: **How far do you agree or disagree with our proposal to increase Norfolk County Council's share of general Council Tax by 1.99% in 2021-22?**

438 people answered this question, responding as follows:

- **224 (51.1%) were in agreement**
  - 92 (21%) said they strongly agreed
  - 132 (30.1%) said they agreed
- 57 (13%) said they neither agreed nor disagreed
- **155 (35.3%) were in disagreement**
  - 50 (11.4%) said that they disagreed
  - 105 (23.9%) said that they strongly disagreed
- 3 (0.7%) said they did not know

Chart 1: How far do you agree or disagree with our proposal to increase Norfolk County Council's share of the general council tax by 1.99% in 2021-22?
(No. of respondents)



We included an open text box so that people could tell us the reason behind their answer and how, if at all, the proposal would affect them.

Those **strongly agreeing** (92) or **agreeing** (132) with the proposal tend to cluster feedback around these themes/perceptions (in descending order of frequency):

- necessary because '**needs must**' (even if challenging to afford or unwelcome)
- that **services are vital** (and therefore need funding)
- **intrinsically 'fair'** proposal
- service **continuity** is essential (and therefore needs funding)
- consideration of **fairness/equity** (e.g. of proposal, of tax raising/distribution)
- **Covid-19** (impacting in favour of agreement with proposal)

- **underfunding** needs addressing
- **vulnerable** need support
- impacts of **inflation** on affordability of, and necessity for, the proposal
- suggestion to **increase by more**
- evident **growing demand** needs support (notably aging/elderly population)
- **service inadequacy** (a reason to support the proposal)

Those **disagreeing** (50) or **strongly disagreeing** (105) with the proposal tend to cluster feedback around these themes/perceptions (in descending order of frequency):

- **unaffordable** (for any reason)
- insufficient **wages/income**
- **unfair** to increase
- **unjustifiable** to increase
- **paying too much** already
- consideration of **fairness/equity** (e.g. of proposal, of tax raising/distribution)
- **Covid-19** (impacting against agreement with the proposal)
- lack of **evidence of benefits** (from previous increases)
- **paying more for less** (typically as a result of year-on-year increases)
- suggestion to focus on **savings from staff/councillor salaries**, expenses, allowances
- disaffection with repetitive **year-on-year increases** without sufficient benefit/gain
- perception of **'paying more for less'**
- **service inadequacy** (a reason not to support, the proposal)
- perceived **poor value for money** from taxes raised and services provided
- **lack of personal benefit** from taxes
- **Inflationary pressures** on incomes and expenditure making increase unaffordable

Other prominent themes amongst those **neutral** (57), or where the same theme is notably mentioned both by those agreeing and disagreeing, include:

- consideration of **fairness/equity** (whether in agreement or disagreement)
- **Covid-19** (impacting in favour of proposal, and impacting against the proposal)
- **service inadequacy** (a reason to support, and not to support, the proposal)
- impacts of **inflation** on affordability of, and necessity for, the proposal
- that proposals are a **'done deal'** with belief that feedback will make no difference
- suggestion to **increase by more** (as rationale for agreement and disagreement)

Note: The number of respondents mentioning a theme is given in the middle column of each following table "No.". Where themes are mentioned both as reasons for agreement and disagreement, these are appropriately separated and represented in each respective table (respecting any apparent contradictions or alternative perspectives).

Table 1: Analysis of feedback from people who agree/strongly agree with the proposal to increase Norfolk County Council's share of general Council Tax by 1.99% in 2021-22		
Key themes	No.	Illustrative quotes (verbatim)
'Needs Must' – the increase is necessary even if challenging or unwelcome	122	a. The bottom line is the council needs to make savings and improve income whilst I'm not happy this means I would have to pay more council tax I do understand that to keep vital services going for our community you must do something. b. I think it is important that as a community we all share in providing for those that need our help, and a small increase in Council Tax will not hurt those who need to pay it, but it will benefit so many people. c. You have to raise money from somewhere. d. It's far better to increase Council Tax so that we're all paying a bit extra a year, than to cut severely and some loose out a lot. e. Council services are crucial in supporting us all when we need it - we might not know we need them just now, but we might at any time. f. Current service provisions are barely adequate and simply to stand still will require an increase in the council's income. Therefore there has to be an increase. g. We cannot put off funding services and works that improves people's lives.
Providing vital services	57	h. It is essential to provide and maintain critical services i. It is vital that these services are maintained. j. It is a sad facet that adult social services is going to continue to be a huge drain on finances for a long long and we cannot put off the decision to increase the amount of money we spend on it. k. Maintaining services provided by general Council Tax is crucial, even more so during the pandemic
Intrinsically 'fair'	42	l. Burden sharing across all community. General taxation should also rise. m. I think it is important that as a community we all share in providing for those that need our help, and a small increase in Council Tax will not hurt those who need to pay it, but it will benefit so many people. n. The relatively small overall increase in Council Tax shares the burden quite equitably. o. I think it's the fairest way to ensure social care is funded and people understand this. Help is available for those who can't afford to pay.
Enabling service continuity	28	p. A small annual increase, in line with inflation is entirely reasonable - and very necessary if a sustainable level of council services is to be maintained. q. We want to maintain a good level of services

		r. The only way to maintain anything like a decent level of services is to increase council tax.
Fairness/equity	22	s. The wealthy get away without paying their reasonable fair share so someone has to stump up! t. Residents usually have a choice in the band of property they reside in to so should be deemed fair to assume ability to pay for higher tax rates. u. Rising costs mean that we all have to pay for this but as long as council looks at reducing waste
COVID-19 impacts (prompting agreement)	18	v. Given the increasing pressure on public services, particularly in light of the pandemic, I understand the need for increase. I would not want to see more savings/ cuts being made to already stretched public services. w. We need better - and carefully considered - services, especially during Covid-19.
Underfunding	17	x. Local authorities need more money. y. The Government has cut CC spending too much.
Vulnerability	12	z. We must look after the vulnerable and provide vital services like schools, etc. aa. Society is judged by the way it cares for its vulnerable members, therefore we must care for and protect them.
Inflation	10	bb. I think we need to maintain or improve the services provided by the Council., and the Council can only do that if it's income at least keeps up with inflation. cc. Rising costs mean that we all have to pay for this but as long as council looks at reducing waste
Older/aging	8	dd. We need better services, especially for the elderly and the mentally ill. ee. It's important that Norfolk county council are able to provide front line services to support our vulnerable adults in the community. With an ever increasing older population these services are a vital lifeline
Consider increasing by more	8	ff. It should increase but by more than this in order to fund the things that need doing. enough has been cut. gg. If residents require standards maintained, they have to be prepared to pay more and not gripe about it. On the face of it, 2% is not enough.
Meeting increased demand	7	hh. Needs are growing. We must support that. ii. There is an obvious need to increase council tax to fund the ever increasing demand of council services.
Inadequate services	6	jj. We get no improvement in services, in fact it gets worse year on year. kk. For the general tax payer we have seen a decline in services

Table 2: Analysis of feedback from people who disagree/strongly disagree with the proposal to increase Norfolk County Council's share of general Council Tax by 1.99% in 2021-22		
Key themes	No.	Illustrative quotes (verbatim)
Unaffordable increase	78	a. The Council always increases by the maximum allowed. Give us a break our pensions cannot keep up with these rises!!!!!! b. Most people paying the Council Tax will have seen no increase in their own income this financial year and will not be able to afford the extra monies c. Residents are struggling financially d. In the current situation there should be no increase in council tax. e. Because people are really struggling financially so anything over 1% is not acceptable. f. To earn this I'd have to work a whole day. This is half a weeks shopping for me. Absolutely ridiculous!
Financial anxieties relating to wages/income	41	g. Alot for households to find during a year of job losses and financial crisis h. It is unthinkable and immoral that people struggling financially in Norfolk should be made to struggle even more by paying even more in council tax - this is especially pertinent now when due to COVID-19, costs for people are rising, people are losing their jobs, people cannot afford to pay bills, people cannot afford to feed their families and heat homes. i. With many jobs affected in the last year, households having to pay for additional tax will cause more hardship. j. This year has been very tough financially for many families. I don't agree with increasing the burden of Council Tax at this time.
Unfair increase	32	k. Households are suffering from reduced income, increased costs and wage freezes. It is simply unfair and unjust to squeeze already hard pressed workers any further l. I am struggling to put food on the table already. Another increase of this magnitude would simply see me go under. More than 15% of my monthly take home pay is currently being used to pay my council tax bill. This is grossly unfair. m. It is unfair to putting the costs of those on members of the public whose incomes are fixed (when in receipt of pension(s)) and where one is in work, who do not receive salary increases of 2%+
Unjustifiable increase	29	n. CPI inflation rate in September 2020 was 0.5% therefore this increase is four times the rate of inflation. This is completely unacceptable,

		particularly at a time when wage increases are virtually non-existent in some parts of the economy. o. Council waste money at every opportunity, cuts need to be made before robbing my hard earned wages even more. p. Councillors are constantly getting increases and this is not justified.
Perception of 'paying too much already'	18	q. The amount charged is already excessive r. I pay too much Council Tax already
Fairness/equity	17	s. I'm fed up with poor management by councils putting up my bills, vastly above inflation, every single year. My income doesn't increase by this amount so why should yours? Why should I continue to pay for your inefficient management? t. If you could you'd increase it by much more. Last year you gave yourselves a pay increase, the attitude was we're entitled to it! u. Because I still see an enormous amount of wasted money in the operation of Local Government. This needs to be 'driven out' and if a Council is not willing to do this why should we pick up the bill.
COVID-19 impacts (prompting disagreement)	17	v. This year has been very tough financially for many families. I don't agree with increasing the burden of Council Tax at this time. w. Times have been extremely hard for people this year and have struggled as things stand an increase is something many cannot afford
Lack of evidence of benefit from previous increases	14	x. The money only goes the few. The budget just dose not give the disbled the care they need . y. Council tax increases every year and there is little evidence that local services have improved. This is especially relevant in context of Covid pandemic.
Savings expected from staff salaries/expenses	10	z. Savings can be made by reviewing your management structure. You have too many overpaid chiefs and levels of management. Removing some of these could see the savings you are looking for. aa. Savings can be made by reducing some of the huge salaries and waste on unnecessary spending in offices and many other areas.
Savings expected from councillor salaries/expenses	7	bb. I feel people have been put under enough pressure and it is time that councillors reduce their expense allowances or cap them so the burden so wasn't fall on us all the time to keep paying more and more for less and less service. cc. Many of us are struggling to pay bills as it is .You increased the tax last year by a lot, how about cutting expenses to councillors .

Year-on-year increases	9	dd. It doesn't make any sense to us. The Council tax continues to go up year after year with services provided by the Council continually cut. ee. The issue is that individuals do not get an increase in their income and if general bills such as council tax just keep increasing then where does that leave those individuals.
Paying more for less	9	ff. For the general tax payer we have seen a decline in services gg. You have consistently raised council tax by the maximum amount year after year after year when you are allowed to by central government whilst also reducing your services every year.
Inadequate services	9	hh. Adult social care needs to be funded of course but there is nothing for parent carers, children's autism and adhd facilities available in Norfolk currently I'm a parent carer and council tax payer and an increase would not be welcomed as it is an added expense and a very high as is ii. We suffer appalling roads, poor street lighting no services and every year you ask for more.
Value for money	7	jj. It is high time the council is brought to account for its spending. Every year the tax payers give more and the council does less. kk. The services provided year on year get less and less. It's not value for money.
No personal benefit	5	ll. you keep putting the tax up, but I personally do not see any of the spending helping me. Sooner or later the public will all be on benefits to pay for it. When is this going to stop? mm. Obviously I am not happy with any rise in council tax, most of the money is spent on thing I have nothing to do with, apart from the emergency services and libraries
Inflation	5	nn. Stop increasing Council Tax over Rate of Inflation oo. CPI inflation rate in September 2020 was 0.5% therefore this increase is four times the rate of inflation. This is completely unacceptable, particularly at a time when wage increases are virtually non-existent in some parts of the economy.

Table 3: Analysis of <u>neutral/other</u> feedback by people in relation to the proposal to increase Norfolk County Council's share of general Council Tax by 1.99% in 2021-22		
Key themes	No.	Illustrative quotes (verbatim)
COVID-19 impacts	6	a. So many households have had their income impacted by the virus this year b. At present the priority is to combat Covid. Environmental and community spending should

		be trimmed right back for a few years in order to allow time for medical and economic recovery.
Outcome a pre-determined "Done deal" and feedback will make no difference	6	c. Norfolk always puts council tax up by the maximum allowed, so why bother to ask what people think???! d. It's unlikely that anything I say will influence the budget

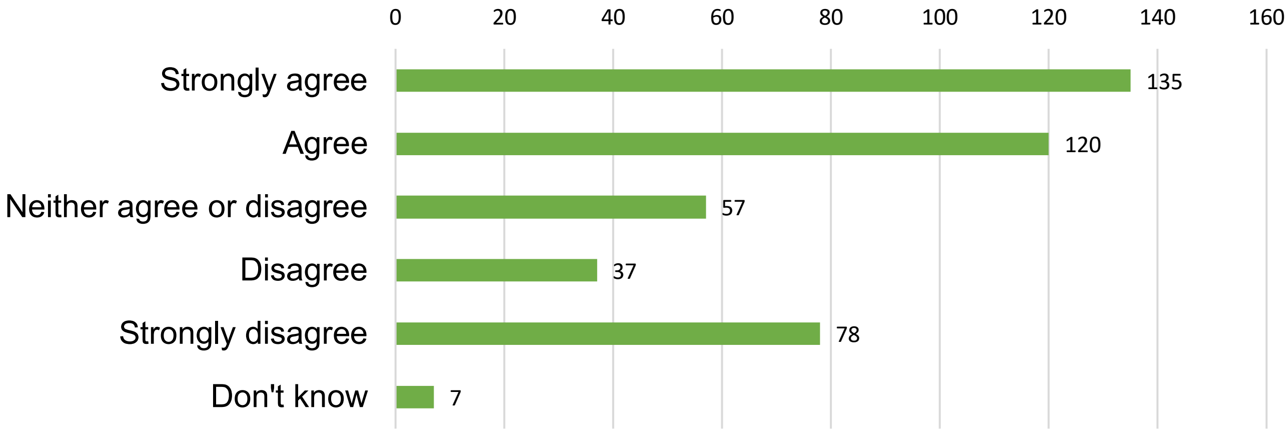
8. Feedback: Adult Social Care Precept

Q: **How far do you agree or disagree with our proposal to increase the Adult Social Care precept by 2% in 2021-22, subject to central Government providing this option?**

We asked how far people agreed or disagreed with our proposal and 434 people responded to this question. Of these:

- **255 (58.8%) were in agreement**
    - 135 (31.1%) said they strongly agreed
    - 120 (27.7%) said they agreed
- 57 (13.1%) said they neither agreed nor disagreed
- **115 (26.5%) were in disagreement**
    - 37 (8.5%) said that they disagreed and
    - 78 (18.0%) said that they strongly disagreed
- 7 (1.6%) said they did not know

Chart 2: How far do you agree or disagree with our proposal to increase the Adult Social Care precept by 2% in 2021-22
(No. of respondents)



Those **strongly agreeing** (135) or **agreeing** (120) with the proposal tend to cluster feedback around these themes/perceptions (in descending order of frequency):

- necessary because '**needs must'** (even if challenging to afford)
- services are fundamentally **vital** (and therefore need funding)

- evident **growing demand** needs support (notably aging/elderly population)
- **Covid-19** impacts make services (and precept increase) more necessary
- intrinsically a **'fair'** proposal
- **vulnerable** people need the support of ASS services
- **service <u>continuity</u>** is essential (and therefore needs funding)
- **underfunding** of ASS needs addressing
- **Central Government** should provide greater funding support (but agree)
- need is so great the precept should be **increased by more**
- **service shortcomings** or inadequacy requires additional funds to address
- ASS services are **a priority** and/or should be prioritised
- supporting the delivery of ASS services is the **'right thing to do'** in a civil society

Those **disagreeing** (37) or **strongly disagreeing** (78) with the proposal tend to cluster feedback around these themes/perceptions (in descending order of frequency):

- **unaffordable** (for a range of personal reasons)
- **unfair** to increase taxes/precepts
- **wages/income** insufficient to afford increase
- **Covid-19** impacts make precept increase unaffordable/inappropriate
- **Central Government** should provide greater funding support (so disagree)
- **paying too much** already
- lack of **evidence of benefits** (from previous increases)
- **paying more for less** (typically as a result of year-on-year increases)
- need is so great the precept should be **increased by more** (therefore disagree)
- **impacts of inflation** over time making precept increase unaffordable/inappropriate
- suggestion to focus on savings from **staff/councillor salaries, expenses, allowances** (rather than precept increase)

Other prominent themes amongst those **neutral** (57), or where the same theme is mentioned both by those agreeing and disagreeing, include:

- **Covid-19** impacts alternatively substantiating the need for the proposal, or its unaffordability
- reduced **wages or income** alternatively substantiating the need for ASS services, or the proposal's unaffordability
- insufficient **central Government funding** being a reason either to support, or not to support the proposal
- **inflationary impacts** being a reason to contribute more to the precept, or reason not to be able to contribute more
- A desire to see a fundamentally **changed approach** to the funding and/or provision of adult social care
- suggestion to focus on **savings from staff/councillor salaries, expenses, allowances** (rather than precept increase)
- proposals provide **insufficient or unclear information** in order to evaluate and form opinions

- that proposals are a **'done deal'** with belief that feedback will make no difference

Table 4: Analysis of feedback from people who agree/strongly agree with the proposal to raise the social care precept by 2% in 2020/21		
Key themes	No.	Illustrative quotes (verbatim)
'Needs Must'	107	a. A small annual increase, in line with inflation is entirely reasonable - and very necessary if a sustainable level of council services is to be maintained. b. There appears to be no other way to assist services other by increasing the Social Care precept, and may citizens are willing and able to do this. c. These people are some of the most vulnerable in society and many are unable to help themselves. It's therefore important the rest of us do our bit to help them. d. If this is needed, then it should be done. These are unprecedented times, and if more money is needed for Adult Social Care, then it should come from Council Taxes. e. They have had so many cuts and shortfalls. They deserve this increase f. Adult social services is a key part of NCC's work and should be adequately funded g. With the issues within care settings and the overall costs, this needs to have more money to provide the basic functions h. I accept in the current climate that this increase is necessary, but equally you cannot and should not expect to increase this budget by the maximum amount year after year just because you can. i. I believe that this area of the budget has been seriously underfunded for years. I would be happy to see an even bigger increase than 2%
Services are vital	69	j. This seems an absolutely vital area to focus on, especially now, due to the effects on these vulnerable groups of the pandemic. k. Adult social care is vitally important l. Necessary to continue to provide services to this increasing sector of the community particularly in the current circumstances. m. Large population needing support and the level of services is not great so do not want it to go down further.
Growing demand (aging/elderly)	34	n. Adult social care is essential and an increasing need with an ageing/long surviving population. o. Because more & more old people need care, to keep them at home. This is surely the best & cheapest solution (and best in cases of pandemics, for obvious reasons)

		p. An ageing population that has paid taxes throughout its working life should not be expected to provide finance for their care in later life by selling acquired assets e.g. homes.
Growing demand (in general)	32	q. The population are living longer the older generation will be needing help, along with adults with special needs r. Covid 19 has increased the need for many services, and the elderly population is growing. s. Adult social care services have been at the forefront of managing the COVID-19 pandemic and the department is supporting more people than ever before.
COVID-19	25	t. Social care is important especially due to covid u. Loneliness and social isolation services are so important in Norfolk, especially as loneliness has increased since Covid. v. After covid this service will be desperately needed
intrinsically "fair"	23	w. The money has to come from the public, and all of us are responsible for paying for everyone. x. Burden sharing across all community. General taxation should also rise.
Support for vulnerable	22	y. It's important that Norfolk county council are able to provide front line services to support our vulnerable adults in the community. z. Wher else is the money going to come from? We all have an interest in looking after the most vulnerable
Service continuity	14	aa. Adult social care has been stripped to the bone and the effects are dire on the most vulnerable in our society. There must be an increase in funding for these people. bb. We need to at least maintain service levels where they are or ideally improve the services.
Underfunding	13	cc. I believe that this area of the budget has been seriously underfunded for years. I would be happy to see an even bigger increase than 2% dd. Young adult mental health care seems to be very poorly funded.
Role/funding of central Government	10	ee. The government need to sort out a sustainable policy to fund adult social care properly, not just ignore the problem ff. if the Government won't provide funding it has to come from somewhere else.
Increase precept by more	9	gg. It should be more to cover cuts over previous years hh. The population is getting older and people living longer. Even 2% may not be high enough.
Wages and income	6	ii. Lots of people are worse off this year as a direct result of our government's failure to properly protect society this year jj. In line with prices and pay inflation

Service inadequacy	6	kk. Large population needing support and the level of services is not great so do not want it to go down further. ll. Adult care services are in a woeful state and need more funding.
Adopt a different approach	5	mm. I would prefer to see an integrated strategy for Health and Social Care, nn. In the absence of central gov plan to have a new way of Properly funding social care there is little option than to increase local authority funding
Services are a priority (and prioritise them)	5	oo. looking after the old and vulnerable should be a priority pp. This is an area in desperate need and should be prioritised.
It's the "right thing to do"	5	qq. Our older community members deserve to be comprehensively and sensitively looked after, with their care secured and guaranteed rr. We must look after the vulnerable in our county to a high standard

Table 5: Analysis of feedback from people who <u>disagree/strongly disagree</u> with the proposal to raise the social care precept by 2% in 2020/21		
Key themes	No.	Illustrative quotes (verbatim)
Unaffordable	44	a. It can not keep going up over the rate of council tax, you must budget with what money you have, taxpayers have not got the money to spend on increases. b. With many jobs affected in the last year, households having to pay for additional tax will cause more hardship. c. We have had this extra increase above the council tax element for several years. The people in Norfolk cannot afford this extra increase year on year. d. The two amounts added together is to much money to expect to be able to find, e. You cant keep putting things up with unemployment rising etc.
Intrinsically "unfair"	18	f. Because my mother had to pay for herself. People should not expect to get something for nothing g. It is simply unfair and unjust to squeeze already hard pressed workers any further
Wages and income	17	h. I work hard all year for you to take a massive chunk a month for a service I won't be entitled to because you will make me pay for my own care out of my house I've spent 40 years earning. Can you not see why constantly taking from people until they have nothing left is somewhat soul destroying. i. It has been an exceptionally hard year for council tax payers and there simply are not the means for many

		residents to be even further stretched by any further increase in council tax.
COVID-19	10	j. The council must recognise the impact that coronavirus has had on costs for the residents of Norfolk, many of whom have been made unemployed, not been able to claim money via the furlough scheme and have lost businesses. k. Due to COVID-19, costs for people are rising, people are losing their jobs, people cannot afford to pay their bills, people cannot afford to feed their families and heat their homes
Role/funding of central Government	10	l. Government should be paying for this not Norfolk residents m. Central government should be making money available for all local Adult Social Care provision. Councils should be contesting the shortfalls in government funding.
Perception of 'paying too much already'	8	n. I am struggling to put food on the table already. Another increase of this magnitude would simply see me go under. More than 15% of my monthly take home pay is currently being used to pay council tax. o. I already pay a lot for a service that I do not have access to
Insufficient evidence of benefit	6	p. Because simply we can't afford to keep paying more those of us who work hard I get any benefits q. The beneficiaries are not those who have saved and scrimped to fund their own provision.
Inflation	5	r. Worthy this might appear to be, this is in danger of getting completely out of hand and added to the proposed council tax increase represents about eight times the current rate of inflation. s. If public sector pay is being frozen increases should be linked to inflation.
Should be increased by more	5	t. This is not enough - you will have to continue making cuts, because demands on adult social care will continue to increase over and above inflation, due to demographic changes and the need to provide (at last) decent wages social care staff. u. It should be a bigger increase.

Table 6: Analysis of <u>neutral/other</u> feedback by people in relation to the proposal to raise the social care precept by 2% in 2020/21		
Key themes	No. Agree/ Neutral/ Disagree	Illustrative quotes (verbatim)
Save on staff/councillor	2/1/4	a. Again Councillors salaries are being increased and this should be used for the budget.

salaries, expenses and/or allowances		b. I think you could reduce the pay of top managers and numbers. From published info some of them managing not so crucial services seem paid high
Proposals insufficient to form opinion	1/3/2	c. Insufficient information d. I think you should explain the calculations a little more clearly, or check your arithmetic.
Proposals are a pre-determined 'done deal'	2/2/1	e. You have no intention of it going towards this f. You not going to listen to the people whatever we say

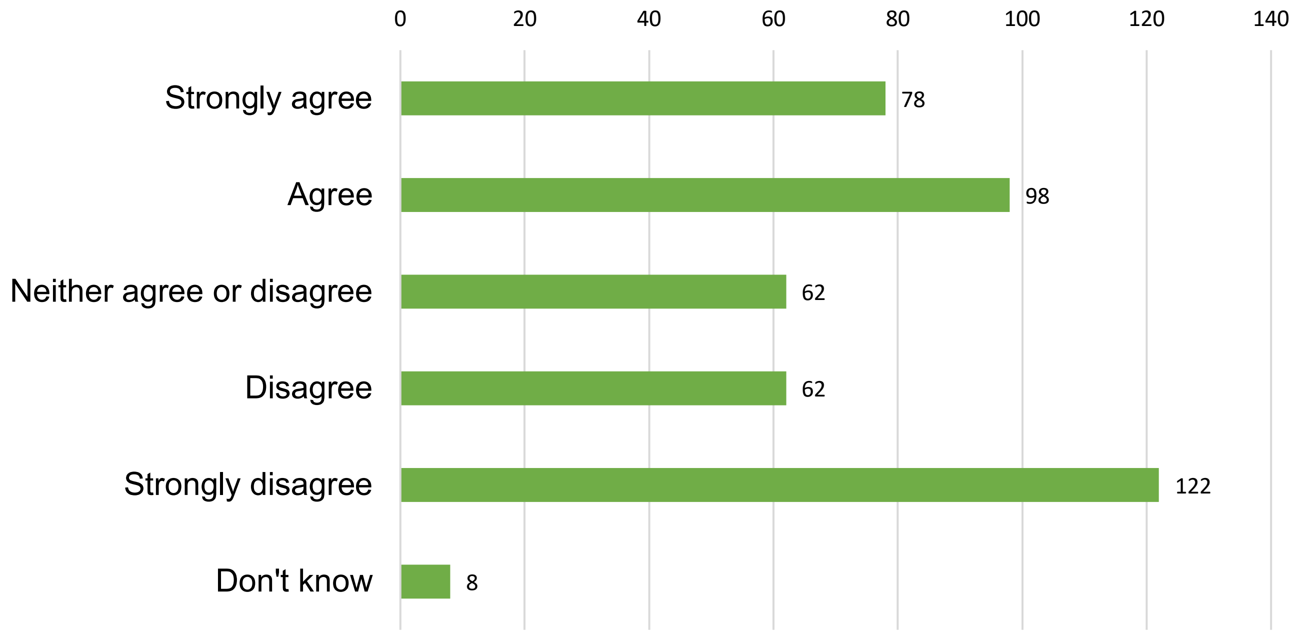
9. Feedback: 'Increase by more than 1.99% for council tax and 2% for ASC precept'

Q: **As we await further announcements from central Government, we would like to find out how far you agree or disagree to an increase in more than the assumed 1.99% for general council tax and 2% for ASC precept to help maintain the delivery of frontline services?**

We asked how far people agreed or disagreed with our proposal and 430 people responded to this question. Of these:

- **176 (40.9%) were in agreement**
    - 78 (18.1%) said they strongly agreed
    - 98 (22.8%) said they agreed
- 62 (14.4%) said they neither agreed nor disagreed
- **184 (42.8%) were in disagreement**
    - 62 (14.4%) said that they disagreed and
    - 122 (28.4%) said that they strongly disagreed
- 8 (1.9%) said they did not know

Chart 3: How far you agree or disagree to an increase in more than the assumed 1.99% for general council tax and 2% for ASC precept to help maintain the delivery of frontline services?
(No. of respondents)



Those **strongly agreeing** (78) or **agreeing** (98) with this proposal tend to cluster feedback around these themes/perceptions (in descending order of frequency):

- necessary because '**needs must'** (even if challenging to afford)
- services are fundamentally **vital** (and therefore greatest practicable funding)
- **service <u>continuity</u>** is essential (and therefore greatest practicable funding)
- **COVID-19** impacts make services (and greater increase) more necessary
- **underfunding** of services and support requires this higher increase
- **Central Government** should provide greater funding support (but agree)
- **growing demand** needs greater support/funding (notably aging/elderly population)

Those **disagreeing** (62) or **strongly disagreeing** (122) with this proposal tend to cluster feedback around these themes/perceptions (in descending order of frequency):

- any greater increase would be **unaffordable** (for a range of personal reasons)
- **wages/income** insufficient to afford any greater increase
- **Covid-19** impacts make precept increase unaffordable/inappropriate
- any greater increase is **unjustifiable** in current circumstances
- need for an increase could be avoided if council would **increase its efficiency**
- suggestion to focus on savings from **staff/councillor salaries, expenses, allowances** (rather than precept increase)
- further increases, savings and/or cuts could be avoided by attending to **less wastage** by the council

Other prominent themes amongst those **neutral** (62), or where the same theme is mentioned by those agreeing and disagreeing, include:

- **Covid-19** impacts alternatively substantiating the need for the proposal, or its unaffordability
- insufficient **central Government funding** being a reason either to support, or not to support, the proposal
- suggestion to focus on savings from **staff/councillor salaries, expenses, allowances** (rather than precept increase)
- **cut waste** in various suggested ways (material/resources/financial)
- proposals provide **insufficient or unclear information** in order to evaluate and form opinions
- **service inadequacy** being a reason to support (if underfunded), or alternatively not to support (if inefficiently managed) the proposal
- desire to see a fundamentally **changed approach** to the funding and/or provision of adult social care

Table 7: Analysis of feedback from people who agree/strongly agree with the proposal for an increase in more than the assumed 1.99% for general council tax and 2% for ASC precept to help maintain the delivery of frontline services

Key themes	No.	Illustrative quotes (verbatim)
'Needs must'	60	a. The funding has to be found somewhere to try and limit the extra savings that would have to be made b. It may mean belt tightening for some but the costs have to be covered. c. In a civilised society this is beyond question d. I think services have already been cut back enough. If higher council tax helps maintain and possibly expand services I would support that. I would also expect us all to be asked to pay a little more in tax to cover losses due to Covid. e. It may mean belt tightening for some but the costs have to be covered. f. Good services are needed so need being paid for.
Services are vital	22	g. Current increases seem manageable and further ones would be worthwhile to maintain frontline services. h. Front line services should be prioritise in these uncertain times. i. It is essential not to cut back services any further
Service continuity is essential	11	j. Must maintain frontline services k. We need to continue to fund our public services
COVID-19	10	l. It is important to bear in mind the impact the pandemic has had on people's incomes across the county and therefore I think this would needed to be carefully considered as to the impact this might have on the lowest income families and individuals.

		m. We can't leave vulnerable groups/individuals to fend for themselves post Covid.
Underfunding	8	n. We need to spend more on services o. Somebody has to pay for county council services if the Government won't.
Role/funding by Central Government	7	p. This should be the responsibility of central government but in the likely event that they will not see this s a priority, and subject to protection for the less well off, I would prefer to see services maintained rather than pay a little less council tax. q. The government is plainly not in a position to substantially increase grants to local authorities leaving councils to fulfil their legal responsibilities only by raising money locally.
Growing demand	7	r. Costs and needs are rising all the time. s. Demand is raising, we need to provide more Early Help and Prevention and cut the need for higher intensity service which is better for everyone.

Table 8: Analysis of feedback from people who <u>disagree/strongly disagree</u> with the proposal for an increase in more than the assumed 1.99% for general council tax and 2% for ASC precept to help maintain the delivery of frontline services		
Key themes	No.	Illustrative quotes (verbatim)
Unaffordable	77	a. Most households just cannot afford this increase at this time b. I have no issue with increasing council tax but an overall rise of 3.99% is too much for people on the lower income scale c. I feel a higher raise in tax would be damaging to those already struggling d. That's a big jump in council tax and a lot of people already are struggling, anything more then 1.99% is going to push more people to poverty e. The general population cannot afford any more
Wages and income	28	f. The cost of living will increase due to government spending during covid with tax rises and Brexit g. Pay does not increase at 4% per year in line with proposed tax increases so it is unaffordable to many. h. Because many people in the district are already hard pressed with other costs rising all the time. If one is on a pension this does not go up by 4%. Other ways should be looked at to make savings.
COVID-19	20	i. Nothing is straight forward or accessible as we are in a pandemic and no one has any money or the help that is needed and people are facing desperate and sad choices j. Everyone has struggled with the covid crisis and many residents are living on lower income.

Unjustifiable	17	k. It will only line the councillors pockets l. Make the cuts needed to fit the income just as householders have to - householders do not have the power to demand additional income to cover such council tax rises.
Increase efficiency	13	m. The council should find savings by cutting waste and inefficiency rather than landing residents with ever increasing bills. n. I see no evidence that the current budget or structure is as efficient or as effective as it can be.
Save on staff/councillor salaries, expenses and/or allowances	7	o. Where do you expect people to get the extra money. You need to look in house a lot more first. p. Council should be more efficient and streamline the number of managers. Most businesses have, but NCC have increased the number!
Reduce wastage	6	q. Until you get your act together do not ask us to pay for your mistakes r. I still see an enormous amount of wasted money in the operation of Local Government. This needs to be 'driven out' and if a Council is not willing to do this why should we pick up the bill.

Table 9: Analysis of neutral/other feedback by people in relation to the proposal for an increase in more than the assumed 1.99% for general council tax and 2% for ASC precept to help maintain the delivery of frontline services

Key themes	No. Agree/ Neutral/ Disagree	Illustrative quotes (verbatim)
COVID-19	5	a. Too much confusion and uncertainty about everything at the moment, so I cannot comment on more uncertainty.
Proposals insufficient to form opinion	3/3/4	b. Service provision is clearly under strain but without knowing how much of an increase would be needed above that permitted it is not possible to give a specific answer.
Service inadequacy	4/1/3	c. Can support that need, but only if we see clear evidence that these additional funds are going to be put towards those services that are most needed and existing funding to these areas is not going to be reduced, particularly during these extraordinary times.
Adopt a different approach	1/3/3	d. The message to NCC is simple, “Do more with less”. Focus on providing quality services, increase accountability and stop supporting non-productive staff

10. Feedback: Adult Social Services

181 people commented on our budget approach and proposals for Adult Social Services. The key themes to emerge cluster as below (number of mentions and illustrative quotes given in table 10):

- desire to see a fundamentally **changed approach** to the funding and/or provision of adult social care
- endorsement and support for **‘stay at home’** or **‘care at home’** initiatives
- recognition that **services are vital** and needing funding and/or protection from cuts
- desire to see **no/reduced savings or cuts** needing to be made to minimise impacts on service provision and service users
- demand for **increased efficiency** in council operations and management
- application of **technology** to deliver cost savings and operational efficiencies
- continued or increased support being required for the **vulnerable**
- consideration for the intrinsic **fairness and equity** of service funding
- support for **independent living**
- collaborating with, and the services of, the **NHS**
- acknowledging the widespread impacts of **COVID-19**
- reference to collaborating with, and the services of, the **hospitals**
- endorsement and support for **residential care**
- observation that unable to form opinion owing to **unclear proposals**
- demand for the council to seek, and offer, **value for money**
- desire to see all parties internal and external to the council **working together**
- expectation for council to make **savings on staff, salaries, expenses and allowances** (amongst staff and councillors)
- acceptance that **‘needs must’** and that savings and cuts are necessary to ensure service continuity and the balancing of budgets
- need to maintain (or improve) **service quality**
- opinion that **services are inadequate**
- need to accommodate **increasing demand** for services and support
- perception that the proposal(s) are fundamentally **inappropriate**
- desire for council to **make no cuts** to services at all (but find saving in other ways)

Table 10: Analysis of generic feedback on Adult Social Services proposals		
Key themes	No.	Illustrative quotes (verbatim)
Adopt a different approach	27	a. Stop trimming around the edges. We need to change our whole approach to adult social care. b. The main flaw is in treating care as a market: it shouldn't be. c. Not sure you need to make savings just make a maximum use of the budget and resources d. Should not need make savings in any of the areas mentioned, government should increase taxation to supply more money to cover it e. Social care costing needs reforming. The gap between the hourly rate paid to care providers and the rate to care workers is shocking - somebody is making a lot of money out of this.
Support for 'stay at home'	26	f. The more people are enabled to stay in their own homes the better. g. More people should be at home as that is where they know and will be happier.
Support for 'care at home'	23	h. Considerable expansion of home based reablement and accommodation based reablement will also help reduce or delay longer term reliance on funded services. i. I think finding other innovative ways to support adults and thus reduce the amount that goes to Adult Services is a good idea. Especially helping people stay in their homes with support and care.
Services are vital	16	j. Any reduced service offered will significantly impact on our vulnerable adults who depend on adult services whether it be home support
No savings should be made	15	k. Social services should definitely not have savings cuts. Surely there are other areas where cuts can be made.
Increase efficiency	13	l. Not sure you need to make savings just make a maximum use of the budget and resources
Utilise technology	13	m. If NCC are saving money by using technology and enabling employees to stay at home then that is useful. We have to careful we don't start replacing personal contact in many aspects of care with virtual contact, technology can be useful but it can also inhibit people and it's just not the same. it can still leave people isolated.
Support the vulnerable	13	n. I cannot agree with taking money away from those who most need it.
Fairness/Equity	12	o. Is regrettable to make any savings when the actual need is increasing. Would be fairer to reduce the

		payments to councillors which were surprisingly increased last year
Support for independent living	12	p. The plans to support people in their own homes are commendable, but sufficient human contact must be maintained
Support for the NHS	12	q. Home based support should be jointly funded with health providers where people have complex health needs. This would help support admission avoidance which benefits all.
COVID-19	11	r. I believe services which help reduce loneliness will make great savings to health services as it would prevent the poor health outcomes associated with loneliness. Loneliness services are more important than ever before as people suffer the negative side effects from lockdown.
Interaction with hospitals	10	s. I think it is right where at all possible to support people in the community particularly during the pandemic when going into hospital is very risky for older people.
Integration with residential care	10	t. I am a little concerned by the aim to "delay the need for residential care." Though this follows the desire to prevent people reaching crisis point, delaying crisis is not an effective solution and will simply defer the cost for another year's budget while potentially having a severely negative impact on citizens in crisis.
Proposals insufficient to form opinion	10	u. We do not feel you have actually provided enough detail for us to understand how you intend to save over 8 million pounds.
Demand for value for money	10	v. You cannot charge us more and then reduce services
Encouragement to work together	10	w. There are too many duplications across different teams. Care needs to be joined up and seamless. In these days of easy access technology there should be no need to go through eg full assessment by more than 1 team when a previous one could be refined and updated for a speciality
Save on staff salaries, expenses and/or allowances	9	x. Cut out the top jobs and high pay to make savings
'Needs Must'	8	y. With the current situation it is inevitable that costs will increase.
Attention to service quality	8	z. I suspect it is not possible to provide a proper service and make cuts at the same time.
Service inadequacy	8	aa. We are concerned along side a program of cuts over the last 10 years outcomes for disabled people in Norfolk or at least our members outcomes have got worse. We would also point to the disproportional effect that these cuts and then Covid has had on people who need social care.

Demand increasing	7	bb. You cannot meet peoples needs on what you provide now. Increase the taxes and get the job done.
Proposal inappropriate	6	cc. We object to paying for social care now. When we know we will be spending our life time savings to pay for our care in future.
No cuts should be made	6	dd. They're not savings, they're cuts! The assault by the conservative government on local government is scandalous - these services need to be adequately funded.
Save on councillor salaries, expenses and/or allowances	6	ee. I don't think you should cut adult social services but believe that councillors should take a cut in wages and it should be taken from elsewhere in the council tax budget…not taken from hard working people who have been hit hard financially by the pandemic

We also received feedback relating to each specific ASS proposal as below (the number of mentions "No." totals all comments in relation to each proposal; where more than 5 comments were made illustrative quotes have been selected; where fewer than 5 comments made all of these are quoted)

Table 11: Comments on each specific Adult Social Services proposal		
Proposal	No.	Illustrative quotes (verbatim)
ASS001 Supporting more people to move into independent housing	5	a. Any reduced service offered will significantly impact on our vulnerable adults who depend on adult services wether it be home support Ass001 or accommodation based reablement. b. This is very important and should not be cut. c. Do you pay for hospital admissions? Surely this will be an increase cost to the county not a reduction d. It is difficult to comment on this owing to a shortage of information on the proposals for housing. It may be possible to move some people out of residential care but research is needed on the psychological impact of the move and the potential increase in loneliness and isolation, particularly if residents have been living in residential care for some time. Any such move should only happen after full consultation with residents and their families and carers. e. There does not seem to be too much of a promotion of using technology (except ASS001) to implement savings. Where could upcoming or recent tech/software improve processes?
ASS002 Working closely with health	4	f. These services help increase confidence and enskill people to remain living in there own homes.

partners to manage joint funding to support better use of resources across the health and social care system.		g. We need to keep people away from hospitals. h. This has the potential to make substantial savings if the collaboration goes so far as to reduce or even remove duplication. However, significant changes to service should be developed through co-production with service users involved from the very beginning of the process. i. While ASC needs to support the NHS it is not working for the NHS and should not bend its priorities to those of the health services. ASC has its own principles values and priorities. I'm not convinced by integrated care system ps at a macro level. So much has been done to make this happen amen the pace of change is still incredibly slow. Care needs to be taken in ensuring investment provides a return to ASC and not just the NHS.
ASS003 Revising the short term out of hospital offer,	2	j. The out of hospital work is, as we understand it, work in progress. It is essential that patients, their families and carers are involved in the development of such services so that those leading the work are fully aware of the current problems and concerns k. All sounds great but home based support is actually expensive if done properly. Adding a few hours a week to care plans is not enough and leaves many adults vulnerable during the hours they spend alone. Cutting funds has a knock on effect as more people fall through the cracks and end up in hospital because there is nowhere else for them to go.
ASS004 Efficiency targets for some core care contracts	1	l. Commissioning services and monitoring those commissioned is a complex job and any savings from these so called back office resources is short sighted. Good outcome based commissioning can save money but it takes skilled staff and robust processes.
ASS005 Introduce more individual service funds to give people more control and choice over their care	3	m. The council funds agencies such as Citizens Advice Bureau and other charities why not be more specific around what the council wants for the money. They could be more flexible and meet the changing needs of the people of Norfolk n. If people are to choose their own providers they will also need adequate quality information on the providers concerned so that they can make informed decisions. Not everybody has access to the necessary facilities and time, or the capacity or support, to do the necessary research. o. Personal budgets work but not as an add on but as an alternative. The budget should show a shift

		from traditional forms of care to those provided through PBs. Any additional investment should mirror demand.
ASS006 Working with our partners to reshape our approach to supporting people upon their initial contact with Adult Social Care.	2	p. This is good for the individuals, but in reality, those family members who provided support or care to family are now paid for it (or can be) where is the community support. Services that were provided free to a loved one are charged for. this moves the care and support onto a contractual basis and makes is clinical and cold. q. The first contact is important and should be good and reassuring whoever is making the referral. This needs to be done through co-production with service users and their carers from the very beginning so that the service understands what the experience is like currently and what concerns are.
ASS007 Reducing the amount we have set aside to cover potential bad debts. (One-off benefit).	2	r. You are already squeezing care home and other providers so you risk putting providers out of business with consequent additional costs and disruption for residents s. Could save more here.
ASS008 Releasing amounts previously carried forward in one-off reserves. (One-off benefit).	0	t. N/A
ASS009 Digital business transformation and staffing efficiencies	3	u. Sounds like your financial team is out of control and needs proper debt management skills v. COVID has made the digital divide more apparent therefore a "digital only" model cannot be implemented. More support required for those who have low literacy, do not have capacity or cannot access digital for other socio/ economic reasons w. Think this should be prioritised
ASS010 Capitalisation of Assistive Technology Equipment	3	x. Think this should be prioritised y. We should not be reducing on ASS010 z. Could save more here.
ASS011 Capitalisation of Adult Social Care Transformation programmes	2	aa. Could save more here. bb. I would prefer to see greater cuts and savings here, with other services reduced less
ASS012 Contract renegotiation	4	cc. Remain at same level. dd. I do not agree with cutting funding to Norfolk Swift Response - this is a vital service for our rural communities ee. Looks like just a move between council and goverment, I still have to pay ff. Review block contracting arrangements and shift risk to private providers as much as possible.

ASS013 Working with NORCA (Norfolk Care Association) to develop a targeted approach to the annual price uplift for 2021-22 recognising the overall local authority budget pressure.	0	gg. N/A

11. Feedback: Children's Services

153 people commented on our budget approach in Children's Services. The key themes to emerge cluster as below (number of mentions and illustrative quotes given in table 12):

- desire to see a fundamentally **changed approach** to the funding and/or provision of children's services
- desire for council to **make no cuts** to services at all (but find saving in other ways) to minimise impacts on service provision and service users
- **role of parents** in supporting and caring for their own children
- observations in relation to engagement with **schools** and assisting children's access
- acknowledging the widespread impacts of **COVID-19**
- need to be **fair and equitable** in both raising funds and the provision of support
- observation that unable to form opinion owing to **unclear proposals**
- need to accommodate **increasing demand** for services and support
- benefits of **early intervention** to prevent greater later impacts
- perception that the proposal(s) are fundamentally **inappropriate**
- desire for council to **make no savings** to minimise impacts on service provision and service users
- benefits, and risks, of **remote working** (as proven during 2020 lockdowns)
- need to improve **service quality**
- impacts on **wellbeing** of any savings and cuts upon both staff and service users
- benefits, and constraints, in using **technology** to realise cost savings
- challenges to the possible closure of **Holt Hall**
- recognition that **services are vital** and needing funding and/or protection from cuts
- enthusiasm for efficient **'working together'** between organisations and individuals

Table 12: Analysis of generic feedback on Children's Services proposals

Key themes	No.	Illustrative quotes (verbatim)
Adopt a different approach	13	a. We don't care for children anymore. You operate a lights on only service which is failing those in need. You need to change the cabinet member for someone who understands/willing to engage.

No <u>cuts</u> should be made	13	b. Not savings, CUTS! Child poverty rising steeply, gap between rich and poor expanding. These children are our future - not appropriate to be even considering making cuts in children's services when so many children are suffering from poor mental health due to Covid.
Role of parents	12	c. Decrease the ever increasing number of children classed as SEN, its becoming a gravy train for parents to get children classified. Parents are responsible for their children and thats where there priorities shold be.
Access to, and engagement of, schools	10	d. I agree with the 'nearest school' for any student but in order for this to happen, the services must be applied equally across education.
COVID-19	9	e. The pandemic has clearly impacted on children and young people in ways that are complex and long term. The more services can help families and/ or siblings to stay together the better. The Wrong Door model sounds like a constructive strategy to help achieve this.
Fairness and equity	9	f. Children are part of families and deserve the best possible start in life and are, of course, affected by changes which affect their parents and grandparents.
Proposals insufficient to form opinion	9	g. What on earth do these figures mean?
Increasing demand	8	h. More funding is needed. There is a need for free school meals for disadvantaged children out of term time. This need will only increase with record unemployment due to hit.
Early help and intervention	8	i. Prevention is always better than cure.
Proposals insufficient to form opinion	8	j. All of the savings are written to hide their true meaning.
No <u>savings</u> should be made	7	k. Savings should not even be attempted to be made in this area, particularly as COVID has uncovered so many families in need
Remote working	7	l. Also agree that more working from home should be investigated to cut down on the amount of office space required.
Service quality	7	m. Savings shouldn't impact the quality of the Children's Services.
Wellbeing	7	n. I worry the impact of not having a safe office base to work from will impact employees mental health in the long run which will in turn cost the council more when they need to be signed off work or access other services.
Utilise technology	6	o. fine so long as you remember vulnerable people frequently do not have access to IT and human face to face contact is vital for assessment, support &

		monitoring working from home, by telephone & zoom etc are not a solution for many cases
Possible closure of Holt Hall	5	p. I disagree that closing Holt Hall is a good saving - its an investment in the future of our children and their environmental knowledge.
Services are vital	5	q. Your approach should be to again support the children, to be able to support them with a reliable and good education, especially for those with special needs,
Working together	5	r. The key to children's services is a joined up, co-ordinated approach that doesn't get bogged down in 'paperwork'

We also received feedback relating to each specific Children's Services proposal as below (the total number of comments is given, with illustrative quotes if over 5 comments made, and all quoted if fewer than 5 comments made):

Table 13: Comments on each specific Children's Services proposal		
Proposal	No.	Quotes (all given if fewer than five comments made)
CHL001 Expansion of 2019-20 CHS001 Prevention, early intervention and effective social care (reduced family court costs)	1	a. I broadly agree with CHL001 partly because it appears to make sense and also because it is the biggest cost saving. The bigger picture answer is probably an attempt to increase awareness of the huge responsibilities involved with looking after children and possible start a bias towards people taking more responsibility for there own actions and not expect the state to provide all of the answers.
CHL002 Expansion of 2019-20 CHS002 Alternatives to care (No Wrong Door model)	4	b. Seems very ambitious, but I assume it is already in progress. c. Agree but care required, there are far too many examples of children's services failing to intervene and children's lives are destroyed. Also tends to reflect very badly on councils involved in such serious cases and I suspect costs many hundreds of thousands of pounds in staff changes because the senior figures are never fired and always go with a significant financial and pension package rather than being prosecuted for dereliction of duty d. CHL002 is a lot of money to support very few young people without any well-evidenced likelihood of success and should not be pursued. e. These (006, 005, 004 and 002) seem sensible and in many cases obvious - why haven't they been done before?
CHL003 Expansion of 2019-20 CHS003 Transforming the care market and creating	0	f. N/A

the capacity that we need		
CHL004 New Transformation Programme Initiative	3	g. Childrens' Services is in a mess and has been for years. EHCR processes have ground to a halt. Children and placed in schools that cannot meet their needs and that costs a fortune to re assess or the child is taken out of the education system and 'home schooled'. I agree with the 'nearest school' for any student but in order for this to happen, the services must be applied equally across education h. These (006, 005, 004 and 002) seem sensible and in many cases obvious - why haven't they been done before? i. Saving costs on home to school is okay but the emphasis has to be on what's right for the child. The child must come first not the savings.
CHL005 Smarter Working	6	j. The improved IT, more home working sounds good so long as staff support is maintained. k. What does this really mean! Why doesn't it just say reduction in the number of staff. If so where? l. I very much like CHL005. m. Do not assume that everyone has access to computers and ensure that there is still easy access to a person for those who need a face-to-face contact. n. These (006, 005, 004 and 002) seem sensible and in many cases obvious - why haven't they been done before? o. I'd prefer to see greater savings made here, and fewer cuts made in other areas of childrens' care services
CHL006 Rationalisation and relocation of office accommodation	6	p. Rationalisation of office space sounds good so long as staff support is maintained. q. Strongly disagree. This is one-off saving only. Why doesn't the consultation say Holt Hall, when this is Holt Hall capital receipt. r. Proposal needs to be reconsidered and the impact of reducing office use on front line staff needs to be carefully considered. Otherwise I worry the impact of not having a safe office base to work from will impact employees mental health in the long run which will in turn cost the council more when they need to be signed off work or access other services. Front line practitioners also need a safe place to meet families and hold meetings. Virtual working does not work well in every case and some families could pose a risk to the safety of the worker. I think a consultation will Children's Services staff directly needs to be held before you consider this.

		s. I very much like CHL006. t. These (006, 005, 004 and 002) seem sensible and in many cases obvious - why haven't they been done before? u. I'd prefer to see greater savings made here, and fewer cuts made in other areas of childrens' care services

12. Feedback: Community and Environmental Services

257 people commented on our budget approach and proposals for Community and Environmental Services - noting the proposal for reducing recycling centre hours (CES006) and reducing the frequency of grass cutting (CES019) are detailed in separate proposals covered in sections 13 and 14 respectively. The key themes to emerge with respect to CES proposals cluster as below (number of mentions and illustrative quotes given in table 14):

- majority of those (51) commenting disagree (26) with proposals that would have a (perceived) negative impact on **Library staffing** levels or services (CES012); although a small minority are in agreement with such cuts and service re-designs being appropriate
- relatively balanced response to the proposal to stop providing **newspapers/magazines in libraries** (CES011) with some in agreement (6) owing to expedient need to make savings, and some in disagreement (4) owing to lack of alternative access and wellbeing impacts for those denied access.
- strong expression of disagreement (19) with the proposal to make **staff savings at the NRO** (CES009)
- a number of respondents take the opportunity to criticise the condition of **highways** and roadside maintenance, along with objecting to the Norwich Western Link
- impacts of **COVID-19** are mentioned in many contexts including the opportunities to prove remote working is effective, negative impacts on personal and organisation incomes (e.g. arts), driving up demand for services, impacts on behaviours (e.g. recycling), impacts on services (e.g. public transport), benefits for the environment (e.g. less grass-cutting) and more
- wide variety of comments upon **back office savings** including some in agreement, some in disagreement, desire for greater detail, challenge as to why not already realised, and other often critical observations
- in this context, as elsewhere, there is an expectation for council to make **savings on head-count, salaries, expenses and allowances** (amongst staff and councillors)
- aside from a couple of critical observations, there is a recognition that **Fire and Rescue services** are vital and should be ring-fenced from cuts that might impact services
- response to **remote working** are positive, with opinion that this has been proven effective, and should be continued/encouraged
- some polarity of opinion about making savings in the realm of **arts, culture and museums**, with the majority seeking to minimise cuts (often referring to the wider benefits to society); whilst some are in favour of lessening subsidies/funding to make the sector more self-sufficient
- a number of suggestions/criticisms with respect to **estate management**, and how these might be managed more cost-effectively with a few expedient measures (e.g. turning off lights in County Hall, reversing decision to build car park)
- **technology** is referenced in a number of contexts, notably in relation to enabling remote working, in facilitating access to services, and in enabling cost-savings through digitisation (e.g. replacing newspapers)

- again there is suggestion to adopt a fundamentally **changed approach** to the funding and/or provision of council services
- there are a span of comments about **public transport** ranging from observation on its vital importance and need for financial support, to suggestion it should be independently viable (or closed)

Table 14: Analysis of generic feedback on Community and Environmental Services proposals

Key themes	No.	Illustrative quotes (verbatim)
Libraries proposal disagreement	26	a. I don't agree to any further reduction in community librarians. b. Do NOT reduce the staffing in Libraries which are essential hubs for local communities, especially as high streets and pubs close. Much better to find more activities for them to undertake.
Libraries (in general)	25	c. Not sure what impact reducing the number of community librarian posts will have on local libraries' services. Again, is this a temporary measure or is it likely to continue? d. Losing staff at libraries and the record office does not make sense when the county council are trying to work more with communities in prevention services in adult social care.
Newspapers proposal agreement	6	e. Good idea about stopping purchase of newspapers, can read online
Newspapers proposal disagreement	4	f. Should keep paper periodicals libraries as suspect many people who rely on them don't have access to the technology.
NRO proposal disagreement	19	g. I do not agree that cuts to the Norfolk Record Office is a good efficiency. We are in need of better record keeping and statistics not less, and the number of deaths needs to be accurately recorded to keep apace with changes. h. The record office and museums are a vital part of our heritage and must be accessible to all stratas of society. Increasing admission fees is counter productive and severely restricts their use by the community
Highways observations and criticisms	17	i. Money saved should be used-as a one off-to correct the appalling situation with filthy road signs being unreadable and even worse, badly obstructed signs by trees, bushes and other foliage which haven't been cut back for years, if indeed, at all. Surely, this is illegal.
COVID-19 impacts	16	j. Any savings that can be made without impacting on services, and by making the council more streamlined and efficient, are to be commended. The council are not the only ones hit financially by the pandemic mine and lots of peoples income has

		been reduced due to the pandemic due to being furlowed k. Keep the services. Do not cut. Pay after the pandemic is over.
Back office savings – including definition, detail and agreement	11	l. I don't believe that the savings are 'back office' after reading the accompanying staff proposal for the savings they appear to be outreach/educational posts involving community.
Reducing staff head-count	10	m. Reduce the employee cost. From my experience they are impotent and do not address issues. Why pay for a so called service that only gives it lip service
Fire & Rescue services	10	n. Highways, Fire Service etc are essential services. Cultural services, although of considerable importance, are not essential.
Support for Remote Working	9	o. Working from home has shown to save money for individuals and institutions and where this is appropriate can be encouraged?
Museums	8	p. I feel the libraries and museums are of great benefit to Thetford and their loss or reduction would be detrimental.
Proposals insufficient to form opinion	8	q. There is such a mixture of things in here, it is difficult to comment without fully understanding the imapct of what is proposed.
Arts, culture and museums funding cuts disagreement	7	r. I also feel that Norfolk Arts cuts are short-sighted as this loss of service support could have a deleterious effect on Norfolk's over all mental health - we need this more than ever.
Estate management efficiencies and savings	7	s. Your aim should be to move out of county hall, have a smaller building for meetings and hot desking, just think what that would save, £21 million easily.
Use of technology	7	t. Maybe the only plus of Covid-19 is the example of home working through technology. This has been very successful although I have no idea how much the council changed work practices.
Adopting a different approach	6	u. Keep the services. Do not cut. Pay after the pandemic is over
Public transport	6	v. In respect of transport services & this is more for central government I think Bus passes should be given to those aged 65+

We also received feedback relating to each specific CES proposal as below (the total number of comments is given, with illustrative quotes if over 5 comments made, and all quoted if fewer than 5 comments made):

Table 15: Comments on each specific Community and Environmental Services proposal		
Proposal	No.	Quotes (all given if fewer than five comments made)
CES001 Back office savings across CES (non-staff budgets)	3	a. Reducing travel costs sounds laudable but if it is essential travel cutting it does not help. Fundamental processes re-engineering and looking at the use of technology rather than several people travelling to the same meeting - which could be done via Zoom - is more efficient. b. You have identified many areas of savings of 'back office staff'. With COVID, I guess you had many people working at home. In 2022-23 I think you should review these working arrnagements to see if any should be taken forward as a new way of working. c. Do away with, Your norfolk mag, total waste, if not done already, buy space instead in the local newspapers as necessary to spread the word, must be cheaper than glossy colour mags
CES002 Back office savings in CES (staff budgets),	1	d. These savings do seem necessary, especially CES002
CES003 One off use of reserves to fund projects budget	0	e. N/A
CES004 Back office savings in the CES Growth and Development team (non staff budgets)	1	f. These savings do seem necessary, especially CES004
CES005 Savings achieved through procurement of new contract, reductions in waste disposal costs delivered through procurement of new contract.	1	g. Renegotiate disposal costs, a.s.a.p. invest in an incinerator to burn waste and generate electricity, in the right place, and with the correct filters, ask for quotes first , not cock up like before, could be income from that . There is/was an incinerator out Leeds way, was that clean you could breathe safely the air that came out of the top, so it can be done.
CES006 Reduction of opening hours at Recycling Centres	-	*This proposal may have an impact on service delivery so required wider consultation. The findings of this consultation can be found in section 13.*
CES007 Back office savings in CES Highways and Waste	1	h. Good. There is no need to travel these days, and indeed, it can be dangerous.

team (non-staff budgets)		
CES008 Culture and Heritage, service redesign and additional fee income	4	i. Completely defund culture and heritage and such like as it's non essential j. Art and culture services have been hit tremendously hard by the Covid 19 pandemic and deserve more not less funding. k. I have concerns about the reductions proposed to Culture and Heritage (CES008) and Record Office (CES009). l. The record office and museums are a vital part of our heritage and must be accessible to all strata soft society. Increasing admission fees is counter productive and severely restricts their use by the community
CES009 Staff savings at the Norfolk Record Office (NRO)	21	m. AGREE: Anyone wanting to use the Norfolk Record Office should pay an entrance fee. n. DISAGREE: I have been extremely concerned to learn that the Archive Specialist role is under threat due to this cut. Making cuts to this vital public-facing, community-based role will be extremely damaging to many vital community projects, including those which directly support mental health
CES010 Reduce Norfolk Arts Service (NAS) budget	6	o. AGREE: Reduce Norfolk Arts Service (NAS) budget by 75%, if people need to access NAS they should pay for it. p. DISAGREE: Not sure what limited service redesign means in reference to Arts Service (CES010) but the arts are vital, particularly at this time, but always.
CES011 Libraries, cease purchase of newspapers and periodicals for Norfolk libraries	15	q. AGREE: Newspapers are not required in libraries and that is a good saving. r. DISAGREE: Magazines and newspapers should remain available as not all have or can use internet. Many people elderly and less well off depend on this kind of resource and their lives could be impoverished by their loss.
CES012 Library service re-design (community library staff)	30	s. AGREE: I think you need to go further. How many libraries need to be open? Why not operate purely online library services? During lockdown, many voluntary groups and council members were responding to local need. t. DISAGREE: need to consider the impact this would have on the wider role libraries play in improving literacy, addressing loneliness, getting people on line - impact on equalities.
CES013 Back office savings in the Fire	3	u. do we have provision for a voluntary first responder fire brigade in the smaller towns and villages as they do in Germany? If not is this

Service (non-staff budgets)		something the council would like to review to see if it would result in any savings? v. These are short term measures that will have long term detrimental effects on the cultural amenities and resources of the county. w. I have missgivings about cutting input and funding into vital services such as fire and rescue (CES013, CES015) a service already under pressure from cuts, this is a life preserving service needed more now due to climate breakdown adding risk of heath and land fires.
CES014 Savings in Culture and Heritage including staffing savings	5	x. Do not cut culture, arts, heritage and leisure services which maintain the health of the public. y. Art and culture services have been hit tremendously hard by the Covid 19 pandemic and deserve more not less funding. z. I am strongly opposed to any cuts in spending on libraries and cultural and heritage services. The savings are small. The services provided are ones which can make a real difference in people's lives. While we focus on people's material well-being, there is a danger that the quality of people's lives is gradually being eroded and lost. aa. Although sad we need to spend far less on libraries and arts. These are luxuries and with digital services offered so widely not needed nowadays. If people wish to see and visit arts and museums then these need to be paid for by those wishing to use them. bb. It doesn't say what services are being affected.
CES015 Fire and Rescue Service, review of managerial and functional posts	4	cc. I don't agree with cutting the budget for staff training in the fire and rescue service dd. I have missgivings about cutting input and funding into vital services such as fire and rescue (CES013, CES015) a service already under pressure from cuts, this is a life preserving service needed more now due to climate breakdown adding risk of heath and land fires. ee. Care must be taken here as any reduction in training or equipment could have an impact on saving lives and property. ff. There should never be a reduction in training to the fire service
CES016 One off use of reserves, one off use of street lighting PFI reserve.	0	gg. N/A
CES017 Further Street Lighting LED upgrade	9	hh. Appreciate need energy efficiency but we need Dark Skies and to value this. Also negative impact on moths and night flying insects. So depends

		exactly what is being done. Fewer lights. Lower light levels. Switched off at 11.30pm. ii. Carry on with replacement of street lights with energy saving models.
CES018 Income Generation / recharging for services	2	jj. More to be done to generate income from sponsorship of roundabouts. kk. Agree and support
CES019 Reduction in grass cutting	-	*This proposal may have an impact on service delivery so required wider consultation. The findings of this consultation can be found in section 14.*
CES020 Back office savings in CES Highways and Waste	0	ll. N/A
CES021 Reduction in contract spend	4	mm. Contractors are expensive and often inflate prices when it comes to large businesses providing the work as they think they can afford it. nn. Ensure standards are maintained. oo. Contracts especially consultants should be reduced. More in house. pp. NCC spend far too much on highways

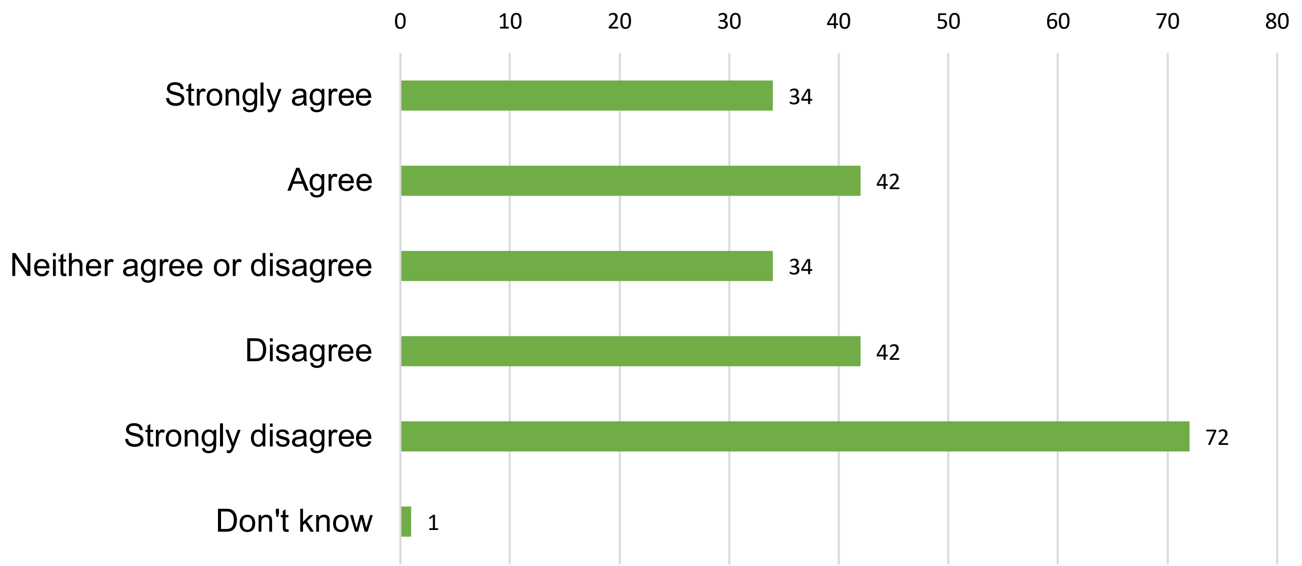
13. Feedback: Reducing Summer Opening Hours at Recycling Centres

Q: **How far do you agree or disagree with the proposal to reduce summer opening times by one hour at Norfolk's recycling centres (closing at 4pm rather than 5pm as for current winter hours)?**

225 people answered this question, responding as follows:

- **76 (33.8%) were in agreement**
    - 34 (15.1%) said they strongly agreed
    - 42 (18.7%) said they agreed
- 34 (15.1%) said they neither agreed nor disagreed
- **114 (50.7%) were in disagreement**
    - 42 (18.7%) said that they disagreed and
    - 72 (32.0%) said that they strongly disagreed
- 1 (0.4%) said they did not know

Chart 4: How far do you agree or disagree with the proposal to reduce summer opening times by one hour at Norfolk's recycling centres (closing at 4pm rather than 5pm as for current winter hours)?
(No. of respondents)



Those **strongly agreeing** (34) or **agreeing** (42) with the proposal tend to cluster feedback around these themes/perceptions (in descending order of frequency):

- agreement tends to be attributed to a simple **acceptance of the need** for cost-cutting measures, some without further consistent qualifications/comments, and some with caveats/cautions consistent with those in disagreement
- where agreement is substantiated this tends to be related to the desire to see **sites kept open**, and that this is a better alternative than any site closures
- the other main rationale for agreement is acknowledgement that this proposal **would not directly affect** the respondent, and therefore is agreeable
- Some caveat agreement with a caution about the risks of a resulting **increase in fly-tipping**, and the need to ensure this risk is minimised/addressed
- some caveat agreement with a caution about resulting **inconvenience in accessing** the sites, and the need to ensure this risk is minimised/addressed

Those **disagreeing** (42) or **strongly disagreeing** (72) with the proposal tend to cluster feedback around these themes/perceptions (in descending order of frequency):

- risk of an **increase in fly-tipping** as a consequence of people no longer being able to access the sites (64)
- sites being **inconvenient to access**, notably for those working
- Resulting **fly-tipping clear-costs** that the council will incur; and is therefore a **false economy**
- inconveniences of **increased queueing** at recycling centres due to condensed visiting patterns
- compounding the (perceived) negative impacts of **charging** – notably in discouraging recycling with knock-on fly-tipping and environmental impacts
- intrinsically '**inappropriate'** or 'unsuitable' proposal
- **Summer is the time of peak need/demand** for access to recycling centres (e.g. gardening, DIY projects, daylight hours etc.), and as such proposal inappropriate (with suggestion that the cut would be **better applied in winter**)
- recycling centres hours being currently insufficient (notwithstanding these further cuts), and that they **should be open later** rather than closing earlier
- **alternative configurations of opening hours** including open later into the evening, opening later in the morning (rather than close earlier), opening times varying across days of week/weekends
- **negative environmental impacts** owing to a combination of increased fly-tipping, discouraging recycling and pollution from queueing vehicles
- impacts of **COVID-19** are felt to have resulted in a greater opportunity/need for disposal of recyclable material, along with observation that COVID-19 is not a justification for such a proposal

The majority of comments from those of **neutral** opinion (34) are consistent with those mentioned in disagreement (albeit framed as risks/cautions rather than reasons to disagree), and include:

- recycling centres hours are currently insufficient, and that **closing at 4pm is too early**
- to be mindful of the impacts of **salary reductions for staff**
- risk of an **increase in fly-tipping** attributable to those no longer able to access the sites
- sites being **inconvenient to access**, notably for those working

Table 16: Analysis of feedback from people who agree/strongly agree with the proposal to reduce summer opening hours at recycling centres

Key themes	No.	Illustrative quotes (verbatim)
Acceptance of the need	15	a. Would support this proposal to reduce opening by one hour. Not ideal but justifiable to save resources for other areas. Increase in fly tipping always a possibility as a result. Would be a minor irritation to myself. b. Good idea, provided that the new opening times are well-publicized so that people know.
Beware risk of fly-tipping increase	9	c. Good idea to cut opening times but cameras needed to stop fly tipping at known spots. d. You can cut the hours and also be more harder on people who fly tip, not let them off the hook like you do at present.
Inconvenient to access	8	e. An earlier closing time would be inconvenient, but if it was a good money saving exercise, I would cope. I do worry about fly tipping though. f. I only agree to this as long as it doesn't affect the typical long weekend clearouts. Close it early 4 days a week and keep Fridays and the weekends longer.
Preferable to site closures	6	g. I would rather the centres close an hour earlier than to close completely. This wouldn’t impact on me greatly and I would support this. h. I broadly agree with the principle of reducing the opening hours if the alternative is to shut some centers.
Won’t affect the respondent	5	i. As I am now retired I find the proposed reduction in hours acceptable. However, I am also aware that, when working, the weekday hours were inconvenient and meant I could only go to my local tip at weekends. j. I am sure that people who use recycling centres will manage adapt to the change. It will not affect me.

Table 17: Analysis of feedback from people who disagree/strongly disagree with the proposal to reduce summer opening hours at recycling centres		
Key themes	No.	Illustrative quotes (verbatim)
Risk of fly-tipping increase	64	a. Why make it harder for people to dispose of their waste. This will simply result in further flytipping. b. I think this could well increase fly tipping, recycling needs to become more accessible not less in order to prevent this and save our countryside c. I really think this is not a good idea as this will just lead to more dumping in the countryside. d. This would mean anyone working normal daylight hours ie. 9-5 would not be able to use it during the week. Surely this would cause queuing and possible frustration leading to fly tipping e. I am concerned that it will increase Fly tipping which will ultimately be more expensive. f. There has been a considerable increase in fly tipping over the last two years and the proposal to yet further shorten opening hours will only exacerbate this situation.
Inconvenient to access	28	g. Don't reduce hours. Make it easier and cheaper to dispose of waste properly. Cleaning up illegally dumped waste costs far more in the long run. Think beyond the current pandemic. h. Centres will be busier if have reduced hours, and this will lead to increased waiting, possibly higher emissions from vehicles, will adversely affect people who work full time and have less flexibility in the hours they have. i. Making access to recycling centres any more difficult only leads to problems. This could lead to fly tipping. j. Sadly, the proposal underestimates the annoyance that many people experience when trying to undertake recycling at centres. Long queues, long waiting time, ill-mannered operatives who refuse/fail to offer any assistance to struggling users
Increased costs from fly-tipping clear-up	21	k. It will not affect me, but any reduction of the facilities to legitimately dispose of rubbish will lead to an increase in fly tipping, which is even more expensive to clear up l. I feel this is a false economy (70k) as reducing the hours together with the recently introduced charges for particular types of refuse only

		increases fly tipping which probably costs the council more in the long run.
Inconvenience from increased queueing	17	m. If recycle centres are too busy and not as easy to access then there may be more fly-tipping. n. Reduced opening will congest the visitors over a shorter day making the sites even busier during their sites busier times. May be OK on the rural sites or during week days but will have an adverse affect on a busy weekend in the Spring / Summer with possible queues and staff not being able to cope.
Compounding negative impacts from charging	17	o. Terrible. You want us to keep out county tidy. If you keep pushing people away or charging them, then you will find more fly tipping. Which will cost more. p. The increased charges for personal building waste is also counterproductive. People should be encouraged to be responsible with their waste but decreasing access or having unreasonable charges does not do this. See the bigger picture!!
Inappropriate proposal	13	q. A relatively small saving taken straight out of the pocket of Norfolk workers. This saving could be recovered by operating these centres in a more cost effective manner, better management of the materials and their income/cost and more efficient haulage
Summer not the suitable season for reduced hours (winter better)	13	r. Reducing the opening hours in the summer, when all the holiday homes are full, will inevitably lead to fly tipping, overflowing bins and general antisocial disposal of rubbish. Summer is by far the most important time to keep as much access as possible to this the amenity. s. It would less of an inconvenience if you close an hour earlier in the winter as there must be much less need to dispose of garden rubbish. t. Spring time is when people start gardenjng and pruning and cutting down takes place.
Sites not open <u>long</u> enough	11	u. We need these centres to be open for more hours not less. Reducing opening hours will increase the local illegal dumping areas to increase and become a real nuisance to locals and local wildlife. v. They are not open long enough and too many restrictions on what you can take and how much you can take.
Alternative hours suggested	10	w. It would be more useful to have the reduced hours so the centres open at 10am and close at 5 in summer. But overall I think it is a bad

		idea and will only lead to more fly tipping which will annul the saving
Sites not open late enough	10	x. Do not reduce opening times. People are familiar with the times. Good to have later opening, to allow people to get there on weekend, and after work. I would probably have to keep more rubbish at my home, and I suspect I would have to wait in longer queues at the centres. Why not reduce staffing? During lockdown there seemed to be plenty of men sitting in chairs questioning drivers.
Proposal discourages recycling with resulting negative environmental impact	15	y. I don't think they should be reduced. It will lead to longer waiting times and more engine exhaust emissions in the queue causing dangerous greenhouse gas emissions z. Seems amazing that reducing opening hours by an hour a day can result in such large savings. Why not outsource the recycling centres which would remove staff costs from your budget and incentivise the 3rd parties to increase the amount of recycling. Once again penalising people for recycling their DIY waste is not cost effective.
4pm closure is too early	8	aa. No I work 8 till 4 so that means I cannot use the centres all year around unless I queue at the weekends. bb. I don’t finish work until 4pm at the earliest. If the recycling centres all closed at 4pm when would I be able to use these services? Answer - Never.
Impacts of COVID-19	5	cc. I strongly suspect this will backfire and lead to a surge in fly tipping. We saw during the COVID lockdown an increase in fly tipping and the costs of cleaning this up must surely be greater than the cost of keeping these centres open for a few hours a day. dd. Since the start of the Covid-19 pandemic we have seen much more fly tipping in Norfolk. Anything that makes it more difficult or inconvenient to dispose of waste properly will increase this even more.

