Norfolk County Council

Cabinet

Date:	**Monday 30 January 2023**
Time:	**10 am**
Venue:	**Council Chamber, County Hall, Martineau Lane, Norwich NR1 2DH**

Membership

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

Advice for members of the public:

This meeting will be held in public and in person.

It will be live streamed on YouTube and members of the public may watch remotely by clicking on the following link: Norfolk County Council YouTube

We also welcome attendance in person, but public seating is limited, so if you wish to attend please indicate in advance by emailing committees@norfolk.gov.uk

We have amended the previous guidance relating to respiratory infections to reflect current practice but we still ask everyone attending to maintain good hand and respiratory hygiene and, at times of high prevalence and in busy areas, please consider wearing a face covering.

Please stay at home if you are unwell, have tested positive for COVID 19, have symptoms of a respiratory infection or if you are a close contact of a positive COVID 19 case. This will help make the event safe for attendees and limit the transmission of respiratory infections including COVID-19.

A g e n d a

1 To receive any apologies.

2 Minutes

To confirm the minutes from the Cabinet Meeting held on:

- Wednesday 11 January 2023 — Page 5
- Tuesday 17 January 2023 — To Follow

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 Updates from the Chairman/Cabinet Members

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 Tuesday 24 January 2023. For guidance on submitting a public question, please follow this link: Ask a question to a committee - Norfolk County Council

Any public questions received by the deadline and the responses will be published on the website from 9.30am on the day of the meeting and can be viewed by clicking this link once uploaded: Click here to view public questions and responses

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 Tuesday 24 January 2023.

Report by the Executive Director of Finance and Commercial Services

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

To note the delegated decisions made since the last Cabinet meeting.

Decision by the Cabinet Member for Highways, Infrastructure and Transport:

- Hay Hill, Norwich - Public Realm Works – Norwich City Council funded project

Tom McCabe

Head of Paid Service
Norfolk County Council
County Hall
Martineau Lane
Norwich
NR1 2DH

Date Agenda Published: 20 January 2023

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Norfolk County Council

Cabinet
Minutes of the Meeting held on Wednesday 11 January 2023 in the Council Chamber, County Hall, at 10am

Present:

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

Executive Directors Present:

James Bullion	Executive Director of Adult Social Services
Paul Cracknell	Executive Director of Transformation and Strategy
Simon George	Executive Director of Finance & Commercial Services
Kat Hulatt	Assistant Director of Governance
Tom McCabe	Executive Director of Community and Environmental Services
Sara Tough	Executive Director of Children's Services

The Chairman paid tribute to Cllr Martin Wilby who had stood down from his role on Cabinet and who had done a tremendous job in this high-pressure role. Cllr Graham Plant, the Vice-Chairman of Cabinet, had taken on Cllr Wilby's role as Cabinet Member for Highways, Infrastructure and Transport. The Chairman wished Cllr Wilby well for the future. Cllr Fabian Eagle had been appointed into the role of Cabinet Member for Growing the Economy.

Cabinet Members and Executive Directors introduced themselves.

1 Apologies for Absence

1.1 There were no apologies.

2 Minutes from the meeting held on Monday 5 December 2022.

2.1 Cabinet agreed the minutes of the meeting held on 5 December 2022 as an accurate record.

3 Declaration of Interests

3.1 No interests were declared.

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

4.1 None.

5 Update from the Chairman/Cabinet Members

5.1 The Cabinet Member for Adult Social Care, Public Health and Prevention gave an update to Cabinet on staff efforts over the Christmas and new year bank holidays:

- The Cabinet Member for Adult Social Care, Public Health and Prevention thanked social care teams for the extraordinary efforts they had put in over Christmas and New Year.
- Norfolk First Support had worked throughout this period including on Christmas day and Boxing Day making 1200 home visits over the two week period and with the Swifts team made 400 visits over this time.
- Teams of social workers and occupational therapists worked throughout the holiday to get people home over the Christmas and new year period.
- The teams handled a large number of discharges, helping 1000 people leave hospital in December and over Christmas and many hours of support had been put in place to help people stay at home.
- Support put in place included setting up lunches for asylum seekers, sending out warm and well packages and food parcels for vulnerable people and helping families to avoid becoming homeless.
- The Duty team worked out of hours supporting children and adults and took over 700 calls during the holidays.
- The Cabinet Member for Adult Social Care, Public Health and Prevention thanked these staff on behalf of the Council for their commitment and paid tribute to their very hard work on behalf of residents.

5.2 The Cabinet Member for Adult Social Care, Public Health and Prevention gave an update to Cabinet on Government Funding for health and social care:

- Extra funding had been announced as part of the recently held Government meeting for the Health and Social Care system. This funding would be £250m across the country.
- Since Covid-19 the system had been under increased pressure, impacting on residents and staff in Norfolk.
- This extra funding would give the NHS the ability to put in place more step down and intermediate care outside of hospital. To be successful, wrap around care, community nursing, occupational support and community support to help people return home would be essential.

5.3 The Chairman also noted the hard work done by staff over the Christmas and New Year period.

6 Public Question Time

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

7 Local Member Questions/Issues

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

7.2.1 Cllr Alexandra Kemp asked a supplementary question:

- People want the Carnegie building to stay in public ownership and as a library. The consultation did not allow people to say that this is what they wanted to happen; you would not move the Norwich Castle Museum into a shop. The Carnegie building is part of our heritage and I ask the Cabinet Member to consider an extension to the Carnegie building; this is a historic part of King's Lynn. Please also restore the history books which used to be in place here. The building should be saved.

7.2.2 The Cabinet Member for Communities and Partnerships replied to Cllr Kemp that the contracts for this project had been exchanged and the money drawn down to continue with the project. Most people consulted with felt that a service should be available in the centre of Kings Lynn, and this would provide the opportunity to provide other services such as adult education. The Carnegie building was not in the centre of the town. The building would however be kept as a community asset and any organisations with ideas of how it could be used could come forward to the Council.

8. Admission Arrangements for the School Year 2024/25

8.1.1 Cabinet received the report setting out the admissions co-ordination scheme for all schools and the admissions policy for all Community and Voluntary Controlled schools, for which the Council was the admissions authority and Cabinet was therefore required to determine.

8.1.2 The Executive Director for Children's Services highlighted to Cabinet Members that the report set out the Council's statutory responsibility to agree the admission arrangements for the year 2024-25.

8.1.3 The Cabinet Member for Children's Services introduced the report to Cabinet: The was an annual report to Cabinet

- This was a statutory, annual report to Cabinet.
- Paragraph 4.3 of the report indicated that if parents were refused admission to a preferred school they were "entitled to the Independent Admission Appeals Panel. Since 2010, the Panel is required to consider the legality of admission arrangements as part of this process and where these do not comply refer Office of the Schools Adjudicator (OSA)." No such referrals had been made
- Paragraph 4.4 of the report set out that "Parents can refer to the Office of the School Adjudicator any concerns on the determined admission arrangements" however no referrals had been made since 2014, where it was confirmed that the Council's arrangements were compliant.
- The Cabinet Member for Children's Services moved the recommendation as set out in the report.

8.2 Cabinet **RESOLVED** to determine the Admissions arrangements for the school year 2024/25

8.3 **Evidence and Reasons for Decision**

Please see section 4 of the report

8.4 **Alternative Options**

None

9. Schools' Local Growth and Investment Plan

9.1.1 Cabinet received the report setting out Norfolk County Council's statutory duty to provide sufficient school places and providing an annual snapshot of how these will be secured in the Schools' Local Growth and Investment Plan.

9.1.2 The Executive Director for Children's Services highlighted to Cabinet Members that the Council had a statutory duty to provide sufficient school places and this was an annual report to Cabinet.

9.1.3 The Cabinet Member for Children's Services introduced the report to Cabinet:

- This annual report was broken down into district areas as the Council worked with district councils on projections for house building, major areas of growth and smaller extension areas to identify whether to extend existing or build new schools. This work would be impacted by nutrient neutrality and decreasing birth rates seen across the county.
- Paragraph 6.2 of the report stated that the cost of delivering all places was approximately £308m provided from sources including section 106 funding, Community Infrastructure Levy funding and Department for Education funding. The Council would look to the Department for Education to be responsible in the future for the school building programme.
- The Cabinet Member for Children's Services moved the recommendation set out in the report.

9.2 The Chairman noted that the Greater Norwich Growth Board had approved £2.5m Community Infrastructure Levy income, which was a 25% uplift from previous years.

9.3 The Vice-Chairman noted there was housing growth planned in Great Yarmouth however page A37 of the report stated that the birth rate was declining consistently against an overall population increase. The main population growth in this area was being seen in the over 65 age group. From this he noted the importance of using data and knowledge of which schools were at capacity to plan where new schools were needed across the county. The Cabinet Member for Children's Services agreed and reported that there was close working with district councils and developers; for example, in Hellesdon, a new school had been planned with a developer, however, due to fewer homes being built than originally planned and the reducing birth rate in the area this construction was reconsidered.

9.4 The Cabinet Member for Innovation, Transformation and Performance noted the decline being seen in birth rates across the county but was reassured by the plans for schools in his division, Fakenham.

9.5 The Cabinet Member for Adult Social Care, Public Health and Prevention endorsed the report and agreed that the council should take a long-term view of future provision as it was the council's duty to ensure there was adequate provision. He thanked officers for the detailed report. The minimum size for new primary schools of 420 places, or two form entry, was discussed in the report; The Cabinet Member for Adult Social Care, Public Health and Prevention felt that building new schools at this size could result in some pupils from rural areas having to travel long distances and that larger schools were not necessarily better. The Chairman pointed out that issues around the strategy of dealing with individual schools would flow from this plan. The Cabinet Member for Children's Services confirmed that 2 form entry was the size of school which was aimed for for new housing developments.

9.6 The Cabinet Member for Finance felt that a follow up piece of work on detailed work for new schools and what closures were being recommended would be necessary. The Executive Director for Children's Services replied that there was a three-year strategy in place looking at the Council's responsibility to organise how schools were provided in terms of sufficiency and where they were located and provided; this strategy would be brought to Cabinet at its 3-year review.

9.7 Cabinet **RESOLVED** to adopt the Schools Local Growth and Investment Plan 2023.

9.8 **Evidence and Reasons for Decision**

The proposed Local Schools' Growth and Investment Plan provides the necessary detail to ensure we secure sufficient school places and prioritise capital appropriately.

9.9 **Alternative Options**

The statutory duty is to provide sufficient places.

It is possible to plan for fewer additional places, where surplus places are available further afield, but within maximum recommended travel distances.

Norfolk County Council would then have a duty to provide Home to School Transport. This would add a considerable inconvenience to children and families and is outside of the Council's policies (e.g. building local communities). It would also add to the existing transport costs, where budget pressures already exist.

10. Homes for Ukraine Programme – update and next steps

10.1.1 Cabinet received the report setting out support provided to date for Ukrainian refugees and Hosts, and proposals for a programme of activity to be developed in line with Government guidance using funding from existing Government funding and additional funding recently announced.

10.1.2 The Chairman introduced the report to Cabinet:

- Norfolk was proud to be a friendly and open county which had been able to welcome Ukrainian guests. People had opened their homes to invite guests in and, with partners, the Council had offered a range of support including financial help and trusted information to make us a welcoming place to settle.

- There were challenges ahead in Norfolk and the country in terms of housing and Norfolk welcomed the support of the Government so far and for the future.
- This had happened over a short period of time so far and full details were set out in the report.
- The next steps would be known as the Move On programme.
- The council would continue to provide support directly and through partners and district and borough councils for hosts and guests. The new package from central Government includes support for Ukrainian guests to move into their own homes and to housing authorities to purchase properties for refugees.
- Hosts had been eligible to receive a thankyou payment of £350 per month from Government and the County Council had increased this to £400 per month to recognise the increased cost of living. From April 2023, guests who had been in the UK for more than a year would receive a £500 per month thankyou payment.
- The challenge now was to ensure appropriate support was in place for guests as they settled in Norfolk for longer periods of time.
- Funding for the programme would be drawn from the existing Government funding and additional funding recently announced which was provided as a ring-fenced grant.
- A programme of Move On activities would be provided to support guests and hosts:
    - To access appropriate housing and accommodation and long term housing solutions
    - Support independence including accessing employment and developing and accessing English language and other skills programmes
    - Settle in Norfolk, elsewhere in the UK or return to Ukraine
    - Continue to provide community help sessions
    - Maintain social care capacity in Children's Services and Adult Social Care
- To successfully deliver the programme continued joined up working with district councils would be needed; there would be regular engagement at a strategic leadership level across Norfolk through the Public Service Leaders Board and through relevant officer groups.
- The longer-term impacts of not putting this programme in place would result in wider pressures on statutory services.
- The financial aspects of the programme were set out in paragraph 6.1 of the report and the cost of the proposals would fall within the total ring-fenced grant from Government to the County Council. This comprised a government tariff of £10,500 per guest for 2022, £5,900 per new guest from 2023 onwards and additional funding announced for the purchase of housing, and supporting longer term settlement for guests Additional host payments of £500 for the next 2 years would be funded by central Government and drawn down quarterly in line with spend.
- An equality impact assessment for the programme was in place and actions identified were being implemented. This would be refreshed as part of the work to develop the programme of activities.
- The Chairman moved the recommendations as set out in the report.

10.2 The Vice-Chairman thanked officers involved in this project which had been a huge operation and successful; he indicated the Government announcement set out in paragraph 1.3 of the report which indicated funding was for acquiring housing stock for people fleeing Ukraine, Afghanistan and to reduce homelessness.