Table 18: Analysis of neutral/other feedback by people in relation to the proposal to reduce summer opening hours at recycling centres

Key themes	No.	Illustrative quotes (verbatim)
4pm closure is too early	13	a. I think it would be better to open in summer later and close later, as the current times, don't help people who work.

		b. I think it will be ok, however, what would happen if you opened at 10am and closed at 5pm. Maybe people would rather a later close if they have been gardening during day and want to drop off stuff at the end of the day?
Risk of fly-tipping increase	8	c. Please bear in mind the likely increase in fly tipping. d. If it's the only way to keep them open, then do it. But it will increase fly-tipping further. Let's see some prosecutions of fly-tippers. Money spent on prevention (cameras at well-known spots, not leaflets or advertising) would be a good idea.
Compounding negative impacts from charging	8	e. Charging for DIY waste has been a disaster - fly-tipping has increased massively in West Norfolk. f. Not a problem but should stop charging for certain items as it encourages fly tipping
Staff salary reductions / impacts	5	g. I do not agree with the changes proposed due to the reduction in hours for the staff. The employment market is already difficult at this time and reducing staffs hours and wages would potentially cause financial difficulty. h. They will be more fly tiping as they has been since certain charges have been introduced and not fair if staff have a reduced income i. I am disappointed that people will loose their hours and potentially that it may create the remaining hours busier. However I think the savings outweigh the loses.
Open 10am to 5pm	5	j. It would be more useful to have the reduced hours so the centres open at 10am and close at 5 in summer. But overall I think it is a bad idea and will only lead to more fly tipping which will annul the saving k. Sounds like it has been thought out but I would have preferred the hours to be 10 to 5 which means the same cost saving. Would be interested to see what percentage of visits occur between 9 and 10
Inconvenient to access	4	l. Take care in reducing further the accessibility to recycling centres. m. This does not help working people or people on shift work Maybe some days of later start and later finish would make more sense.

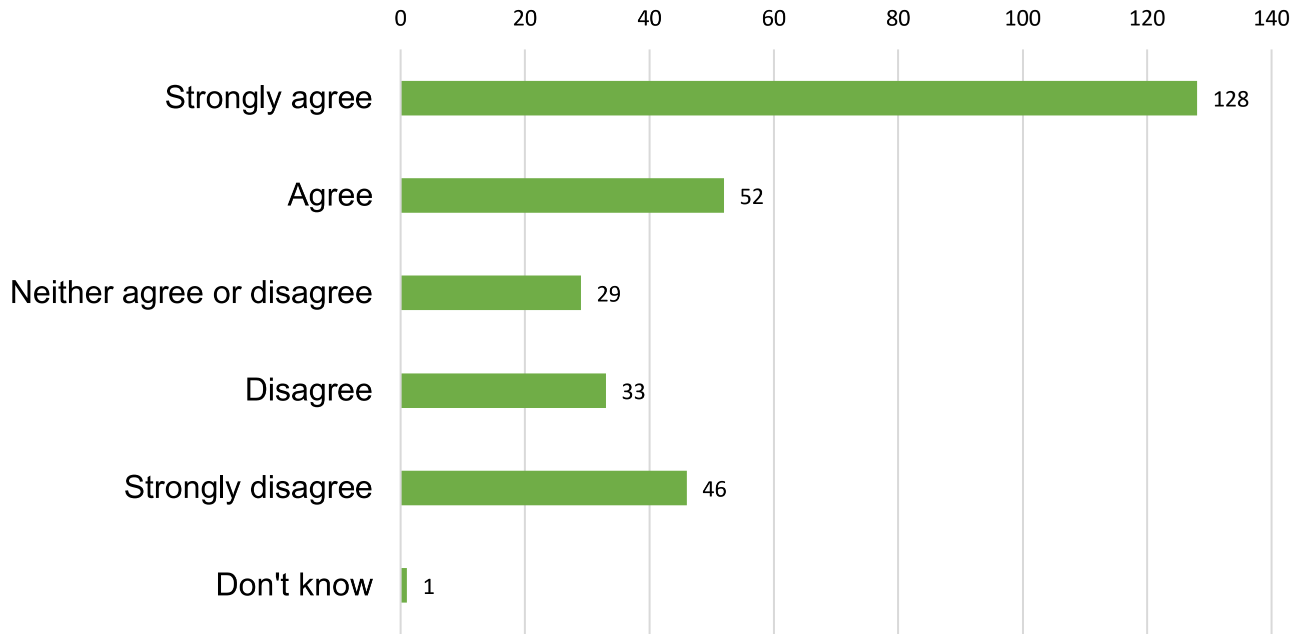
14. Feedback: Reducing Frequency of Roadside Grass-Cutting

Q: **How far do you agree or disagree with our proposal to reduce the frequency of urban and rural roadside grass cutting?**

289 people answered this question, responding as follows:

- **180 (62.3%) were in agreement**
    - 128 (44.3%) said they strongly agreed
    - 52 (18.0%) said they agreed
- 29 (10%) said they neither agreed nor disagreed
- **79 (27.3%) were in disagreement**
    - 33 (11.4%) said that they disagreed and
    - 46 (15.9%) said that they strongly disagreed
- 1 (0.3%) said they did not know

Chart 5: How far do you agree or disagree with our proposal to reduce the frequency of urban and rural roadside grass cutting?
(No. of respondents)



Those **strongly agreeing** (128) or **agreeing** (52) with the proposal tend to cluster feedback around these themes/perceptions (in descending order of frequency):

- **benefits to wildlife** and/or **wildflower protection**
- qualifying agreement and/or these benefits above with requirement not to compromise **safety**
- need to consider the **timing of cut** (after flowering, Autumn)
- requirement not to compromise safety by reducing **visibility**
- generic expression of **environmental benefits** (24), in addition to specific mention of wildlife and/or wildflowers,
- **aesthetic** appeal and improvement
- a "**win win**", with cost savings on the one hand, and environmental benefits on the other
- suggestion to **reduce the frequency of cutting further** (in either or both urban and rural areas)
- benefits to **well-being** as a consequence of enhanced aesthetics and/or environmental benefits
- the need also to attend to the management of **hedge-cutting** for reasons of safety and/or environmental benefits
- need to manage **collection of cuttings** for greatest environmental advantage (most in favour of collection, but some not)

Those **disagreeing** (33) or **strongly disagreeing** (46) with the proposal tend to cluster feedback around these themes/perceptions (in descending order of frequency):

- compromise to **safety** with risks to all road users (non-specific)
- compromise to **visibility**, with resultant safety risks
- reduced **aesthetic** appeal from over-grown or untidy verges
- **pedestrian safety** risks specifically
- **cyclist safety** risks specifically
- the need also to attend to the management of **hedge-cutting** for reasons of safety and/or environmental benefits

Other prominent themes amongst those **neutral** (29), or where opinion is balanced between positive and negative feedback, include:

- recognition of the benefits but observing on risks of compromising **visibility**
- recognition of the benefits but observing on risks of compromise to **safety**
- the need also to attend to other **highways maintenance** matters, principally for reasons of safety
- suggestion for **alternative frequencies of cut**, notably accepting of urban frequency reduction, preferring not to reduce rural cutting frequency for safety reasons

Table 19: Analysis of feedback from people who agree/strongly agree with the proposal to reduce the frequency of roadside grass cutting		
Key themes	No.	Illustrative quotes (verbatim)
Wildlife protection and benefit	86	a. I am all in favor, the roadside verges are a haven for wildlife and should only be cut in the autumn if at all. So long as we see the kerb leave the verges alone. b. Agree that cutting can be reduced on verges which will be beneficial for wildlife, including wild flowers and pollinating insects. c. An excellent proposal if applied with sensitivity to ensure optimum benefit to wildlife. d. I would be in favour of this policy as it reduces CO2 emissions and gives wild flowers, insects and small mammals more opportunity for food, habitat and seeding. e. A good idea for wildlife and saving money if the council can't manage their money correctly
Wildflower protection and benefit	75	f. This is long overdue and will be of great benefit to our remaining wildflowers g. I am in favour of the reduction in grass cutting to favour the expansion of our wild flower population, provided the cuts are carried out at appropriate timings for the flowers and not for the convenience of the "cutters". h. This will enhance wildlife and plants which is a good thing. i. It's a great idea. Do it and do it more. Create roadside nature reserves. Rewild. j. Fine with me as long as rural roads cutting done at an appropriate time of year to benefit wildflowers and associated wildlife.
Agreed with consideration for safety	49	k. I agree - it will be good for wildlife and flora and will not have a serious impact on road visibility providing this is not used to cut maintenance to culverts and road drainage - that is essential to prevent flooding. "Targeted" cutting in "black spot" areas is a far better use of resources. l. Support it wholeheartedly - manage for biodiversity. To improve road safety - reduce speed limits at junctions. Plant more trees and hedgrows. m. I think its fine as long as it does not compromise road safety. Probably better for wildlife anyway. n. Can you consider the cutting regime to take account of flowers and wildlife whilst still keeping the road users safe?
Consider timing of cut	37	o. Fine with me as long as rural roads cutting done at an appropriate time of year to benefit wildflowers

		and associated wildlife. One autumn hay cut and arisings removed would work. p. I think this is a great idea. Please try to avoid trimming verges (where safe to be left) until after flowering has finished. Verges not only look beautiful but provide vital habitat for wildflowers and wildlife. q. Timing of the one cut is crucial in the more rural areas, which are more likely to have more significant biodiversity interest.
Agreed with consideration for visibility	37	r. As long as it is not overgrown so as to interfere with visibility on roads. s. Only cut verges where sight lines are seriously affected. Otherwise leave alone and give wildlife a chance.
Environmental benefits	24	t. Even if there was not a need to make savings this would be an environmentally sound and sensible policy. On the one hand it would reduce unnecessary release of climate- warming gases like carbon dioxide. Perhaps more importantly if cutting was at the right time of the year it would benefit flowering herbs that are essential for our highly threatened pollinating insects, especially bees. u. Less cutting (and cutting at the right time) equals environmental benefits too. See what Dorset, Lincs and others are doing to reduce cutting and increase biodiversity on verges.
Aesthetic enhancement	18	v. Seeing verges full of wildflowers in May and June will fill me with joy. w. Fine. Should reduce A and B Road cuttings too and only maintain junctions. Wilder roadsides look much nicer and are more environmentally friendly.
A 'win win' outcome for environment and budget	13	x. Its a non brainer. It's a triple win. y. I feel strongly that this is a good proposal, saving funds and benefiting semi-natural plant and animal communities. z. I think reducing cutting of verges (and hedging ??) is an excellent way of reducing cost and improving these areas for wildlife.
Suggestion to reduce number of cuts further	11	aa. I think roadside grass cutting is only necessary where safety is a concern. I fully support the reducing of highway grass cutting and would go further and completely stop all grass cutting that isn't needed for road safety reasons. bb. Excellent idea. Not only for saving costs but we need to be increasing our biodiversity and giving pollinators more opportunities. I would support even less cutting.

Well-being benefits	11	cc. Environmental benefits would accrue & have benefits, post pandemic, for the mental health of everyone. dd. Cutting late is good for wild life so good for people
Address hedge-cutting too	10	ee. It will help all wildlife verges and hedges slashed to within 1mm of their life are no good to pollenating insects or other wildlife and so destroy the natural biodiversity ff. Anything that promotes wildlife is good. This also applies to hedge cutting, which is often done at the wrong time of year (when birds are nesting/nestbuilding).
Consider 'Cut-and-collect' protocols too	8	gg. The savings could help support roadside nature reserves and their management as these are the most important verges and need raking off and only cutting once at the right time of year. hh. I agree with the proposal as I want to see wildlife protected & more wildflowers growing on verges to support insects. I would request late summer early autumn cut for rural roads & cut and collect for all roads to increase chances of wildflower growth. ii. Collection of cuttings will reduce soil fertility and lessen the competitive advantage of grasses over flowers.

Table 20: Analysis of feedback from people who disagree/strongly disagree with the proposal to reduce the frequency of roadside grass cutting

Key themes	No.	Illustrative quotes (verbatim)
Safety risks (generic)	56	a. I disagree with this decision due to safety issues if grass is left to get out of control near roads. b. I'm afraid I am someone who is against this idea. Obviously safety is one. It is vital that overgrown bushes etc along roads, including many rural ones are cut more than once a year. Not only is it a problem to cars but more often, it is pedestrians and cyclists who have to avoid this and move further off a pavement (if there is one) or into the road. c. While I agree with keeping costs under control, I believe cutting the number of times that verges are mowed will have safety implications. Often vision is impaired at junctions when the verges are allowed to grow unchecked. d. A reduction of grass curing on country roads from twice to once will make those roads less safe for us who live in Villages.
Visibility hazards (generic)	53	e. The verges on many roads are already visibly impaired and with less cutting of said verges this would increase the lack of visibility further and also

		issues arising from obstacles in the verges such as debris and ditches would no doubt increase also. f. Strongly against. Will reduce view when pulling out of junctions. Real risk to life g. Where there are junctions on any B-C and unclassified roads, then the verge needs to be cut for at least 100yds either side of the junction, also cut when coming to a bend , either side of the bend, again 100yds,the rest can be once a year.
Aesthetic compromise	13	h. The matter of aesthetics where people say they prefer closely mown and tidy verges comes down to what people are used to and expect. i. I also feel that keeping grass tidy improves the look of the area and attractiveness which is important in attracting new people to the area and visitors.
Safety risk to pedestrians (specifically)	11	j. Reducing urban and rural roadside grass cutting on C & U rural roads, might make it difficult for walkers to mount the grass verge to get out of the way of traffic on narrow rural roads. k. Reduced grass cutting, apart from being unsightly, forces pedestrians into the roads. Major safety implications.
Safety risk to cyclists (specifically)	6	l. I suspect this is just a money saving exercise that at a practical level will be implemented without thought and that it will not give rise to the ecological benefits claimed and will make life difficult for people on foot or cycling who need to keep out of the way of traffic. m. I do not support the reduction in grass cutting to once per year as I think this will be dangerous to cyclists and motorbike drivers who are less likely to be seen by car drivers.
Address hedge-cutting too	5	n. As I live in a rural area this affects me, worried about the safety aspect of not cutting hedges on already roads with poor visibility. o. In the County hedges don't need trimming as often as they are currently especially when they are set far back from the road. Hedgerows in other parts of the country are better managed and more attractive thus enhancing the visual quality of the countryside as well as improving bio-diversity

Table 21: Analysis of <u>neutral/other</u> feedback by people in relation to the proposal to reduce the frequency of roadside grass cutting		
Key themes	No.	Illustrative quotes (verbatim)
Visibility hazards (generic)	16	a. I would like to see road verge cutting carried out to benefit wildflowers, pollinators and other wildlife as much as is possible with road safety as the primary concern.

		b. Think rural roads should not have cutting reduced. Rural roads are already dangerous for all-especially pedestrians, reduced cutting means reduced vision on country roads.
Safety risks	14	c. Your approach seems to be to make smaller roads more dangerous so while I would love to support this, I can't. d. Again as long as junctions are cut the rext doesn't matter e. I understand the need to make savings but just be careful about road safety and collisions. please link in with causality reduction partnership and ensure you have mapped out all current collision hotspots to ensure they are managed.
Broader highways maintenance considerations	8	f. I live on a 'U' class road with 'blind' 90-degree bends and uncut verges pose a significant safety hazard as well as being aesthetically detrimental and unsightly. Such roads already suffer from being 'low-priority maintenance' in terms of pothole repair, resurfacing, gully-cleaning and verge-cutting. g. Visibility may be impeded resulting in more accidents. The council could be at risk of claims for poor highway/roadside maintenance. h. You can't look to lower costs without incurring lower standards. I would point out more attention needs to be made of clearing overgrown tree & shrubbery covering roadsigns some of which are Safety signs & some directional
Suggestions to reduce urban not rural cuttings	7	i. I agree with the reduction to urban roads but I strongly disagree with the reduction on C and U roads divining round rural Norfolk is already often not good with vegetation hiding/ obscuring signs/warnings I believe safety would be compromised by this proposal. j. Leave rural grass alone. OK cut urban grass cutting back to three p.a. k. It seems to me that reducing urban cutting from 5 to 4 should have no significant impact but slashing rural cutting by half would have considerably more impact.

15. Feedback: Strategy and Governance

123 people commented on our budget approach in Strategy and Governance. The key themes to emerge included:

- expectation for council to make **savings on staff head-count**
- benefits, and constraints, in using **technology** to realise cost savings
- demand for **increased efficiency** in council operations and management
- expectation for council to make **savings on salaries**
- observation that unable to form opinion owing to **unclear proposals**
- **reduction of waste** (resource, effort, staff), notably where resulting in financial inefficiency
- merits of **digitising Your Norfolk** (6 in favour of some paper copies, 1 in favour of full digitisation)
- desire to see a fundamentally **changed approach** to the funding and/or provision of services
- expectation for council to make **savings on expenses and allowances**
- better **estate management** of facilities occupied/managed by the council
- benefits, and risks, of **remote working** (as proven during 2020 lockdowns)
- need to support **vulnerable**, and notably ensure not isolated by technology

Table 22: Analysis of generic feedback on Strategy and Governance proposals

Key themes	No.	Illustrative quotes (verbatim)
Reduce staff head count	17	a. Reduce staff numbers and the remuneration of senior staff.
Utilise technology (with some caution)	15	b. With the IT systems available more savings could be achieved but this is a start
Increase operational efficiency	14	c. We need to be very sure NCC have made every effort to look at all departments to ensure there are not more savings to be made, people or otherwise. To then ensure resources, human and financial are put into those areas that are crucial to the well being of the people of Norfolk, particularly in the aftermath of Covid-19, which doesn't seem to have been the case over recent years.
Make savings on staff salaries	12	d. Just cut some costs that are unnecessary, massive wages, pay-outs, etc. do not go down well with the public, who have to pay for them.
Make savings on travel, expenses and allowances	10	e. We have survived a whole year without a council chairman and budget etc so scrap their cars, staff, hosting budget etc.
Proposals insufficient to form opinion	9	f. It is hard for a resident to comment on such proposals as we do not have the full cost benefit analysis information so we largely have to trust

		council officers to strike the best compromise they can
Waste reduction	8	g. Scrap pointless positions and projects. What exactly is an ADSO? Why do we need them? h. Your Norfolk - just put it on the website for people to read and stop sending stuff out - it's wasteful, and expensive.
Retain (some) paper copies of Your Norfolk	7	i. This seems to be a small saving in the overall picture of things. I am less likely to read a digital version of Your Norfolk which I would regard as yet another thing to look at in my inbox.
Adopt a different approach	6	j. These should be cut right back to protect frontline services. Member allowances should be reduced to a reasonable level next year and then not increased for the next 2 years. The council should petition the government to move to a unitary model across norfolk to drive savings across the full local government system.
Estate management efficiencies	4	k. Move out of Norwich. Sell the land and move to a cheaper site. Using agile working and regional outreach sites such as District Council buildings, library sites etc to reduce costs.
Remote working efficiencies	4	l. Undertake a review of working arrangements to identify savings from home-working that was necessary with COVID
Support the vulnerable	4	m. New technology is one way to go, but shouldn't be the only way, resources need to be considered for the elderly and vulnerable that don't know how to use it or access it.

We received feedback relating to each specific SGD proposals as below (the total number of comments is given, with illustrative quotes if over 5 comments made, and all quoted if fewer than 5 comments made):

Table 23: Comments on each specific Strategy and Governance proposal		
Proposal	No.	Quotes (all given if fewer than five comments made)
SGD001 nplaw Structural Review	0	a. N/A
SGD002 Democratic Services Review	0	b. N/A
SGD003 Information Governance	0	c. N/A
SGD004 Your Norfolk Digitisation	9	d. Your Norfolk should be available in paper form yo those without pcs. An opt in receipt for paper version should be available. Paper version should be available in library even if just a digital print out.

		e. Your Norfolk magazine digitisation would exclude many people that are not online. The magazine's content is pretty poor - would be better to scrap it entirely and make a real cost saving! f. As not all residents have personal devices to access digital content, and many do not feel physically comfortable using a library PC, I would like a limited number of Your Norfolk to continue being distributed to all libraries, for use in the library only. g. Would going digital disenfranchise some people. There are still those who do not use computers.
SGD005 Strategy and Governance back office savings	1	h. Review of printing contract definitely.
SGD006 Professional Lead Model	1	i. Sounds good but run the risk that professional leads lack in depth understanding of what the needs and reality are in individual services. This is already an issue with senior managers across services. need to look at ways of ensuring this does not happen eg a critical friend function provided by frontline managers or using staff undergoing management training
SGD007 Democratic Services (staff budgets)	0	j. N/A
SGD008 Elections Funding underspend (one-off release of reserve)	1	k. I don't understand what is meant by 'focussed management of the election facilitation' to deliver an underspend. This is an important part of our democracy, and I would like NCC to be clearer so that all of the electorate can understand what is being proposed.
SGD009 Further savings to deliver a net 2.75% reduction in staffing budgets across Strategy and Governance teams	0	l. N/A

16. Feedback: Finance and Commercial Services

87 people commented on our budget approach in Finance and Commercial Services. The key themes to emerge included:

- A range of largely positive opinions and suggestions are made with respect to **technology**, noting its potential to provide efficiency and cost savings (providing implemented with adequate support)
- Attention is drawn to the potential for further savings through reductions in **staff salaries**
- Need to accommodate impacts, and learnings from working around, **Covid-19**
- Attention is drawn to the potential for further savings through reductions in **staff head-count**
- As a counter-point to suggested review of salaries and head-count, is the desire to see **staff retention** or redeployment as far as practicable

Table 24: Analysis of generic feedback on Finance and Commercial Services proposals

Key themes	No.	Illustrative quotes (verbatim)
Embrace of technology	12	a. Difficult to understand the impact,but might need to strengthen IT support and invest in more technology if staff are working remotely in the future. b. Increasing use of technology does not always save money unless their is a robust benefits realisation programme in place. Tasks are often performed twice to ensure the technology earns its keep. Also constant reduction in staff costs might look good in the short term but over time decreases the skills base and flexibility. c. The pandemic has changed how people pay and I don't think that Norfolk County council has fully kept abreast of the payment methods being used which could make for substantial efficiencies. Ie: allowing Paypal/Google Pay payments instead of payments by cheque or in person. d. Greater digitisation and on line transactions will save money if well managed and implemented.
Savings on staff salaries	8	e. As with all financial functions the Council should always look to increase output per £1 spent. I'm not convinced that these proposals will achieve that. One would hope that ALL local authority salaries will be frozen until the economic environment improves. f. Stop increasing the Councillor's and Councillor Workers' pay increase over the Inflation Rate .
Impacts of COVID-19	4	g. Undertake a review of working arrangements to identify savings from home-working that was necessary with COVID

		h. With successful vaccines coming online, it seems a squandering of finances and resources to be investing addition funds into covid related matters.
Reduction in staff head-count	4	i. A significant number of small savings which lead to a more worthwhile number. Are you certain that staffing levels could not take a bit more of a weighing?
Retention of staff (and their skills)	4	j. In general absolutely no involuntary redundancies or layoffs as it is critical at this time people retain their jobs in order not to increase the financial burden on the councils and the state in general. k. I think people in redundant posts should be redeployed rather than made redundant.

We received feedback relating to each specific FCS proposal as below (the total number of comments is given, with illustrative quotes if over 5 comments made, and all quoted if fewer than 5 comments made):

Table 25: Comments on each specific Finance and Commercial Services proposal

Proposal	No.	Quotes (all given if fewer than five comments made)
FCS001 Automation of IMT processes (staff budgets),	0	a. N/A
FCS002 New network and telephone support arrangements	0	b. N/A
FCS003 Reduced expenditure on the corporate printing contract	0	c. N/A
FCS004 Schools IT reduced cost and increased income	1	d. I'd say leave school IT alone given its importance in covid times
FCS005 Switching all IMT mobile phones over to bring your own device (BYOD)	3	e. Are there any security issues here? f. Switching all IMT mobile phones over to bring your own device (BYOD) - All equipment for use at work should be provided - potential security / confidentiality risks. Potential costs of administering service of individual phones may exceed cost of providing phones? g. BYOD will entail an increased security overhead, so you will replace a standard system with many different ones. This will cost a load on IT charges, and expect greater risk from hacking and social engineering. On the upside, you can get rid of the budget for buying personal devices. I suggest you give staff the opportunity to buy those they are

		using at a good discount. That way, you maintain some level of control.
FCS006 Reduced expenditure on software applications such as Adobe Acrobat and MS Project	0	h. N/A
FCS007 Travel and transport budget in IMT	0	i. N/A
FCS008 Increased Data Centre Income	0	j. N/A
FCS009 One-off use of reserves	0	k. N/A
FCS010 Vacancy management within Internal Audit Service	0	l. N/A
FCS011 Introduction of new technology and reduction in posts in Finance Exchequer Services	1	m. Could potentially increase pressure on middle managers, especially if systems are designed for finance staff use not infrequent users. How about a review of how well all this self service is working before dumping more work on staff
FCS012 Benefits realisation from the HR & Finance System replacement project in Finance Exchequer Services	0	n. N/A
FCS013 Corporate Property savings in direct revenue costs	0	o. N/A
FCS014 Further savings to deliver a net 2.75% reduction in staffing budgets across Finance and Commercial Services teams	1	p. Appears short sighted. Other departments have seen vacancy management and then struggle to recruit or achieve targets because of a lack of staff and qualified staff.

17. Feedback: Finance General

75 people commented on our budget approach in Finance General. The key themes to emerge cluster around:

- expectation for council to make **savings on salaries**
- expectation for council to make **savings on staff head-count**
- expectation for council to make **savings on expenses and allowances**
- Accommodating the impacts of **COVID-19**
- Using in-house resource with greatest efficiency, and minimising **outsourcing**

Table 26: Analysis of generic feedback on Finance General proposals		
Key themes	No.	Illustrative quotes (verbatim)
Make savings on staff salaries	9	a. Reduce salaries of staff
Reduce staff head count	5	b. I believe the whole system would function better with fewer numbers of people and a substantial reduction in their "bosses" and their salaries which have got out of hand compared with the Private Sector.
Make savings on travel, expenses and allowances	4	c. Yes, stop voting continuous pay rises for the county councillors, while its alongside reducing services. d. There are far too many meetings of far too many Members and consequent costs for expenses, travel allowances, costs of officer support and other wastage.
Impacts of COVID-19	3	e. I think some public service staff have had a tough time keeping everything going for the public in covid times, it is essential that staff are treated correctly and not penalised by cost cutting. Smarter working and less on councillors and other roles like that may be able to be cost cut first.
Do more inhouse with less outsourcing	3	f. Stop using consultants and outside advisors. You have enough overpaid managers to carry out all jobs, so stop paying for what you should already have in house.

We received feedback relating to each specific FIN proposal as below (the total number of comments is given, with illustrative quotes if over 5 comments made, and all quoted if fewer than 5 comments made):

Table 27: Comments on each specific Finance General proposal		
Proposal	No.	Quotes (all given if fewer than five comments made)
FIN001 - One off release of Organisational Change Fund	0	a. N/A
FIN002 - Insurance review (One-off use of reserves)	1	b. Why is this not being extended? The balance between premiums and risk should always be under review, perhaps with the intention of recovering any loss from third parties more frequently than writing off and claiming on insurance.
FIN003 - Interest Payable / Receivable	0	c. N/A
FIN004 - Employer pension contribution payment in advance	2	d. I would like more details about how these proposals migh effect our pensions, but should not be agreed without further consultation. e. Their is an urgent need to modernise the whole pension provision in Local Government and away from " Defined Benefits" and onto "Defined Contributions" As has occurred in the private Sector.

Norfolk County Council

Proposed budget for 2021/2022

Overall summary
Equality and rural impact assessment report

For further information about this report please contact Jo Richardson, Equality & Diversity Manager:

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IN TRAN communication for all

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Appendix 6: Equality and Rural Impact Assessment

Introduction

1. This report summarises the findings of equality and rural impact assessments of Norfolk County Council's proposed budget for 2021/2022.

2. Equality and rural assessments enable elected members to consider the potential impact of decisions on people and communities prior to decisions being taken. This enables mitigating actions to be developed if detrimental impact is identified.

The legal context

3. Public authorities have a duty under the Equality Act 2010 to pay due regard to:

    - Eliminating discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act[1];
    - Advancing equality of opportunity between people who share a protected characteristic[2] and people who do not share it[3];
    - Fostering good relations between people who share a protected characteristic and people who do not share it[4].

4. The full Act is available here.

Summary of findings for 2021/2022

5. In total, equality and rural impact assessments have been carried out on all budget proposals for 2021-2022. This includes the proposal to increase council tax and the Adult Social Care precept.

6. Based on the evidence available, it is possible to conclude that some proposals may have a positive impact on people with protected characteristics, and some proposals may have a detrimental impact, for the reasons set out in the report.

7. The Cabinet is therefore advised to take these impacts into account when deciding whether or not the proposals should go ahead, in addition to the mitigating actions below.

8. Some of the mitigating actions will address the detrimental impacts identified in this report, but it is not possible to address all the detrimental impacts.

9. In consequence, therefore, the task for the Cabinet is to consider the various impacts set out in this report, alongside the many other factors to be taken into account to achieve a balanced budget that focuses the Council's resources where they are most needed.

10. The findings of the assessments are set out in **Appendix 1**.

Contextual issues to take into account

11. When considering the impact of its budget proposals on people with protected characteristics, the Council is required to take into account the cumulative impact of all the proposals, together with other relevant social factors, such as:

    - The impact of COVID-19 on Norfolk
    - The impact of increased use of digital, web-based and virtual technology to deliver services
    - Population changes and trends

- Deprivation and poverty
- The economy, the rising cost of living and changes to welfare reform
- Health and wellbeing
- Crime and disorder
- Rurality
- Past changes to services such as a need for service users to start paying for some services or towards the cost of their care.

12. In view of this, the findings of the equality assessments of the budget proposals for 2021-2022 should be considered alongside the following information:

- The findings of public consultation on the proposals for 2021-2022, set out elsewhere on the agenda.
- The equality impact assessment of resilience and recovery planning for COVID-19
- The Council's Digital Inclusion Strategy, and the common barriers that disabled people and people with other protected characteristics face when getting online and accessing digital information and virtual environments[5].
- Norfolk's population data and trends, set out in Norfolk's story.
- Past reports to Full Council on equality impacts of budget proposals, specifically those that at the time identified a potential for detrimental impact. The Council does not wish to underplay the significance of any of the difficult decisions it has had to make in the past in order to balance the budget and protect as many essential services as possible.

Other information

13. It is important to note that the assessments set out in Appendix 1 only consider the impact of the Council's budget proposals for this year.

14. For obvious reasons, they do not detail the various positive impacts of the Council's day-to-day services on people with protected characteristics or in rural areas, such as: the proposed programme of capital investment for 2021-2022; promoting independence for disabled and older people; supporting children and families to achieve the best possible outcomes; keeping vulnerable adults and children safe; and lobbying nationally on the big issues for residents and businesses.

Human rights implications

15. Public authorities in the UK are required to act compatibly with the Human Rights Act 1998. There is no evidence to indicate that there are any human rights issues arising from the proposals.

Mitigating actions

16. The following mitigating actions are proposed, to address the impacts set out in this report:

	Action/s	Lead	Date
1.	Executive Directors to ensure that the proposals are implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.	All Executive Directors	From 1 April 2021

	This means that where appropriate, reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010.		
2.	Executive Directors to monitor the development of implementation plans for each budget proposal, in accordance with the Public Sector Equality Duty. If, during implementation, it emerges that a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting these assessments, this to be reported to Cabinet, to enable Cabinet to give due regard to the Public Sector Equality Duty in accordance with the Equality Act 2010, to agree next steps before proceeding further.	All Executive Directors	From 1 April 2021
3.	HR to provide equalities data to departmental management teams via the HR dashboard for monitoring purposes. This will include whether staff with protected characteristics are disproportionately represented in redundancy or redeployment figures. If any disproportionality arises, this is to be reported to Cabinet.	Senior HR Consultant (Workforce Insight))	From 1 April 2021

Evidence used to inform these assessments

- Norfolk budget proposals 2017-2018 to 2020-2022 – consultation documents, consultation findings and background papers, as previously reported to Full Council each February
- The equality impact assessment of COVID-19
- Norfolk County Council's Digital Inclusion Strategy 2018
- Norfolk's population data and trends, set out in Norfolk's story.
- Equality Act 2010
- Public Sector Equality Duty

Appendix 1

Findings of the equality impact assessments of the budget proposals for 2021-2022

Each proposal for 2021-2022 has been assessed to identify whether there is a potential for disproportionate or detrimental impact on people with protected characteristics or in rural areas. The findings are detailed below.

Adult Social Care budget proposals 2021/2022

Reference and title of proposal:	Potential impact:
ASS013: Supporting more people to move into independent housing, reducing the reliance on residential care.	If this proposal goes ahead, it will promote independence, dignity and safety for disabled and older people, by enabling them to stay at home instead of in a care setting, with the right support in place. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Disabled and older people report that independence is a critical factor in their well-being. This proposal has been designed in response to this, and aims to promote independence, dignity and safety for all.

Reference and title of proposal:	Potential impact:
	• Although the proposal may lead to some changes in how services are delivered, the nature of the support available or who delivers it, service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users in relation to their care. • It is conceivable that there may be some increased costs for service users outside of the Council's control – for example, if someone begins living independently, their rent could be higher than that paid in their previous accommodation or the cost of their utilities could be higher. However, it should be noted that any increases in the cost of accommodation or utilities would apply to all people considering a move of accommodation, regardless of whether or not they had a protected characteristic. There may also be additional financial support available to people, such as Housing Benefit. In a situation such as this, relevant statutory agencies would have a proactive duty to support the service user in accordance with their policies and legislation such as the Equality Act 2010, to adapt to the cost of more independent living. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. For example, a wheelchair user whose first language is not English may require a certain type of support to overcome barriers to information and in the built environment, and a blind person or a person with learning disabilities may require a different type of support to enable them to review and agree a tenancy agreement. • This may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further.

<table>
<tr><th>Reference and title of proposal:</th><th>Potential impact:</th></tr>
<tr><td></td><td>There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions.
Similar proposals have been successfully implemented elsewhere in the UK.
It is conceivable that there may be an indirect impact on carers. This is because people may only be able to live at home independently and with dignity if they have access to appropriate support from a carer. Carers do not have ‘protected characteristic’ status in the Equality Act 2010, but many carers may be women. However, Promoting Independence strategy is based upon the principle of independence for disabled people, which includes enabling disabled people to remain at home for as long as possible. The Council has a range of support in place to support carers – the latest information is available here: Get help with looking after someone - Norfolk County Council.</td></tr>
<tr><td>ASS014: Strategic approach with health partners to manage joint funding of packages to support better use of resources across the health and social care system.</td><td>If the proposal goes ahead, it will provide an opportunity to make better use of resources across the health and social care system. This would ensure that budgets are used as effectively as possible to maximise the funding available to invest in social care services.

There is no evidence to indicate that:
The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics;
The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.
This is because:</td></tr>
</table>

Appendix 6: Equality and Rural Impact Assessment

Reference and title of proposal:	Potential impact:
	• Although the proposal may lead to some changes in how services are delivered, the nature of the support available or who delivers it, service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. It is possible that costs for some might actually reduce, for example for older people who are self-funders or paying high contributions towards the cost of their care. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. For example, a wheelchair user whose first language is not English may require a certain type of support to overcome barriers to information and in the built environment, and a blind person or a person with learning disabilities may require a different type of support. • This may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
ASS015: Revising the short term out of hospital offer - We want to review what our offer is – as part of a health and social care intermediate care	If this proposal goes ahead, the findings of the review could lead to new proposals that will promote independence, dignity and safety for disabled and older people, by enabling them to stay at home instead of hospital, with the right support in place.

Reference and title of proposal:	Potential impact:
offer. This will allow us to focus more resources on home first services, including greater therapy input, and moving away from a reliance on short-term beds.	There is no evidence at this stage to indicate that: • The review would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; or that:- • The review would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Disabled and older people report that independence is a critical factor in their well-being. This review has been designed in response to this and aims to identify potential changes that could promote independence, dignity and safety for all. • At this stage, the findings of the review are unknown. The review in itself will not incur any changes to how services are delivered, the nature of the support available or who delivers it; reductions in the quality, standards or level of service currently provided; changes to eligibility criteria (so people will continue to receive support relevant to their assessed needs), or to new or increased costs for service users in relation to their care. People who currently receive a service will continue to do so. • However, it is possible that the **findings** of the review, and **subsequent proposals arising from the findings**, may lead to changes in all these areas. If so, these proposals would need to be fully developed, consulted on with relevant stakeholders, equality impact assessed (to identify whether there was any potential for detrimental or disproportionate impact on people with protected characteristics) and a formal decision taken about how to proceed. • The review will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures; national guidance; the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the

Reference and title of proposal:	Potential impact:
	Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. The findings and proposals resulting from the review will be developed in accordance with these requirements and policies. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
ASS016: Efficiency targets for some core contracts and ensuring that we maximise the usage of block contracts.	If the proposal goes ahead, it will ensure that maximum usage is made of block contracts. This would ensure that budgets are used as effectively as possible to maximise the funding available to invest into adult social care services. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users.

Reference and title of proposal:	Potential impact:
	• The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
ASS017: Introduce more individual service funds as an alternative to commissioned care for some people, to give them more control and choice over their care - This gives people the opportunity to choose a provider and work with that provider to arrange services and support. Similar to a direct payment, but the individual does not have to manage the money as the provider does it for them.	If this proposal goes ahead, it will promote independence, choice and dignity for disabled and older people, by enabling them to exercise their own discretion in choosing a provider and to work with that provider to arrange services and support. It will ensure that local services reflect local and individual need. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Disabled and older people report that independence is a critical factor in their well-being. This proposal has been designed in response to this, and aims to promote independence, dignity and safety for all.

Reference and title of proposal:	Potential impact:
	• Service users would have choice about using individual service funds where available and could choose to continue to use existing arrangements. • Although the proposal may lead to some changes in how services are delivered, the nature of the support available or who delivers it, service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users in relation to their care. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. For example, a wheelchair user whose first language is not English may require a certain type of support to overcome barriers, and a blind person or a person with learning disabilities may require a different type of support. • This may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
ASS018: Working with our partners to reshape and refocus our approach to supporting people upon	If this proposal goes ahead, it will ensure that when people first contact Adult Social Care, they receive the most effective and efficient response appropriate to their circumstances. This will have two benefits – firstly, it will ensure that people get the information or help they need at the initial point

Reference and title of proposal:	Potential impact:
their initial contact with Adult Social Care.	of contact, and secondly, it makes the best use of resources, to maximise the funding available to invest into adult social care. The proposal will also provide an opportunity to continue to explore how to maximise accessible and inclusive interaction between service users and the Council. This is important, because some disabled and older people, and people with other protected characteristics, such as diverse ethnic backgrounds, Gypsies, Roma and Travellers and people who cannot read or write, experience barriers to services and information. This may particularly be the case when engaging digitally. These barriers and mitigating actions are set out in the Council's Digital Inclusion Strategy 2018. With the exception of these barriers, there is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Although the proposal may lead to some changes in how services are delivered, the nature of the support available or who delivers it, service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users.

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<tr><th>Reference and title of proposal:</th><th>Potential impact:</th></tr>
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The proposal will be implemented in accordance with the Council’s Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance.
The proposal will be implemented in accordance with the Council’s Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.
This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. For example, a wheelchair user whose first language is not English may require a certain type of support to overcome barriers to information, and a blind person or a person with learning disabilities may require a different type of support.
This may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further.
There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions.
Similar proposals have been successfully implemented elsewhere in the UK.
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<tr><td>ASS019: Reducing the amount we have set aside to cover potential bad debts. (One-off benefit).</td><td>There is no evidence to indicate that:
The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics;
The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people
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Reference and title of proposal:	Potential impact:
	who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
ASS020: Releasing amounts previously carried forward in one-off reserves. (One-off benefit).	There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.

Reference and title of proposal:	Potential impact:
	This is because: • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
ASS021: Digital business transformation and staffing efficiencies across Adult Social Care, embedding efficiencies from smarter working.	If this proposal goes ahead, it will provide an opportunity to continue to explore how to maximise the benefits of smarter working for all staff, including staff with protected characteristics. This is important, because some staff, including disabled staff, experience barriers in accessing the built and virtual environments. Other staff (such as lone parents and carers) may particularly benefit from flexible working patterns and arrangements. In the longer term, smarter working offers the potential to significantly enhance accessibility for disabled people and people with protected characteristics. Not only should it be possible to more swiftly achieve equality in the virtual world than in the physical world, smarter working addresses other issues, such as unnecessary travel. Inevitably, there are a range of barriers to overcome and adjustments to make to address barriers to inclusion within smarter working. This may take some time. The key barriers are set out in the Council's Digital Inclusion Strategy 2018. Plans to address barriers are being regularly reviewed.

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However, in the longer-term, smarter working offers significant potential to enhance accessibility and inclusion for people with protected characteristics.
With the exception of the barriers identified in the Digital Inclusion Strategy, there is no evidence to indicate that:

The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics;
The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.

This is because:

Although the proposal may lead to some changes in working arrangements, service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so.
The proposal will not lead to new or increased costs for service users.
The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance.
The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.
This means that if the proposal goes ahead, the Council will ensure that people who experience barriers to the built and virtual environments; services; information; ICT; and

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Reference and title of proposal:	Potential impact:
	communication due to a protected characteristic will have their needs met appropriately. This may require reasonable adjustments to be made where appropriate to address disadvantage. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms or conditions. Any organisational changes will be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change or are deleted, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
ASS022: Capitalisation of Assistive Technology Equipment - the use of capital funding as an alternative to revenue funding for our Assistive Technology equipment purchases.	There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The change relates to use of alternative funding sources only.

Reference and title of proposal:	Potential impact:
	• Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users in relation to their care. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
ASS023: Capitalisation of Adult Social Care Transformation programmes - the use of capital receipts as permitted by Government to fund transformational activity which will deliver future savings.	There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The change relates to use of alternative funding sources only.

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<tr><td></td><td>Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so.
The proposal will not lead to new or increased costs for service users in relation to their care.
The proposal will be implemented in accordance with the Council’s Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance.
The proposal will be implemented in accordance with the Council’s Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.
There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions.
Similar proposals have been successfully implemented elsewhere in the UK.</td></tr>
<tr><td>ASS024: Contract renegotiation - Ensuring the requirements of commissioners are reflected in the Norsecare contract.</td><td>If this proposal goes ahead, it will ensure that contracts are as efficient and effective as possible, which will maximise the funding available to invest into adult social care services.

There is no evidence to indicate that:
The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics;
The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.
This is because:</td></tr>
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Reference and title of proposal:	Potential impact:
	• Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users in relation to their care. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
ASS025: Working with NORCA (Norfolk Care Association) to develop a targeted approach to the annual price uplift for 2021-22 recognising the overall local authority budget pressure	There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will

Reference and title of proposal:	Potential impact:
	continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
ASS026: BC3 - Use of Business Risk Reserve (one-off)	There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so.

Reference and title of proposal:	Potential impact:
	• The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
Title of proposal: ASSN/a: Applying a 2% increase in the Adult Social Care Precept, subject to Government making this option available in 2021-22.	This has been dealt with as part of the impact assessment of the increase in council tax, below.

Children's Services budget proposals 2021-2022

Reference and title of proposal:	Potential impact
CHS001: Expansion of 2019-20 CHS001: Prevention, early intervention and effective social care (Reduced Family Court Costs) - Investing in an enhanced operating model which supports families to stay together and ensures fewer children need to come into care. As we aim for fewer children to be looked after as a result of changes to how we work, we anticipate a reduction in legal advice and associated fees. The savings modelled here derive from the continued roll-out of the Children's Services transformation agenda which aims to strengthen the capacity of our social care offer and so more effectively support families – reducing the number of instances where cases escalate and the family courts have to be involved. That in turn reduces the legal costs. The overall transformation does include a dedicated workstream focussed on the quality of court work and pre-proceeding work and has included	If this proposal goes ahead, it will promote better outcomes for children, families and carers, as it will invest in an enhanced operating model to support families to stay together. As part of this, the Council will offer families more direct help, a more consistent relationship with a key worker and access to more specialist and intensive services to help meet their needs and ultimately to reduce risks and help families stay together wherever possible. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The principles guiding the design and implementation of the proposal will be child and family centred, prioritising the independence, dignity and safety of young people and carers. • Although the proposal may lead to some changes in how services are delivered, the nature of the support available or who delivers it, service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to

Reference and title of proposal:	Potential impact
an investment in new court worker roles in teams which mean that cases involving work with the court are completed to a high quality and without drift and delay – which again reduces costs.	eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • For example, a young wheelchair user whose first language is not English or who identifies as non-binary may require a certain type of support to overcome barriers and a blind parent or a parent with learning disabilities may require a different type of support. • This may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CHS002: Expansion of 2019-20 CHS002: Alternatives to care ("New Roads" (previously No Wrong Door)) - Investing in a range of new services which offer alternatives to care using enhanced therapeutic and care alternatives, combined with a focus on support networks from	If this proposal goes ahead, it will promote better outcomes for children and their families and carers, as it aims to support families to stay together and avert family crises. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as

Reference and title of proposal:	Potential impact
extended families keeping families safely together where possible and averting family crises. This proposal relates to the Norfolk implementation of the No Wrong Door Model which was pioneered in North Yorkshire and is now recognised nationally as best practice in supporting young people in care and at the edge of care who have complex needs. The No Wrong Door model is a non-traditional approach to working with adolescents based around innovative hubs and multi-agency support. More information on the model is set out in the report to Cabinet, dated 7 December 2020. The proposal has a strong and independently evaluated evidence base. In particular it will: • Keep families together and reduce the number of young people in local authority care • Improve the mental health of adolescents with complex needs • Reduce the criminalisation of young people	intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The principles guiding the design and implementation of the proposal will be child and family centred, prioritising the independence, dignity and safety of young people and carers. • Although the proposal may lead to some changes in how services are delivered, the nature of the support available or who delivers it, service users will not experience any reductions in the quality, standards or level of support they currently receive – rather, they should experience improved and enhanced outcomes. • No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council’s Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010.

Reference and title of proposal:	Potential impact
• Support young people to progress into further learning and employment • Reduce the number of unplanned placement moves and support young people to make positive transitions into family based care and then on in stages to independent living.	• For example, a young wheelchair user whose first language is not English may require a certain type of support to overcome barriers, and a blind parent or a parent with learning disabilities may require a different type of support. • This may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CHS003: Expansion of 2019-20 CHS003: Transforming the care market and creating the capacity that we need - Creating and commissioning new care models for children in care – achieving better outcomes and lower costs. This theme of transformation has several strands and in particular the savings anticipated will be delivered by the expansion of in-house residential services which will reduce the reliance on expensive out of county placements. Expanding in-house provision will allow us to support young people closer to home and will make it easier to wrap wider	If this proposal goes ahead, it will promote better outcomes for children and their families and carers, as it aims to create additional capacity within children's services, to maximise the funding available to invest into services. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.

Reference and title of proposal:	Potential impact
support services around them. Having greater capacity in services will also make placement matching easier – ensuring we can provide the right care environment for all young people in care in Norfolk. The Council is also anticipating a small financial contribution to overheads as a result of the now very successful specialist team supporting unaccompanied asylum seeking young people. As the team's work embeds we are expanding the dedicated provision for this cohort and again reducing the reliance on alternatives which are not tailored to the needs of asylum seeking children.	This is because: • The principles guiding the design and implementation of the proposal will be child and family centred, prioritising the independence, dignity and safety of young people and carers. • Although the proposal may lead to some changes in how services are delivered, the nature of the support available or who delivers it, service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • For example, a young wheelchair user whose first language is not English may require a certain type of support to overcome barriers and a blind parent or a parent with learning disabilities may require a different type of support. • This may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions.

Reference and title of proposal:	Potential impact
	• Similar proposals have been successfully implemented elsewhere in the UK.
CHS007: New Transformation Programme Initiative: Inclusion (Home to School Transport) - Through finding school places closer to home for children and young people with Special Educational Needs and Alternative Provision requirements, we will reduce the home to school transport costs associated with long journeys This proposal is linked to a wider initiative which will increase the number of special school and specialist resource base places available in Norfolk. This will improve the matching of the right place to the right child and will also mean that children do not have to travel so far across or outside of the county to attend school.	If this proposal goes ahead, it will promote better outcomes for disabled children and their families and carers, as it aims to enable families to attend school closer to home. If children are able to attend school closer to home, they are also more able to form and sustain friendships with their peers in the area. As well as the creation of new education provision which will shorten journeys, this proposal also includes focussed work with families, schools and settings to support children to travel independently to school or to travel on mainstream transport rather than in specialist transport or individual taxis. It is important to note that this is a collaborative approach and will only be implemented in line with children's needs. If a child needs specialist transport to get to their place of education, it would be provided, and there is no change proposed to the threshold or level of support available. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because:

Reference and title of proposal:	Potential impact
	• The principles guiding the design and implementation of the proposal will be child and family centred, prioritising the independence, dignity and safety of young people and carers. • Although the proposal may lead to some changes in how services are delivered, the nature of the support available or who delivers it, service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that people who experience barriers to the built and virtual environments; services; information; ICT; and communication due to a protected characteristic will have their needs met appropriately. This may require reasonable adjustments to be made for service users and/or staff, to support people to address disadvantage. For example, a young wheelchair user whose first language is not English may require a certain type of support to overcome barriers, and a blind parent may require a different type of support. • This may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CHS008: Smarter Working - Efficiencies through increased use of	If this proposal goes ahead, it will provide an opportunity to continue to explore how to maximise the benefits of smarter working for all staff, including staff with protected characteristics.

Reference and title of proposal:	Potential impact
automation and robotics, continued modernisation through shift to different ways of working (accelerated by COVID-19 and enabled through use of IT), departmental review of posts to ensure no duplication of activity, and promotion of flexible working arrangements advantageous to employees and the department.	This is important, because some staff, including disabled staff, experience barriers in accessing the built and virtual environments. Other staff (such as lone parents and carers) may particularly benefit from flexible working patterns and arrangements. In the longer term, smarter working offers the potential to significantly enhance accessibility for disabled people and people with protected characteristics. Not only should it be possible to more swiftly achieve equality in the virtual world than in the physical world, smarter working addresses other issues, such as unnecessary travel. Inevitably however, there are a range of barriers to overcome and adjustments to make to address barriers to inclusion within smarter working. This may take some time. The barriers and mitigating actions are set out in the Council's Digital Inclusion Strategy 2018. However, in the longer-term, smarter working offers significant potential to enhance accessibility and inclusion for people with protected characteristics. With the exception of the barriers identified in the Digital Inclusion Strategy 2018, there is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; or that:- • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.

Reference and title of proposal:	Potential impact
	This is because: • Although the proposal may lead to some changes in working arrangements, service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • The Council will ensure that people who experience barriers to the built and virtual environments; services; information; ICT; and communication due to a protected characteristic will have their needs met appropriately. This may require reasonable adjustments to be made where appropriate to address disadvantage. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported to the relevant Cabinet Member, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms or conditions. Any organisational changes will be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change or are deleted, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.

Reference and title of proposal:	Potential impact
CHS010: BC3 - 2021-22 New Roads (No Wrong Door) transformation contribution capitalisation This proposal represents the capitalisations of investment in the New Roads project which in the long run will deliver better outcomes for children and financial savings – see impact assessment ref: CHS002 above.	There is no evidence to indicate that this proposal would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The change relates to use of alternative funding sources only. • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.

Reference and title of proposal:	Potential impact
CHS011: BC3 - 2021-22 transformation capitalisation This proposal relates to the capitalisation of funding and capacity investments in the children's transformation programme which over time are delivering savings and better outcomes.	There is no evidence to indicate that this proposal would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The change relates to use of alternative funding sources only. • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions.

Community and Environmental Services budget proposals 2021-2022

Reference and title of proposal:	Potential impact
CES022: Back office savings across CES (non-staff budgets) - Savings from reduction in travel and subsistence, printing, postage and telephone budgets.	If this proposal goes ahead, it will ensure that back office processes are as efficient and effective as possible. This will enable the Council to maximise available resources to spend on community and environmental services. There is no evidence to indicate that the proposal would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance.

Reference and title of proposal:	Potential impact
	• The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES023: Back office savings in CES (staff budgets) - Restructure and review the number of posts in a number of back office teams.	If this proposal goes ahead, it will lead to changes to staffing structures in back office teams, and potentially a reduction in posts. There is no evidence to indicate that the proposal would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics;

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More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.
This is because:

Many of these posts are already vacant and new, more efficient ways of working have been put in place that will enable work to continue to be delivered within this reduced capacity.
Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so.
The proposal will not lead to new or increased costs for service users.
The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance.
The proposal will be implemented in accordance with the Council’s Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.
This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010.
This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of

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Reference and title of proposal:	Potential impact
	conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms or conditions. Any organisational changes will be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change or are deleted, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
CES024: One off use of reserves to fund projects budget - Remove the remaining economic projects budget and fund from reserves in 2021-22 (one-off), with the revenue budget reinstated for 2022- 23.	If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users.

Reference and title of proposal:	Potential impact
	• The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES025: Back office savings in CES Growth and Development - Savings from reduction in back office activities (travel budgets and other back office activities).	If this proposal goes ahead, it will ensure that back office processes are as efficient and effective as possible. This will enable the Council to maximise available resources to spend on community and environmental services. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because:

Reference and title of proposal:	Potential impact
	• Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES026: Savings achieved through procurement of new contract - Reductions in waste disposal costs	The new contract for waste disposal arrangements from April 2021 is in place, and it will deliver improved performance and lower costs. These new arrangements will enable the

Reference and title of proposal:	Potential impact
delivered through procurement of new contract.	Council to maximise available resources to spend on community and environmental services. There is no evidence to indicate that the proposal would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The new contract is already in place. • Service beneficiaries will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for beneficiaries. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There

Reference and title of proposal:	Potential impact
	will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES028: Back office savings in CES Highways and Waste (non-staff budgets) - Savings from reduction in travel and subsistence budgets.	If this proposal goes ahead, it would ensure that back office processes are as efficient and effective as possible. This will enable the Council to maximise available resources to spend on community and environmental services. There is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act

Reference and title of proposal:	Potential impact
	2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES029: Culture and Heritage - Service redesign and additional fee income	If this proposal goes ahead, it will lead to changes to staffing structures and additional fee income from within county council service areas, primarily museums. There is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; or that:- • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people

Reference and title of proposal:	Potential impact
	who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that if the proposal goes ahead, the Council will ensure that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms or conditions. Any organisational changes will be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change or are deleted, it is not

Reference and title of proposal:	Potential impact
	expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
CES030: Staff savings at the Norfolk Record Office (NRO) - Savings through efficiencies in back office processes and service re-design.	If this proposal goes ahead, it will lead to changes to staffing structures in back office teams, and a reduction in posts. There is no evidence to indicate that the proposal would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; or that:- • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users.

Reference and title of proposal:	Potential impact
	• The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms or conditions. Any organisational changes will be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change or are deleted, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures.
CES031: Reduce Norfolk Arts Service (NAS) budget - Reduce the NAS budget via limited service redesign.	If this proposal goes ahead, it will lead to a reduction in the NAS budget which means there will be reduced funding available to support arts related projects and activities. There is no evidence to indicate that the proposal would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who

Reference and title of proposal:	Potential impact
	identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; or that:- • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The funding is used to support arts related projects and activities organised and delivered by external organisations, for the benefit of the wider community. There is no evidence to indicate that people with protected characteristics would be disproportionately impacted by this reduction compared to people who do not share these characteristics. Those responsible for the projects and activities would need to secure funding from alternative sources to enable these to continue and therefore may not need to cease or change. • No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services;

Reference and title of proposal:	Potential impact
	information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms or conditions. Any organisational changes will be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change or are deleted, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
CES032: Libraries - Cease purchase of newspapers and periodicals for Norfolk libraries, except for local history purposes. Newspapers and periodicals will continue to be available to access for free via the Libraries app.	There is no evidence to indicate that the proposal would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.

Reference and title of proposal:	Potential impact
	This is because: • Service users will continue to be able to access materials via the Libraries app, irrespective of where a person lives in the county, enabling access to thousands of titles from UK and worldwide. • The app is accessible – it enables people who use accessible software, who have adjustments in place to read digital media or who prefer a 'read aloud' function. • It is important to note that some disabled and older people, and people with other protected characteristics, such as diverse ethnic backgrounds, Gypsies, Roma and Travellers and people who cannot read or write, experience barriers to digital information. These barriers and mitigating actions are set out in the Council's Digital Inclusion Strategy 2018. Progress on the strategy is being reported through Cabinet. In the longer term, the strategy will seek to find ways to address barriers to people getting online. • The app enables access to newspapers and magazines for speakers of languages other than English. There is also a translation function into 17 languages. • The app makes LGBTQ+ periodicals accessible to people irrespective of where they live • Some people may not have access to the internet at home or from a mobile device or may prefer to visit a library for example if they are lonely or isolated. They may be used to accessing newspapers and periodicals physically at their local library. However, people who do this can continue to do it, by getting online at their local library. If they lack the confidence or knowledge to use the internet, or require a reasonable adjustment, library staff can provide advice and support. • Library services will be communicating with service users and residents in due course to ensure that there is a good understanding of the app, how to access it and where to get help if people need it. • No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance.

Reference and title of proposal:	Potential impact
	• The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of the proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staffing structures or staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES033: Redesign/ changes to staff structures in Community Information and Learning	If this proposal goes ahead, there will be changes to staffing structures in Community Information and Learning by deleting a number of vacant posts within the structure. There is no evidence to indicate that the proposal would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.

Reference and title of proposal:	Potential impact
	This is because: • The priority at libraries will continue to be ensuring continuity of frontline library and information services to the public. • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. There will be no reduction in frontline service capacity. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms or conditions. Any organisational changes will be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change or are deleted, it is not

Reference and title of proposal:	Potential impact
	expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
CES034: Fire Service - back office savings through reduction in fuel costs, printing and photocopying, and advertising expenses. Through analysis of the Fire Service revenue budget, all opportunities were identified to reduce costs whilst minimising impact on staff and service delivery. The majority of the savings identified will be achieved through changing working practices and processes involving: • Early termination of a contract • Fuel costs (as staff will no longer travel to meetings as much due to improved use of virtual meeting technology); • Printing costs • Attending conference costs • Licences and subscription costs • Recruitment expenses As part of this proposal, there would be a reduction in the Community Safety team budget. This would mean less capacity to deliver interventions such as Home Fire Safety Checks. However, this impact	If this proposal goes ahead, it would enable the Council to maximise available resources to spend on community and environmental services. There is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; or that:- • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act

Reference and title of proposal:	Potential impact
would be mitigated by delivering this work in other ways, such as identifying partners who can help deliver the work to ensure that the level and quality of service to the public is not affected.	2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES035: Savings in Culture and Heritage including staffing savings - Savings delivered through service redesign, back office savings and vacancy management.	If this proposal goes ahead, it will lead to service redesign, back office savings and vacancy management in Culture and Heritage. There is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; or that:-

Reference and title of proposal:	Potential impact
	• More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • All museums will continue to operate and there will be no changes to opening hours. • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further.

Reference and title of proposal:	Potential impact
	• There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms or conditions. Any organisational changes will be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change or are deleted, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
CES036: Fire and Rescue Service - Review of managerial and functional posts including contract arrangements. Reviewing equipment purchases and staff training budget. The majority of the savings identified will be achieved through changing working practices and processes involving: • Response and operational training and equipment purchases – finding appropriate training and equipment but at a lower cost • Removing posts identified as no longer being required to fulfil current business need in business support, logistics and communications teams, and making changes to the senior management structure that reduce costs whilst maintaining the same level of business continuity.	If this proposal goes ahead, it will lead to changes to managerial and functional posts including contract arrangements. It will also lead to changes to equipment purchases and staff training budget. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for

Reference and title of proposal:	Potential impact
	services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms or conditions. Any organisational changes will be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change or are deleted, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
CES038: Further Street Lighting LED upgrade - Upgrade 15,000 streetlights on main roads, along with the CMS (central	If this proposal goes ahead, it is likely to have a positive impact on older and disabled people, including people who are blind or partially sighted, as LED lights provide a better quality of lighting.

Reference and title of proposal:	Potential impact
management system), to enable energy savings. The LED upgrade utilises the latest technology and will provide the very best lighting for the environment. The existing contractual arrangement provides a mechanism to deal with an LED failures promptly should they occur. Finally, all sites will be designed in accordance with the latest design guidance and specification.	If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; or that:- • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive – rather, they will experience an improved service. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010.

Reference and title of proposal:	Potential impact
	• This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Norfolk has already implemented significant numbers of LED lights elsewhere in Norfolk. Similar proposals have been successfully implemented elsewhere in the UK.
CES039: Income Generation / recharging for services - Additional income from charging for services / roundabout sponsorship and charging for activities on the highway. The scope of the existing roundabout sponsorship scheme will be widened to include Norwich City following the termination of the City Agency agreement. This replicates roundabout sponsorship in the remainder of the county and increases the availability to this scheme for business. There are new charges proposed, such as vehicle access applications, but this is in	If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; or that:- • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for

Reference and title of proposal:	Potential impact
line with changing practices in other highway authorities. The new charges will relate to a fee to take forward highway alterations; a typical example would be an application for permission to construct a vehicle crossing in the footway in order to access property. This could be a business but is usually residents who would like a formal crossing point where one does not already exist or to change an existing. Currently the administration of this service is free and this proposal would recover staff costs for doing so. Quotations are provided for the construction work and residents have an option to accept or decline.	services, so people will continue to receive support relevant to their assessed needs. • The proposal will lead to new costs for service users and businesses, if they wish to commission a highway alteration. However, there is no reason to believe that these costs would impact disproportionately on people with protected characteristics or in rural areas. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES040: Reduction in grass cutting - Saving delivered by reducing urban grass cutting from 5 cuts per year down to 4 cuts per year, and reducing rural grass cutting	If this proposal goes ahead, there would be a reduction in grass cutting. There is no evidence to indicate that it would:

Reference and title of proposal:	Potential impact
on C and U class roads from 2 cuts per year down to 1 cut per year.	• Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Although there would be some *visual* impact around aesthetics in urban and rural communities, there would not be any physical impact on paths, walkways or trods that could restrict access for disabled people, older people or parents or carers with prams. The impact would be similar for both rural and urban areas. Safety work will continue to be carried out to agreed standards. • No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.

Reference and title of proposal:	Potential impact
	• This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK. It is also worth noting that flexibility will remain for visual impacts to be addressed in local communities. For example, the Rangers service will continue to operate, and parish councils can influence the type of work that rangers carry out in their area. In addition, local members have access to their local member budget, and could use this to address issues in the local community if this was felt to be a priority.
CES041: Back office savings in CES Highways and Waste - Savings from reducing overtime budgets and deletion of vacant posts.	If this proposal goes ahead, it will ensure that back office processes are as efficient and effective as possible. This will enable the Council to maximise available resources to spend on community and environmental services. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or

Reference and title of proposal:	Potential impact
	people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; or that:- • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further.

Reference and title of proposal:	Potential impact
	• There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES042: Reduction in contract spend - Savings from renegotiation of contract rates as part of a package to extend some current Highways contracts.	If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; or that:- • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The new contract arrangements have already been put in place. • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act

<table>
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<tr><td></td><td>2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.
This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010.
This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further.
There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions.
Similar proposals have been successfully implemented elsewhere in the UK.</td></tr>
<tr><td>CES043: BC3 - Develop Gressenhall as an Environmental Hub for Norfolk.

The proposal would complement and accelerate a number of goals already set out in the Council's Environmental Policy agreed by Full Council in 2019.

Part of the Gressenhall site would be developed as a training and learning centre focusing on best practice in environmental projects, including tree planting. Part of the site would see the</td><td>If this proposal goes ahead, Gressenhall would be developed as an Environmental Hub for Norfolk.

There is no evidence to indicate that the proposal would:
Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics;
More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people</td></tr>
</table>

Reference and title of proposal:	Potential impact
creation of a new arboretum and the Historic Environment wing of the main Workhouse building would become a training hub for use by community groups and Norfolk schools. The financial proposal relates to Museums, but delivery of the project would be undertaken jointly with Environment.	who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.

Reference and title of proposal:	Potential impact
CES044: BC3 - Develop Norfolk Record Office 2050 Vision This will focus on redevelopment of the service based on changing public needs for access, digital archives and community support; increased partnership working; and providing storage which helps achieved NCC's 2030 net carbon zero targets.	If this proposal goes ahead, the Council would develop Norfolk Record Office 2050 Vision, with work focused on environmental sustainability and access. There is no evidence to indicate that the proposal would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; or that:- • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services;

Reference and title of proposal:	Potential impact
	information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES045: BC3 - Capitalisation of Planning Advice & Information service within Environment	If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; or that:- • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The change relates to use of alternative funding sources only.

Reference and title of proposal:	**Potential impact**
	• Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES046: BC3 - Reduction of the Arts Service budget (Health & Wellbeing)	If this proposal goes ahead, there would be a reduction in the Arts Service budget (Health & Wellbeing). There would continue to be sufficient resources and access to additional external resources to deliver agreed programmes and work. There is no evidence to indicate that the proposal would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; or that:- • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people

Reference and title of proposal:	Potential impact
	who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.

Appendix 6: Equality and Rural Impact Assessment

Reference and title of proposal:	Potential impact
CES047: BC3 - Recharge of staff time to alternative funding sources	If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The change relates to use of alternative funding sources only. • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions.

Reference and title of proposal:	Potential impact
	• Similar proposals have been successfully implemented elsewhere in the UK.
CES048: BC3 - Review staff structures in Highways team	If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce

Reference and title of proposal:	Potential impact
	policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
CES049: BC3 - Fire and Rescue white and grey fleet arrangements – getting best value for money for our white and grey fleet (cars and vans) through procurement and arrangements for servicing and repairs.	If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; or that:- • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.

Appendix 6: Equality and Rural Impact Assessment

Reference and title of proposal:	Potential impact
	• This means that reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • This may require officers to undertake additional equality impact assessments when developing detailed design proposals and implementation plans. If, during consideration of these , it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.

Strategy and Transformation budget proposals 2021-2022

Reference and title of proposal:	Potential impact
SGD006: Information Governance - Streamlining of Information Governance processes to deliver efficiencies.	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users.

Reference and title of proposal:	Potential impact
	• The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
SGD007: Your Norfolk Digitisation - Stopping paper production and distribution of Your Norfolk and moving to a more frequent digital solution.	This proposal will impact on all service users who currently read physical copies of Your Norfolk, including people with protected characteristics. A significant proportion of the Norfolk population have either a smart phone or home internet and should not experience any significant detrimental impact from this proposal. This is because they should be able to easily move from viewing physical copies of Your Norfolk, to viewing it online. However, some people in Norfolk do not have access to the internet at home or from a mobile device. People with protected characteristics are particularly likely to be included in this cohort - for example, they may be older or disabled, or English may not be their first language. More details about this are set out in the Digital Inclusion Strategy 2018.

Reference and title of proposal:	Potential impact
	One mitigation is that people who do not have the internet at home can get online at their local library. If they lack the confidence or knowledge to use the internet, or require a reasonable adjustment, library staff can provide advice and support. Work is ongoing to address the issues set out in the Digital Inclusion Strategy. It is possible therefore, that in the short term, there may be some disabled people who may be unable to access the digital-only version of Your Norfolk. It is difficult to quantify how many people might be affected in this way, because the data is not available. However, the digital version of Your Norfolk will be implemented in accordance with corporate and departmental policies and procedures and national guidance, and the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. This means that reasonable adjustments can be put in place for people who wish to access Your Norfolk but who genuinely cannot get online, due to a protected characteristic. In a situation such as this, the Council would have the discretion to provide a person with a physical version of the information contained in the digital version of Your Norfolk, if there were clear grounds for this as set out in the Equality Act 2010. The Council will be communicating with service users and residents in due course to ensure that there is a good understanding of how to access Your Norfolk digitally and where to get help if people need it. There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staffing structures or staff terms or conditions.

Reference and title of proposal:	Potential impact
SGD008: Strategy and Governance back office savings - Reducing print, post, stationery and travel expenditure across the whole Department.	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible by the Council to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.

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<tr><td></td><td>This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010.
There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures.
Similar proposals have been successfully implemented elsewhere in the UK.</td></tr>
<tr><td>SGD009: Professional Lead and Career Family Model - Implementation of the Professional Lead and Career Family Model across the Insight and Analytics (I&A), Communications, and Strategy capability across the organisation.</td><td>If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities.

If this proposal goes ahead, there is no evidence to indicate that it would:
Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics;
More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.</td></tr>
</table>

Reference and title of proposal:	Potential impact
	This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
SGD012: Further savings to deliver a net 2.75% reduction in staffing budgets across Strategy and Transformation teams - Targeting vacancy management and natural turnover as a priority; savings	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible by the Council to achieve the best possible outcomes for local communities.

Reference and title of proposal:	Potential impact
will be linked to achieving efficiencies through the HR and Finance System replacement.	If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010.

Reference and title of proposal:	Potential impact
	• There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
SGD013: BC3 - Vacancy management (HR&OD)	If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance.

Reference and title of proposal:	Potential impact
	• The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
SGD014: BC3 - One-off release of Strategy and Governance reserves	If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.

Reference and title of proposal:	Potential impact
	This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
SGD015: - HR & Finance System - Benefits realisation from HR & Finance System replacement in HR&OD - Benefits realisation work is still underway to quantify value of saving, but current forecast reflects savings of £0.280m in 2022-23	If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who

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	experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.

Governance budget proposals 2021-2022

Reference and title of proposal:	Potential impact
SGD004: NPLaw Structural Review - Savings from structural review linked to development of the partnership agreement.	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible by the Council to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance.

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	• The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
SGD005: Democratic Services Review - Democratic Services savings linked to changes arising from the Peer Review and Association of Democratic Services Officers (ADSO) review.	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics;

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SGD010: Democratic Services (staff budgets) - Review and realign existing	If this proposal goes ahead, there is no evidence to indicate that it would:

Reference and title of proposal:	Potential impact
structure to deliver new post COVID-19 ways of working.	• Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will

<table>
<tr><th>Reference and title of proposal:</th><th>Potential impact</th></tr>
<tr><td></td><td>be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures.
Similar proposals have been successfully implemented elsewhere in the UK.</td></tr>
<tr><td>SGD012: Further savings to deliver a net 2.75% reduction in staffing budgets across Strategy and Governance teams - Targeting vacancy management and natural turnover as a priority; savings will be linked to achieving efficiencies through the HR and Finance System replacement.</td><td>If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible by the Council to achieve the best possible outcomes for local communities.
If this proposal goes ahead, there is no evidence to indicate that it would:
Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics;
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The proposal will not lead to new or increased costs for service users.</td></tr>
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Finance & Commercial Services budget proposals 2021-2022

<table>
<tr><th>Reference and title of proposal:</th><th>Potential impact</th></tr>
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Proposed increase in council tax and adult social care precept

The Council is proposing to increase general council tax by 1.99% in 2021-22, to help offset cost pressures and invest in vital services. It is proposing to raise the adult social care precept by 2% in 2021-22, to help maintain adult social care services. In addition, the Council proposes to raise the adult social care precept by 1% in 2022-23, being a partial deferral of the 2021/22 adult social care precept

More about council tax
Council tax helps pay for local services and applies to all domestic properties whether owned or rented. How much people pay depends on the valuation band of their property. The responsibility to pay council tax usually lies with the occupier.

Each organisation that provides services in the area sets their own proportion of the council tax bill. These are:

- Norfolk County Council
- The district council
- The parish council (if there is one)
- Norfolk Police

</td><td>

This proposal will impact on all residents eligible to pay council tax, including people with protected characteristics and in rural areas.

Concessions for people eligible for support, reductions or exemption

Whilst the impact of a council tax increase would affect almost all dwellings, concessions are in place that mean that people who are older, live on their own, or who have a disability may be eligible for council tax support, reductions or exemption. The Government has also exceptionally provided resources to district councils in 2020/21 in the form of a hardship fund to deliver financial support, including reduced council tax bills, to economically vulnerable residents in their area. This is currently understood to be one-off for 2020/21.

The table at Annex A presents the proportion of people subject to some kind of reduction in each district. Demographic factors and variations in council tax reduction schemes will mean that the proportion of people exempt or receiving a reduction in each of Norfolk's districts differs.

In addition to these exemptions, district councils are responsible for local arrangements to provide help with council tax. These responsibilities cover what was known prior to 2013 as Council Tax Benefit, and mean that reductions are in place to support vulnerable working age and older people.

A range of factors may enable a household to quality for discounts or exemptions. These include:

- Someone's disability status, entitlement to certain benefits and presence of accessible features in their home;
- If someone is a carer who, for at least 35 hours a week, is looking after someone in the same household (not including a spouse or child) who is entitled to certain benefits;

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Reference and title of proposal:	Potential impact
Most of the money that people pay as part of Norfolk County Council's share of the council tax helps fund the costs of all the services provided by the Council and is not linked to specific services. The maximum amount that Government currently says that the Council can increase this 'general' council tax by without having to hold a local referendum is 2%. It is possible that in the future the Government could allow councils greater freedom to increase this general council tax by more than 2%. **More about the adult social care precept** In 2015 the Government gave councils like Norfolk the opportunity to raise council tax to help pay for adult social care services – this is called the adult social care precept. The money raised from the adult social care precept is ringfenced which means that the Council can only spend it on adult social care services. Adult social care services are those that support older people, disabled people and people with mental health problems. These services help people to stay safe in their own homes and continue to be independent. Where this is not possible, adult social care can support people in residential care. In 2020/21 our gross budget for adult social services is £448.339m (this does not reflect the in-year impacts of the COVID-19 pandemic and associated funding). The Council has to report to Government and confirm that adult social care precept money is used solely for adult social care services.	• Households which consist only of students; and • Properties which are unoccupied for various reasons including residence in care provision. These reliefs can help to alleviate council tax liabilities for certain households. Whilst the local arrangements are at the discretion of each district, and so cannot be collated simply, the number of equivalent dwellings receiving this kind of support for working age people in Norfolk last year was 25,188, and for older people was 20,131. District councils also have powers to reduce the amount of council tax payable for certain classes of dwelling including empty properties and properties undergoing major structural work, with legislation prescribing the level of discount the district council can offer. An increase in council tax may therefore have a reduced impact on properties within these categories, depending on the scheme adopted locally. These discounts are time limited except in the case of second homes. A council tax premium may be charged on certain empty properties if they have been vacant for a period of more than two years. An increase in council tax may therefore have a greater impact on these properties. At October 2019 there were 419,863 council tax 'chargeable dwellings' in Norfolk. Any County Council increase in council tax would be applied equally and proportionally to each household, meaning that higher-banded properties would pay a higher cash amount. In considering an increase in council tax, it is important to take other social factors into account, such as the impact of welfare reform. Although there is no major role for local authorities in much of the policy development and delivery of welfare reform, it continues to have a significant impact on Norfolk service users, residents and communities. Some examples include the introduction of Universal

Reference and title of proposal:	Potential impact
Initially councils could raise council tax by up to an extra 2% a year for the period 2016/17 to 2019/20. Then, in 2016 the Government announced that for the three years from 2017/18 to 2019/20, councils would be allowed to increase the adult social care precept by up to 3% a year, but no more than 6% in total over that period. Norfolk County Council took the decision to increase the adult social care precept by 3% in 2017/18 and 3% in 2018/19. This meant that in 2019/20 it did not increase the adult social care precept but continued to collect the existing precept and spend this on adult social care. In its spending round on 4 September 2019 the Government announced that councils could increase the adult social care precept by up to 2% in 2020/21, and the Council took this option. In the 2020 Spending Review and subsequent provisional Settlement, Government has allowed councils to increase the adult social care precept by 3%, with the option to defer some or all of this into 2022/23. The Council's budget proposals for 2021/22 include a 2% increase in the adult social care precept, with a further 1% increase to be deferred into 2022/23.	Credit and the move from Disability Living Allowance (DLA) to Personal Independence Payment. Disabled people and their carers are particularly likely to be affected, and many report increased financial hardship. The impact varies according to the circumstances of each individual, but there are obvious implications for those who are already in receipt of benefits such as DLA or Employment and Support Allowance and have lost their entitlement, and those who may need to move house. Another issue to take into account is the potential impact on people in rural areas. Rural housing may be more expensive than urban properties and may therefore tend to be in higher tax bands. However, people in rural areas would argue that being asset rich does not mean income rich, and in cash terms, rural areas may shoulder a larger percentage of the total council tax return. **Conclusions** It is likely that the financial impact of an increase in council tax would be reduced for some vulnerable people and those on low incomes by existing council tax exemption mechanisms. It is important to note, however, that these provisions vary from district to district depending on the council tax support scheme provided, and will depend on people's individual circumstances. Overall, the impact is likely to be greatest for households on a low, fixed income, but which are not eligible for council tax support. This may include disabled people who are in work, and this is important to note, given that disabled people are likely to earn less than their non-disabled counterparts, even when they share the same qualifications and other relevant characteristics[6]. On balance, the greatest factor to take into account is that an increase in council tax and adult social care precept would primarily benefit Norfolk's most vulnerable families and disabled and older people and their carers. This is because it will enable the Council to continue to protect essential children's and adult social care services, as well as fund other vital services that benefit every person within the county – such as libraries, fire and rescue services, the

Reference and title of proposal:	Potential impact
	environment, public health, culture and heritage, trading standards and highways.
FCS003: Automation of IMT processes (staff budgets) - Automation for simple repetitive tasks such as provision of access rights to file shares. Staffing reductions to be delivered by targeting vacancy management and natural turnover, although some potential for redundancies.	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support

Reference and title of proposal:	Potential impact
	relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
FCS004: New network and telephony support arrangements - New network and telephony support arrangements - Reduced administrative effort to maintain network and telephone systems. Review small scale headcount reduction and / or reduced expenditure on third party support contracts.	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would:

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	• Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010.

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	• There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
FCS006: Reduced expenditure on the corporate printing contract - Schools IT reduced cost and increased income - Implement a range of measures to improve profitability of the Schools IT operation, through increased efficiency / reduced costs to provide service, and ceasing trading in areas where the income does not cover the full cost of provision	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.

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FCS007: Switching all IMT mobile phones over to bring your own device (BYOD) - Reduced expenditure on mobile telephony through BYOD, usage policies and contract management.	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are

Reference and title of proposal:	**Potential impact**
	used as effectively as possible to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty;

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	the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
FCS008: Reduced expenditure on software applications such as Adobe Acrobat and MS Project - Challenging current use and requirements, and providing lower cost alternatives.	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics;

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Reference and title of proposal:	Potential impact
	with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
FCS009: Travel and transport budget in IMT - Reduced costs through increased mobile and flexible working, more virtual visits and reduced courier / delivery costs.	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so.

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	• The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
FCS010: Increased Data Centre Income - Sharing the NCC data centre more widely with Norwich City Council, and possibly other partners, enabling income targets to be overachieved.	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and

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	people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these

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	characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
FCS011: One-off use of reserves - One-off savings and use of reserves within Budgeting and Financial Management.	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.

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Similar proposals have been successfully implemented elsewhere in the UK.</td></tr>
<tr><td>FCS012: Vacancy management within Internal Audit Service - Vacancy management and team structure review, and review of contracted services budget.</td><td>If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are</td></tr>
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FCS013: Introduction of new technology and reduction in posts in Finance Exchequer Services - Savings from reduction in headcount enabled by introduction of new technology including additional employee self-service.	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics;

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	• More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • This means that reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff

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	with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
FCS014: Benefits realisation from the HR & Finance System replacement project in Finance Exchequer Services - Benefits realisation work is still underway to quantify value of saving from the HR & Finance System replacement, but current forecast reflects savings of £0.4m in 2022-23 which will be delivered by a combination of reduction in posts and changes to licence costs. Expected full year effect of the project being implemented is currently estimated as a further £0.1m from 2023-24.	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support

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FCS015: Corporate Property savings in direct revenue costs - Savings achieved through reduced maintenance, security and other revenue costs based on exiting some additional sites, enabled by changes to ways of working due to COVID-19.	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would:

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More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.

This is because:

Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so.
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FCS016: One-off saving from release of reserves.	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible by the Council to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial

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Appendix 6: Equality and Rural Impact Assessment

Reference and title of proposal:	Potential impact
FCS017: BC3 - Budgeting and Accounting one-off use of Finance Org Change reserve.	If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.

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	• There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.

Finance General budget proposals 2021-22 to 2024-25

Reference and title of proposal:	Potential impact
FIN001: One off release of Organisational Change Fund - Underlying annual budget provision for organisational change and redundancy costs is £2.7m (2019-20). Assessment of amount required to be held against organisational need, experience of actual costs incurred, and the likely organisational and staffing impact of emerging saving proposals for 2021-22, indicate that it would be possible to continue release £0.500m from this budget on the same basis as 2020-21. This reflects a delay of cost pressure for 2021-22 to 2022-23.	If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users.

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Similar proposals have been successfully implemented elsewhere in the UK.</td></tr>
<tr><td>FIN002: Insurance review (One-off use of reserves) - Review of Insurance reserves, claims and risks allows £0.500m to be released on a one-off basis.</td><td>If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities.

If this proposal goes ahead, there is no evidence to indicate that it would:
Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics;
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Similar proposals have been successfully implemented elsewhere in the UK.</td></tr>
<tr><td>FIN003: Interest Payable/Receivable - Revised estimates of interest payable and receivable budgets for 2021-22 based on latest forecasts enable a reduction in budget provision.</td><td>If this proposal goes ahead, it will provide an opportunity to make better use of resources. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities.

If this proposal goes ahead, there is no evidence to indicate that it would:
Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay,</td></tr>
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	bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.
FIN004: BC3 - Treasury management interest payable budget saving	If this proposal goes ahead, there is no evidence to indicate that it would:

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	• Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures. • Similar proposals have been successfully implemented elsewhere in the UK.

Annex A – Proposal to increase council tax

Table: The number of dwellings on the council tax valuation list, and percentages of council tax exemptions, by Norfolk district (October 2020)

	Total chargeable dwellings on valuation list	Number dwellings paying full Council Tax	% Dwellings paying full Council Tax	% Dwellings subject to some kind of reduction in Council Tax
Breckland	60,847	41,407	68.05%	31.95%
Broadland	58,243	39,708	68.18%	31.82%
Great Yarmouth	47,683	28,793	60.38%	39.62%
Kings Lynn & West Norfolk	71,518	47,921	67.01%	32.99%
North Norfolk	54,358	35,637	65.56%	34.44%
Norwich	64,873	36,531	56.31%	43.69%
South Norfolk	62,341	41,069	65.88%	34.12%
Total Norfolk	**419,863**	**271,066**	**64.56%**	**35.44%**

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[1] **Prohibited conduct:**

Direct discrimination occurs when someone is treated less favourably than another person because of a protected characteristic they have or are thought to have, or because they associate with someone who has a protected characteristic.

Indirect discrimination occurs when a condition, rule, policy or practice in your organisation that applies to everyone disadvantages people who share a protected characteristic.

Harassment is “unwanted conduct related to a relevant protected characteristic, which has the purpose or effect of violating an individual’s dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for that individual”.

Victimisation occurs when an employee is treated badly because they have made or supported a complaint or raised a grievance under the Equality Act; or because they are suspected of doing so. An employee is not protected from victimisation if they have maliciously made or supported an untrue complaint.

[2] The protected characteristics are:

Age – e.g. a person belonging to a particular age or a range of ages (for example 18 to 30 year olds).

Disability – a person has a disability if she or he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.

Gender reassignment – the process of transitioning from one gender to another.

Marriage and civil partnership

Pregnancy and maternity

Race – refers to a group of people defined by their race, colour, nationality (including citizenship), and ethnic or national origins.

Religion and belief – has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (such as Atheism).

Sex – a man or a woman.

Sexual orientation – whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.

[3] The Act specifies that having due regard to the need to advance equality of opportunity might mean:

- Removing or minimizing disadvantages suffered by people who share a relevant protected characteristic that are connected to that characteristic;
- Taking steps to meet the needs of people who share a relevant protected characteristic that are different from the needs of others;
- Encouraging people who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such people is disproportionately low.

[4] Having due regard to the need to foster good relations between people and communities involves having due regard, in particular, to the need to (a) tackle prejudice, and (b) promote understanding.

[5] To view the Digital Inclusion Strategy, see Item 12 via this hyperlink.

[6] The same is also true for women, and some Black, Asian and minority ethnic (BAME) people – particularly BAME women.

Report to Cabinet

Item No 10

Decision making report title:	**Capital strategy and programme 2021-22**
Date of meeting:	**1 February 2021**
Responsible Cabinet Member:	**Cllr Andrew Jamieson (Cabinet Member for Finance)** **Cllr Andrew Proctor (Leader of the Council)**
Responsible Director:	**Simon George (Executive Director of Finance and Commercial Services)**
Is this a key decision?	**Yes**

Introduction from Cabinet Member

This report presents the proposed capital strategy and programme and includes information on the funding available to support that programme. This year in particular the capital programme is central to a strategy of regeneration: enabling economic recovery, promoting Active Travel, generating efficiencies through the use of information technology and making provision for the continuation of development of our libraries into local multi-service hubs.

The papers summarise the development of the proposed capital programme, including proposed new schemes, and a summary of forecast capital receipts.

Executive Summary

The proposed programme is based on a capital strategy and consists of two main elements – schemes included in the current programme and new schemes to be funded through borrowing, capital receipts or grants and other anticipated contributions from third parties.

Total new schemes to be added to the programme total £102.468m, including for example children's residential homes (£4m), supported housing for young adults (£11.5m), improvements to greenways, footpaths and trails £3m), significant funding for new replacement libraries (£4m), the Long Stratton Bypass, and flood repairs. To help continue address local priorities including safety and environmental measures, the local member capital fund has been extended to 2024.

When proposed new schemes are added to the existing £435.192m programme for future years, the future capital programme totals £537.660m.

Recommendations

1) **agree the Capital Strategy at Appendix A as a framework for the prioritisation and continued development of the Council's capital programme;**
2) **agree the proposed 2021-25+ capital programme of £537.660m, subject to additional amounts for schemes yet to be re-profiled from 2020-21;**
3) **refer the programme to the County Council for approval, including the new and extended capital schemes outlined in Appendix D;**

4) **recommend to County Council the Council's Flexible Use of Capital Receipts Strategy for 2021-22 as set out in Section 5;**
5) **note known grant settlements as summarised in Section 3 and agree that future capital grants will be added to the programme when confirmed;**
6) **note the estimated capital receipts to be generated, subject to market conditions, over the next four years to support schemes not funded from other sources, as set out in Table 5.**

1. Background and Purpose

1.1. The Council needs to set a capital programme prior to the beginning of each financial year and to commit the revenue and capital resources required to deliver the programme.

1.2. Historically, most schemes are prioritised within the two major capital programme areas of transport and schools, with corporate property, Adult Social Care, IT and loans to subsidiary companies also important themes.

1.3. Schemes are considered by the appropriate team to ensure that the capital programme integrates with business and service planning, with revenue implications taken into account. Highways schemes are prioritised within CES. Schools schemes are prioritised through the member-led Children's Services Capital Priorities Group. Large property sales and purchases are co-ordinated through the Council's Corporate Property team and are reported through Cabinet.

1.4. Schemes not covered by the major headings above are developed by the relevant chief officer, and where corporate funding is required are considered by the Executive Director of Finance and Commercial Services, who considers the overall affordability of the programme.

1.5. The Council's overall capital programme is formed by combining service capital programmes, and ensuing that sufficient funding is available before seeking Council approval.

1.6. This report sets out the proposed capital programme for 2021-25+. It is supported by a strategy aimed at securing a structured, affordable and prioritised approach for the development of future years' capital programmes.

2. Proposals

2.1. The attached report introduces the proposed capital programme for 2021-25+.

2.2. The proposed programme consists of two elements – schemes included in the current programme and new schemes funded through borrowing, capital receipts or grants and other anticipated contributions from third parties.

2.3. The programme is supported by a prioritisation model to help guide the best use of resources.

2.4. The size of the capital programme reflects capital grant settlements, forecast capital receipts, other external and internal funding sources and proposed borrowing as set out in the attached Annex.

2.5. The Council's ability to prudentially borrow to fund future schemes is limited by the budgetary pressures which the Council continues to face. Information regarding the revenue implications of prudential borrowing for new schemes is provided in Section 6.

3. Impact of the Proposal

3.1. The recommendations set out in this report are intended to enable Full Council to approve a capital programme for 2021-22, and provide a basis for the longer term programme.

3.2. The proposals will impact upon the nature and type of services and facilities provided by the council, as well as delivering transformation to underlying council structures and operating models. Examples of high-profile transport projects in the programme include the Great Yarmouth Third River Crossing and the Long Stratton bypass. Transformational projects include an ambitious programme to improve SEND school provision, and funding for greenways, natural capital and improvements to the national and Norfolk Trails network as well as Active Travel schemes.

4. Evidence and Reasons for Decision

4.1. The attached Annex summarises the development of the proposed capital programme, including proposed new schemes, and a summary of forecast capital receipts.

5. Alternative Options

5.1. The papers appended to this report represent the culmination of the process to develop capital schemes to be recommended to Full Council which will improve services, promote efficiencies and address deficiencies. However, at this stage it remains the case that new capital proposals have not been agreed, and could be removed from the proposed capital programme.

6. Financial Implications

6.1. The financial impacts of the proposed capital programme including expenditure, funding, financing and the impact on future revenue budgets are dealt with in detail in Sections 3 to 6 of the attached Annex.

7. Resource Implications

7.1. **Staff:** A number of the schemes included in the proposed capital programme are necessary to enable staff to provide services in an efficient and effective way, and in safe and well-maintained premises.

7.2. **Property:** Several schemes included in the proposed capital programme support the development and improvement of the school's estate, and the exploitation, improvement and consolidation of the Council's operational and office property. Saving plans include activities linked to property budgets, and assumptions around levels of capital receipts to be achieved.

7.3. **IT:** A number of the schemes included in the proposed capital programme support IT projects and initiatives, including the development, implementation and exploitation of new systems and approaches. Existing saving plans include activities linked to IMT budgets.

8. Other Implications

8.1. **Legal Implications**
None identified.

8.2. **Human Rights implications**
None identified.

8.3. **Equality Impact Assessment (EqIA)**
A public consultation process on the 2021-22 Budget has been undertaken. As in previous years, this public consultation has informed an equality impact assessment in respect of both new 2021-22 Budget proposals and the Council's Budget as a whole, which includes the revenue impact of capital spending decisions. In addition, councillors have considered the impact of proposals on rural areas.
The proposed capital programme includes a recurring capital budget specifically to resolve access and other Equality Act issues.

8.4. **Health and Safety implications**
The proposed capital programme includes capital budgets specifically to address health and safety issues, including funding for fire safety related projects, asbestos removals, and a minor works budget to address works needed after health and safety audits.

8.5. **Sustainability implications**
On 25 November 2019, the County Council approved an Environmental Policy. The proposed capital programme recognises the implications of the new policy with £1m of capital expenditure allocated to environmental projects.
Other schemes within the proposed capital programme may also have an impact on the environmental sustainability of the County Council, particularly those relating to more intensive use of property assets, and highways schemes intended to support active travel. New capital funding is proposed to enhance greenways and footpaths, the national and Norfolk trails network in the County, and to address the risks caused by Ash dieback.

8.6. **Any other implications**
Significant issues, risks, assumptions and implications have been set out throughout the papers appended to this report.

9. Risk Implications/Assessment

9.1. There is a long-term risk to the Council's ability to deliver services without sufficient investment in maintaining its assets. To mitigate this, the capital programme is aligned to the Council's asset management plans and property client function ensuring that assets are well-maintained or disposed of if surplus to requirements.

9.2. The programme requires regular monitoring, management and budgetary control to deliver schemes on time and within budget. This is addressed through regular capital finance monitoring reports which are reported to Cabinet.

9.3. The capital programme is set on the basis of best estimates of cost. Through good procurement practice, the Council will continue where possible to manage down the costs of capital schemes, and to minimise the need to borrow.

9.4. There is a risk that anticipated grants and other third-party contributions will not be received for reasons out of the authority's control. In these circumstances, the programme will be amended to reflect the reduced funding.

10. Select Committee comments

10.1. N/A.

11. Recommendations

11.1. Recommendations are set out in the Executive Summary.

12. Background Papers

12.1. Caring for our County, the vision for Norfolk: Link
Together, For Norfolk – an ambitious plan for our County 2019-2025: Link
County Council Budget 2021-22, (on this agenda)
Finance Monitoring Report 2020-21 (on this agenda)
Annual Investment and Treasury Strategy 2021-22 (on this agenda)
Major projects and improvement plans - Norfolk County Council
Norfolk Strategic Infrastructure Delivery Plan 2020.pdf

Officer Contact

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Annex

Norfolk County Council

Capital strategy and programme 2021-22

Report by the Executive Director of Finance and Commercial Services

1. Background and introduction

1.1. Introduction

1.1.1. This report introduces the proposed overall capital programme for 2021-22 and following years.

1.1.2. The proposed programme consists of two elements – schemes included in the current programme funded through borrowing, capital receipts when available, or grants and contributions from third parties, and new schemes requiring additional prudential borrowing.

1.1.3. The size of the capital programme reflects capital grant settlements that have been announced by central government, forecast capital receipts, other external and internal funding sources and proposed borrowing as set out in this report.

1.1.4. The Council pays from future revenue budgets the interest costs of borrowing undertaken for capital expenditure purposes. In addition, in accordance with its MRP policy, the Council will aside an amount from each future revenue budget to re-pay its borrowing.

1.2. Government spending plans

1.2.1. **Winter Economy Plan**: The Chancellor of the Exchequer cancelled the 2020 Autumn Budget due to the coronavirus pandemic delivering instead a Winter Economy Plan on 24 September 2020 which confirmed measures to help businesses and to support public services in their response to the virus. No capital-specific funding was included in the Plan.

1.2.2. **Transforming Cities Fund**: On 25 September 2020, the government announced just over £32 million of government funding from the Transforming Cities Fund (TCF) to overhaul local transport links in Norwich, including a new bus interchange at Norfolk and Norwich University Hospital, improvements to cycle and pedestrian crossing facilities, and a junction redesign at Heartsease.

1.2.3. **Active Travel:** In May 2020 the government announced final funding allocations of the active travel fund to support local transport authorities develop cycling and walking facilities. Tranche 1 enabled the installation of temporary projects related to the COVID-19 pandemic and Tranche 2 is for longer-term projects with Norfolk allocated approximately £1.8m in total.

1.2.4. **Spending review 2020**: A government spending review, originally planned for summer 2020, was presented to Parliament on 25 November 2020. This provides a framework for public expenditure, and includes “£100 billion of capital investment next year, a £27 billion real terms increase compared to 2019-20. This is another significant step towards achieving the government's objective of over £600 billion of gross public investment over the next five years, reaching the highest sustained levels of public sector net investment as a proportion of GDP since the late 1970s".

1.2.5. The capital expenditure aims to "kickstart growth and support jobs" and to give "multi-year funding certainty for existing projects – such as school and hospital rebuilding, and flagship transport schemes". "Infrastructure investment is a key part of this and [the spending review] targets investment to support regional cities as engines of growth through the Transforming Cities Fund and intra-city transport settlements; rejuvenate towns and communities in need in England through the Towns Fund; and ensure each place is well connected through increased investment in road, rail and broadband."

1.2.6. **National Infrastructure Delivery Plan November 2020**: A National Infrastructure Delivery Plan was published in November 2020 alongside the spending review. This document, subtitled *Fairer, faster, greener*, sets out government policy on infrastructure and construction, including broadband, energy and transport, and on carbon reduction aspirations.

1.2.7. In the document the government acknowledges the importance of local green space and Green Infrastructure, and it also urges local authorities to take steps to preserve construction jobs in their areas by progressing funded projects as soon as practicable.

1.2.8. There are two key transport investments specified in Norfolk: the Great Yarmouth Third River Crossing and a mobility hub at Norwich station. Norfolk residents will also benefit from the Lowestoft Lake Lothing Third Crossing.

1.2.9. **Public Works Loan Board**: Local authorities invest billions of pounds of capital finance every year in their communities and the government supports this activity, in part, by offering low cost loans through the Public Works Loan Board (PWLB). In recent years a minority of councils have used this cheap finance to buy very significant amounts of commercial property for rental income. To address this the government has revised the terms of PWLB lending to ensure local authorities continue to invest in housing, infrastructure and front-line services.

1.2.10. On 26 November 2020, PWLB rates reverted back to the margins in place before a 1% increase made in November 2020. As part of the new arrangements, the PWLB will no longer lend to local authorities that plan to buy commercial assets primarily for yield. In particular, using PWLB borrowing to fund the purchase of property for investment purposes is prohibited. Also, in order to borrow from the PWLB, local authorities will be required to submit a summary of their planned capital spending and PWLB borrowing for the following three years.

1.3. **Local joint working**

1.3.1. Norfolk County Council works with a number of other authorities and bodies in the development of capital and infrastructure projects and investments.

1.3.2. Examples of current joint working include:

1.3.3. **Local plans:** A Norfolk Strategic Infrastructure Delivery Plan 2020.pdf was published by the Council and its partners in December 2020. It pulls together information on the key infrastructure needed to deliver economic growth in Norfolk. As well as transport and housing, it covers digital connectivity, education and the Offshore Transmission Network, and it lists a number of major projects in which the Council and its partners have control or a significant interest, covering road, rail, utility, sustainability, education and regeneration projects.

1.3.4. Further details of major transport project and improvement plans in Norfolk can be found at Major projects and improvement plans - Norfolk County Council. A Highways Capital Programme and Transport Asset Management Plan will be presented to Cabinet in March 2021.

1.3.5. **One Public Estate**: Together with the district councils in Norfolk, the County Council is closely involved in the "One Public Estate" programme. The aim of this programme is to use public assets more effectively to deliver programmes of major service transformation and local economic growth.

1.3.6. The Council works closely with the **New Anglia LEP**, which has resulted in the LEPs direct financial support for a number of infrastructure projects as well as direct support to businesses in Norfolk.

1.3.7. The **Norfolk Joint Museums Committee** consists of representatives from district councils and the County Council. The Norfolk Museums Service is run by Norfolk County Council with capital schemes managed and reported as part of the Council's financial monitoring. The Norwich Caste Keep "Gateway to Medieval England" project is a nationally significant scheme which will see the Keep reimagined and reinterpreted.

1.3.8. Having been awarded just over £6.1m in 2019 for schemes to transform travel in Greater Norwich, Norfolk County Council, in partnership with Norwich, Broadland and South Norfolk submitted a revised proposal for additional **Transforming Cities** funding (details above).

2. The Proposed Capital Programme 2021-25

2.1. Background

2.1.1. The capital programme for 2020-23 was agreed by the County Council in February 2020. This was prepared based on schemes brought forward, information from the Government on known and forecast funding levels available at that time, plus new schemes requiring additional prudential borrowing approved at the time.

2.1.2. The capital programme has been updated through the year to include the latest estimates of capital funding available to the Council and schemes added to the programme during the year as approved by Cabinet and County Council. Further information on external funding is included in Section 3.

2.1.3. The proposed capital programme is underpinned by a Capital Strategy (Appendix A to this report) which was agreed at 2 November 2020 Cabinet. Schemes are scored against priorities also approved at 2 November 2020 Cabinet (Appendix B).

2.1.4. A new Capital Programme Quarterly Review Board has been set up to co-ordinate and provide oversight of the Council's overall programme. Including the Cabinet member for Finance, the board will provide a forum for officers from all services to discuss new schemes added to the programme, as well as existing schemes.

2.1.5. The 2021-25+ programme reflects all amounts re-profiled up to and including month 8 (November) and significant changes made in month 9 (December). Re-profiling of schemes between years to reflect the revised timing of project delivery is reported to each Cabinet.

2.1.6. The new capital programme reflects known government grant settlements for 2021-22 and beyond. The programme also sets out the necessary borrowing to be approved in order to provide sufficient funding for agreed schemes.

2.1.7. A schedule of existing schemes included in the on-going capital programme is attached at Appendix C to this Annex, with new schemes listed in Appendix D.

2.1.8. Particular attention should be drawn to those schemes which are to be funded from borrowing and capital receipts. The budget proposals provide for the direct use of capital receipts for the repayment of debt. As a result, there will be very limited capital receipts available to support new capital expenditure. An analysis of receipts and their proposed use is included in Section 4.

2.2. The Existing Programme

The value of existing schemes brought forward into the new programme are shown in the table below. These figures are based on period 8 financial monitoring as at 30 November 2020 amended for significant changes made in month 9 (December). This position will vary through to 1 April 2021 as schemes are accelerated or delayed, with all movements reported to Cabinet.

Table 1: Existing programme, excluding proposed new schemes

Service	2021-22 £m	2022-23 £m	2023-24 £m	2024-25+ £m	Total £m
Adult Social Care	11.325	6.436	6.000	13.681	**37.442**
Children's Services	97.680	106.478			**204.158**
CES Highways	52.246	33.380			**85.626**
CES Other	41.165	3.788			**44.953**
Finance and Comm. Servs	45.441	11.172	4.000	2.000	**62.613**
Strategy and Governance	0.050	0.350			**0.400**
Total	**247.907**	**161.604**	**10.000**	**15.681**	**435.192**

2.3. New schemes

Schemes not included in previous capital programmes will result in the following additions to the capital programme subject to approval:

Table 2: Proposed investment in new schemes

Service	2021-22 £m	2022-23 £m	2023-24 £m	2024-25+ £m	Total £m
Adult Social Care	3.200	5.000	11.500		**19.700**
Children's Services	1.500	1.500	4.000		**7.000**
CES Highways	1.134	8.165	0.933		**10.232**
CES Other	10.205	8.614	4.764		**23.583**
Finance and Comm. Servs	17.648	16.205	8.100		**41.953**
Strategy and Governance					**0.000**
Total	**33.687**	**39.484**	**29.297**	**0.000**	**102.468**

2.4. The Total Proposed Capital Programme (existing and new)

The full Capital Programme for 2021-25, combining existing and proposed schemes, is summarised in the following table.

Table 3: Proposed Total Capital Programme

Service	2021-22 £m	2022-23 £m	2023-24 £m	2024-25+ £m	Total £m
Adult Social Care	14.525	11.436	17.500	13.681	**57.142**
Children's Services	99.180	107.978	4.000		**211.158**
CES Highways	53.380	41.545	0.933		**95.858**
CES Other	51.370	12.402	4.764		**68.536**
Finance and Comm. Servs	63.089	27.377	12.100	2.000	**104.566**
Strategy and Governance	0.050	0.350			**0.400**
Total	**281.594**	**201.088**	**39.297**	**15.681**	**537.660**

Note: tables on this page may be subject to small rounding differences

2.5. The existing programme includes on-going schemes, and new schemes approved in-year:

Major programmes and schemes, for example

- Schools basic need and capital maintenance
- Living Well - Homes for Norfolk: to develop extra care housing in Norfolk
- SEND transformation programme to create 500 extra specialist school places
- Great Yarmouth Third River Crossing
- Norwich Western Link
- Transport capital maintenance
- Better Broadband for Norfolk

Where additional funding for existing capital schemes have been received during the current financial year, they have been added to the programme, with all changes reported to Cabinet. New schemes requiring borrowing have been approved by Cabinet and County Council.

New schemes approved during the 2020-21 financial year (to date) include

- Investment in library stock 2020-21 (£1m)
- LED upgrates to 15,000 main road streetlights (£8.5m)
- Case management system for appointeeships and deputyships (£0.22m)
- Museums Service tills (£0.039m)
- An addition of £30m prudential borrowing for the schools capital programme
- Purchase of farmland at Outwell (£1.4m)
- Development of software to support the Card Payments programme (£0.030m)
- loan funding from within the existing capital programme to Hethel Innovation Limited to purchase additional land (amount exempt)

In addition, £2.7m previously approved in the existing Accommodation Rationalisation capital budget, to fund Accessibility was re-allocated to fund Inclusivity improvements to County Hall.

A full summary of schemes in the existing programme can be found in Appendix C.

In addition, the County Council approved the flexible use of £3m capital receipts to fund the Children's Services Demand Management & Prevention Strategy in 2020-21 and 2021-22.

2.6. New schemes proposed for addition to the capital programmes include:

Capitalisation of works previously funded from revenue budgets:

- Capitalisation of community equipment and assistive technology where the asset life of more than one year
- Library book stocks
- Capitalisation of staff costs of capital maintenance works, including highways, museums and environmental assets
- Capitalisation of IT development costs, property staff and capital programme management costs

Examples of new and existing projects requiring borrowing or unallocated capital receipts:

- The purchase or creation of specialist children's homes and semi-independent in-house provision for children looked after.
- The development of Wensum Lodge
- Capital contributions towards new libraries at Great Yarmouth the King's Lynn
- Various Fire and Rescue Service schemes, including equipment, property capital maintenance and building improvements, and fire training facilities
- Improvements to recycling facilities in West Norfolk
- Replacement vehicles and new site equipment to support recycling facilities
- Property capital maintenance and improvements throughout the estate
- On-going programme of capital maintenance and improvements at County Hall
- ICT critical infrastructure
- Additional loan facility available to Repton Property Developments

New schemes (grant funded) not requiring additional borrowing

- Highways new DfT grants not already included in the programme are added as and when funding is secured.
- Schools basic need and capital maintenance grants from the DfE.

Details of all the new schemes above are given in Appendix D.

2.7. Major known funding sources (eg structural maintenance grants) are already in the programme for 2020-21 and future years. Other external funding will be added to the programme as and when secured.

2.8. The prioritisation system used to rank schemes has been developed in accordance with good practice and the Council's priorities. It provided a firm basis for comparing unfunded/unsupported schemes and is summarised in Appendix B.

3. Financing the Programme

3.1. The capital programme is financed through a number of sources – grants and contributions from third parties; contributions from revenue budgets and reserves; and external borrowing and capital receipts.

3.2. For the purpose of the table below, it is assumed that future capital receipts will be applied to the direct re-payment of debt or the flexible use of capital receipts, rather than funding the capital programme.

3.3. Proposed new schemes will result in an additional £102.468m of new borrowing over the period of the programme, subject to alternative sources of funding becoming available. This will result in a total borrowing need of £407m to fund the capital programme. This amounts to a considerable investment and is a reflection on the ambition of the programme, decreasing relative levels of central government capital grant, and increasing pressures on the revenue budget.

3.4. The funding of the proposed programme is set out in the table below:

Table 4: Funding of the Proposed Capital Programme £m

Service	2021-22 £m	2022-23 £m	2023-24 £m	2024-25+ £m	Total £m
External Grants and Contributions including Government grants	91.971	38.463			**130.434**
Revenue and Reserves					**0.000**
Capital receipts (see note)					**0.000**
Borrowing	189.623	162.625	39.297	15.681	**407.226**
Total	**281.594**	**201.088**	**39.297**	**15.681**	**537.660**

This table may be subject to small rounding differences
Note: capital receipts will be allocated to fund the programme and reduce borrowing as and when they are not required for other purposes and have been secured.

3.5. Grants and contributions funding the programme include grants received or announced in previous years, not yet spent. Non-government external funding is primarily from developer contributions relating to highways and school's schemes around new developments, and the heritage lottery fund in respect of the Norwich Castle Keep development. The largest external grants are received from the government Departments for Transport and Education.

3.6. Partially due to the postponement of the autumn budget, there have been no significant budget announcements relative to local government capital funding during the development of this programme.

3.7. The Department for Education condition funding methodology was last reviewed April 2019. Norfolk's DfE Basic Need allocation for 2021-22 is £7.802m, based on 404 additional places. This is a significant reduction when compared to the average of £14.8m pa received since 2011.

3.8. 2020-21 was the third of a three year programme over which SEND sufficiency capital funding of £4.629m was received. No further announcements have been made in respect of 2021-22.

3.9. For schools capital maintenance, the DfE allocates devolved formula capital (DFC) for schools to spend on their own capital priorities, and a school condition allocation (SCA). In 2020-21 these amounted to £1.009m and £5.288m respectively. At the time of writing the 2021-22 allocation has not yet been announced.

3.10. Highways funding from the Department for Transport (DfT) for both Structural Maintenance and Integrated Transport Block grants has been based broadly on a 6-year formula which ends in 2020-21 (£23.043m and £4.141m respectively). No further announcements have been made in respect of 2021-22.

3.11. The transport funding environment has becoming more complex and varied over the past few years with allocations “top-sliced” to allow councils to bid into one-off “challenge” and “incentive” pots. The Council continues to look towards alternative sources of funding such as the Transforming Cities Fund (see section 1 above).

3.12. In the 2018 Autumn Budget the Government, announced a £98m grant for a new lifting bridge across the River Yare in Great Yarmouth (the Third River Crossing) as part of its Large Local Major Schemes Programme. On 25 November 2020 the final business plan was approved, and the funding unlocked. The project is expected to cost £121 million overall, with the remainder of funding coming from local sources. Construction is scheduled to begin in early 2021 with the bridge open for use in early 2023.

3.13. In May 2020 the government announced final funding allocations of the active travel fund to support local transport authorities develop cycling and walking facilities. Tranche 1 enabled the installation of temporary projects related to the COVID-19 pandemic and Tranche 2 is for longer-term projects with Norfolk allocated approximately £1.8m in total.

3.14. Details of highways funding and proposed allocations are detailed in the Highways Capital Programme and Transport Asset Management Plan which is due to be presented to 8 March 2021 Cabinet.

3.15. A Disabled Facilities Grant (DFG) is received as part of the Better Care Fund. The Spending Review 2020 confirmed that the iBCF grant will continue in 2021 to 2022 and be maintained at its current level. The Disabled Facilities Grant, which is forwarded to district housing authorities to administer, will also continue.

4. Capital Receipts forecast

4.1. Where capital receipts are generated through the sale of assets or repayments of loans by third parties, these may be: (a) used to fund in-year capital expenditure, reducing the need to borrow (b) held to offset future capital borrowing requirements (c) used to repay existing borrowing, or (d) used to fund the "Flexible use of capital receipts" (see section 5 below). In accordance with the Council's constitution, some of the farms Capital Receipts are reinvested back into the Farms Estate. Otherwise, capital receipts are a corporate asset and not ring-fenced to any specific service or function.

4.2. The Council continues to review its assets seeking to ensure that their ongoing use supports the Council's future priorities. Assets that do not meet this need have been identified and form the basis of a continually updated disposal schedule.

4.3. The figures included in the schedule are currently the best estimate of the value of properties available for disposal, pending formal valuations, market appetite, planning decisions, timing of sales and delivery options, particularly in relation to housing schemes.

Table 5: Draft property available for disposal schedule, estimates £m

Property sales	**2021-22**	**2022-23**	**2023-24**	**2024-25**
	£m	**£m**	**£m**	
Required to support revenue budget	2.000	2.000	2.000	2.000
Potential for flexible use of capital receipts (see below)	3.000			
Cumulative	***5.000***	**7.000**	**9.000**	**11.000**
Forecast property sales:				
High likelihood	8.284	3.326	1.176	
Medium likelihood	2.311	2.335	2.025	0.007
Low likelihood (likely to move to future years)	0.001	0.000	0.755	0.158
Total	**10.596**	**5.661**	**3.956**	**0.165**
Analysed by farms/non-farms property				
Farms	3.149	2.005	2.580	0.150
Non-farms	4.777	3.156	1.376	0.015
Major development sites (farmland)	2.670	0.500	-	-
	10.596	**5.661**	**3.956**	**0.165**
Cumulative	**10.596**	**16.257**	**20.213**	**20.378**

4.4. In addition, any repayments of capital loans made by NCC will be included in the value of capital receipts used to repay debt or to support the capital programme.

5. Flexible use of capital receipts

Introduction

5.1. MHCLG Statutory Guidance on the Flexible Use of Capital Receipts (updated), dated March 2016, has offered local authorities flexibility in the use of capital receipts. Originally this covered receipts generated between April 2016 and March 2019. However, the Local Government Finance Settlement 2018-19 has extended this for an additional three years.

5.2. Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.

5.3. Local authorities can only use capital receipts from the disposal of property, plant and equipment assets received in the years in which this flexibility is offered. Local Authorities may not use their existing stock of capital receipts or loan repayments to finance the revenue costs of reform.

Background

5.4. Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under section 11 of the Local Government Act 2003, specify the purposes for which capital receipts may be used. The main permitted purpose is to meet capital expenditure together with other specified types of payment. Permitted purposes do not include use to support revenue expenditure.

5.5. Under section16(2)(b) of the 2003 Act the Secretary of State is empowered to issue directions providing that expenditure of local authorities shall be treated as capital expenditure for the purpose of Part 1 of the 2003 Act. Where such a direction is made the expenditure specified in the Direction is from that point on capital expenditure which can be met from capital receipts under the Regulations.

Process

5.6. For each financial year, a local authority should ensure it prepares and publishes at least one Flexible use of Capital Receipts Strategy prior to exercising the flexibilities allowed. The strategy must be presented to full Council, and this can be part of the annual budget setting documents.

5.7. Ideally, the strategy will be prepared before the start of any financial year. Where the need or opportunity has not been anticipated, the strategy can be presented to full Council at the earliest opportunity.

5.8. Examples of projects which generate qualifying expenditure include:

- Sharing back office services
- Service reform pilot schemes
- Service reconfiguration, restructuring or rationalisation
- Driving a digital approach to the delivery

- Aggregating procurement
- Setting up commercial or alternative delivery models
- Integrating public facing services across two or more public sector bodies

Strategy content

5.9. As a minimum, the Strategy should list each project that plans to make use of the capital receipts flexibility and that on a project by project basis details of the expected savings/service transformation are provided.

5.10. The Strategy should report the impact on the local authority's Prudential Indicators for the forthcoming year and subsequent years.

5.11. Each future year's Strategy should contain details on projects approved in previous years, including a commentary on whether the planned savings or service transformation have been/are being realised in line with the initial analysis.

Strategy for the flexible use of capital receipts

5.12. As stated in section 4 above, the value and timing of capital receipts is hard to predict and is not known at this stage. In order to support the revenue budget, the first £2m of capital receipts in 2021-22 and £2m pa thereafter will be applied directly to the repayment of debt, subject to a proportion of capital receipts from the sale of farm land being ring-fenced.

5.13. Additional capital receipts will be made available to fund transformation projects, including service restructuring and demand management:

- which are in accordance with Statutory Guidance on the Flexible Use of Capital Receipts (updated) issued by the DCLG, dated March 2016 and

- subject to scrutiny of proposals by the Executive Director of Finance and Commercial Services.

5.14. Any changes to this strategy will be reported through Cabinet.

Specific proposal for the flexible use of capital receipts

5.15. On 25 September 2017 Policy and Resources Committee considered a report entitled Demand Management & Prevention Strategy: Children's Services. This resulted in the allocation of £12-£15m into children's services over the four years 2018-22

5.16. The investment will fund a programme of transformational change, including investment in specialist, well supported alternatives to residential care, better 16+ provision, workforce training and development and better targeted interventions.

5.17. Subject to approval and availability, up to a maximum of £3m capital receipts per annum to 2021-22 will to be applied to transformation projects.

Impact on Prudential Indicators

5.18. By using capital receipts to fund this proposal, there is an opportunity cost of not being able to use the capital receipt for other purposes which could be the direct repayment of debt, or to fund capital expenditure (avoiding the need to borrow).

5.19. Assuming £3m of capital receipts are used to fund transformation projects:

Prudential indicator – impact of using £3m flexibly:	**-compared with using capital receipts for the direct re-payment of debt**	**-compared with using capital to fund capital expenditure**
Capital expenditure payment forecast	Expense classed as capital expenditure increases by £3m.	No impact
Ratio of Capital Financing Costs to Net Revenue Stream	No impact	Interest payable + MRP increases approx. £0.26m pa. Ratio increase 0.03%.
Capital Financing Requirement	No impact	CFR increases by £3m
Authorised Limit for External Debt	No impact	Authorised Limit increases by £3.2m
Operational Boundary Limit for External Debt	No impact	Operational Boundary increases by £3.0m

5.20. From 2016-17 the Council has applied available capital receipts directly to the repayment of debt. Receipts not needed for this purpose are now carried forward to repay future debt instalments. As a result, in the medium term, the flexible use will not have a limited impact on the majority of prudential indicators

5.21. Reducing the capital receipts available for the future repayment of debt would have a direct impact on future revenue budgets if the MTFS long term aim of generating £3m pa of available capital receipts for transformation cannot be met.

6. Revenue Impact of the Proposed Capital Programme

6.1. Where the Council uses borrowing to support the capital programme, it must set aside revenue funds on an annual basis to repay the capital borrowed. This is required by statute and is known as Minimum Revenue Provision (MRP). The revenue impact of MRP depends on the expected life of the underlying asset.

6.2. In addition to MRP, the Council will need to fund any additional interest costs through future revenue budgets. The Council has the capacity to borrow from the Public Works Loan Board with interest rates currently in the region of 3%.

6.3. The table below is an estimate of the maximum incremental revenue impact of proposed new schemes before savings expected to be generated from direct revenue savings, transformation and other related spend to save schemes.

Estimated incremental revenue costs of new capital schemes to be approved				
	2021-22	**2022-23**	**2023-24**	**2024-25**
Assumed interest rate	2%	2.5%	3.0%	3%
	£m	£m	£m	£m
Incremental impact				
Cumulative interest cost	0.287	1.065	1.898	2.102
MRP		2.692	5.095	7.417
Total	**0.287**	**3.757**	**6.993**	**9.519**

Note: interest costs assume mid-year spend

6.4. MRP and interest forecasts assume schemes delivered as set out in the programme. It is likely that a significant proportion of spend will be slipped into future years as schemes are developed and timing of expenditure becomes more certain.

6.5. The table above shows the incremental costs associated with new schemes, all other things being equal. It does not take into account the use of previously overpaid MRP which is reducing the charge to revenue in 2021-22.

6.6. The actual budgeted financing costs and percentage of the net revenue stream this represents by the revenue costs of borrowing is set out in the Treasury Management Strategy report to this committee.

Appendices

Appendix A: Capital strategy 2021-22

Appendix B: Capital bids prioritisation

Appendix C: Capital programme 2021-25 – existing schemes summary

Appendix D: New and extended capital schemes

Appendix A: Capital strategy 2021-22

Norfolk County Council

Capital strategy

2021-22

1 Capital Strategy Introduction

1.1 As local authorities become increasingly complex and diverse it is vital that those charged with governance understand the long-term context in which investment decisions are made and all the financial risks to which the authority is exposed. With local authorities having increasingly wide powers around commercialisation, more being subject to group arrangements and the increase in combined authority arrangements it is no longer sufficient to consider only the individual local authority but also the residual risks and liabilities to which it is subject.

1.2 The capital strategy is intended to give a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

2 Purpose and aims of the Capital Strategy

2.1 The CIPFA Prudential Code for Capital Finance in Local Authorities (2017) states that authorities should have in place a capital strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

2.2 The capital strategy is intended to:

- give a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability;
- demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability.

2.3 The development of a capital strategy allows flexibility to engage with full council to ensure that the overall strategy, governance procedures and risk appetite are fully understood by all elected members

2.4 In considering how stewardship, value for money, prudence, sustainability and affordability can be demonstrated local authorities should have regard to the following key areas:

- Capital expenditure
- Debt, borrowing and treasury management
- Commercial activity
- Other long-term liabilities
- Knowledge and skills.

The Executive Director of Finance and Commercial Services has considered the affordability and risk associated with the capital strategy and where appropriate has taken specialised advice.

3 County Council Strategy and transformation

As a Council, our approach to all work is guided by four key principles:

- Offering our help early to prevent and reduce demand for specialist service;
- Joining up our work so that similar activities and services are easily accessible, done well and done once;
- Being business-like and making best use of digital technology to ensure value for money;
- Using evidence and data to target our work where it can make the most difference.

A vision for Norfolk in 2021, “Caring for our County”, outlines the Council’s commitment to meet the wide range of challenges the Council faces, with a focus on:

- Good Growth: Building communities we can be proud of;
- Making the most of our beautiful County;
- Starting a new relationship with Norfolk families;
- Investing in children and families; and
- Helping our population remain independent, resilient and well.

Together for Norfolk is the County Council's business plan for 2019-2025. It outlines our commitment to invest in Norfolk’s future growth and prosperity by:

- Focusing on inclusive growth and improved social mobility;
- Encouraging housing, infrastructure, jobs and business growth across the County;
- Developing our workforce to meet the needs of the sectors powering our local economy;
- Work to reduce our impact on the environment.

This way we can help Norfolk have a growing economy, full of thriving people living in strong communities we are proud of.

Our services support our ambitions by ensuring children and young people have the best start in life, protecting vulnerable people, developing strong infrastructure, maintaining a safe road system and helping improve the economy. The Council’s transformation programme, Norfolk Futures, provides the mechanism to realise these ambitions for the County across all of its activities.

We currently have four priorities to help us to deliver the strategy:

1. Safer children and resilient families;
2. Promoting independence for vulnerable adults;
3. Local service strategy;
4. Smarter working.

The Covid-19 pandemic has accelerated changes in the way we work to best use new systems and technology. As an organisation, we will be more flexible about when and where we work, and how we creatively use space and technology to find new and more efficient ways of doing things in a safe, modern and business-like way.

4 Capital expenditure

4.1 Governance process for approval and monitoring of capital expenditure

The Council’s capital programme is approved as part of the budget setting process. Prior to the start of each financial year, usually in February, the County Council agrees a future three or four-year capital programme including a list of projects with profiled costs and funding sources.

At the year-end unspent capital funding on incomplete projects is carried forward to the following year as part of the closedown process and reported to the Council’s Cabinet, with any changes to the budget approved by County Council. New schemes added during the year which require prudential borrowing are also approved by County Council based on recommendations from Cabinet. Where additional external funding is received by on-going capital projects, this is added to the programme and noted by Cabinet on a monthly basis.

An outturn report each year gives details of actual expenditure and funding.

4.2 Policies on capitalisation

4.2.1 Property, Plant and Equipment

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. The de-minimis level for property, plant and equipment is £40,000.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

4.2.2 Heritage Assets

Heritage Assets are assets which increase the knowledge, understanding and appreciation of the local area and its history. The recognition of Heritage Assets is consistent with the Council’s Property, Plant and Equipment policy, including the £40,000 de-minimis.

Apart from Heritage Assets previously accounted for as Community Assets, Heritage Assets acquired before 1 April 2010 have not been capitalised, since reliable estimates of cost or value are not available on a cost-effective basis.

4.2.3 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (eg software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

4.3 Long-term view of capital expenditure plans

4.3.1 The Council's Service areas consider their capital expenditure plans in the context of long-term service delivery priorities and the Council's vision and plan. Historically, larger government capital grants development and capital maintenance of highways and schools have formed the basis of an affordable capital programme. This is supplemented by other funding sources, specific grants, and prudential borrowing. Long term capital planning includes the following major capital programmes:

4.3.2 **Adult Social Services - Living Well – Homes for Norfolk**: capital investment of up to £29m over 10 years has been approved to accelerate the development of extra care housing in Norfolk, with the aim of reducing unnecessary residential care admissions. Each individual scheme will be subject to a rigorous feasibility and financial assessment. Over a 10-year period it is estimated that the total programme could require between £17m and £29m depending on progress and grant subsidy levels.

4.3.3 **Transport and infrastructure** – In September 2020, the Secretary of State for Transport approved a Development Consent Order application to construct, operate and maintain the Great Yarmouth Third River Crossing and its approaches. Prior to this the Council secured £98m DfT funding towards the £120m anticipated cost. Subject to government approval of a final business case for the project, construction is scheduled to begin in early 2021 with the bridge open for use in early 2023.

Officers are developing strategic schemes (with partners where applicable) which may attract funding. Examples of schemes being taken forward are:

- Norwich Western Link – this project has conditional entry into DfT's 'Large Local Majors' funding programme
- A47 improvements (Highways England has committed £300m to improve the A47 with work set to begin in 2020)
- Long Stratton bypass - following £0.5m funding from the DfT an outline business case is being prepared with a view to securing funding.

As well as smaller road projects, the Norfolk Strategy Infrastructure Delivery Plan covers other infrastructure aspirations including Superfast Broadband, rail, utilities and sustainable walking and cycling infrastructure projects.

4.3.4 **Children's Services**:

SEND provision: As part of the transformation of Special Educational Needs and Disability (SEND) provision in Norfolk, the Council has allocated £120m to create 500 extra specialist school places. As well as new and extended specialist units in mainstream schools, the programme is due to deliver four new specialist schools including:

- a new school in Great Yarmouth for young people with social, emotional and mental health (SEMH) needs;
- a 170 place complex needs school in the greater Norwich area; and
- a new school for children and young people with autism in the Fakenham area.

Schools: The Council has a duty to secure sufficient pupil places to meet the demands of the school-age population. Government capital grants, along with funding from other sources such as developer contributions are used to support the Council's strategic plans for the provision of additional places in areas of population growth, and for improving the quality of existing Council-maintained school buildings. To ensure the programme can deliver the required places, the Council has agreed to underwrite £30m of capital expenditure on the basis that grants and other funding will be used where possible.

4.3.5 **Trading through companies / capital loans**

The Council controls a number of wholly owned companies and has made loans for capital purposes available to Hethel Innovation Ltd, Repton Property Developments Limited, and companies within the Norse Group. In addition to loans to group companies, the Council has made a small number of capital loans to local housing developers.

These loans are approved as part of the capital programme, and are for capital purposes. Records are maintained to ensure that the loans are not disproportionate in terms of either the overall capital programme, or the Council's net and gross expenditure. Loans are subject to due diligence, and relate to the Council's powers to trade, or to assist third parties who are helping to further the Council's priorities, including housing and economic development.

4.3.6 Capital project prioritisation

4.3.6.1 The Council has to manage demands for investment within the financial constraints which result from:

- The limited availability of capital grants
- The potential impact on revenue budgets of additional borrowing and
- The level of capital receipts generated.

As a result, prioritisation criteria have been developed to assess any capital bids that ensure the Programme is targeted to Council priorities.

4.3.6.2 Capital bids that require support must be supported by a Business Case that demonstrates

- Purpose and Nature of scheme
- Contribution to Council's priorities & service objectives
- Other corporate/political/legal issues
- Options for addressing the problem/need
- Risks, risk mitigation, uncertainties & sensitivities
- Financial summary including amounts, funding and timing

4.3.6.3 The corporate capital prioritisation model was first used for the 2015-16 capital programme and operates at a programme level, with most schemes prioritised at a more detailed level within the major capital programme areas of transport and schools. Prioritisation criteria are reviewed annually to ensure they continue to reflect the changing needs and priorities of the Council.

4.3.6.4 Schemes are considered within the appropriate service to ensure that the capital programme integrates with business and service planning, with revenue implications taken into account. Highways schemes are prioritised within CES. Schools schemes are prioritised through the Children's Services Capital Priorities Group. The majority of non-school property schemes are administered by the Council's Corporate Property team. Other schemes not covered by the major headings above are developed by the relevant chief officer, and where corporate funding is required are considered by the Executive Director of Finance and Commercial Services, who considers the overall affordability of the programme.

4.3.6.5 The Council's capital programme is formed by bringing the various capital programmes together, and ensuing that sufficient funding is available before seeking Council approval.

4.3.6.6 For schemes with no funding source, a benchmark has been applied, being the score for a dummy project of simply re-paying debt. Even for fully funded schemes, the scoring checks that revenue implications are considered, and the project contributes to the Council's objectives.

4.3.6.7 Although the prioritisation model has been broadly applied, it is primarily applicable to new projects and projects requiring the use of borrowing and/or capital receipts to provide funding.

4.4 Overview of asset management planning

4.4.1 Asset management planning

The majority of asset management planning falls under three major areas of capital spend: highways, schools, and corporate property.

4.4.1.1 Highways

As the highways authority for Norfolk, the Council has a responsibility to maintain, operate and improve its highway assets (eg roads and bridges). The landscape is one of increasing financial pressure, significant backlogs of maintenance, accountability to funding providers and increasing public expectations.

The Council's Transport Asset Management Plan identifies the optimal allocation of resources for the management, operation, preservation and enhancement of the highway infrastructure. This plan is developed in the context of longer-term local transport plans such as "Connecting Norfolk: Norfolk's Transport Plan for 2026" and Norfolk Strategic Infrastructure Delivery plans. Norfolk's Transport asset management plan 2021-20 – 2024-25 can be found at:

https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/policy-performance-and-partnerships/policies-and-strategies/roads-and-transport/transport-asset-management-plan-full-document.pdf.

4.4.1.2 Schools

Each year the Council rolls forward its approved schools' capital building programme, making revisions to the existing programme and adding new schemes to reflect pressures and priorities.

The member led Children's Services Capital Priorities Group monitors the progress of the capital programme and considers in detail projects of concern, based on a regular risk assessment.

The impact of housing developments on both funding and demand for new and expanded school provision was set out in a Schools Capital Programme report to October 2020 Cabinet which agreed to make borrowing of £30m available to underwrite the programme.

4.4.1.3 Corporate Property

The Council's Corporate Property Team has responsibility for property and asset management, supported by the Corporate Property Strategy Group.

The Council's Strategic Property Asset Management Framework will set out a plan for property management. The framework will build on the latest published Corporate Asset Management Plan 2016-2019 "One Public Service – One Public Estate" which identifies the key strategic policy and resource influences affecting Norfolk and the Council. The plan can be found at:

https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/policy-performance-and-partnerships/policies-and-strategies/finance-and-budget/corporate-asset-management-plan-2016-to-2019.pdf.

4.4.1.4 Capital Programme Quarterly Review Board

A new Capital Programme Quarterly Review Board has been established to co-ordinate and provide oversight of the Council's overall capital programme. It is led by the Cabinet Member for Finance and attended by officer representatives from each major service. The board provides a forum to discuss, co-ordinate and, if necessary, prioritise new schemes to be added to the programme, as well as on-going schemes.

4.4.2 Capital Funding Sources

There are a variety of different sources of capital funding, each having different advantages, opportunity costs and risks attached.

4.4.2.1 Borrowing

The Prudential Capital Finance system allows local authorities to borrow for capital expenditure without Government consent, provided it is affordable taking into account prudent treasury management practice.

As a guide, based on recent long term rates, borrowing incurs a revenue cost of approximately 7%. This is made up of two parts: the interest on the loan (maximum 3% assumed), and provision for the repayment of debt (known as the Minimum Revenue Provision or MRP) which for an asset with a life of 25 years is 4% per annum. The Council needs to be satisfied that it can afford this annual future revenue cost.

Local Authorities have to earmark sufficient revenue budget each year as provision for repaying debts incurred on capital projects, in accordance with its MRP policy.

4.4.2.2 Grants

The challenging financial environment means that national government grants are reducing or changing in nature. A large proportion of this funding is currently un-ringfenced which means it is not tied to particular projects. However, capital grants are allocated by Government departments which clearly intend that the grants should be certain area such as education or highways. Sometimes, for major projects such as the Great Yarmouth Third River Crossing, grant funding is not sufficient to meet total costs, and other sources of funding will be sought to fund the gap.

4.4.2.3 Capital Receipts

Capital receipts are estimated and are based upon the likely sales of assets as identified under the Asset Management Plan. These include development sites, former school sites and other properties and land no longer needed for operational purposes. Receipts are critical to delivering our revenue budgets through the direct repayment of debt and, where allowed, the flexible use of capital receipts. Receipts not used for that purpose can be used to reduce future borrowing requirements.

4.4.2.4 Revenue / Other Contributions

The Prudential Code allows for the use of additional revenue resources within agreed parameters. Contributions are received from other organisations to support the delivery of schemes with the main area being within the education programme with contributions made by individual schools and by developers.

4.4.3 Capital Programme overview

4.4.3.1 The Capital Programme should support the overall objectives of the Council and act as an enabler for transformation in order to address its priorities.

4.4.3.2 Over the last three years Norfolk County Council's capital expenditure has been as follows:

Financial year	2017-18	2018-19	2019-20
	£m	£m	
Capital expenditure	225.9	158.5	185.6

Capital expenditure was significantly higher than usual in 2017-18 due to the construction of the £205m Broadland Northway (Norwich NDR) and is projected to be between £210m and £220m in 2020-21.

The Council's 2019-20 capital programme was split by funding type as follows:

Funding type	£m	%
Capital grants and contributions	125.9	68
Revenue and reserves	-	
Capital receipts applied	-	
Borrowing	59.7	32
Total	**185.6**	**100**

4.4.4 Costs of past and current expenditure funded through borrowing

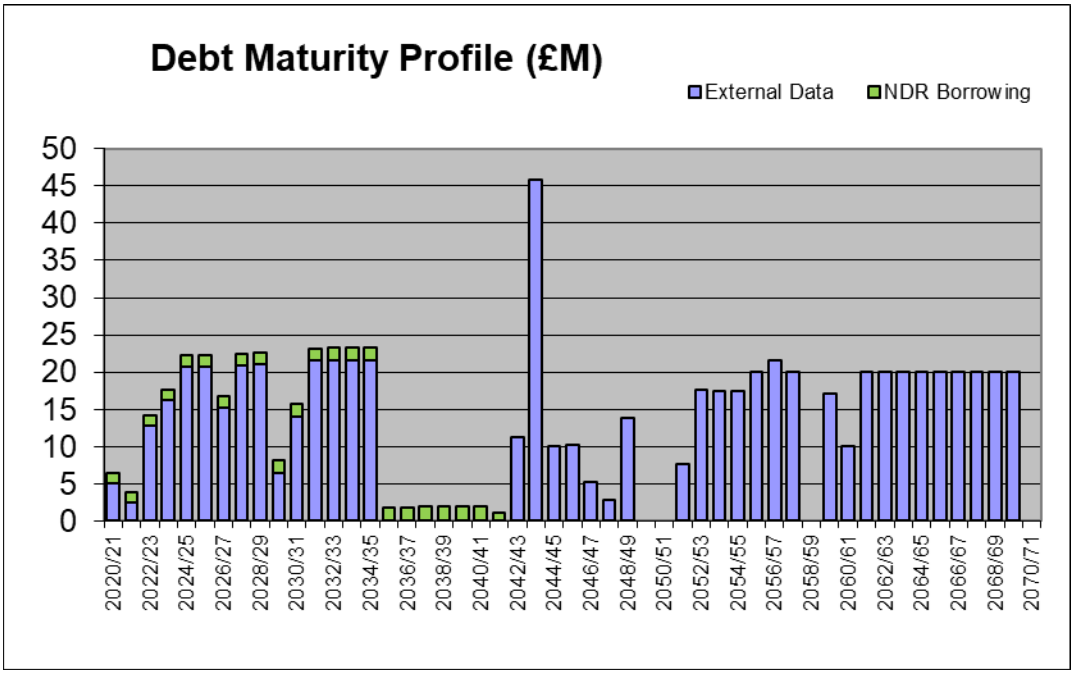
4.4.4.1 Actual borrowing and borrowing requirement

	£m
Borrowing b/fwd 1 April 2020	706
New Borrowing April – November 2020	-
Principal repayments 2020-21 – PWLB loans	-6
Forecast additional borrowing 2020-21	80
Forecast borrowing 31 March 2021	**780**
Other long-term liabilities (PFI + leases) 31 March 2021	40
Forecast borrowing and long-term liabilities 31 March 2021	**820**
Capital financing requirement 1 April 2020	**828**
Borrowing requirement after assumed slippage	72
MRP	-10
Forecast capital financing requirement 31 March 2021	**890**
Forecast borrowing requirement 31 March 2021	**70**

(Note: forecasts as at 30 December 2020)

4.4.4.2 Repayment profile of borrowing

The Council borrows in order to fund capital expenditure. This chart shows the repayment profile of borrowing undertaken as at the end of September 2020:



Due to the setting aside of an annual minimum revenue provision (see below), the charge to annual revenue budgets is based on notional borrowing and asset lives, rather than the actual maturities shown in the graph above.

The unusually high repayment due in 2043-44 includes £20m of commercial borrowing. The Council, with its treasury advisors, will consider re-financing options as and when they are offered which may smooth the repayment profile.

4.4.4.3 Interest and MRP costs

This table shows the cost of interest on borrowing and MRP budgeted for 2020-21. MRP (minimum revenue provision) is the amount the Council sets aside each year from revenue in order to service the repayment of debt, and is based on the cost and estimated life of assets funded through supported borrowing to 2008 and prudential borrowing thereafter.

Borrowing revenue costs (as at November 2020)	**£m**
Forecast external loans interest costs 2020-21	30.0
Calculated MRP 2020-21	27.4
Theoretical revenue costs of borrowing	**57.4**
Use of capital receipts	-2.0
Use of external contributions	-1.3
Reduction due to previous overpayments of MRP (temporary adjustment)	-15.2
Annual revenue costs of borrowing 2020-21	**38.9**

Additional borrowing will increase the cost of interest. The current low interest rates (confirmed following a government review of PWLB lending) compared with the higher rates of borrowing on repaid debt is assisting with the funding of new borrowing costs.

The reduction due to previous overpayments of MRP is likely to be fully used 2020-21. Thereafter, full MRP is accounted for in the MTFS, and all additional debt-funded capital expenditure will increase annual MRP.

4.4.5 Maintenance requirements

Services include the revenue costs of maintenance in their revenue budgets, including the costs and savings relating to capital investment.

4.4.6 Planned disposals

The Council actively manages its property portfolio in accordance with the adopted Asset Management Plan. Property is acquired or disposed of as a reaction to changing service requirements, changing council policies or to improve the efficiency of the overall portfolio.

Assessments are carried out by the Corporate Property Officer (the Head of Property) in consultation with the Corporate Property Strategy Group (CPSG) with decisions taken through Cabinet in accordance with Standing Orders. The Corporate Property Officer reviews options for maximising income from surplus properties usually by open market sale. External advice, for example valuation and/or planning, is taken where appropriate.

4.5 Restrictions around borrowing or funding of ongoing capital finance

Apart from the general requirements on local authorities to ensure that their borrowing is prudent and sustainable, there are no specific external restrictions around the Council's borrowing or funding of ongoing capital finance.

5 Debt, borrowing and treasury management

5.1 Projection of external debt and use of internal borrowing

The Council uses external debt and internal borrowing (from working capital cash balances) to support capital expenditure. As shown above there will be a forecast borrowing requirement at 31 March 2021 of £97m.

Except in the case of specific externally financed projects (such as the Great Yarmouth 3rd River Crossing), new borrowing is applied to the funding of previous capital expenditure, effectively replacing cash balances which have been used on a temporary basis to avoid the cost of 'carrying' debt in the short term. The Council continues to use cash balances for this purpose and will continue to balance the long-term advantages of locking into favourable interest rates against the costs of additional debt.

Based on the capital programme, an allowance for slippage, forecast interest rates and cash balances, new borrowing of £60m in 2021-22 and £60m 2022-23 is anticipated.

Assuming outstanding borrowing of approximately £1bn with a maximum life of 50 years, and annual MRP exceeding £20m pa from 2021-22, a factor in any borrowing decision will be to smooth out the repayment profile such that new borrowing does not cause debt maturing in any one year to exceed £25m, except 2042-43 which for historic reasons includes a large repayment of commercial and PWLB debt.

5.2 Provision for the repayment of debt over the life of the underlying debt

Provision for the repayment of debt over the life of the underlying debt is made through the setting aside of the minimum revenue provision each year. Based on an assumption of between £55m and £70m capital expenditure funded by borrowing each year (in line with an ambitious but realistic capital spend), with assets having an average estimated life of 25 years, forecast provision at the time of writing for the repayment of debt is as follows:

Financial year	MRP	MRP over-payment reduction	Net MRP forecast (Note 1)
	£m	£m	£m
2020-21	27.5	15.1	12.4
2021-22	30.1	-	30.1
2022-23	32.3	-	32.3
2023-24	34.5		34.5

Note 1: impact on revenue budget will be reduced by the use of capital receipts to repay debt, and external contributions to debt repayment.
Note 2: the estimate of annual expenditure is based on the approved capital programme, adjusted for re-profiling based on historic patterns of spend.

5.3 Authorised limit and operational boundary for the following year

The Council’s authorised borrowing limit and operational boundary for 2021-22 will be based on the approved capital programme at the time of budget setting.

5.4 Approach to treasury management

The Council’s approach to treasury management including processes, due diligence and defining the authority’s risk appetite will be set out in the annual Investment and Treasury Strategy, approved annually by the County Council.

6 Commercial activity

Together for Norfolk, the County Council's business plan for 2019-2025, outlines the Council’s commitment to invest in Norfolk’s future growth and prosperity by encouraging housing, infrastructure, jobs and business growth across the County.

Elements of the capital programme are focussed on these commitments through the provision of capital loan facilities to the council’s wholly owned companies.

The Council’s capital investments are policy driven. It has no capital or property investments which are held 1) purely to generate a return or 2) out of County.

Non-treasury investments, including loans to companies, and investment properties as defined for statutory accounting purposes, are listed in detail in regular Treasury Management reports.

7 Other long-term liabilities

7.1 The Council's other long-term liabilities comprise PFI liabilities (six schools in the Norwich area, and street lighting throughout Norfolk) and lease liabilities (for example vehicles and ICT equipment).

7.2 The PFI arrangements continue to be monitored to ensure performance is in accordance with contract requirements. All PFI arrangements are subject to member approval. No PFI arrangements are currently being pursued.

7.3 All leases are subject to general budgetary constraints, with service departments taking budget responsibility for the length of the lease. Finance leases are arranged through Link Asset Management, the Council's treasury management advisors. From 2021-22, the International Financial Reporting Standard will require more arrangements to be accounted for in the same way as finance leases, including arrangements currently classed as operating leases, as well as service contracts where the Council controls the use of specific assets.

7.4 As set out in the Council's annual Statement of Accounts the Council has historically given several financial guarantees for project funding. Since 2008 financial guarantees have to be accounted for as a financial instrument – there are no such guarantees material to the accounts. Any capital guarantees and contingent liabilities are costed and approved as part of the annual capital programme.

8 Knowledge and skills

8.1 The Council has a number of specialist teams delivering the capital programme, including schools, transport and the Corporate Property Team.

8.2 These teams are supplemented by professional external advisors as necessary, including Norfolk Property Services, professional highways consultants, and external valuers.

8.3 The Capital Programme is kept under continual review during the year. Each scheme is allocated a project officer whose responsibility is to ensure the project is delivered on time, within budget and achieves the desired outcomes.

8.4 Capital finance monitoring reports are prepared monthly, and presented to Cabinet. New schemes are approved by Cabinet and then County Council. Various Project Boards, specialist teams of officers, and member-lead Working Groups, such as the Children's Services Capital Priorities Group, oversee the co-ordination and management of significant elements of the Capital Programmes.

Appendix B: Capital bids prioritisation model

The three main objectives in compiling an affordable capital programme are:

- to provide an ambitious and deliverable programme
- to minimise unaffordable revenue costs, mainly by avoiding unsupported expenditure.

Funding for capital schemes comes from a variety of sources. Significant capital grants are received annually from the departments for Transport and Education, in the expectation that they will be spend on maintaining and improving the schools and highways estates. Other funding, often relating to specific projects, comes from a variety of sources. Capital receipts can be used to fund capital expenditure, but where there are no unallocated capital receipts borrowing is necessary.

In developing the capital programme, the following are taken into account:

1. Existing schemes and funding sources: a large part of the capital programme relates to schemes started in previous years or where funding has been received in previous years and will be carried forward.

2. Additional capital schemes approved during the year.

3. Prioritising new and on-going schemes on a Council-wide basis to ensure the best outcomes for residents.

4. If a limit has to be applied to the amount of funding available in any year, the model may have to be developed to categorise schemes, for example into those that are Essential, Priority (short term), Priority (longer term) and Desirable, and to limit spend on scalable projects or programmes funded through prudential borrowing.

5. The prioritisation process gives a high weighting to schemes which have funding secured. Where non-ringfenced capital grants are received there is a working assumption that they will be allocated to their natural home: for example DfT grants to highways, DfE grants to the schools capital programme.

6. Where a scheme does not have a funding source, priority is given to schemes which can provide their own funding. Where revenue or reserves cannot be identified, then it may be possible to identify future revenue savings or income streams which can be used to re-pay borrowing costs;

7. If there are unallocated capital receipts, these will be used to provide funding for higher priority unfunded schemes, or short life schemes where this gives a favourable MRP position.

The capital project marking guide is based on the suggestions made in previous years. Although the prioritisation model has been broadly applied, it is primarily applicable to new projects and projects requiring the use of borrowing and/or capital receipts to provide funding.