10.3 The Cabinet Member for Environment and Waste welcomed the report. He noted the number of residents who had come forward and welcomed guests and therefore supported the enhanced payment given to them. The Cabinet Member for Environment and Waste thanked these hosts and the officers involved in the programme

10.4 The Cabinet Member for Commercial Services and Asset Management thanked the officers and staff who had worked on this programme and was proud of the work done by the council. He welcomed the report and the plan being put in place to support refugees.

10.5 The Cabinet Member for Finance endorsed the incredible work being done by officers and pointed out that there was sufficient funding available within the grant funding to cover the programme.

10.6 The Cabinet Member for Communities and Partnerships noted on page 52 of the report the number of services supporting this programme and Ukrainian guests. Adult learning and the fire service had received an award due to their work in this area.

10.7 The Chairman noted that the report indicated the huge effort put in across the county to welcome Ukrainian guests. The Chairman proposed an additional, fourth recommendation, "to thank officers at Norfolk County Council for their work done to date and the work that will be done in the future."

10.8 Cabinet **RESOLVED**

1. To acknowledge the fantastic work carried out across Norfolk to welcome nearly 1,300 Guests to Norfolk, in particular to thank Hosts who have opened their homes for Guests, and to recognise the work carried out across the public and voluntary sectors and in communities to successfully welcome Guests to our county.
2. To agree that work to deliver the Homes for Ukraine programme continues and further work to develop a planned package of activity to support Guests and Hosts to settle into healthy and fulfilling lives is carried out, to be called the 'Move On' programme.
3. To delegate authority to the Director for Community, Information and Learning, in consultation with the Leader of the Council, to agree and implement the developed 'Move On' programme, including re-apportionment of ring-fenced funding provided by Government, as needed, to deliver requirements and responsibilities.
4. To thank officers at Norfolk County Council for their work done to date and the work that will be done in the future.

10.9 **Evidence and Reasons for Decision**

The recently published outcomes from the Office of National Statistics (ONS) survey of Ukrainian Guests highlights the key areas these proposals seek to support and mitigate. As well as anecdotal, local information from Hosts, Guests and staff involved in the scheme. This is combined with revised government guidance which requires local authorities to put in place longer term, sustainable housing options.

Alternative Options

10.10 There is the option to continue operating the scheme as we are at present and encourage Guests to make longer term support independently. Whilst it is possible that this could be acceptable for a small number of Guests, there are many who do not have the resources to enable them to access housing, employment, and skills markets without additional support. The longer-term impacts of not putting a broader programme in place will result in wider pressures on statutory services. As well as this the funding provided by government as part of this scheme is intended to fund the services and support summarised in these proposals. Not revising the Norfolk approach for the next phase of the scheme could also mean that we were unable to draw down all government funding available as part of the funding for housing provision announced on the 14 December 2022.

11. Health, Safety and Well-being Mid-Year Report 2022-23

11.1.1 Cabinet received the report providing data and analysis on the Health, Safety and Well-being (HSW) mid-year performance of Norfolk County Council as an employer so that members had the information necessary to satisfy themselves of the effectiveness of the Council's health and safety management system, or where necessary to identify actions for Executive Directors and others to improve the performance against the 3 key outcome goals set out in the report.

11.1.2 The Executive Director of Transformation and Strategy stated that this report would help Members have oversight on how to drive a culture of wellbeing and feed into the quality of service provided to residents

11.1.3 The Chairman introduced the report to Cabinet:

- This was a mid-year report giving Cabinet the opportunity to review performance so far for 2022-23 and to compare performance to the same point last year, giving an indication of the potential year end position.
- This would meet the Council's legal obligations and ensure efforts were focussed in the right place to support employees to be well and resilient which were the key foundations to productivity and feeling valued, and the Council's ability to manage changes ahead and deliver strategic aims.
- The key areas of focus in the report continued to be mental health, musculoskeletal health and core health and safety management.
- Mental health absence remained below the vital sign target of 1.2% lost time due to sickness absence at 0.93% for all of the Council. Norfolk Council was bucking the national trend of increased levels of anxiety and depression by supporting employee wellbeing, so staff were able to remain at work, well and productive. This was a to priority for the council while mental health absence was the largest cause of ill health absence
- Services provided by the Health, Safety and Wellbeing team were well used and, in some areas, exceeding demand. For example, over 12% of employees were accessing Norfolk Support Line. The report gave feedback and data on the difference these services were making to

employee wellbeing.

- Leaders and managers played a key role in influencing wellbeing of employees and therefore the council was committed to providing mental health first aid training for managers with 521 having completed it to date. This was only a small increase since 2022 and it was therefore recommended that Executive Directors prioritise delivering on the commitments in this area. It would become increasingly important to have the skills to build wellbeing into everyday management practice to deliver the challenges ahead.
- Musculoskeletal absence had reduced compared to the same period last year. The musculoskeletal rehabilitation scheme was estimated to have prevented over 1,300 days of absence at an estimated cost of over £100,000 however the scheme was not fully used and there had been a reduction in people being referred while still at work.
- Key health and safety management data supported the recommendation that Executive Directors should focus on the fundamentals of health and safety management.
- The number of more serious incidents had decreased significantly however the overall number of incidents had increased slightly and there was room to improve management of incidents, with 85% being signed off in target.
- There were a number of incidents predating 2021 which had not been reviewed. The Health, Safety and Wellbeing team had supported departments and schools to review incidents and this had not identified any significant gaps in management actions. It was recommended that all incidents predating 2021 were closed
- Completion of the mandatory health and safety training was not reportable due to migration to a new system however it was important to support compliance by ensuring all teams had undertaken the training.
- The Chairman moved the recommendations set out in the report.

11.2 The Vice-Chairman noted that the report showed there was work in progress in improving systems, citing the example in the report of the purchase of new, easy clean chairs for libraries which unexpectedly increased the risk of slips. These had now been replaced. £36,000 traded income had been raised this year, in line with last year showing good working practices were in place.

11.3 The Cabinet Member for Innovation, Transformation and Performance noted that the report showed the Council was taking staff mental health into account and taking the issue seriously. He thanked officers for their work.

11.4 The Chairman proposed an addition to the start of recommendation one to add the following wording: "Thank the health and safety at work team for their work done to date and…"

11.5 The Cabinet Member for Children's Services noted that Children's Services had been working with the health and safety team to reduce incidents; manual handling incidents had reduced and were now no longer in the top 5.

11.6 The Cabinet Member for Environment and Waste noted that the council had a duty to ensure the wellbeing of staff and therefore endorsed the report.

11.7 Cabinet **RESOLVED** to consider the performance report and endorse the proposed actions:

1. Thank the health and safety at work team for their work done to date and to support Executive Directors to deliver on their Health, Safety and Wellbeing leadership commitments and duties including incident investigation and management, enabling employees to attend mandatory training including Mental Health First Champion training for managers and promoting utilisation of Health, Safety and Wellbeing services.
2. Agree HSW should close all open incidents that predate 2021

11.8 **Evidence and Reasons for Decision**

N/A

11.9 **Alternative Options**

N/A

12. Risk management

12.1.1 Cabinet received the report setting out the latest corporate risks for Cabinet to consider and agree following officer review of the Council's corporate level risks.

12.1.2 The Chairman introduced the report to Cabinet:

- Cabinet owned the corporate risk register and the report set out the latest risks to consider and agree following a review of the corporate level risks. Appendix A of the report gave a summary of the proposed changes to these risks following the review with the current corporate risk register scores summarised in the corporate risk heat map in appendix B of the report. Details of all risks and narrative was shown in the corporate risk register in Appendix C of the report
- The Audit and Governance committee was responsible for monitoring the adequacy and effectiveness of the risk management and internal control systems and there were risk management controls in place in the Council as part of the Financial Regulations of the Council's constitution.
- The key risk messages were:
  - Corporate risk management continue to be sound and effective, working to best practice and supporting the council's key objectives
  - The review of corporate risks had taken place in conjunction with risk owners and reviewer's input.
- The report should be read in conjunction with performance and finance reports.
- The key specific corporate risks were:
  - Proposed escalated risks RM037, RM038, RM039 and RM040, detailed on page 38 of the report.
  - RM023 was proposed for closure and replacement by RM038, 039 and 040.
- The Information and Management Technology team continued to monitor cyber threat levels and roll out technology advantages to help officers and Members to carry out duties from home and council offices as shown in RM003b
- The Chairman moved the recommendations as set out in the report.

12.2 The Cabinet Member for Adult Social Care, Public Health and Prevention discussed the three escalated risks for adults, shown on page 83 of the report:

- **RM038 – ASSD Recovery from the Covid-19 pandemic:** The residual effects of Covid-19 continued to cause issues for social care, showing the importance of this escalated risk.
- **RM039 – ASSD Financial, staffing & market stability impacts due to implementation of social care reform, and RM040 – ASSD assurance implementation:** these risks were around Government policy and it was therefore important that they had been escalated as shown.

The Cabinet Member for Adult Social Care, Public Health and Prevention felt that the staff working in social care were doing a very good job however the additional pressure would impact on the services the Council delivered and therefore felt that the escalation of these risks showed how seriously Cabinet and Executive Directors took these issues.

12.3 The Cabinet Member for Innovation, Transformation and Performance noted the importance of reviewing risks and closing them down or opening new ones when appropriate. He discussed the risk of cyber-attacks increasing since the start of the war in Ukraine and that the council was taking action to counteract them.

12.4 The Cabinet Member for Communities and Partnerships discussed **RM037 – NFRS industrial action**, detailed on page 83 of the report. Nationally, fire services were being balloted about strike action and plans were in place to plan for this. Parliament were looking to ensure plans were in place for when public services were on strike.

12.5 The Cabinet Member for Children's Services discussed Children's Services risks:

- **RM030, Non-realisation of Children's Services Transformation change and expected benefits":** The transformation programme had produced some results and the department were looking at the next phase focussing on prevention and early help to achieve a step change in the model and work around special educational needs.
- **RM031, "NCC Funded Children's Services Overspend":** this was being looked at in a number of ways. The Cabinet Member for Children's Services discussed that the number of looked after children in Norfolk had reduced since January 2019 and Norfolk was bucking the national trend. Placements were static however the cost of placements had increased, impacting on the budget.

12.6 The Vice-Chairman discussed **RM033, "Norwich Western Link Project".** Mitigations were in place to address risks identified and the Council was keen to ensure the project would go ahead. This was dependent on funding from Government.

12.7 Cabinet **RESOLVED** to consider and agree:

1. The key messages detailing key changes to corporate risks following the corporate risk register review (paragraphs 2.1 and 2.2 and Appendix A of the report)
2. The corporate risks as at January 2023 (Appendices B and C of the report)

12.8 **Evidence and Reasons for Decision**

Not applicable as no decision is being made.

12.9 **Alternative Options**

There are no alternatives identified.

13. Corporately Significant Vital Signs

13.1.1 Cabinet received the report setting providing provide an update on the Council's performance against its Corporately Significant Vital Signs.

13.1.2 The Cabinet Member for Innovation, Transformation and Performance introduced the report to Cabinet:

- This quarterly report to the Cabinet looked at performance to ensure the Council were achieving strategic outcomes as set out in Better Together for Norfolk.
- It was important to balance the need to make budget savings and the need to deliver savings in a sustainable way.
- The Council continued to operate in a period of unprecedented challenges such as post Covid-19 recovery and rises in the cost of living for residents, adding demand pressures onto services
- Savings programmes had highlighted risk areas to be kept under review and shortfalls due to delays in transformation programmes.
- Some services were seeing more stable levels of performance. Visits to museums were improving for example.
- Improvement to the employee offer especially in hard to recruit areas was being looked into.
- The Cabinet Member for Innovation, Transformation and Performance oved the recommendations set out in the report

13.2 The Cabinet Member for Children's Services discussed children's services vital signs:

- **Vital Sign 305: % of children and young people subject to a Permanent Exclusion:** Exclusions were falling in Norfolk and all exclusions were followed up to explore other options and possible arrangements for support and alternative provision
- **Vital Sign 309: "Decreasing the rate of Looked-After Children per 10,000 of the overall 0-17 population":** This sign was deteriorating however local numbers were stable. Unaccompanied asylum seeking children were the main factor impacting on this vital sign. The Unaccompanied Asylum Seeking Children team were exceptional in this work and the service was cost neutral.
- **Vital Sign 322: "% of Education, Health and Care Plans completed within Timescale":** this vital sign was improving however the target had not yet been reached. Issues with staff vacancies had now been med and it was hoped that improvements would continue in this area.

13.3 The Cabinet Member for Finance discussed **Vital Sign 404: Savings Targets Delivered:** Over 90% of savings had been achieved. Where they hadn't, reprofiling had been carried out. Planning issues around nutrient neutrality had resulted in the delay of the Supported Housing Programme.

13.4 Cabinet **RESOLVED** to

1. Review and comment on the end of quarter two performance data.
2. Review the considerations and next steps.
3. Agree the planned actions as set out.

13.5 **Evidence and Reasons for Decision**

N/A

13.6 **Alternative Options**

Information Report.

14 Organisational Performance Framework

14.1.1 Cabinet received the report providing an overview on the Council's proposed Organisational Performance Framework..

14.1.2 The Cabinet Member for Innovation, Transformation and Performance introduced the report to Cabinet:

- The Organisational Performance Framework was based on the 5 performance pillars, Accountability, Assurance, Trustworthiness, Quality and Value.
- Norfolk County Council continued to operate in period of unprecedented challenges such as the rise in cost of living and increase in cost of goods. Performance was therefore key to ensure the Council as moving towards the strategic outcomes set out in Better Together for Norfolk against the backdrop of pressures.
- It was vital to continue to provide the best for the residents of Norfolk.
- Performance management across the council had been varied across departments. The proposal of the report was to ensure this followed a standardised approach across all departments.
- Page 147 of the report showed the draft performance framework.
- The Cabinet Member for Innovation, Transformation and Performance moved the recommendation set out in the report and proposed a second recommendation "to bring a further report in 3 months' time on the progress and implementation of the Draft Performance Framework".