Capital programme 2021-25 – prioritisation scores

	Stat or Regulatory duty	CC Priorities	Cross-service Working	Impact on Council borrowing	Leverage Value	Flexibility and Scalability	Avoidance of risk to service delivery	**Total Score**
	1	**2**	**3**	**4**	**5**	**6**	**7**	
Weighting	**10**	**20**	**10**	**25**	**15**	**10**	**10**	**100**
Scheme type / category	Score	Score	Score	Score	Score	Score	Score	
Highways Capital Improvements	3	5	2	5	5	2	5	84
Highways Structural Maintenance	4	4	2	5	2	2	5	73
Highways other DfT grant funded works	4	4	2	5	2	2	5	73
Temporary Classrooms	4	4	1	5	0	3	5	67
Major highways schemes - majority grant funded	3	5	3	2	4	1	5	66
Schools Capital Maintenance	3	4	1	5	0	3	5	65
Living Well - Homes for Norfolk	4	5	3	2	1	5	4	65
Children's homes/residential premises	4	5	1	3	1	4	4	64
Better Broadband for Norfolk	0	5	3	4	4	0	3	64
School Basic Need	4	4	1	5	0	3	3	63
Delivery of CS Sufficiency Strategy	5	3	3	4	0	3	4	62
Highway investment (mainly borrowing)	3	5	2	3	1	2	5	62
Fire training faciltities	3	4	3	3	3	2	3	62
Norfolk One Public Estate programme	3	2	4	1	5	5	2	56
Server infrastructure / ICT critical infrastructure	2	2	3	3	2	3	5	55
Historic buildings maintenance (museums/windmills)	4	4	3	2	0	4	3	54
Technology (transformation)	2	2	3	3	2	4	3	53
Fire appliances/equipment	4	4	0	3	0	2	5	53
Scottow Enterprise Park capital	0	5	4	2	0	3	3	50
Norse and other NCC subsidiaries; loan facility	0	1	1	4	3	5	2	49
Norwich Castle Keep development (non-grant element)	2	4	1	1	5	2	1	48
Farm property capital maintenance	2	1	0	5	0	3	4	47
Community - Equipment and Assistive Technology	3	3	0	3	0	2	5	47
Corporate offices capital maintenance	2	2	5	1	0	5	4	45
Licencing and generic ICT capital improvements	2	2	1	3	2	4	1	45
Fire Property Maintenance	2	2	5	1	0	5	4	45
Contribut8ion to replacement library schemes	4	2	2	1	5	1	1	44
Social Infrastructure Fund / Environment match funding	0	3	2	0	5	4	0	39
Replacement HWRCs	3	4	0	1	0	1	5	39
County Hall remodelling	0	2	3	3	0	3	2	39
Wensum Lodge development	0	4	1	2	0	2	3	38
GRT – site Improvements	4	2	3	0	1	2	4	37
Replacement non-critical ICT	0	2	2	3	0	2	3	37
Great Yarmough O&M campus - contribution	1	4	3	0	3	1	1	37
Environment - Greenways	2	1	1	3	0	3	3	37
On Street Parking	3	0	0	3	1	3	3	36
Managing Asbestos Exposure	5	1	1	0	0	5	5	36
Repay Debt (Dummy reference bid)	**0**	**0**	**0**	**5**	**0**	**5**	**0**	**35**

The prioritisation scores above are based on scores given to scheme in previous years. Schemes in Appendix D below relate to one or more of the schemes above and exceed the minimum (dummy) reference bid.

Appendix C: Capital programme 2021-25 – existing schemes £m

(Table on following page)

	Period	Fund type									
	2021-22		2021-22 Total	2022-23		2022-23 Total	2023-24	2023-24 Total	2024-25	2024-25 Total	Grand Total
Service/project	NCC Borrowing and Capital Receipts	Grant and Contributions		NCC Borrowing and Capital Receipts	Grant and Contributions		NCC Borrowing and Capital Receipts		NCC Borrowing and Capital Receipts		£m
Living Well - Homes for Norf	3.000	-	3.000	6.000	-	6.000	6.000	6.000	13.681	13.681	28.681
Social Care Information System	0.732	-	0.732	-	-	-	-	-	-	-	0.732
Care Act implementation	0.349	0.086	0.436	0.349	0.086	0.436	-	-	-	-	0.871
Social Care unallocated	7.040	-	7.040	-	-	-	-	-	-	-	7.040
Disabled Facilities Grant	-	0.068	0.068	-	-	-	-	-	-	-	0.068
Winterbourne Project	-	0.050	0.050	-	-	-	-	-	-	-	0.050
Adult Social Care Total	**11.121**	**0.204**	**11.325**	**6.349**	**0.086**	**6.436**	**6.000**	**6.000**	**13.681**	**13.681**	**37.442**
Children's Services	37.849	42.276	80.125	12.461	20.059	32.519	-	-	-	-	112.644
SEND Transformation	17.555	-	17.555	53.959	-	53.959	-	-	-	-	71.514
SEND Transformation - Phase 2	-	-	-	20.000	-	20.000	-	-	-	-	20.000
Children's Services Total	**55.404**	**42.276**	**97.680**	**86.419**	**20.059**	**106.478**	**-**	**-**	**-**	**-**	**204.158**
Wensum Lodge Development	1.239	-	1.239	-	-	-	-	-	-	-	1.239
Next Generation Access Broadband	5.000	1.940	6.940	-	-	-	-	-	-	-	6.940
Ec Development incl Scottow	8.000	0.006	8.006	-	-	-	-	-	-	-	8.006
ETD Other	1.705	-	1.705	0.350	-	0.350	-	-	-	-	2.055
ETD Waste	7.500	-	7.500	-	-	-	-	-	-	-	7.500
Fire	1.278	0.019	1.297	0.150	-	0.150	-	-	-	-	1.447
Fire vehicle replacement program.	4.499	-	4.499	-	-	-	-	-	-	-	4.499
Highways	10.409	-	10.409	17.100	-	17.100	-	-	-	-	27.509
Gt Yarmouth 3rd River	-	41.837	41.837	-	16.280	16.280	-	-	-	-	58.117
Libraries	1.267	0.768	2.035	-	0.006	0.006	-	-	-	-	2.041
Museum Castle Keep	3.200	4.738	7.938	1.250	2.033	3.283	-	-	-	-	11.221
Museum	0.007	-	0.007	-	-	-	-	-	-	-	0.007
Community & Environmental Services Total	**44.103**	**49.307**	**93.411**	**18.850**	**18.318**	**37.168**	**-**	**-**	**-**	**-**	**130.579**
Repton Loan	5.000	-	5.000	-	-	-	-	-	-	-	5.000
Capital Loans Facility	5.707	-	5.707	4.000	-	4.000	4.000	4.000	2.000	2.000	15.707
Finance	0.300	-	0.300	0.300	-	0.300	-	-	-	-	0.600
County Farms	2.495	-	2.495	0.600	-	0.600	-	-	-	-	3.095
Finance new HR and Finance Systems	7.727	-	7.727	1.235	-	1.235	-	-	-	-	8.962
Finance - Social Infrastructure Fund	1.000	-	1.000	1.000	-	1.000	-	-	-	-	2.000
Finance - ICT	0.942	0.183	1.125	0.238	-	0.238	-	-	-	-	1.363
CPT -Minor works	-	-	-	0.200	-	0.200	-	-	-	-	0.200
CPT -Minor works H&S	0.100	-	0.100	0.100	-	0.100	-	-	-	-	0.200
CPT Offices general	6.197	-	6.197	2.472	-	2.472	-	-	-	-	8.669
CPT - County Hall	12.632	-	12.632	-	-	-	-	-	-	-	12.632
CPT - Fire	0.807	-	0.807	-	-	-	-	-	-	-	0.807
CPT - Childrens Homes Refurbishment	2.000	-	2.000	0.877	-	0.877	-	-	-	-	2.877
CPT - Museums	0.350	-	0.350	0.150	-	0.150	-	-	-	-	0.500
Finance & Commercial Services Total	**45.258**	**0.183**	**45.441**	**11.172**	**-**	**11.172**	**4.000**	**4.000**	**2.000**	**2.000**	**62.613**
Nplaw IT System	0.050	-	0.050	0.350	-	0.350	-	-	-	-	0.400
Strategy and Governance Total	**0.050**	**-**	**0.050**	**0.350**	**-**	**0.350**	**-**	**-**	**-**	**-**	**0.400**
	155.936	**91.971**	**247.907**	**123.141**	**38.463**	**161.604**	**10.000**	**10.000**	**15.681**	**15.681**	**435.192**

Appendix D: New and extended capital schemes

Proposed new schemes added to the capital programme are listed below:

New capital project / programme	2021-22	2022-23	2023-24+	Additional information
Children's Services				
Three 6-8 place children's home establishments	0.500	1.000	3.500	As part of the SEND & AP Transformation Programme, Officers have identified a gap in provision which sits between education and social care for 38/52 week placements. This proposal is to create three 6-8 place children's home establishments, aligned with special schools in the County, with education places reserved within those schools. It is anticipated that the provision will reduce the need for out of County placements, enabling children to stay closer to families and help keep more families together.
Purchase of/investment in 4 properties to create 1 to 2 bedded children's residential homes	1.000	0.500	0.500	Investment in small residential and / or semi-independent in-house provision for children looked after to facilitate the agreed transformation strategy to reshape the market to better meet needs and improve outcomes, whilst reducing revenue costs. The first two properties will be semi-independent units, aligned with New Roads (previously known as No Wrong Door) hubs, that will contribute to the delivery of significant revenue savings.
Total Children's Services	**1.500**	**1.500**	**4.000**	
Adult Social Services				

ICES Community Equipment Capitalisation	2.700	2.500	2.500	Capitalisation of ICES community equipment where the asset life of more than one year, to contribute to revenue savings.
Capitalisation of Assistive Technology Equipment	0.500			Use of capital funding as an alternative to revenue funding for our Assistive Technology equipment purchases.
New supported housing development for younger adults		2.500	9.000	A supported housing programme to encourage and accelerate the delivery of supported and adapted/accessible housing. Scheme at very early stage of development.
Total Adult Social Services	**3.200**	**5.000**	**11.500**	
CES				
Culture and heritage				
Museums capital support for key care of buildings & collections	0.295	0.200	0.200	Capitalisation of internal costs for the capital maintenance of the Museums Buildings and collections
Norfolk Records Office capital maintenance	0.088	0.088	0.088	Capitalisation of internal costs for the capital maintenance of the NRO Buildings and collections
Environment - Greenways	0.495	0.495	0.495	Capitalisation of internal costs for the capital enhancement and capital maintenance of the environmental assets e.g. footpaths.
New focus on Natural Capital/25 Year Plan for the Environment	0.245	0.245	0.245	
Develop Gressenhall as Environmental Hub for Norfolk	0.169	0.169	0.169	
Develop Norfolk Record Office 2050 Vision	0.080	0.080	0.080	
Recharge of Planning Advice & Information service within Environment to relevant capital schemes	0.452	0.452	0.452	Capital support for the Planning and Environment Services to support the delivery of the County Council's major infrastructure projects.
Existing National and Norfolk Trails network	0.400	0.400	0.400	Capital maintenance to address significant wear, tear and damage, partly as a result of Covid with more walking for health and well-being and social distancing creating informal "passing places" .
Community Information and learning				

Libraries Book stock	0.800	1.000	1.000	
Remove Library Kiosk funding no longer required	(0.459)			Kiosk refurbishment project complete at lower cost than anticipated
Libraries relocation and capital maintenance	0.459			
Replacement library, Great Yarmouth		2.000		Proposed capital contribution towards a new library in Great Yarmouth dependent upon securing additional funding and planning
Replacement library, King's Lynn		2.000		Proposed capital contribution towards a new library in King's Lynn dependent upon securing additional funding and planning
Fire (for property see corporate property team)				
Swaffham Area office accommodation	0.040			
Sprowston - incorporating accessibility	0.250			
West Walton Car park	0.039			
Water Carriers	0.600			Hethersett / Fakenham replacement due to lack of parts
Technical Rescue vehicles	0.300			End of life vehicles and equipment replacement
Emergency response vehicles	0.100			Replace 10 emergency response vehicles in 2021/22 saving on lease costs.
Critical Equipment purchases			0.150	On-going critical equipment purchasing.
Fire and Rescue Service – fire training facilities	1.500			To fund improvement or enhancement to fire training facilities. As agreed by Cabinet in September, work is being carried out to develop collaborative opportunities and a detailed feasibility study of other necessary improvements to the wider training infrastructure. At this stage, the allocation is provisional and subject to business case.
Performance and Governance				
Capitalisation of Costs	0.260	0.260	0.260	Capitalisation of internal costs to support the Highways capital programme.
GRT sites	0.400			Essential capital maintenance

Highways				
Capitalisation of Costs	0.093	0.093	0.093	Capitalisation increase to take into account the mileage elements of increased programme
Long Stratton Bypass		6.732		CIL supported borrowing, as part of overall funding package for Long Stratton Bypass outline business case.
New weigh bridges	0.060			Purchasing and installation at 2 depot sites. Estimated cost per weigh bridge is £30,000
Highway inspection vehicles	0.120			Purchasing of 6 new highway inspection vehicles at the cost of £20,000 each
Weather station	0.025			Purchasing 1x new weather stations for winter service.
Local member Fund	0.336	0.840	0.840	Extension of local member highways capital fund
Ash dieback	0.500	0.500		Managing the busiest and most sensitive sections of highway and NCC's busiest sections of green infrastructure, through inspection and management of declining ash trees.
Flooding urgent capital maintenance	0.300			Additional funding for urgent capital repairs as a result of flooding
Waste services				
Replacement vehicles to transport waste from the Recycling Centre service	0.946			All equipment is essential for delivery of the service. Without a capital investment, equipment will need to be purchased by the contractor and written off over an agreed period with an additional cost to the revenue budget above current provision
Provision of new site equipment for Recycling Centres	0.696			This is the first phase of a programme of Recycling Centre equipment upgrades to offer an improved customer environment and compliance with the latest health and safety requirements. Future phases will follow in subsequent years.
Kings Lynn Transfer Station	0.250	1.225	1.225	Proposed scheme to improve / replace current facility and futureproof capacity for planned growth in West Norfolk.
Norwich North Recycling Centre	0.500			Provision for additional infrastructure requirements, allowing for drainage & ground conditions.

Growth and Development				
Great Yarmouth O&M	1.000			NCC preliminary capital contribution Operations and Maintenance (O&M) campus for offshore energy at the Port of Great Yarmouth
Total CES	**11.339**	**16.779**	**5.697**	
Finance and Commercial Services				
Corporate Property Team				
Corporate Property Team - Fire stations				
Fire general capital maintenance	0.080			Reactive & preventative capital maintenance works such as replacement appliance bay doors, plant replacement & major building repairs
Hethersett drill tower	0.110			Installation of a training tower facility at Hethersett Fire Station
Drill yard capital maintenance	1.784			Capital maintenance of drill yards at 11 fire stations, including re-surfacing, in order to provide a suitable & safe drill yard for training purposes.
Fire station kitchen replacements	0.042			Replacement kitchens at both Diamond Jubilee & Thetford Fire Stations including necessary upgrades of the power supplies, extraction systems & tiled splashbacks.
North Earlham Fire Station Air Conditioning	0.007			To replace portable units and address an issue included in the station’s health & safety quarterly inspection.
Damp roofing & tanking of basement at Diamond Jubilee Fire Station	0.035			Works include the tanking of the walls & floor, the installation of a laid to falls floor screed, pumping system & associated works.
Corporate Property Team - other operational property				
Accommodation rationalisation	1.500	1.500		Various accommodation related project in line with the asset management plan, designed to reduce and modify the estate in line with workplace requirements
Corporate Minor Works	0.450	0.350		Funding for capital Health and Safety and Equality Act related works

Corporate Property Team staff capitalisation	0.250	0.250		Capitalisation of staff costs where directly related to capital schemes, for example County Hall refurbishment and accommodation rationalisation programmes and refurbishments of Children's Homes
General property capital maintenance	1.020	0.750		Replacement of plant equipment and infrastructure that has reached the end of its useful life and remedial works to fix corrosion damage.
Museums property structural repairs	0.250			Structural repairs of property, including roofing and brickwork
Museums capital maintenance	0.075			Reactive & preventative capital maintenance works including plant replacement and building repairs and refurbishment
Gressenhall Rural Life Museum Capital Maintenance	0.060			Required works Gressenhall Rural Life Museum including reactive & preventative capital maintenance
South Wing health and safety works	4.400			Removal and replacement of cladding to the South Wing, currently representing a significant health and safety risk.
IMT				
ICT Critical Infrastructure Improvements	7.585	8.355	8.100	Investment critical to the continued exploitation of information management technology across all County Council services, to ensure that: • The County Council's core network, server and data storage infrastructure performs reliably and is secure. • End user devices (including the 7,000 laptops and 3,000 mobile phones) are refreshed on a periodic basis so they continue to perform well, meet the needs of the users and are cyber secure. • Technological platforms and systems are maintained and developed which support current service needs as well as enabling further cost saving self-service, process automation and better use of data.
Finance General				
Reduction in Local infrastructure Fund	(10.000)			Funding previously available to local developers, scheme now closed.

Repton Property Developments Limited	10.000	5.000		Additional capital loan to support Repton (wholly owned by Norfolk County Council) deliver housing developments in Norfolk.
Total Finance and Commercial Services	**17.648**	**16.205**	**8.100**	
Total new bids	**33.687**	**39.484**	**29.297**	***102.468***

Report to Cabinet

Item No. 11

Report title:	**Annual Investment and Treasury Strategy 2021-22**
Date of meeting	**1 February 2021**
Responsible Cabinet Member	**Cllr Andrew Jamieson (Cabinet Member for Finance)**
Responsible Director	**Simon George (Executive Director of Finance and Commercial Services)**
Is this a key decision?	**No**

Introduction from Cabinet Member

It is a regulatory requirement for local authorities to produce an Investment and Treasury Strategy for the year ahead. The Strategy forms an important part of the overall management of the Council's financial affairs and details the criteria for choosing investment counterparties and managing the authority's underlying need to borrow for capital purposes.

Executive Summary

In accordance with regulatory requirements, this report presents the Council's borrowing and investment strategies for 2021-22.

Recommendations

Cabinet is asked to:

- **endorse and recommend to County Council the Annual Investment and Treasury Strategy for 2021-22 at Annex 1, including:**
  - **the capital prudential indicators included in the body of the report;**
  - **the Minimum Revenue Provision Statement 2021-22 at Appendix 1;**
  - **the list of approved counterparties at Appendix 4;**
  - **the treasury management prudential indicators detailed in Appendix 5.**

1. Background and Purpose

1.1. This Treasury Management Report forms an important part of the overall management of the Council's financial affairs. The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activity.

2. Proposals

2.1. The Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice for Treasury Management in the Public Services (the Code) requires local authorities to produce a treasury management strategy for the year ahead. The County Council is required to comply with the Code through regulations issued under the Local Government Act 2003 and has adopted specific clauses and policy statements from the Code as part of its Financial Regulations.

2.2. Complementary to the CIPFA Code is the Ministry for Housing, Communities and Local Government's (MHCLG's) Investment Guidance, which requires local authorities to produce an Annual Investment Strategy and an annual Capital Strategy.

2.3. This report combines the reporting requirements of both the CIPFA Code and MHCLG's Investment Guidance.

3. Impact of the Proposal

3.1. In accordance with regulatory requirements, this report presents the Council's borrowing and investment strategies for 2021-22.

3.2. Both borrowing and investment rates are forecast to remain historically low in the foreseeable future. A flexible approach to borrowing for capital purposes will be maintained which avoids the 'cost of carrying debt' in the short-term but which recognises the Council's need to borrow to fund capital expenditure in the medium and long term, and the advantages of borrowing at historically low interest rates.

3.3. The proposed investment strategy retains a diversified pool of high-quality counterparties with a maximum deposit duration of three years apart from property funds which, if used, would be part of a longer-term investment strategy. No new counterparties have been added to the list.

4. Evidence and Reasons for Decision

4.1. The primary objectives of the Council's Investment and Treasury Strategy are to safeguard the timely repayment of principal and interest, whilst ensuring adequate liquidity for cash flow and the generation of investment yield. A flexible approach to borrowing for capital purposes will be maintained both in terms of timing, and in terms of possible sources of borrowing including the Public Works Loans Board (PWLB) and the UK Municipal Bonds Agency (UKMBA). This strategy is prudent while investment returns are low and the investment environment remains challenging.

The Investment and Treasury Strategy summarises:

- the Council's capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (including parameters on how investments are to be managed.

5. Alternative Options

5.1. In order to achieve sound treasury management in accordance with the statutory and other guidance, no viable alternative options have been identified to the recommendation in this report.

6. Financial Implications

6.1. Long term borrowing rates remain historically low. On 26 November, PWLB rates were cut by 100 basis points for new loans, taking margins back to the competitive level they were before a 1% rise in early October 2019. To fund recent and future capital expenditure, officers will continue to work with the Council's treasury advisors to identify the most advantageous timing and sources of borrowing.

6.2. As part of the new arrangements, the PWLB will no longer lend to local authorities that plan to buy commercial assets primarily for yield. In particular, using PWLB borrowing to fund the purchase of property for investment purposes is prohibited. This is not likely to have a significant impact on the Council but will need to be taken into account when agreeing the capital programme.

6.3. At 31 December 2020, the Council's external debt was £700m. Due to uncertainties before the outcome of the PWLB consultation was known, no borrowing has been undertaken to date in 2020-21. To fund previous and committed capital expenditure an additional £80m borrowing is anticipated during the remainder of 2020-21, although the Council's cash balances will allow this to be slipped into the early part of 2021-22 if rates continue to be forecast to remain low.

6.4. During the period since 1 April 2020 the Bank of England base rate has remained unchanged at 0.1% and is not forecast to rise in the short term, so returns on cash balances are limited as the Council continues to put security and liquidity ahead of yield.

6.5. The MRP policy remains unchanged and is designed to ensure sufficient money is set aside to repay the Council's debt.

7. Resource Implications

7.1. There are no direct staff, property or IT implications arising from this report.

8. Other Implications

8.1. **Legal Implications:**
In order to fulfil obligations placed on chief finance officers by section 114 of the Local Government Finance Act 1988, the Executive Director of Finance and Commercial Services continually monitors financial forecasts and outcomes to ensure resources (including sums borrowed) are available to meet annual expenditure.

8.2. **Equality Impact Assessment**
Treasury management activities take place to manage the cash-flows relating to the Council's revenue and capital budgets. A public consultation process on the 2021-22 Budget has been undertaken. As in previous years, this public consultation has informed an equality impact assessment in respect of both new

2021-22 Budget proposals and the Council's Budget as a whole. In addition, councillors have considered the impact of proposals on rural areas.

9. Risk Implications/Assessment

9.1. The investment and borrowing strategy presented in this report for approval forms an important part of the overall financial management of the Council's affairs. The strategy has been produced in accordance with best practice and guidance and in consultation with the Council's external treasury advisors.

The Council's Treasury Management Strategy sets parameters for the selection and placing of cash balances, taking into account counterparty risk and liquidity. The strategy also sets out how the Council manages interest rate risks.

10. Select Committee comments

10.1. N/A.

11. Recommendation

11.1. Recommendations are set out in the executive summary to this report.

12. Background Papers

12.1. Capital strategy and programme 2021-22, on this agenda.

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

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Norfolk County Council

Treasury Management Strategy

including

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

2021-22

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1 Introduction

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund.

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

CIPFA defines treasury management as:

> *"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

1.2 Reporting requirements

1.2.1 Capital Strategy

The CIPFA revised 2017 Prudential and Treasury Management Codes require, all local authorities to prepare a capital strategy report, which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability.

The aim of the capital strategy is to ensure that all elected members understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

The capital strategy is reported separately from this Treasury Management Strategy Statement. Non-treasury investments including loans to companies are reported through the capital strategy and finance monitoring report, with summary information included in Treasury Management reports. This is to ensure separation of the core treasury function under security, liquidity and yield principles, and other investments, including loans to subsidiary and other companies which are usually driven by expenditure on assets for service delivery and related purposes.

Depending on the nature of any particular project, the capital strategy will cover:

- Corporate governance arrangements;
- Service objectives;
- The expected income, costs and resulting contribution;
- The debt related to the activity and the associated interest costs;
- For non-loan type investments, the cost against the current market value;
- The risks associated with activities and/or the ways in which risks have been mitigated.

Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to.

Norfolk County Council does not hold any non-treasury and/or non-financial investments which are designed purely to generate a financial return: all non-treasury investments, for, example loans to subsidiaries and companies for Norfolk based projects and/or to support subsidiary companies fund their capital investment plans, and all have been approved as part of the capital strategy and programme.

To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown in this report.

1.2.2 Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals:

a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
   - the capital plans (including prudential indicators);
   - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
   - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
   - an investment strategy, (the parameters on how investments are to be managed).

b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny
The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Council's Treasury Management Panel and Cabinet.

Scheme of Delegation
A summary of the Treasury Management Scheme of Delegation is at Appendix 8, with the Treasury Management role of the Section 151 Officer at Appendix 9.

1.3 Treasury Management Strategy for 2021-22

The strategy covers two main areas:

Capital issues

- capital expenditure plans and the associated prudential indicators;
- minimum revenue provision (MRP) policy (paragraph 2.4 and Appendix 1).

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training has been provided to members at the December 2020 Treasury Management Panel, and further training will be arranged as required.

The training needs of treasury management officers are reviewed as part of the annual performance review process.

1.5 Treasury management consultants

The Council uses Link Group, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. Through a competitive tender in 2019, the Council has ensured that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subject to regular review.

2 The Capital Prudential Indicators 2021-22 – 2023-24

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

Capital expenditure £m	2019-20 Actual	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
Services	169.260	326.418	270.887	185.356	35.297
Capital loans to group and other companies	6.490	5.010	10.707	9.000	4.000
Infrastructure loans to third parties	1.899	0.500	0.000	6.732	0.000
Total	**177.649**	**331.928**	**281.594**	**201.088**	**39.297**

Other long-term liabilities - The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding/borrowing need.

Financing of capital expenditure £m	2019-20 Actual	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
Capital grants	117.951	179.630	91.971	38.463	
Revenue and reserves		0.381			
Capital receipts	7.525				
Prudential borrowing	52.173	151.917	189.623	162.625	39.297
Capital programme	**177.649**	**331.928**	**281.594**	**201.088**	**39.297**
Estimated slippage		(80.000)	(100.000)	(50.000)	100.000
Cumulative slippage		**(80.000)**	**(180.000)**	**(230.000)**	**(130.000)**
New borrowing requirement after slippage	**52.173**	**71.917**	**89.623**	**112.625**	**139.297**
Net financing need for the year	**177.649**	**251.928**	**181.594**	**151.088**	**139.297**

Slippage has been incorporated into the calculations in line with historic patterns of capital spend. Although members approve capital programmes based on annual expenditure, it is not uncommon for projects to be delayed due to, for example, planning issues. In addition, where grants become available, these will be used ahead of borrowing to fund projects.

To better reflect actual likely expenditure, and to help avoid the risk of borrowing in advance of need, an adjustment for slippage has been incorporated into the calculations shown in this strategy.

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure shown in paragraph 2.1 above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £50.1m of such schemes within the CFR.

The Council is asked to approve the CFR projections below:

£m	2019-20 Actual	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
Capital Financing Requirement					
Opening CFR	**777.846**	**827.765**	**889.682**	**951.305**	**1,032.930**
Net financing need for the year (above)	52.173	71.917	89.623	112.625	139.297
Less MRP and other financing movements	(2.254)	(10.000)	(28.000)	(31.000)	(34.000)
Movement in CFR	**49.919**	**61.917**	**61.623**	**81.625**	**105.297**
Closing CFR	**827.765**	**889.682**	**951.305**	**1,032.930**	**1,138.227**

A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the authority's overall financial position.

The capital expenditure figures shown in 2.1 and the details above demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Authority's remaining activity.

2.3 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources £m	2019-20 Actual	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
Opening investments	**107.900**	**173.600**	**181.683**	**172.060**	**139.435**
Net (use) of reserves, capital grants, working capital etc.	30.773	0.000	0.000	0.000	0.000
Capital expenditure funded through prudential borrowing	(52.173)	(71.917)	(89.623)	(112.625)	(139.297)
New Borrowing	87.100	80.000	80.000	80.000	80.000
Closing investments	**173.600**	**181.683**	**172.060**	**139.435**	**80.138**

2.4 Minimum revenue provision (MRP) policy statement

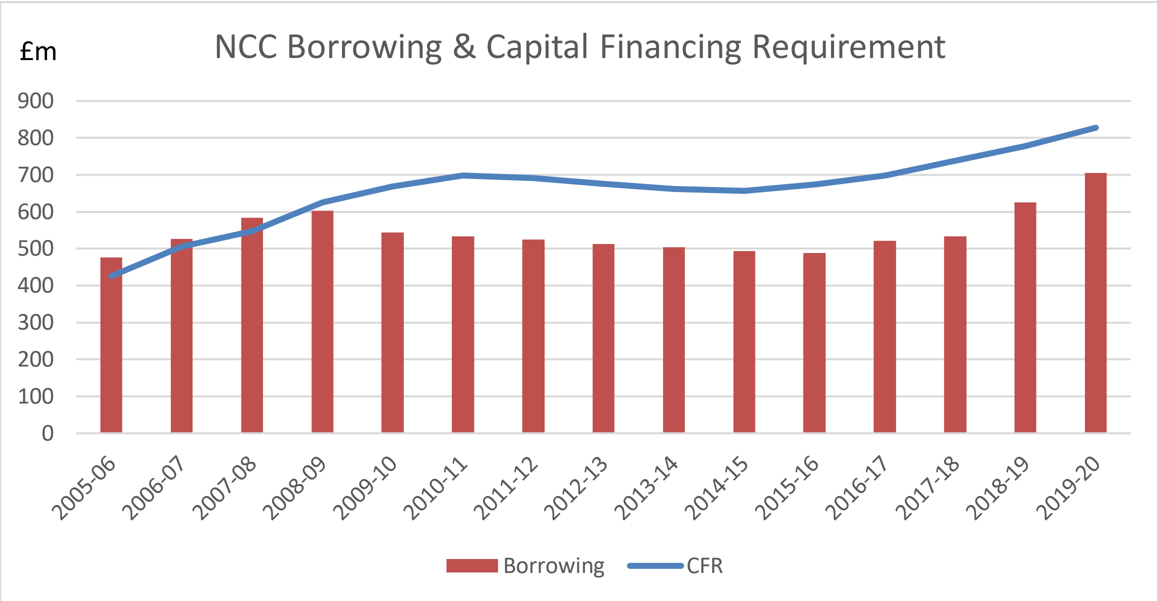
The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

MHCLG regulations have been issued which require the full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council's MRP Statement has been updated to better explain our use of the previous over-provision of MRP, including the amount brought forward into 2020-21, and also to refer to right-of-use assets which will result from the impact of IFRS16 which will affect the Council's accounts in 2022-23.

3 Borrowing

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

The table below summarises the Council's historic capital financing requirement and borrowing:



3.1 Current portfolio position

The overall treasury management portfolio as at 31 March 2020 and for November 2020 is shown below for both borrowing and investments.

	31 March 2020 £m	31 December 2020 £m
Treasury Investments		
Banks	80.0	80.0
Local authorities	25.0	-
Money Market funds	68.6	61.5
	173.6	**141.5**
Treasury external borrowing		
PWLB	663.4	657.5
Commercial (including LOBOs)	42.3	42.3
	705.7	**699.8**
Net-treasury balance	**532.1**	**558.3**

Note: the 31 March column above is reconciled to the Council's Statement of Accounts by adjusting for uncleared BACS payments on balances, and accrued interest on loans.

At the end of December 2020, the bank deposits were with Barclays and Santander UK , and the Money Market Funds with Aberdeen and Aviva.

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£m	2019-20 Actual	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
External Debt					
Debt at 1 April	625.416	705.645	779.274	855.401	921.250
Expected change in Debt - repayments	(6.871)	(6.371)	(3.873)	(14.151)	(17.680)
Expected change in Debt – new borrowing	87.100	80.000	80.000	80.000	80.000
Debt at 31 March	**705.645**	**779.274**	**855.401**	**921.250**	**983.570**
Other long-term liabilities (OLTL) 1 April	51.685	50.082	48.170	45.965	53.786
Expected change in OLTL	(1.603)	(1.912)	(2.205)	7.821	(2.781)
OLTL forecast	**50.082**	**48.170**	**45.965**	**53.786**	**51.005**
Gross debt at 31 March	**755.727**	**827.444**	**901.366**	**975.036**	**1,034.575**
The Capital Financing Requirement	827.765	889.682	951.305	1,032.930	1,138.227
Under / (over) borrowing	**72.038**	**62.238**	**49.939**	**57.894**	**103.652**

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021-22 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Executive Director of Finance and Commercial Services reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: limits to borrowing activity

The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary £m	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
Debt	841.512	905.340	979.144	1,087.222
Other long-term liabilities	48.170	45.965	53.786	51.005
Total	**889.682**	**951.305**	**1,032.930**	**1,138.227**

The authorised limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which reflects the total approved capital expenditure, plus an allowance (5%) for schemes which may be approved in-year:

1. This is the statutory limit determined under section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

Authorised limit £m	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
Debt	883.588	950.607	1,028.101	1,141.583
Other long-term liabilities	50.579	48.263	56.475	53.555
Total	**934.166**	**998.870**	**1,084.576**	**1,195.138**

3.3 Prospects for interest rates

The Council has appointed Link Treasury Services Limited as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates, resulting in the following forecasts:

Link Group Interest Rate View 9.11.20 These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 16th December, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected in the forecast table above as economic recovery is expected to be only gradual and, therefore, prolonged.

Investment and borrowing rates

- Investment returns are likely to remain exceptionally low during 2021/22 with little increase in the following two years.
- Borrowing interest rates fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to 6 years were negative during most of the first half of 2020-21.
- The policy of delaying new borrowing by running down spare cash balances has served local authorities well over the last few years.

PWLB rates

- The unexpected increase of 100 bps in PWLB rates on top of the then current margin over gilt yields of 80 bps in October 2019 meant that many local authorities, including Norfolk County Council, decided to refrain from PWLB borrowing unless it was for local infrastructure financing, until such time as the review of margins was concluded.
- Following a government consultation which concluded in November 2020, PWLB margins have been reduced to pre-October 2019 levels.
- As Link's long-term forecast for Bank Rate is 2.0%, and all PWLB rates are under 2.0%, there is now value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are at historic lows. However, greater value can be obtained in borrowing for shorter maturity periods so the Council will assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs. Longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable, or for flattening its maturity profile.

Alternative source of borrowing

- Should the government again increase PWLB margins or if the margins become uncompetitive, the Council will consider the following alternatives in light of the amount of borrowing required, structures (spot or forward dates), maturities, availability, interest rates, and arrangement fees:
    - Municipal Bonds Agency
    - Local authorities (primarily shorter dated maturities)
    - Financial institutions (primarily insurance companies and pension funds but also some banks, based on spot or forward dates).

3.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement "CFR"), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Interest rate exposure on borrowing is currently managed by borrowing in tranches which roughly match the increase in the Council's CFR over time. This takes advantage of historically low interest rates currently available, but takes into account the revenue cost of carry of unnecessary borrowing.

Against this background and the risks within the economic forecast, caution will be adopted with the 2021-22 treasury operations. The Executive Director of Finance and Commercial Services will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates,* then long-term borrowings will be postponed.

- *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast,* perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to Cabinet at the next available opportunity.

3.5 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Debt rescheduling

Based on current PWLB repayment provisions, and relative interest rates, rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is no financial benefit in rescheduling debt at present.

The portfolio will continue to be kept under review for opportunities and if circumstances change, any rescheduling will be reported to Cabinet at the earliest opportunity.

4 Annual investment strategy

4.1 Investment policy – management of risk

The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This section deals solely with financial investments as managed by the treasury management team. Non-financial investments, including loans made for capital purposes, are covered in the Capital Strategy.

The Council's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Council's investment priorities will be security first, portfolio liquidity second and then yield. In the current economic climate, it is considered appropriate to keep sufficient investments short term to cover cash flow needs.

The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

1. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings. A comparative analysis of ratings from different agencies is shown as Appendix 2, and an indicative list of approved counterparties as Appendix 3.

2. Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

3. **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use including 'specified' and 'non-specified' investments.

    - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally they were originally classified as being non-specified investments solely due to the maturity period exceeding one year.

- **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in Appendix 4.

6. This authority will set a limit for the amount of its investments which are invested for **longer than 365 days**, (see paragraph 4.4).

7. The Council will only use non-UK banks from countries with a minimum sovereign rating of AA+ (Appendix 7). The sovereign rating of AA+ must be assigned by one of the three credit rating agencies. No more than £30m will be placed with any individual non-UK country at any time.

8. This authority has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

9. All cash invested by the County Council will be either Sterling or Euro deposits (including Sterling certificates of deposit) or Sterling Treasury Bills invested with banks and other institutions in accordance with the Approved Authorised Counterparty List. The inclusion of Euro deposits enables the County Council to effectively manage (subject to European Central Bank deposit rates) Euro cash balances held for schemes such as the France-Channel-England Project.

10. As a result of the change in accounting standards for 2018-19 under IFRS 9, this authority takes into account the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund.

11. In November 2018, the Ministry of Housing, Communities and Local Government ("MHCLG"), concluded a consultation for a temporary IFRS9 override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years to 31 March 2023. At the time of writing the Council has no pooled investments.

This authority will pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

4.2 Creditworthiness policy

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Executive Director of Finance and Commercial Services will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Link Group, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list.

Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur, and this information is considered before dealing.

The criteria for providing a pool of high-quality investment counterparties, (both specified and non-specified investments) is:

- **Banks:**

(i) **UK Banks** requires both the short and long term ratings issued by at least one of the three rating agencies (Fitch, S&P or Moody's) to remain at or above the minimum credit rating criteria.

UK Banks	**Fitch**	**Standard & Poors**	**Moody's**
Short Term Ratings	F1	A-1	P-1
Long Term Ratings	A-	A-	A3

(ii) **Non-UK Banks** requires both the short and long term ratings issued by at least one of the three rating agencies (Fitch, S&P or Moody's) to remain at or above the minimum credit rating criteria and a sovereign rating of AA+ assigned by one of the three credit rating agencies.

Non-UK Banks	**Fitch**	**Standard & Poors**	**Moody's**
Short Term Ratings	F1+	A-1+	P-1
Long Term Ratings	AA-	AA-	Aa3

- **Part Nationalised UK Bank:** Royal Bank of Scotland Group. This bank is included while it continues to be part nationalised or it meets the ratings for UK Banks above.

- **The County Council's Corporate Banker:** if the rating for the Council's corporate banker (currently Barclays) falls below the above criteria, sufficient balances will be retained to fulfil transactional requirements. Other than this, balances will be minimised in both monetary size and time invested.

- **Building Societies:** The County Council will use Building Societies which meet the ratings for UK Banks outlined above.

- **Money Market Funds (MMFs)**: which are rated AAA by at least two of the three major rating agencies. MMF's are 'pooled funds' investing in high-quality, high-liquidity, short-term securities such as treasury bills, repurchase agreements and certificate of deposits. Funds offer a high degree of counterparty diversification that include both UK and Overseas Banks. Following money market reforms, MMFs will be allocated to sub-categories (CNAV, LNAV and VNAV) to meet more stringent liquidity regulations. However, the Council will continue to apply the same minimum rating criteria.

- **UK Government:** including the Debt Management Account Deposit Facility & Sterling Treasury Bills. Sterling Treasury Bills are short-term (up to six months) 'paper' issued by the UK Government. In the same way that the Government issues Gilts to meet long term funding requirements, Treasury Bills are used by Government to meet short term revenue obligations. They have the security of being issued by the UK Government.

- **Local Authorities, Parish Councils etc.:** Includes those in England and Wales (as defined in Section 23 of the Local Government Act 2003) or a similar body in Scotland or Northern Ireland.

- **Wholly owned companies: The Norse Group, Hethel Innovation Limited and Repton Property Developments Limited, Independence Matters CIC, NCC Nurseries Limited:** short-term loan arrangements made in accordance with approved service level agreements and the monetary and duration limits detailed below in Appendix 4.

- **Property funds (where not classed as capital expenditure)**: these are long term, and relatively illiquid funds, expected to yield both rental income and capital gains. The use of certain property funds can be deemed capital expenditure, and as such would be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

- **Ultra-Short Dated Bond Funds** will use funds that are AAA rated and only after due diligence has been undertaken.

- **Corporate Bonds:** These are bonds issued by companies to raise long term funding other than via issuing equity. Investing in corporate bonds offers a fixed stream of income, paid at half yearly intervals. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

- **Corporate bond funds:** Pooled funds investing in a diversified portfolio of corporate bonds, so provide an alternative to investing directly in individual corporate bonds. Minimum long-term rating of A- to be used consistent with criteria for UK banks. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

- **UK Government Gilt funds:** A gilt is a UK Government liability in sterling, issued by HM Treasury and listed on the London Stock Exchange. They can be either "conventional" or index linked. Using a fund can mitigate some of the risk of potential large movements in value.

Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating Watches/Outlooks) will be applied to compare the relative security of differing investment counterparties.

Time and monetary limits applying to investments. The time and monetary limits for institutions on the Council's counterparty list are set out in Appendix 4.
The proposed criteria for specified and non-specified investments are shown in Appendix 6.

Creditworthiness
Although the credit rating agencies changed their outlook on many UK banks from Stable to Negative during the quarter ended 30 June 2020 due to upcoming risks to banks' earnings and asset quality during the economic downturn caused by the pandemic, the majority of ratings were affirmed due to the continuing strong credit profiles of major financial institutions, including UK banks. However, during Q1 and Q2 2020, banks made provisions for expected credit losses and the rating changes reflected these provisions. As we move into future quarters, more information will emerge on actual levels of credit losses. (Quarterly earnings reports are normally announced in the second half of the month following the end of the quarter.) This has the potential to cause rating agencies to revisit their initial rating adjustments earlier in the current year. These adjustments could be negative or positive, although it should also be borne in mind that banks went into this pandemic with strong balance sheets. This is predominantly a result of regulatory changes imposed on banks following the Great Financial Crisis. Indeed, the Financial Policy Committee (FPC) report on 6th August revised down their expected credit losses for the UK banking sector to "somewhat less than £80bn". It stated that in its assessment, "banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC's central projection". The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising to above 15%.
All three rating agencies have reviewed banks around the world with similar results in many countries of most banks being placed on Negative Outlook, but with a small number of actual downgrades.

CDS prices
Although bank CDS prices (these are market indicators of credit risk) spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. Nevertheless, prices are still elevated compared to end-February 2020. Pricing is likely to remain volatile as uncertainty continues. However, sentiment can easily shift, so it will remain important to undertake continual

monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information.

4.3 Other limits

Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

a) **Non-specified investment limit.** The Council has set limits for non-specified investments in accordance with the criteria set out in Appendix 6. For example, they are bound by the limits for investments set out in Appendix 4 and the upper limit for principal sums invested for longer than 365 days shown in paragraph 4.4. This ensures that non-specified investments are only made within appropriate quality and monetary limits.

b) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of *AA-.*

c) **Other limits.** In addition:
   - no more than £30m will be placed with any non-UK country at any time;
   - limits in place above will apply to a group of companies.

4.4 Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

Investment returns expectations.

Bank Rate is unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising so it may be best to assume that investment earnings from money market-related instruments will be sub 0.50% for the foreseeable future.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows (the long term forecast is for periods over 10 years in the future):

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows (the long term forecast is for periods over 10 years in the future):

Average earnings in each year	
2020/21	0.10%
2021/22	0.10%
2022/23	0.10%
2023/24	0.10%

2024/25	0.25%
Long term later years	2.00%

- The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is subject to major uncertainty due to the virus and how quickly successful vaccines are widely administered to the population.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, or a return of investor confidence in equities, could impact gilt yields, (and so PWLB rates), in the UK.

Negative investment rates

While the Bank of England said in August / September 2020 that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, and in November omitted any mention of negative rates in the minutes of the meeting of the Monetary Policy Committee, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the COVID crisis; this has caused some local authorities to have sudden large increases in cash balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

As for money market funds (MMFs), yields have continued to drift lower. Some managers have already resorted to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a surfeit of money swilling around at the very short end of the market. This has seen a number of market operators, now including the DMADF, offer nil or negative rates for very short term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are a number of financial institutions for investments at the very short end of the yield curve.

Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit:

Upper limit for principal sums invested for longer than 365 days			
£m	**2020-21**	**2021-22**	**2022-23**
Principal sums invested for longer than 365 days	£100m	£100m	£100m
Current investments >365 days as at 30 November 2020	£0m	-	-

4.5 Investment risk benchmarking

This Council will use an investment benchmark to assess the investment performance of its investment portfolio of 7 day, 3, 6 and 12 month London Interbank Bid Rate (LIBID).

The most appropriate comparator at any point will depend on levels of cash balances and immediate liquidity requirements during the year.

4.6 Non-treasury investments

Although this section of the report does not specifically cover non-treasury investments, a summary of non-treasury loans is included at Appendix 10. This appendix shows that the impact of these loans on the Council's revenue budget is not material in comparison to its turnover.

4.7 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Outturn Report.

5 Appendices

Appendix 1 - Minimum Revenue Provision Statement

Appendix 2 - Ratings comparative analysis

Appendix 3 - Indicative List of Approved Counterparties for Lending

Appendix 4: Time and monetary limits applying to investments

Appendix 5: The Capital and Treasury Prudential Indicators

Appendix 6: Credit and counterparty risk management

Appendix 7: Approved Countries for Investments

Appendix 8: Treasury Management Scheme of Delegation

Appendix 9: The Treasury Management Role of the Section 151 Officer

Appendix 10: Non-treasury investments

Appendix 1 - Minimum Revenue Provision Statement 2021-22

A1 Regulations issued by the Department of Communities and Local Government in 2008 require the Council to approve a Minimum Revenue Provision (MRP) statement in advance of each year.

A2 Members are asked to approve the MRP statement annually to confirm that the means by which the Council plans to provide for repayment of debt are satisfactory. Any revisions to the original statement must also be issued. Proposals to vary the terms of the original statement during the year should also be approved.

A3 MRP is the provision made in the Council's revenue budget for the repayment of borrowing used to fund capital expenditure - the Council has a statutory duty to determine an amount of MRP which it considers to be prudent, having regard to guidance issued by the Secretary of State.

A4 In 2021-22:

- For capital expenditure incurred before 1 April 2007 which is supported by Formula Grant (supported borrowing), the MRP policy will be to provide the amount to set aside calculated in equal instalments over 50 years.
- For all capital expenditure since that date which is supported by Formula Grant (supported borrowing), the MRP policy will be to provide the amount to set aside calculated in equal instalments over 50 years from the year set aside is first due.
- In calculating the amounts on which set aside is to be made pre 1 April 2007 Adjustment A will be applied.
- Any charges made over the statutory minimum revenue provision, voluntary revenue provision or overpayments can, if needed, be reclaimed in future years if deemed necessary or prudent, and cumulative overpayments disclosed. At 31 March 2020 the cumulative amount over-provided was £17.464m. The over-provision will be released in a phased manner until 2021-22, to the extent that it has not been fully used.
- For expenditure since 1 April 2008, the MRP policy for schemes funded through borrowing will be to base the minimum provision on the estimated life of the assets in accordance with the guidance issued by the Secretary of State.
- Re-payments included in annual PFI and finance lease/right of use asset arrangements are applied as MRP.
- Having identified the total amount to be set aside for previously unfunded capital expenditure the Council will then decide how much of that to fund from capital resources with the residual amount being the MRP for that year.

A5 Where loans are made to third parties for capital purposes, the capital receipt received as a result of each repayment of principal, under the terms of the loan, will be set aside in order to re-pay NCC borrowing and to reduce the Capital Financing Requirement accordingly. MRP will only be accounted for if an accounting provision has been made for non-repayment of the loan or if there is a high degree of uncertainty regarding the repayment. This arrangement will also be applied where a third party has committed to underwrite the debt costs of a specific project through amounts reserved for capital purposes.

A6 The Council will continue to make provision at least equal to the amount required to ensure that each debt maturity is met.

Appendix 2 - Ratings comparative analysis

<table>
<tr><th colspan="2">Moody's</th><th colspan="2">S&P</th><th colspan="2">Fitch</th><th></th></tr>
<tr><th>Long-term</th><th>Short-term</th><th>Long-term</th><th>Short-term</th><th>Long-term</th><th>Short-term</th><th></th></tr>
<tr><td>Aaa</td><td rowspan="6">P-1</td><td>AAA</td><td rowspan="4">A-1+</td><td>AAA</td><td rowspan="4">F1+</td><td>Prime</td></tr>
<tr><td>Aa1</td><td>AA+</td><td>AA+</td><td rowspan="3">High grade</td></tr>
<tr><td>Aa2</td><td>AA</td><td>AA</td></tr>
<tr><td>Aa3</td><td>AA-</td><td>AA-</td></tr>
<tr><td>A1</td><td>A+</td><td rowspan="2">A-1</td><td>A+</td><td rowspan="2">F1</td><td rowspan="3">Upper medium grade</td></tr>
<tr><td>A2</td><td>A</td><td>A</td></tr>
<tr><td>A3</td><td rowspan="2">P-2</td><td>A-</td><td rowspan="2">A-2</td><td>A-</td><td rowspan="2">F2</td></tr>
<tr><td>Baa1</td><td>BBB+</td><td>BBB+</td><td rowspan="3">Lower medium grade</td></tr>
<tr><td>Baa2</td><td rowspan="2">P-3</td><td>BBB</td><td rowspan="2">A-3</td><td>BBB</td><td rowspan="2">F3</td></tr>
<tr><td>Baa3</td><td>BBB-</td><td>BBB-</td></tr>
<tr><td>Ba1</td><td rowspan="14">Not prime</td><td>BB+</td><td rowspan="6">B</td><td>BB+</td><td rowspan="6">B</td><td rowspan="3">Non-investment grade
speculative</td></tr>
<tr><td>Ba2</td><td>BB</td><td>BB</td></tr>
<tr><td>Ba3</td><td>BB-</td><td>BB-</td></tr>
<tr><td>B1</td><td>B+</td><td>B+</td><td rowspan="3">Highly speculative</td></tr>
<tr><td>B2</td><td>B</td><td>B</td></tr>
<tr><td>B3</td><td>B-</td><td>B-</td></tr>
<tr><td>Caa1</td><td>CCC+</td><td rowspan="5">C</td><td rowspan="5">CCC</td><td rowspan="5">C</td><td>Substantial risks</td></tr>
<tr><td>Caa2</td><td>CCC</td><td>Extremely speculative</td></tr>
<tr><td>Caa3</td><td>CCC-</td><td rowspan="3">In default with little
prospect for recovery</td></tr>
<tr><td rowspan="2">Ca</td><td>CC</td></tr>
<tr><td>C</td></tr>
<tr><td>C</td><td rowspan="3">D</td><td rowspan="3">/</td><td>DDD</td><td rowspan="3">/</td><td rowspan="3">In default</td></tr>
<tr><td>/</td><td>DD</td></tr>
<tr><td>/</td><td>D</td></tr>
</table>

Appendix 3 - Indicative List of Approved Counterparties for Lending

UK Banks

Barclays Bank
Bank of Scotland Plc (*)
Close Brothers
Goldman Sachs
Santander UK
Lloyds TSB Bank (*)
HSBC Bank Group

Non-UK Banks

Australia:
- Australia & New Zealand Banking Group
- Commonwealth Bank of Australia
- National Australia Bank Limited

Canada:
- Bank of Montreal
- National Bank of Canada
- Toronto-Dominion Bank

Germany:
- DZ Bank AG
- Landesbank Baden-Wuerttemberg
- Landesbank Hessen-Thueringen Girozentrale

Netherlands:
- Rabobank

Singapore:
- DBS Bank Ltd
- Oversea-Chinese Banking Corp
- United Overseas Bank Limited

Sweden:
- Svenska Handelsbanken

Part Nationalised UK Banks

Royal Bank of Scotland(#)
National Westminster(#)

UK Building Societies

Coventry BS
Leeds BS
Nationwide BS
Yorkshire BS

Money Market Funds

Aberdeen Standard Investments
Federated Investors
Aviva
Northern Trust

UK Government

Debt Management Account Deposit Facility
Sterling Treasury Bills
Local Authorities, Parish Councils

Other – Group companies (non-capital)

The Norse Group
Hethel Innovation Limited
Repton Property Developments
Independence Matters CIC
NCC Nurseries Limited

Note: (*) (#) A 'Group Limit is operated whereby the collective investment exposure of individual banks within the same banking group is restricted to a group total.

Appendix 4: Time and monetary limits applying to investments

The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

COUNTERPARTY	NCC LENDING LIMIT (£m)	OTHER BODIES LENDING LIMIT (£m)	TIME LIMIT
UK Banks	£60m	£30m	**Up to 3 Years** (see notes below)
Non-UK Banks	£30m	£20m	**1 Year**
Royal Bank of Scotland / Nat. West. Group	£60m	£30m	**2 Years**
Building Societies	£30m	£20m	**1 Year**
MMFs - CNAV	£60m (per Fund)	£30m (per Fund)	**Instant Access**
MMFs - LNVAV			**Instant Access**
MMFs - VNAV			**Instant Access**
Debt Management Account Deposit Facility	Unlimited	Unlimited	**6 Months (being max period available)**
Sterling Treasury Bills	Unlimited	Unlimited	**6 Months (being max period available)**
Local Authorities	Unlimited (individual authority limit £20m)	Unlimited (individual authority limit £10m)	**3 Years**
The Norse Group	£15m	Nil	**1 Year**
Hethel Innovation Limited	£1.25m	Nil	**1 Year**
Repton Property Developments Limited	£1.0m	Nil	**1 Year**
Independence Matters CIC	£1.0m	Nil	**1 Year**
NCC Nurseries Limited	£0.250m	Nil	**1 Year**
Property Funds	£10m in total	Nil	**Not fixed**
Ultra short dated bond funds	£5m in total	Nil	**3 years**
Corporate bonds	£5m in total	Nil	**3 years**
Corporate bond funds	£5m in total	Nil	**3 years**
UK Government Gilts / Gilt Funds	£5m in total	Nil	**3 years**

Notes:

- In addition to individual institutional lending limits, 'Group Limits' are used whereby the collective investment exposure of individual banks within the same banking group is restricted to a group total lending limit. For example, in the case of Lloyds TSB and Bank of Scotland, the group lending limit for the Lloyds Banking Group is £60M.

- The maximum deposit period for UK Banks is based on the following tiered credit rating structure:

Long Term Credit Rating (Fitch or equivalent) assigned by at least one of the three credit rating agencies	Maximum Duration
AA-	Up to 3 years
A	Up to 2 years
A-	Up to 1 year

  Deposits may be placed with the Royal Bank of Scotland as a UK Part Nationalised Bank and Local Authorities may be made for periods of 2 and 3 years respectively.

- The Council will only use non-UK banks from countries with a minimum sovereign rating of AA+. The sovereign rating of AA+ must be assigned by one of the three credit rating agencies. No more than £30m will be placed with any individual non-UK country at any time. Approved countries for investments are shown at Appendix 7.

- For monies invested on behalf of the Norse Group, Independence Matters and Norfolk Pension Fund there is a maximum monetary limit of £10m per counterparty. Operationally funds are diversified further as agreed with the individual bodies.

- Long-term loans to the Norse Group and other subsidiary companies are approved as part of the Council's capital programme.

- The use of property funds, bonds and bond funds, gilts and gilt funds will be subject to appropriate due diligence.

- Certain property funds may be classed as a capital investment. If this is the case then they will be approved via the capital programme. If the fund is classed as revenue, then the IFRS 9 implications will be fully considered: unless the DCLG specifies otherwise, any surpluses or losses will become chargeable to the Council's general fund on an annual basis.

Appendix 5: The Capital and Treasury Prudential Indicators

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital expenditure £m	2019-20 Actual	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
Adult Social Care	12.376	11.627	14.525	11.436	17.500
Children's Services	53.447	71.410	99.180	107.978	4.000
CES Highways	68.609	156.395	53.380	41.545	0.933
CES Other	19.217	31.959	51.370	12.402	4.764
Finance and Comm. Servs	24.000	60.436	63.089	27.377	12.100
Strategy and Governance		0.100	0.050	0.350	0.000
Total	**177.649**	**331.928**	**281.594**	**201.088**	**39.297**
Loans to companies included in Finance and Comm Servs above	**6.490**	**5.010**	**10.707**	**9.000**	**4.000**
GNGB supported borrowing to developers	**1.899**	**0.500**			
Loans as a percentage	*5%*	*2%*	*4%*	*4%*	*10%*

Non-treasury investments – proportionality

The table above demonstrates that loans to companies and developers, as a percentage of all capital expenditure, are a relatively low proportion and therefore do not present undue risk in the context of the programme overall.

Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream.

%	2019-20 Actual	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
Financing costs (net)	31.251	39.500	59.400	64.400	68.400
Net revenue costs	675.487	719.997	736.472	749.499	764.218
Percentage	4.63%	5.49%	8.07%	8.59%	8.95%

The estimates of financing costs include current commitments and budget proposals. The % increase between 2019-20 and 2021-22 represents MRP previously overpaid being fully used in 2020-21.

The Prudential Code 2013 acknowledged that the "Financing Costs to Net Revenue Stream" indicator may be more problematic for some authorities regarding the level of government support for capital spends. In these instances, it is suggested that a narrative explaining the indicator may be helpful. At this stage, it is considered that the table above can provide useful information.

Maturity structure of borrowing

Maturity structure of borrowing. These gross limits are set to reduce the Council’s exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

Maturity structure of fixed & variable interest rate borrowing 2021-22		
	Lower	**Upper**
Under 12 months	0%	10%
12 months to 2 years	0%	10%
2 years to 5 years	0%	10%
5 years to 10 years	0%	20%
10 years to 20 years	10%	30%
20 years to 30 years	10%	30%
30 years to 40 years	10%	30%
40 years to 50 years	10%	40%

The percentages shown in the table above are proportions of total borrowing.

Control of interest rate exposure:

The table above indicates how the authority manages its interest rate exposure by ensure a degree of alignment between asset lives and appropriate interest rates and spreading the time over which any debt re-financing may need to happen.

Only £31.250m out of total borrowing of over £700m (less than 5% of total borrowing) is potentially variable, and the rate will only vary if borrowing rates rise to above 4.75%. Forecast borrowing rates suggest that that this threshold will not be exceeded in the foreseeable future. Planned borrowing is expected to be at fixed rates to take advantage of historically low interest rates, and to limit long term exposure to variable rates.

With positive cash balances, the Council has maintained an under-borrowed position which avoids short term exposure to interest rate movements on investments. The Council will continue to balance the risks of borrowing while cash balances are available, against the long-term benefits of locking into low borrowing rates.

Appendix 6: Credit and counterparty risk management

The MHCLG issued Investment Guidance in 2018, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective, the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council has adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Executive Director of Finance and Commercial Services has produced its treasury management practices (TMPs). This part, covering investment counterparty policy requires approval each year.

Annual investment strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months, once the remaining period to maturity falls to under twelve months. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, housing association, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency.
5. A body that is considered of a high credit quality (such as a bank or building society).

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. These criteria are shown in detail in Appendix 4.

Non-specified investments –are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

	Non Specified Investment Category	Limit (£ or %)
a.	**Supranational bonds greater than 1 year to maturity** **(a) Multilateral development bank bonds** - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Reconstruction and Development Bank etc.). **(b) A financial institution that is guaranteed by the United Kingdom Government** (e.g. National Rail, the Guaranteed Export Finance Company {GEFCO}) The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.	Not currently included as approved investment
b.	**Gilt edged securities** with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.	Ref Appendix 4
c.	**The Council's own banker** if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.	Ref Appendix 4
d.	**Building societies not meeting the basic security requirements under the specified investments**. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings.	Not currently included as approved investment
e.	Any **bank or building society** that meets minimum long-term credit ratings, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).	Ref Appendix 4
f.	**Share capital** in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. This Authority would seek further advice on the appropriateness and associated risks with investments in these categories.	Not currently included as approved treasury investment.
g.	**Loan capital** in a body corporate. The use of these loans to subsidiaries and other companies will normally be deemed to be capital expenditure. However, working capital loans are dealt with under Treasury Management arrangements. This Authority would seek further advice on the appropriateness and associated risks with investments in these categories.	Ref Appendix 4
h.	**Bond funds.** These are specialist products, and the Authority will seek guidance on the status of any fund it may consider using.	Ref Appendix 4
i.	**Property funds** – The use of these instruments can be deemed to be capital expenditure, and as such will be an application	Ref Appendix 4

	(spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using.	

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link Group as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Executive Director of Finance and Commercial Services, and if required new counterparties which meet the criteria will be added to the list.

Use of external fund managers – at the time of writing the Council does not use or plan to use external fund managers.

Appendix 7: Approved Countries for Investments (as at 1 December 2020)

Non-UK Banks requires minimum individual credit rating criteria and a sovereign rating of AA+ assigned by one of the three credit rating agencies. At 1 December 2020 approved countries and their applicable ratings include:

AAA

- Australia
- Canada
- Germany
- Netherlands
- Singapore
- Sweden
- Switzerland
- U.S.A.

AA+

- Finland

Appendix 8: Treasury Management Scheme of Delegation

(i) Full Council

- approve the Policy Framework and the strategies and policies that sit within it (Source: Council constitution);
- Note: the Policy Framework includes “Annual investment and treasury management strategy”.

(ii) Cabinet terms of reference

- to prepare, for adoption by the Council, the budget and the plans which fall within the policy framework).

(iii) Audit Committee

- Consider the effectiveness of the governance, control and risk management arrangements for Treasury Management and ensure that they meet best practice. (Source: Audit Committee Terms of Reference)

(iv) Treasury Management Panel

The Panel’s terms of reference are to:

- consider and comment on the draft Annual Investment and Treasury Strategy prior to its submission to Cabinet and full Council
- receive detailed reports on the Council’s treasury management activity, including reports on any proposed changes to the criteria for “high” credit rated institutions in which investments are made and the lending limits assigned to different counterparties
- receive presentations and reports from the Council’s Treasury Management advisers, Link Asset Services
- consider the draft Treasury Management Annual Report prior to its submission to Cabinet and full Council.

(v) Executive Director of Finance and Commercial Services

- “responsible for the proper administration of the financial affairs of the Council including … investments, bonds, loans, guarantees, leasing, borrowing (including methods of borrowing)…”

  (Source: Scheme of delegated powers to officers)

  See Appendix 9 for detailed responsibilities.

Appendix 9: The Treasury Management Role of the Section 151 Officer

The S151 (responsible) officer is the Executive Director of Finance and Commercial Services. Responsibilities include:

Constitution – officer roles

- Have responsibility for the administration of the financial affairs of the Council and be the Section 151 Officer.
- Statutory responsibilities of the Chief Finance Officer (Section 151 officer) Budgeting and Financial Management, Exchequer Services, Pensions, Investment and Treasury Management, Risk & Insurance, Property, Audit. ICT and Procurement and Transactional Services.

Financial Regulations

- execution and administration of treasury management decisions, including decisions on borrowing, investment, financing (including leasing) and maintenance of the counter party list.
- prepare for County Council an annual strategy and plan in advance of the year, a mid-year review and an annual report.
- regularly report to the Treasury Management Panel and the Cabinet on treasury management policies, practices, activities and performance monitoring information.
- monitoring performance against prudential indicators, including reporting significant deviations to the Cabinet and County Council as appropriate.
- ensuring all borrowing and investment decisions, both long and short term, are based on cash flow monitoring and projections.
- ensuring that any leasing financing decisions are based on full options appraisal and represent best value for the County Council, in accordance with the County Council's leasing guidance.
- the provision and management of all banking services and facilities to the County Council.

Appendix 10: Non-treasury investments

Existing non- treasury investments (loans) at 31 March 2020

Loans	**£m**
NORSE Energy (capital investment)	10.000
Norse Group (capital investment)	2.965
Norse Group (Aviation Academy)	6.000
NEWS	0.424
NorseCare	3.000
Hethel Innovation Ltd (Hethel Engineering Centre)	5.105
Norwich Airport Radar (relocation due to NDR)	2.194
Repton Property Developments Limited	-
LIF loans to developers in Norfolk	6.799
Total loans to companies	**36.487**
NDR Loan – underwritten by CIL receipts	35.848
Total long-term debtors in balance sheet	**72.335**

In addition to the loans listed above, equity of £3.5m has been invested in Repton Property Developments Limited, a wholly owned housing development company.

A more detailed schedule of the above loans, showing objectives and explanations of each investment are detailed in Appendix 3 to the Mid-Year Treasury Management Monitoring Report 2020-21 presented to 6 December 2020 Cabinet.

Potential future non-treasury capital investments

Non-treasury investments: The following schemes if approved will result in loans to wholly owned companies or third parties. These loans will be for capital purposes, are Norfolk based, and are designed to further the Council's objectives. None of the loans listed are purely for the purpose of income generation.

Scheme	**Background**	**Approximate value**
Capital equity in, and loans to wholly owned companies	**Repton Property Developments** The company is developing land north of Norwich Road Acle surplus to County Council, as well as other appropriate surplus land holdings. **Other projects** From time to time the Council's wholly owned companies further the Council's objectives through capital investments. This facility is included in the capital programme.	£14m included in capital programme

Proportionality of non-treasury investments:
The total value of loans (including CIL supported debt) is not likely to exceed £100m. At an indicative interest rate of 3% (giving a margin of approximately 1% over current PWLB borrowing rate) this would mean interest of £3m pa. This approximates to less than 20% of the Council's general reserves, 1% of the Council's net expenditure, and 0.3% of departmental gross expenditure. As a result, reliance on income from non-treasury is therefore considered to be proportionate and manageable.

Cabinet

Item 12

Decision making report title:	**Dedicated Schools Grant (DSG) Funding**
Date of meeting:	**1 February 2021**
Responsible Cabinet Member:	**Cllr John Fisher (Cabinet Member for Children's Service)**
Responsible Director:	**Sara Tough, Executive Director of Children's Service**
Is this a key decision?	**Yes**

Introduction from Cabinet Member

This paper presents the changes to the distribution for the Dedicated Schools Grant from April 2021 in line with the Department of Education's National Funding Formula arrangements.

This includes the funding distribution formula that delegates the funding into maintained schools and academies, who are responsible for using this to ensure the educational outcomes for their children, and early years providers for 2-, 3- and 4-year-old funded places.

Executive Summary

Schools funding, both locally maintained and academies, is provided primarily through the Dedicated Schools Grant (DSG). This ring-fenced funding is allocated to local authorities who then have the responsibility to delegate this funding to schools in accordance with the agreed formula allocation.

Currently, it is each Local Authority's responsibility to determine individual school budgets according to local formulae, following local consultation with schools, within statutorily set timescales to enable schools to plan accordingly for the next financial year. To enable the timescales to be met by the County Council, Cabinet needs to agree the principles of Norfolk's local formulae.

In summary, the proposed changes to the mainstream schools distribution formula are:

- Allocate the Schools Block funding via the National Funding Formula unit values (in line with the 2020-21 arrangements)
- A one-off movement of 0.5% from the Schools Block to the High Needs Block, due to the scale of demand for high needs specialist places for pupils, as agreed by Norfolk's Schools Forum

In addition to funding via the DSG, Schools receive funding from other ring-fenced grants, such Pupil Premium, Universal Infant Free School Meals, TPG, TPECG, Physical Education, Year 7 Catch-up and COVID catch-up grant. Each have their own method of allocation and distribution. As a result of the Covid-19 pandemic, schools have had access to additional one-off funding that they can claim from the Department for Education for specific exceptional, additional costs.

It is also the Local Authority's responsibility to set a local formula to pay early years providers for funded hours claimed by parents in line with DfE requirements, after consultation with providers. In summary, the proposed changes to the distribution formulae are:

- an increased base rate for 3- and 4-year-olds (increased by £0.25/hr from £3.73/hr to £3.98/hr) to be funded by
  - reducing the level of contingency held and by reducing the existing quality and flexibility supplements from £0.20/hr to £0.10/hr, with no changes to existing deprivation factors;
  - passing on the 6p/hr increase in full to be received by NCC (announced by Government in December 2020)
- an amended formula increasing for 2-year-olds:
  - increasing the base rate by 6p/hr to £5.34/hr
  - creation of a SEN Inclusion Fund utilising 2p/hr of the 8p/hr funding increase to NCC (announced by Government in December 2020)

Recommendations

To agree:

(i) the Dedicated Schools Grant funding including

a. the changes to the schools funding formula;

b. the changes to the early years funding entitlements formula;

c. agreeing the high needs block budget noting that it has been assessed to meet our statutory duties and it adds to the DSG cumulative deficit;

(ii) to delegate decision making powers to the Executive Director of Children's Services, in conjunction with the Lead Member for Children's Services, delegated authority to agree the final funding cap, or allocation of additional funds, once the final DSG calculations of individual school allocations are known and in line with the principles of Cabinet's decision.

1. Background and Purpose

1.1 Schools funding is provided through the Dedicated Schools Grant (DSG) and other grants. The DSG is allocated to local authorities who then delegate the funding to schools in accordance with agreed formula allocation. Grants are allocated by local authorities to schools as per the Department of Education (DfE) conditions of grants, which vary depending upon the purpose and aims of the funding.

1.2 The Local Authority will receive its Dedicated Schools Grant allocation for 2021-22 based on the new National Funding Formula (NFF). Pupil premium will continue as a separate, ring-fenced grant.

1.3 The DSG is split into four funding blocks: the Schools Block, the High Needs Block, the Early Years Block and the Central School Services Block.

1.4 Movements of up to 0.5% from the Schools Block to other Blocks has to be agreed upon by the local Schools Forum. An application for approval to the Secretary of State has to be made if either the Schools Forum do not agree to a transfer of up to 0.5%, or the Local Authority wishes to make a transfer between Blocks of above 0.5%.

1.5 For 2019-20, Norfolk County Council made such an application (known as a disapplication request) to the Secretary of State to transfer £4.58m from the Schools Block to the High Needs Block in addition to the 0.5% transfer that had been agreed by Norfolk Schools Forum. This application was agreed based upon the business case and strength of evidence presented. This included the capital investment agreed by NCC to significantly increase the number of state maintained special school places and places within specialist resource bases, alongside the transformation programme Children's Services has in place. However, despite this additional funding to the High Needs Block, it was still anticipated that the High Needs Block would have an in-year deficit in 2019-20 that would be combined with the cumulative deficit brought forward from previous years. This is due to the time it would take to achieve the transformation required and increasing demand in excess of growth funding provided through the DSG High Needs Block.

1.6 For 2020-21, Norfolk County Council decided not to make a disapplication request to the Secretary of State for a Schools Block to High Needs Block transfer in addition to the 0.5% agreed by Norfolk Schools Forum. When the Schools Forum agreed the 0.5% transfer for 2020-21, they requested that the Council did not submit a disapplication request to move any additional funding to enable schools to have the funding to meet the needs of current pupils and to prevent escalation of needs through meeting them, wherever appropriate and possible, at a local level.

1.7 As a result of the Schools Forum agreement to the 0.5% transfer, the Council did not submit a disapplication to the Secretary of State to move additional funding from the Schools Block to the High Needs Block for 2020-21. However, we did state that this position would need to be reconsidered for 2021-22 and beyond, depending upon the DSG projections. Further information regarding the 2020-21 decision not to submit a disapplication request is available in the January 2020 DSG Budget Cabinet paper.[1]

1.8 The DSG deficit arises from the historic underfunding of the High Needs Block, which supports high needs places in state special schools, independent schools, and Alternative Provision. Norfolk is currently carrying an outstanding DSG deficit from previous financial years, with a forecast £30.963m cumulative deficit forecast for the end of 2020-21. On the basis of the accounting treatment introduced in 2020 by the Government:

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[1] https://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1590/Committee/169/Default.aspx (item 23, page 734)

- the DSG is a ring-fenced specific grant separate from the general funding of Local Authorities;
- any deficit an authority may have on its DSG account is expected to be carried forward and is not required to be covered by the authority's general reserves;
- the deficit should be repaid through future years DSG income.

This deficit DSG reserve position is referenced in the County Council's reserve balances presented within the Norfolk County Council Revenue Budget 2021-22 report elsewhere on this Cabinet's agenda, but does not need to be considered when assessing the sufficiency of the Council's general reserves balances.

Central Government Policy

1.9 The Government issued a one-year spending review in November 2020 for the 2021-22 financial year[2]. This confirmed the Education Secretary's previous multi-year in September 2019 of an iterative cash increase of £2.2bn nationally for 2021-22. This follows a £2.6bn increase to core schools funding in 2020-21 and is expected to be followed by a £2.3bn increase in 2022-23 on the basis of the September 2019 announcement.

1.10 The Government also announced that the funding previously allocated through the Teachers' Pay Grant and Teacher's Pension Employer Contribution Grant will be allocated through the Dedicated Schools Grant from April 2021, by adding to schools' funding baselines, increasing the basic per-pupil funding, and increasing the minimum per-pupil funding levels.

1.11 Part of the cash increase announced was additional high needs funding and the government has announced that the minimum per-pupil levels for 2021-22 will be £4,180 for primary schools and £5,415 for secondary schools.

1.12 Government policy continues to be working towards transferring to a 'hard' NFF (where funding is allocated directly to schools, rather than local authorities). In the meantime, Local Authorities will receive their Dedicated Schools Grant allocations for 2021-22 based on the unit values and factors of the NFF. It is the Local Authority's decision as to how the Schools Block is distributed as, at present, there is no requirement upon Local Authorities to allocate the block as per the NFF unit values. However, as the central government policy indicates a move towards a 'hard' formula in future, the implications of this need to be considered by Local Authorities when determining their local formula. The options for the local formula for Norfolk were co-produced with Norfolk Schools Forum and all schools were consulted on the options available.

1.13 The issue of increasing and sustained pressure with High Needs Blocks due to increasing quantity and complexity of need has been raised by many Local Authorities the length and breadth of the country. The increased demand can be correlated to the impact of the 2014 SEN Reform Act.

1.14 Appendix A provides further information regarding the 2021-22 National Funding Formula and related DfE announcements.

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[2] https://www.gov.uk/government/publications/spending-review-2020-documents/spending-review-2020

Transformation Programme

1.15 Children's Services are continuing to implement the Special Educational Needs & Disabilities and Alternative Provision (SEND & AP) Transformation Programme, within Norfolk's Area SEND Strategy, as we invest the Council's £120m capital commitment for SEND & AP in Norfolk. In March 2020, Norfolk received the Area SEND Inspection that has led to a written statement of action that is aligned to our transformation programme. In spite of the covid pandemic, improvement progress continues with minimal impact to the building programme to create new provision.