14.2 The Cabinet Member for Adult Social Care, Public Health and Prevention felt that this framework would help bring the Council together and support staff to move between departments if needed. He agreed with the proposal for it to be brought back to Cabinet.

14.3 The Vice-Chairman noted that bringing a report in 3 months' time would be useful as there were elements in the draft framework which were subject to further ratifications

14.4 Cabinet **RESOLVED**

1. To review the accompanying framework document and approve the implementation.
2. To bring a further report in 3 months' time on the progress and implementation of the Draft Performance Framework set out at the appendix of the report.

14.5 **Evidence and Reasons for Decision**

Performance management across Norfolk County Council (NCC) is varied in nature and our reporting structure does not lend itself to proactive mitigation or action planning against performance risk.

Our existing technological solution and supporting reporting cycle requires critical updates to enable users to provide the highest level of insights and analysis to their Teams in order to more effectively performance manage across their services.

Levels of accountability for performance management is different across Directorates and needs some minimum standards in place to ensure we are meeting and evidencing our performance against our Strategic Outcomes more effectively.

14.6 **Alternative Options**

We could decide to not proceed with the implementation of this Framework, but this will not address the organisational issues identified in this paper.

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

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

The meeting ended at 11:34

Chairman of Cabinet

Cabinet
11 January 2023
Public & Local Member Questions

	Public Question Time
6.1	**Question from James Hawketts** A recent FOI request found that buses arrive substantially later or earlier than they're scheduled to roughly 20% of the time in Norwich. Believing the Blue Line through University Division particularly at threat, the request author Alfie Robinson contacted the Students' Union to be told the only improvements to service they were after were through the abolition of capitalistic markets. I then spoke at the city council, where the cabinet member struggled to even admit service was poor. Will the county council be the first body to actually acknowledge the detrimental impacts this disservice is having, and detail what, as the primary transport manager, it's doing to address these issues? **Response from the Cabinet Member for Highways, Infrastructure and Transport** Bus performance is monitored by all bus operators and regular discussions are held with the County Council to identify areas of concern and joint actions that need to be taken to address this. The County Council works closely with bus operators to design and deliver highway improvement schemes that improve the reliability of bus journey times, enabling bus services to be more punctual. We have recently delivered a number of bus priority schemes across Norwich through the Transforming Cities Fund programme and are working on the delivery of additional schemes through the Bus Service Improvement Plan. This is a recent government funding award to Norfolk, which will see £50m of investment over the next three years in bus services and infrastructure. In addition, both nationally and locally there has been difficulties with driver shortages and this in turn has affected services for all bus operators. Operators have focused efforts on addressing the driver shortage and the situation is now improving in and around Norwich. **Supplementary question from James Hawketts** While I welcome national fare caps, I'm still nonplussed there isn't alarm at the service quality, I can't think of any other sector where a 20% fail rate would be acceptable. Handouts from central government are fine, but does the council have plans to utilise its own dormant powers under the Bus Services Act 2017 to better hold commercial operators to account for missed commitments on performance, perhaps by investigating switching to a franchise system? **Response from the Cabinet Member for Highways, Infrastructure and Transport** We have the 2022 Bus Service Improvement Plan and Enhanced Partnership (with the bus operators across Norfolk) in place and the Council has no plans to apply to adopt a franchising system. Regulatory powers remain with the Traffic Commissioner.

Cabinet
11 January 2023
Local Member Questions

	Local Member Issues/Questions
7.1	**Question from Cllr Alexandra Kemp** Cabinet proposes spending 5 million pounds on the Conservatives' controversial, unpopular move of Lynn's historic Carnegie Library into an ugly 70's wreck, while cutting half the funding of Norfolk's Mobile Library Service. This Conservative attack on Norfolk's Mobile Library is a cut to knowledge, to skills, to equal access to books, to a vital lifeline for disabled residents throughout our villages. County also reduced the Carnegie's previous volume of history books on public access shelves. Can Cabinet reverse the 200,000 pound cut to the Mobile Library, restore the timeline of history books in the Carnegie, and keep the Carnegie in County hands? **Response from the Cabinet Member for Communities and Partnerships** As you know, Full Council will meet in February to consider the proposed budget and, as a Member of the County Council, you are able to make your views known as part of this. In relation to the Carnegie building, as you already know from numerous other pieces of correspondence with you, the Carnegie building will be maintained in public ownership and for the benefit of King's Lynn residents.
7.2	**Question from Cllr Rob Colwell** Norfolk is a vast rural county with woefully inadequate public transport links. Subsidised fares until the end of March 2023 provides only temporary and partial help to residents. What reassurances can be given to the residents of Norfolk that this Council will start to see public transport as a priority and will prevent any bus route losses in April 2023 when government support in this sector is due to end. **Response from the Cabinet Member for Highways, Infrastructure and Transport** Norfolk County Council has always seen public transport as a priority, and we are very pleased that our bid for Bus Service Improvement Plan funding was successful. Norfolk was only one of around 30 authorities who successfully received an allocation from this fund from government and Norfolk received one of the largest allocations at £50m. We are now working closely with the Bus operators to implement enhanced routes and services as well as reviewing infrastructure and fares to encourage passenger growth and improved bus journey reliability. This should enable bus routes to be more sustainable in the long term. **Second question from Cllr Rob Colwell** Hospitals across Norfolk are in a state of crisis. Staff are under immense pressure battling rising covid rates, flu and Strep A, amidst warnings that people are dying unnecessarily every day due to overcrowding and lack of resources. What new measures and public health campaigns around mask wearing are Norfolk Public Health proposing following the issuing of the UK Health Security Agency's (UKHSA) latest advice?

	Response from the Cabinet Member for Adult Social Care, Public Health and Prevention Thank you for your question. As you would expect we are following the current guidance issued by UKSHA and are signposting people and organisations to this. It provides advice on when to consider wearing a face covering or a face mask. It advises that wearing a face covering or face mask can reduce the number of particles containing viruses that are released from the mouth and nose of someone who is infected with COVID-19 and other respiratory infections. Face coverings can also protect the person wearing the face covering from becoming infected by some viruses. It also provides advice on when to wear a face covering • when you are coming into close contact with someone at higher risk of becoming seriously unwell from COVID-19 or other respiratory infections • when COVID-19 rates are high and you will be in close contact with other people, such as in crowded and enclosed spaces • when there are a lot of respiratory viruses circulating, such as in winter, and you will be in close contact with other people in crowded and enclosed spaces • If you have symptoms or have a positive COVID-19 test result and you need to leave your home, wearing a well-fitting face covering or a face mask can help reduce the spread of COVID-19 and other respiratory infections. See further advice in the guidance for people with symptoms of a respiratory infection or a positive test result. Those attending education or childcare settings will not normally be expected to wear a face covering. Face coverings for children under the age of 3 are not recommended for safety reasons.” See Living safely with respiratory infections, including COVID-19 - GOV.UK (www.gov.uk) for more information. In terms of public health campaigns our Director of Public Health, Dr Louise Smith did an interview with Radio Norfolk last week, information and advice has been circulated to schools, advice on the council’s website has been updated and we signpost people to the UKHSA website. We are also incorporating the messaging into the existing Warm and Well campaign.
7.3	**Question from Cllr Tim Adams** Rising costs and inflationary pressures are clearly placing extra pressures on Norfolk County Council’s budgetary position. Is it inevitable that we will see cutbacks in road maintenance across Norfolk as a result of this situation? **Response from the Cabinet Member for Highways, Infrastructure and Transport** The Council is currently awaiting confirmation from the Department for Transport of the highway maintenance allocations for the new financial year. The autumn statement in 2022 indicated a ‘flat’ settlement in 2022/23, 23/24 and 24/25 with no allowance for inflation. Inflation in the construction sector has been significantly higher than the general indices at around 30% so far this financial year. This effectively reduces our buying power. As a result, we will continue with our proactive asset management

	approach and maintenance programme, but this is likely to involve more cost-effective treatments. Safety for all highway users will be prioritised.
7.4	**Question from Cllr Brian Watkins** What reassurance can you give the Norfolk public that the Council is doing everything in its power to work alongside providers in the NHS and Social Care sectors to address the current care emergency in the county? **Response from the Cabinet Member for Public Health, Adult Social Care and Prevention** Thank you for your question. I can give every assurance. As you are already aware Norfolk's Adult Social Care Winter Plan forms part of the wider Winter Framework of key activity planned across Norfolk. Norfolk County Council, NHS Norfolk and Waveney and wider Integrated Care System partners are all working together. The Council is working flat out to meet the needs of our population, to maintain high quality and safe service provision in a climate of increasing pressure as we continue to recover from the COVID pandemic and work through the increased challenges for the sector that winter and cold weather bring. Like the rest of the country, these challenges are very real and affecting service delivery. All partners and providers are working tirelessly and flexibly to support solutions to best meet the care needs of local residents. The integrated Plan was recently supported by the Integrated Care Partnership and includes capacity to address increased demand over the winter period across health and social care. Specific additional capacity is being delivered by Norfolk County Council, including through: • Support to home care providers across the care market, including higher fees, enhanced hourly rates, and increased block commissioned capacity, • Additional resources to support provision of reablement over the winter, • Housing with Care flats to be used as innovative community step down beds to provide short term 24/7 home care support, • NCC supporting deployment of NHS intermediate care beds for hospital discharge. The Council works closely with Norfolk Care Association to support ongoing engagement and to respond to market issues. In December the Council and NorCA representatives met with Norfolk MPs and the Social Care Minister to discuss the challenges for providers and the actions needed. Engagement with providers is ongoing and the Council has built strong relationships that is enabling open dialogue around specific issues for providers. In addition, ongoing projects and initiatives continue to be implemented with the support of partners including Norfolk and Suffolk Care Support Ltd, NorCA and the Integrated Care Board to support a range of actions including recruitment and retention; digital transformation and quality improvement. **Second Question from Cllr Brian Watkins** When the Transforming Cities Joint Committee finally approved the St. Stephen's Street scheme back in 2021, the estimated cost was £5.9 million. Many people in Norwich had considerable doubts that the scheme represented good value for

	money, and it has subsequently been beset by delays and rising costs. Even now, we are still waiting for new bus shelters to be installed. Can you please confirm the likely final cost of the St. Stephen's Street scheme? **Response from the Cabinet Member for Highways, Infrastructure and Transport** Whilst the majority of the scheme is complete, there are still works related to planting and the installation of bus shelters to complete. The final cost of the scheme will not be known until all aspects are fully completed. At the current time, spend is in line with the estimate outlined by Cllr Watkins.
7.5	**Question from Cllr David Sayers** According to the ONS, UK food price inflation hit a new high of 16.5% in November. This rise in the cost of everyday essentials is likely to hit poorest households hardest, many of which are already struggling with higher energy bills. Many families simply cannot afford to send their children to school with nutritious packed lunches. The "School Food Plan" explains that hunger impairs thinking, and that behavioural, emotional and academic problems are more prevalent among hungry children. Does the Council recognise that food poverty is still affecting families and that it should do more to support those families in Norfolk at risk of food poverty? **Response from the Cabinet Member for Children's Services** As a council, we recognise the challenges that many families are facing as a result of rising food costs. This is why we have continued to use a large proportion of the household support fund from central government to provide cost of living vouchers for children eligible for free school meals at a cost of £3.6m this winter. This means that 30,000 children are receiving a monthly voucher for £15 and they also received an additional £30 voucher at Christmas. As a result, over the winter, eligible families will receive £120 per child. In 2022/23 Norfolk County Council has invested £7.2m in cost of living support for families eligible for free school meals. As part of the Nourishing Norfolk Initiative, the County Council has invested £500,000 to support 15 Community Food Hubs to open across Norfolk. The 15th opened the week before Christmas and these hubs are supporting over 13,000 residents across the county. If families require additional financial support they can also make an application to our Norfolk Assistance Scheme. As a council, we recognise the important role that schools play in encouraging children to enjoy growing, cooking and eating proper food as part of the school food plan. The Department for Education provides practical guidance on implementing statutory requirements of the School Food Regulations (2014) and produce practical guidance for schools, leaders and governors on implementing school food standards so that children have healthy, balanced diets. **Second Question from Cllr David Sayers** Councils across the country are recognising the benefits of a default 20mph Speed Limit, not only in reducing deaths, but also from improved public health, through reduced noise / pollution and by encouraging greater use by pedestrians and cyclists. There are cost benefits to the health system from increased public exercise and reduced admissions to A&E. Other counties, such as Oxfordshire and Lancashire, have agreed 20mph for residential areas. As a Campaigner for '20s

	Plenty' in my division of Gaywood North & Central, I would ask if the Council might adopt 20 mph across the county where people live, work and play? **Response from the Cabinet Member for Highways, Infrastructure and Transport** During 2022 Norfolk County Council revised its Speed Management Strategy. The draft strategy was reviewed by Infrastructure and Development Committee on 16 November 2022 with a report being taken to Cabinet later this month. The draft strategy outlines the that a 20mph speed limit is appropriate in areas of high concentration of vulnerable road users, such as in busy shopping areas or some larger village centres or residential areas and heavily used tourist locations. 20mph speed limits and zones are also an integral part of all new housing estate layouts. Furthermore, it is an ambition of the County Council for all schools to located within a 20mph speed limit, although all of the above is subject to identifying the necessary funding for implementation. Several school part time 20mph speed limits have been taken forward as Local Member funded schemes, where it has been appropriate to do so.
7.6	**Question from Cllr Sharon Blundell** The capped fare scheme for bus travel has started this month. If this scheme persuades more residents to use the bus service, reduces car usage, and is more affordable, will you try and encourage the bus companies to continue this scheme beyond March? **Response from the Cabinet Member for Highways, Infrastructure and Transport** We will be closely monitoring the success of the government's capped fare scheme, which only has funding until the end of March. It goes without saying that we support appropriate measures which lead to increased use of public transport. This is why we were so pleased that the Council's work on improving public transport was recently recognised and rewarded by the successful award of £50m Bus Service Improvement Plan funding from government. As part of this we are considering fare improvements, including offers for passengers up to the age of 25, flat fares, multi operator schemes and fare capping.
7.7	**Question from Cllr Maxine Webb** Can the Cabinet Member for Children's Services confirm when were the Bands of Support Needs indicative budgets for Short Breaks for children with disabilities last reviewed? **Response from the Cabinet Member for Children's Services** The Resource Allocation System that determines the Bands of Support Needs for children accessing Short Breaks and their associated budgets was last reviewed in 2018. We are currently working with families to review our Short Break strategy for 2023-26 to ensure that we are offering the right level of support and types of services to families that need to use the service.