1.16 Through the Transformation Programme, the Council will build at least 3 new special schools, increase our specialist resource bases by 170 places, and develop a model of Student Support Hubs within 5 mainstream secondary school locations across the county. The Council is also working across mainstream early years settings, schools and colleges to enable more local inclusion for the majority of children and young people with special educational needs and those who need effective alternative provision.

1.17 These transformational changes, taken together, will not only improve educational provision and outcomes for children and young people, but will also seek to address the increasing budget pressures within the Council's SEND and AP Home to School transport budget and the High Needs Block.

1.18 Despite the additional funding from central government, the funding for SEND & AP children in Norfolk remains a key pressure in a number of ways. Historically, there were more children across Norfolk identified for SEND Support or for an EHCP than is the national average. This was been the case for many years, which leaves a cultural legacy not just in schools, but from families and agencies across the county. Recent data suggests that the rest of the country is 'catching up' with Norfolk, and that Norfolk is no longer an outlier. Further benchmarking work will continue to understand how we compare to statistical neighbours and what we can learn from others.

1.19 The geography and infrastructure of the county means that specialist provision is not available equitably. Too often children and young people in Norfolk are travelling too far to access appropriate provision. The funding available to support meeting high needs is firmly committed, year on year, to the delivery of specialist provision, and this accounts for the vast proportion of the funding available via the High Needs Block. However, with too few maintained places in Special / Complex Needs Schools in Norfolk, a significant proportion of this funding is required to fund places in independent / non-maintained, higher cost provision.

1.20 In addition, the permanent exclusion of children from Norfolk Schools has been amongst the highest proportion of children excluded nationally. The consequent impact on the funding of Alternative Provision for excluded children is adding a further, significant pressure. The last 12 months has seen a reduction in permanent exclusions, despite the impact of the pandemic where other authorities have seen increases upon school returns in the Autumn term. This has been the result of a strategic and targeted approach with schools.

1.21 The Council originally prepared a Dedicated Schools Grant (DSG) Recovery Plan in line with DfE requirements that was shared with the Schools Forum in May 2019 and submitted to the DfE in June this year. There were year-on-year assumptions, within the recovery plan, which relate to our transformation programme being successful and ongoing transfer of funding between the Schools Block to the High Needs Block.

1.22 The DSG Recovery Plan is a live document that is regularly updated to reflect the changing position of placements and support within the county. During Autumn 2020, a substantial review and re-set of the recovery plan was undertaken; this work had been delayed from earlier in the year due to the diversion of resource to respond to the Covid-19 pandemic. This reset plan was shared with Schools Forum and the DfE in November 2020 and has received some minor updates that take into account the very latest forecast and transformation information to become the version included in this report.

1.23 For the purposes of modelling, it has been assumed that the High Needs Block will increase in 2022-23 to reflect the additional £2.3bn funding promised for schools. The plan assumes that Norfolk's HNB will benefit in line with a similar proportion of funding received for the 2020-21 and 2021-22 increases. This modelling clearly indicated that the Council needed to continue to assume that year on year Schools Block to High Needs Block transfer need to continue. This will be kept under review as and when future funding arrangements are confirmed. The modelling of individual schools funding compared to 2020-21 (on a like-for-like basis) shows a cash increase for all schools, even with assumed ongoing Block transfers.

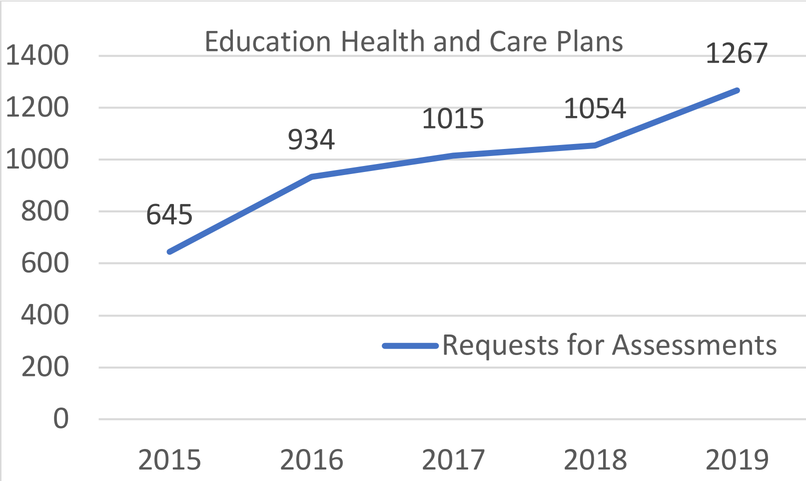
1.24 Norfolk County Council has fully co-operated with the DfE and met them in November 2020 (previously postponed due to the Covid-19 pandemic response), joined by the Chair of Norfolk's Schools Forum. In advance of this meeting, the Local Authority has shared the reset plan with the DfE.

Updated DSG Recovery Plan

1.25 Since it was last shared with Cabinet as part of the 2020-21 DSG Budget paper, there has been significant work undertaken to review and update it. The financial modelling is based upon the best available information at the time of preparation, and some elements of the transformation planned are further through the planning cycle than other elements.

1.26 This reset has taken into account assumptions relating to:

- Increasing the number of maintained specialist provision to increase quality and reduce placement costs compared to the independent sector;
- Increased investment in early invention funding, high needs inclusion and Specialist Resource Base provision to reduce needs escalating and, therefore, reduce demand on places in special school provision and alternative provision;
- the ongoing progress with Norfolk County Council's Special Educational Needs & Disabilities and Alternative Provision (SEND & AP) Transformation Programme (for example confirmation of the opening dates of new specialist provision and expanded places) – the plan initially had very high level estimates for the capital works that have now been revised to reflect the capital programme, as shared with the Capital Priorities Group;
- changing patterns in referrals and demand – over the past two years, a significant increase in referrals for EHCPs has taken place, with an increasing number of children and young people identified as requiring a special school place;



- updated average cost of placements and support (current and projected) – due to place demand, independent provision tends to increase in cost with each placement whilst, as the transformation programme continues, the cost of new provision can more accurately be calculated;
- possible increase in independent provision – when the plan was initially prepared the market (including the independent sector) seemed saturated, but providers have continued to open additional places or provision – updated assumptions reflect current knowledge of the independent market and modest ongoing expansion;
- increases in the High Needs Block allocations in relation to overall schools funding announcements;
- possible Schools Block to High Needs Block transfer in future years.

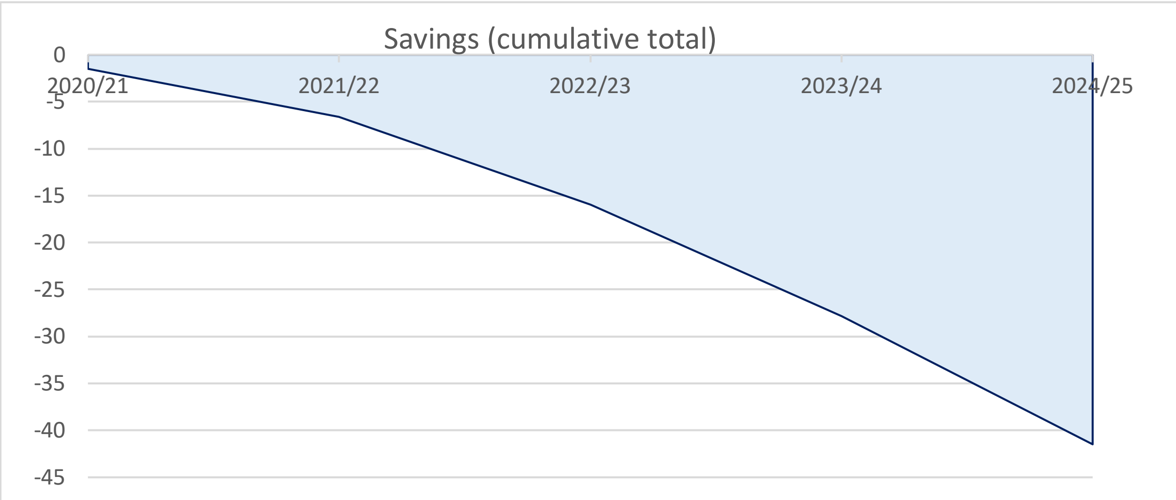
1.27 It should be noted that the DSG recovery plan is based upon a complex financial model, much of which is not within the control of the local authority, such as demand for specialist provision and the medium-to-longer term impact of the Covid-19 pandemic upon high needs including alternative provision.

1.28 The demand that the local authority is anticipating outstrips supply in future years, based upon the trends seen since the policy changes made in the SEND Reform Act. The local authority is of the view that the funding for the High Needs Block has not kept pace with the financial impact of these policy changes (including the emphasis upon parental choice) and, based upon current projections, the significant capital investment and transformation programme that is underway will not be sufficient to sustainably balance the DSG. To be able to properly meet the needs of Norfolk's population, the local authority is of the view that central government needs to allocate both sufficient revenue funding and capital funding, with the capital funding sufficient to both maintain the condition of existing maintained special schools, but also to expand provision (similar to capital grant allocations for mainstream schools).

1.29 The significant savings shown in the table below represent those that will be delivered through needs being met in new maintained specialist provision and specialist resource bases as a result of Norfolk County Council's £120m capital investment – the savings presume that the alternative would be independent provision:

£m	Forecast				
	2020/21	2021/22	2022/23	2023/24	2024/25

Savings (iterative)	-1.488	-3.608	-4.266	-2.525	-1.764
Savings (cumulative in-year)	-1.488	-5.097	-9.363	-11.888	-13.652
Savings (cumulative total)	-1.488	-6.585	-15.947	-27.835	-41.487



1.30 The modelling continues to be improved and refined on an iterative basis. Some of the changes in this latest update are corrections or improvements to previous figures.

1.31 The current financial year forecast (2020/21) outturn is a £11.260m overspend. The DSG deficit carried forward from 2019-20 is currently £19.703m and is forecast to reach £30.963m at the end of the current financial year. The pressures identified as part of the 202/21 outturn are reflected in the revised modelling.

1.32 Following a review of budget pressures for 2021/22, taking into account the Secretary of State's decision to reject the Local Authority's disapplication request for movement of a further 1% of Schools Block funding to the High Needs Block in 2021/22, and considering the period 8 (end of November 20) monitoring (the most recent available), the forecast in-year deficit for 2021/22 has now increased from £3.561m to £8.635m (£5.074m increase), and the cumulative DSG deficit by 2024/25 has now increased from a forecast of £51.025m to £59.503m.

1.33 Despite the rejection of the disapplication request for 2021/22, the plan presumes a similar request in future years given the size of the in-year and cumulative deficits projected.

1.34 If the increased demand was met by increased independent provision, rather than through Norfolk County Council's £120m capital programme, then the cumulative deficit by 2024-25 would be expected to be at least £13m per annum higher (cumulative deficit would be in the region of £40m higher) for the same number of places. The quality of provision and outcomes for children and young people is significantly and consistently better in the maintained and academy sector; thus, the programme will deliver non-financial benefits as well as financial benefit.

1.35 The forecast in-year deficit reduces in 2021-22 and 2022-23, prior to rising again from 2023-24 onwards. This is due to the expected significant supply of new provision into the sector in 2021-22 and 2022-23, thus a greater proportion of children with high SEND will have their needs met in the maintained and academy sector, rather than the independent sector.

1.36 The scale of the challenge faced by Norfolk within the current funding arrangements from the Government is immense, as demonstrated in the DSG medium-term forecast. The tables overleaf show the latest DSG position forecast to 2024-25 based upon the latest information and modelling.

DSG Recovery Plan, £m	Outturn					
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
High Needs Block DSG Income	80.462	81.917	93.311	103.926	112.732	114.355	115.763
0.5% Schools Block Transfer	2.365	2.410	2.535	2.621	2.647	2.674	2.701
Additional Schools Block to High Needs Block Transfer	0.000	4.580	0.000	0.000	5.295	5.348	5.401
Schools Block / Early Years Block / Central Services Schools Block Underspends	4.095	1.491	0.244				
Total Resources	**86.922**	**90.398**	**96.091**	**106.548**	**120.674**	**122.377**	**123.865**
Placement Budget starting point			87.103	92.299	97.579	105.031	110.727
Demographic Growth			6.516	7.826	11.621	8.497	6.092
Savings			-1.321	-2.546	-4.169	-2.801	-1.737
Total Placements	**80.488**	**87.103**	**92.299**	**97.579**	**105.031**	**110.727**	**115.082**
Early Intervention SEN Funding[3]	6.075	8.762	9.991	10.300	11.050	11.800	11.800
New Special School Start-up Costs			0.113	0.489	0.397	0.000	0.000
Speech and Language Therapy Service contribution	0.771	1.002	1.241	1.100	1.004	1.004	1.004
Sensory Support	1.624	1.623	1.623	1.623	1.623	1.623	1.623
Youth Offending Team contribution	0.290	0.290	0.290	0.290	0.290	0.290	0.290
Child and Adolescent Mental Health Service contribution	0.251	0.251	0.251	0.251	0.251	0.251	0.251
High Needs Inclusion Infrastructure	0.774	0.795	1.573	1.967	1.967	1.967	1.967
Permanent Exclusion charges	-0.999	-1.082	-0.551	-0.900	-0.900	-0.900	-0.900
Other	0.447	0.469	0.520	0.597	0.597	0.597	0.597
Teachers' Pay Grant and Teachers' Pension Employer Contribution Grant				1.886	2.021	2.156	2.260
Total Expenditure	**89.722**	**99.214**	**107.351**	**115.182**	**123.331**	**129.515**	**133.974**
Surplus (+)/Deficit (-)	**-2.800**	**-8.816**	**-11.260**	**-8.635**	**-2.657**	**-7.139**	**-10.109**
Cumulative Deficit	**-10.887**	**-19.703**	**-30.963**	**-39.597**	**-42.255**	**-49.394**	**-59.503**

[3] Includes Element 3 funding

Placements Costs by type, £m:	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Maintained / Academy / Free Special Schools	*31.587*	*34.260*	*36.325*	*38.099*	*42.464*	*45.191*	*46.998*
Independent Special Schools	*25.604*	*30.456*	*31.633*	*33.621*	*35.610*	*37.598*	*39.586*
Section 19 Placements and Support[4]		*0.060*	*0.943*	*1.110*	*1.110*	*1.110*	*1.110*
Alternative Provision	*6.455*	*4.693*	*4.177*	*2.099*	*2.099*	*2.099*	*2.099*
Post-16 (Further Education)	*6.440*	*6.774*	*7.084*	*7.175*	*7.154*	*7.552*	*7.987*
Specialist Resource Bases & Deaf Resource Bases	*3.089*	*3.242*	*3.774*	*5.074*	*6.193*	*6.776*	*6.901*
Personal Budgets	*0.451*	*0.501*	*0.426*	*0.501*	*0.501*	*0.501*	*0.501*
Short Stay Schools	*6.129*	*6.821*	*7.110*	*9.071*	*9.071*	*9.071*	*9.071*
Other Local Authority Recoupment	*0.734*	*0.298*	*0.828*	*0.830*	*0.830*	*0.830*	*0.830*
Total Placement Costs	**80.488**	**87.103**	**92.299**	**97.579**	**105.031**	**110.727**	**115.082**

Placements Numbers by type:	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Maintained / Academy / Free Special Schools	*1,484*	*1,577*	*1,723*	*1,880*	*2,035*	*2,142*	*2,213*
Independent Special Schools	*615*	*847*	*897*	*947*	*997*	*1,047*	*1,097*
Section 19 Placements and Support[5]		*83*	*89*	*120*	*120*	*120*	*120*
Alternative Provision	*351*	*252*	*176*	*110*	*110*	*110*	*110*
Post-16 (Further Education)	*588*	*677*	*632*	*659*	*689*	*722*	*757*
Specialist Resource Bases & Deaf Resource Bases	*242*	*242*	*270*	*358*	*432*	*458*	*458*
Personal Budgets	*55*	*65*	*65*	*65*	*65*	*65*	*65*
Short Stay Schools	*350*	*370*	*370*	*432*	*432*	*432*	*432*
Other Local Authority Recoupment	*74*	*83*	*83*	*83*	*83*	*83*	*83*
Total Placement Numbers	**3,759**	**4,196**	**4,304**	**4,654**	**4,963**	**5,179**	**5,335**

[4] Section 19 placements and support were not historically identified separately

[5] Section 19 pupils are not placements as such, but are pupils that the LA has a statutory duty to support whilst they are either on the waiting list for Short Stay School, CME, or awaiting specialist placement

2021-22 DSG Allocations

1.37 The total DSG allocation received for 2021-22 was confirmed in December 2020 by the DfE[6] and totals £699.469m before academy recoupment. This compares to a total DSG allocation of £646.969m in 2020/21, as at the November 2020 DSG update; an overall increase of £52.5m (although this includes £25.748m of Teachers Pay Grant (TPG) and Teachers Pension Employer Contribution Grant (TPECG) that have been rolled into the DSG from April 2021.

Schools Block

1.38 The Schools Block is £547.933m; an increase of £40.926m from the £507.007m received in 2020/21. £23.681m of this increase is for protected TPG and TPECG that have both been moved into the DSG from April 2021. £2.782m of the increase is extra funding for additional pupil numbers on the October census, up from 106,352 pupils to 106,836 pupils compared to the previous year. The remaining £14.463m is from additional National Funding Formula funding distributed by the Department for Education (DfE) as part of the 3-year settlement for schools' funding announced in autumn 2019 that will allocate an additional £14bn nationally between 2020/21 and 2022/23. This is a like-for-like increase of 2.9%.

Central School Services Block

1.39 This block consists of historic commitments prior to 2013 with a contractual agreement. It also includes a contribution to the admissions service, the servicing of the Schools Forum and covers licences that are paid centrally by the Department of Education on all schools' behalf. Additionally, it includes the previously retained element of the Education Services Grant, which covers the statutory duties carried out by the Local Authority for all types of school

1.40 The Central School Services Block of £3.772m (£3.407m in 2020/21) covers central items previously held within the Schools Block. The increase of £0.365m includes approximately £0.181m (£1.69 per pupil) for the TPG and TPECG of centrally employed teachers, previously provided to the LA as a separate grant. The remaining increase of £0.184m is due to an increase in the amount allocated per-pupil (from £30.23 per pupil 2020/21 to £32.18 per pupil 2021/22). This block covers the cost of central licences which will be charged to the authority by the DfE for all schools, historic commitments already agreed by Schools Forum and the retained services provided to all schools previously covered by the Education Services Grant. Schools Forum voted to retain these items centrally at the November 2020 Forum meeting.

High Needs Block

1.41 The High Needs block has increased to £103.926m from £93.311m. This is an increase of £10.615m compared to the 2020/21 DSG (November 20 update). Within the overall increase between years there is £0.413m for an increase in the number of pupils in special schools, up from 2,202 to 2,305 pupils, and £1.886m of TPG and TPECG grants included that have been moved into the HN Block for special schools, Alternative Provision (AP), and hospital education from April 2021. The remaining £8.316m

[6] https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2021-to-2022/dsg-technical-note-2021-to-2022

increase is due to additional funding distributed by the DfE out of the extra £14bn announced for schools over a 3-year period starting 2020/21, equivalent of 8.9% like-for-like increase. The allocation is based on a 50% historic baseline exercise and the remaining 50% is calculated on population growth, places created and additional needs.

Early Years Block

1.42 The indicative Early Years Block for 3- and 4-year-old universal entitlement totals £28.840m. The Early Years National Funding Formula sets out that Local Authority central costs funded from the EY Block should be no greater than 5% of 3- and 4-year-old funding when planning the budget. The Early Years Funding Formula for 2021/22 will be paid to the Local Authority at £4.44 per hour, an increase of £0.06 per hour compared to 2020-21.

1.43 Since September 2017 working parents have been able to access an additional 15 hours of funded 3- and 4-year-old early education. Taking the total amount to 30 hours of funded childcare based on the January 20 census, the Department of Education has provided indicative funding of £9.543m as estimated take up of the additional 15 hours by parents.

1.44 Schools Forum voted to retain centrally 5% of the 3- and 4-year-old funding at the November Schools Forum meeting. Based on the 2021/22 published DSG allocations, the 5% of 3- and 4-year-old funding retained centrally will be £1,919,170. The Local Authority will continue to use this funding to provide central support and administer payments to all providers of Early Years Education, in schools and in private, voluntary and independent settings.

1.45 Parents can access 15 hours of funded 2-year-old early education, if they meet the eligibility criteria. The Department of Education is providing £4.548m of funding initially based on the January 2020 census. The Local Authority will receive £5.36 per hour for Early Education of 2-year olds, an increase of £0.08 compared to 2020/21.

1.46 Early Years Pupil Premium continues at 53p per hour per eligible child claiming 3 and 4-year-old funding, up to a maximum of 570 hours per year. The initial published allocation is £0.503m.

1.47 All of the Early Years allocations detailed above would usually be adjusted during the financial year based on take up at the January 2021 and 2022 census dates. However, given the impact of Covid-19 pandemic, the DfE have stated that the basis for reviewing 2021/22 indicative allocations will be reviewed in Spring 2021 and any change in methodology will be published in the DfE's DSG technical note.

1.48 Maintained nursery schools, and schools and academies with early years pupils, currently receive allocations for TPG and TPECG which include early years pupils. The DfE will continue to provide these grants to these schools separately from the DSG in relation to early years pupils in 2021 to 2022. Allocations will be published in Spring 2021.

1.49 The Early Years National Funding Formula (EYNFF) places Nursery Schools on the same funding model as all Early Years Settings, and supplementary funding of £0.222m has been provided to continue to protect fixed sums that the 3 Nursery Schools in Norfolk receive. The fixed sums fund the higher overheads and cost of qualified teaching staff in a Nursery School. However, part of the supplementary funding allocations are published as indicative (£92,533), and part as conditional (£129,546). The allocations for April 2021 to August 2021 are indicative and will be updated on the same basis as the universal entitlements (more information on funding arrangements in this period will follow from DfE). That is the only adjustment that will be made to those figures. However, the maintained nursery school supplementary funding allocations for September 2021 to March 2022 are conditional: they may be subject to change and local authorities should, therefore, treat them as unconfirmed.

1.50 The Disability Access Fund aids access to early years places. An early years setting is eligible for £615 per year for each child in receipt of Disability Living Allowance using February 2020 data. The allocation for 2021/22 is £0.181m, and it is not updated during the financial year.

DSG Changes between years

1.51 The overall difference in the DSG allocation from the prior year is set out in the table below:

Funding element	2020-21* (£m)	2019-20** (£m)	Change (£m)	Explanation for change
Early Years Block				
Early Years 3- & 4- year old: 15 hours universal entitlement	28.840	28.450	0.390	£0.06p/hr uplift
Early Years 3- & 4- year olds: 30 hours for working parents	9.543	9.414	0.129	£0.06p/hr uplift
Early Years 2-year old: 15 hours, where eligible	4.548	4.480	0.068	£0.08p/hr uplift
Early Years Pupil Premium	0.503	0.503	0.000	No change
Nursery Schools Supplement	0.222	0.222	0.000	No change
Early Years Disability Access Fund	0.181	0.174	0.007	Increase in eligible pupils
Schools Block	547.933	507.007	40.926	Increase of 484 pupils, £2.782m, and additional money from DfE through NFF, £14.463m, and TPG/TPECG grants moved into DSG from April 2021, £23.681m
Central School Services Block	3.772	3.407	0.365	Funding per pupil increased from £30.23 to £32.18 per pupil, £0.184m, plus a further £1.69 for TPG/TPECG of centrally employed teaching staff, £0.181m
High Needs Block	103.926	93.311	10.615	Increase of 103 special school pupils, £0.413m, £8.316m additional funding as a result of the National Funding Formula additional DfE money, and £1.886m of TPG/TPECG grant funding moved into DSG from April 2021
Total	**699.469**	**646.969**	**52.500**	

*Source: DfE’s DSG allocation tables 2020-21 (Nov’20 update)
**Source: DfE’s DSG allocation tables 2021-22 (published Dec’20)
Note: All figures are shown rounded to nearest thousand per DfE allocation table

Movement Between Funding Blocks

1.52 Movement of 0.5% from the Schools Block to the High Needs Block was agreed by Schools Forum at the November 2020 meeting with the intention of alleviating the forecast pressure on the High Needs Block caused by the demand on high cost specialist placements, the increase in high needs in the school population and the proportion of placements in independent provision as opposed to state-maintained provision. Based on the updated DSG allocation for 2021/22 this is a one-off movement of approximately £2.621m. Following that transfer the new totals will be £545.311m for Schools Block and £106.548m for High Needs Block.

1.53 The Local Authority submitted a disapplication of regulations request to the Secretary of State in November 2020 requesting a further 1% transfer from the Schools Block to the High Needs Block in 2021/22, equivalent to approximately £5.243m. However, the Local Authority has now been notified that the Secretary of State has rejected the disapplication request, which we understand is in line with all other requests by Local Authorities. As a result, the forecast DSG deficit for 2021/22, and the cumulative deficit, is now significantly higher than that shared with Schools Forum in November.

Existing DSG Cumulative Deficit

1.54 Norfolk is carrying an outstanding DSG deficit of £19.703m from previous financial years as a result of pressures within the High Needs Block. A further High Needs Block deficit of £11.504m for 2020/21 is forecast based upon the latest information available. However, the overall DSG deficit forecast for 2020/21 is £11.260m when accounting for underspends that are forecast on the Schools Block (primarily savings made from academy conversion rates relief). The overall DSG starting position for 2021/22 is, therefore, forecast to be a deficit of £30.963m (£19.703m from previous years plus £11.260m for 2020/21).

Other Schools Grants

Pupil Premium

1.55 Pupil Premium funding will remain at the same level for 2021/22:

- Primary pupils: £1,345
- Secondary pupils: £955
- Looked-after children: £2,345
- Children who have ceased to be looked-after: £2,345
- Service children: £310

1.56 The eligibility criteria for the pupil premium will remain unchanged, however, the DfE will use October 2020 school census data to calculate pupil premium allocations instead of January 2021 (as would usually have been the case). Exceptions to that include alternative provision and pupil referral units where eligibility will continue to be based on the January census.

Free School Meal Supplementary Grant 2020 to 2021

1.57 The DfE have confirmed that the Free School Meal (FSM) Supplementary Grant will be extended for one additional year to 2020 to 2021 for increases in FSM pupil numbers between October 2019 and October 2020, at a per pupil rate of £450. Allocations will be made in February 2021. The Local Authority awaits future DfE announcements with the hope that there is a further response to meal increases occurring beyond the October 2020 census, given the current situation with the Covid-19 pandemic.

Other grants for 2021 to 2022

1.58 The DfE have said that information about other grants for 2021 to 2022 will be issued during 2021.

2. Proposals

Schools Block

2.1 An online survey took place in October 2020 open to all Norfolk schools to consult them upon options for the 2021-22 mainstream schools funding formula.

2.2 The following options for the 2021-22 mainstream funding formula were consulted on[7]:

2.3 **Option 1 -** Implementation of DfE's National Funding Formula unit rates and methodologies, with a transfer of £7.828m of Schools Block (0.5% plus a further 1% to High Needs Block). It is expected that the Minimum Funding Guarantee would be set at +0.75% and there would need to be a funding cap of +0.76%.

2.4 **Option 2 -** Implementation of DfE's National Funding Formula unit rates and methodologies, with a transfer of £2.609m of Schools Block (0.5%) to High Needs Block. It is expected that the Minimum Funding Guarantee would be set at +1.73% but there would be no need for a funding cap on gaining schools.

2.5 **Option 3 -** Implementation of DfE's National Funding Formula unit rates and methodologies. It is expected that the Minimum Funding Guarantee would be set at +2% and there would be no need for a funding cap on gaining schools. It is estimated that an increase of +1.07% above the NFF Basic Entitlement factor values may be possible.

2.6 **Note:** If further adjustment is required to calibrate Norfolk's formula to the final level of DSG funding available for 2021-22 it is proposed that this would be managed as explained below.

For additional funding to allocate, it would be allocated in the following order:

- Increase the level of MFG protection if possible for all schools, within the allowable range of +0.5% and +2%, and increase cap so it is no lower than MFG threshold;
- Remove funding cap on gains if possible;
- Increase the Basic Per-Pupil Entitlements for primary and secondary pupils above NFF values by an equal percentage, until all additional funding is allocated.

[7] The consultation options were based upon provisional DSG funding allocations and estimates based upon October 2019 census data and prior to the DfE confirming the final DSG funding for 2021-22. Therefore, the options consulted on are likely to differ a little from the final position.

If the final DSG allocation for Norfolk is less than expected, the formula would be adjusted in the following order:

- Reduce the level of MFG if necessary;
- Reduce the level of the funding cap (reducing the level of maximum gains) or introduce a funding cap on gaining schools. The funding cap must not be lower than the MFG threshold;
- As a last resort, and not expected to be needed, reduce the Basic Per-Pupil Entitlements of all schools below NFF values by an equal percentage until the formula balances, whilst still meeting minimum per-pupil and MFG requirements.

2.7 Appendix B contains a summary of the options consulted upon and a summary of the responses received, including the comments fed back by schools.

2.8 The consultation did not receive the level of response that has been seen in previous years and, given the pressures and uncertainties facing school leaders, this is not necessarily a surprise. However, of those that did respond, there was a preference (based upon the number of schools represented) for option 3 (no block transfer), with option 2 (0.5% block transfer) as second choice.

2.9 The local authority proposed to Norfolk's Schools Forum to continue to implement the unit values and methodologies of the National Funding Formula, updated for the financial year 2021-22, as this was the basis for all options given in the consultation and in line with previous Schools Forum recommendations to align Norfolk with the NFF factors and unit values.

2.10 However, where there is a DSG deficit, local authorities are expected by the DSG regulations to recommend the maximum transfer of funding to reduce the pressure on the HNB, and DSG budget overall. For Norfolk, this was calculated at 1.5% for 2021-22 from Schools Block to High Needs Block, whilst still ensuring that the minimum per-pupil funding levels are in place. In spite of the preference for no transfer to High Needs Block indicated through responses to the consultation, this was, therefore, the recommendation to Schools Forum.

2.11 The LA recognises the pressures on schools' budgets and the desire of schools to receive the maximum funding possible directly into their budgets via the funding formula, and that maximising funding in schools may support increased inclusivity and reduced escalation of needs. However, the LA must weigh this up against the current and forecast levels of DSG deficit and be responsible in considering how the deficit can be repaid from within the DSG in future years, as required by the regulations. The LA is required to have a plan in place for recovery of the DSG, as per Norfolk's plan included in this report, which must be presented to the DfE as well as to Schools Forum.

2.12 The LA also recognises the difficulty that this situation presents for Schools Forum members in recommending an option for the 2021-22 funding formula. Schools Forum members are asked to take into account the views of schools' responses from the consultation, but also to consider the wider landscape of the DSG in making their recommendation to the LA.

2.13 Norfolk's current DSG Recovery Plan is underpinned by two key elements:

- the £120m capital investment to build new special schools, specialist resources bases and to develop student support hubs;
- and, the assumption of ongoing transfers of funding between the Schools Block and High Needs Block (0.5% plus a further transfer of 1%).

2.14 The LA, therefore, advised Schools Forum that it was minded to submit an application to the Secretary of State for an additional 1% transfer, estimated at £5.218m, and, if necessary, the movement of the 0.5% estimated at £2.609m (if Schools Forum vote against the 0.5% movement). In doing so the LA will be required to demonstrate, with a business case, that this is the best possible option for Norfolk as a whole schools' system.

2.15 The Norfolk Schools' Forum meeting on 13 November 2020 took the decision to agree to transfer 0.5% from the Schools Block to the High Needs Block, option 2 above. The Forum did not support an application to the Secretary of State for any additional funding movement between blocks for 2021-22, option 3 above, to enable schools to have the funding to meet the needs of current pupils and to prevent escalation of needs through meeting them, wherever appropriate and possible, at a local level.[8]

2.16 There is no easy solution to these funding challenges, and the system overall lacks sufficient funding to meet the needs of all pupils, given the increasing complexity of needs for significant numbers. Future uncertainty in relation to all DSG funding makes it extremely difficult for both schools and the council to plan ahead and to understand the implications of any decisions made. Nevertheless, the council recognises that the needs of current students must be considered alongside the offer for the future, and it is critical that mainstream schools have the funding locally to invest in creative solutions to achieve increased inclusivity. Removing funding from the mainstream schools (Schools Block) risks escalation of need that cannot be met at a lower level driving more pupils into high needs provision that is significantly more expensive. However, the revised terms and conditions of the DSG left the Council with little choice but to apply for an increased block transfer.

2.17 Therefore, the Council submitted a disapplication of regulations request in November to the Secretary of State for Education to request an additional transfer of 1% from the Schools Block to the High Needs Block for 2021/22, in excess of the 0.5% already agreed by Schools Forum. This would have been equivalent to approx. £5.243m. However, the Local Authority has now been notified that the Secretary of State has rejected the disapplication request, which we understand is in line with all other requests by Local Authorities. As a result, the forecast DSG deficit for 2021/22, and the cumulative deficit, is now significantly higher than that shared with Schools Forum in November.

2.18 The implementation of any of the options utilising the DfE's NFF unit rates and methodologies would result in some schools being protected from significant funding reductions through the Minimum Funding Guarantee. To ensure that this is affordable, a funding cap may need to be set for those schools that will gain significantly, although it is

[8] https://www.schools.norfolk.gov.uk/Finance/Norfolk-schools-forum/Minutes/index.htm

expected that this would only be necessary for Option 1 with a 1.5% Schools Block to High Needs Block transfer.

2.19 No funding cap is anticipated for option 2 on the basis of the provisional DSG funding allocations received in October 2019 and like-for-like pupil numbers year on year. The Council has now received the latest census information and final allocations that will allow the individual school budgets to be set. It is still anticipated that no funding cap will be required and that a Minimum Funding Guarantee of +1.66% can be provided.

2.20 **Cabinet is asked to allocate the Schools Block funding via the DfE's National Funding Formula unit rates and methodologies, with a transfer to the High Needs Block of £2.621m of Schools Block, 0.5% as agreed by Schools Forum. The Minimum Funding Guarantee based upon the final DSG allocations is expected to be set at +1.66% and it is not expected that a funding cap is required.**

2.21 **Cabinet is asked to delegate decision making powers to the Executive Director of Children's Services, in conjunction with the Lead Member for Children's Services, has delegated authority to agree the final funding cap (if necessary) or allocation of additional funds, once the final DSG calculations of individual school allocations are confirmed, and in in line with the principles of Cabinet's decision.**

High Needs Block

2.22 Following a review of budget pressures for the year ahead, including new provision due to open, and based on period 8 monitoring (the most recent available at the time of writing and reported in the Finance Monitoring paper elsewhere on this agenda), the best estimate at this stage is that a deficit budget of £8.635m is required for the HNB for 2021-22.

2.23 Combined with the current forecast deficit position at 31 March 2021, this would result in an overall deficit of £39.597m on the DSG by the 31 March 2022.

2.24 The latest DSG Recovery Plan is shown earlier in this paper and reflects this position for 2021-22. The table below shows the budget distribution for the coming year:

2.25

2021-22 High Needs Block	**2021/22 £m**
High Needs Block DSG Income	103.926
0.5% Schools Block Transfer	2.621
Total Resources	**106.548**
Maintained / Academy / Free Special Schools	*38.099*
Independent Special Schools	*33.621*
Section 19 Placements and Support	*1.110*
Alternative Provision	*2.099*
Post-16 (Further Education)	*7.175*
Specialist Resource Bases & Deaf Resource Bases	*5.074*
Personal Budgets	*0.501*
Short Stay Schools	*9.071*

Other Local Authority Recoupment	*0.830*
Total Placements	**97.579**
Early Intervention SEN Funding	10.300
New Special School Start-up Costs	0.489
Speech and Language Therapy Service contribution	1.100
Sensory Support	1.623
Youth Offending Team contribution	0.290
Child and Adolescent Mental Health Service contribution	0.251
High Needs Inclusion Infrastructure	1.967
Permanent Exclusion charges	-0.900
Other	0.597
Teachers' Pay Grant and Teachers' Pension Employer Contribution Grant	1.886
Total Expenditure	**115.182**
Surplus (+)/Deficit (-)	**-8.635**

2.26 **Cabinet is asked to agree the HNB budget, noting that it has been assessed to meet our statutory duties and it adds to the DSG cumulative deficit.**

Early Years Block

2.27 Funded parental entitlements for childcare for 2-, 3- and 4-year olds is financed by the Early Years (EY) Block of the DSG. The EY Block of the DSG is paid to Local Authorities based on an hourly base rate calculated using the Early Years National Funding Formula (EYNFF), and the allocation is calculated from previous take up of funded places and then adjusted to reflect actual take up during the year.

2.28 Since the introduction of the Early Years National Funding Formula in April 2017, the local authority is responsible for setting a local formula to pay providers for funded hours claimed by parents in line with DfE requirements and after consultation with providers.

2.29 The local formula has a base rate with a combination of mandatory and optional supplements, and inclusion funds. Additionally, local authorities have duties to support the market/providers, for which up to 5% of the nationally allocated funding can be retained to enable these.

2.30 The base rates in the EYNFF increased in April 2020 by 8p to £3.73 per hour for 3- and 4-year olds and £5.28 for 2-year olds. This was the first increase in the base rate since April 2017 and was passed on in full to providers in Norfolk. The local formula has not changed since then, except to pass through that 8p uplift in funding in April 2020.

2.31 Further details regarding the existing formula are included in Appendix C.

2.32 During Autumn 2020, the County Council undertook a consultation with early years providers with respect to the local formula for funded parental entitlements. This had been agreed earlier in the year in response to concerns raised by some early years providers, including (but not exclusively):

- Since 2017, Early Years providers have been subject to several new central government initiatives that have had a significant impact on provision;
- Although the numbers of children taking up the extended offer (30 hours) is high, this initiative has seen a reduction in the number of fee paying places available with places being filled by children accessing the extended offer, for which providers only receive the funded hourly rate. The hourly rate currently paid is, in many instances, less than a provider would charge;
- Other factors have given rise to increased costs for all providers, including National Living/Minimum Wage, pension contributions, apprenticeship contributions, increased business rates, utilities and rent charges;
- Locally and nationally, campaign groups have challenged central and local government about funding for early years. Locally, this has included challenge that not all the available funding has been allocated to providers. This is a challenge the local authority has taken very seriously and, whilst the underspend has been primarily due to take-up being lower than budgeted, NCC has sought to undertake detailed review of the current formula.

2.33 The Council's approach to the review of the local formula is detailed in Appendix D along with the options consulted upon. Appendix provides details of the responses received and the analysis provided to Norfolk Schools Forum by the Council.

2.34 **Norfolk Schools Forum Recommendations to NCC:**

- **Base rate and supplements within formula**

Based on the feedback received from early years providers in the consultation, which was in line with the views of the Early Years Reference Group, that we should look to reduce the use of supplements, option 2 is recommended: keep the current arrangements of having two optional supplements (quality and flexibility) but increase the base rate by £0.19 reducing the amount paid through supplements to £0.10.

- **Deprivation criteria**

The feedback received for changes to the deprivation criteria was very close, with 51% voting not to remove the current 11-20% criteria from the formula, and 49% voting yes to the removal of that element.

As there is no overwhelming support for change, it is recommended that the current deprivation criteria is retained.

- **5% top-slice for central services/SEN Inclusion from 2-year-old base rate**

It is recommended that, at this stage with no increase to the base rate for 2-year-old funding[9], there is no amendment made to the 2-year-old formula for the creation of a SEN inclusion fund or towards central costs, with this being kept under review if, and when, the EYNFF base rate is increased.

- **Link between EYNFF base rate and local base rate**

[9] There was no increase to the base rate announced from central government at the time that Forum made their recommendations

Given the views expressed about the use of supplements, should there be any increase in the base rates paid to Norfolk, it is recommended that the opportunity to review the use of supplements again is taken, rather than automatically apply any increase in base rate in full.

Additionally, it is recommended that there will be an annual review testing reasonableness of assumptions vs actuals, which may result in future base rates being increased or decreased to ensure that Norfolk's EY block is sustainably managed. Regular review ensures that the risk of significant underspends or overspends is reduced.

2.35 It was also agreed that an Early Years Reference Group should be reconvened as a sub-group to Schools Forum to continue to explore the issues raised through consultation feedback and to look ahead to how Norfolk could eventually transition to having a formula based only upon hourly base rate plus deprivation supplements (i.e. with no other supplements).

2.36 Following the Schools Forum meeting in November 2020, there was an announcement by the DfE that Norfolk's Early Years hours rates will increase from April 2021 from £4.38/hr to £4.44/hr for 3 and 4-year olds and from £5.28/hr to £5.36/hr for 2-year olds. Schools Forum are due to meet on 26 January 2021 and have been asked to make a recommendation to Cabinet regarding these increases and how the funding should be allocated in the hourly rate for Early Years funding in 2021/22.

2.37 Based upon the Autumn 20 consultation of early years providers in Norfolk, it is proposed that Norfolk's formula allocates the full £0.06 increase to the 3- and 4-year-old funding to providers from April 2021 via an increase to the hourly base rate. This would take the proposed hourly base rate, following the Autumn consultation, up from £3.92 to £3.98 per hour in the 2021/22 financial year. The rate in 2020-21 is currently £3.73 per hour.

2.38 There are alternative options, such as adjusting the rate that supplements are paid at. In particular, a further reduction to the value of discretionary supplements to move towards a base rate plus deprivation only; i.e. towards option 3 of the Autumn 2020 consultation. Whilst it could be possible to ensure that no settings see a reduction in their hourly rate, it would mean that some settings see no increase at all at a time when costs are genuinely understood to be under pressure and the Government has recognised that funding pressure.

2.39 The rationale for this is:

(i) Providers will already be planning on the basis of Schools Forum's previous decision and may assume that any increase in the base rate will be passed on;
(ii) All providers are likely to have seen genuine increased costs, and this option would mean that all would have at least a small increase in the actual rate that they receive;
(iii) It could be too big a change at this stage for some providers to see a further reduction in the value of supplements, which could risk their financial stability and, thus, market sufficiency.

2.40 **A recommendation is being sought from Schools Forum on the 26 January 2020 and will be reported to Cabinet as an update prior to its decision. It is anticipated that the Schools Forum will recommend that the 3- and 4-year-old base rate for Norfolk's formula should be further increased from April 2021 in line with the 2021/22 EYNFF hourly increase of £0.06 for 3 and 4-year old funding that Norfolk will receive.**

2.41 Based upon the Autumn consultation feedback, there are two proposed options for allocation of the £0.08 increase to 2-year old funding from April 2021:

Option	Proposal	Rationale for Proposal
1	Allocate the full £0.08 increase to providers through the 2-year old hourly base rate. This would increase the base rate to £5.36 per hour from April 2021. The rate in 2020/21 is currently £5.28 per hour.	(i) If providers are struggling financially, then they are likely to want the full funding passed on; (ii) Approximately 60% of providers that responded to the Autumn consultation did not support a SEN Inclusion Fund, though it should be noted that it was indicated in a number of such responses that this would be because it would be of no benefit to their settings, and also the proposal set out with the consultation was for the retention of a much higher rate, £0.26/hr.
2	Allocate £0.06 of the hourly rate increase to providers through the 2-year old hourly base rate (in line with the proposed increase for 3 and 4-year old funding), taking the new hourly rate up to £5.34 per hour from April 2021, and retain £0.02 for the creation of a new 2-year old SEND Inclusion Fund (creating a budget of £16,970).	(i) Support for SEN inclusion fund shown in the consultation response from a significant number of providers, particularly from those with children attending with high SEN and had experience of the financial challenges of meeting their needs; (ii) Better enables the needs of 2-year olds with SEN to be included in settings, supporting improving access to provision; (iii) An equitable increase in rate passed on across all age ranges.

2.42 **On the basis of these rationale it is anticipated that Schools Forum will recommend option 2 for the 2-year-old hourly base rate.**

2.43 On the basis of these recommendations from Schools Forum (actual or anticipated), the proposed final formula for 2021/22 would be:

	Current Rate 2020/21 (£/hr)	Proposed Rate 2021/22 (£/hr)
Base rate (3-to-4-year olds)	3.73	3.98
Base rate (2-year olds)	5.28	5.34

Quality supplement	0.20	0.10
Flexibility supplement	0.20	0.10
Deprivation supplement (10% most deprived based on IDACI)	0.25	0.25
Deprivation supplement (11-20% most deprived based on IDACI)	0.15	0.15

x

2.44 **The impact of these recommendations are:**

- **an increased base rate for 3- and 4-year-olds (increased by £0.25/hr from £3.73/hr to £3.98/hr) to be funded by**
    - **reducing the level of contingency held and by reducing the existing quality and flexibility supplements from £0.20/hr to £0.10/hr, with no changes to existing deprivation factors;**
    - **passing on the 6p/hr increase in full to be received by NCC (announced by Government in December 2020)**
- **an amended formula increasing for 2-year-olds:**
    - **increasing the base rate by 6p/hr to £5.34/hr**
    - **creation of a SEN Inclusion Fund utilising 2p/hr of the 8p/hr funding increase to NCC (announced by Government in December 2020)**

2.45 **Cabinet is asked to allocate the Early Years Block funding via revised hourly rates with associated supplements as recommended by Norfolk's Schools Forum.**

3. Impact of the Proposal

Schools Block, High Needs Block and DSG Recovery Plan

3.1 The modelling of individual schools funding based upon the DSG allocations from December 2020 compared to 2020-21 allocations (on a like-for-like basis) shows a cash increase for all schools even with the 0.5% Schools Block to High Needs Block transfer agreed by Norfolk Schools Forum.

3.2 When the final allocations are calculated and budgets are informed of their allocations some may find that they do see a reduction in their funding, but this will be due to other reasons, such as reducing number of pupils on roll.

3.3. All schools had the opportunity to participate in the Fair Funding consultation held during Autumn 2020 on the local formula options, including the potential transfer of Schools Block funding to High Needs Block. A summary of the consultation responses from schools was provided to the Schools Forum, along with transcripts of the comments provided. This is also provided in Appendix B to this report for reference.

3.4 The Norfolk Schools' Forum meeting on 13 November took the decision to transfer 0.5% from the Schools Block to the High Needs Block, which was a very difficult decision for them to make, going against the majority of school leaders who responded to the consultation and adding to the significant financial pressure that schools find themselves under at a time of significant uncertainty given the ongoing covid pandemic. The consultation responses from schools and academies supported no transfer from the Schools Block to the High Needs Block, with a transfer of 0.5% being the second preference. It is worth noting that the response rate was very low compared to previous years' consultations, and this may well be due to the strain upon school leaders of the covid pandemic combined with the high level of uncertainty regarding schools funding. Comments made in response to the consultation reflected the significant financial pressures facing many schools as well as the desire to be able to support SEND children in mainstream settings and concerns that a block transfer would undermine this ability and take money away from mainstream schools. Despite the additional funding coming into schools, there continues to be ongoing financial pressures.

3.5 Given this context, the decision to support the 0.5% transfer by the Schools Forum recognises the pressure that high needs funding is under. The Forum have previously expressed their support was made to ensure the plan for financial recovery for the whole system stays on track and to ensure the success of the SEND transformation programme. For the Forum's view was that this programme is the means by which support for Norfolk's most vulnerable children will be improved through extending specialist provision, ensuring provision is there for the right children and for supporting mainstream schools to meet ever more complex needs in their settings. The pressures of these needs not being met will be felt by all schools and individual teachers; having a direct impact on teacher well-being and the retention of experienced staff as well as on the recruitment of new teachers.

3.6 Two particularly pertinent comments made by Members of the Forum at the November 2020 meeting illustrate the challenge that many schools and many Members of the Forum are feeling:

- "Everyone wants to do the right thing but pull on both sides";
- "The authority is being put in an impossible situation and we, as School Forum representing different sectors, unions and academies and anyone involved with young children, want to say that we are really concerned about the funding levels and the impossible situation. We all believe there should be a thorough review of how we can meet the guidance that the government have given, and we will not be able to achieve this unless more money is put in.".

3.7 The Forum have previously identified a key issue for school leaders which is that, whilst fully supporting the SEND transformation agenda, the changes this will bring are not here now but continuing financial pressures are. They identified that they have worked in times of uncertainty for a long while, but that the level of uncertainty, politically and financially, is ever growing.

3.8 Over recent years, the Forum have gained a collective level of understanding of these issues and the shared desire to see the 'bigger picture' – the long-term commitment to improving the system for SEND children which will improve the system for all children. The Forum were acutely aware of the impact funding pressures is having on headteachers, CEOs and Governors.

3.9 Based upon the funding allocation and the agreed 0.5% transfer from Schools Block to High Needs Block, it is forecast that the in-year deficit for 2021-22 on the DSG will be £8.635m.

3.10 This 2021-22 DSG budget is based upon the assumption that there will be £7.826m of demographic growth (increasing high needs population and increasing complexity of need) partially offset by savings of £2.546m delivered through the new maintained special school places and new specialist resource bases. The savings are achieved through diverting demand from independent provision and will grow in the future years as more provision comes online.

3.11 The cumulative deficit on the DSG brought forward from 2019-20 was £19.703m, and it is currently forecast that the cumulative deficit to be carried forward to 2021-22 will be £30.963m. This is due to a forecast in-year deficit in 2020-21 of £11.260m. On this basis, it is expected that the cumulative deficit on the DSG at the 31 March 2022 will be £30.963m.

Early Years Block

3.12 Early Years providers have seen significant increases in their core costs, such as staffing with the increases to National Living Wage year-on-year, but until 2020-21 central government had not provided any increase in the allocated monies for funded hours for parental entitlements. The increase received for 2020-21 was welcomed by the sector, but they continued to have concerns regarding the hourly rate for funded provision.

3.13 The system of supplements has been in place in Norfolk for a number of years and whilst this benefits some early years settings, others have found themselves unable to meet the criteria for quality and flexibility supplements, even if they wanted to.

3.14 The review of the base hourly rate of the formula, with a reduced weighting towards supplements, reduced contingency and increased base rate for all, will be beneficial to many providers and will alleviate concerns raised by many providers.

3.15 Prior to the announced increase in the EYNFF hourly rate of 6p for 3-to-4-year-olds and 8p for 2-year-olds announced in December 2020, it had been anticipated that the vast majority of providers would benefit from the funded rate that they will receive, though a small proportion would see a 1p loss in their hourly rate. However, the increase announced will enable the funded rate for all providers to be increased, if agreed. It is anticipated that this will be welcomed by all.

3.16 The local authority is responsible for ensuring sufficiency of provision for funded entitlements, and the recommended formula will help providers to remain viable in a challenging economic climate and, therefore, support the delivery of this responsibility.

4. Evidence and Reasons for Decision

4.1 The recommendations to Cabinet in this paper reflect the recommendations made, or expected, by Norfolk’s Schools Forum following consultation open to all schools and early years providers in Norfolk in the Autumn Term.

4.2 The Schools Forum again supported a 0.5% block transfer from the Schools Block to the High Needs Block; this was a difficult decision for Members but was taken considering the whole strategic picture of the education landscape in Norfolk. However, there was no support for a further block transfer of 1%, which has now been rejected by the Secretary of State for Education.

4.3 A summary of the consultation responses from Schools and Early Years providers is included in the appendices to this report, and regarding Schools Forum's considerations can be found within their publicly available agenda and minutes.

4.4 Applying the MFG of +1.66% provides most support to those schools losing per-pupil funding whilst it is anticipated that those schools who are due to gain through the NFF will not see those gains capped with Options 2 or 3. Protecting local schools from sharp funding changes and, based upon the modelling undertaken for the schools' consultation, will mean that all schools will receive an increase in funding (on a like-for-like basis).

5. Alternative Options

5.1. The proposals contained within this report represent the culmination of the process with Norfolk schools, Norfolk's early years providers and with Norfolk Schools Forum to identify and recommended local formulae to distribute funding for mainstream schools and funded parental entitlement for early years provision. The Council has a responsibility to determine individual school budgets according to local formula, following local consultation with schools, within statutorily set timescales to enable schools to plan accordingly for the next financial year.

5.2. At this stage, for mainstream schools funding, Cabinet could decide to implement Option 3 (Implementation of DfE's National Funding Formula unit rates and methodologies. It is expected that the Minimum Funding Guarantee would be set at +2% and there would be no need for a funding cap on gaining schools. It is estimated that an increase of +1.07% above the NFF Basic Entitlement factor values may be possible.) that would provide no Schools Block transfer to the High Needs Block. However, this would increase the 2020-21 in-year DSG deficit, and the cumulative deficit, by £2.621m and go against the decision of Schools Forum.

5.3. For the local formula for distribution of funded early years entitlements, Cabinet could choose to implement one of the other options consulted on, such as retaining the current level of discretionary supplements, removing all discretionary supplements, introducing a rural supplement. However, this would go against the outcome of the consultation with providers and the view of Schools Forum. As well as potentially impacting upon the financial planning and stability of providers, it would be likely that significant damage would be caused to relationships with both providers and Schools Forum.

6. Financial Implications

6.1 The Central Government consulted during 2019-20 on a change to the terms and conditions of the DSG, to provide clarity regarding the responsibility of local authorities for any deficit within the DSG.

6.2 The outcome of this consultation and the changes introduced, i.e. that the DSG is a separate ring-fenced grant and that local authorities are not expected to contribute local resources towards it.

6.3 The accounting treatment for DSG cumulative deficits diverges from normal accounting practice and allows councils to carry a negative balance on these reserves. This treatment is being dictated by Government but will need to be kept under review as it potentially remains a significant issue for Norfolk County Council and will result in a material deficit balance in the council's Statement of Accounts until the DSG recovery plan has been delivered.

6.4 It should be noted that whilst local authorities are not expected to contribute local resources towards the DSG and any deficits, the Council is effectively 'bank-rolling' the deficit and so there is the impact upon local Council resources of the loss of interest.

7. Resource Implications

7.1. **Staff:** None

7.2. **Property:** None

7.3. **IT:** None

8. Other Implications

8.1. **Legal Implications**

8.1.1 The key guidance to, and expectations of, local authorities is contained in the 'Pre-16 schools funding: local authority guidance for 2021 to 2022'[10]

8.1.2 It is each Local Authority's responsibility to determine individual school budgets according to local formulae, following local consultation with schools, within statutorily set timescales to enable schools to plan accordingly for the next financial year. To enable the statutory timescales to be met by the County Council, Cabinet needs to agree the principles of Norfolk's local formulae.

8.2. **Human Rights implications:** None

8.3. **Equality Impact Assessment (EqIA) (this <u>must</u> be included):** There are no equality or accessibility implications for this report, therefore an assessment is not required or attached.

8.4. **Health and Safety implications** (where appropriate): Not applicable

8.5. **Sustainability implications** (where appropriate): Not applicable

8.6. **Any other implications:** Not applicable

[10] https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2021-to-2022

9. Risk Implications/Assessment

9.1 The key risks that will need to be carefully monitored and managed as the financial year progresses are that:

- Pressures increase, particularly within the High Needs Block, that exceeds the forecast expectations, resulting in increased levels of cumulative deficit of the Dedicated Schools Grant;
- The planned SEND and AP transformation is delayed resulting in new places not being available and / or planned support not being in place, which could result in under- delivery of savings or escalating demand, and thus cost pressures, in 2021-22;
- Ongoing covid pandemic places schools (mainstream and specialist) and / or early years providers under increased financial strain;
- Pressures experienced by schools due to real term increases in costs outside of their direct control exceeding funding available, for example teacher pension costs, support staff costs as a result of national living wage implementation, condition of premises salaries, impacting on their ability to provide consistent education and to meet the basic needs of pupils in their school.

9.2 Officers will continue to keep the DSG Recovery Plan under close review throughout the financial year, reporting regularly to Cabinet through the monthly Finance Monitoring reports and periodically to Norfolk Schools Forum. Officers will also continue to co-operate with the DfE regarding the DSG plans.

9.3 The Government has prescribed an accounting treatment for the DSG deficit and confirmed that there is no expectation for local government to fund deficits from Council resources. However, it should be noted that this position is not guaranteed and will remain a subject of scrutiny from External Auditors or a change in approach from the Government. If the Council is not able to reduce the DSG cumulative deficit through a combination of the transformation programme, capital investment and high needs allocations from the DfE, then there remains a risk to the overall financial viability of the whole Council.

10. **Select Committee comments:** Not applicable

11. Recommendations

11.1. To agree:`

(i) the Dedicated Schools Grant funding including:
   a. the changes to the schools funding formula;
   b. the changes to the early years funding entitlements formula;
   c. agreeing the high needs block budget noting that it has been assessed to meet our statutory duties and it adds to the DSG cumulative deficit;

(ii) to delegate decision making powers to the Executive Director of Children's Services, in conjunction with the Lead Member for Children's Services, has delegated authority to agree the final funding cap, or allocation of additional funds, once the final DSG calculations of individual school allocations are known and in in line with the principles of Cabinet's decision.

12. Background Papers

12.1. Transforming the system for Special Educational Needs and Disability (SEND) in Norfolk (Item 8, 29 October 2018 Policy and Resources Committee)

http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1421/Committee/21/Default.aspx

Early Years Consultation Response (Item 3a, 13 November 2020 Norfolk Schools Forum)

De-delegation of central services budget (Item 3b, 13 November 2020 Norfolk Schools Forum)

Schools Block Funding, Fair Funding Consultation and Final DSG Recovery Plan (Item 3c, 13 November 2020 Norfolk Schools Forum)

https://www.schools.norfolk.gov.uk/school-finance/norfolk-schools-forum/forum-agendas-and-papers

Dedicated Schools Grant (DSG) Funding (Item 23, page 734, 13 January 2020 Cabinet)

https://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1590/Committee/169/Default.aspx

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Appendix A: National Funding Formula 2021-22

The DfE have announced that the following changes will be made to the 2021-22 National Funding Formula:

- The incorporation of the 2019 Income Deprivation Affecting Children Index data, ensuring that deprivation funding through the NFF continues to target schools most likely to need additional funding;
- Funding previously allocated through the Teachers' Pay Grant and Teacher's Pension Employer Contribution Grant will be allocated through the Dedicated Schools Grant from April 2021, by adding to schools' funding baselines, increasing the basic per-pupil funding, and increasing the minimum per-pupil funding levels;
- Improved support for small and remote schools, by increasing the maximum sparsity value from £26,000 to £45,000 for primary schools and from £67,600 to £70,000 for secondary schools;
- The key factors in the National Funding Formula will increase by 3%;
- Mandatory minimum per-pupil levels of £4,180 for primary schools and £5,415 for secondary schools, including allocations for the former Teachers' Pay Grant and Teacher Pension Employer Contributions Grant.
- The funding paid to the Local Authority will be set at + 2% compared to schools' 2020-21 funding floor baselines;
- Premises funding which will be allocated at local authority level based on actual spend in 2020-21 plus RPIX inflation of 1.56%[11];
- Local authorities have the freedom to set the Minimum Funding Guarantee in the local formulae between +0.5% and +2% per pupil[12], as well as to use a gains cap applied on the same basis for all schools.
- Following the cancellation of assessments in summer 2020 due to Covid-19, the 2019 assessment data will used as a proxy in the formula for the 2020 reception and year 6 cohort.

In line with Norfolk's 2020-21 formula, the local authority intends to follow the National Funding Formula as closely as possible in all the options set out in the consultation for 2021-22 funding.

There is allocation in the DSG for pupil growth seen in census returns, which is allocated to schools as per the local formula. In addition, there is an allocation for in-year pupil growth, i.e. from the start of the new academic year, and local authorities can distribute this funding in two different ways depending upon the circumstances: (i) in agreement with Schools Forum setting up a growth fund by top-slicing DSG; and, (ii) through adjusting pupil numbers to calculate budget allocations for growing schools or planned school reorganisation.

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[11] Premises funding consists of rates, private finance initiatives (PFI), split sites and exceptional circumstances. In 2020-21 the funding for premises is based on the historic 2017-18 allocations, except for PFI funding that will be uplifted annually by the Retail Price Index (RPI). The DFE are still exploring ways to build the premises costs into a NFF, without reliance on local historic information.

[12] The MFG means that no school can lose more than that percentage of funding per pupil compared to 2020-21, other than for the items above which are not covered by the guarantee. The MFG gives schools time to plan towards a 'hard' NFF, whilst there is funding to protect school budgets with an MFG. However, to afford this, a funding cap may well need to be applied for gaining schools.

The NFF contains a hybrid area cost adjustment that takes account of general labour market trends and particular salary variations in the teaching workforce.

In line with Norfolk's 2020-21 formula, the local authority intends to follow the National Funding Formula as closely as possible in all the options set out in the consultation for 2021-22 funding.

The table overleaf shows the comparison of 2020-21 NFF funding rates currently used within the Norfolk funding formula[13] and the proposed 2021-22 NFF funding rates for distribution of the additional Schools Block DSG that the Local Authority is expecting to receive.

[13] Following the allocation to all mainstream school in accordance with the NFF unit rates and factors for 2020-21, and once the MFG protection had been applied to those schools that lost funding year-on-year following the move from the previous local formula to the NFF, there was funding remaining of £2.877m. The local authority decided, following consultation with the Chair of Norfolk Schools Forum, to distribute this funding via the Basic Per Pupil Entitlement factor, with no cap required for any schools that gained funding year-on-year. The difference is shown in the table under the 'Age Weighted Pupil Unit' funding factor.

Funding Factor	2020-21 Formula	2021-22 Proposed Formula
	£ NFF unit rates	**£ NFF unit rates**
Age Weighted Pupil Unit		
Primary	NFF 2,857 (2,893.93 allocated)	3,123
Key Stage 3	NFF 4,018 (4,069.57 allocated)	4,404
Key Stage 4	NFF 4,561 (4,619.42 allocated)	4,963
Minimum Per Pupil Funding		
Primary	3,750	4,180
Secondary	5,000	5,415
Additional Needs Funding		
Primary FSM	450	460
Secondary FSM	450	460
Primary FSM6	560	575
Secondary FSM6	815	840
Primary IDACI A	600	620
Primary IDACI B	435	475
Primary IDACI C	405	445
Primary IDACI D	375	410
Primary IDACI E	250	260
Primary IDACI F	210	215
Secondary IDACI A	840	865
Secondary IDACI B	625	680
Secondary IDACI C	580	630
Secondary IDACI D	535	580
Secondary IDACI E	405	415
Secondary IDACI F	300	310
Low Prior Attainment		
Primary LPA	1,065	1,095
Secondary LPA	1,610	1,660
EAL		
Primary EAL	535	550
Secondary EAL	1,440	1,485
Mobility		
Primary Mobility	875	900
Secondary Mobility	1,250	1,290
Lump Sum		
Primary Lump Sum	114,400	117,800
Secondary Lump Sum	114,400	117,800
Sparsity[14]		
Primary Sparsity	26,000	45,000
Secondary Sparsity	67,600	70,000

[14] Funding is based upon "as the crow flies" distances. It is calculated for all the pupils for whom it is the nearest compatible school. It is the average "as the crow flies" from the pupils' homes to their second nearest compatible school (the sparsity distance). It applies if the distance is more than three miles for secondary schools and two miles for primary schools, but this will be changed in the future to reflect actual distance travelled.

Appendix B: Funding Formula Options 2021/22 – Consultation with Local Schools

An online survey was held with schools from Monday 5th October to Monday 26th October 2020, with schools notified via an MI notification on Friday 2nd October.

Consultation Responses - Analysis provided to Norfolk Schools Forum 13 November 2020

The Local Authority received 23 completed responses to the online survey. Of these responses:

- 17 were from individual schools within the Primary sector
- 1 was from a Secondary School
- 2 were from federations representing multiple Infant/Junior/Primary Schools
- 3 were from academy trusts representing multiple academies

A total of 49 schools were represented within the responses.

The overall number of **schools** represented within each of the responses were as follows:

	Primary	Secondary	Federations	Academy Trusts	Total
Number of Responses	17	1	2	3	**23**
Representing:					
Infant			1		**1**
Junior	1		1		**2**
Primary	16		3	15	**34**
Secondary		1		10	**11**
Sixth Form Only				1	**1**
Total Schools	**17**	**1**	**5**	**26**	**49**

The number of **pupils** represented within the responses was as follows:

	Primary	Secondary	Federations	Academy Trusts	Total
Number of Responses	17	1	2	3	**23**
Total Pupils	**3,933**	**601**	**763**	**13,289**	**18,586**

The LA has not received the level of response seen in previous years to the annual Fair Funding Consultation. This is understandable given the pressures on school leaders over the last few months and the significant uncertainty regarding schools finances as a result of the covid crisis; both will have reduced the time available for school leaders to respond, as well as increased the difficulty for leaders to balance the consideration of both the needs of individual schools and trusts, as well as the needs of the education system as a whole.

In our survey, we asked schools to rank the options for the 2021-22 mainstream schools' funding formula.

The number of votes per ranking for each of the options following consultation was as follows (only 22 of the 23 responses ranked the options):

Option	**1st**	**2nd**	**3rd**
Option 1 - £7.828m transfer to HN Block	4	2	16
Option 2 - £2.609m (0.5%) transfer to HN Block	8	13	1
Option 3 - No transfer to HN Block	10	7	5

The survey system used (Smartsurvey) applies a weighting to each of the rankings, with options ranked 1st receiving the highest weighting, as follows:

Rank	**Weighted Score**
1st	3
2nd	2
3rd	1

Applying these weightings, the survey system ranks the overall order of preference of the options as follows:

Option	**Weighted Score**	**Overall Ranking**
Option 2 - £2.609m (0.5%) transfer to HN Block	51	1
Option 3 - No transfer to HN Block	49	2
Option 1 - £7.828m transfer to HN Block	32	3

However, this is based on a single ranking per response and does not take into account the number of schools represented by federations and academy trusts.

Applying the submitted rankings to the overall number of schools represented (with schools within a federation or academy trust assumed to vote in the same ranked order), gives the following results (only 48 of the 49 responses represented ranked the options):

Option	**1st**	**2nd**	**3rd**
Option 1 - £7.828m (1.5%) transfer to HN Block	4	2	42
Option 2 - £2.609m (0.5%) transfer to HN Block	14	33	1
Option 3 - No transfer to HN Block	30	13	5

Applying the weighted score to these results gives:

Option	Weighted Score	Overall Ranking
Option 3 - No transfer to HN Block	121	1
Option 2 - £2.609m (0.5%) transfer to HN Block	109	2
Option 1 - £7.828m (1.5%) transfer to HN Block	58	3

Therefore, the result of the consultation, based on the number of schools represented, was a preference for no transfer to the High Needs Block, followed by a transfer of only £2.609m (0.5%) to the High Needs Block, with a transfer of £7.828m (1.5%) to the High Needs Block being the least favoured option.

This result coincides with the level of funding allocated under each option for most schools (only excluding those where the Minimum Per-Pupil Funding levels create the same level of funding in all three options), indicating that schools have generally voted based on the level of extra funding given for each option in the consultation technical papers, as would be expected to be the case.

Further comments on proposals

We asked schools responding for any other comments; all responses are provided verbatim within the Norfolk Schools Forum agenda papers for 13 November 2020, item 3c, 'Fair Funding Consultation/National Funding Formula'.[15]

[15] https://www.schools.norfolk.gov.uk/school-finance/norfolk-schools-forum/forum-agendas-and-papers

Appendix C: Norfolk's Existing Early Years Funding Formula

The current formula for distributing EY DSG was set locally in line with DfE requirements after consultation with providers following the introduction of the EYNFF in April 2017. The formula has not changed since then, except for passing through the 8p uplift in funding in April 2020.

3- and 4-year-old funding

The current formula per hour includes for 3- and 4-year-old funding:

- A base rate of £3.73 per hour;
- A deprivation supplement of 25p for children living in the 10% most deprived and 15p for the 11-20% most deprived parts of the county using the IDACI index.;
- A flexibility supplement of 20p paid to providers who enable families to access at least 7.5 hours of funded early education for at least 2 days a week;
- A quality supplement of 20p paid to Childminders with a level 3 qualification and settings funded on a 1 to 8 basis with a level 6 qualification. The identified qualification must be considered full and relevant. The DfE Early Years Qualification List is used to determine this, and a certificate requested to verify that this supplement can be paid.

The inclusion of a deprivation supplement is mandatory, but the amounts and methodology are locally determined.

Flexibility and quality supplements are discretionary. The flexibility supplement was introduced in 2017 to encourage providers to expand their opening hours to meet the needs of working parents alongside the introduction of 30 hours funding. The quality supplement was introduced to increase the proportion of well qualified staff in early years to drive system led improvement in quality.

£0.985m (2.7%) of 3- and 4-year-old funding is allocated to funding additional SEND and inclusion needs.

On top of this allocation 53p is allocated to every child who is eligible for Early Years Pupil Premium.

5% of 3- and 4-year funding is retained by the local authority and contributes to the staffing costs for advice, support, finance and portage. The support includes:

- Support all early education, childcare and out of school care
- Business, start-up, development, financial management, governance
- EYFS Framework, quality, SEND, Home Learning, Ofsted support
- Early Education Funding, DfE grants and support
- E-mail, telephone, toolkits, surgeries visits, online, training
- Co-ordination and specialist input into the peer support programme

The 2020-21 budget for these services is shown in the table below, with NCC contributing in excess of £1.6m towards these services and support for the whole early years sector in the 2020-21 financial year. The budget is split between DSG and local authority funded elements but, in reality, the two are hand-in-hand and in many cases elements could be funded from the DSG or from the local authority in line with the regulations and guidance:

NCC Early Years Service & Finance	Centrally Retained DSG	LA Contribution to Service
Early Years Staff Costs	£1.536m	£0.129m
Early Years Finance Staff Costs	£0.157m	£0.037m
Contribution to Portage	£0.161m	
Training Programme and Projects		£0.745m
Resources		£0.055m
Funding Panel		£0.375m
Contribution to Speech and Language Contract		£0.265m
TOTAL	**£1.854m**	**£1.606m**
	£3.461m	

Special Educational Needs (SEN)

Every Local Authority must have a SEN Inclusion fund to support early years providers in meeting the needs of funded 3- and 4-year old children with SEN. In addition, funding is available to children with an Education Health and Care Plan.

2-year-old funding

This funding is available to children/families who meet certain criteria (for example families in receipt of benefits such as income support and children looked after by the local authority or with a statement of special educational needs).[16] The rate paid in Norfolk in 2020-21 is currently £5.28 per hour, which is 100% of the funding received, as a base rate without any use of supplements or a SEN Inclusion Fund for 2-year-olds. To offer this funding to families, settings must be judged at least a “good” by Ofsted.

[16] See https://www.gov.uk/help-with-childcare-costs/free-childcare-2-year-olds for full details

Appendix D: EY Formula Review Approach and Consultation Options

Work to review the formula commenced during the Summer term 2020. Initially work had been planned to take place much earlier in the term, but the Covid-19 pandemic diverted resources both within the local authority as well as within the provider market.

A four-step plan was put in place to ensure that all providers had the opportunity to contribute in the early stages of the review, as well as during a formal consultation upon a proposed formula:

1. Funding Discussion Groups open to all providers. At the end of the Summer term 2020 we hosted virtual meetings where all providers were encouraged to share their views.
2. An extensive internal review and benchmarking exercise, comparing our methodology, allocations and formula with statistically similar local authorities.
3. A review of the outcomes from the Funding Discussion Groups and the internal review and benchmarking exercise by a re-established Early Years Reference Group. This newly established group was made up of representatives identified by local authority officers and early years representatives on Schools Forum as representative of the diverse range of providers and contexts in Norfolk.
4. Formal consultation on changes to Norfolk's Early Years Dedicated Schools Grant Funding Formula during the Autumn term.

There will be an annual review testing reasonableness of assumptions vs actuals, which may result in future base rates being increased or decreased to ensure that Norfolk's EY block is sustainably managed. Regular review ensures that the risk of significant underspends or overspends, after the Education and Skills Funding Agency adjustments in July each year, is reduced.

Consultation Options

The following options for the 2021-22 Early Years funding formula base rates and supplements were consulted on:

- **Option 1 –** Keep the current arrangements of having two optional supplements (quality and flexibility) at the current rates of £0.20 and increase the base rate by £0.07.
- **Option 2 -** Keep the current arrangements of having two optional supplements (quality and flexibility) but increase the base rate by £0.19 reducing the amount paid through supplements to £0.10.
- **Option 3 -** Remove the current two optional supplements (quality and flexibility) to further increase the base rate by £0.30.
- **Option 4 -** Keep the current arrangements of having two optional supplements (quality and flexibility) at a reduced rate of £0.10 and introduce a new £0.10 supplement for settings operating in a rural location and increase the base rate by £0.13 reducing the amount paid through supplements.
- **Option 5 -** Remove the current two optional supplements (quality and flexibility) and introduce a new £0.10 supplement for settings operating in a rural location and increase the base rate by £0.24 by reducing the amount paid through supplements.

We also asked for feedback on the following elements of the funding formula:

- Deprivation criteria;
- Central services/SEN Inclusion top-slice from 2-year-old hourly rate;
- Link between EYNFF base rate and the local base rate.

Appendix E: EY Funding Formula Consultation Responses

An online survey was held with schools from Monday 5th October to Monday 26th October 2020.

Consultation Response – Analysis provided to Norfolk Schools Forum 13 November 2020

The Local Authority received completed responses from 106[17] individual OFSTED registrations to the online survey. Of these responses:

- 47 were from childminders
- 21 were from private providers
- 20 were from voluntary providers
- 2 were from independent providers
- 3 were from academies
- 7 were from maintained schools
- 6 selected 'other' specified as:
  - 1 Charity
  - 1 Childcare on domestic premises
  - 1 Committee run
  - 1 Independent charity
  - 1 NCC day nursery
  - 1 Social enterprise

We asked providers what percentage of income is funded via early education entitlement. The responses were as follows:

Income via early education entitlement	Number of providers responding in this income bracket	Percentage of providers responding in this income bracket
Up to 25%	22	21%
25.01% to 50%	28	26%
50.01% to 75%	21	20%
Over 75%	35	33%

Funding Formula Options: Use of Supplements

In our survey, we asked early years providers to rank options for the use of supplements in the 2021-22 Early Years funding formula.