7.8	**Question from Cllr Julie Brociek-Coulton** The maintenance backlog for Norfolk roads could be virtually eliminated if the amount the county council intends to spend on the Norwich Western Link was instead of spent on upgrading the existing network. Does the Cabinet Member for Highways, Infrastructure and Transport agree that it is time for a rethink? **Response from the Cabinet Member for Highways, Infrastructure and Transport** It is important that the Council has a balance of maintaining the existing network as well as investing in important new infrastructure. The Norwich Western Link is identified as part of the essential infrastructure to support future growth and resolve existing traffic issues that are having detrimental impacts on communities west of Norwich. It is being delivered alongside other key infrastructure projects which also includes wider sustainable transport investments such as the Transforming Cities Fund and Bus Service Improvement Plan. All of these projects are important with much of the funding provided through bids to Government, therefore providing a good investment for the future of Norfolk.
7.9	**Question from Cllr Alison Birmingham** Please can the Cabinet Member for Adult Social Care, Public Health and Prevention confirm how many care home beds were lost in 2022? **Response from the Cabinet Member for Adult Social Care, Public Health and Prevention** Thank you for your question. In the period 1 January 2022 – 1 December 2022, which is the latest period that figures are available, there was a net increase of 40 beds across residential and nursing provision in Norfolk.
7.10	**Question from Cllr Brenda Jones** Social care is on its knees and must be improved to help resolve the NHS crisis. What emergency plans and long-term proposals has the Cabinet Member for Adult Social Care, Public Health and Prevention put to government? **Response from the Cabinet Member for Adult Social Care, Public Health and Prevention** Thank you for your question. Norfolk's Adult Social Care Winter Plan forms part of a wider Winter Framework of key activity planned across Adult Social Care, NHS Norfolk and Waveney and wider Integrated Care System partners. The Council is an active partner to ensure resilience over the coming months to meet the needs of our population, to maintain high quality and safe service provision in a climate of increasing pressure as we continue to recover from the COVID pandemic and work through the increased challenges for the sector that winter and cold weather bring. Like the rest of the country, these challenges are very real and affecting service delivery. All partners and providers are working tirelessly and flexibly to support solutions to best meet the care needs of local residents.

	The integrated Plan was recently supported by the Integrated Care Partnership and includes capacity to address increased demand over the winter period across health and social care. Specific additional capacity is being delivered by Norfolk County Council, including through: • Support to home care providers across the care market, including higher fees, enhanced hourly rates, and increased block commissioned capacity, • Additional resources to support provision of reablement over the winter, • Housing with Care flats to be used as innovative community step down beds to provide short term 24/7 home care support, • NCC supporting deployment of NHS intermediate care beds for hospital discharge. The Council works closely with Norfolk Care Association to support ongoing engagement and to respond to market issues. In December the Council and NorCA representatives met with Norfolk MPs and the Social Care Minister to discuss the challenges for providers and the actions needed. Engagement with providers is ongoing and the Council has built strong relationships that is enabling open dialogue around specific issues for providers. In addition, ongoing projects and initiatives continue to be implemented with the support of partners including Norfolk and Suffolk Care Support Ltd, NorCA and the Integrated Care Board to support a range of actions including recruitment and retention; digital transformation and quality improvement.
7.11	**Question from Cllr Emma Corlett** The devolution ambition included in the delivery plan for Together for Norfolk included Adult Social Care. Why did the Leader agree to dropping the most significant issue facing the county without consulting council? **Response from the Leader and Cabinet Member for Strategy and Governance** The devolution framework published in February 2022, in the then Levelling Up White paper, did not include a provision for any health and social care powers to be devolved from central government. In our subsequent discussions, and with the policy drive being to implement and embed the Integrated Care Boards and Partnerships, government was not in a position to commit to devolution in this space at this time. This position is not unique to us, and along with those other areas with a deal or on the pathway to one, we remain firm in our ambition to explore how the lever of devolution can enable us to achieve more. I can assure Council that we have not dropped this issue in the least and continue to engage with government on this and other critical issues. The current Deal is the foundation on which we will build
7.12	**Question from Cllr Steve Morphew** Although any revised governance arrangements have to be agreed by Council it seems the Leader doesn't intend to give full Council a vote on the substantive devolution deal. Will he agree Council should change our constitution to give Norfolk's elected councillors the right to vote on the full devolution deal rather than just the Cabinet he personally appointed?

	Response from the Leader and Cabinet Member for Strategy and Governance Thank you for your question. Cllr Morphew is well aware of the roles and responsibilities of a Strong Leader and Cabinet Model and the process of proceeding with a County Deal. In line with all other areas going through this process the decision lies with the Executive and is subject to Scrutiny processes. This is in no way incorrect or unusual. I hope that all members have had a chance to read the published Deal proposal and agree that this is a fantastic opportunity for Norfolk to get the powers and funding it deserves to grow our economy and invest for the people of Norfolk. I look forward to a positive debate on 17 January where all 84 members will get the opportunity to give their opinion on the Deal. I hope Cllr Morphew and his Group will join Keir Starmer in committing to supporting Devolution and levelling up pioneered by successive Conservative Governments.
7.13	**Question from Cllr Mike Sands** Will the Leader commit that we will use any new house building powers through a future devolution deal to build at least 50% of homes for social rent? **Response from the Leader and Cabinet Member for Strategy and Governance** It is premature to speculate or make bold statements about future deals at this point in time. We are committed to enabling the delivery of affordable housing in Norfolk, and will work with our district partners and Homes England to develop a pipeline of housing projects, using the powers that the current deal affords the council.
7.14	**Question from Cllr Jamie Osborn** The new Cabinet Member for highways inherits the enormous burden of the stalling Norwich Western Link. He has to admit that the future of the NWL is in considerable doubt, as it is hundreds of millions over budget, Government funding isn't exactly forthcoming, and it faces legal challenges. Does Cllr Plant agree with the Cabinet Member for Finance who has said that the project may need to be reconsidered if it doesn't get Government funding? **Response from the Cabinet Member for Highways, Infrastructure and Transport** The NWL project is a major investment and the majority of the funding (85%) will be provided by Government as part of its national Large Local Majors programme of projects. Clearly if that funding is not provided, there would need to be a review of the delivery of the project. However, as agreed by the Council in July last year, the Outline Business Case has been updated and submitted to the Department for Transport and we are confident that a decision from them regarding the funding for the project will be provided soon. **Supplementary question from Cllr Jamie Osborn** Is the new Cabinet Member for Highways prepared to put his political reputation on the line and guarantee that the NWL can be delivered without even more cost increases?

	Response from the Cabinet Member for Highways, Infrastructure and Transport There are no guarantees regarding the costs of major infrastructure projects, particularly in light of the current inflationary implications driven by worldwide events. The key is to ensure there is good governance associated to their delivery. Impacts to project costs for the NWL will be brought before Cabinet, and Full Council if necessary, and if budget decisions are required.
7.15	**Question from Cllr Paul Neale** Some Conservatives tell us that we should be grateful for the £20m funding allocated to Norfolk County Council under the county deal. Yet this amounts to less than 10% of the £220m cut from the council's budget by the Government under austerity. And this year alone the council will have to cut a further £60m, three times more than is being offered under the county deal. Can the Cabinet Member honestly say that what is on the table is good enough? **Response from the Leader and Cabinet Member for Strategy and Governance** The investment fund is not a replacement for local government funding and there is no such thing as a perfect deal. This is funding that government is entrusting to Norfolk County Council to drive economic growth and regeneration, housing and transport and start to tackle the skills deficit we face as a county, with our partners across all sectors. The current deal represents a stepping-stone on the way to further powers and gets us a seat at the table to be able to have stronger conversations with Government. And that is how it is seen in other areas with a Deal, as in Suffolk, Cornwall and the East Midlands. We continue to press Government for a better and more sustainable model for local government funding and greater investment in the social care and health system. **Second Question from Cllr Paul Neale** Is the Cabinet Member ashamed of the way that the Conservative Government has overseen the NHS being pushed to breaking point, with queues of nearly 40 ambulances waiting outside the Norfolk and Norwich Hospital and handovers taking 18 hours? Will he write to the Government to support the demands of ambulance drivers and NHS staff to help resolve the crisis? **Response from the Cabinet Member for Adult Social Care, Public Health and Prevention** Thank you for your question. As you are already aware the causes of the current crisis are the consequences of the Covid pandemic which has led to dramatically increased demand in the Health and Social Care system. It is a matter of record from the independent Kings Fund, whose recent analysis show that Department of Health and Social Care Spending has increased in both real and absolute terms year on year since 2008/9. Striking is only going to make the situation worse. The NHS budget and how it has changed | The King's Fund (kingsfund.org.uk)
7.16	**Question from Cllr Ben Price** A mass of independent research and recent House of Commons reports have all found that hydrogen is unviable for home heating. Norfolk-based Cornwall Insight found that hydrogen would be "uneconomical" now and in the future, and that plans to use hydrogen for heating could mean nearly doubling fuel bills for decades to come. So it is very concerning to hear claims that Bacton could be used to produce hydrogen to heat homes across the south-east. Will the Environment Cabinet

	Member write to Government and relevant partners to call for only green hydrogen to be produced at Bacton and for this to be used for industry and transport, not home heating? **Response from the Cabinet Member for Environment and Waste** Whilst acknowledging the seriousness of this matter, it is a complex subject which ultimately sits with Government in terms of policy relating to energy security and use, both now and into the future. We will keep this matter under review. **Second Question from Cllr Ben Price** Recently a high court judge found it arguable that the environmental impacts of cumulative carbon emissions from the three National Highways A47 schemes around Norwich, and the Norwich Western Link (NWL), had not been legitimately assessed, and ordered a full Judicial Review of the three A47 DCO consents. What steps are being taken to review the Environmental Impact Assessment Scoping Report for the NWL to ensure its legitimacy if the NWL comes forward to planning? **Response from the Cabinet Member for Highways, Infrastructure and Transport** The three National Highways A47 schemes do have confirmed DCOs, including the North Tuddenham to Easton scheme into which the Norwich Western Link is due to tie in. The NWL project team will continue to monitor this challenge to the National Highways' schemes and await the outcome of the judicial review. It's too early to say if there will be any implications for the Norwich Western Link. The scope of the planning application for the NWL will be compliant with the appropriate legislation and guidance when it is submitted.

Cabinet

Item No: 8

Report Title: Scottow Enterprise Park Capital Investment Plan

Date of Meeting: 30 January 2023

Responsible Cabinet Member:
Cllr Fabian Eagle (Cabinet Member for Growing the Economy**)**
Cllr Andrew Jamieson (Cabinet Member for Finance**)**

Responsible Director:
Tom McCabe (Head of Paid Service and Executive Director of Community and Environmental Services)
Simon George (Executive Director of Finance and Commercial Services)

Is this a Key Decision? Yes

If this is a Key Decision, date added to the Forward Plan of Key Decisions: 9 December 2022

Executive Summary / Introduction from Cabinet Member

Scottow Enterprise Park is owned by Norfolk County Council and leased to Hethel Innovation Limited which operates and manages the site which includes the Scottow Enterprise Zone.

As part of this arrangement Hethel Innovation Limited currently manages the capital investment and maintenance of the site using an existing capital improvement fund, subject to approvals on a project-by-project basis.

The purpose of this report is to add Enterprise Zone funding to the capital improvement fund, to streamline the approvals process based on a site-wide capital strategy, and to prioritise additional site projects subject to approval of the 2023 capital programme.

The proposals in this report will ensure the site continues to deliver economic outcomes, increasing income from lettings through improvements to the lettable and potentially lettable space at Scottow Enterprise Park.

Recommendations:

1. **Approve the Scottow Enterprise Park Capital Investment Plan 2022-2027 attached at Annex 1 subject to, where applicable, Enterprise Zone Pot B and other capital funding to be approved at February County Council.**
2. **Delegate authority to the Executive Director of Finance and Commercial Services to enter into a New Anglia Enterprise Zone Memorandum of Understanding for the capital refurbishment of Scottow Enterprise Park.**
3. **Agree that the directors of Hethel Innovation Limited ("HIL") will approve detailed business cases in order to deliver the Scottow Enterprise Park Capital Investment Plan 2022-2027 within the funding available, noting that NCC appointed directors have majority voting rights and that HIL reports activity to the HIL annual Shareholder meeting.**

1. Background and Purpose

1.1 Scottow Enterprise Park ("SEP") is owned by Norfolk County Council ("NCC") and leased to Hethel Innovation Limited ("HIL") which operates and manages the site. Four of the nine HIL board members are appointed by Norfolk County Council, with a voting structure designed to ensure an NCC voting majority. The board is only considered quorate when there is a majority of Norfolk County Council votes present.

1.2 The arrangements for managing the capital maintenance and development of SEP, approved by 2 March 2020 Cabinet, has ensured a continued focus on delivering economic outcomes whilst moving to a more commercial focus in terms of day-to-day operations.

1.2 HIL has developed a comprehensive plan, on a detailed project by project basis, setting out the priorities for the existing capital investment fund, Enterprise Zone funding, and additional projects requiring the additional funding set out in the Capital Programme papers being considered at this Cabinet.

2. Proposal

2.1 Approval of the recommendations in this report will secure the continued development of SEP and secure economic benefits through:

- agreeing a formal Enterprise Zone memorandum of understanding will unlock an additional source of capital funding for SEP
- approving the Scottow Enterprise Park Capital Investment Plan 2022-2027 will ensure a solid prioritised framework for the continued development of the site and

- approving a broader approach to delegation will enable HIL to efficiently plan and manage the capital programme at SEP, reducing the need for frequent and inefficient decision making at a project/building level.

2.2 HIL has produced the Scottow Enterprise Park Capital Investment Plan 2022-2027, attached as Annex 1 which if approved, will be implemented by HIL subject to Enterprise Zone and other capital funding being approved as part of the 2023-24 budget.

3. Impact of the Proposal

3.1 The proposals in this report will ensure effective implementation of the SEP Capital Investment Plan 2022-2027, and enable the successful operation and development of SEP, in particular, to ensure:

- The Council's asset continues to be maintained
- Further development of the site can be taken forward
- The operation of the site is on commercial footing
- There continues to be a focus on delivery of economic outcomes
- The site can be developed on a way that supports the local economy and community, as far as possible.

3.2 The table below summarises the impact of the plan:

Capital source	**Cost**	**Payback** (est. over 5 years)	**Jobs supported**	**Timeline**
Remaining capital allocation and Enterprise Zone funding	£6.9m	£8.4m	340 – 500 (Dependent on hangar tenant type)	Up to 2025
Additional capital	£4.9m	£3.6m	793 – 1033 (dependent on hangar tenant type)	2025 - 2028

3.3 The proposals will ensure effective use of available Enterprise Zone funding.

4. Evidence and Reasons for Decision

4.1 There is a continuing need for site improvements and development, to ensure existing buildings remain fit for purpose and to develop other buildings to bring back into operation.

4.2 On 3 March 2020 members agreed to amalgamate amounts remaining from previous approvals to create a capital improvement fund for SEP, from that date, totalling £5.569m, of which £3.330m remains after on-going site improvements including the capital maintenance and refurbishment of hangars workshops, offices and other facilities on the site.

4.3 The revised Capital Investment Plan for the site has been prepared by HIL to ensure the buildings and infrastructure are in a condition that allows the operator to generate sufficient income to maintain the site in future. The total costed investment totals £11.870m, including the £3.330m already in the capital programme. Additional funding of £3.570m will be underwritten by Enterprise Zone Pot B funding. The balance of £4.970m will form the basis of a bid for £5.020m additional debt funded capital expenditure in the Council's capital programme after adjusting for £0.050m costs recently incurred to be paid from the existing budget.

4.4 As part of the arrangement approved in March 2020, authority to approve each business case was delegated to the Executive Director of Finance and Commercial Services, in consultation with the Cabinet Member for Finance. While ensuring a level of scrutiny on a case-by-case basis, the current mechanism does not provide a formal method for managing the wider programme and the efficiencies of managing the programme as a whole rather than at an individual level.

4.5 While the case-by-case business plans have been discussed and challenged, none have been turned down and HIL has demonstrated that they can successfully manage the capital development of the Scottow site.

4.6 Enterprise Zone funding is an additional source of funding. Discussions are in progress with New Anglia Local Enterprise Partnership and North Norfolk District Council with a view to unlocking this funding for immediate capital investment.

4.7 HIL has developed a detailed, costed and prioritised list of projects, summarised in the SEP Capital Investment Plan 2022-2027 (Annex 1). HIL will draw down funds on the basis of this plan, and funds will only be drawn down insofar as they relate to the agreed investment plan and within the approved funding envelope.

5. Alternative Options

5.1 HIL have the lease on the SEP until 31 March 2027. As a result, it is not viable to consider alternatives to HIL managing the site capital programme.

5.2 The Scottow Enterprise Zone funding can only be spent on projects situated within a defined area within SEP, so there is no alternative use for this source of funding.

5.3 It would be possible to cease capital investment in the site, or to reduce the plans put forward in the SEP Capital Investment Plan 2022-2027. However, this would mean the full potential of the site to generate economic benefits and additional rents would not be realised.

5.4 Given the close relationship between the Council and HIL it would be possible to bring the operation of the site back in-house. This would involve the TUPE transfer of relevant staff into the Council. This option has been discounted on the basis that it could increase costs and would reverse the more commercial focus in its operations.

6. Financial Implications

6.1 As stated above £3.330m remains to be spent from the previously approved capital improvement fund for SEP.

6.2 Enterprise Zone funding collected to date and available for site improvements currently amounts to £0.832m. In addition, projected future funding through to 2041 is estimated to be sufficient to fund capital expenditure of £3.570m over the years 2023-24 and 2024-25, including associated borrowing costs to 2041.

6.3 The remaining investment requirement of £4.970m forms the basis of a bid for additional debt funded capital expenditure in the Council's capital programme elsewhere on this agenda for £5.020m including an adjustment for £0.050m costs recently incurred to be paid from the existing budget.

6.4 The Scottow Enterprise Park Capital Investment Plan 2022-2027 sets out priorities for the existing funding, and subject to approval of the proposed capital programme elsewhere on this agenda, for Enterprise Zone funded projects, and additional projects to be funded from borrowing.

7. Resource Implications

7.1 Staff: There are no staff implications. All staff currently working in the Scottow Enterprise Team are employed directly by HIL.

7.2 Property: The purpose of this report is to secure effective management and maintenance and development of the Scottow site for the term of the current lease with HIL, to 31 March 2027.

7.3 IT:
There are no IT implications.

8. Other Implications

8.1 Legal Implications: The current lease has transferred many of the legal risks associated with operating the site to HIL. NCC continues to discharge its remaining legal duties as freeholder through effective management of the lease with HIL and through representation on the HIL Board. The original 2013 acquisition placed a number of onerous legal obligations on NCC (eg overage and clawback etc), and these remain with NCC to manage.

8.2 **Human Rights Implications:** None

8.3 **Equality Impact Assessment (EqIA):** n/a

8.4 **Data Protection Impact Assessments (DPIA):** There will be no changes to the way personal data is processed resulting from this report.

8.5 **Health and Safety implications (where appropriate):**
The current lease requires HIL as tenant to meet all statutory obligations as occupier of the site. HIL also has responsibilities as employer of the site management team and as landlord to the unit tenants. NCC monitors HIL's approach to health and safety compliance though a requirement for HIL to produce and implement appropriate policies, for approval and monitoring by the HIL Board.

8.6 **Sustainability implications (where appropriate):**
There continues to be a need for significant investment in the site to ensure buildings can be brought back into use and are fit for purpose. All site improvements will take opportunities, where possible, to put low energy and carbon reduction technology in place. HIL and NCC continue to support the operation of the solar farm on site.

A shareholder letter from NCC to HIL has set out objectives to facilitate carbon reductions and to set out expectations in relation to HIL's carbon reduction activities, including specifically:

- bringing viable buildings at SEP to a commercially lettable Energy Performance Certificate (EPC) standard reflecting legal requirements expected to come into force in April 2023 and April 2030
- costed options for different levels of building energy performance for new capital project proposals
- further on-site renewals development and
- improving active and sustainable travel infrastructure.

SEP includes areas of skylark mitigation, grassland, and community woodland, and HIL is seeking additional funding to maximise the enhancement of these areas.

The HGV movements on site are restricted to 30 movements per day. There is no intention to seek to increase this because of the potential impact on local communities, and this is taken into account in assessing the suitability of potential new tenants.

8.7 **Any Other Implications:** Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.

9. Risk Implications / Assessment

9.1 There are some significant risks in operating such a large and complex Enterprise Park, in particular health and safety and commercial risks. The lease arrangement seeks to protect the County Council's asset whilst also sharing/transferring an appropriate level of operational risk to HIL to manage, and as such aims to achieve an appropriate balance of risk.

9.2. As a wholly owned company, the County Council continues to have ultimate responsibility for the operations on site. Officers have put appropriate arrangements in place to gain regular assurance from HIL that they are managing site operations and developments in an appropriate way. This is through regular performance update reports from HIL.

9.3. The County Council has control of HIL at a strategic level. In addition to setting out a clear purpose and direction for HIL in the shareholder letter, the County Council has appointed four non-Executive Directors to the Company who sit on the Board of Directors. The Articles of Association for the Company are clear that the Board can only make decisions where there are sufficient non-Executive Directors present to be able to carry the vote. It is worth noting that it has not been necessary to take any decisions in this way and both the Executive and Non-Executive Directors on the Board have a shared vision direction for HIL.

9.4 HIL has sufficient resource to ensure they are able to effectively manage their operations including Scottow Enterprise Park. This includes recruitment of specialist property expertise and finance support.

9.5 Agreement to the proposals in this report will mitigate against the risks of:
- failing to maximise the economic potential of, and rental income from SEP
- failure to use the Enterprise Zone funding available for capital investment in SEP.

9.6. There will be provision in the lease for the arrangement to be terminated by either party, with an appropriate notice period, should arrangements not operate as expected.

10. Select Committee Comments: n/a

11. Recommendations

Recommendations

1. **Approve the Scottow Enterprise Park Capital Investment Plan 2022-2027 attached at Annex 1 subject to, where applicable, Enterprise Zone Pot B and other capital funding to be approved at February County Council.**
2. **Delegate authority to the Executive Director of Finance and Commercial Services to enter into a New Anglia Enterprise Zone Memorandum of Understanding for the capital refurbishment of Scottow Enterprise Park.**
3. **Agree that the directors of Hethel Innovation Limited ("HIL") will approve detailed business cases in order to deliver the Scottow Enterprise Park Capital Investment Plan 2022-2027 within the funding available, noting that NCC appointed directors have majority voting rights and that HIL reports activity to the HIL annual Shareholder meeting.**

12. Background Papers

Cabinet agenda and minutes 2 March 2020:

200302 Cabinet Agenda - Public
200302 Cabinet Minutes

Officer Contact

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

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Scottow Enterprise Park Capital Investment Plan

Annex 1

SEP Capital Investment Plan 2022-2027

Norfolk County Council

SCOTTOW ENTERPRISE PARK

Hethel Innovation

Scottow Enterprise Park
Capital Investment Plan
2022 - 2027

Prepared by
Alice Reeve, CEO, HIL
Chris Hewitt, CPT, NCC
Howard Jones, Finance, NCC
May 2022

Introduction and purpose of document

This document sets out the proposed Capital Investment Plan for Scottow Enterprise Park for the period April 2022 to March 2027. Between 2015 and 2019, Norfolk County Council allocated over £13m of capital funding for the development of Scottow Enterprise Park. In 2020 the remaining allocations of approximately £5.5m were brought together into a single capital improvement fund made available for HIL to access for site development work. A significant amount of capital has already been invested into the site, delivering vital site infrastructure and in-demand units. The site already supports over 600 jobs and 130 businesses.

Scottow Enterprise Park (SEP) is a large business park which spans over 240 hectares. The site is owned by Norfolk County Council ("NCC" or "the Council") and leased to the Council's economic development company, Hethel Innovation Ltd ("HIL"), which operates and manages the site.

For the 2021-2022 financial year, the Park generated rental income of £1.6m. Set against revenue operating costs of £1.3m (excluding apportioned costs from other HIL departments and bad debt provision), this generated an operating surplus of £313,000 for the year.

The site requires significant capital investment to:

- protect the value of the asset and maintain the current level of income
- keep the site safe and preserve its heritage

There is also an opportunity to grow the net revenue from the site through making targeted capital investment to:

- improve and reconfigure existing accommodation
- bring redundant buildings back in to use
- construct additional business space

This will be achieved through attending to capital repairs and refurbishment of key structures and services. To date £9.76m has been spent of the £13.1m pot, including the purchase cost. Appendix 3 provides a summary of projects agreed in 2016 as part of the application for Enterprise Zone status, together with a progress report.

The Capital Investment Plan sets out the further spend required up to 2027. This spend totals £11.87m with a residual remaining from the initial budget of £3.3m which results in an additional capital budget requirement of approx. £8.57m.

The document sets out the investment opportunities. For the purpose of this document, only projects that could feasibly be delivered within the plan period are included, and this is limited by the capacity of Hethel Innovation (HIL) to manage and deliver the projects and by the likely market demand.

Capital investment at SEP is vital to ensure the buildings and infrastructure are in a condition that allows the operator to generate sufficient income to maintain the site going forwards.

This document sets out a Capital Investment Plan that will allow the allocated capital funding to make the maximum possible impact financially, economically, socially, and environmentally. The investment opportunities far exceed the funding that is currently allocated, and this document also identifies projects that may justify additional funding, either from NCC as freeholder or from external sources (with NCC's agreement).

Vision

To identify and prioritise potential capital investment projects, it is first necessary to understand the vision and objectives for SEP.

NCC's adopted vision and objectives for SEP are set out in the Shareholder Direction dated 25 January 2022. These are explored further in Appendix 1. NCC seeks to monitor and influence the delivery of these through:

- Control of HIL as shareholder and through representation on the HIL Board
- Controlling certain aspects of site management and development through the headlease from NCC to HIL
- Controlling use of the allocated capital funding (through this document)

HIL's vision and objectives for SEP reflect and amplify NCC's. They are captured in HIL's own vision document for SEP in further detail, along with a brief history of the site. However, for the purpose of this capital investment plan, HIL's objectives are to:

- Help businesses to recover from the impacts of the Covid-19 pandemic
- Strengthen the community of members at SEP
- Integrate HIL's three services across the park - space to grow, business insights, and connected communities
- Have a positive effect on the local economy through start-ups, business growth and employment
- Create a business park with spaces and support that meets the needs of STEAM businesses

HIL's company strategy sets out ambitions to grow the business through expanding existing and taking on new sites to increase the company's reach in terms of location and sector. Hethel Engineering Centre is HIL's priority location and expansion, and capital investment is required to bring the HEC expansion forward. HEC generates significant income for HIL which is used to support other departments and future growth. With investment into SEP, the income from the site will grow and can be utilised in a similar manner as the HEC income, being reinvested into the site's maintenance, services, and growth.