[17] There were 111 submitted surveys, with 1 response without rankings, 1 resubmission from the same childminder (the latest response was used) and 4 responses from one OFSTED registration for a maintained school with the initial response from the Head utilised (each submission was from a different individual and so it was presumed that the Head's response took precedence)

Indicative hourly rates were provided within the consultation document (table below), and in addition typical expected outcomes were provided for each type of provider (shown on the next page), along with a calculator to enable providers to determine indicative funding for each option based on estimated number of funded hours.

Indicative Rates:

Option	Base Rate	Quality	Flexibility	Rural	
1	£3.80	£0.20	£0.20		**Plus Deprivation where criteria is met**
2	£3.92	£0.10	£0.10		
3	£4.03				
4	£3.86	£0.10	£0.10	£0.10	
5	£3.97			£0.10	

Typical expected outcome for different types of provider based on indicative base rate
Shading indicates significant increase (green for more than +5p) / decrease (yellow for more than -5p). Highest rate in bold.

Childminder, Pre-school, Day Nursery, School Provision (1:8 ratio)	OFSTED registrations [18]	2020/21 Model	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5
Located in an urban area receiving no supplements	21	£3.73	£3.80	£3.92	**£4.03**	£3.86	£3.97
Located in an urban area receiving the flexible supplement only	101	£3.93	£4.00	£4.02	**£4.03**	£3.96	£3.97
Located in an urban area receiving the quality supplement only	26	£3.93	£4.00	£4.02	**£4.03**	£3.96	£3.97
Located in an urban area receiving the flexible and quality supplement	147	£4.13	**£4.20**	£4.12	£4.03	£4.06	£3.97
Located in a rural area receiving no supplements	75	£3.73	£3.80	£3.92	£4.03	£3.96	**£4.07**
Located in a rural area receiving the flexible supplement only	84	£3.93	£4.00	£4.02	£4.03	£4.06	**£4.07**
Located in a rural area receiving the quality supplement only	32	£3.93	£4.00	£4.02	£4.03	£4.06	**£4.07**
Located in a rural area receiving the flexible and quality supplement	139	£4.13	**£4.20**	£4.12	£4.03	£4.16	£4.07

Nursery Class or School (1:13 ratio)	OFSTED registrations	2020/21 Model	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5
Located in an urban area receiving no supplements	36	£3.73	£3.80	£3.92	**£4.03**	£3.86	£3.97
Located in an urban area receiving the flexible supplement only	1	£3.93	£4.00	£4.02	**£4.03**	£3.96	£3.97
Located in a rural area receiving no supplements	17	£3.73	£3.80	£3.92	£4.03	£3.96	**£4.07**
Located in a rural area receiving the flexible supplement only	5	£3.93	£4.00	£4.02	£4.03	**£4.16**	£4.07

[18] As at 3rd September 2020

The number of votes per ranking for each of the options following the survey was as follows:

Option	1st	2nd	3rd	4th	5th
Option 1	51	7	21	5	22
Option 2	9	50	31	15	1
Option 3	34	17	30	8	17
Option 4	2	17	14	55	18
Option 5	10	15	10	23	48

The survey system used (Smartsurvey) applies a weighting to each of the rankings, with options ranked 1st receiving the highest weighting, as follows:

Rank	Weighted Score
1st	5
2nd	4
3rd	3
4th	2
5th	1

Applying these weightings, the survey system ranks the overall order of preference of the options as follows[19]:

Option	Weighted Score	Overall Ranking
Option 1	378	1
Option 2	369	2
Option 3	361	3
Option 4	248	4
Option 5	234	5

Based on the number of the ranking of an option as first choice, and also based on weighted scores applied to all rankings, the result of the survey is that both options 4 and 5 are poorly supported by the majority of responding providers and, therefore, will not be considered further for Norfolk's 2021-22 formula.

However, whilst option 1 is the highest ranking first choice, followed by option 3, considering the weighted rankings gives options 1, 2 and 3 similar levels of support. The weightings consider the overall impact of the ratings given for all options, which could suggest that option 2 is seen as a reasonable 'compromise' option, though not many settings' first choice.

On this basis, the local authority is of the view that options 1 to 3 remain and that deliberation should include:

- Significance of impact to, and the number of, settings that would be negatively affected compared to the hourly rate that they receive from the current formula
- Simplicity of the system both in terms burden of administration both for settings and NCC and the ease of future review to ensure that funding distributed is maximised (as the simpler the formula the more predictable the impact across the sector)
- Themes from narrative comments and feedback within the survey

[19] Alterative systems of weighting could be utilised, such as increasing the proportional weighting of those ranked higher, but the possibilities are endless and the local authority are not of the view that this will not substantially add to the considerations.

Significant impact on providers that would be negatively affected

The indicative rates shared in the consultation document with providers showed that, whether rural or urban, those who currently receive both the flexibility and quality supplement are the only providers modelled to see a reduction in their hourly rates (base rate plus current supplements) through some options. All other groups of providers will see hourly rates remain very similar or increase through all options. Whilst consulting to establish the fairest formula for the whole sector, it is inevitable that any changes will see winners and losers, and that settings are likely to take their individual circumstances into account when responding.

From the data provided in the consultation, it can be seen that there are 286 OFSTED registrations of the 684 across Norfolk (over 40%) that would be negatively affected by option 3 by 10p per hour, which will a significant reduction (up to 2.4%) for those providers. Option 2 would result in a 1p per hour loss that, whilst disappointing and a challenge for those providers, there would be a less significant impact (a reduction of 0.24%) whilst reducing the weighting in the formula afforded to supplements, and so reducing the overall variance of hourly rate paid to some providers from 40p to 20p and, thus, increasing equity. All other providers will gain more than 5p per hour with option 1, 2 or 3.

The first table below shows the number and proportion of providers by type that will gain or lose with options 2 and 3, with the subsequent table showing the average amount gained or lost by provider[20]:

	Option 2 and 3			
	More		**Less**	
Childminder	119	44%	153	56%
PVI	155	57%	118	43%
School Managed 1:13	73	100%		0%
School Managed 1:8	40	85%	7	15%
TOTAL	**387**	**58%**	**278**	**42%**

	Option 2		Option 3	
	More	Less	More	Less
Childminder	£106	-£20	£126	-£201
PVI	£1,797	-£247	£2,367	-£2,474
School Managed 1:13	£3,434		£5,299	
School Managed 1:8	£1,665	-£312	£2,332	-£3,125
TOTAL	**£1,572**	**-£124**	**£2,228**	**-£1,239**

The final table below shows the average percentage gain or loss from each type of setting compared to the 2019-20 claims[21]:

	Option 2	Option 3

[20] Based upon the providers that have signed 2020-21 Funding Agreement at the date of analysis
[21] Based on claims received between 1st April 2019 and 31st March 2020 (71 no or partial claim)

	More	Less	More	Less
Childminder	0.7%	-0.2%	0.8%	-1.7%
PVI	1.3%	-0.1%	1.7%	-1.4%
School Managed 1:13	4.7%	0.0%	7.2%	0.0%
School Managed 1:8	2.4%	-0.1%	3.3%	-0.8%

Those providers that would cause most concern in terms of sustainability if option 3 was chosen are childminders and PVI nurseries where they currently meet requirements for both the flexibility and quality supplement. Childminders overall are modelled as the only group with a net loss in funding from option 3 due to the proportion of providers affected, 56%, and the size of the loss, -1.7%, combined. If childminders in the sector were unable to sustain a reduction in funding, it would result in a significantly reduced ability of Norfolk's childcare system to meet the flexible needs of working parents.

Administrative burden and simplicity of formula for future review

The administrative burden of options 1 and 2 will be the same for providers and NCC as the only difference is the value of the supplements.

Option 3 will be a reduced administrative burden, which will primarily impact upon NCC, though the system for supplements will need to remain in place for the mandatory deprivation supplement. Whilst this would be beneficial, it is not the view of the Local Authority that the impact is significant enough to influence the decision to be made regarding Norfolk's EY funding formula at this stage.

Themes from responders' narrative comments

A transcript of comments submitted by providers in support of their responses is provided at the end of this Appendix, grouped by preference of each option.

Primarily considering the comments relating to option 1 to 3 being first choice, there is a strong push to move to no discretionary supplement or a reduced supplement from the viewpoint of fairness (particularly as not all settings are eligible for both and / or can practically arrange provision to be eligible due to circumstances outside of their control, and also that qualification does not necessarily indicate quality), though there is resistance from many providers who currently benefit from both the quality and flexibility supplements.

There are several comments that suggest that, in some cases, providers have not fully understood how the funding rates are distributed nationally, the requirements of the Local Authority and how these are funded, and the support on offer. The low funding rate allocated to Norfolk by the DfE is the fundamental challenge and the necessity and desire of providers to have their voices heard was clear.

Conclusion

The Local Authority is fully aware of the challenge posed by the Early Years National Funding Formula for Norfolk, which results in a very low rate of funding within the Dedicated Schools Grant, and will continue to raise this issue with the Department for Education whenever the opportunity presents itself. This includes currently working with Eastern region colleagues to draft a joint letter in relation to the need for increased funding for funded Early Years provision.

In the meantime, the Local Authority is required to agree a local formula for the finite pot of funding available for Norfolk for 2021-22 in line with the operational guidance[22] following consultation with Norfolk Schools Forum. The Local Authority seeks a recommendation from the Schools Forum informed by the results of, and views expressed through, the consultation and survey with all providers carried out in October 2020.

There is minimal support for either option 4 or 5, and so the Local Authority is of the view that these should not be considered further.

Option 1 is, in effect, the status quo and would not look to address concerns raised by many providers that either they are prevented from offering the flexibility required to be eligible for the supplement, or the requirements for the quality supplement are unaffordable even with the additional supplement. However, it would mean that all providers see a rise in their base rate following the change in assumption regarding the contingency held.

Option 3 moves to a very simple formula, maximising the base rate for all, with only the mandatory deprivation supplement. This option is seen by many as the 'fairest' – qualifications do not necessarily equate to quality of provision, and flexibility is not achievable, e.g. due to the availability of community facilities for hire. However, this option would see significant increases for some providers in their effective hourly rate, whilst others would see a significant reduction, which could have the impact of de-stabilising the market, risking sufficiency in some areas of the County, particularly for flexible childcare for working parents. If the guidance allowed a system of caps and floors, or similar-style protection, this could allow a move to this option over a period of time (similar to the system for schools funding), which would protect some providers from a sudden drop in funding. However, this is not currently permissible.

Option 2 is a mid-way proposal, minimising the impact of supplements for those unable to meet the criteria, whilst ensuring the maximum loss to a provider in receipt of both supplements currently is 1p per hour, thus maintaining stability in the market.

For these reasons, it is suggested that option 2 is the preferred approach for Norfolk at this stage, with consideration given of moving towards option 3 at a future review.

Additionally, it is suggested that the Early Years Reference Group is convened as a sub-group of Norfolk Schools Forum for a time-limited period, perhaps 2 years, with the purpose of increasing engagement with a wider group of Norfolk's providers on a regular basis to consider both the support on offer to Early Years settings from the Local Authority as well as to consider when it might be an appropriate time to move the formula towards option 3.

Deprivation Criteria

We asked in our survey: Would you agree to the removal of the current 11-20% criteria from the deprivation formula so that the base rate for all options could be increased further? (It is expected that making this change would increase the base rate by £0.01 while only children living in the 10% most deprived parts of the county will be eligible for a Deprivation supplement at the current rate of £0.25 per hour.)

The responses to the survey were:

Answer given	Number of responses	% of responses

[22] Early years entitlements: local authority funding of providers operational guide 2020-21

Yes	52	49%
No	54	51%

Appendix 2 provides the transcript of comments submitted by providers in support of their responses, grouped by preference.

The results of the survey do not provide overwhelming support either to continue with the 11-20% criteria or to remove it. The comments provided suggest that responders generally preferred the option that would benefit their setting(s), though there was some variance to this where some pointed out that all gaining 1p per hour (even though it would benefit their setting) was not a justifiable reason to remove the supplement from those from most deprived areas. There were some arguments made that the method of identifying need was not fair (postcode of the child rather than financial circumstances) and that deprivation does not always mean that the child needs additional support. Lastly, some felt that all children should receive the same funding regardless of their circumstances as all providers have to provide high quality provision.

For these reasons, it is suggested that no change is made to the formula in relation to the deprivation criteria at this stage and that this is an area for further exploration by the Early Years Reference Group as to the possibility and / or desire for future formula changes, if the decision is to reconvene this group.

Central Services/SEN Inclusion Fund from 2-year-old hourly rate

We asked in our survey: Do you agree to the top slice of 5% from the 2-year old allocation to support central services and create a 2-year-old SEND inclusion fund of £125,000, at a reduction of £0.26 to the 2-year base rate?

Early years providers responded:

Answer given	Number of responses	% of responses
Yes	41	39%
No	63	59%
Did not answer	2	2%

Appendix 3 provides the transcript of comments submitted by providers in support of their responses, grouped by preference.

Having reviewed the comments from responders, it is clear that there are differing views regarding the two parts of this question and that each should be considered separately.

Considering the proposed SEND inclusion fund for 2-year-olds first. The argument for fairness is seen on both sides of the debate; firstly, that it is important that 2-year-olds who need the extra funding that could be accessed through an inclusion fund are able to do so, as they would if they were 3-4-year-olds, and conversely that all 2-year-olds eligible for funding tend to require more support and so maximum funds should remain with the providers to meet needs without having to apply for it. There is also the point made strongly that 2-year-olds require a higher staff to child ratio and so the additional funding is fully needed to meet this.

The comments in favour of funding for central services also identify fairness as a driver for their view, that central services should be funded from the 2-year-old and 3-4-year-old pots. Some suggested that the contribution from the 3-4-year-old pot could be reduced in line with a top slice from the 2-year-old pot, this would not be possible in practice as the 3-4-year-old allocation is significantly larger than that for 2-year-olds.

The comments against funding for central services cites the higher ratios required for 2-year-olds, that there should be a reduction in the amount taken from 3-4-year-old funding to counter any 2-year-old contribution, and not valuing the support and role of the Council.

Local Authority budgets remain under significant pressure and Norfolk wants to continue to provide support to the early years sector. The LA is currently contributing £1.6m to supporting the sector and reduced funding from central government. Whilst no immediate reductions in support from LA budgets have been identified, there is no increase in funding either. Support via the DSG and LA funding including portage, training, resources, funding panel (and sustainability support) and speech and language.

That said, the LA also understands the challenges faced by the sector before prior to, and as a result of, the covid pandemic, which needs to be balanced with the desire to support the most vulnerable children. There is no desire to destabilise the market and sufficiency of provision.

There is a wide variety of options available, but 3 key choices appear to be:

1. 5% retention for SEN Inclusion Fund and central services from 2-year-old funding; reduction in the rate of 26p for all providers, with individual settings able to apply for SEN Inclusion Funding for individual children;
2. 2.85% retention for SEN Inclusion Fund for 2-year-olds but no support for central services available to all providers; reduction in the rate of 15p for all providers, with individual settings able to apply for SEN Inclusion Funding for individual children and a review ahead of 2022-23 of utilisation and effectiveness would be suggested;
3. 0% retention, with no SEN Inclusion Fund for 2-year-olds or support for central services that are available to all providers; providers will be expected to meet all SEN from the hourly rate (except where a child has an EHCP and additional funding is agreed).

Recognising the impact of each of the options, whilst the second would provide additional support for 2-year-olds with the highest needs seems supported by many, the impact of the loss of funding rate received by providers for 2-year-olds could hit providers hard at a time when they are still coping with the impact of the covid pandemic. Additionally, whilst the principle for many is that the 2-year-old funding should support the central costs that benefit the whole sector the reduction in funding rate would appear to be too significant at this stage. Both would risk sufficiency of provision in Norfolk, despite most providers seeing a rise in the rates for 3-4-year-olds based upon the recommendations above.

For these reasons, it is suggested that no amendment is made to the 2-year-old formula for the creation of a SEN inclusion fund or towards central costs, but that this is kept under review if, and when, the EYNFF base rate is increased. Additionally, this is an area that could be explored further by the Early Years Reference Group, such as considering how additional funding is distributed if the EYNFF increases for Norfolk, if the decision is to reconvene this group.

Therefore, for 2021-22 the Local Authority recommends that Schools Forum vote to retain centrally 5% of the 3- and 4-year-old funding in 2021/22 (estimated to be approximately £1.85m) for the Local Authority to continue to provide central support and payments to all providers of Early Years Education, in schools and in private, voluntary and independent settings.

Link between EYNFF base rate and local base rate

We asked in our survey: Do you agree that the Norfolk base rate should be linked to and amended in proportion with the Early Years National Funding Formula (EYNFF) base rate from central government?

Early years providers responded:

Answer given	Number of responses	% of responses
Yes	54	51%
No	45	42%
Did not answer	7	7%

Appendix 4 provides the transcript of comments submitted by providers in support of their responses, grouped by preference.

The results of the survey do not provide overwhelming support for or against linking either to link the EYNFF base rate to Norfolk's local base rate.

One feature of some comments was fairness and / or equality, which appeared on both sides of the debate. Norfolk's low rate distributed from central government was also cited on both sides. Those in favour also referenced certainty, maximising funding, better clarity and transparency, whilst those against also felt that regular review of the formula was important with a chance for opinions to be voiced.

For these reasons, it is suggested that there is not an automatic link between Norfolk's base rate and the EYNFF base rate for Norfolk at this stage. As the views of providers were roughly equally split, it could be an area for further exploration by the Early Years Reference Group, particularly if there is a future move towards option 3 and simplification of the formula, if the decision is to reconvene this group.

Further comments on proposals

We asked providers for any other comments; all responses are provided verbatim within the Norfolk Schools Forum agenda papers for 13 November 2020, item 3a, from page 18 of the 'Early Years Consultation Response'.[23]

[23] https://www.schools.norfolk.gov.uk/school-finance/norfolk-schools-forum/forum-agendas-and-papers

Cabinet

Item No: 13

Decision making report title:	**School Place Sufficiency – Schools' Local Growth and Investment Plan**
Date of meeting:	**01 February 2021**
Responsible Cabinet Member:	**Cllr John Fisher (Cabinet Member for Children's Services)**
Responsible Director:	**Sara Tough**
Is this a key decision?	**No**
If this is a key decision, date added to the Forward Plan of Key Decisions.	

Introduction from Cabinet Member
This report focuses on the annual Schools' Local Growth and Investment Plan.

Executive Summary
As part of an annual process we ask Cabinet to note and endorse our Local Schools' Growth and Investment Plan. This details with both new schools and new school places as well as demographic decline.

Recommendations
1. To endorse the Schools' Local Growth and Investment Plan.

1. Background and Purpose

1.1. **Schools' Local Growth and Investment Plan**

1.2. The Schools' Local Growth and Investment Plan (SLGIP) provides a snapshot of Norfolk County Council's plans to secure sufficient school places. Fundamentally, it addresses two issues;

1) demographic change, prompted by changes such as birth rates and life expectancy and

2) population movement, resulting from new housing development or migration to and from particular geographic areas.

1.3. The evidence for the planned growth and decline comes from a range of sources, including population data provided by health authorities and planned housing growth by District Councils.

1.4. Details of plans for new schools and expansion of existing schools are detailed in the plan in Appendix A. The report also includes a brief discussion of the methodology to plan for any reduction in school places.

1.5. The Schools' Local Growth and Investment Plan reflects some of the discussions with district planning authorities, where sufficient land has been secured or identified for school sites within their local plans

1.6. The Schools' Local Growth and Investment Plan describes our strategy to meet the demand for school places. It does not represent a financial commitment to any particular capital project. Capital projects are outlined in the 3-year Capital Programme with detailed financial commitments.

2. Alternative Options

2.1. The LA has to fulfil its duty to provide sufficient places. The plan outlines some alternative options in areas, where different solutions could be pursued.

3. Financial Implications

3.1. The strategy described in the Schools' Local Growth and Investment Plan does not represent a financial commitment. It highlights projects which may be required, if/when planned housing development is realised and place demand rises.

3.2. Possible medium to long term financial implications of responding to this plan are noted, but these are at this stage for information only, as they depend on the rate and impact of housing growth.

3.3. The financial implications of responding to this plan are dealt with separately through the Schools' Capital Programme.

3.4. Capital deployment focused on new places and condition improvement. Some capital may be needed to adjust number of places in areas of demographic decline. These would be put forward through the Schools' Capital Programme.

3.5 Some capital may be needed in exceptional circumstance to secure better organisation of school places in a local area (e.g. merger of two schools that are not sustainable to secure continued education).

4. Resource Implications

4.1. **Staff**

4.2. The plan can be implemented using existing staffing levels.

4.3. **Property**

4.4 Property implications are dealt with through agreed mechanisms within the Schools' Capital Programme. This involves recommendation by the Capital Priorities Group to the Executive Director of Children's Services. The allocation of capital to relevant budgets is included in the forward plan of Norfolk County Council's annual budget setting cycle.

4.5 **I.T**.

4.6 There are no new IT implications resulting from this proposal.

5. Other Implications

5.1. **Legal Implications**

5.2. The policy ensures that Norfolk County Council upholds current law and statutory guidance. This includes the role of Governing Boards and Multi Academy Trusts in deciding the future direction of individual schools, Norfolk County Council as decision maker for school organisation of LA maintained schools and the Regional Schools Commissioner as decision maker for changes to academies and Free Schools.

5.3. **Human Rights implications**

5.4. Article 2 of the First Protocol - Students' right to education.

No one can be denied the right to education. This encompasses a right:

- to an effective education (that is adequate and appropriate);
- to access to existing educational institutions;
- to be educated in the national language; and
- to obtain official recognition when studies have been completed.

The policy paper supports Norfolk County Council's role in upholding this law.

5.5. **Equality Impact Assessment (EqIA) (this <u>must</u> be included)**

This policy has been assessed to ensure that it has no adverse impact on young people including those with disabilities, gender reassignment, marriage/civil partnerships, pregnancy/maternity, race, religious belief, sex or sexual orientation where appropriate, as it aims to secure a good place of education for every child, in particular it seeks to ensure that every school has sufficient capacity for strong leadership and governance to safeguard a good education for all.

5.6 **Health and Safety implications** (where appropriate)

5.7 There are existing processes and mechanisms in place to secure Health and Safety in schools.

5.8 **Sustainability implications** (where appropriate)

5.9 Previously agreed policy addresses the sustainability of schools.

5.10 **Any other implications**

None

6. Risk Implications/Assessment

6.1 Key risk arising from this paper are:

- Changes to the demand for school places

- Risks resulting from overprovision of places affecting quality and sustainability of schools or premature expenditure

6.2 These are mitigated by changing the timescales on the proposed response to provide additional places or withdraw existing places. The process of gateways for projects ensures projects can be paused/resumed in response to changes in place demand.

7. Select Committee comments

7.1. n/a

8. Recommendations

8.1. **1. To endorse the Schools' Local Growth and Investment Plan**

9. Background Papers

9.1. Recent committee papers on this topic include:

Education Landscape and School Place Sufficiency – January 2020

Schools' Capital Programme – August 2020

Schools' Capital Programme – October 2020

Schools' Capital Programme update – February 2021 Cabinet Paper (web link not yet live)

Officer Contact

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

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IN TRAN communication for all

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ANNEX A

Schools' Local Growth and Investment Plan

The Schools' Local Growth and Investment Plan (SLGIP) provides a snapshot of NCC plans to secure sufficient school places. Fundamentally, it addresses two issues;
1) demographic change, prompted by changes such as birth rates and life expectancy and
2) population movement, resulting from new housing development or migration to and from particular geographic areas.

Our aim is always to provide school places locally, whilst ensuring schools are of sufficient size (ideally 420 pupils for primary and 900 students for secondary).

Norfolk's education landscape has developed over time and is characterised by large numbers of small schools in rural areas.

Our plan also seeks to address our core duty of promoting high standards of education. To achieve this, we will use a combination of approaches to either grow or decrease the number of school places for any given local area. These will include:

1. Commissioning new schools
2. Promoting DfE Free School proposals
3. Expand the age range and size of existing schools either on their current or a new school site
4. Agree changes to the planned admission number (PAN) with associated change to accommodation
5. As a last resort, close schools

The 2019 SLGIP is structured in 4 parts:

Part 1 - Major growth areas which will require multi-school solutions (page 2)
Part 2 - Development locations where one new school is planned (page 11)
Part 3 - Growth areas with implications for existing schools (page 21)
Part 4 - Areas of the County indicating a decline in pupil numbers and where there are several small schools (page 23)

Part 1 - Major growth areas which will require multi-school solutions

THETFORD (Breckland District)

Kingsfleet - 5000 new dwellings

Plan showing first new school site

CURRENT LOCAL PROVISION – capacity and organisation

Primary School places within Thetford are provided by 8 schools, a mix of infant, junior and all-through primary; 6 of these are academies; 5 run by Eastern MAT and one by DNEAT plus two community schools. A total of 360 places are available in each year group across the primary phase. Numbers of children that live in the catchment of Thetford schools rose slightly for 2020 but not as many as expected. The spring/summer lockdown and fewer new homes being completed and sold may have had an impact on these numbers.

LATEST ASSESSMENT OF GROWTH

Children's Services have been working in partnership for many years with the land promoters 'Pigeon' on this strategic urban extension to Thetford and we have secured sites free of charge for 3 new primary phase schools each of 420 places. The first Sub-phase of this large-scale development obtained planning permission early in 2018 and commenced on site in 2019. This phase of development is for 343 homes of which to date 43 have been completed and occupied. The second parcel of land in this sub-phase for 130 dwellings has been sold and full planning is being sought with anticipated start on site April 2021. Build out rate is anticipated at around 40 per year on each sub-phase. This phase includes the site for the first new primary school.

The design of the new school has begun along with discussions with Pigeon on access and road infrastructure.

CURRENT PRESSURES ON PUPIL NUMBERS
Although primary pupil numbers increased for September 2020 admissions, the increase was not as significant as first thought. This could be for a variety of reasons. With the relatively slow build out of new homes, the existing primary school provision in the Town appears adequate for the medium term. There are still a considerable number of spare places at Secondary level.

IMPACT OF HOUSING GROWTH
Once the build out capacity of the housing increases the first new school will be required. The challenge for NCC Children's Services is to ensure a new school does not impact negatively on existing provision in the Town. Work is commencing now on how the first new school will be delivered. As Section 106 contributions will be collected from this development the new school will be marketed through the Local Authority presumption route.

SHORT TERM RESPONSE
NCC are working with the land promoters on the hand-over timescales for the first new school site.

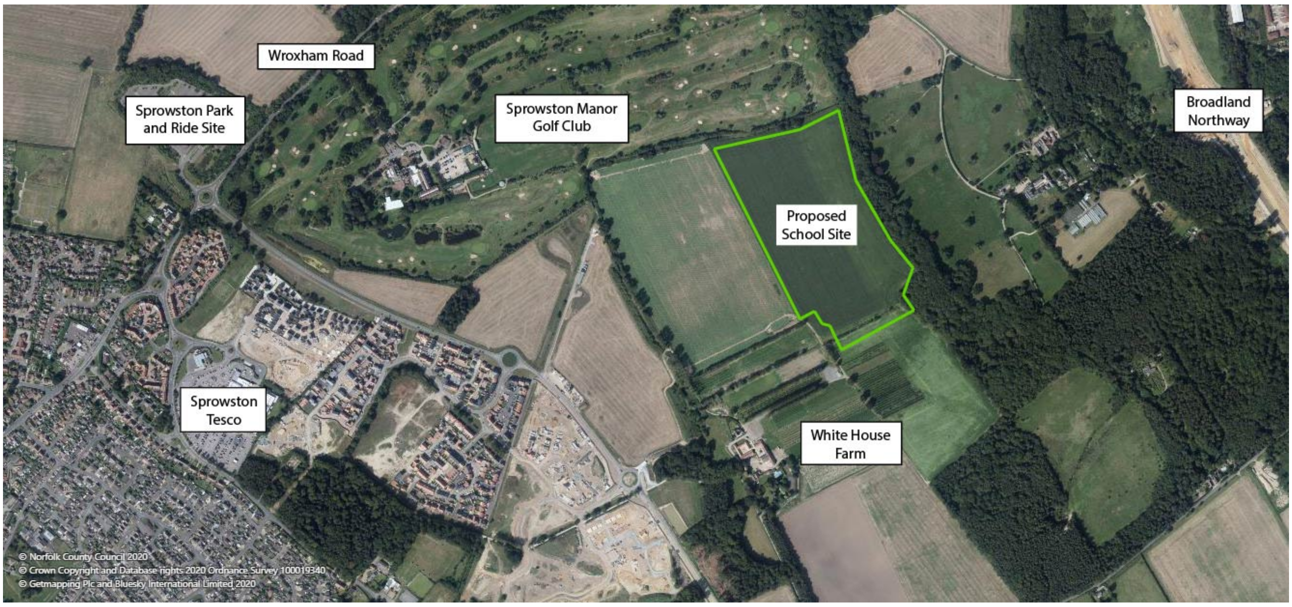
MEDIUM/LONGER TERM RESPONSE
Medium term – next 5 years to bring forward and open the first new primary school.
Longer term – 10-20 years, 2 further new primary schools will be opened.

Secondary school places will be monitored at Thetford Academy as additional land has already been provided at the school to allow for future expansion. S106 contributions have been secured although not yet collected as a result of the future housing allocation.

Capital response					
THETFORD	School	Scheme	Stage	Cost/estimate	Date if known
Future programmes	New Primary School 1	2FE	Design stage which could be progressed quickly if places required.	*IRO £8m*	*2022 or 2023*
	New Primary School 2	2FE	-	*£8m*	
	New Primary School 3	2FE	-	*£8m*	
	Secondary extension	tbc	-	*tbc*	

NORTH NORWICH GROWTH TRIANGLE (Broadland District)

Sprowston/Old Catton/Rackheath **12,000+ new dwellings**



Location of proposed new high school site

CURRENT LOCAL PROVISION – capacity and organisation

This proposed housing growth area extends from Old Catton in the west to Rackheath in the east and extends both sides of the Broadland Northway. Existing school provision is extensive and comprises of three secondary schools: Sprowston Community Academy, Thorpe St Andrew School, Broadland High Ormiston Academy and their feeder primary phase schools. Existing primary phase provision remains a mix of infant/junior in Old Catton and Sprowston and all through primary in Rackheath and Thorpe. There is a mix of Academy Trusts, Federations and Community Schools.

The new White House Farm Primary Academy opened in September 2019 and now has 2-year groups in its new building. This new school is growing as the housing development it sits within continues to grow. Some primary phase schools in the Sprowston area have seen a decline in pupil numbers due to lower catchment numbers since recording full classes for 2017 reception intake. Managing school places with the opening of a new school at the same time an area having a slight drop in pupil numbers is always a challenge. With housing on-site all around this area, pupil numbers will rise but until we see this increase, support is needed for schools that are not achieving full classes.

LATEST ASSESSMENT OF GROWTH

The Beeston Park outline planning for 3,500 homes is being promoted by TOWN on behalf of U+I plc. This development will eventually deliver land for up to 2 new primary phase schools within this area. Parcel A for this development of up to 500 homes which is situated to the north of Old Catton is currently being marketed.

The White House Farm development has had a further parcel of land put forward by the developer for an additional circa 1200 new homes and NCC Children's Services have been discussing the possibility of securing land for a new secondary school within this allocation. We are hoping there will shortly be some certainty on this proposal.

The large allocation in Rackheath for 3,000-4,000 dwellings has again stalled, with two national house builders showing an interest in the past, things have gone quiet. Broadland are working hard to progress this site. In the meantime, several smaller developments to the south west of Rackheath potentially totalling around 800 dwellings are taking shape and will impact on local school provision. The large development south of Salhouse Road for circa. 1,200 dwellings is on site. Children's Services have secured a 2ha site for a new primary phase school within this development. Local schools are showing spare capacity at the moment but with the largescale development in this area, potentially a new school will be required. Further analysis on pupil pressures and expected new places needs be done before a decision will be made on this school.

Development continues to progress well at the White House Farm and Home Farm sites in Sprowston. An application for an additional 500+ new homes as an extension to this development has recently been approved. In addition to this, Persimmon are promoting another development for up to a further 1200 dwellings.

CURRENT PRESSURES ON PUPIL NUMBERS
Pressure for places at reception in the Old Catton/Sprowston area peaked in 2016 and we have seen a slight decline in numbers for the 2019 and 2020 admission round. This has been a challenge for some schools along with the opening of White House Farm Primary as there are now several spare places across the area. Housing in a large scale continues across this area as mentioned above so spare places in local schools are needed and will be taken up over the next few years. The large allocation in Rackheath is planned to deliver 2 new primary phase schools but smaller growth coming forward first over several schemes will put pressure on Rackheath Primary which is already full, with no capacity for expansion. It is anticipated children generated from the Rackheath early housing will secure a school place in the Sprowston area.

Secondary place pressures are evident particularly for 2020 Year 7 intake and Children's Services are working on an expansion of Sprowston Community Academy until the new school is built which will be some time in the future.

IMPACT OF HOUSING GROWTH
Housing in a large scale continues across this area as mentioned above so spare places in local schools are needed and will be taken up over the next few years. The large allocation in Rackheath is planned to deliver 2 new primary phase schools but smaller growth coming forward first over several schemes will put pressure on Rackheath Primary which is already full, with no capacity for expansion. It is anticipated children generated from the Rackheath early housing will secure a school place in the Sprowston area.

SHORT TERM RESPONSE
Expansion of Sprowston Community Academy to 11FE.
Continue to receive updates from Broadland District Council on housing progress.
Continue to support local primary phase schools who are currently experiencing a decline in pupil numbers.
Continue to progress and secure a site for a new high school within the extension of the White House Farm development.

MEDIUM/LONGER TERM RESPONSE

The outline planning permission for Beeston Park includes 2 x 2ha sites for new primary phase provision. Further land has been secured for new schools on Salhouse Road, North of Smee Lane in Thorpe (East of Broadland Business Park) and a planned expansion to double the size of Little Plumstead Primary School. The major growth in Rackheath also safeguards 2 new primary school sites. Children's Services will monitor closely the need for these new schools to ensure they are provided at the right time and taking account of the impact on other schools in the area.

NCC has made a commitment for a new Secondary phase school in the Sprowston area. The only option for land currently on the table is within the Rackheath large scale growth area and Children's Services have given written confirmation that currently this land is still required. However, a preferred site would be in the Sprowston area and Children's Services are working with Persimmon and the Greater Norwich Local Plan team to ensure land is secured within the proposed allocation of 1200 homes at White House Farm.
The funding for these new schools remains a challenge. NCC is exploring all funding, including the centrally funded Free School Programme.

Capital response					
NORTH NORWICH GROWTH	School	Scheme	Stage	Cost/estimate	
	Sprowston Community Academy	To 11FE	Design	*£7.5m (S106 from WHF for £3M)*	2022
Future programmes	Lt Plumstead VAP	To 2FE	Planning approval	*£3.5-£4m*	*2022+*
	Beeston Park primary 1	2FE	Site identified	*£8m (unfunded)*	*2023+*
	Beeston Park primary 2	2FE	Site identified	*£8m (unfunded)*	*2024+*
	Rackheath 1	2FE	Site identified	*£8m (unfunded)*	*2025+*
	Rackheath 2	2FE	Site identified	*£8m (unfunded)*	*2027+*
	South of Salhouse Rd new primary	2FE	Site identified, discussions on infrastructure and layout ongoing with developer	*£8m (unfunded)*	*2022+*
	East of Broadland Business Park	2FE	Initial site layout options	*£8m (unfunded)*	*2023+*
	New high school/all through	tbc	New site search options	*£26m (unfunded)*	*2024+*

ATTLEBOROUGH (Breckland District)

Sustainable Urban Extension of 4000 new homes

Red line boundary of Attleborough urban extension.

CURRENT LOCAL PROVISION – capacity and organisation

The town of Attleborough is served by 2 primary phase schools, Attleborough Primary School and Rosecroft Primary School providing 150 places across each year group for the Town. The town is surrounded by villages with local schools. Although the majority of children who live within Attleborough primary catchment attend one of the town schools, historical preference still prevails with over 20% of the reception cohort each year choosing surrounding village schools. This preference pattern can take a while to change and may never change particularly with siblings attending the village alternative and sometimes families live nearer the village schools than the central schools in the Town. The largest preference is to Great Ellingham, Old Buckenham and Morley.
This pattern of preference does leave some spare capacity in the central Attleborough schools although for 2020 admissions both these schools almost filled 60 places each. Rosecroft does have the potential to admit 90 pupils per year group and as housing continues, some spare places are a necessity.

Secondary places are provided at the Attleborough Academy situated in the Town.

LATEST ASSESSMENT OF GROWTH

Breckland District Council approved the outline planning permission for 4000 new homes back in March 2020. We have been informed that the land is being marketed for development but as yet no reserved matters for planning has been submitted. As with all strategic schemes such as this, upfront infrastructure requirements can take some time to complete before housing can be commenced and it is unlikely that any building will take place before 2023. Breckland has confirmed that some smaller sites in the Town with dwellings totalling in excess of 600 have full planning and are on site with an indicative build rate of 100+ per year so we need to be aware of the impact of these.

KEY PRESSURES ON PUPIL NUMBERS

There is currently no pressure for places at primary level following the reorganisation and expansion of primary education. At secondary admissions, 2020 saw a low year group but pupil forecasts indicate that numbers will rise over the next few years with children already in the primary system. NCC Children's Services does have a masterplan for the High School to increase capacity and that is currently being refreshed with additional places provided in a timely manner.

IMPACT OF HOUSING GROWTH

With the uncertainty of commencement of such a large strategic housing development, numbers will be monitored as part of the annual admissions round to ensure a sufficient supply of places for reception each year. Once housing commences and we have more of an idea of phasing and timescales we can plan more effectively for existing school provision as well as when the new schools will open.

SHORT TERM RESPONSE

Monitor school places through the annual admissions round. Monitor the impact of the smaller housing schemes on pupil numbers. Avoid expansion of village schools unless prompted by pressure in the relevant catchment area.

MEDIUM/LONGER TERM RESPONSE

Plan for provision of 2 new primary schools for Attleborough understanding the parental preference to surrounding villages and whether that will continue and how that will impact on the new schools. Decide whether 2FE or 3FE schools are required by analysis of the number of children generated from the new development. Ensure sufficient secondary school places within the existing Attleborough Academy.

ATTLEBOROUGH	School	Scheme	Stage	Cost/estimate	Date if known
	Attleborough Academy (High)	Current project complete	Masterplan being refreshed following completion of first phase.		*TBC*
	New primary 1	2-3FE	-	*IRO £8m*	*2023+*
	New primary 2	2-3FE	-	*IRO £8m*	*2025+*

WEST WINCH/NORTH RUNCTON (King's Lynn and West Norfolk)

Up to 4000 new homes in two phases:
1600 up to 2026
2400 post 2026

CURRENT LOCAL PROVISION – capacity and organisation
West Winch village is situated to the south of King's Lynn with geographically a large catchment area and one primary school of 210 places. Parental preference indicates that most children who live within the West Winch catchment attend their local school. The school currently is a suitable size to serve its catchment children. To the east is Middleton which also has a small village school with less than 100 on roll. Historically, although the catchment for Middleton is large and each year group is around 0.5 FE not all children choose their local school which results in small intake numbers.

Secondary School places for this area are provided by the three secondary schools within Kings Lynn.

LATEST ASSESSMENT OF GROWTH
West Winch is a large strategic allocation for Kings Lynn and West Norfolk Borough Council. It is not unusual for an allocation of this size to take some years to come to fruition. The Borough Council commissioned a masterplan of the whole site which is almost complete. The allocation is split with Hopkins Homes in control of the area to the north for circa 1600 homes. The Heads of Terms for this area currently sits with the Borough Council and will be determined once the masterplan is complete. The larger area to the south is still in control of several landowners. NCC Children's Services have indicated that 2 new additional primary phase schools may be required as a result of this housing and land has been secured for these schools as part of this development.

KEY PRESSURES ON PUPIL NUMBERS
West Winch Primary school regularly fills its PAN of 30 but pupil forecasts indicate that the school is of a sufficient size for its catchment certainly for the next few years. A desktop exercise indicates that the school site could allow expansion of this school to 2 forms of entry. The school HT and Governors are aware of NCC plans and understand the process. Expansion of the existing school is likely to come before consideration of a new school for this area.

NCC Children's Services are already in discussion with the two Academy Trusts within Kings Lynn secondary schools as to how more places can be provided from 2023 onwards for existing children currently in the primary catchment schools. With a development of this size many more children can be expected and a longer-term plan for school places will be considered.

IMPACT OF HOUSING GROWTH
Housing is likely to impact on West Winch Primary at outset as they are already at capacity. Children's Services will work closely with the school to ensure sufficient places at the right time. Consideration on how other schools in the area could help with place pressure will be made at the time.

SHORT TERM RESPONSE
Monitor the progress of housing commencement with the Borough Council of King's Lynn and West Norfolk. Monitor the annual admissions round to ensure sufficient places for the area both at primary and secondary phases.

MEDIUM/LONGER TERM RESPONSE
Expansion of West Winch Primary School. One new Primary phase school in the northern phase of development and one new primary post 2026 in the southern part of the housing development.

Capital response					
WEST WINCH/NORTH RUNCTON	School	Scheme	Stage	Cost/estimate	Date if known
Future programmes	West Winch Primary	1 to 2 FE	-	*IRO £4m*	***unknown***
	New primary #1	2 FE	-	*IRO £8m*	***unknown***
	New primary #2	2FE		*IRO £8m*	***unknown***
	King's Lynn secondary phase	Expansion	Discussions with schools.	-	***unknown***

Part 2 - Development locations where one new school is planned

WYMONDHAM (South Norfolk District)

Up to 1800 new homes in various locations across the Town with planning permission still to be built.

CURRENT LOCAL PROVISION – capacity and organisation
Wymondham has 3 primary phase schools, Browick Road, Ashleigh and Robert Kett providing 6 forms of entry between them. Pressure for reception admission round places have been evident but manageable over the past few years.
The new primary phase prep school at Wymondham College now has planning permission and the project is on site. The school took its first intake of 60 reception age children in September 2020 using existing buildings on the campus to accommodate the children until the new building is completed.

Wymondham High Academy has over admitted for year 7 for the past 2 years and the ongoing projects on this school site have provided sufficient places to enable the school to do this. The most recent project is due to complete at the end of 2020 and will provide infrastructure including expanded dining, hall, library, and main entrance facilities.
Although Wymondham College geographically sits a few miles outside of Wymondham and close to Attleborough, Wymondham families regularly take up school places there so the influence of this school must always be considered when planning for future growth in the Town.

LATEST ASSESSMENT OF GROWTH
Housing continues at a considerable rate in Wymondham. Some larger sites are nearing completion with others now commencing. One part of the large development in Silfield has a site allocated for a new primary phase school. The land for a further 500 homes had not been sold so access and services to the school site was challenging. There is an indication now that a developer is on board and discussions are commencing for the timing of this new school.
The Greater Norwich Local Plan has allocated 1000 new homes for Wymondham as a contingency but not a preferred area. Three different land promoters are putting forward sites each for around 1000 dwellings.

KEY PRESSURES ON PUPIL NUMBERS
Pressure for primary places in Wymondham continues although as expected there are a few spare places for September 2020 admissions. The new prep school as expected took pressure off places in Wymondham schools. The timing of the opening of the new school in Silfield is important so it doesn't impact negatively on existing provision. We will monitor closely housing build rates, forecasts and admissions to ensure a suitable opening date.
There is a joint plan between NCC and Wymondham High Academy for further expansion of the buildings to accommodate additional children from new housing. With the housing numbers above what was expected, we will continue to monitor the situation and a new standalone 6th form is being considered in line with the possible contingency of 1000

homes. Wymondham College must also be considered when planning secondary places in Wymondham.

IMPACT OF HOUSING GROWTH

The opening of the prep school should take off the pressure for reception places in the town, but pressure will continue for in-year admissions in other year groups from new families moving into the area. Children's Services admissions and place planning team will monitor this situation closely and take action if we feel providing suitable places is not manageable.

SHORT TERM RESPONSE

Continue to monitor housing growth and anticipated reception intake for September 2021. Forecasts do indicate that in the short-term admissions will be manageable.
Refreshing the masterplan for Wymondham High Academy with a view to a final phase of building works for classroom expansion.

MEDIUM/LONGER TERM RESPONSE

Opening of the new school in Silfield when numbers are sufficient. Agree options or creative solutions for increased capacity at secondary and 6th form in Wymondham if necessary.

Capital response					
WYMONDHAM	School	Scheme	Stage	Cost/ estimate	Date if known
Current programme					
	Wymondham High Academy		On site for completion end 2020	IRO £4.9m	

Future programmes	Silfield new primary school	2FE	Design stage but on hold.	IRO £8m	2023
	Wymondham High Academy	Further phases	Masterplan refresh and consideration for final phase	tbc	2023
	Wymondham College	Options for growth	Discussions ongoing with Sapientia Trust	-	

CRINGLEFORD (South Norfolk District)

1300 new homes on two adjacent sites

CURRENT LOCAL PROVISION – capacity and organisation

One 420 place Voluntary Aided primary school currently serves Cringleford village. The nearest schools to Cringleford are Eaton Primary School and Hethersett Primary Schools. The secondary feeder catchment school is Hethersett Academy but with the location of Cringleford close to the City, several options are available to Cringleford children if places are available.

LATEST ASSESSMENT OF GROWTH

Both housing developments have commenced on site and new highways infrastructure is completed. Housing in this area appears to be popular with families and homes are selling quickly.

KEY PRESSURES ON PUPIL NUMBERS

In the 2019 reception admissions round the local primary school was over-subscribed. In 2020 however the school felt they were unable to accept more children than their PAN of 60, so several Cringleford families were offered a place elsewhere. Pupil forecasts do indicate that the last two intake years have been bulge years and numbers are likely to lower slightly until housing impacts further.

IMPACT OF HOUSING GROWTH

A new primary phase school is planned for Cringleford and a 2ha site secured within new housing to the north west of the village. Children's Services are keen to bring forward the new school as soon as possible, but the site transfer is linked to housing completions which is causing some challenges. Discussions with South Norfolk are ongoing to see if there is a possibility of securing additional land for potentially increasing the new school to a 3FE.

Additional land has been secured for Hethersett Academy under the planning application for the strategic growth in Hethersett. Expansion of the Academy is on-site and will expand gradually with the demand for more places.

SHORT TERM RESPONSE

Continue to manage the reception intake using other local schools if necessary, to provide places. Work with the housing developer to identify ways to bring forward the school site earlier.

MEDIUM/LONGER TERM RESPONSE

Commission a new primary school for Cringleford. As this is a CIL area, no funds have been secured specifically for this new school so a DfE Free School proposal would be welcomed.

Capital response					
CRINGLEFORD	School	Scheme	Stage	Cost/estimate	Date if known
Future programmes	New primary	2 or 3 FE	Site secured under S106	£8m/11m (£1M CIL funding)	2023/24

HETHERSETT (South Norfolk District)

1200+ home strategic development

CURRENT LOCAL PROVISION – capacity and organisation
Hethersett Woodside Primary School moved to its new building in September 2020 and Hethersett CE VC Primary School completing December 2020 completing the primary phase projects in the village to form potentially 4 forms of entry (120 places per year group) for the future. The expansion project at Hethersett Academy in its first phase was completed for September 2020. Places for each admissions round are being carefully monitored and forecasts indicate that additional places will be needed for 2022. This is a popular school and was oversubscribed for September 2020.

LATEST ASSESSMENT OF GROWTH
The large housing development to the north of the village is progressing quickly and we understand the developer is increasing the density of housing by an additional 300 homes. Children's Services are working with South Norfolk District Council to possibly secure additional land for the new primary school to enable a 3FE school in the future if required. It is unlikely that Hethersett will receive more large-scale housing in the Greater Norwich Local Plan.

KEY PRESSURES ON PUPIL NUMBERS
Now there is a potential operating admission number of 120 across the two schools there are plenty of spare places for new families moving into the village. This does come with some challenges for schools to manage their admissions as places fill up. Secondary intake numbers must be managed to ensure local children and children from the traditional feeder schools such as Mulbarton secure a place.

IMPACT OF HOUSING GROWTH
Although the density of the 1200 new homes in Hethersett is likely to be increased allowing for an additional 300 more homes, the Greater Norwich Local Plan is unlikely to allocate any further housing for this village.

SHORT TERM RESPONSE
Continue to manage admission both at primary and secondary level. Hethersett High Academy masterplan refresh with a view to a second phase of expansion.

MEDIUM/LONGER TERM RESPONSE
Continue to monitor growth in both Hethersett and Cringleford as Cringleford is a feeder school for Hethersett Academy. Work with Hethersett Academy to ensure sufficient places for both local children and those living in the school feeder catchments.

Capital response					
HETHERSETT	School	Scheme	Stage	Cost/estimate	Date if known
	Hethersett Academy	Staged expansion	Refresh of masterplan with a view to a second phase of development	*TBC*	*2023*

BRADWELL (Great Yarmouth Borough)

1000 new homes

CURRENT LOCAL PROVISION – capacity and organisation
The catchment schools for this new development are Hillside, Homefield and Woodlands Primary Schools who provide 120 places between them for each year group and share a large catchment area. All 3 schools are almost at capacity for the 2020 admissions round. The majority of children who live in this catchment attend one of the local schools. Woodlands being the largest does admit children from surrounding villages and parental preference patterns are mainly to and from Wroughton and Peterhouse. Secondary schooling is provided by Lynn Grove Academy, which is a popular school. Forecasts indicate that currently there are sufficient places across the area.

LATEST ASSESSMENT OF GROWTH
Housing has commenced on the site and 305 of the 850 strategic development have been completed as at summer 2020 which is around 50 higher than last year. The smaller development of 130 dwellings has commenced with only 7 completions as of summer 2020. NCC Children's Services has secured a 2ha school site on this new development but as yet, with agreement from Persimmon we have not taken ownership of the site as pupil numbers do not yet justify a new school. This school will be marketed through the LA presumption route.

KEY PRESSURES ON PUPIL NUMBERS
With local schools almost at capacity, the admissions rounds will be carefully monitored. Forecasts do indicate a slight decline in pupil numbers from 2021 onwards.

IMPACT OF HOUSING GROWTH
The impact of the housing has not been as great as expected which has delayed our requirement for progressing the proposed new primary school. Children's Services will closely monitor pupil numbers particularly when the further housing commences.

SHORT TERM RESPONSE
Continue to monitor pupil numbers and housing progress. Restart discussions with the three local schools.

MEDIUM/LONGER TERM RESPONSE.
Secure the new primary school site from Persimmon Homes and build the school.

Capital response					
BRADWELL	School	Scheme	Stage	Cost/estimate	Date if known
Future programmes	New primary school	2FE	Currently on hold awaiting need for more places.	IRO £8m	***2021+***

FAKENHAM (North Norfolk)

Allocation of 900+ new homes

CURRENT LOCAL PROVISION – capacity and organisation

Children who live in Fakenham are offered Fakenham Infant, Fakenham Junior and Fakenham Academy as their catchment schools. As with any small Towns the surrounding village schools tend to impact on school provision at Primary level with parental preference evident both into and out of the Town. However, preference does indicate that the majority of children who live in Fakenham do choose their local school. Fakenham Infant and Junior offer both offer 90 places per year group but in recent years admission numbers have been around 75. Pupil forecasts do indicate that that figure is sustainable for the next few years.

LATEST ASSESSMENT OF GROWTH

The major growth allocation for Fakenham for 800-900 dwellings is to the north of Rudham Stile Lane. Outline planning permission has recently been granted on this development and North Norfolk District Council are keen to bring this housing forward. A site for a new 2 form entry primary phase school building has been secured free of charge.

KEY PRESSURES ON PUPIL NUMBERS

Pupil forecasts indicate that there is unlikely to be pressure on pupil numbers at primary level until housing is underway. With the Academy now operating on one site with an admission number of 150, careful monitoring of pupil places is required but again, it is unlikely pressure for secondary places will be evident until housing is underway.

IMPACT OF HOUSING GROWTH

Children's Services do not believe the housing will impact on school provision, certainly at primary level until some way into development. Secondary impact may be more likely early in development and this will be monitored.

SHORT TERM RESPONSE

Discussions with the 2 primary phase schools in the Town have taken place but that was a while ago. Once there is more certainty of housing commencement and rate of development, further discussions will commence.

MEDIUM/LONGER TERM RESPONSE

Longer term, it is likely that more school places will be required at Secondary phase but NCC Children's Services need to understand what capacity the current site at Fakenham Academy can accommodate. At primary level, with a new site secured, discussions on how potentially more school places can be provided will commence. This may include consideration of how to achieve all-through primary provision.

Capital response					
FAKENHAM	School	Scheme	Stage	Cost/estimate	Date if known
Future programmes	New primary school	2FE	-	£8m	***2025+***

	Expansion to Fakenham Academy	Unknown at present	-	-	***Unknown***

LONG STRATTON (South Norfolk)

1800 - 2400 new homes

CURRENT LOCAL PROVISION – capacity and organisation
Long Stratton primary school provision is provided by Manor Field Infant School and St Mary's Junior School (academy). Discussions took place several years ago regarding moving to all -through Primary provision in the town so this option will need to be reconsidered in light of the education landscape nearer the time of housing commencement. Secondary provision is provided by Long Stratton High School.

LATEST ASSESSMENT OF GROWTH
A bypass for Long Stratton has been a long-term desire and the news that the majority of funding for this scheme has been secured by a Department of Transport grant is most welcome. The project is fully funded and an indicative start on site date has been stated as summer 2023 with an 18-month build. The bypass will allow the house building to commence. Although an application for 1800 homes was submitted to South Norfolk District Council a few years ago, revisions are being made and the pace is accelerating with a desire by all stakeholders to move this long-standing allocation forward. With further land allocated for development, the scale of new housing could extend to 2400 new homes. A site for a new primary phase school building has been secured within this new development with connectivity to the existing town.

KEY PRESSURES ON PUPIL NUMBERS
Although numbers of children who live within the catchment of the two Long Stratton schools match well with the PAN of the schools, historically, some families choose smaller village schools surrounding Long Stratton resulting with lower year group numbers. Unless this pattern changes, there are spare places at all local schools.

IMPACT OF HOUSING GROWTH
As mentioned above, a site for a new school building has been secured and both schools have been asked to discuss how this is likely to impact on them. Further discussions will follow once more certainty on the timing of the housing is more evident. NCC Children's Services have calculated that up to 400 new homes can be built before pressure for places is likely so appropriate wording for the transfer of a new school site will be agreed with the housing developer.

SHORT TERM RESPONSE
Continue to be involved in stakeholder groups to ensure education is covered in all aspects of this development and bypass.

MEDIUM/LONGER TERM RESPONSE
Opening of a new primary phase school in Long Stratton with the potential to move to all-through primary provision in the village.

Capital response					
LONG STRATTON	School	Scheme	Stage	Cost/estimate	Date if known
Future programmes	New primary phase school building.	2FE	Site location agreed.	IRO £8m	***2024+***
	High school	Expansion of Long Stratton High to be considered longer term.	-	-	

BLOFIELD/BRUNDALL (up to 500 new homes)

CURRENT LOCAL PROVISION – capacity and organisation
This local area has its primary school places provided by mainly two schools – Blofield Primary (210 place) and Brundall School (315 place). There are some surrounding schools that impact on primary school provision due to parental preference namely Hemblington and Lingwood but in general, children who live in Brundall and Blofield do take up a place at their local schools. A scheme is currently on site to secure improvements to Brundall Primary School to allow them to take their full 315 places.

LATEST ASSESSMENT OF GROWTH
Housing continues in this area, but reception admissions are being managed well. Both Blofield and Brundall schools continue to be over-subscribed but places are found elsewhere. We are yet to see large increases in pupil numbers, but this is not unusual, and it often takes time to see the impact of new housing on school places. There are 500 more homes with planning permission in the area, we therefore assess that more places will be required.

KEY PRESSURES ON PUPIL NUMBERS
Schools across this area are full but pupil numbers appear to be stable and the impact of housing is not yet evident. However, with around 500+ new homes currently in the planning system in this area it is highly likely that numbers will rise in the future.

IMPACT OF HOUSING GROWTH
This is a popular area for families and at some time in the future more primary school places will be required. It is likely that an additional form of entry (30 places in each year group) will be sufficient for the medium term.

SHORT TERM RESPONSE
Over the past 4 years Children's Services have been in discussion with the school, Parish Council and District Council to consider how more school places can be provided for this area. The decision to move the existing school in Blofield to a new building with double the capacity is still considered the best option. A preferred site (land north of Wyngates in Blofield), some of which is already in the ownership of NCC is being progressed. A larger project including a new school building and also facilitating expansion to the GP surgery has been in discussion for a while.

MEDIUM/LONGER TERM RESPONSE

Open a new 420 place primary school building in Blofield and relocate and expand the existing school into this new building.

Capital response					
BLOFIELD	School	Scheme	Stage	Cost/estimate	Date if known
	New primary school building	2 form entry primary school	Site acquisition	£8M (£1M CIL funding)	2023
BRUNDALL	Brundall Primary School	Improvements to classroom capacity	Construction	£1M (CIL funding)	2020

PORINGLAND

CURRENT LOCAL PROVISION – capacity and organisation

The village of Poringland is served by one larger primary phase school of 420 places – Poringland Primary School. There are other smaller schools surrounding the village of Poringland namely, Stoke Holy Cross, Brooke, Trowse, Alpington and Rocklands all of which provide primary education for children in the area. Framingham Earl High School provides secondary education for this area.

LATEST ASSESSMENT OF GROWTH

Housing in Poringland continues and numbers in the region of 250 homes are still to be built out.

KEY PRESSURES ON PUPIL NUMBERS

The 2020 admissions round for reception places was expected to be challenging as it was for 2019. However, the admissions process was made easier by some Poringland parents choosing other schools locally. Although Poringland Primary school is full, as is Trowse and Alpington there are a few spare places in both Stoke Holy Cross and Brooke Primary Schools. We are expecting pressure for reception places to continue and further housing will increase the likely impact. The high school continues to fill its admission limit each year, but the evidence shows children from out of area do choose this popular school.

IMPACT OF HOUSING GROWTH

The large-scale housing in Poringland is now impacting on school places with a sustainable increase in pupil numbers being seen both for the past 2 years and into the future.

SHORT TERM RESPONSE

Continue to monitor the next year's admission round and using other local schools if possible, to ensure all children are placed in school. Continue with site search for a new primary phase school.

MEDIUM/LONGER TERM RESPONSE

All data and forecasts give the indication that a new primary phase school is needed for Poringland and a search for a site is ongoing. This is not without its challenges and all stakeholders are engaged with bringing this forward. Monitoring of secondary school admission numbers as children move through the primary sector and the impact of housing is evident.

Capital response					
PORINGLAND	School	Scheme	Stage	Cost/estimate	Date if known
	New primary school	Initially 1FE with the scope to increase to 2FE	Site search	£8M	2022/23
	Possible expansion of Framingham Earl High School	Not decided	-	-	Unknown as yet.

HELLESDON (Broadland)

Allocation for up to 1500 new homes

CURRENT LOCAL PROVISION – capacity and organisation
Hellesdon has infant/junior schools situated across the area and a large and popular High School. The infant schools (Arden Grove, Heather Avenue and Kinsale) have 180 places per year group between them, which is more than adequate for their catchment. These 3 infant schools feed into two junior schools – Firside Junior and Kinsale Junior. These schools have 150 places between them for each year group which, if full numbers were coming through from the infant schools would not be sufficient. The 2020 reception intake was a bulge year compared to 2019 with only 10 spare places across reception age. Pupil forecasts indicate that for the next 2 years reception numbers will decline, and the 3 infant schools will rely more than ever for children from outside of their catchment (Mile Cross/North Norwich) to fill their PANs. The High School is at capacity and oversubscribed every year however there are adequate places for local children.

LATEST ASSESSMENT OF GROWTH
The first phase of this housing growth to the eastern side of the Golf club for 108 dwellings is now on site and to date, 70 dwellings have been completed. A reserved matters application for phases 2 and 3 and for the phases on the other side of the carriageway have not yet been received so it is likely to be at least 2-3 years before we can consider securing the school site from Persimmon.

KEY PRESSURES ON PUPIL NUMBERS
As mentioned above, the 2 junior schools do not have places to match their feeder infant schools and are at capacity currently. It is possible some interim places may have to be provided at junior age level prior to a new school being built. With pupil forecasts indicating a decline in numbers, children generated from the new homes are able to secure a place within the existing provision in Hellesdon until a new school is built.

IMPACT OF HOUSING GROWTH
This scale of housing will eventually impact on places in local schools and a new primary school for Hellesdon is proposed within the new development. NCC Children's Services

will closely monitor pupil numbers prior to a new school being built to ensure sufficient but a suitable number of available places for the local area and that a new school does not impact negatively on existing provision.

SHORT TERM RESPONSE
Continue to monitor pupil numbers during the annual admissions round particularly at Junior school level.

MEDIUM/LONGER TERM RESPONSE
A new primary school including consideration of all-through primary school provision in Hellesdon. Consider the capacity at the secondary school to ensure adequate places for local children.

Capital response					
HELLESDON	School	Scheme	Stage	Cost/estimate	Date if known
Future programmes	New primary school	2FE	-	IRO £8m	2023+
	High school	Expansion of Hellesdon High to be considered if necessary.	-	-	

EAST NORWICH (Norwich City)

Allocation for up to 4000 new homes

CURRENT LOCAL PROVISION – capacity and organisation
There are several primary phase schools located close to this area: Lakenham Primary School and Trowse Primary School being the closer. Secondary education is provided by the Norwich Hewett School, CNS and Notre Dame.

LATEST ASSESSMENT OF GROWTH
The East Norwich Partnership was formed this year, which is vital to the success of this regeneration area. This group will steer preparation of a masterplan to create a new city quarter with the potential to deliver 4000 new homes and 6000 new jobs. Land totals around 50ha and includes the Deal Ground, Land at Trowse, the Utilities site and Carrow Works.

KEY PRESSURES ON PUPIL NUMBERS
Housing growth of this size will clearly impact on local school provision but to what extent will depend greatly on the type and size of homes proposed.

IMPACT OF HOUSING GROWTH
This is very early days in this development, but Children's Services have been informally consulted on what school provision would be required. With an urban area such as this some creative thinking on school design will be needed.

SHORT TERM RESPONSE
Continue to respond to consultations from Norwich City Council. Look at options for urban designed schools.

MEDIUM/LONGER TERM RESPONSE
New school provision if required.

Part 3 – Growth areas with implications for existing schools

AREA AND NUMBER OF HOUSES	CURRENT ACTIONS	SIGNIFICANT INFRASTRUCTURE GROWTH REQUIREMENTS
WISBECH (500+ dwellings in Norfolk)	Working with Cambridgeshire and Kings Lynn and West Norfolk Borough Council regarding impact of housing.	An agreement has been made that with the majority of the housing within the Wisbech boundary, the new primary school will be a Wisbech school and all S106 contributions secured by both Cambridgeshire and Norfolk from this development should be allocated towards this school. A similar arrangement has been proposed for secondary provision. How housing will actually impact on Norfolk schools will be monitored from commencement.
AYLSHAM – Greater Norwich Local Plan up to 300 dwellings	The three primary phase schools that serve the Town of Aylsham have 80 places between them for each year group. Pupil forecasts indicated this number is sufficient for the next 3 years, both schools are expected to be at capacity and capital support for minor adjustments is being given to schools to manage this.	A preferred site for up to 300 homes is proposed in the Greater Norwich Local Plan which will include a site for a new 2FE primary phase school building. It is likely that if housing commences St Michael's Primary might be moved to new premises allowing it to grow to 2 FE. This would give the potential for 120 places per year group for the Town.
DEREHAM/SCARNING/TOFTWOOD (700 homes)	A wide area in Breckland where parental preference is evident across the Town and surrounding villages. Dereham is an interesting area which has had its fair share of housing. However pressure for school places, apart from an odd bulge year has not been evident. For 2020 admissions there are at least 30 spare places across the area.	Although discussions have begun with both DNEAT and Unity Trust on how they see primary provision across the Town in the future, it is unlikely anything will happen unless pressure for school places becomes evident. With this number of new homes it is likely, but it will continue to be monitored.
Taverham/Drayton – Greater Norwich Local Plan preferred site for 1200 dwellings	NCC Children's Services have been approached by a land promoter for this site which includes free land for a new 2FE Primary phase school building. A meeting was held recently with primary and secondary school representatives	It is likely that additional primary school places will be required should this site be approved as an allocation. How these additional places will be provided will go through an options appraisal process nearer the time.

	from both Taverham and Drayton so they understand the process involved once this site is a confirmed allocation.	
HOLT (250-400 homes)	A site for a new school which is part of a housing planning application inquiry is still on the table. The new enlarged school is fully funded and will start on site as soon as reasonably possible for the developer should the planning application get approval by the planning inspector.	A new 2 form entry primary school building to allow the existing Holt Primary school to move to new premises. This new school will provide the necessary additional new places for children in Holt as well as dealing with condition issues at the existing school.
KINGS LYNN WOOTTONS/KNIGHTS HILL (1000 dwellings)	Outline planning consent was approved in July 2020 for 600 new homes after a public inquiry. We await reserved matters planning application for the first phase of development.	There are opportunities for expansion of existing primary school provision and discussions with schools will begin once more certainty on housing commencement is known.
EASTON (900 new homes)	Outline planning permission for this large-scale development was secured in November 2016 and a reserved matters application for the first phase of 292 homes was submitted to South Norfolk District Council in June 2020. NCC Children's Services have agreed the location of the land for the primary school expansion and have informed the school of progress. Secondary school provision for Easton catchment is traditionally Ormiston Victory Academy and a project for considerable expansion of this school to accommodate children from this and other developments in the area is being planned.	Expansion of St Peter's at Easton to potentially a 1.5FE or 2FE school when the place planning need is evident. Expansion of Ormiston Victory Academy to up to 10FE in Costessey in preparation for additional intake years to complete for September 2021.

Part 4 - Areas of the County indicating a decline in pupil numbers and where there are several small schools

Norfolk, as a rural county is seeing some areas with considerable growth yet other areas with small and sometimes larger decline in pupil numbers. The Local Authority needs to plan effectively to ensure that provision matches the place needs. Whilst surplus places can sometimes facilitate improvement through parental preference patterns, they can also be a barrier to success. Surplus places create inefficiencies in the school system, which individual institutions may find difficult to manage. The analysis below shows the level of surplus places and indicates some of the demographic trends. Larger schools can often manage both contraction and expansion of pupil numbers. District advisers will actively monitor the quality of education provided in any area and consider any action that may be needed, which could include:

1. Agree changes to the planned admission number (PAN) with associated change to accommodation
2. Conducting an area-based review, which could lead to

    a. Schools joining a governance group such as federation or MAT

    b. Changing age range for a school

    c. Merging schools in existing or newly provided buildings.

    d. As a last resort, close schools

3. Norfolk Planning Areas have been RAG rated in order to identify long term excess school places across each area: GREEN – where there are sufficient places to match the catchment area numbers AMBER – where there are 30+ spare places across the Planning Area but places are often filled with out of area children. These areas will be monitored but with the expectation that either catchment number increase or housing will solve the issue RED – areas with considerable surplus places/limited housing/catchment decline.

AMBER PLANNING AREAS
Acle Planning Area – an area of 7 schools. The spare places are allowing for circulation of parental preference, so some schools regularly have spare places at admissions intake.
Broadland Planning Area – an area of 7 schools with around 40 places more per year group than the catchment numbers require. Some parts of this area have considerable growth planned but most of the schools are currently being filled by out of catchment children, where the smaller schools could struggle for numbers in the future.
Diss Planning Area – a Planning Area with 10 schools, 8 of these schools have catchment cohorts of at least 40 less than their admission number allowing for circulation of parental preference. Some of these schools are having to adjust to lower pupil numbers.

Fakenham Planning Area – a typical Planning Area with a central market town school and surrounding village schools. There are at least 40 places in each year group across the area more than is required for the catchment and these are all in the surrounding villages. This pattern allows for circulation of parental preference and some village schools are reliant on pupils who live in Fakenham to fill their spare places, which could change and therefore should be monitored. Although considerable housing is planned for Fakenham it will be several years before the impact of this is noticed in local schools.

King's Lynn Planning Area – this area includes 8 schools surrounding King's Lynn. There are around 40 more places in each year group than the catchment areas demand allowing for circulation of parental preference, movement of children from out of area to more popular schools and some schools having to adjust to lower pupil numbers.

Methwold Planning Area – A Planning Area of 8 schools, 6 of which have an admission number less than 30. There are around 50 more places per year group than the area needs which results in one or two schools with low numbers compared with their capacity.

Norwich South Planning Area – this is a large Planning Area of 16 schools, all of which are 1 form of entry or larger. Catchment numbers suggest there are 150 places per year group more than is required for the area. With this large number of spare places, parental preference circulation is evident and only the most popular schools are seeing full classes at reception. Half of the schools in this Planning Area have considerably lower numbers in reception than their capacity allows.

Tas Valley Planning Area – A Planning Area to the South of Norwich with 7 village schools, the largest being Mulbarton. This is a Planning Area where catchment numbers indicate there are at least 30 places per year group more than required. However, all the schools are relatively full as they attract children from outside the area. It is possible however that some of the smaller schools could see lower numbers in the future so this is one area to watch.

RED PLANNING AREAS

Stalham Planning Area - a Planning Area with 7 schools and around 30 places more per year group than the catchment number suggests. This allows for circulation of parental preference, where some schools may have very few pupils. 3 of these 7 schools have very low numbers in school with 2 having less than 25 children on roll.

Downham Market Planning Area – A Planning Area of 13 schools including the town of Downham Market. 5 of these schools have an admission number of 10 or less. Although most of these schools are almost at capacity the spare places across the area allows for circulation of parental preference leaving mainly the 3 smaller schools with less than 36 children on roll.

Dereham Planning Area – a large Planning Area of 12 schools including the town of Dereham and its surrounding village schools. Dereham Town itself has experienced much housing growth and continues to do so, however the impact of this housing has not yet been seen at local schools and 2 of the 3 infant schools are experiencing low numbers across all year groups. Some of the surrounding village schools are also seeing a decline in catchment numbers which is resulting in low numbers across their year groups.

Flegg Planning Area – a smaller Planning Area with just 7 schools the largest being Ormesby and Martham. Comparing catchment numbers with the school admission numbers there are almost 100 more places in each year group than required. This causes circulation of parental preference where the more popular schools fill up leaving other schools having to manage low numbers. Although there is housing planned for this area it is not significant enough to impact on the current issues.

Litcham Planning Area – a Planning Area of 9 small schools the largest being St Mary's in Beetley which is a 1 form entry primary school. 6 of these schools have less than 71 children on roll. There is very little housing in this Planning Area and the whole area is showing demographic decline.

Loddon Planning Area – A widespread Planning Area of 11 schools with Loddon being the largest. All others have a PAN of 20 or less. Pupil forecasts indicate an over-supply of around 70 places each year. Although this is a large figure only a couple of these schools are showing low number cohorts, so the impact of parental preference is evident allowing for the more popular schools to fill with children not necessarily living locally.

Cabinet

Item 14

Report title:	**Schools' Capital Programme update**
Date of report:	**February 2021**
Responsible Cabinet Member:	**John Fisher,** **Cabinet Member for Children's Services**
Responsible Director:	**Sara Tough**
Is this a key decision?	**No**

Executive Summary/Introduction from Cabinet Member

This report provides an update on all financial adjustments to the schools' capital programme resulting from recommendations by Capital Priorities Group and decisions by the Executive Director of Children's Services with her delegated powers from Norfolk County Council Cabinet.

In addition, this report restates the reporting cycle for the Schools' capital programme to Cabinet (attached as an Annexe), as below:

- January/February – Schools' Local Growth and Investment Plan and Schools' capital programme update
- May – presentation of the refreshed capital programme
- November/December– new priorities identified and added to the overall NCC capital programme.

The current approved capital programme is attached as an Annexe A to the report.

Recommendations
Sign off the report for publishing on the Norfolk County Council website.

Actions required
Officers to publish the document.

1. Background and Purpose

1.1. Local Authorities have a statutory duty to ensure sufficient school places in the area. The annexe to this report provides an update on all the financial adjustments made to the schools' capital programme since October 2020 when the programme was reported to Norfolk County Council Cabinet.

2. Proposals

2.1 To ratify the financial adjustments made since the last reporting period and support the reporting cycle from the schools' capital programme into Cabinet.

2.2 The capital programme is the three-year delivery mechanism for the growth agenda set out in the ten-year strategy, Schools' Local Growth and Investment Plan (SLGIP). When the housing growth identified within the SLGIP increases pressure on school places, the relevant schemes are identified to join the capital programme. It is proposed that the schools' capital programme reporting cycle is as follows:

- January/Feb – Schools' Local Growth and Investment Plan and Schools' capital programme update
- May – presentation of the refreshed capital programme
- November/December– new priorities identified and added to the overall NCC capital programme

3. Impact of the Proposal

3.1. Norfolk County Council fulfils its statutory place planning role and strategic role for condition for maintained schools.

4. Evidence and Reasons for Decision

4.1 Comprehensive assessment has been undertaken and is included in the attached report.

5. Alternative Options

5.1. Not applicable.

6. Financial Implications

6.1 Provision of schools' capital is secured by capital grant from central Government in the form of Basic Need, school condition allocation and SEND grants. In addition, there are processes in place to secure funding through developer contributions as part of S106 agreements.