Development as a Business Park: 2013 – 2022

Since 2013, the site has succeeded in becoming locally known as an up-and-coming centre of business with much to offer.

SEP falls into both North Norfolk and Broadland Districts. Part of the site has Enterprise Zone status which has played a role in driving economic growth in the local area of North Norfolk, in addition to Norfolk and East Anglia as a whole. The two most prominent attractions of the site are its large size and the wide range of business support services that is available.

With over 600,000 sq ft of lettable space, the site offers small, medium, and large businesses a variety of property options in which to base their business.

Secondly, HIL offers business support to SEP tenants and prospective tenants, providing an opportunity to help businesses onsite to grow while helping to attract new tenants. Tenants at SEP can access these business support services directly from their landlord, Hethel Innovation Ltd, which also provides the opportunity to participate in a wider support network of tenants at other HIL sites.

In 2016, when Hethel Innovation took over the management of SEP, we outlined the phases of development the site would undergo, as seen in Figure 1. Our current work is focused on closing out Phases 3 –4 and this Capital Investment Plan is our guide to achieving Phases 5 – 8.

Figure 1 - Development phases outlined in 2016

In 2021, an updated Enterprise Zone Development Plan was written to supersede the 2016 development plan. In this report, we reviewed the progress made in the first five years of the Enterprise Zone. Fantastic outputs have been achieved on the site already, which give us a strong foundation to build on.

Output Progress	**2021 target**	**2021 achieved**
Lettable Space – sq ft	357,000	632,866
Let Space - sq ft	357,960	596,400
Rent Income	£976,830	£1,371,000
Jobs	360	641
GVA Uplift *	£19m	£25.64m
Additional Business Rates per annum **	£0.44m	£0.313m ***

* *Based on ONS data of GVA uplift of £40,000 per job*
*** 2041 target covering the lifetime of the Enterprise Zone, no 2021 target was set*
**** From NNDC figures provided 18/01/21. This represents 2019-2020 NNDR3 actuals.*

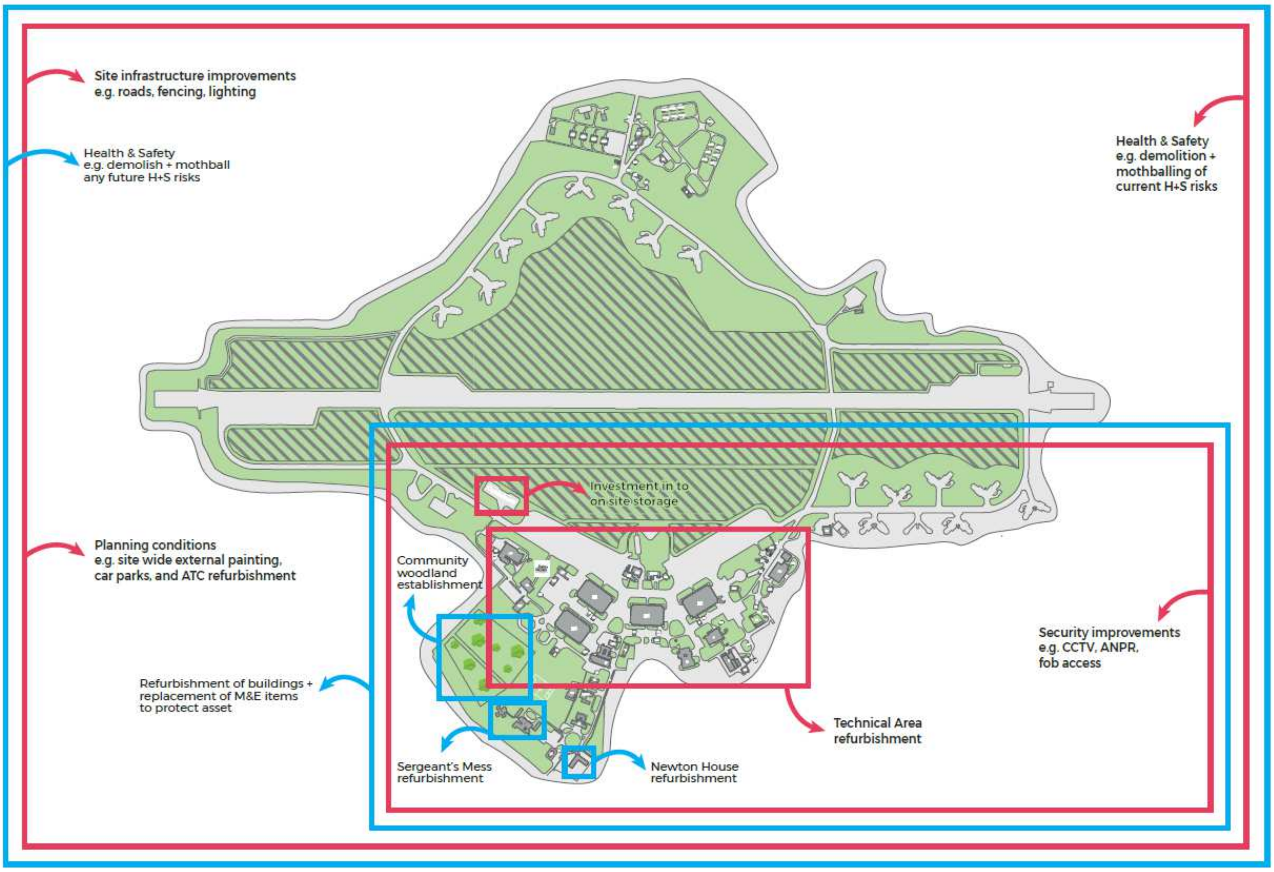
Capital Investment Plan

The Capital Investment Plan focuses investment on projects that contribute to the vision for SEP. It allows individual projects to be prioritised into a programme of investment that maximises the benefit generated. It goes beyond just assessing whether individual projects generate required benefits and acceptable return on investment and seeks to identify the optimum combination of projects that will generate the greatest return. Consequently, there are some projects that, in isolation, appear to be investable but are not agreed for funding due to the opportunity cost (i.e., an alternative project gave a better overall return).

The Plan covers only capital investment and will maintain the site in accordance with the head lease and the Carter Jonas site condition survey in March 2022. The ongoing capital investment plan provides modernisation improvements to buildings, infrastructure and systems across the site, resulting in improved health and safety standards, statutory compliance benefits and compliance with statutory landlord obligations.

Planned preventative maintenance will be funded by HIL from revenue and not from the capital programme. Unplanned repairs will be funded either from HIL revenue or from insurance claims if appropriate. It is expected that when financially viable, HIL will accrue a reserve to fund periodic renewal and replacement of site infrastructure. This may be supplemented by capital funding if it can be demonstrated that funding it entirely from revenue is unviable.

The Plan seeks to avoid spreading the limited capital funding too thinly over the large site. As can be seen from the below map, the majority of the investment outlined in this plan focuses on the technical area of the site which is most heavily occupied and populated with buildings.



The Plan has given each project a priority score using a matrix based on the impact and importance of the project. This gives each project a score between 25 and 2, with 25 being the highest priority. The projects have been split; there are those that HIL wish to complete under the remaining capital allocation and then further projects which would require additional capital investment to be completed. The table below summarises the plan, with appendix 2 providing more detail.

Capital pot	**Cost**	**Payback** (est. over 5 years)	**Jobs supported**	**Timeline**
Remaining capital allocation Inc. EZ funding	£6.9m	£8.4m	340 – 500 (dependent on hangar tenant type)	Up to 2025
Requires additional allocation	£4.9m	£3.6m	793 – 1033 (dependent on hangar tenant type)	2025 - 2028

This Capital Investment Plan does not cover new build, as it is a 5-year plan. The resource required to get new build constructed would take away from work that is necessary to preserve the site, its assets, and income. In addition, the associated planning approval and new entrance which would be required needs fully investigating before a proposal can be put together.

To complete the investment, the funding to do so needs to be sourced. There is capital remaining in the pot allocated to SEP, as shown in the tables below.

Capital Funding Status	
£13,096,000	**Original Capital**
£9,766,000	**Capital Spend to Date**
£3,330,000	**Remaining Capital Fund**

The above table shows our spend to date and that we have approx. £3.3m residual left from the initial capital pot.

Capital Funding Requirement Status	
£11,869,770	**Remaining Identified Capital Investment Requirement**
£3,330,000	Capital Fund Requirement from remaining capital fund - Pot A
£3,570,000	Requirement from EZ Available Capital Pot - Pot B
£4,969,770	Additional capital required

The above table indicates our funding requirement going forward, approx. £12m and then indicates from which funds we have allocated our requirement to draw down from. With £6.9m coming from residual fund A and potential additional EZ Pot B funding, with the remaining £4.9m being an additional funding requirement for the less priority jobs programmed later in the Capital spend plan.

Remaining Identified Capital Investment Requirement by Priority Score	
25	£797,940
20 - 16	£5,480,099
15	£3,081,100
12 - 8	£864,480
7 - 1	£1,649,151
Total	£11,869,770

The above table indicates how the £11.9m funding requirement is split across the prioritisation of projects.

Potential External Funding Sources

As can been seen in the previous section, there are identified projects that go beyond the currently allocated pot. These projects will need capital funding. There will be a request for further NCC capital allocation, however in the interest of minimising the amount of NCC capital being used, HIL will look to utilise as much external grant funding as possible. The level of external grant funding utilised across the site to date has been insufficient, and it is our ambition to make use of heritage, community, business, and environmental funds going forward.

There are a number of projects which will be suitable for external funding. These include the:

- Air Traffic Control Tower
- Guard House (B40)
- Sergeant's Mess
- Newton House
- Community Woodland & tree planting
- EV charging

Obtaining external funding will allow HIL to complete more projects under the remaining capital pot and reduce the amount of additional capital required. Examples of these funds which could be sources of capital investment are outlined in the sections below. This is not an exhaustive list but is to demonstrate the type of funding that will be sought. The exact funding will depend on when the project is delivered, the expected outputs and overall costs.

Lottery Heritage Fund

The Lottery Heritage Fund contributes towards a broad range of projects that connect people and communities to the national, regional, and local heritage of the UK. This includes:

- designed landscapes improving and conserving historic landscapes such as public parks, historic gardens, and botanical gardens
- landscapes and the countryside large-scale rural projects that help improve landscapes for people and nature, by (for example) restoring habitats and celebrating the cultural traditions of the land
- historic buildings, monuments, and the historic environment, from houses and mills to caves and gardens

The project sizes range from £3,000 up to £5m. They must be delivered within five years and be led by a not-for-profit organisation. The applicant must contribute at least 5% of the project costs for grants up to £1million and at least 10% for grants of £1million or more.

Levelling Up Funding

Round 2 has recently been released and features investment priorities which closely align to the projects identified at SEP. Whilst Round 2 may not be suitable in terms of timeline, future rounds could be a source of funding. This funding is looking to support cultural investment maintaining, regenerating, or creatively repurposing existing cultural, creative, heritage and sporting assets. This can include:

- new, upgraded, or protected community hubs, spaces, or assets (and associated green spaces) e.g., village halls and community centres
- acquiring, renovating, and refurbishing key cultural and heritage sites including hostels and historic buildings, including accessibility improvements where needed

- developing local assets that support the visitor economy.

Environmental Funds

SEP includes areas of skylark mitigation, grassland, and woodland which could make the site eligible for funding to support these habitats and enhance them. Some funds which have already been identified as potential sources of funding for the community woodland include:

- Local Authority Treescapes Fund – Eligible for landowners, land managers and public bodies. Funding capped at £30,000 per project. Minimum requirement of 12 acres in total. Must be UK Forestry Standard (UKFS) compliant.
- England Woodland Creation Offer – Eligible for landowners, land managers and public bodies, owner occupiers, tenants, landlords and licensors who have full management control of the land in the application (or consent from those who do). Funding capped at £10,000 per 2.5 acres.
- Woodland Creation Planning Grant – Funding offered in stages. In stage 1 £1000 will be paid to assist with desk-based data gathering to identify any constraints on the site. Stage 2 payments assist with the costs associated with preparing the following: Site Appraisal Map, Design Concept Plan, Draft UKFS compliant Woodland Creation and Design Plan based on a mandatory Forestry Commission template. £150 per 2.5 hectare, capped at £30,000 per project. Applications accepted year-round.

Appendix 1

NCC's vision and objectives for Scottow Enterprise Park

The Shareholder Direction dated 25 January 2022 sets out NCC's objectives for SEP as below:

> *"It is expected that the site will be managed and operated in line with the overall purpose and objectives for the company as set out in this document, and in line with the provision set out in detail in the lease document.*
>
> *The primary purpose of the company is to support inclusive economic growth and deliver associated economic benefits for Norfolk communities, particularly where there are specific challenges, or the market has failed to address need.*
>
> *The secondary objective of the company is to generate income to enable the company to operate without the need for financial support from the County Council, and to generate income which can be used fund activities which deliver the company's core purpose.*
>
> *As a principle, the shareholder would wish to see at least 20% of the businesses on site at SEP operating within the STEM industries".*

There is a particular focus on HIL delivering the following:

- Creating new jobs
- Creating new businesses
- Keeping and growing businesses in Norfolk
- Developing a skilled workforce in Norfolk
- An increased focus on supporting the Green Economy

The Shareholder Direction also sets out specific objectives for SEP:

> *"In addition, the shareholder would like the company to:*
>
> - *Prioritise work to bring buildings up to a modern standard and avoid ongoing maintenance and repair costs, as far as possible.*
> - *Prepare a forward maintenance plan that considers issues around health and safety, as well as environmental improvements.*
> - *Ensure that appropriate planning permissions are sought and any conditions, including legacy conditions, are appropriately discharged, or amended, with the agreement of the Local Planning Authority.*
>
> *The shareholder may make capital funding available to enable repairs and improvements to the SEP site, including putting key infrastructure in place. Funding will be made available for specific projects/improvements, which should be presented to NCC and the quarterly Board meeting, subject to:*
>
> - *Agreement of a costed business case. This should clearly set out the reasons for the spend – for example to enable a return on investment, to meet a statutory requirement or to address a health and safety issue*
> - *Clearly defined and evidenced economic benefits that will be enabled through the investment"*

From the above, it is clear that the Council places a focus on:

- Protecting the asset
- Independent financial viability and return on investment
- Discharging statutory and health and safety
- Delivering economic benefits for Norfolk

Appendix 2 –

A costed project by project analysis has been prepared to underpin this investment plan. Key projects (>£0.100m) included in the analysis are as follows:

Projects funded from existing budget

Project Name	Project Details	Capital estimate £m	Priority Score
Hangar 4	Full internal refurbishment of office areas. Remedial repairs to main hangar. Electrical rewiring and new fire system installation. Patch repairs to all roofs and guttering	0.375	25
Hangar 3	Programme of works identified as part of the condition surveys.	0.905	20
Building 12	Full refurbishment and rewire to entire building, including full re-roof and replacement of all rainwater goods and facias	0.300	16
Building 295	Building-wide refurbishment works providing additional workshop space.	0.141	16
Site HV Replacement Fund	Replacement of replacement HV cabling and equipment across site	0.110	15
Building 32	Full internal refurbishment of unit, taking it from storage spec to office/workshop spec. External works include de-bunding rear of building and roof/guttering repairs	0.157	12
Building 100	Building-wide refurbishment works. Refurbishment of the plant room and squash court areas for rental.	0.202	8
Hangar 2	Light refurbishment and remedial works to internal areas. Patch repairs to roof and gutters	0.350	6
Other projects	Various smaller projects including creation of community woodland, further stocking of the container storage park, asbestos removal, sitewide improvements and refurbishment of numerous lettable buildings.	0.790	Various
		3.330	

Enterprise Zone Business Rates Pot B funded projects

Project Name	Project Details	Capital estimate £m	Priority Score
Building 16 / 223 (ATC)	Full internal stripout and refurbishment of the ATC.	0.713	25
Site-wide External Painting Fund	Budget to paint all buildings externally where not included in existing/previous business cases.	0.177	20
Building 40	Full internal refurbishment including creation of central atrium/reception area and installation of an automated door at entrance.	0.488	20
Hangar 1 Roof Replacement	Removal of existing leaking asbestos roof and replacement with new roof to match existing replaced hanger roofs.	1.500	20
Hangar 1 - Refurb	Refurbishment of the hangar	0.200	20
Building 14 Phase A	Full internal refurbishment and rewire to all areas of building with exception of theatre area. Patch repairs to roof and guttering. External render patching and painting. Removal of any high-risk asbestos items.	0.286	16

Other projects	Various smaller projects including upgrades to site signage and CCTV, 5-a-side Football Pitch refurbishment, and refurbishment of various buildings within the Enterprise Zone area.	0.207	
		3.570	

Projects requiring additional NCC borrowing

Project Name	Project Details	**Capital estimate £m**	**Priority Score**
Building 377 (Newton House)	Bespoke internal refurbishment to allow for conferencing space, hotdesking, café, gym and heritage/community use. Roof and guttering repairs, replacement doors/windows and general landscaping costs.	0.825	**15**
Building 14 Phase B	Full internal refurbishment and rewire to entire building, including the theatre. Patch repairs to roof and guttering. External render patching and painting. Removal of any high-risk asbestos items.	0.372	**15**
Building 41 (Sgts Mess)	Full internal refurbishment of building to repurpose into an incubation centre. Removal of any high-risk asbestos. General external repairs including roofing, guttering, new doors, landscaping and demolition of hazardous annex areas.	2.475	**15**
Building 17	Refurbishment works including the renewal of M&E items coming to the end of their economic life	0.115	**6**
Building 268	Full internal asbestos stripout. Removal of redundant boilers/pipework. Internal refurbishment including rewire. Installation of new doors and windows. Demolition of neighbouring bunds to create car parking	0.140	**6**
Site Disaster Fund	Budget for site-wide disaster recovery works.	0.200	**4**
Other projects	Various works <£0.100m including refurbishment of numerous buildings throughout the site, including M&E replacement where needed. installing EV charging points by communal buildings on site, lightning protection, cycle parking and creation of lettable yard space.	0.844	
		4.970	
Adjustment	Work performed to be paid from existing budget	0.050	
		5.020	

Appendix 3

Below is a table outlining projects that were targeted for investment. Column 2 details the plan made in the 2016 EZ development plan, while Column 3 contains the progress made over first five years of the EZ.

Site Investment Projects	**Plans made in 2016**	**Progress made**
Connectivity	• £0.1m of investment agreed and orders placed with BT to roll out Super-Fast Broadband across site by late-2016. • Although superfast network will be in situ, tenants will need to procure their own services or specialised business connections	• Super-Fast Broadband connection and comms box has been installed at the front of site. • Connections between units and the comms box are utilising the old copper network but this has a negligible impact on the connection
Simplified planning	• Strategy agreed with North Norfolk District Council (NNDC) to undertake a unilateral undertaking, allowing SEP to be bound by a planning obligation and not to the Local Planning Authority. • Instead of agreeing obligations through the standard process of discussion (negotiation and agreement), a unilateral offer is being proposed to North Norfolk District Council to settle obligations relevant to planning applications.	• A change of use application was submitted on 3 July 2017 • This application was for the change of use of existing buildings within the enterprise park area from former military use and various commercial uses to a range of B1, B2 and B8. • We are currently awaiting finalised planning conditions from NNDC before the planning can be decided - most draft conditions have already been met by the site.
Asbestos Management Strategy	• All buildings are being surveyed for asbestos • Many of the previous asbestos surveys have been of insufficient quality • Along with the building surveys will come actions plan to remove asbestos, particularly from boiler rooms and boiler houses	• All buildings have been surveyed for asbestos and a register system has been implemented • A program of asbestos removal and management is ongoing • Removals in plant rooms have created additional lettable space
HV / LV Connection Works & Strategy	• Work is ongoing to connect buildings to the High Voltage and Low Voltage power circuits • This work has involved a range of contractors and sub-contractors, and much focus is needed going forward to build a clear HV/LV management strategy	• All buildings have been connected to the power network with upgrades made as necessary • All older substations have been upgraded to avoid downtime or future blackouts • Ongoing repairs are expected to be required across SEP due to the current cabling dating back to the construction of the site. This old cabling has the potential to cause future faults
Potable Water Project	• Phase 1 of the water improvement project involves installing a main pipeline through the site and feeding branches to 6-8 buildings	• P1: a main pipeline has been installed • P2: eighty-three buildings have successfully had branches fed to them • P3: water has been connected

	• Phase 2 involves feeding branches to circa eighty-three buildings • Phase 3 involves connecting water to all agreed and appropriate buildings	
EPC Management Strategy	• EPC audits are being undertaken for all relevant and appropriate buildings	• All lettable buildings have achieved an EPC of E or higher
Building Heating Systems Strategies	• From initial conversations with Calor Gas and Flogas the best way to heat a number of buildings will be to reinstate the existing wet systems that currently require new gas supplies (via local gas tanks) and building boilers	• Where appropriate, LPG gas systems have been used to reinstate heating in Hangars 1, 2 and 3 • Offices have been heated by air con • A number of workshops have been left unheated as demand has not required it
Site Wi-Fi Mesh	• As part of security improvements, the proposal is to create a Wi-Fi 'mesh' across the whole of the site	• A proposal to create a Wi-Fi 'mesh' across the whole of the site to improve security remains in consideration
Security Improvement Program	• As part of the proposed security improvement program, Wi- Fi cameras will be installed at key locations across the site • An access security platform will be created that allows tenants access to the site using security fobs	• Wi-Fi operated CCTV cameras have been installed around the perimeter of the park • A NET2 security fob system has been installed at the site's main entrance
Fire Management Systems Management	• Many buildings have fire alarm systems and at minimal cost these systems will be serviced and reinstated • As each building is rented out to tenants, so tenants will take on responsibility for their building fire alarm system • Where buildings are to have multiple tenants, then these buildings fire alarm systems will remain the responsibility of SEP	• Larger buildings and communal buildings have had fire alarms reinstated - this program of works it still ongoing • Tenants have taken responsibility for installing and maintaining their own systems in their individual units • The fire management systems in multiple occupancy buildings remain to be managed by SEP
Drainage & Water Metering	• For several reasons, the drainage systems in certain areas have been neglected and a remedial action plan is being put into place to rectify the major problems • A preventative maintenance schedule of works is being put into place to manage drainage going forward as well as install water meters for tenants	• Water meters have been installed in all units that are connected to the new water system • Issues with the drainage networks are ongoing and without extensive and costly surveys these issues are managed when they occur
Fencing	• Fencing in various areas has been improved, predominantly to improve security • Where various assets need additional fencing or fencing needs to be altered as assets move out of SEP ownership / control then small amounts of investment are budgeted to allow this work to be undertaken	• Fencing has been maintained to a good standard • Heras panels have been used to fence the northern perimeter of the park while a longer-term solution is put in place

Car Parking	• Many car parks are already in place, but need to be cleaned / cleared and lines repainted	• Hard standing areas around the site have been cleared • Marking parking spaces and installing other relevant ground signage is ongoing and a traffic management plan has been undertaken to inform future car parking arrangements
Professional Services	• Legal and property fees	• SEP has invested in planning advise from consultant ICON consulting. • A number of solicitors have been used to create and update leases and legal documentation for the site. • Property surveys and feasibility studies have been undertaken on many units by property consultants.
Demolition	• Due to the dilapidated nature of some units and the hazards elements could present to tenants, measures are being undertaken to assess costs for required demolition	• A number of units on SEP have been deemed unsafe and as they were beyond repair, have been demolished • Approximately 16,136 sq ft of structures have been demolished due to safety concerns
Second access road	• New entrance and exit from the top of the runway to stop traffic coming through the village	• No further work has been undertaken on this proposal

Building Investment Projects	**Plans made in 2016**	**Progress to date**
New Build	• As the site becomes more occupied and demand continues to grow, and rental incomes grow – then will be the time to consider new build • This situation is unlikely to materialise in the next 2-3 years.	• WSP have undertaken a study into the viability and potential location of new build, suggesting three areas for new build • No new build will be considered while there are existing lettable properties on the site left to be renovated
Hangars 1, 2, and 3	• These buildings makeup a major part of the lettable space of the site and therefore must be refurbished to be rented and secure sufficient revenues in the form of rental incomes and service charges • These will be future homes of AE/HVM businesses	• All three hangars have been let for the majority of the site's lifetime • Hangar 3 is currently undergoing refurbishment for an AME business to take occupation • Hangar 2 has been refurbished in partnership with an AME tenant who remains in occupation • Hangar 1 has been occupied by an order fulfilment centre thus has needed limited refurbishment to date
B33	• Investment to bring it up to standard for a hi-tech business, taking sole occupancy	• B33 has been refurbished and is occupied by a scientific business who has turned it into office and lab space
B40	• Start-up space at the front of site to incubate and support new businesses • House reception, security, site team, conferencing rooms and hot desking	• Currently in use as the Heritage Centre whilst we find a permanent home for heritage on site
B349	• Split into several workshops and office units for multiple tenants • Small number of meeting rooms	• Undergoing refurbishment following a roof replacement • In occupation by a high value creative business

	• Perfect for small and growing engineering businesses	
ATC (B16/233)	• Business hub with conferencing and hot desking	• Requires significant refurbishment
B15	• This building of offices, meeting rooms, kitchen and toilets would make good grow-on space from the start-up space	• Occupied by a single tenant, basic refurbishment undertaken for their occupation
B35	• Multi-occupancy office building at the front of site providing starter units for businesses	• Refurbishment has been completed, including roof replacement • Building is fully occupied
B12	• Split into several workshops and office units for multiple tenants • Perfect for small and growing engineering businesses	• Building is well occupied with a mixture of business types and sectors • There is refurbishment required to increase the rental income achieved and prolong the life of the building
B376	• Single occupancy unit for a STEM business	• Occupied by a single tenant, basic refurbishment undertaken for their occupation
B262	• Multi-occupancy office building at the heart of site	• Refurbishment is nearing completion • Building is already fully occupied
B17	• Single occupancy unit for a STEM business	• Building is well occupied with a mixture of public and private organisations • Further refurbishment will be completed when tenancies come to an end to increase the rental income achieved and prolong the life of the building
B380	• Single occupancy commercial warehouse	• Workshop space, split into two units which are both in occupation • Small upgrades to lighting and doors required
B382	• Single occupancy commercial warehouse	• Being utilised as a café and workshop unit by the same occupier • Basic door replacements required, however is fully functional
B265	• Single occupancy industrial unit	• Has been in occupation for many years by the same tenant who is now moving on • Unit needs full refurbishment including roof replacement
B468	• Single occupancy commercial warehouse	• Occupied by a single tenant, basic refurbishment undertaken for their occupation
B109	• Single occupancy industrial unit	• Occupied by a single tenant, basic refurbishment undertaken for their occupation
B440	• Single occupancy industrial unit	• Occupied by a single tenant, basic refurbishment undertaken for their occupation
B274	• Single occupancy industrial unit	• Occupied by a single tenant, basic refurbishment undertaken for their occupation • Further refurbishment will be required, including roof repairs, to increase the rental income achieved and prolong the life of the building
B36	• Single occupancy industrial unit	• Demolished
B378	• Single occupancy industrial unit	• Refurbished unit utilised by a high value manufacturing business for additional storage space
B314	• Single occupancy industrial unit	• In occupation by a high value creative business