6.2 For the three years from 2017/18 to 2019/20 there has been £2M allocated from the Greater Norwich Growth Board from the Community Infrastructure Levy (CIL), which has replaced S106 agreements. Income from S106 agreements for the last two financial years totals £19,477,737.

6.3 The SEND Transformation Programme is funded by the £120M borrowing agreed by Norfolk County Council Policy and Resources Committee in Autumn 2018.

6.4 All financial commitments set out in this report are met by available funding. The transfer from S106 agreements to CIL is likely to result in a shortfall of funding for new schools in housing developments in the Greater Norwich Growth Area. In October 2021, NCC Cabinet agreed that any shortfall of funding for new school places will fall to Norfolk County Council, with a provisional £30M agreed to support the programme for 2020-2023 was incorporated into the NCC Capital Programme.

7. Resource Implications

7.1. **Staff:**
The staffing requirements to deliver the programme can be met through existing resources

7.2. **Property:**
In order to meet the demands of place planning the capital programme seeks to improve or develop the Schools' Estate. The Local Authority's role in ensuring existing Estate is maintained in order to meet place planning requirements alongside strategic condition and health and safety issues in schools are addressed through condition grant allocation.

Academy Trusts and Voluntary Aided Schools receive their own condition funding. Expansion of schools to meet place planning demand is based on the provision of good or better education provision and where children live. This means that NCC growth capital funding is spent at both Maintained, VA or Academy schools as appropriate.

7.3. **IT:**

Provision of information technology to meet curriculum demands is delivered by NCC ICT Solutions as part of each capital project.

8. Other Implications

8.1. **Legal Implications**
None – meeting statutory duty.

8.2. **Human Rights implications**
None

8.3. **Equality Impact Assessment (EqIA) (this <u>must</u> be included)**
The provision for equal opportunity and support for children of different backgrounds and with different needs is fully addressed within the paper. The schools' capital programme includes a recurring capital budget specifically to resolve access and other Equality Act issues.

8.4. **Health and Safety implications** (where appropriate)
The capital programme is subject to CDM regulations for construction and all building works must comply with Building Regulations.
NCC Health and Safety obligations for the existing NCC Schools' Estate are discharged by a programme of surveys of schools by NPS Building Surveyors Group and funded as part of the condition grant.

8.5. **Sustainability implications** (where appropriate)
Sustainability of provision is addressed within the report.

8.6. **Any other implications**
none

9. Risk Implications/Assessment

9.1. Non-delivery of specific projects and insufficient investment in the Schools' Estate could result in the Local Authority being unable to deliver its Statutory Duty for ensuring sufficient school places.

9.2. The programme requires regular monitoring, management and budgetary control to deliver schools' capital schemes on time and within budget. This is addressed through regular capital finance monitoring reports to Capital Priorities Group, Executive Director and the Cabinet Member for Children's Services.

9.3. There is a risk that the Government grant will not be received for reasons outside the Local Authority's control. The Department for Education has required Local Authorities to make better use of schools' capital. This means reducing costs across the programme, and an inability to do so could result in removal of delegation of the Basic Need grant to address pupil growth.

10. Select Committee comments

10.1. n/a – no policy change

11. Recommendation

11.1. Sign off the report for publishing on the Norfolk County Council website

12. Background Papers

12.1. **Schools Capital Programme – August 2020**
Schools Capital Programme – October 2020
School Place Sufficiency - Schools Local Growth and Investment Plan Appendix A to February 2021 Cabinet Paper (web link not yet live)

Officer Contact

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

Officer name:	**Isabel Horner**	**Tel No:**	**01603 222246**
Email address:	**Isabel.horner@norfolk.gov.uk**		

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ANNEX A - Mainstream schools' capital programme

Existing residual programme 2017-2020

Project	Priority area	2020/21	2021/22	2022/23+	Funding source	Completion	Additional Information
		£m	£m	£m			
Aylsham St Michael Primary	A3	0.34	0.410	-	S106 - grant to Diocese	Autumn 2021	Conversion to primary
Brundall Primary	A4	0.82	-	-	CIL and Condition	Autumn 2020	Improvements to existing capacity for 1.5FE
Gayton VC Primary	A3	2.18	3.416	-	Basic Need and Condition	Autumn 2021	Relocation and expansion of school to 1FE
Hethersett CE VC Primary	A1/A3	2.86	0.608	-	Basic Need, Condition and CIL	Autumn 2021	Expansion of existing school
Tunstead Primary	C1	-	0.300	-	Condition	Autumn 2020	Mobile replacement
Wymondham High Academy	A1	2.875	-	-	S106 and Basic Need	Autumn 2020	Expansion of existing school

Mainstream programme 2020-2023+

Project	Priority area	2020/21	2021/22	2022/23+	Funding Source to date	Completion	Additional Information
		£m	£m	£m			
Attleborough High Academy	A2	0.020	-	-	Basic Need	TBC	Refresh of masterplan
Costessey Ormiston Victory Academy	A1	0.500	9.100	-	Basic Need and CIL	TBC	Expansion of existing school
Hethersett High Academy	A2	0.050	-	-	Basic Need	TBC	Refresh of masterplan and consideration of next steps
Sprowston High Academy	A1	0.500	-	-	S106 and Basic Need	TBC	Expansion of existing school

Blofield Primary	A1/A3	0.500	0.800	-	CIL and S106	TBC	Relocation and expansion to 2FE
Holt Primary	A1/A3	0.500	-	7.500	S106, Basic Need and Condition	TBC	Relocation and expansion to 2FE
Cringleford Primary	A1	0.500	2.000	-	CIL	TBC	New 2FE Primary school
Poringland Primary (new school)	A1	0.050	-	-	Basic Need	TBC	New 2FE Primary school
North Norwich High School	A1	0.050	-	-	Basic Need	TBC	New High School
Thetford Primary	A1	0.500	-	-	Basic Need	TBC	New 2FE Primary school

Condition improvements to mainstream schools

Project	**Priority area**	**2020/21**	**2021/22**	**2022/23+**	**Funding source to date**	**Completion**	**Additional information**
Loddon Junior	C1	0.050	-	-	S106	Autumn 2021	Mobile replacement
Condition surveys	C2	0.102	0.102	0.102	Condition	ongoing	Surveys for all NCC Responsible body schools
Fire Risk Assessments	C3	0.094	-	-	Condition	ongoing	Fire Risk Assessments for NCC RB Schools

SEND Capital Programme

Existing programme

Project	**Priority area**	**2020/21**	**2021/22**	**2022/23+**	**Funding Source**	**Completion**	**Additional Information**
		£m	**£m**	**£m**			
Gt Yarmouth SEMH School	B1	6.294	7.035	-	NCC Borrowing	Summer 2021	New SEMH School
Fakenham ASD School	B1	11.500	-	-	NCC Borrowing	Winter 2021	New ASD School

Fred Nicholson Special School	B1	0.050	-	-	NCC Borrowing	TBC	Expansion and relocation of existing school - medium term
Easton Cognition and Learning Schoo	B1	2.270	-	-	NCC Borrowing and Dfe Free School capital	Winter 2021	New Complex Needs School
Fen Rivers Academy	B1	0.500	1.500	1.500	Basic Need and DFE SEN Grant	Autumn 2021	Secondary phase opening (reuse of St Edmund's Primary building)
John Grant Complex Needs School	B1	1.000	1.800	-	NCC Borrowing	Winter 2021	Expansion of existing school
Parkside Special School 6th form	B1	0.050	-	-	NCC Borrowing - grant to school	Autumn 2020	Relocation of 6th form

Specialist Resource Bases

Arden Grove Infant	B1	0.050	1.200	-	NCC Borrowing	Summer 2021	New 8 place SEMH SRB
Caister Infant and Junior	B1	0.050	1.200	-	NCC Borrowing	Summer 2021	New 16 place SEMH SRB
Drake Primary	B1	0.100	-	-	NCC Borrowing	Summer 2021	Expansion of existing SEMH SRB from 8 to 16 places
Greyfriars Primary, King's Lynn	B1	0.050	1.700	-	NCC Borrowing	Summer 2021	New 16 place ASD SRB
Hillcrest Primary, Downham Mkt	B1	0.050	1.190	-	NCC Borrowing	Summer 2021	New 16 Learning & Cognition SRB
Mundesley Infant and Junior	B1	0.050	1.210	-	NCC Borrowing	Summer 2021	Expansion of existing SEMH SRB from 10 to 16 places
Neatherd High	B1	0.650	0.600	-	NCC Borrowing	Summer 2021	Expansion of existing SRB to 20 places
Wensum Junior	B1	0.050	0.600	-	NCC Borrowing	Summer 2021	New 8 place SEMH SRB
West Norfolk Secondary SRB	B1	0.050	-	-	NCC Borrowing	TBC	New 16 place SEMH SRB

Condition improvements to Special Schools

Fred Nicholson School	B1	0.638	-	-	NCC Borrowing	Winter 2020	Urgent replacement modular building and fire safety works
Harford Manor	B1	0.050	0.299	-	NCC Borrowing	Autumn 2020	Replacement modular
Sidestrand Hall	B1	0.050	-	-	NCC Borrowing	Autumn 2020	Replacement modular
The Clare School	B1	£0.35	-		NCC Borrowing	Autumn 2020	Replacement modular

Cabinet

Item No: 15

Decision making report title:	**Admission Arrangements for the School Year 2022/23**
Date of meeting:	**1 February 2021**
Responsible Cabinet Member:	**Cllr John Fisher(Cabinet Member for Children's Services)**
Responsible Director:	**Sara Tough**
Is this a key decision?	**No**
If this is a key decision, date added to the Forward Plan of Key Decisions.	

Introduction from Cabinet Member

Each year the County Council is required to determine the admissions co-ordination scheme for all schools and to determine the admissions policy for all Community and Voluntary Controlled schools, being the admission authority for these schools.

Executive Summary

- No changes were proposed to Admission Co-ordination and timetables for 2022/23
- The consultation included the proposal to continue in-year co-ordination for Norfolk schools for 2022/23
- To include a priority within the over-subscription criteria for Community and Voluntary Controlled Schools for Service Personnel as below:

Children who are eligible for the service premium. A pupil is eligible for the service premium if:

a) one of their parents is serving in the regular armed forces (including pupils with a parent who is on full commitment as part of the full time reserve service);

b) they have been registered as a 'service child' on the January school census at any point since 2016;

c) one of their parents died whilst serving in the armed forces and the pupil receives a pension under the Armed Forces Compensation Scheme or the War Pensions Scheme.

Recommendations

1. **To agree the continuation of the current co-ordinated admission arrangements and to agree the inclusion of a priority within over-subscription rules for Community and Voluntary Controlled Schools for Service Personnel.**

1. Background and Purpose

1.1 The school admissions co-ordination scheme has been developed following annual consultations over a number of years. The proposed schemes and timetable meet the requirements imposed by the School Admissions Code and associated legislation to ensure a fair and consistent process for parents.

1.2 As required by legislation, admissions consultation must run for at least six weeks. The consultation for the 2022/23 admission process opened on 1 November 2020 and closed on 11 December 2020. The consultation was highlighted on the Council's website under "current consultations" and within the school admissions section of the website.

1.3 As schools and governing bodies are key consultees, a school management information sheet was sent to all Headteachers and Chairs of governing bodies on 6 November 2020 inviting them to respond with an online survey. Schools were also encouraged to promote the consultation with parents via their own newsletters and websites.

2. Proposals

2.1 To continue the current co-ordinated admission arrangements in line with the published timetables

2.2 To continue the current in year co-ordinated admission arrangements for Norfolk Schools

2.3 To include a priority within the over-subscription criteria for Community and Voluntary Controlled Schools for Service Personnel.

3. Impact of the Proposal

3.1. The School Admissions Code sets out statutory requirements to ensure a fair and equitable process for all families seeking a mainstream school place.

4. Evidence and Reasons for Decision

4.1 The co-ordination scheme follows the model scheme set out in the School Admissions Code and admission policies for Community and Voluntary Controlled Schools have been developed to fully comply with the School Admissions Code.

4.2 Norfolk County Council is under a statutory duty to determine admission arrangements by 28 February each year. If these cannot be determined, the Secretary of State has the power to impose a co-ordination scheme.

4.3 The response, typical of previous consultations, was low with only 21 fully completed responses received. All respondents supported the proposed arrangements for the admissions rounds, in year co-ordination and the timetable. 19 of the respondents agreed with the inclusion of the revised over-subscription criteria for Service Personnel.

4.4 Parents who are refused admission are entitled to appeal to independent admission appeals panels. Since 2010 appeal panels have been required to consider the legality of admission arrangements as part of this process. Our arrangements have not been referred by appeal panels to the Office of the Schools Adjudicator (OSA) as part of this regular review.

4.5 Additionally, parents can refer our determined arrangements to the OSA. This has not occurred since 2014 when our arrangements were confirmed as compliant.

4.6 Parents dissatisfied with the outcome of their appeal can refer concerns to the Local Government Ombudsman but again no concerns have been expressed regarding the co-ordination scheme or admissions policies.

4.7 The majority of parents gain a place at a preferred school for their children.

5. Alternative Options

5.1. None

6. Financial Implications

6.1. The admissions function is funded from the Dedicated Schools Grant and all costs associated with the function are covered by this grant. The proposed admission arrangements do not add to the current costs

7. Resource Implications

7.1. **Staff: None**

7.2. **Property: None**

7.3. **IT: None**

8. Other Implications

8.1. **Legal Implications: None**

8.2. **Human Rights implications None**

8.3. **Equality Impact Assessment (EqIA) (this <u>must</u> be included)**

Admission Authorities must ensure that their arrangements will not disadvantage unfairly, either directly or indirectly, a child from a particular social or racial group.

8.4. **Health and Safety implications** (where appropriate)

8.5. **Sustainability implications** (where appropriate)

8.6. **Any other implications**

9. Risk Implications/Assessment

9.1.

10. Select Committee comments

10.1.

11. Recommendations

11.1. **1. To**

12. Background Papers

12.1 **Appendix A: Admissions Round Co-ordination 2022/23**

12.2 **Appendix B: 2022/23 Admissions Co-ordination Timetables**

12.3 **Appendix C: 2022/23 Norfolk In-Year Co-ordination Scheme**

12.4 **Appendix D: Oversubscription rules for Community and Voluntary Secondary Schools**

Officer Contact

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

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Norfolk Admission Arrangement 2022/23 – Appendix A

2022/23 Admission Round Co-ordination Scheme

(First admission to Reception, Transfer to Junior School and Transfer to Secondary School)

1. Parents are offered the opportunity to express up to three preferences.

2. All Norfolk parents will complete a common application form either on-line or by a paper form which must be returned direct to us at Norfolk County Council.

3. Any parents seeking to apply direct to Foundation schools, Voluntary Aided schools and Academies must be provided with a common application form inviting three preferences which must be forwarded to the Local Authority.

4. For first admission to school, details of the application process will be sent to parents using data supplied by Norfolk health authorities in accordance with the published timetable. For transfers to Junior or Secondary school, application packs will be sent to parents of all Norfolk children attending Norfolk state funded schools and applications will be invited online. Application forms will also be available on the County Council's website.

5. Closing date for applications will be as per the published timetable.

6. The governing bodies for Foundation, Voluntary Aided schools, Free Schools and the Trust for Academies manage their own admissions. If an own admission authority school is oversubscribed, details of all preferences cast for the school will be forwarded to the governing body/trust so that their oversubscription rules can be applied. Parents will be advised to complete a supplementary application form or forward appropriate additional information as required by those own admission authority schools where this is required to apply their oversubscription rules.

7. The County Council applies the published admission rules in the event of oversubscription at Community and Voluntary Controlled schools to prioritise all applications.

8. Applications for school places in other Local Authorities will be forwarded to the relevant authority in accordance with our timetable. Other Local Authorities will forward their applications which will be considered by the relevant Norfolk admission authority.

9. Academies, Foundation schools, Voluntary Aided and Free Schools are required to return all applications sorted in rank order to the County Council as per the timetable.

10. Other Local Authorities notify Norfolk of potential offers for their schools and Norfolk notifies potential Norfolk offers for their applications.

11. Where more than one place could potentially be offered the single offer will be for the school that the parent has ranked the highest. Lower ranked preferences will be withdrawn. This process will be undertaken until all potential duplicate offers are resolved.

12. Where no preference can be met, the County Council will, whenever possible, allocate a place at the next nearest school with a space to ensure an offer is made to all parents living in Norfolk.

13. Norfolk County Council will post offers of school places for all Norfolk schools via our online system for applicants who applied online or by second class post for those who applied via a paper application as per the timetable.

14. Parents will be advised of their right of appeal against any refusal and to whom their appeal should be lodged for each preference that is refused.

15. We will make the final allocation of school places to be notified on offer day on the date identified in the timetable. Any changes after this date will be considered in a mini admission round which will be undertaken after the initial offer of places, as per the timetable.

16. We will ensure all admission authorities maintain a waiting list until 31 December 2022 for all Norfolk schools and co-ordinate any changes which occur after the offer date. Waiting lists will be maintained in strict over-subscription criteria order for each individual school. No waiting lists will be maintained after this date.

17. Late applications are considered a lower priority than all on time applications when offers are made on the offer date and for the mini admission round. After these initial allocations, applications will then be prioritised solely on the basis of the oversubscription criteria.

Norfolk Admission Arrangements 2022/23

2022/23 Admissions Co-ordination Timetable

1. Admission to Reception classes

Round opens: 27 September 2021

Round closes: 15 January 2022

Applications forwarded to other admission authorities: 8 February 2022

Applications returned by other admission authorities: 15 March 2022

Data exchange with other local authorities 16-21 March 2022

Co-ordination scheme applied (no further changes until after offer day): 1 April 2022

National Offer day: 19 April 2022

Appeals closing date: 13 May 2022

Late application closing date: 13 May 2022

Mini admission round to consider changes: 20 May 2022

Late appeals closing date: 1 June 2022

Appeals hearings: June/July 2022

Waiting lists maintained until: 31 December 2022

2. Junior Schools

Round opens: 9 November 2021

Round closes: 15 January 2022

Applications forwarded to other admission authorities: 7 February 2022

Applications returned by other admission authorities: 16 March 2022

Data exchange with other local authorities 17-21 March 2022

Co-ordination scheme applied (no further changes until after offer day): 1 April 2022

National Offer day: 19 April 2022

Appeals closing date: 29 April 2022

Late application closing date: 6 May 2022

Mini admission round to consider changes: 16 May 2022

Late appeals closing date: 23 May 2022

Appeals hearings: June/July 2022

Waiting lists maintained to: 31 December 2022

3. Secondary Schools Timetable

Round opens: 10 September 2021

Round closes: 31 October 2021

Applications forwarded to other Local Authorities:

Applications forwarded to other admission authorities: 3 December 2021

Applications returned by other admission authorities: 14 January 2022

Co-ordination scheme applied (no further changes until after offer day): 4 February 2022

Offer day: 1 March 2022

Appeals closing date: 22 March 2022

Late application closing date: 22 March 2022

Mini admission round to consider changes: 1 April 2022

Late appeals closing date: 19 April 2022

Appeals hearings: May/June 2022

Waiting lists maintained to: 31 December 2022

Norfolk Admission Arrangement 2022/23

2022/23 Norfolk In-Year Co-ordination Scheme

1. Parents seeking a Norfolk school place are offered the opportunity to express up to three preferences.

2. Parents will complete an in-year common application form that must be returned direct to the Admissions Team at Norfolk County Council.

3. Any parents seeking to apply direct to a school will be provided with an in-year common application form inviting up to three preferences which is then forwarded to the Admissions Team.

4. Closing date for applications will be as per the published timetable below.

5. Applications will be considered in advance of the published timetable where families can demonstrate that there are exceptional reasons why an earlier transfer is required. Where the Local Authority and the relevant admission authority accepts that there is sufficient evidence and all parties support an earlier transfer the application will be considered without delay.

6. Applications will be considered immediately when families have moved a distance which makes travel to the current school unreasonable (more than statutory walking distance from the current school and no existing home to school transport available to support continued attendance at the current school).

7. The Local Authority will contact preferred school(s) to check on availability of place(s). Where a Foundation school, Voluntary Aided school, Free School or Academy has more applications than places available details of the preferences will be forwarded to the school to prioritise the applications using their published over-subscription rules.

8. The published admission limit only applies to the intake year at a school. However this number will be considered for in year admissions unless a school is significantly undersubscribed. In this situation schools will be considered full in a year group when they reach an appropriate operational limit within their existing class organisation.

9. Academies, Foundation, Voluntary Aided and Free Schools must return all applications sorted in rank order to the County Council within 10 school days of the request.

10. The County Council applies the published admission rules in the event of oversubscription at Community or Voluntary Controlled schools to prioritise all applications.

11. Where more than one place could potentially be offered the single offer will be for the school that the parent has ranked the highest. Lower ranked preferences will be withdrawn.

12. Where no preference can be met, and the child is not already attending a local school, a place will be allocated at a school in accordance with Norfolk's Fair Access Protocol.

13. Norfolk County Council will send out offers of school places for Norfolk schools by second class post as per the timetable.

14. Parents will be advised of their right of appeal against any refusal and to whom their appeal should be lodged for each preference that is refused.

15. One application will be considered each academic year unless there has been a material change in the pupil's or family's circumstances.

16. No waiting lists will be maintained by the Local Authority as part of the in-year co-ordination scheme.

17. Own admission authority schools are not required to take part in the in year co-ordinated admission scheme and parent/carers can apply direct to these schools. Those not taking part in the scheme are listed on the Council's website. These schools are required to confirm to the Local Authority applications received and the decision made.

Timetable for In-year Admissions:

We expect transfers to take place at the beginning of each school term and **will only consider applications which are received by the Admissions team on or before:**

- 31 October for a transfer at the beginning of the spring term (i.e. after Christmas)

- 28 (29) February for a transfer at the beginning of the summer term (i.e. after Easter)

- 31 May for a transfer at the beginning of the autumn term (i.e. after the summer holiday). Late applications will be accepted until 3 July for a transfer at the beginning of the autumn term (i.e. after the summer holiday)

Applications received after the specified dates will not be considered until the next closing data for admission.

Appendix D

Norfolk Admission Arrangement 2022/23

Admission arrangements for Community and Voluntary Controlled schools

Oversubscription rules for Community and Voluntary Secondary Schools

If there are more requests for places than places available, the Authority will admit children in the following order of priority:

1. children with an Education, Health and Care Plan or Statement of special educational needs naming the school;
2. children in public care, have been adopted from public care or adopted from abroad who are due to transfer;
3. children who are due to transfer and live in the catchment area;
4. children who are due to transfer who have been allocated a permanent place at a Specialist Resource Base attached to the school (Places allocated by Norfolk County Council's Placement Panel);
5. children who are eligible for the service premium. A pupil is eligible for the service premium if:
   a) one of their parents is serving in the regular armed forces (including pupils with a parent who is on full commitment as part of the full time reserve service);
   b) they have been registered as a ‘service child’ on the January school census at any point since 2016;
   c) one of their parents died whilst serving in the armed forces and the pupil receives a pension under the Armed Forces Compensation Scheme or the War Pensions Scheme.

6. children who are due to transfer and live outside the catchment area, who have an older brother or sister attending the school at the time of admission (but not the sixth form);
7. children who are due to transfer who live outside the catchment area and attend a feeder school at the opening date of the admission round i.e. 10 September 2021;
8. children of staff at the school
   a) where the member of staff has been employed at the school for two or more years at the time at which the application for admission to the school is made, and/or
   b) the member of staff is recruited to fill a vacant post for which there is a demonstrable skill shortage children who are due to transfer and live outside the catchment area;
9. children who are due to transfer and live outside the catchment area.

If all children within any of the above rules cannot be offered a place, the highest priority will be given to children living nearest to the school within that rule. To determine who lives nearest, distance will be measured on a straight line 'crow fly' basis, using Ordnance Survey data. If following the application of admission rules and distance two applicants cannot be separated for a final place at a school the authority will use random allocation to determine the priority for the remaining place.

Oversubscription rules for admission to Reception classes in community and voluntary controlled schools for children due to start school in September 2022.

If there are more applications for places than there are places available, the Local Authority will give priority to children living nearest to the school, according to the following rules in this order of priority:

Children who are due to start school and:

1. have an EHCP or statement of special educational needs naming that school

2. children in public care, have been adopted from public care or adopted from abroad who are due to transfer

3. live in the catchment area and who have a sibling attending the school at the time of their admission

4. live in the catchment area who have a brother or sister attending the feeder junior school

5. have a disability and live in the catchment area (Appropriate professional evidence will be required to confirm the disability)

6. live in the catchment area

7. have been allocated a permanent place at a Specialist Resource Base attached to the school. (Places allocated by Norfolk County Council's Placement panel)

8. children eligible for the service premium. A pupil is eligible for the service premium if:
    a. a) one of their parents is serving in the regular armed forces (including pupils with a parent who is on full commitment as part of the full time reserve service);
    b. b) they have been registered as a 'service child' on the January school census at any point since 2016;
    c. c) one of their parents died whilst serving in the armed forces and the pupil receives a pension under the Armed Forces Compensation Scheme or the War Pensions Scheme.

9. live outside the catchment area who have a brother or sister with a statement of special educational needs attending the school at the time of their admission

10. live outside the area served by the school who have a brother or sister attending the school at the time of their admission

11. live outside the catchment area who have a brother or sister attending the feeder junior school

12. have a disability and live outside the catchment area (Appropriate professional evidence will be required to confirm the disability)

13. children of staff

    a. where a member of staff has been employed at the school for two or more years at the time at which the application for admission to the school is made and/or
    b. the member of staff is recruited to fill a vacant post for there is a demonstrable skill shortage

14. live outside the catchment area

If all children within any of the above rules cannot be offered a place, the highest priority will be given to children living nearest to the school within that rule. To determine who lives nearest, distance will be measured on a straight line “crow fly” basis, using Ordnance Survey data. The address will be measured from the post office address point on the property.

In the unlikely event that distance does not separate the final two or more pupils seeking the last remaining place, a random allocation will be used to determine who is offered the final place.

NOTE: Criteria 7 only applies to schools which have a Specialist Resource Base on site.

Feeder school priority will only apply in the first year of entry to the school.

Oversubscription rules for pupils transferring to community and voluntary controlled junior schools (Year 3) for children in their last year at an Infant or First school.

If there are more applications for places than there are places available, the Local Authority will give priority to children living nearest to the school, according to the following rules in this order of priority:

1. children with an EHCP or statement of special educational needs naming that school
2. children in public care, have been adopted from public care or adopted from abroad who are due to transfer
3. children who are due to transfer, living in the catchment area who have a brother or sister attending the school at the time of their admission
4. children who are due to transfer, living in the catchment area who have no brother or sister connection with the school
5. children who are due to transfer and have been allocated a permanent place at a Specialist Resource Base attached to the school. (Places allocated by Norfolk County Council’s Placement panel).

6. Children eligible for the service premium. A pupil is eligible for the service premium if:
    a. one of their parents is serving in the regular armed forces (including pupils with a parent who is on full commitment as part of the full time reserve service);
    b. they have been registered as a ‘service child’ on the January school census at any point since 2016;

c. one of their parents died whilst serving in the armed forces and the pupil receives a pension under the Armed Forces Compensation Scheme or the War Pensions Scheme.

7. children who are due to transfer, living outside the catchment area who have a brother or sister attending the school at the time of their admission
8. children who are due to transfer, living outside the catchment area and attend a feeder school at the opening date of the admission round.
9. children of staff

   a. where a member of staff has been employed at the school for two or more years at the time at which the application for admission to the school is made and/or
   b. the member of staff is recruited to fill a vacant post for there is a demonstrable skill shortage

10. children who are due to transfer, living outside the catchment area served by the school who have no brother or sister or feeder school connection with the school.
11. children attending primary schools with a brother or sister at the junior school
12. children attending primary schools with no brother or sister at the junior school.

If all children within any of the above rules cannot be offered a place, the highest priority will be given to children living nearest to the school within that rule. To determine who lives nearest, distance will be measured on a straight line “crow fly” basis, using Ordnance Survey data. The address will be measured from the post office address point on the property.
In the unlikely event that distance does not separate the final two or more pupils seeking the last remaining place, a random allocation will be used to determine who is offered the final place.

Important Note
‘School’ is defined as the main school and not a learning support centre or nursery class attached to the school. This means that no priority would be given to a child from outside the catchment area who had either a brother or sister at the attached nursery class or in temporary or part-time attendance at the attached learning support centre. The address given on the application form will be used to decide the catchment school.

Children in their last year (Year 2) at an Infant will be considered due to transfer. Children attending a primary school are considered as not due to transfer and therefore their applications have the lowest priority for a place even if they live in the catchment area of the school.

Feeder school priority will only apply in the first year of entry to the school.

NOTE: Criteria 5 only applies to schools which have a Specialist Resource Base on site.

Cabinet

Item No:16

Decision making report title:	**Adult Learning Annual Plan**
Date of meeting:	**01 February 2021**
Responsible Cabinet Member:	**Cllr Margaret Dewsbury (Cabinet Member for Communities and Partnerships)**
Responsible Director:	**Tom McCabe – Executive Director; Community and Environmental Services**
Is this a key decision?	**No**
If this is a key decision, date added to the Forward Plan of Key Decisions.	**Not applicable**

Introduction from Cabinet Member

The Adult Learning service delivers a comprehensive and high-quality teaching, learning and assessment service to adults in Norfolk, with 10,000 learner registrations in the 2019-20 academic year.

The service is externally funded through the Department for Education and tuition fee income and is rated as good by Ofsted.

I would ask Cabinet to note the Adult Learning service's exceptional performance over 2020. Against a backdrop of the challenges of the pandemic, Adult Learning has performed significantly above national performance indicators in Further Education, producing highly successful outcomes for Norfolk residents.

For example:

- By April 2020, as a result of the first national lockdown, Adult Learning was among only 6% of adult education providers nationally who had moved 100% online (from 98% of courses delivered in the physical classroom before lockdown)

- In a year when nationally, Further Education achievement rates dropped by 24%, Adult Learning did not allow the pandemic to damage the outcomes of its learners and increased the achievement rates of learners in Norfolk by 3%

There are further examples of this outstanding performance within this report.

I am also seeking Cabinet endorsement for the Adult Learning Annual Plan that reflects the changing demands of the current landscape and responds to both local and national priorities, including the impact of Covid.

Executive Summary

Adult Learning is proud that it plays a significant role in enabling adult learners to gain the skills, knowledge and qualifications they need to progress into and within employment. The service also plays a key role in the county by using learning to support residents to be healthy, connected, safe, resilient and independent.

In 2019-20, Adult Learning's performance through the pandemic was exceptional and significantly above national trends and this has had an enormously positive impact on residents. For example, nationally there was a 19% decline in adult participation on qualification courses, whereas Adult Learning increased participation in Norfolk by 12%.

This Adult Learning Annual Plan recommends how the service will use its funding and income to respond to the emerging social and economic impact of the pandemic, including:

- The increased level of unemployment and number of jobseekers
- The growth in mid-career changes
- Issues surrounding digital inclusion, including support for residents to access online services and benefit from internet technology
- Issues related to loneliness, isolation, anxiety and mental and physical wellbeing, as well as increased domestic and child abuse, including county lines.

Key focus areas include:

- Skills, knowledge and qualifications, including apprenticeships, that enable people to get into and progress in work
- Support for residents and communities through health and wellbeing programmes
- Enabling residents with learning disabilities to access learning and work and to live independent lives
- Enabling families to support their children
- Comprehensive Careers service
- Generation of new income to support the delivery of key Council priorities.

Recommendations

1. **To approve the Adult Learning Annual Plan**
2. **To commend the Adult Learning service's performance.**

1. Background and Purpose

1.1. Funding and Income

The Adult Learning service is a Further Education adult learning provider, externally funded through grant funding from central Government's Education and Skills Funding Agency (£4,057,352), student loans (£245,000) and tuition fees (£550,000), which together total £4,852,352. This funding is earned through the delivery of teaching, learning and assessment across Norfolk. 20% of the Government funding the service earns for qualification courses is linked to the achievement of each learner.

The service expects to find the achievement of the *tuition fee* element of its income challenging in the current environment, as more of its learners are entitled to fully funded courses, and as a result of course suspensions due to the pandemic. The service will recover lost income due to the pandemic through the Ministry of Housing, Communities and Local Government (MHCLG) loss of income scheme and the Covid recovery grant.

As a result of the service's over-performance in the 2019-20 academic year, it will bring in an additional £107,000 from the Department for Education (January 2021) to enable the service to increase its delivery in Norfolk.

In addition, Adult Learning has become a delivery partner to a European Social Fund project 'Developing Skills in Health and Social Care – Norfolk and Suffolk'. Delivery on this project will commence in January 2021 and run for two years. The service's projected income from this project is around £700,000.

1.2. Adult Learning performance outcomes and contribution to Norfolk priorities

The 2019-20 academic year was an exceptional year for the Adult Learning service, in which the service combined its strong ambition, vision and intent, with the outstanding commitment of its staff and a highly effective delivery of its learning programmes, and this has had an enormously positive impact on Norfolk residents

It is testimony to the Adult Learning service that in the face of the impact of the pandemic:

- The service continued to deliver teaching and learning effectively to adult learners across Norfolk and achieved 102.86% of its Education and Training funding target, securing additional funding for Norfolk, which will enable the service to deliver additional courses to residents in the next academic year.

- By the beginning of April 2020, as a result of the national lockdown, the service was among the 6% of adult education providers nationally who had moved 100% of their learning programmes online and by the end of the academic year had delivered online learning to 3,000 learners. In the space of just under three weeks the service moved from 98% classroom delivery to 100% tutor-led online delivery. Several hundred learners were supported by staff across the service to gain the digital skills they needed to learn online.

- The service secured 10,000 registrations from adult learners in Norfolk across the academic year

- Attendance of learners improved to 86% (an increase of 1% on the previous year)

- In a year when there was a national decline in adult participation on qualification courses of over 19%, the service increased participation on qualifications courses in Norfolk by 12%

- The service increased learner achievement on qualification courses by 3% when national achievement rates dropped by 24% in the same period.

- In the space of a few summer weeks, the service submitted around 1,500 teacher-assessed learner outcomes to the awarding bodies. The enormity of this task was balanced by the highly successful outcomes achieved by the service's learners. The restrictions on face to face activity meant that 250 accountancy learners faced delays with their examinations, which they were ultimately able to take in the hastily-converted canteen at County Hall over a 6-week period in August and September. The service has remained determined to prioritise 'getting our learners through' because we know that this most definitely makes the difference between being able to get a job or not.

- GCSE achievement saw an outstanding increase in performance with a 28% increase in achievement to 91% overall

- 24% of learners progressed into Further Education, 7% into Higher Education and 28% are in employment.

- 100% of the service's apprentices who completed their apprenticeship in this academic year have remained in valuable long-term employment.

- The service's robust observation process evidences that learners benefited from highly effective teaching, learning and assessment

- The service very quickly developed a highly successful new online community learning programme to support residents to overcome isolation and loneliness and to improve their mental well-being through lockdown. This mitigated the loss of the service's extensive summer term physical activity classes, where more than 2,000 enrolments were lost due to the restrictions. The loss of these enrolments led to a 34% drop in community learning registrations in Norfolk (nationally the drop in community learning enrolments was 50%)

- The service's self-financed Leisure programme generated an income of £292K in the 2019-20 financial year with 1,496 learners. The impact of Covid-19 on this programme was significant in the summer term, with creative and language courses successfully moving online and some of the most popular courses, silversmithing and pottery, unable to continue for the rest of the academic year. The languages programme has remained online, and this is attracting a wider geographic demographic across Norfolk.

Appendix 1 contains the performance information in the Adult Learning Self-Assessment Report (SAR) 2019-20. This report is a key requirement for Ofsted and is produced each year. It critically evaluates the service's performance against Ofsted's Education Inspection Framework.

1.3. Ofsted Inspection

In the 2019-20 academic year, in January 2020, the service was inspected by Ofsted and judged to be a Good provider. A copy of the service's Ofsted Inspection Report is in **Appendix 2**. In particular, Ofsted commended the service for its evidence-based approach to curriculum planning and the inclusive way in which it delivers teaching and learning.

2. Proposals

2.1. The proposal is for Cabinet to approve the Adult Learning Annual Plan.

2.2. Intent - The Adult Learning Vision

Our vision is that:

"We anticipate and respond to the needs of individuals, communities, employers and Norfolk's economy through the delivery of outstanding, inspirational and highly flexible learning".

2.3. Intent – The Adult Learning Annual Plan

Adult Learning uses its funding and income to contribute to the existing and emerging areas of need in Norfolk, including the strategic objectives of Norfolk County Council, as detailed in the Council's *Together for Norfolk* 6-year plan.

In revisiting the Annual Plan, the service has used evidence-based research and extensive partnership working to identify the key drivers for the future delivery of its courses These drivers include the emerging challenges that result from the pandemic, such as increased unemployment, the growth in mid-career changes, increased number of people seeking jobs, the issues surrounding digital inclusion and how to support residents to access online services and benefit from internet technology. In addition, there are issues related to loneliness, isolation, anxiety and mental and physical wellbeing, as well as increased domestic and child abuse, including county lines. **See Section 2.4 for further detail.**

Adult Learning's key priorities are detailed in its Plan on a Page in **Appendix 3**.

Appendix 4 outlines in detail how Adult Learning's strategic and operational activities will contribute to priority outcome areas in the 6-year plan. Adult Learning has reviewed and adjusted the Adult Learning Annual Plan to reflect the emerging needs of the county and the recovery response to Covid.

2.4. Examples of how Adult Learning contributes to the emerging needs of the county

Increased employment

The service delivers a range of health and social care training and qualifications and intends to further develop its offer over the next two years, as this sector is a Local Enterprise Partnership (LEP) priority.

The Access to Higher Education Health and Psychosocial Professions programme has recruited 44 learners this year and has a high progression rate onto Higher Education courses such as nursing, midwifery and social work. The service will introduce Access courses in sociology and criminology from Autumn 2021. Learners tend to be people who missed out on education the first time around and who are now successfully progressing into a long-term profession.

The service's work delivering health and social care awards and certificates has developed into a successful new opportunity as a delivery partner on the Adult Social Care European Social Fund project 'Developing Skills in Health and Social Care' (£7 million across Norfolk and Suffolk). Starting in January 2021, and over two years, the service will deliver functional skills and care certificates, as well as units such as dementia and end of life care. The service is also introducing a bespoke course for the care sector – a Level 4 Aspiring Managers programme tailored to specific leadership skills that are currently lacking in the sector.

In addition, the Adult Learning apprenticeships team is developing a robust portfolio of Health and Social Care apprenticeships from Level 2 to 5, in addition to a wide range of new Apprenticeship programmes, which will develop the service's portfolio of Apprenticeships, growing it from around £360,000 per year at present to £1,500,000 over the next two years. The service also successfully delivers apprenticeships in Accountancy, Business Administration, Customer Service, Early Years, Teaching Assistants, Management and Leadership, Operational Firefighters and Supply Chain Warehouse.

Mid-career changes:

Individuals who find themselves suddenly unemployed and needing to change direction benefit from the service's extensive English and maths programme, as Adult Learning is the largest provider of functional skills in the region. This programme enables learners to progress from the most basic entry level through to GCSE level. The service delivered more than £1 million of provision in these two subject areas in 2019-20. Our flexible approach, with starts at any point in the academic year, and both face to face and online courses available, has been highly successful.

The service has also increased its delivery of community grant-funded business start-up courses that cover a range of themes to support individuals who are thinking of setting up their own business.

Increased job seekers:

Adult Learning is working closely with the LEP to identify gaps and the LEP is promoting Adult Learning courses to job seekers through its website.

The service already delivers a range of employability skills courses, ranging from skills such as job applications, interview techniques, confidence building through to a range of vocational tasters and the majority of the service's vocational qualification programmes have employability skills embedded into them.

The service is working towards introducing a Volunteering Passport, which will support people to gain basic volunteering skills and then move through from volunteering, building their skills set and into employment. This aims to support the many people who are and will be out of work to get back their confidence and move into employment.

Digital Inclusion

The Government has introduced a universal entitlement to digital skills qualifications up to and including Level 1 and the service is now offering these new 'Essential Digital Skills' qualifications free of charge as part of its offer. In addition, the service offers basic digital skills courses to get people started and build their confidence, as well as courses such as accessing Council services, using Zoom and MS Teams and using social media. Digital skills development is embedded into around 60% of the service's courses. For examples, our Accountancy learners need to use spreadsheets regularly and this is embedded into their learning programme. Likewise, learners who need support with their personal finance skills are introduced to digital tools that will help them manage their household bills and budget.

The service is planning to introduce a new IT Digital Support Technician Apprenticeship at Level 3 to respond to demand for this type of apprenticeship.

Loneliness, isolation, anxiety and mental and physical wellbeing

The Covid pandemic gave rise to extreme challenges as people faced loneliness and isolation and this led to an increase in anxiety and issues related to mental wellbeing. The service has already developed a range of online wellbeing courses that focus on mental wellbeing and getting people connected with the world and each other. The ground-breaking *Creation in Isolation* programme is delivered online and uses creative arts themes to foster mental wellbeing.

In addition, the service uses the theme of creativity for wellbeing with partner organisations who support individuals who are recovering from challenges in their lives, such as alcoholism. For example, a successful, close relationship with the Matthew Project has led to the service working closely with their clients.

The service also teaches healthy eating and cookery skills, including eating on a budget, which are fully funded by the community grant.

The Leisure Stream programme has a key focus on creative arts courses, such as silversmithing and pottery, and the return to face to face classes has been welcomed by the learners, as they have fed back that these courses are not just about developing their skills, but that they have such an important impact on their mental wellbeing. In addition, residents across the county are learning a range of modern languages online.

Safeguarding Norfolk residents:

As a Further Education provider, Adult Learning has a legal duty to promote Safeguarding and protect learners from bullying, harassment, abuse and the threat of extremism or radicalisation. These themes are embedded into all of our courses and the service checks that learners know how to protect themselves. The pandemic has thrown up a range of new issues in relation to the lockdown and the challenges of picking up on Safeguarding issues, in response to this the service has developed a new set of slides that teaching staff use during their online lessons to raise learner awareness of how to get help.

2.5. How Adult Learning will deliver the Adult Learning Annual Plan

Adult Learning has already demonstrated its ability to use its external funding and income to plan both flexible and responsive learning programmes and is prepared to change its delivery method overnight when circumstances require the service to do so.

For as long as necessary through the ongoing pandemic, the service will continue to focus heavily on online delivery in order to prioritise the safety of learners and staff and to comply with Government restrictions.

Alongside this approach, the service recognises the needs of Norfolk's more vulnerable and disadvantaged residents, including those who are digitally excluded; in addition to the issues associated with courses that cannot be delivered online. Where it is safe to do so, and Government regulations allow the service to work in physical classrooms, the service will prioritise these learners for face to face activities – these will be risk assessed on a case by case basis.

Longer term, and beyond the restrictions associated with the pandemic, Adult Learning envisages a mixed offer, with some classes delivered face to face in the community and other classes delivered online. We will also deliver some of our courses flexibly, through a combination of both physical and virtual teaching and learning. This will be based on the needs of Norfolk residents and aims to increase the diversity of the service's programmes, to support access to courses for people in rural areas and to develop the potential to generate new income through full cost online courses. A comprehensive review of our digital learning offer showed that 46% of the service's current online learners have said that they would like to continue to learn online even after Covid-19 is no longer an issue.

3. Impact of the Proposal

3.1. The Adult Learning Annual Plan will enable the Council to use its central Government funding and tuition fee income to deliver the learning and performance outcomes outlined in this proposal and the appendices for Norfolk.

The service will use its Plan on a Page **see Appendix 3** and the self-assessment process **see Appendix 1** to measure the impact of the proposed Adult Learning Annual Plan.

4. Evidence and Reasons for Decision

4.1. The Adult Learning Annual Plan is based on the identified needs and priorities for adults in Norfolk, including the emerging needs of the county as a result of the impact of the pandemic. It also responds to the policy and funding requirements of the Education and Skills Funding Agency.

4.2. The service's external funding and tuition fee income enable Norfolk County Council to deliver adult learning that enables Norfolk residents to:

- Gain the skills, knowledge and qualifications they need to progress into and within employment
- Access support, through learning, to live healthy, connected, safe, resilient and independent lives.

5. Alternative Options

5.1. The proposed Adult Learning Annual Plan enables the Adult Learning service to maintain its external funding contract with the Education and Skills Funding Agency and tuition fee income, which bring £5 million into Norfolk for adult learning each year, and an Ofsted rating of good. Cabinet could decide not to deliver Adult Learning in Norfolk and the outcome of this decision would result in the loss of this external funding to Norfolk residents, communities and employers.

6. Financial Implications

6.1. Adult Learning is externally funded through the Education and Skills Funding Agency, student loan and tuition fee income and through the European Social Fund and is financially self-sustainable.

The growth of Leisure Stream and Enterprise courses will allow for investment into future learning opportunities.

7. Resource Implications

7.1. **Staff:**

There are no additional resource implications as the service already has staff in place to deliver the proposed Annual Plan.

To support growth in apprenticeships, the service has employed a second Apprenticeship Recruitment Consultant.

As the introduction of online teaching and learning requires our teaching staff to have a wide range of new skills, the service has commissioned external training, which is being delivered online, for teaching staff. This training covers a wide range of online delivery techniques, which will enhance the experience of the service's learners.

7.2. **Property:**

An increase in home working and online delivery has reduced the service's venue-associated costs. The service aims in the future to increase its use of training facilities in the libraries. Wensum Lodge is the service's largest learning centre and the development project has been delayed due to the pandemic.

7.3. **IT:**

The significant growth in online delivery will require the service to increase its expenditure on equipment, software and training for staff, as well as to increase the level of support for learners to access and effectively use digital platforms.

8. Other Implications

8.1. **Legal Implications**

Ofsted, Education and Skills Funding Agency and European Social Fund requirements around funding and performance.

8.2. **Human Rights implications**

None.

8.3. **Equality Impact Assessment (EqIA)**

The Adult Learning Annual Plan actively seeks to target diverse and vulnerable individuals and communities and it is not envisaged that there will be any adverse impacts.

8.4. **Health and Safety implications** (where appropriate)

The delivery of the Adult Learning Annual Plan will be taken forward in line with Government regulations and in consultation with Health and Safety colleagues in the Council. An Assistant Head of Service is responsible for this process and for ensuring that learners and staff are and remain safe.

8.5. **Sustainability implications** (where appropriate)

This proposal will have a positive impact on the environment, as it is planned for a proportion of the service's future learning provision to be delivered online. This will reduce travel and the use of physical premises and resources.

8.6. **Any other implications**

None.

9. Risk Implications/Assessment

9.1. None.

10. Select Committee comments

10.1. The Adult Learning Annual Plan will go to the Infrastructure and Development Select Committee for comment on 28th January 2021. The feedback and views of Select Committee Members will be reported verbally on 1st February 2021.

11. Recommendations

11.1.
1. **To approve the Adult Learning Annual Plan**
2. **To commend the Adult Learning service's performance.**

12. Background Papers

12.1. None.

Officer Contact

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IN TRAN communication for all

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Norfolk County Council
Adult Learning

UKPRN: 10004657

Self-Assessment Report (SAR)
Academic Year 2019/20
DRAFT

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1. Self-Assessment Key Performance Indicators

1.1 Progress in Overall Effectiveness

Report	Judgement
SAR 2019/20	Good
Ofsted January 2020	Good
SAR 2018/19	Good with Outstanding Features
SAR 2017/18	Good with Outstanding Features
SAR 2016/17	Good

1.2 Progress in Aspects of Performance

CIF Aspect of Performance	2017/18 (SAR)	2018/19 (SAR)	**EIF Aspect of Performance**	**2019/20 (SAR)***
Outcomes for learners	Good with Outstanding Features	Good	**Quality of Education**	Good
Quality of Teaching, Learning and Assessment	Good with Outstanding Features	Good with Outstanding Features	**Behaviours and Attitudes**	Good
Personal Development, Behaviour and Welfare	Good	Good	**Personal Development**	Good
Effectiveness of Leadership and Management	Good with Outstanding Features	Good	**Leadership and Management**	Good

* Judgements are directly in line with the Ofsted Education and Skills Inspection Framework and as such, the judgement will not include the statement 'with outstanding features' where this applies.

2. Executive Summary

- Despite the impact of Covid-19, this was an exceptional year for Norfolk County Council's Adult Learning service as it used determination and every resource at its disposal to meet the needs of Norfolk residents.

- Adult Learning is fully committed to becoming an outstanding service and continues to make substantial progress in the journey to achieving this. Through strong ambition, vision and intent, combined with a highly effective delivery of its provision, the service has an enormously positive impact on its learners.

- Adult Learning's multi-layered Governance arrangements provide strong leadership, accountability for, oversight and assurance of, the service's performance.

- Adult Learning is deeply embedded within Norfolk County Council and plays a key role in responding to Council and local, including Local Enterprise Partnership (LEP), priorities and the needs of Norfolk residents and employers. The service's intent is strong, and this has led to the design of a highly effective, responsive and progressive curriculum that meets the needs of the local community and employers well.

- It is testimony to the service's leadership and management, as well as staff across the service, that in the face of the Covid-19 pandemic, Adult Learning continued to deliver teaching and learning highly effectively to adult learners across Norfolk, and achieved 102.86% of its Education and Training funding target, securing additional funding for the service. This exceptional increase in adult participation in Norfolk of 12% was against a national decline in adult participation in Education and Training of over 19% in 2019/20[1].

- The service did not allow the onset of the pandemic to affect our learners' progress. Adult Learning was one of only 6% of adult education providers nationally to convert from the physical classroom to 100% online delivery by early April[2], enabling our learners to continue learning and to enjoy new online learning opportunities, with 3,000 learners online by the end of the academic year.

- The outstanding commitment of leaders, managers, teaching and support staff has ensured, despite the Covid-19 pandemic, that adults participating in education and training with Adult Learning have achieved exceptionally well at only a 2% reduction on the previous year. This exceptional performance is far greater than the provisional 2019/20 national achievement rates[1] which show a decline of 24% for the same period. In a like-for-like comparison with the previous academic year, the service's learner achievement in education and training has increased in comparison with the previous year by 3%.

[1] Further education and skills, Academic Year 2019/20 – Explore education statistics – GOV.UK (explore-education-statistics.service.gov.uk) [accessed 07/12/2020]
[2] HOLEX Digital Development Programme for Adult Community Education Providers (Digital ACE) paper, May 2020

- The service's redesigned careers information, advice and guidance service has provided a rich source of information and a holistic approach to meeting learner needs. Adult Learning offers flexible routes to access advice and guidance, however the curriculum areas need to ensure consistency in the referral of learners for this support.

- Learners benefit from highly effective teaching, learning and assessment in the 98.2% of classes where best practice in pedagogy has been observed as being effectively embedded, or identified as a strength. The service will continue to focus on the minority of provision where areas for development remain and ensure that judgements remain robust.

- In spite of the Covid-19 pandemic, learner attendance and outcomes remain broadly in line with the previous year and the service is able to evidence that, had it not been for Covid-19, and based on the success of learners who had their assessments delayed, learner outcomes would have improved on the previous year.

- Learners progress well, including learners with different types of needs and abilities. There is good internal progression, especially at the lower levels and into employment. All the apprentices who successfully achieved have remained in sustainable employment.

- The service's highly comprehensive online learning review (August 2020), evidences the significant positive impact the service has had on Norfolk residents throughout the pandemic, with learners reporting that they felt less isolated, less anxious and more connected as a result.

- Adult Learning ensures that learners enjoy a comfortable, inclusive learning environment. Staff embrace the diverse backgrounds of their learners. They use their different interests and cultural traditions to develop effective resources and learning activities.

- Staff report that they are receiving more organisational support and that they are experiencing reduced workplace tensions, as well as significant improvements in the way leaders inspire them to achieve.

- Safeguarding arrangements are thorough, robust and effective and ensure that learners feel safe and know how to protect themselves.

- Adult Learning, both through its curriculum and the wider services that it provides to learners, actively develops learners' knowledge, skills and experiences beyond those required by the course that they are attending, and the full impact of the service's new learner involvement strategy will be evidenced in 2020-21.

- Recruitment to community learning courses, including family learning, was challenging and this was further compounded by the pandemic which has led to the service re-planning its 2020/21 curriculum in year. Nationally, between mid-March and the end of July, there was a 50% drop in community learning participation due to the impact of the pandemic. In Norfolk, the drop was far less at 34% and this was in large part due to the impact of the lockdown restrictions on sports-related activity.

- The service needs to ensure that the quality of additional learning support provided to learners with specific needs so that they are able to access effective teaching, learning and assessment is managed well and, in particular, in relation to the impact of moving learners with specific needs to an online environment.

3. Our Curriculum Intent

Adult Learning is deeply embedded within Norfolk County Council and plays a key role in responding to Council and local, including Local Enterprise Partnership (LEP), priorities and the needs of Norfolk residents and employers, for example, the challenges associated with digital exclusion. In ensuring that the Adult Education Budget is effectively utilised for the purpose the Secretary of State for Education intended, the service produces and implements an annual Adult Education Strategy that responds to the Council's six-year plan 'Together, for Norfolk' and the service's Plan on a Page highlights its vision to be 'the provider of choice, delivering outstanding, inspirational learning for individuals, employers and communities using our services to enrich their lives'. The service's strategy is continually reviewed to ensure it meets the needs of the county.

The service's intent is strong, meets both national and local priorities, and has led to the design of a highly effective, responsive and progressive curriculum that meets the needs of the local community and employers well. An example here would be the evolving development of the curriculum to address the national and local shortage of skills in the health sector where the curriculum pathways allow individuals to progress from non-accredited community learning programmes, right through to level 3 programmes that provide the tools and knowledge to access work and higher education degrees that forge valuable and sustainable careers in the sector.

The service uses evidence and data to target its work where it can have the most impact. The use of local insight data, looking at socio-economic and health factors among others, to analyse the role of adult learning within the Norfolk landscape and identify the most deprived and in need individuals and communities, is a key focus of the service's planning process. This means that the service understands the needs of the local community and employers well and, in particular, the needs of learners living in both urban and rural, often economically deprived, areas of Norfolk. Ensuring that the service's programmes provide a wide range of opportunities for learners to continue studying, is at the heart of the service's intent and planning process.

The service's intent is closely linked to the Norfolk priorities of:

- **A Growing Economy**, for example, through the service's extensive progression routes that enable learners to increase their literacy, numeracy and digital skills; through the service's wide-ranging programmes of vocational and skills qualifications and apprenticeships; and by providing strong access routes into higher education.

- **Thriving People,** for example, through the service's strong provision for learners with complex learning and social needs, where adults with learning disabilities are taught how to live independent lives; through programmes that target people with disabilities, such as lipreading and people who interact with individuals with disabilities such as British Sign Language; and through opportunities the service provides for individuals to thrive through a range of community-based learning programmes, including healthy eating and mental wellbeing.

- **Strong Communities,** for example, by placing the service's programmes in the heart of Norfolk's communities, working alongside the Local Service Strategy by creating a network with the Libraries, the Early Childhood and Family Service and the Voluntary Community and Social Enterprise sector. The service's team of Community Learning Development Officers (CLDO) focus on developing strong relationships with local partners, including voluntary sector organisations and other stakeholders, so as to focus the service's delivery in the areas of most need. For example, in Great Yarmouth, the local CLDO identified a need for a 'stepping-stone' English course for learners with low level English skills and this enabled the learners to progress on to a Functional Skills course. The service's focus and provision that targets the ageing population is strong, for example, lipreading programmes enable learners with hearing loss to continue to participate fully in their local community.

The Intent of the service is scrutinised, challenged and validated annually, prior to implementation, by the Adult Learning steering group, which is made up of a broad representation of senior and influential stakeholders across Norfolk (for Steering Group representation see 8.2).

The impact of the pandemic from March 2020 led to a mid-year review of the service's intent, as the service quickly identified a dual role for its intent during these challenging times:

- To ensure that learners could continue to progress with their learning journey online and achieve the outcomes they set out to achieve; and

- To provide new, online learning opportunities for the Norfolk adult population that would support their mental well-being and reduce their feelings of social isolation during the lockdown period and ongoing social restrictions. Programmes, such as the highly innovative 'Creation in Isolation' online courses, support learners to develop both their skills and knowledge and engage with other learners during these challenging times.

The service's rapid review of its intent and its response to this review has been outstanding. By the beginning of April 2020, the service was among only 6% of providers nationally to have moved fully online. The success of the service's leadership of its intent is evidenced by the 3,000 adult learners who took up these new online learning opportunities by the end of the academic year.

4. The Implementation of our Curriculum

4.1 Adult Learning Programmes

Adult Learning programmes are geographically widespread and are designed to provide the best possible access opportunities to the residents of Norfolk. Prior to lockdown, Adult Learning delivered from 182 venues across the county including our own Wensum Lodge, County Hall, community centres, learning hubs and libraries. An example of exceptional flexibility can be seen in our Functional Skills delivery, where learners have a wide selection of attendance patterns to choose from that will fit around their personal needs and working commitments including: 6-week fast track programmes, medium and long duration programmes, blended learning options and fully on-line programmes.2019/20 has seen the first complete year of the service's revised and updated process of observing the Quality of Teaching, Learning and Assessment (QTLA) by the Quality Improvement Team. The service has moved from the graded process of judging classroom sessions 'inadequate', 'requires improvement', 'good' and 'outstanding' to a more developmental process of coaching and support that identifies delivery staffs' individual strengths, their areas of Practice Currently Embedded (PCE) or their Areas For Development (AFD).

The Quality Improvement Team (QIT) has been strengthened by the appointment of a Quality Improvement Manager (April 2020) to support the service wide improvement of QTLA and develop the quality of teaching and learning support. This revised team structure and the embedding of the new observation process has been highly effective in addressing gaps of ineffective teaching which is evidenced in the achievement of all five service QTLA targets set from 18/19 areas for development for the 19/20 academic year.

The implementation of Adult Learning's response to the Covid-19 pandemic was swift and highly effective. The QIT was repurposed to support teachers with the conversion of classroom delivery to remote, virtual delivery. All existing and new learners were given a dedicated Adult Learning Microsoft Office 365 account and email address (learner.ncls.ac.uk) to engage on their programme of study. This gave secure access to a comprehensive suite of programmes, including Teams to successfully meet their learning needs. For those learners with greater ICT development needs (groups of Independent Living Skills Learners for example), Zoom was effectively used to provide the necessary support as an initial and simpler platform to engage with their teachers and learning support staff. This strategy was coupled with the unrelenting commitment of all staff, and with the QIT working collaboratively with Learner Services to provide individualised technical support through a dedicated helpline for both Teachers and Learners. As a result, 98% (1157) of our continuing learners continued on their courses through online teaching and learning within three weeks of the national lockdown commencing. Within seven weeks this virtual engagement had increased to 1670 of our learners. This outstanding achievement resulted in Adult Learning being one of only 6% of learning providers nationally to achieve this in such a short space of time.

Within 12 weeks of the lockdown measures being imposed, the QIT had developed, tested and implemented observation processes to ensure that the formal observations of Teaching, Learning and Assessment could effectively resume, and whilst under previously normal circumstances 100% of active tutors would be observed, an impressive 87 out of 97 (84%) active tutors were observed through our formal process for the 2019/20 academic year and 26% (23) of those were through the newly developed 'virtual' methods.

Our robust tutor observation process has identified that all tutors use their subject expertise to provide effective learning opportunities. This is evident in all of the tutor observations that have taken place with 24% of those showing this as a particular strength. Through the effective bespoke CPD opportunities and through the opportunities given for teaching staff to shadow others with identified strengths in this area, sequencing that enables learners to understand key concepts has improved considerably this year with all tutors now embedding logical sequencing in their teaching and planning processes. Identified in observation reports, this highly effective practice is further reinforced in the testing of the learners' long-term recollection of key concepts and the support given to those learners to apply those concepts fluently. Furthermore, an impressive 99% of the tutors observed currently have practice embedded, or have shown a particular strength, in planning and carrying out activities that are demanding, and ensure that the learners build on their knowledge and acquire the skills required for their development in working toward their defined end points.

Whilst sequencing is shown to be highly effective in classroom delivery, our processes have identified there is a development process to be carried out with regard to matching lesson planning to schemes of learning. 12% of tutors observed have shown this to be an area for development (AFD) as a result of their observation.

In the main, tutors present information clearly and promote discussion in the classroom. This has been identified as a particular strength for 15% of the tutors that were observed, and this practice is currently embedded (PCE) for 78% of the tutors observed, however; there is an identified small pocket of tutors (7%) whereby this presents an area for development.

Where teachers have an AFD identified, the QTLA process of coaching and support has been highly successful in supporting the teacher to improve that element of their practice through targeted CPD, support, and follow-up learning walks ensuring that the process is meaningful and effective. An example can be seen in the 100% target being met by year-end for the positive and active promotion of Prevent where in-year, initial observations highlighted this as an AFD for two teachers. A significant majority of teachers have welcomed the new coaching and mentoring QTLA process stating that they feel far more supported to deliver highly effective teaching that meets the needs of their learners.

The following table gives a breakdown of observation judgement outcomes against each curriculum area and shows that judgements across all criteria and all curriculum areas were found to be an outstanding 98.2% PCE or a strength.

Curriculum Area	Number of Observations	No. of Judgements AFD	No. of Judgements PCE	No. of Judgements Strengths	% of Judgements AFD	% of Judgements PCE	% of Judgements Strengths
Vocational	21	17	400	45	3.7%	86.6%	9.7%
Community	18	12	354	30	3.0%	89.4%	7.6%
Foundation	22	12	436	36	2.5%	90.1%	7.4%
Leisure Stream	6	2	118	12	1.5%	89.4%	9.1%
ILS	13	4	262	20	1.4%	91.6%	7.0%
Apprenticeships	5	1	104	5	0.9%	94.5%	4.5%
Family Learning	2	0	40	4	0.0%	90.9%	9.1%
TOTALS	87	48	1714	152	1.9%	90.4%	7.8%

As a summary, from the 22 criteria observed as part of the lesson observation OTLA process, the following top five strengths and highest five areas for development are as follows:

OTLA Criteria	Strength	PCE	AFD
SERVICE WIDE STRENGTHS			
Tutor uses their subject expertise to provide effective learning opportunities	24%	76%	0%
Tutor creates a supportive classroom that is focused on learning	15%	85%	0%
The learning environment and tutor support contributes to the development of learners' character	9%	91%	0%
Tutor uses assessments well	15%	84%	1%
Activities are demanding and ensure that learners build knowledge and acquire skills	13%	86%	1%

SERVICE WIDE AREAS FOR DEVELOPMENT			
Session content matches lesson planning and scheme of learning	1%	87%	12%
Resources and materials selected reflect ambitious intentions for the course	15%	75%	10%
Questioning skills facilitate maximum learner engagement	10%	81%	9%
The results of effective assessment are used to produce clear and actionable next steps for learners	3%	89%	8%
Tutor presents information clearly and promotes discussion	15%	78%	7%

To provide some context, it should be noted that although the five highest number of AFDs are highlighted above, no criteria here represents less than 88% observed practice at PCE or a strength in those areas identified.

Amongst many others, a highly significant strength evidenced in the observations of teaching, learning and assessment, is that tutors use their subject specific expertise to provide effective learning opportunities. Observation reports provide evidence of outstanding contextualisation in vocational learning. An example here is that replicated real-life financial accounts are consistently used to provide learning opportunities for Level 3 Accounting learners and apprentices to enable them to skilfully apply knowledge gained to real life scenarios.

Ofsted's findings in their inspection of the service in January 2020 found that feedback to learners in Functional Skills (vocational curriculum) was succinct and of good quality and that feedback to apprentices was detailed and constructive helping those learners to embed and use knowledge fluently, to develop their understanding, and to gain, extend and improve their skills. Both areas showed that teachers are highly effective in identifying and correcting errors and misunderstandings. They also found, in line with our own observation of QTLA findings, that this particular area was underdeveloped in our community provision where 5/18 (28%) of observations showed this to be an AFD.

Close scrutiny of the new QTLA results has highlighted the need to provide more robust support to Learning Support Assistants (LSA) who were subject to this same developmental procedure for the first time this year. 14 out of 43 active LSAs were observed as part of the formal observation process in 2019/20. Where the observation process has been highly successful in identifying gaps in LSA performance, the closing of the gaps has been less so; an example being that 33% of LSAs were judged not to be giving detailed and accurate feedback to teachers to support the planning process by year-end. The service needs to ensure that a full observation process in relation to LSAs is implemented so that the performance of LSAs is closely managed, and the quality of additional learning support received by learners improves.

4.2 Apprenticeships

2019/20 has seen the first full year of a highly successful transformational change in the apprenticeships provision and how that provision is implemented to best serve the needs of employers and their apprentices across Norfolk. Apprenticeship Delivery Managers (ADMs) support the delivery teams in every aspect of their work from sector specific upskilling through to improving the quality of teaching, learning and assessment. The ADMs are also highly effective in working collaboratively with other curriculum teams such as the vocational and foundation curriculum teams to ensure the apprentices are integrated into those curriculum areas seamlessly for the classroom (physically and/or virtually) delivery aspect of their programme.

Through the completion of a highly effective and detailed Individual Learning Plan (ILP) and Commitment Statement, employers are fully engaged in the onboarding process with their apprentice and the service's Apprenticeship Recruitment Consultant to design a programme of training that is flexible and meets the needs of that employer. 97 employers were invited to take part in Adult Learning's Apprenticeship Employer Survey that is broadly in line with Ofsted's employer survey, and we received an encouraging 54% response. In a sliding scale between 1 and 10 (10 being extremely satisfied) 83% of employers believed that Adult Learning had demonstrated an understanding of their organisation's needs (a score of 7-10). This is achieved through comprehensive discussions with the employer and our approach to supporting the employer through every stage of their recruitment process.

Initial assessments in English and maths are conducted with the apprentice to ascertain their starting points and inform the planning of their learning journey and any further support needs which are detailed on their Individual Learning Plan and openly discussed with both the employer and apprentice when completing the commitment statement.

Further sector specific skills scans effectively inform the planning process of the apprentice's training, assessments, review points and other milestones to ensure a highly flexible and adaptable training schedule to meet the needs of the employer and their apprentice. This is evidenced in the response from employers that shows that 85% of those who responded to the employer survey believe that Adult Learning offers training and/or assessment in a flexible way to meet their needs. In addition, a highly impressive 91% believe that Adult Learning communicates clearly throughout the apprenticeship process.

The inclusion of additional qualifications are discussed as an option for the apprentice from the onset with them and their employer if they are not a requirement of the apprenticeship standard; an example being the addition of Management and Leadership qualifications in addition to the level 3 and level 5 apprenticeship schemes.

25% of employers reported that they were not able to influence the structure, content, delivery and duration of the apprenticeship programme (a score of 5 or less). As with all providers, we are restricted in part by funding regulations and national exam timetables, however, further work is required to reduce this negative perception and build in further flexibility wherever possible. This was also further exacerbated by the impact of Covid-19 whereby Adult Learning was unable to arrange exams for apprentices in accounting and functional skills programmes due to national restrictions on the use of venues for exams. This resulted in employer dissatisfaction. An example of where we have been able to offer exceptional flexibility is through the functional skills offer where apprentices have numerous study options that they can take up including online, blended or classroom delivery. Where a learner has demonstrated that they have additional support needs, additional one-to-one support is planned from the onset with their employer and put in place for that apprentice to ensure that they progress quickly, gain new knowledge, skills and behaviours and achieve to their full potential.

The full table of responses can be found below.

Adult Learning Apprentice Employer Survey (10 = highest level of satisfaction)

To what extent does Adult Learning:	Not Answered	0-5	6	7-10
Understand your organisation's training needs	4%	10%	4%	83%
Offer training and/or assessment in a flexible way to meet your needs	2%	6%	8%	83%
Communicate clearly with you throughout the process	0%	6%	3%	91%
Demonstrate professionalism through the staff delivering training and/or assessment	6%	8%	8%	79%
Deliver training that reflects up-to-date practices in your industry/sector	6%	8%	8%	79%
Allow you to influence the structure, content, delivery and duration of the training	10%	25%	8%	58%
Provide convenience of the location where the training was provided	6%	8%	8%	79%
provide suitable training in preparing your employees for the job role they are in	4%	10%	2%	85%

How would you rate:	Not Answered	0-5	6	7-10
The overall quality of the training/assessment	8%	10%	4%	79%
Adult Learning overall	2%	12%	4%	83%

Apart from ‘influencing the structure’, which has been previously highlighted, the satisfaction of employers with Adult Learning’s apprenticeship provision is broadly good. A significant majority of employers are satisfied that their apprentices demonstrate the required up-to-date skills and behaviours that enable them to complete their apprenticeships, contribute to their workplace and fulfil their career aims by progressing to their intended job roles or other sustained employment.

5. The Impact of our Curriculum

5.1 Adult Learning Programmes

A full set of data tables are available as a separate document '2019_20_SAR Final Data Tables' to accompany this Self-Assessment Report which includes a full break down of recruitment, retention success and achievement data by provision type, programme area, funding type, and specific target groups.

This analysis, and the percentages within it, refer only to the service's three main areas of government-funded and regulated provision:

- *Education and Training (41% of learners and 51.5% of income)*
- *Community Learning (58% of learners and 41.5% of income)*
- *Apprenticeships (1% of learners and 7% of income).*

This analysis does not include data related to our learner self-financed learning programmes, which operate outside of our government-funded and regulated provision.

Adult Learning has a well-constructed, well taught curriculum that meets its intent well, and that has led to good results in a significant majority of the provision despite the impact of Covid-19.

Adult Learning's 2019/20 cohort recruitment profile is as follows:

Break Down	Enrolments					
	Education & Training	%	Community Learning	%	Total	%
Sex						
Male	728	21%	1880	38%	2608	31%
Female	2772	79%	3111	62%	5883	69%
Ethnicity						
White British	2377	68%	3946	79%	6323	74%
Non-White British[3]	945	27%	341	7%	1286	15%
Not Provided	178	5%	704	14%	882	10%
Learning Difficulty and/or Disability						
Not Provided	2834	81%	3952	79%	6786	80%
LLDD	666	19%	1039	21%	1705	20%
Index of Multiple Deprivation						
0-30% Most Deprived	1370	39%	1163	23%	2533	30%
30-70% Most Deprived	1495	43%	2420	48%	3915	46%
30% Least Deprived	557	16%	1323	27%	1880	22%
Not Known	78	2%	85	2%	163	2%

[3] Non-UK nationals make up 6.3% of the Norfolk population (Source https://www.norfolkinsight.org.uk/population/) [accessed 07/12/2020]

The nature in which raw qualitative data is used to measure some outcomes has not in all cases demonstrated the real impact that has taken place as it is not possible to draw truly direct comparisons with prior years.

The 3 main reasons for this are:

1) The enforced lockdown across the country resulted in the service moving away from delivering over 98% of its provision in the classroom directly to learners to 100% online delivery in just under 3 weeks which affected all types or provision.

2) A large change in the profile of our delivery and enrolments coming from 3 main areas:

   a. The continued approach to move key areas of provision (Independent Living Skills, healthy eating and standalone employability courses) from Education & Training into Community Learning.
   b. Education & Training had very strong recruitment at the beginning of 2019/20 which carried on through the spring term and resulted in the service taking on around an extra 300 enrolments across the year. This equated to a 12% increase in funding from Education & Training against the previous year.
   c. As a result of the restrictions in place the number of learners for Community Learning fell substantially due to the inability to hold physical activity classes. This affected two of our programmes, one through the Norfolk County Football Association which would have seen an extra 600 enrolments and the other through our internal partnership with Active Norfolk that would have seen an extra 1,500 enrolments.

3) Affecting Education & Training specifically, the cancellation of examinations and end of course observations meant a much larger number (318 in 19/20 vs. 84 in 18/19) of learners had their achievement carried through into the 2020/21 academic year than usual and therefore not able to count in 2019/20. Whilst on face value this does not seem like much of a change, what it means is that all of the withdrawals in 19/20 carry a much larger weighting than they would otherwise as the overall cohort has been substantially reduced, and the possible achievements to offset the withdrawals have been moved to the subsequent year.

   This is mainly highlighted in the cases of **Accountancy** and **Supporting Teaching and Learning** where the achievement of 37% of each cohort was moved into 2020/21.

   This means that the withdrawal data will show that:

   a. **Accountancy** is 12% (21 withdrawals vs. 180 leavers) whereas it would only have been 8% (21 withdrawals vs. 264 leavers) had it followed the previous year's pattern.
   b. **Supporting Teaching and Learning** is 17% (26 withdrawals vs. 157 leavers) whereas it would only have been 13% (26 withdrawals vs. 204 leavers) had it followed the previous year's pattern.

The impact of Covid-19 has resulted in the postponement of exams and summative assessments and this has had the overall effect of reducing our possible achievement by 1% for Education & Training.

Whilst quite rightly a lot of emphasis is made on the hard performance rates of the service, more and more learners' soft outcomes need to be taken into account as a way of measuring overall performance. This is something that is really brought to the fore by comments from learners like,

"As I can hardly hear what anyone is saying to me in spite of having excellent hearing aids being able to lipread means I can actually communicate with others. This has made me feel like a human being again, it has given me back my life."

Education and Training (41% of learners and 51.5% of income)

Over the past academic year Education and Training provision has grown in size by 12% with an improvement of 3% in achievement.

In this academic year, Adult Learning achieved an exceptional increase in adult participation in Norfolk of 12% at a time when there was a national decline in adult participation in Education and Training of over 19%.

It should also be noted that the service's strong performance in this most unusual of academic years, as described in this section, becomes even more exceptional when compared with a national decline in achievement rates of 24%.

Education and Training saw a continued shift away from the 'Other Non-Regulated' qualification type (something that was started in 18/19), reducing from 23% of the total cohort (790 leavers) down to 7% of the cohort (241 leavers). This continued and completed the change of direction started in 18/19 whereby all Independent Living Skills, healthy eating and standalone employability programmes were moved into Community Learning funding.

The scale of the change has meant that comparing the achievement, retention and pass rates between years at an overall headline level is not relevant. To give a clearer picture it is more appropriate to look at qualification size using some comparable modelling.

To compare the year on year performance it is necessary to make two changes:

1. Remove the 589 'Other Non-Regulated' learning aims from the 18/19 figures that are no longer funded through the Education & Training funding model. For comparison this change gives 2018/19 an overall achievement rate of 79%, an overall retention rate of 89% and an overall pass rate of 89%.
2. Remove the 27 leavers who withdrew solely because of Covid-19 from the 19/20 statistics.

The service is really delighted that in such a challenging academic year, these changes have led to a year on year increase in achievement of 2% (81% vs.79%), an incredible stable retention rate (89%) and a 3% increase in pass rates (92% vs. 89%). These fantastic outcomes are testimony to the service's determination to support all of its learners to achieve no matter what.

The service has very high ambitions for all learners, including those who are difficult to engage. This is shown in our commitment to increasing the proportion of learners from deprived wards which increased from 35% in 2018/19 to 39% in 2019/20 in Education and Training.

Taking all this into consideration, if we include the 234 successful vocational achievements where summative assessment of knowledge and competence was delayed due to Covid-19 into the start of the 2020/21 academic year; learners have demonstrated an impressive **overall achievement of a 3% increase** year on year, an **overall retention rate of a 1% increase** year on year and an **overall pass rate of a 4% increase** year on year.

Qualification Size

This analysis looks at the actual qualification achievement rates that appear in the data tables, and this data has not been remodelled to take into account the impact of Covid-19.

- There was a fall in retention rates from 90.8% in 2018/19 to 88.1% in 2019/20 however, the subsequent course completions by learners who were carried into 2020/21 would have resulted in an overall increase of 1% as previously described. The service will remain vigilant to ensure that the impact of Covid-19 is minimised in the 2020/21 academic year.

- Based on the actual data for 2019/20, the service is pleased that in both ESOL and GCSE programmes learners are more likely to complete their programme than in the previous year.

- Strong and consistent implementation in the following key qualification types has resulted in more learners achieving their aims for 60% of the cohort and in key areas to the service including:

    - Awards - 97% vs. 95%, 16% of the total cohort
    - Basic Skills Maths and English - 84% vs. 81%, 30% of the cohort
    - ESOL – 89% vs. 88%, 8% of the cohort
    - GCSE Maths & English – 100% vs. 93%, 3% of the cohort
    - Other Regulated – 84% vs. 83%, 4% of the cohort

Where summative assessment through examinations as well as assessments of competence in the workplace was not possible due to the impact of Covid-19, the areas that appear not to have improved on last year now have their achievements recorded in the 20/21 academic year and therefore give a disproportionate set of results.

- **Achievement rates** have remained level or improved in 41% of the cohort and in key areas of the service including:

    - Achievement of basic Skills Maths and English remains good - 71% vs. 71%, 30% of the cohort
    - More learners who start their ESOL qualifications with us achieve – 82% vs. 80%, 8% of the cohort
    - Outstanding achievements in GCSE Maths & English show that learners are highly likely to achieve these qualifications with Adult Learning – 91% vs. 63%, 3% of the cohort

Most of the areas that have not improved on last year are all areas where summative assessment and examinations were not possible, so any possible achievements will be reflected in 20/21 and therefore give a disproportionate set of results. The exceptions to this are:

- Access to HE – 89% of leavers achieved on our Access to HE programme, and all of these learners have progressed into HE.

- Awards – The overall make-up of the awards has changed dramatically since 2018/19 as well as seeing a large increase in enrolments, in particular in ESOL. Nationally, ESOL learners' achievement is lower, and for the first time this year these registrations make up 16% of our leavers for Awards (89/543); as such this has impacted on our year-on-year achievement comparisons.

To make the direct comparison with last year, if you model by removing the new ESOL registrations from this group, achievement improves from 88% to 90% (against 91% in 2018/19). This is also further improved upon against 2018/19 by the achievement of the 97 aims that have been moved into 20/21. We can see therefore that a higher proportion of learners achieve these aims compared to last year showing an increase of approximately 2% to 92% and a 1% improvement on the previous year.

- Other Non-Regulated – As previously mentioned the vast majority of provision that was previously classified as other non-regulated had been either transferred into Community Learning for 19/20 or has not been delivered due to Covid-19 restrictions.

- QCF Units – The service increased this type of provision from 7% to 18% of the overall cohort in response to the need to support our intent to meet the skills and employment development needs of the residents of Norfolk, enabling them to gain or stay in employment in Health and Social Care, a key area for Norfolk and also a notoriously difficult area in which to maintain good achievement rates due to the nature of the sector.

Other Notable Results

- GCSE Maths & English saw an outstanding increase in performance in all areas:
    - 28% increase in overall achievement (91% vs. 63% in 18/19)
    - 23% increase in overall retention (91% vs. 68% in 18/19)
    - 7% increase in overall pass rate (100% vs. 93% in 18/19).

- The achievement gap was negligible between male (80%) and female achievement (81%) and closed by 1% when compared to 18/19.

- Learner outcomes based on ethnicity show some variations around the service overall achievement level. Learners with a Bangladeshi, Chinese, Irish, Other, Other Mixed, Other White, White British, White/Asian and White/Black African ethnic background performed above service average. Learners with an African, Arab, Caribbean, Indian, Not Provided, Other Black, Pakistani and White/Black Caribbean performed below service average. Some of the ethnic cohorts are very small, such as Pakistani with 4 leavers.

- 19% of learners declared a difficulty/disability and many of our learners have complex learning support needs. Learners enrolling on regulated provision, that declared an LLD are slightly less likely to remain on programme (1.6% less) and slightly less likely to achieve (1% less).

- Lockdown disproportionately affected learners who had been receiving one-to-one learning support in the classroom on qualification courses. The enforced move to online learning has had a substantial impact on achievement for learners claiming learning support, with achievement falling substantially from 90% in 18/19 to 62% in 19/20. In addition, the recruitment of learners with a specific support need also dropped from 375 in 18/19 to 155 in 19/20. This shows a key area for improvement for the service in terms of the challenge of providing appropriate learning support for learners who are attending an online course.

- The achievement of learners attending qualification courses from the most disadvantaged areas of Norfolk (between 79% and 83%) was comparable with the overall service average of 81% and the service is pleased that this demonstrates that the service has worked hard to support these learners.

Community Learning (58% of learners and 41.5% of income)

Community Learning has significantly changed and increased the length and impact of its provision and has a high overall achievement rate of 94%

As already noted at the beginning of this section, the way that the service defined its Adult Education Budget learners started to change in 18/19 and this continued into 19/20, resulting in a continued shift of certain provision from Education & Training into Community Learning. As a result of the service's vision to build a more ambitious and relevant curriculum to meet our priorities, this meant a move towards longer, more impactful learning programmes, which does not allow a direct comparison with last year's data. This is evidenced in various ways in 19/20, for example the service started running Community Learning courses in excess of 45 hours in length for the first time which totalled 407 (8%) of the enrolments.

The overall number (and to a lesser extent the proportion as detailed below) of enrolments on longer courses (7 hours in length and above) **rose significantly from 1822 (30%) in 18/19 to 2831 (53%) in 19/20.** This shows a continued substantial change away from single session courses, towards multiple session provision.

Looking at (%) proportions of enrolments in different groups, for example hour bands, is not really comparable as there were multiple changes between years. One is a 45% reduction (1130 down to 624 in 19/20) of Family Learning, another is a significant impact on the recruitment of learners on our short health, wellbeing and sport-based provision through our partners due to Covid-19. This culminated in 866 fewer enrolments across Community Learning from partners in 19/20, all in SSAs 1 (Health, Public Services and Care) and 8 (Leisure, Tourism & Travel).

These fewer enrolments do not show the full impact. It should be noted that, nationally, between mid-March and the end of July, there was a 50% drop in community learning participation due to the impact of the pandemic. In Norfolk, the drop was far less at 34% and this was in large part due to the impact of the lockdown restrictions on sports-related activity. The service had planned for approximately 1,800 more enrolments from our partners and the pandemic disproportionately affected this provision as the majority is season dependant, running between April and July.

Based on these changes it is important to look past the overall headline level for the main achievement rates and look at the provision length for a more comparative view.

- The service is pleased that, even though we delivered longer courses in 19/20, we are proud that our community learner **retention** was an impressive 96%.

- In a highly challenging year, our learner **pass rates** remained at a remarkable 98% showing that, despite all of the challenges the service faced, the level and quality of teaching remained strong.

- Learner **achievement** was a creditable 94% in 19/20.

- 1327 enrolments (27%) were in Languages, Literature & Culture with a 92% achievement rate (89% in 18/19).

- 1113 enrolments (22%) of this provision was in Leisure, Travel and Tourism, with a 100% achievement rate.

- 1030 enrolments (20%) were in Preparation for Life and Work, with a consistent pass rate of 99%.

- 875 enrolments (18%) were in Health, Public Services and Care, with a retention rate of 98%.

- 550 enrolments (11%) of this provision was in Arts, Media and Publishing, with an achievement rate of 90% (97% in 18/19).

- There is a negligible achievement gap between male (95%) and female (94%) learners.

- The largest group of non-White British learners, the Other White ethnic group, achieved at 92% (overall achievement was 94%). The participation of other ethnic groups was very small totalling 6.8% (365 enrolments).

- There was no discernible achievement gap between learners with a difficulty/disability (21% of this provision) at 94.8% and learners with no difficulty/disability at 94.4%.

- Learners with disabilities affecting movement, dyslexia, hearing impairments, moderate learning difficulties, other disabilities, other learning difficulties, other specific learning difficulties, profound complex disabilities, severe learning difficulties, speech, language and communication need and visual impairments were well supported to achieve at or above the overall achievement rate of 94%.

- Learners with Asperger's syndrome, autism spectrum disorder, mental health difficulties, other medical conditions, other physical disabilities and social and emotional difficulties achieved less well than other learners.

- The recruitment data by level of deprivation remains in line with last year. Learners in the 30% most deprived wards are 2% less likely to achieve than learners in the least deprived. Whilst this achievement gap is relatively small, we will need to ensure increased flexibility in our approaches and support to these learners to ensure this gap does not widen further as a result of the ongoing Covid-19 pandemic and the challenges that has presented.

Internal Progression

The service has strong internal progression for Education and Training, with 10% of learners already returning in 2020/21 (November 2020) against an end of year 15% for 19/20. This is broken down to 12% Education & Training (18% at end of 19/20) and 8% Community Learning

(13% at end of 19/20). Community Learning progression has had an expected fall in 20/21 due to moving Modern Foreign Languages and Creative arts provision to a commercial basis, where learners that have progressed from 19/20 are no longer counted alongside funded provision.

Of the learners that have progressed from 19/20 to 20/21:

- 59% of learners progressed from an entry level 2 qualification to an entry level 3 qualification
- 33% of learners progressed from an entry level 3 qualification to a level 1 qualification
- 67% of learners progressed from a level 1 qualification to a level 2 qualification
- 16% of the learners progressed from a level 2 qualification to a level 3 qualification
- 95% of learners progressed from a Community Learning course to another Community Learning course.

The service issued 3,724 requests for information from learners attending Education and Training and Community Learning courses and received responses from 5% or 199 learners.

The full responses are below, but the main progression routes were:

- 24% of learners are now in Further Education
- 28% of learners in employment
- 18% of learners are retired
- 7% of learners are at university

Progression Route	Basic Skills		Community Learning		Vocational		Total	
	Number	%	Number	%	Number	%	Number	%
Apprenticeship	4	10%	0	0%	1	2%	5	3%
Further FE Study	13	31%	27	23%	7	17%	47	24%
Higher Education	8	19%	1	1%	4	10%	13	7%
In Employment	10	24%	19	16%	27	66%	56	28%
Independent Living	0	0%	4	3%	0	0%	4	2%
Looking for Work	0	0%	1	1%	1	2%	2	1%
Other	0	0%	25	22%	0	0%	25	13%
Retired	2	5%	34	29%	0	0%	36	18%
Voluntary Work	5	12%	5	4%	1	2%	11	6%
Grand Total	**42**	**100%**	**116**	**100%**	**41**	**100%**	**199**	**100%**

In addition, information was requested and received from all 42 apprentices who successfully completed their apprenticeship and have all continued into sustainable employment.

Progression based on Survey Results

- In Vocational and Employment, an outstanding 97.5% of learners who returned the survey reported a positive outcome following their programme of study. This includes 29% of learners who have progressed into some other form of education and 66% who are in employment. The positive impact that our vocational provision has on our learners' lives cannot be overlooked as this response shows,

"It [the programme] helped me in acquiring a higher banded job within the NHS and it has also given me confidence in what I know and gave me new knowledge".

- In **all** Basic Skills provision responses, learners had benefited from their programme reporting positive outcomes and listing a whole host of benefits that their courses have had on their lives, for example,

"It [the programme] has allowed me to understand my daughter's schoolwork and support her more effectively. Also, it has allowed me to be eligible for an apprenticeship with Norfolk County Council in Social Work.",

showing that this one course has not only had a direct impact on the learner's life, but also an indirect one on their daughter's too.

- A considerable proportion of responses were from those learners that were retired and statistically at a higher risk of social isolation. The vast majority state that the courses improved their confidence and made them feel healthier which reinforces that the highly rewarding impact is aligned to the original intent of the programme. These points are highlighted shown by this response from a learner,

"It greatly improved my mental wellbeing and mood. It has given me a useful skill and has improved my confidence and given me a sense of achievement."

- Another substantial group of respondents were those who had carried on with further education, again the vast majority of which mentioned the service's original and purposeful intent of improving confidence and wellbeing as well as leading on to further study,

"It's encouraged me to continue my education and gave me something to look forward to during lockdown".

- Those learners who are in employment have also shown that the Community Learning has proved to have a positive impact on their lives,

"It's been the first bit of learning I've done in 39 years and it was fabulous because it got my brain going and my spirits lifted".

5.2 Apprenticeships

1% of learners and 7% of income.

100% of all apprenticeships continued to be delivered online throughout the entirety of the 2019/20 lock-down virtually, resulting in achievement rates above the national average.

As a result of a well-constructed, well taught curriculum, Adult Learning's Apprentices achieve well. 69% (62 leavers) achieved in 2019/20 which is 3% above the 18/19 national achievement rate of 66%. The impact of Covid-19 resulted in a small minority of apprentices not being able to complete their End Point Assessment in the academic year which impacted on the 73% expected achievement for this area. The achievement for these few apprentices in accounting and support teaching and learning is now being recorded in the 20/21 academic year.

In January 2020, Ofsted were able to access evidence of apprentice's work which showed that they were being prepared for the next stages of their development well. Feedback from their observations stated that feedback given was of good quality and this ensures that apprentices build toward their end goals. An outstanding 100% of the apprentices that successfully achieved have remained in valuable, long term employment.

In contrast to our previous year, male apprentices (34% of all leavers) were more likely to achieve overall than female apprentices (81%, 13% above national). Female achievement was 63% against a national average of 67%.

Apprentices who declared a learning disability or difficulty (LDD), of which six were due to complete in 2019/20 were less likely to achieve by their planned end date compared to those learners who declare they have no LDD barriers, with only two of those apprentices successfully achieving and two withdrawing. Both of those apprentices withdrew in previous academic years (one in 17/18 and one in 18/19). As a result of a dramatic and highly effective change in the ways that Adult Learning apprentices are initially assessed, supported and managed that has taken place during 2019/20, we are pleased to report that no apprentice with a declared LDD has withdrawn from their apprenticeship since February 2019.

Statistically, Black and Minority Ethnic (BAME) apprentices are more likely to achieve than white British apprentices, however; only four apprentices (5.8%) declared they were not White British and three further apprentices did not provide this information. Whilst this does not provide a useful metric for comparison of successful achievement, this does show that work to raise the awareness of apprenticeship opportunities to ethnic minority communities requires improvement.

Whilst only making up a small minority of the apprentices due to complete in 19/20 (13%), support for 16-18-year-old apprentices is improving with 71% successfully achieving against a 68% 18/19 national achievement rate.

Success for 19-24-year olds is considerably higher at an outstanding 85% against a national achievement of 68% and is in line with national achievement for the majority (67%) of our learners in the 24+ age range at 64%.

Adult Learning will need to ensure that support is age appropriate for all age groups and encompasses working with the employer to transition from mainstream education into employment.

Whilst the apprenticeship provision supports a significant majority of apprentices to achieve success with every one of those successes going onto or remaining in sustainable employment, if this provision is to move from 'good' to 'outstanding', the underdeveloped area of age differentiated support for both the employer and their apprentice will need to take place as the majority of the young people that left their programme did so within six months. An outstanding 100% of apprentices who successfully achieved in 19/20 are in continued, sustainable employment.

6. The Behaviours and Attitudes of our Learners

Adult Learning is a safe place to learn, free from bullying and harassment where learners behave consistently well, demonstrating high levels of self-control and consistently positive attitudes to their education and/or training.

Our well-considered end of year survey asked learners why they selected Adult Learning as their preferred provider. Responses from learners included strong, positive descriptors such as 'trust', 'flexibility' and 'convenience'.

The questionnaire, which received 199 responses, has a series of 'Likert Scale' questions, where the average score the learners reported for recommending Adult Learning to a friend or family was 8.8/10. 97% of respondents enjoyed their course and one learner commented that they found Adult Learning to be a:

"truly amazing place to learn remotely and safely".

Clear expectations are set for Learners within the comprehensive Learner Handbook which all learners are consistently guided through in class, or virtually for online learning, when they start a new programme of study. This handbook is also available online for learners to download and make regular reference to should they need to. It sets out Learners' rights and responsibilities, gives advice on managing stress levels, details the importance of a healthy work/life/study balance as well as signposting to various support that is available. This handbook is also used to provide a reference point of behavioural and study expectations for tutors.

Whilst behavioural issues are few and far between in the classroom within Adult Learning, there is anecdotal evidence that tutors need to better understand their rights, responsibilities and boundaries as a tutor when dealing with challenging learners. Tutors have not always understood when not to take the burden of a particular issue on themselves but to escalate and seek managerial support.

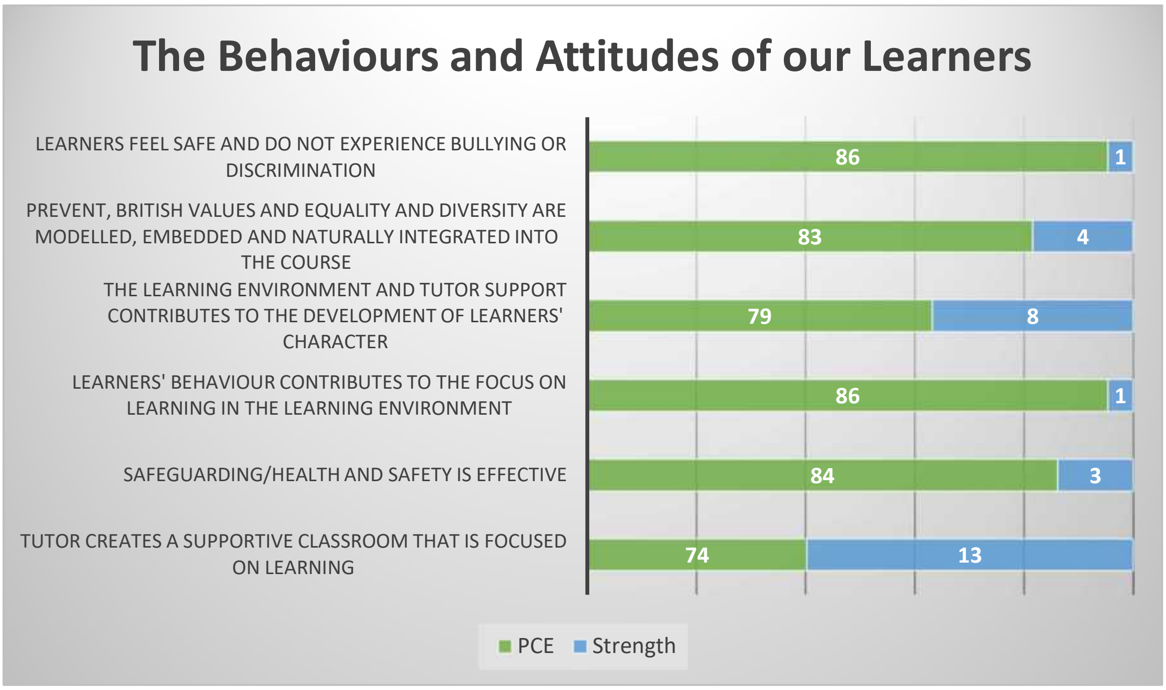
A highly comprehensive online learning review was carried out at the end of the 2019/20 academic to gauge the success of the transitioned provision over the last six months of the year, and whilst online learning is not suitable and doesn't meet the needs of all of our target learners the service aims to support, the responses were extremely encouraging and rewarding for Adult Learning. When asked about their motivation to participate, one learner stated that their course was:

"a lifeline, giving a focus and means of expressing feelings and connection with like-minded people"

Some more vulnerable learners found the changes gave them a higher sense of feeling safe, with one learner stating:

"It's been amazing and helped a lot with anxiety and meeting new people, being in your own home means you feel safe and secure and don't feel nervous meeting new people"

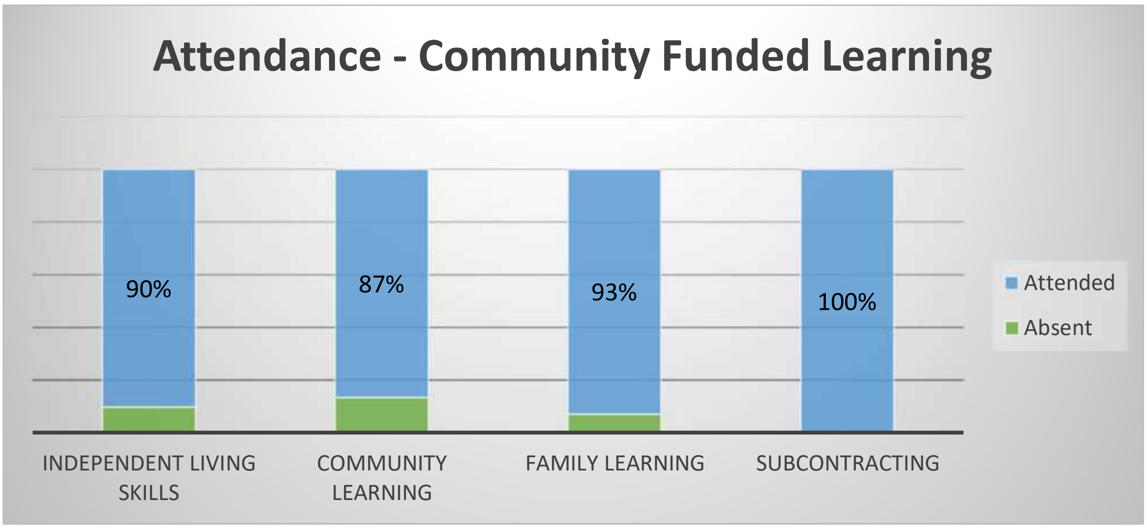
As the chart below shows, observations of Teaching Learning and Assessment showed that in all cases where the session was observed, learners felt safe and do not experience any bullying or discrimination. Prevent, British Values and equality and diversity are expertly modelled, embedded well and naturally integrated into the course. In addition, the observations carried out have shown that in all cases, learners' behaviour contributes to the focus on learning in the learning environment.

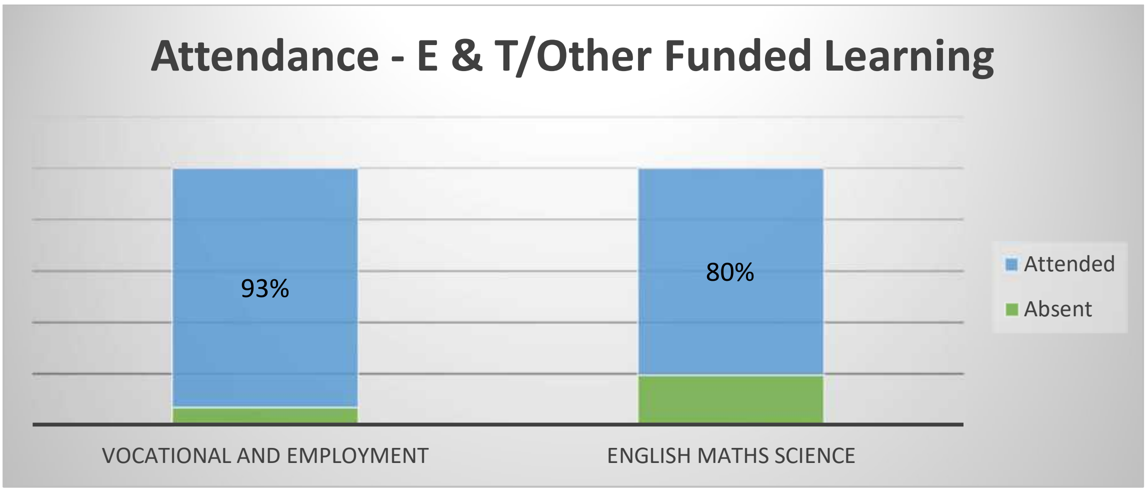


2019/20 OTLA Findings

As shown in the charts below, despite the impact of Covid-19, attendance was very good at just over 86% averaged across all provision types (an increase of 1% on the previous year and above target), with key areas of strength evidenced in our subcontracted, Vocational and Family Learning provision. Attendance on vocational qualification programmes, which had to move from the classroom to online delivery in the midst of a pandemic, at 93%, was simply stunning.

In spite of the pandemic and the impact on learners who are learning basic functional skills in challenging circumstances, attendance on courses in the challenging areas of English and maths improved by 1% to just over 80%. The service continues to seek improvements in attendance on these programmes and whilst flexible, sustainable and innovative delivery models have been employed over the last six months, such as an increased focus on blended and online approaches, the full impact of these changes has not had the required time to realise its full potential.





As a provider that that embraces well a positive and respectful culture, Adult Learning very rarely gives its valued learners cause for complaint. The service is swift to investigate and respond to any learner complaint received and seeks to take intelligent, fair and highly effective action to support them and for them to succeed in their programme of learning. The service received 13 complaints from learners in the period from April 2019 to June 2020 of which 7 were upheld and 1 was partially upheld. Whilst the service considers every complaint to be a complaint too many, this amounts to only 1 in 441 learners raising a complaint and furthermore, 1 in 819 having their complaint upheld.

7. The Personal Development of our Learners

Adult Learning, both through its curriculum and the wider services that it provides to learners, actively develops our learners' knowledge, skills and experiences beyond those required by the course that they are attending.

The service works hard to develop its learners so that they are responsible, respectful and active citizens. The learner handbook forms the basis for the service's expectations of its learners and, through discussions in class, the values that the service aims to develop in its learners are further developed through and embedded within the curriculum.

Learners are actively encouraged to support and share with other learners. In an observation in November 2019:

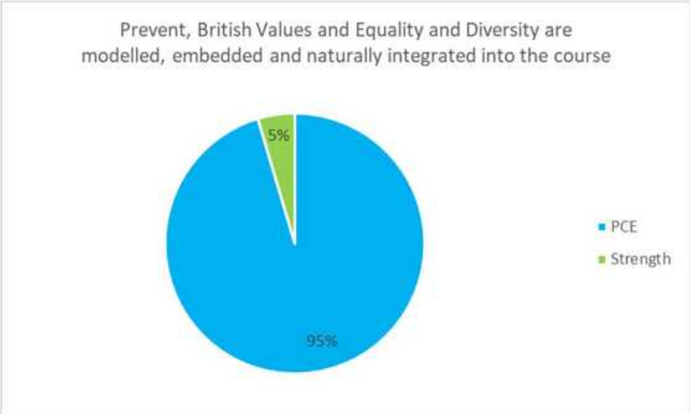
"The learner proudly showed off her work and was seen in session providing regular support for peers working at lower levels."

In another class the learners were observed discussing healthy eating and a report from a class in November 2019 highlights that:

"The tutor asks questions to stimulate and encourage thinking and was surprised at the level of participation amongst the most reserved of learners during the visit by the dental education team."

Through the service's Learner Involvement Strategy, two learners are in the process of being recruited to represent learners on the Adult Learning Steering Group. In addition, the service already has 95 volunteer learners requesting to join the Learner Forum and other learners have participated in Focus Groups. Through the Learner Awards, learners will have an opportunity to nominate a learner in their class to the termly Classroom Colleague Award, which acknowledges learners who have made a difference to their fellow learners by contributing to their learning experience in a positive way over the term. These developments are in process of implementation and we aim to see the full impact in 2020-21.

The service's observation programme in 2019-20 has evidenced that in 100% of classes Prevent, British Values and Equality and Diversity are modelled, embedded and naturally integrated into the course.



All tutors are expected to establish ground rules with their learners and embed British Values and Equality and Diversity into their curriculum. In a creative writing class observed in February 2020:

"Learners are encouraged, by a series of questions, to consider various aspects of British Values, Prevent and Equality and Diversity and how these may have impacted upon them and to use this as a source of inspiration for their own creative writing."

In an observation in November 2019:

"The tutor uses historical knowledge well to disseminate interesting material in relation to Prevent, British Values and equality and Diversity, e.g. timeline in relation to influences upon Norfolk over previous centuries."

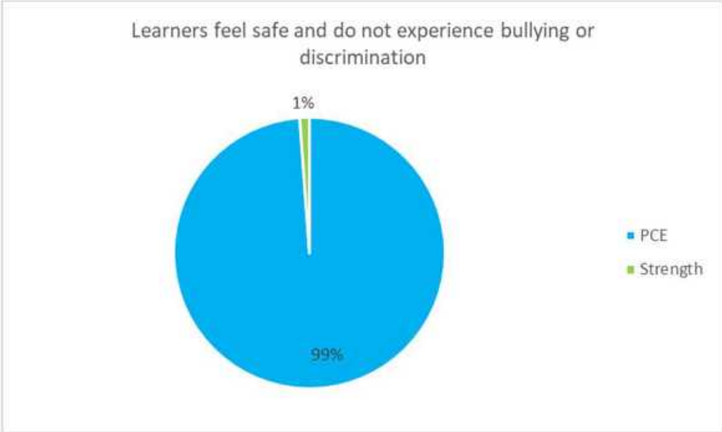
The service actively promotes equality of opportunity to learners. For example, apprentices are able to discuss concepts such as unconscious bias and the impact it has on their behaviour and corporate culture. This enables them to have difficult conversations with team members.

These comments are from an observation in June 2020 of a course delivered online:

"The group cohesion is palpable and is promoted and supported by the tutor who has a genuine interest in and empathy with her learners. The difficulties of shopping and caring for a young child were shared within the group, having to access the session via a phone was accommodated with extra signing during the spelling test and very clear finger spelling at all times, combined with a patient manner. Learners were supportive of their peers."

Staff embrace the diverse backgrounds of their learners. They use their different interests and cultural traditions to develop effective resources and learning activities. For example, Chinese learners developed their writing using information about the Chinese New Year calendar. Tutors also use sports articles from newspapers to help adult learners read using their interest in football.

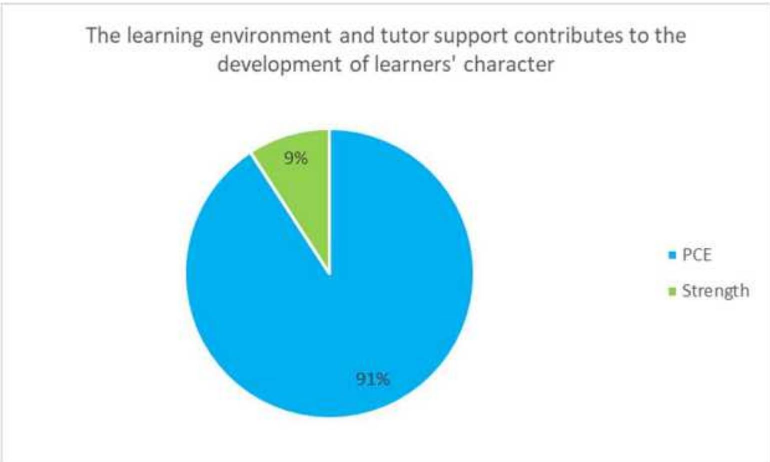
Adult Learning ensures that learners enjoy a comfortable, inclusive learning environment. Learners are welcomed and supported well by staff and tutors. From the service's programme of observations in 2019-20, the service has established that in 100% of classes tutors promote an inclusive environment that meets the needs of all learners, irrespective of age, disability, gender assignment, race, religion or belief, sex or sexual orientation, relationship status or pregnancy.



A learner commented to a member of staff (December 2019):

"Breathing exercises, dyslexia support for me and got a job which is really from the help I got from my tutor."

In 100% of observations in 2019-20, the learning environment and tutor support contributed to the development of learners' character.



From an observation in November 2019:

"There is a considerable amount of interaction between learners, with use of pair and group work and between the tutor and learners themselves. There is no resistance to learners working alongside each other, indeed, there is positive mutual support and well-planned pairing which ensures that English for Speakers of Other Languages (ESOL) learners are supported by peers, both in terms of understanding tasks/handouts and through 1:1 support from the tutor."

Tutors work hard to develop learners' confidence, resilience and knowledge so that they can keep themselves mentally healthy.

From an observation in March 2020:

"Several learners have anxiety and/or are prone to panic attacks and the tutor has created a very supportive learning environment through the building up of positive relationships between herself and the learners but also between learners. Her adoption of a coaching/mentoring approach has worked well here, thus inspiring learners to learn for themselves rather than a top down approach."

From an observation in November 2019:

"Given the personal attributes of several learners in this group and the fact that this course has been quite a short one, it was especially commendable that one learner felt able to disclose that she had lost her voice when age 13 due to vocal cord problems and because of anxiety and stress when bullied at school. It is to the tutor's credit that this learner felt particularly safe to disclose this information."

The service's 2019-20 Learner Survey asked learners to let us know what impact their Adult Learning course has had on their life. The main areas identified by respondents included: improved confidence, improved job opportunities and learning a new skill. In particular, 46% of learners who responded to the survey reported that their course had improved their mental and physical health and wellbeing.

The onset of the pandemic in March 2020, led the service to review its intent and consider how it could take a leading role in supporting Norfolk residents through learning to develop their confidence, resilience and strategies to manage and improve their mental well-being and reduce the impact of social isolation.

The service swiftly and effectively developed a wide-ranging online programme of courses designed for this purpose, including the 'Creation in Isolation' programme, where learners were able to effectively engage in a range of creative online workshops that had as their key purpose to improve mental well-being. Courses also included a range of languages and a cookery course delivered by a French tutor from his kitchen. Through an outstanding demonstration of resilience, determination and the hard work of all Adult Learning staff; by the end of the summer term 2020, around 3,000 Norfolk residents had engaged with our range of online programmes.

To support this remarkable achievement, the move to online delivery led the service to work with hundreds of learners to support them with the digital skills that they needed to access their online course. This was achieved through individual telephone and email support as well as support from their tutors.

During the first lockdown, the service's community team rapidly identified a need for an informal way to engage with learners online as they no longer had the opportunities to meet with learners face to face. The outstanding result was that they delivered 160 Coffee and Chat sessions using Zoom between mid-March and August 2020. Varied numbers attended each session with the highest number at a single session 21, for a lockdown photography session. They received positive feedback from many learners who felt that this programme was a lifeline in a time of uncertainty and isolation. Offering a micro teach session allowed the service to directly signpost participants to our courses. The most successful being 10 enrolments to our online Yoga course and approximately 15 to online Cookery.

The development of learners' understanding of how to keep physically healthy and maintain an active lifestyle is embedded across all subject areas. In addition, the service offers healthy eating courses to learners who need support with their cooking skills and mindfulness courses to support learners' mental wellbeing.

From an observation in February 2020:

"End product - soup, was of an excellent standard. Learners encouraged to choose to add certain elements to the soup (supporting British Values). Fresh food brought in such as coriander, with all learners viewing and smelling this."

From an observation in January 2020:

"The ambiance in the room following the walk was especially vibrant with it clearly having a very positive effect on all. One learner even did a little dance with his walking aid as he prepared to go on the walk as it clearly is a highlight of the day."

Through our subcontractor, the Community Sports Foundation, 156 learners attended a virtual FC Live event, with Norwich City Football Club guests involved in the delivery. The aim of this event was to provide local coaches with a valuable insight into the current trends and topics within football. This event was highly successful. One learner commented:

"Thanks so much for putting these events on. It's not an easy time for any of us but these sessions are really insightful and interesting and I'm learning a lot."

Unfortunately, the summer Active Norfolk 'Get into Sport' programme and activities delivered through our subcontractors Norfolk Football Association were unable to go ahead due to the national restrictions.
As part of the service's remit in supporting learners to stay safe, the service embeds safeguarding messages into its Learner Newsletters and through its curriculum. In particular, the service has developed a safeguarding slide based on its new THINK! Safeguarding strategy, which will be displayed during online courses during 2020/21 so that learners have access to how to protect themselves from abuse.

In order to make rapid improvements to the information, advice and guidance available to our learners, during this academic year the service brought its Careers guidance service in-house and branded it 'Let's have a conversation'. Adult Learning has recognised the vital role that this service plays with our learners and in order to provide a highly effective service, we have widened our learner services team and now have 12 qualified Learner Services advisers offering Information Advice and Guidance to our learners. In addition, the service is well advertised and highly flexible. This service, which was introduced in November 2019, follows up all guidance conversations to see the impact it has had on our learners. From 88 follow up conversations with learners where the impact of the new service was reviewed, 35 learners have progressed in their learning, 3 have gained employment, 1 was referred to the Norfolk Careers Service and 10 learners have achieved their overall goal. In addition, 35 learners have received additional support and support with finance.

In addition to this service, tutors and assessors also provide effective careers information and advice and the community development team work closely with local job centres and libraries to ensure that learners benefit from detailed information on their next steps. For example, in one of the local areas, an officer worked with the Information Plus centre to offer courses specifically for their Job Club that supports people into work. Post lockdown, engagement has moved online, for example, to online employability forums across the county where promotion of our courses results in enrolments across our courses.

The redesign of our careers education and guidance service has provided both a richer source of information and a much more holistic approach to meeting learner needs. The service needs to focus on the embedding of Information, Advice and Guidance across the service to ensure that curriculum areas consistently refer learners.

The service works hard to support learners to progress to further learning. The 2019-20 learner survey conducted by the service established that 75% of respondents plan to attend further courses with the service.

The service is highly successful in progressing learners on to further learning, with good levels of internal progression, in particular at the lower levels.

8. Leadership and Management

8.1 The Impact of Leaders and Managers

Adult Learning, through its strong ambition, vision and intent, combined with a highly effective delivery of its provision, has an enormously positive impact on its learners.

In the second half of this academic year, the service's leadership and management teams demonstrated their total determination to ensure that every single learner was fully supported to continue learning and achieve in the face of the biggest crisis this country has faced since the second world war. The service's response to the onset of the Coronavirus pandemic, and the transfer of 100% of the service's provision to either online or remote delivery in less than one month from the start of the first national lockdown in March 2020, provides clear evidence of the service's commitment to providing positive impacts for our learners.

It is testimony to the service's leadership and management teams, as well as staff across the service, that in the face of the impact of the pandemic, Adult Learning continued to deliver teaching and learning effectively to adult learners across Norfolk and achieved 102.86% of its Education and Training funding target, securing additional funding for the service.

As part of the service's aim to provide all learners with the best possible service, regular and robust performance monitoring and management, supported by comprehensive, high quality data, including through the monitoring of electronic registers, have ensured that the improvement actions taken by leaders and managers are swift and effective. The learner handbook promotes the service's high expectations, and these are taken forward by the tutors and learning support assistants.

The service's Learner Services team supports learners to learn independently and to progress. The support this team provides helps learners to access their courses (physical and virtual), provides dyslexia screening, , access to examinations, help with coursework and study skills, wellbeing support and information, advice on how to access financial support and support to complete a funding or UCAS application.

The pandemic created a high need for support for learners to get online and improve their digital skills, so that they could continue their existing courses, and for new learners to join the service's new online learning programmes. The service's response to this need has been exceptional. From across the service, learners have been supported with both technical issues, such as the use of different platforms, and wider support issues, such as how to use Office 365, following set up instructions at the beginning of a course and understanding digital terminology. A lot of this support was given by telephone, via email and on Microsoft Teams. This support was then further developed by each learner's tutor as the learner progressed through their course. In addition, a comprehensive 'Being an Online Learner' guide was produced.

Through highly effective leadership of the service, Adult Learning remained completely focused on achieving positive outcomes for its learners. As a result, and in spite of the Covid-19 pandemic, learner attendance and outcomes remain broadly in line with the previous year. In addition, the service is able to evidence that, had it not been for Covid-19, and based on the success of learners who had their assessments delayed to the start of the 2020-21 academic year, because physical exams were not possible and virtual alternatives were not available, learner outcomes would have improved on the previous year.

As identified through the service's robust tutor observation process, 100% of tutors use their subject expertise to provide effective learning opportunities. The service's continuing professional development of teaching staff is comprehensive and very focused within specific subject areas. Across all areas of the curriculum, highly qualified and experienced Subject Leads support the teaching staff in their team and work closely with them to develop their subject expertise and pedagogical knowledge. In addition, the service's Quality Improvement Team are experts in teaching and learning and provide regular coaching and support that is tailored to the needs of each individual tutor, as identified through the observation process. In 2019-20, judgements across all criteria and all curriculum areas were at 98.2% practice currently embedded/strength. The end of year Learner Survey identified that 93% of learners rated the standard of teaching as either excellent or good.

The rapid move to online learning as a result of the pandemic, with around 3,000 online learners by the end of the academic year, created a range of developmental needs for our teaching staff. This support was provided by the Quality Improvement Team and a team of Tutor Buddies, who work with specific tutors to support them with online delivery. The Quality Improvement Team created a 'Teaching online' support environment, where good practice guides and support for tutors are available.

Leaders and managers need to focus on how the move to online teaching and learning has changed the way the service should respond to learners who require additional support in order to successfully complete their programme of learning.

In July 2020, the service delivered a CPD programme to teaching staff focusing on online delivery, with topics such as: providing effective learner feedback online, using PowerPoint to reach the audience and mental health awareness (both for staff working from home and in relation to learners with mental health issues in your classroom), among others.

The service conducted an Online Learning Review at the end of the academic year with learners, tutors and other staff to learn lessons for future online delivery. 84% of learners appreciated the flexibility of online learning and 90% said that communication with their tutor was just right. 89% of online learners completed their course. 46% of learners said they would continue with online learning even when the pandemic is no longer an issue.

The service's leadership team are driven to ensure that our learners benefit from effective teaching and high expectations in both our physical and our virtual classrooms. The implementation this year of a new developmental observation process, combined with a reinforcement of the management of the quality of teaching and learning, were highly effective in addressing previously identified areas for improvement. All of the service's target improvement areas were achieved and the service has a robust improvement plan in place. The service's response to Covid-19 was exceptional, with the quality improvement team leading the service's highly effective support for tutors and learners to access their classrooms online. With the continuation of a high proportion of online learning, the service has commissioned a comprehensive training package for tutors that will be delivered in the autumn term of the 2020-21 academic year. In addition, the service has prioritised expenditure of the £800,000 capital funding it has secured from the Council for the purchase and use of new IT equipment to support the delivery of flexible and remote learning. The quality improvement team has redeveloped its observation processes to an online environment, so as to ensure that learners continue to benefit from a high-quality experience through these challenging times.

Adult Learning has a comprehensive Learner Involvement Strategy, which creates a framework for securing learner feedback and involvement. Learner focus groups are used to review specific service initiatives, such as the review of the learner handbook in March 2020. A Learner Forum has been developed and will be up and running in the autumn term 2020-21, with 95 learners already recruited, and the service is in the process of recruiting two learners to join its Steering Group. In addition, a Learner Awards initiative has been developed and will be implemented in 2020-21. A comprehensive learner involvement package has been developed and now needs to be fully implemented.

Learner surveys are a key vehicle for securing learner feedback. The end of year Learner Survey for 2019-20 identified that 97% of learners enjoyed their course and 88% of learners would recommend the service to a friend. From the start of 2020-21, a continuous feedback process through more regular surveys will be implemented. The service also engages with employers through its Apprenticeship Employer Survey and 83% of employers rated the service with a score of 7 or greater.

The community development team lead the development of local community engagement opportunities in specific geographical areas of the county. This team work closely with local partners and groups to identify and develop learning opportunities that meet local need. For example, by working closely with a community group in North Walsham, provision was developed to meet the IT skills needs of older residents living in rural areas.

The annual 'Our voice, our council staff survey 2020', has provided significantly improved feedback from staff in most topic areas in comparison with the previous year. Staff reported that they are receiving more organisational support and that they are experiencing reduced workplace tensions. The survey also highlighted a significant improvement in the way leaders inspire staff to use their own initiative and that staff believe that leaders have a clear vision for the future of the organisation. In addition, staff reported improvements in the way that the service values their achievements at work, with comments such as:

"supportive meetings", "being valued"* and *"I can make suggestions confidently and I know I will be listened to".

The service will focus on the areas where additional work is needed in relation to the quality of performance conversations and investment in learning and development, which is directly linked to the implementation of new job requirements where training needs to be improved, and engagement with part time workers. Interestingly, scores from responses submitted after lockdown were higher than prior to lockdown.

The service's Wellbeing Facilitators, who represent all areas of the service, provide a telephone and email response service to the whole Adult Learning team. They also produce regular staff newsletters with helpful information about physical and mental well-being. In addition, the Council's Norfolk Support Line is a 24/7 service available to all staff, with confidential telephone and physical counselling available free of charge.

The service has created a communications and engagement calendar, which has led to a planned improvement in communication with all staff. From March to June, during the first Coronavirus lockdown, the Head of Service sent a daily communication to all staff to keep them engaged with the service and feeling supported, while they worked from home. A weekly Staff Briefing keeps staff up to date with the latest service developments. Regular, termly staff engagement sessions commenced in the autumn term in physical locations around Norfolk. With the onset of the pandemic, these staff engagement meetings have moved online, with 10 separate online meetings held in May and June. All of these initiatives, and more planned for 2020-21, aim to keep staff feeling engaged and part of the service.

The service has also engaged with staff to discuss the impact of working from home and flexible working. Throughout the pandemic, managers have ensured that staff are able to work flexibly around their personal commitments and staff are encouraged to 'take a break' during the working day.

Staff safety, while always important, has come to the forefront of our actions during the pandemic. All activities, including teaching, are risk assessed and this process determines how we deliver our services in a Covid-19 secure way.

A review of the service structure led to a consultation process from November 2019 to January 2020 and the outcome of this process has led to a reinforced service structure that has addressed the gaps that previously existed. For example, the Learner Services team has been reinforced and a team of Learner Experience Officers are now available to provide a comprehensive range of support and advice for learners. A dedicated manager was appointed to provide effective leadership and support for the team of Learner Support Assistants; however, this manager was immediately redeployed to Covid-19 work for the Council and therefore has not yet had the opportunity to implement an improvement plan.

A continuous programme of CPD develops and strengthens the quality of our workforce. For example, following an expansion of our learner services team, the whole team has completed Information, Advice and Guidance training. Where teachers have an area for development identified through the observation process, our approach of providing coaching, targeted CPD and support has been highly successful. For example, the positive and active promotion of Prevent was identified as an area for development with two tutors during the year. Following targeted CPD and support, these two tutors were re-observed and this was no longer an issue.

The service's leaders and management team have very high ambitions for all learners, including those who are difficult to engage. This is shown in our commitment to increasing the proportion of learners from deprived wards in Education and Training in 2019/20. Community learning recruitment however, especially family learning, needs to continue to focus on opportunities to engage with hard to reach learners.

The service has appointed a Community Development Manager who manages a team of staff who focus on developing strong relationships with partners, so as to focus our delivery in the areas of greatest need. For example, a relationship with the Matthew Project, which supports learners who are recovering from alcohol abuse, has delivered both photography and creative arts for well-being, both in a physical classroom and successfully online when face to face provision was not available. A member of the community team attended coffee mornings in Great Yarmouth run by Feathers Future, a charity that supports victims of domestic abuse, to offer advice and support and refer clients onto Adult Learning courses.

The service also delivers a significant Independent Livings Skills programme to learners with learning disabilities. This programme enables these learners to live independent lives. This programme has continued throughout the pandemic, with online (through Zoom) and remote delivery and support from the learner support team. The total and relentless dedication of this team enables these learners to continue and achieve.

Likewise, the service's lipreading courses enable learners who are hearing-impaired to lead an active life. With a move online during the pandemic, and a cohort of more senior learners, the service has proved that it is possible for an ageing population to learn online, provided the organisational support is in place to support both the tutors and learners to achieve this change.

8.2 The Impact of Governance

Adult Learning's multi-layered Governance arrangements provide strong leadership, accountability for, oversight and assurance of, the service's performance.

As a local authority provider, the service is subject to two levels of governance. Governance is provided by both the Governing Body (referred to as the Steering Group) and the Council's democratic process laid out in the Council's constitution. The two levels are complimentary and ensure there is robust scrutiny, challenge and input into the strategic direction and performance of the service.

The Cabinet Member for Communities and Partnerships is Chair of the service's Steering Group and, in addition, the service reports into the cross-party Infrastructure and Development Select Committee, which holds the service to account and supports the service to shape and develop its direction.

The Adult Learning Steering Group has cross-party representation, in addition to representatives from the New Anglia LEP, the Community and Voluntary sector, the Library service and the Council's Finance and Growth and Development teams. The Steering Group's responsibilities are clearly set out in the Terms of Reference and the Steering Group meets on a monthly basis. Towards the end of the 2019-20 academic year, the Steering Group agreed to recruit a staff representative and two learners to join the Group. This will be taken forward in the 2020-21 academic year.

Steering Group members have a secure understanding of the strengths and weaknesses of the provision and set robust targets to ensure that senior leaders improve the provision. They monitor the completion of the targets effectively. In addition, the Steering Group provides knowledge and support to the service's leadership and management teams, which is enormously positive and welcomed by staff within the service.

8.3 The Effectiveness of Safeguarding Arrangements

Led by the service's Steering Group and safeguarding team, Adult Learning has highly effective safeguarding arrangements in place. The safeguarding of learners and staff, while everyone's responsibility, is led by the Head of Service, who is the service's Designated Safeguarding Lead, supported by a team of Deputy Safeguarding Leads.

The Adult Learning Steering Group has, within its Terms of Reference, a remit to:

- Be proactive in ensuring that learners feel safe and know how to raise concerns and that effective safeguarding policies and practice are in place

- Place the promotion of fundamental British values at the heart of the service's work and protect learners from radicalisation and extremism, responding swiftly where learners are vulnerable to these issues.

The Designated Safeguarding Lead reports to Steering Group at every Steering Group meeting. The safeguarding team is well trained and provides good support to staff and learners. The service has clear policies and processes in place that enable staff to identify, help and protect learners and reduce their risk of harm. All staff are DBS-checked in accordance with the service's policy and receive regular and appropriate training, which is led by the safeguarding team. The service also provides local updates for staff through regular communications and team activities, including the inclusion of safeguarding on all management and Steering Group agendas. This has resulted in a good level of awareness among staff of local issues, such as county lines, that may affect their learners' safety. In addition, the service has implemented an additional programme of online safeguarding training for all managers, to increase safeguarding awareness and further reinforce measures in relation to Safe Recruitment.

Staff deal with safeguarding concerns promptly and appropriately and effective records are maintained. In 2019-20, all cases were managed and closed within 24 hours of them being reported.

Since March 2020, and as a result of the pandemic and the move to online learning, the Safeguarding team has led a comprehensive review of measures to protect learners and staff when they are learning and working online. This has resulted in a plan to develop a new range of online resources for staff to use in their online class, which will be implemented in the 2020-21 academic year.

9. Self-Financed Programmes

Adult Learning's self-financed programmes are designed and delivered outside of the Government-regulated system and do not draw down any Government funding.

Increasing Income Streams and building the Leisure programme

The Leisure strand of Adult Learning is made up of full cost recovery courses, with a focus on creative crafts. A key aim of the Leisure programme this year was to increase and diversify revenue through the introduction of new creative programme strands targeted at a younger demographic. Half-day Saturday craft tasters and evening courses across silversmithing and ceramics successfully achieved this, with Leisure successfully meeting its financial target in the 2019-20 financial year, generating an income of £292,000. Over the autumn and spring terms, 1,496 learners engaged with the leisure programme on-site.
It is expected that this programme will grow in 2020-21, as modern foreign languages and some creative courses will complete their transition across to the service's full cost recovery programme.

Developing Creative Partnerships and Reciprocal Marketing

A further aim was to raise the profile of the Leisure offer via new, creative partnerships and strong and succinct marketing messaging. Partnerships were developed with the creative and cultural sector – including participation in Norfolk Open Studios, Norfolk's Maker Festival, Norfolk's Creativity and Wellbeing Week, and a planned craft market at Wensum Lodge in collaboration with the Fresh Artisan Market (which has had to be delayed due to Covid-19).

A creative e-shot and new evaluation methods were introduced to build stronger relationships with core learners, whilst specific campaigns targeting a younger demographic were created. Strong reciprocal marketing relationships were developed with Norfolk cultural partners including Norwich University of the Arts, Visit Norwich, Norfolk Arts Forum and Norfolk and Norwich Festival.

With the outbreak of the Covid-19 pandemic, new internal cultural and commercial partnerships were developed:

Connect Create – Partnership with Norfolk Museums Service

"I really enjoyed the mixture of art history and practising techniques, as well as the actual making, and the brilliant guidance and explanations by the excellent Tutor' participant feedback."

Working with Norfolk Museums Service, *Connect-Create* was piloted – providing online workshops for adults offering the opportunity to engage Norwich Castle's collection via specialist talks from expert museum staff, followed by the chance to respond creatively with expert tuition from a Tutor from Adult Learning. The offer was well received with 40 participants over 4 sessions. The service aims to further develop this type of online offer as well as a physical course in partnership in summer 2021.

Staff Wellbeing Workshops – Partnership with HR

"Today left me feeling energised and helped de-stress and calm my anxiety' participant feedback."

A partnership was also developed with Norfolk County Council's (NCC) HR service, who commissioned the service to develop a series of online wellbeing workshops for Adult Social Services staff. Spanning yoga, mindfulness, creative writing and drawing, the workshops focused on the NHS five steps to wellbeing. 75 staff participated in the five sessions. A further 15 workshops have been commissioned, open to all NCC staff. Over the next academic year, the service is keen to look into opportunities to extend the wellbeing offer to external commercial partners.

Development of Online Offer and Safe return to face to face delivery

With the outbreak of Covid-19, teaching staff moved to online teaching, with great success. This has led to the decision to deliver languages online for the duration of the ongoing pandemic, which has led the service to reach a wider geographic demographic across Norfolk.

The pandemic led to a pause in the summer term for silversmithing and pottery courses. Working closely with tutors, technicians, the internal operations team and NCC health and safety officers, the service has prepared to return to the classroom in the 2020-21 academic year, subject to the ongoing pandemic.

10. Full data tables are in the accompanying document '2019_20_SAR Final Data Tables'

Short inspection of Norfolk County Council Adult Learning

Inspection dates: 28–29 January 2020

Outcome

Norfolk County Council Adult Learning continues to be a good provider.

Information about this provider

Norfolk County Council Adult Learning (NCCAL) provides adult learning and apprenticeship programmes. NCCAL provides training in a region that has a high proportion of residents with a low level of numeracy, literacy and vocational qualifications.

At the time of the inspection, there were 3,354 learners. Most learners study level 1 and level 2 courses. These include functional skills qualifications in English and mathematics. Most learners are adults. 143 learners are on apprenticeship programmes, most at level 3. Programmes include business administration, operational firefighter and teaching assistant standards.

The provider's largest teaching centre, Wensum Lodge, is in the early stages of a major development project. The council has provided significant investment which is currently being used to provide new learning resources to meet the needs of the community.

What is it like to be a learner with this provider?

Learners enjoy the comfortable, inclusive learning environment. They feel welcomed and supported by staff and tutors. Tutors provide them with good-quality learning resources to use at home. This helps learners to improve and consolidate their skills and knowledge more rapidly.

Tutors support learners effectively, helping them to develop their confidence. Many courses help learners overcome their loneliness and isolation from society. For example, lipreading classes enable hearing-impaired learners to lead an active life. Learners develop the confidence to meet new people and interact with their neighbours.

Many learners enjoy developing their hobbies to a high standard. Courses such as silversmithing teach techniques essential for producing delicate high-quality jewellery. Learners often develop their hobbies into self-employment.

Most learners gain basic skills in English and mathematics.

Learners feel safe studying at NCCAL.

What does the provider do well and what does it need to do better?

Leaders have designed an effective curriculum that meets the needs of the local community and employers well. They understand the needs of learners living in rural, often economically deprived, areas of Norfolk. Good provision is available for learners with complex learning and social needs. For example, they teach adults with learning disabilities how to live independent lives. Leaders ensure that programmes offered provide many opportunities for learners to continue studying. Good provision exists for the ageing population.

Tutors are skilful in helping learners become more resilient. For example, apprentices are able to discuss concepts such as unconscious bias and the impact it has on their behaviour and corporate culture. This enables them to have difficult conversations with their team members.

Tutors enable apprentices to understand the impact that national issues may have on their businesses. Apprentices relate these well to their own learning. For example, they engage in lively and informed discussions about Brexit. They are able to relate the implications that this may have on future trading in the European market.

Staff embrace the diverse backgrounds of their learners. They use their different interests and cultural traditions to develop effective resources and learning activities. For example, Chinese learners develop their writing using information about the Chinese New Year calendar. Tutors use sports articles from newspapers to help adult learners read using their interest in football.

Tutors ensure that most learners and apprentices access good-quality learning resources. Learners benefit from a flexible learning approach using new technology. This helps them to make good progress on their courses. For example, adult learners receive effective support from their tutors to enable them to link the online learning resources to classroom activities. This supports them to continue their learning in their own time. However, learners in a few community learning venues do not benefit from these good resources and facilities.

Tutors do not ensure that adult learners receive appropriate developmental feedback to enable them to improve the standard of their written work. For example, learners do not develop skills in self-correction when reviewing their own work because tutors do not routinely correct or explain basic errors in spelling, punctuation and grammar.

Assessors do not identify apprentices' starting points effectively. As a result, they do not have a good understanding of the skills, knowledge and behaviours that apprentices need to develop. Leaders are taking steps to rectify this, but it is too early to demonstrate its impact.

Tutors and assessors carry out effective careers advice and guidance. Leaders have a rich source of information about their communities and learners. Experienced staff work closely with the local job centres and libraries to ensure that learners benefit from detailed information on their next steps.

Leaders recently strengthened the senior leadership team. Management training has ensured that they have the skills and expertise they need. Governance arrangements are strong. They have a secure understanding of the strengths and weaknesses of the provision. Governors set robust targets to ensure that senior leaders improve the provision. They monitor the completion of the targets effectively.

Safeguarding

The arrangements for safeguarding are effective.

The safeguarding team is well trained. The team provides good support to teachers and learners. Staff deal with safeguarding concerns promptly. All staff complete appropriate training. They have a good understanding of the local issues that may affect their learners' safety.

What does the provider need to do to improve?

- Leaders should ensure that the feedback given by tutors enables learners to develop their knowledge and skills rapidly.
- Leaders should rapidly improve the learning resources and facilities at the few insufficiently resourced adult community learning venues.
- Managers must ensure that assessors use the starting points of apprentices to plan learning effectively.

Provider details

Unique reference number	53545
Address	County Hall Martineau Lane Norwich NR1 2DH
Contact number	01603 306605
Website	www.norfolk.gov.uk/education-and-learning/adult-learning
Principal/CEO	Denise Saadvandi
Provider type	Local authority
Date of previous inspection	18–21 April 2016
Main subcontractors	Norfolk County Football Association

Information about this inspection

The inspection was the first short inspection carried out since Norfolk County Council Adult Learning was judged to be good in April 2016.

The inspection team was assisted by the Head of Service, as nominee. Inspectors took account of the provider's most recent self-assessment report and development plans, and the previous inspection report. The inspection was carried out using the further education and skills inspection handbook and took into account all relevant provision at the provider. Inspectors collected a wide range of evidence to inform judgements including observing learning sessions, scrutinising learners' work, seeking the views of learners, staff and other stakeholders, and examining the provider's documentation and records.

Inspection team

Michael Worgs, lead inspector	Her Majesty's Inspector
Penny Fawcus	Her Majesty's Inspector
Sambit Sen	Her Majesty's Inspector
Chris Bealey	Ofsted Inspector

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Service: Adult Learning

Appendix 3

Plan on a Page December 2020

What we'll do

Vision:
We anticipate and respond to the needs of individuals, communities, employers and Norfolk's economy through the delivery of outstanding, inspirational and highly flexible learning

Outcomes:
Adult Learning's strategic and operational activities contribute to the existing and emerging areas of need, including the six year plan and the recovery response to Covid.

Priorities:
- Provide the knowledge and skills that individuals, employers and Norfolk's economy need
- Improve adult attainment and employability, so that individuals have the skills they need to find sustainable employment
- Play a key role in rebuilding communities and responding to the rural nature of the county, by supporting individuals and communities to be healthy, connected, safe, resilient and independent
- Work with partners and local community partnerships to support the recovery response
- Enable people with disabilities to access learning and work
- Enable families to support their children to be school ready
- Develop Wensum Lodge as a creative hub.

How we'll do it

We will use our external funding effectively to deliver an innovative, responsive and flexible **curriculum** that **responds** directly and robustly **to the social and economic impact in Norfolk of the Covid pandemic**. In particular, we will focus on the impact on: adult attainment and employability; local businesses; social mobility; individuals who are the most vulnerable and isolated in our community; the health and wellbeing of residents; the school readiness of children; safeguarding and domestic violence.

We will **work closely with** partners, local communities and employers, as well as with residents and learners, and we will use **data and insight** to effectively shape and **target our provision** so that it supports the recovery response to Covid, rebuilding communities and responding to the rural nature of the County.

We will further develop the quality and accessibility of the **information, advice and guidance** we provide. We will seek to understand and be ambitious for our learners, **assessing their needs** and ensuring we provide high quality **careers guidance,** which is focused and targeted well to their needs.

We will **operate within the budget** available from the funding we secure and the income we generate, being financially self-sustaining. We will look for ways to improve our efficiency, be **commercial**, and make the best use of our assets and resources.

We will provide **accessible, high quality learning experiences**, support, environments and resources, which give every learner the best chance of success. We will relentlessly focus on the quality of teaching, learning and assessment and be ambitious for our learners, ensuring any further support needs are quickly identified and responded to.

We will continue to use **our systems and processes** to improve the efficiency and effectiveness of our service. Everyone will understand the importance of the **data** we capture; to support learners, monitor performance and continuously improve the service.

We will work closely with our steering group to ensure we have strong leadership and governance and to **develop an inclusive and supportive culture** for both learners and staff, where diversity is valued and people feel safe. **Safeguarding, Prevent** and **British Values** will continue to be embedded into our ways of working and curriculum.

How we'll know if we've made a difference

- Data and feedback demonstrate impact against service priorities
- Self-assessed as providing an Outstanding service to our learners and staff by the end of the 2020/21 academic year
- Number of learners and apprentices accessing the service in line with service planning
- Achieving our contract and income targets
- Operating within our budget
- Number of learners who progress into further learning/education or sustainable employment
- Number of learners who report improved health and wellbeing
- Outstanding inspection outcome at our next Ofsted inspection
- Improvement in staff wellbeing
- Matrix accreditation for information, advice and guidance maintained.

Appendix 4 – Adult Learning's Priority Outcomes

This document outlines in detail how Adult Learning's strategic and operational activities will contribute to these three priority outcome areas in the 6-year plan. Adult Learning has reviewed and adjusted the Adult Learning Annual Plan to reflect the emerging needs of the county and the recovery response to Covid.

Growing Economy

We will:

- Provide extensive progression routes that enable learners to increase their literacy, numeracy and digital skills
- Provide access to a wide range of vocational and skills qualifications; as well as strong access routes into higher education
- Grow our apprenticeship programme in key sectors to provide sustainable employment and support for employers and the economy
- Deliver community-funded courses that give residents the employability skills they need to get back into work and a range of courses that provide business start-up skills that target residents who aim to start their own business
- Develop Wensum Lodge as a creative hub. While the final direction of this project has been delayed due to Covid, the service continues to focus on how it can develop both its physical and online creative offer and provide an enhanced learner experience.

Thriving People

We will:

- Provide a comprehensive Careers information, advice and guidance service
- Maximise the use of support funding to enable residents to access learning
- Enable people with disabilities to access learning and work and to live independent lives
- Provide access to learning opportunities that respond to issues such as healthy eating and lifestyle, budgeting, loneliness, social isolation and mental wellbeing
- Enable families to support their children to be school ready through our family learning programme, including targeting families at risk due to county lines
- Offer a programme of personal development courses that are self-financed by the learner, enabling residents to extend their knowledge and grow
- Raise aspirations with our learner awards and involvement programmes.

Strong Communities

We will:

- Locate the service's programmes in the heart of Norfolk's communities, both in physical classrooms and through online learning, to enable residents to access teaching and learning in the way that best meets their needs
- Play a key role in rebuilding communities and responding to the rural nature of the county, by supporting individuals and communities to be healthy, connected, safe, resilient and independent

- Continue to develop training for volunteers, both in specific sectors such as health and social care and sports coaching, and also by targeting the wider community through the Volunteering Passport
- Work closely with colleagues, partners and stakeholders to support the recovery response through learning
- Provide learning opportunities for the ageing population, for example, the service's lipreading programmes enable learners with hearing loss to continue to participate fully in their local community
- Champion Safeguarding and Prevent, including the British Values. In particular, the service will continue to work to target domestic violence and child abuse as we work with residents across Norfolk.

Cabinet

Item No: 17

Report title:	**Acquisition of Property for the Great Yarmouth Third River Crossing project**
Date of meeting:	**1 February 2021**
Responsible Cabinet Member:	**Councillor Greg Peck** **Cabinet Member for Commercial Services and Asset Management**
Responsible Director:	**Simon George** **Executive Director of Finance and Commercial Services**
Is this a key decision?	**No**

Introduction from Cabinet Member

The proposal is for the County Council to acquire the leasehold interest and stock of South Denes Car Centre at South Denes Road, NR30 3LW, to enable construction of the Great Yarmouth Third River Crossing Scheme.

Executive Summary

This report seeks approval for the acquisition of the leasehold interest and stock of South Denes Car Centre, effectively extinguishing the business.

Recommendations

Cabinet is asked to approve the acquisition of the leasehold interest and stock of South Denes Car Centre, South Denes Road, Great Yarmouth NR30 3LW on terms agreed and instruct the Director of Property to oversee the implementation of the acquisition.

1. Background and Purpose

1.1 Norfolk County Council has been granted a Development Consent Order for the construction of the Third River Crossing in Great Yarmouth which involves seeking powers for the acquisition of land required on both a permanent and temporary basis.

1.2 The Third River Crossing scheme requires the permanent acquisition and demolition of the buildings at the South Denes Car Centre site.

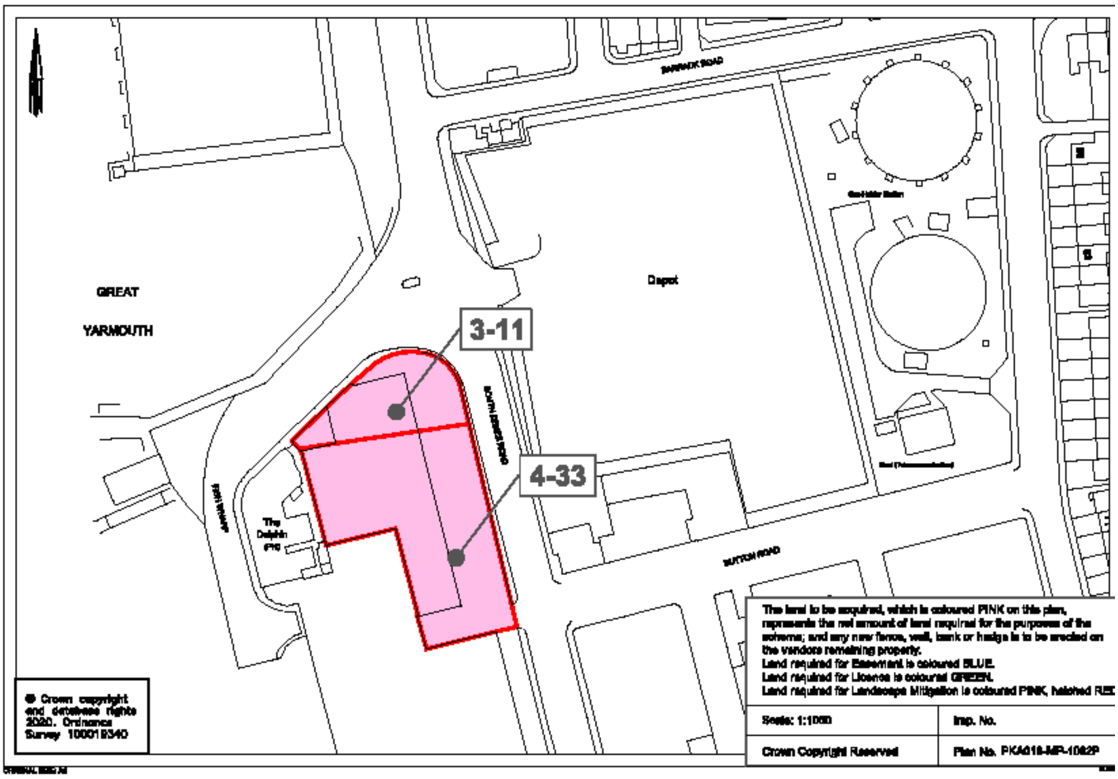
1.3 The freehold of the site is owned by Great Yarmouth Borough Council. The acquisition of their interest in this site, will be subject to a separate report when all terms are agreed.

1.4 The leasehold interest is held by Mr Cecil Spinks under three separate ground leases expiring in 2064 and he operates the site as South Denes Car Centre.

1.5 NPS Property Consultants Ltd were instructed in December 2017 to act on the Council's behalf and have now successfully completed the negotiations to acquire the leasehold and stock.

2. Proposals

2.1 Norfolk County Council to acquire the leasehold interest in the land, shaded pink on the plan, being land and buildings at South Denes Car Centre, South Denes Road, NR30 3LW together with the stock from the business operated therefrom for the purposes of implementing the Great Yarmouth Third River Crossing Scheme.



2.2 This is an acquisition effectively under compulsory purchase powers and therefore Mr Spinks is entitled to Basic and Occupier Loss Payments totalling 10% of the leasehold interest.

2.3 In addition to the above payments, NCC are also required to pay the following:

- Forced sale acquisition of all stock and equipment. (NB: Some of this will be recouped through the subsequent disposal of the stock).
- Mr Spinks professional fees, a budget allowance has been provided for.
- Stamp Duty Land Tax.
- The County Council's own professional fees.

2.4 The Community and Environmental Services Major Projects Team, that is overseeing the scheme, have confirmed their agreement to the compensation proposals.

2.5 Members of the Great Yarmouth Third River Crossing Land Assurance Group have confirmed their agreement to the compensation proposals.

2.6 The Divisional Member, Mike Smith-Clare, has been informed of this proposal.

2.7 The acquisition price is included in an exempt report as it is to remain confidential, as defined under Paragraph 3 of Part 1 of Scheduled 12A to the Local Government Act 1972 in that it contains commercially sensitive information relating to the authority, namely the purchase price. The public interest test has been applied, and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information at this stage.

Details will be published on the land registry website when the acquisition is completed.

2.8 This decision is required to be made by Cabinet as the remaining leasehold interest being acquired is longer than 20 years (34 years remaining).

3. Impact of the Proposal

3.1 The implementation of the proposal will result in the leasehold acquisition of the property described to provide for the construction of the Great Yarmouth Third River Crossing Scheme.

4. Evidence and Reasons for Decision

4.1 The acquisition of this property by agreement supports the construction of the Great Yarmouth Third River Crossing Scheme.

5. Alternative Options

5.1 There are no alternative options.

6. Financial Implications

6.1 The acquisition price was negotiated and agreed, this is detailed within the exempt report.

6.2 The acquisition of this land is via the approved capital programme.

7. Resource Implications

7.1 **Staff:** nil

7.2 **Property:** The land covered by the leasehold interest will mainly be incorporated into the Scheme and ultimately become public highway. Any areas not required will remain in the freehold ownership of Great Yarmouth Borough Council and be available to them post scheme.

7.3 **IT:** nil

8. Other Implications

8.1 **Legal Implications**
For acquisitions in the usual way the legal implications are around the parties agreeing to the terms of the agreement for the acquisition and entering a contract.

8.2 **Human Rights implications:** Not applicable

8.3 **Equality Impact Assessment (EqIA):** Completed by Community and Environmental Services as part of the scheme assessment.

8.4 **Health and Safety implications:** Not applicable.

8.5 **Sustainability implications:** Not applicable

9. Risk Implications/Assessment

9.1 The risks around the acquisition of sites are around the non-agreement of terms. This risk is mitigated by using experienced expert consultants.

10. Recommendations

10.1 Cabinet is asked to approve the acquisition of the leasehold interest and stock of South Denes Car Centre, South Denes Road, Great Yarmouth NR30 3LW on terms agreed and instruct the Director of Property to oversee the implementation of the acquisition.

Officer Contact

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

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