B14	• Single occupancy industrial unit	• Building is well occupied with a mixture of business types and sectors • There is refurbishment required to increase the rental income achieved and prolong the life of the building
B260 (and B304)	• Single occupancy industrial unit	• Undergoing asbestos removal • Requires refurbishment
B137	• Single occupancy industrial unit	• Occupied by a single tenant, basic refurbishment undertaken for their occupation
B62	• Single occupancy commercial warehouse	• Occupied by a single tenant, basic refurbishment undertaken for their occupation • Further refurbishment will be required, including roof repairs, to increase the rental income achieved and prolong the life of the building
B386	• Single occupancy storage	• Occupied by a single tenant, basic refurbishment undertaken for their occupation
B78	• Single occupancy storage	• Occupied by a single tenant, basic refurbishment undertaken for their occupation
B139	• Single occupancy storage	• Occupied by a single tenant, basic refurbishment undertaken for their occupation
B27	• Single occupancy storage	• Demolished
B334	• Single occupancy storage	• Occupied by a single tenant, basic refurbishment undertaken for their occupation • Further refurbishment will be required, including roof repairs, to increase the rental income achieved and prolong the life of the building
B6	• Single occupancy storage	• Multi-occupancy garage black • Fully occupied
B23	• Single occupancy storage	• Occupied by a single tenant, basic refurbishment undertaken for their occupation
B157	• Single occupancy storage	• Occupied by a single tenant • Refurbishment will be required if viable, including roof repairs, to increase the rental income achieved and prolong the life of the building
B266	• Single occupancy storage	• Demolished
Zone D	• Single occupancy storage units	• Most buildings are towards the end of their lettable life • Once unlettable, would mothball the area and preserve for heritage only

Cabinet

Item No: 9

Report Title: Herbicide Use Policy

Date of Meeting: 30th January 2023

Responsible Cabinet Member: Cllr Eric Vardy **(**Cabinet Member for Environment & Waste**)**

Responsible Director: Name and Job Title Tom McCabe, Executive Director of Community and Environmental Services

Is this a Key Decision? Yes

If this is a Key Decision, date added to the Forward Plan of Key Decisions: 7th October 2021

Executive Summary / Introduction from Cabinet Member

It was agreed that NCC would develop a Glyphosate Policy (referred to as the Policy in this report) to apply to all departments (and third party contractors) that use herbicides, which would include measures on how the use of glyphosate-based herbicides will be minimised to achieve the necessary result across the NCC estate [I &D Committee 17th November 2021] with progress reported in March 2022 [I&D Committee 16th March 2022].

An officer-led Working Group with membership drawn from: County Farms; Highways; Environment Team; Children's Services; Corporate Property Services; Closed Landfill Team; and contractors Norse TFM has developed the Policy.

Recognising that advice was needed to produce the Policy, a consultant was appointed with specialist knowledge of the subject area to assist with development of the Policy.

The Glyphosate Policy is an important element to support the delivery of the Council's Environmental Policy www.norfolk.gov.uk/environmentpolicy by improving the resilience of nature corridors for wildlife and delivery of the Council's Pollinator Action Plan.

The future weed management methods adopted will seek to minimise the amount of glyphosate used and will contribute towards the NCC targets set for achieving net zero carbon by 2030.

Recommendations:

1. Approve the NCC Glyphosate Policy (Appendix 1)

1. Background and Purpose

1.1 Concerns over the use of glyphosate-based herbicides to control weed growth have been mounting nationally, with glyphosate linked in some reports to health issues in those exposed to it over prolonged periods of time. https://usrtk.org/pesticides/glyphosate-health-concerns/.

1.2 NCC uses Plant Protection Products containing glyphosate in its weed control programmes as described in the report to the Infrastructure Development Committee on 18th January 2023.

1.3 Reducing the use of glyphosate-based herbicides across NCC operations is important for delivery of NCC's adopted Environmental Policy www.norfolk.gov.uk/environmentpolicy by, for example, improving roadside corridors for pollinators.

2. Proposal

2.1 Cabinet is asked to approve the NCC Glyphosate Policy (Appendix 1) developed by the Working Group (supported by the specialist consultants), which includes key actions to be implemented in the NCC approach to weed management. The Policy was recommended for approval by Cabinet by the I&D Committee (18th January 2023).

3. Impact of the Proposal

3.1 The NCC Policy for the use of glyphosate-based herbicides is essential to the delivery of the Council's adopted Environmental Policy (www.norfolk.gov.uk/environmentpolicy), which includes a carbon net zero pledge by 2030, improvement of nature corridors for wildlife and delivery of the Council's Pollinator Action Plan. Additionally, it will help the Council in its role as Lead Authority in the development of Norfolk's Local Nature Recovery Strategy (LNRS) https://www.gov.uk/government/publications/nature-recovery-network/nature-recovery-network

4. Evidence and Reasons for Decision

4.1 In the EU glyphosate use is approved until 15th December 2023. In the UK it is fully approved by the UK government as an active ingredient for plant protection products until the end of 2025. Beyond that its future is not certain.

4.2 The integrated approach to weed management (IWM) and robust recording and monitoring methods in the Policy give NCC a much greater understanding at an organisational level of where weeds need to be controlled, and where alternative approaches (to the use of chemicals) can be applied, and environmental gains accrued. Re-evaluating where greater weediness can be tolerated on an annual basis is better practice than ‘business as usual’. Opportunities to provide training and support for County Farm tenants who wish to move away from the use of glyphosate on their tenanted farms will enable NCC to lead by example at the level of small-scale agriculture businesses.

5. Alternative Options

5.1 No other alternative options are suggested.

6. Financial Implications

6.1 An Operational Plan (officer document) to implement the NCC Glyphosate Policy was considered by the I and D Committee on 18th January 2023 (please refer to the report presented for that meeting and meeting minutes for full details). Costs will be contained within existing budgets (and contingency previously agreed). In summary, resources for the Operational Plan are estimated as follows:

- Start-up/ initial actions: 50 person days (NCC departments); 9 person days (consultant)
- Ongoing, annual basis: 28 person days (NCC departments); 3 person days (consultant)
- Costs of contracts associated with weed management by NCC is likely to remain unaltered (from present) at £13,000 per annum. However, it should be noted that NCC are currently consulting with Norfolk’s residents on whether to reduce the number of weed treatments on the highway network from 2 to 1 per annum. If this is agreed, Highways Team consider that customer contacts (complaints) might increase, requiring further staff time to resolve. Arboriculture Team also note that to eliminate glyphosate from their contracts completely would put up their costs from £1,000 per annum to £3,000 per annum
- It is expected that implementing the Policy should lead to time and resource savings in the long run.

7. Resource Implications

7.1 Staff: Please see Section 6.1 for details of estimated resources (presented as NCC person days / consultant time)

7.2 Property:
None arising from this report

7.3 IT:
There will be implications for IT for development of a monitoring dashboard (as part of the operational actions arising from adoption of the Policy) – please refer to 6.1 above

8. Other Implications

8.1 Legal Implications:

NPLaw have been involved throughout to ensure that we have expert input into the legal aspects of the Policy

8.2 Human Rights Implications:
None arising from this report

8.3 Equality Impact Assessment (EqIA) (this must be included):
Please see section 9.1

8.4 Data Protection Impact Assessments (DPIA):
None arising from this report

8.5 Health and Safety implications (where appropriate):
Health and Safety aspects will be in line with current practice

8.6 Sustainability implications (where appropriate):
Development of the Policy will be beneficial for the long-term sustainability of Norfolk's environment and biodiversity

8.7 Any Other Implications:
None arising from this report

9. Risk Implications / Assessment

9.1 An impact assessment of adopting/ implementing the Policy is included in section IX of the draft NCC Glyphosate Policy. Four considerations are presented including : (i) Risk Impact Assessment (compliance and Governance) where the adverse impact is assessed as LOW; (ii) Financial Impact Assessment where the adverse impact is assessed as LOW although it is noted that the approach taken will not necessarily provide the least cost solution in money terms alone but the most cost beneficial in terms of delivering on an approach providing safe, healthy and sustainable spaces fit for purpose and taken full consideration of the environmental impact, based upon existing NCC commitments including carbon targets (iii) Equalities impact assessment where the adverse impact is assessed as MEDIUM-LOW (iv) Sustainability Impact Assessment where the adverse impact as expected to be LOW

10. Select Committee Comments

10.1 The draft plan was reported to Select Committee on 18 January 2023. Comments will be reported in a note, which will be circulated to Cabinet after the Select Committee meeting.

10.2

11. Recommendations

1. **Approve the NCC Glyphosate Policy (Appendix 1)**

12. Background Papers

12.1 None

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

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Appendix 1 NCC Glyphosate Policy

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.

Norfolk County Council

GLYPHOSATE POLICY DOCUMENT

26 pages in the document

Dated: 20th September 2022

CONTENTS

I. Background

This document sets out the Norfolk County Council Policy regarding the use of glyphosate based herbicides for weed control on land owned and managed by it. It establishes the circumstances where continued use will be permitted, within an integrated approach to weed management. It also establishes the measures that will be taken to protect the environment, ensure safety of operations and optimise its use, where applied, to provide appropriate weed control, producing safe spaces fit for purpose. It applies to all Norfolk County Council (NCC) departments and to third parties contracted to the Council.

II. Summary of work undertaken to create this policy document

In developing this policy, a number of detailed work streams were undertaken as summarised below. The project was led by a working group which included representatives from the departments within NCC which currently have responsibilities for weed control, namely the Environment Team, the Corporate Property Team, County Farms, Children's Services, Highways, Closed Landfill and Norse TFM Grounds as principal contractors. The work was supported by external specialist consultants.

Work Package 1: Audit of current practices within NCC in terms of weed control
Work Package 2: Research into current practice within other councils and agencies, with a particular focus on alternative approaches taken and their advantages and disadvantages
Work Package 3: Establishing an appropriate recording system across NCC
Work Package 4: Ensuring alignment of the policy with other environmental policies and strategies adopted, and being developed, by NCC

All of these work streams have led to the production of this policy. Written reports have been produced summarising the outcomes of each work package, which at each stage were fully discussed and developed into agreed actions by the NCC Cross Department Working Group established for this project

III. Key Goals

The NCC Policy for the use of glyphosate seeks to give particular attention to the following four areas:

- Safety to practitioners, people and society in the use of glyphosate products across the Council's operations;
- Environmental protection and nature recovery, ensuring future use of glyphosate products will be balanced against the Council's work to maintain and improve Norfolk's environment
- Establishing how weed control will be managed to lead to reduced reliance on glyphosate products whilst ensuring safe and sustainable spaces fit for purpose and meeting community expectations.
- Carbon footprint, ensuring approaches to weed control take fully into account carbon emissions and meeting agreed NCC targets in this respect

IV. Summary of key outcomes from work and research programmes listed in Section II of this report, and leading to the construction of this glyphosate policy

- In its weed control programmes across all its directly managed land and amenity spaces, NCC in 2021 used approximately 5700 kgs, or litres, of plant protection products containing glyphosate. Such products are predominantly used by the Highways Department in terms of controlling vegetation on roads, streets, pavements and associated areas. Other NCC use is for essential management of invasive weeds and keeping safe and clean utility areas such as landfill sites. They are also used by NCC, through contract with Norse TFM Grounds, for controlling unwanted vegetation which may create a health and safety risk on sites such as care homes, libraries, fire stations and playing fields. Aside from that, direct use by NCC is minimal. Glyphosate is used on County Farms by tenants but this is not under the direct control of NCC. NCC is in a position to offer guidance and support to these tenants in helping to achieve policy objectives in terms of glyphosate use.
- The position with respect to academy schools is slightly complex. Such institutions are tenants of NCC under lease agreements and, as such, the Academy Trusts have direct responsibility for weed management on their sites. Children's Services do influence how weeds are controlled and managed but the academy does not have to act on this and can specify their own requirements, as well as use their caretaking staff for such tasks as hand weeding.
- Plant protection products incorporating glyphosate, used by NCC, are all approved and authorised for use. Glyphosate is fully approved by government as an active ingredient for plant protection products in the UK until the end of 2025. It will almost certainly be brought forward for re-approval in that year by manufacturers involved. Its approval and monitoring is overseen by the Chemicals Regulation Division (CRD) of the Health and Safety Executive (HSE). The authorisation and review process for all pesticides is undertaken by committees of scientific experts. It is they who have deemed glyphosate safe for use.
- All the research and evidence gathered in this project, looking at use across similar organisations in Great Britain, indicates that glyphosate frequently remains the most effective and economic solution to weed management, especially on hard surfaces and for invasive weed control. It also often has least impact in terms of carbon emissions compared with many alternatives.
- However, the overall aim, set out in this policy, must be to minimise use of glyphosate going forward. This can best be achieved by:
    - Adopting a fully integrated approach to weed management and planning for specific situations by applying a consistent method for use by decision makers. This will fully consider desired outcomes, investigate how these can best be achieved and ensure all actions are co-ordinated to minimise weed growth or problems, and allow the most appropriate programme of cultural, chemical and non-chemical treatment to create the outcome sought.
    - Agreeing clearly at the outset, within such integrated planning, how weed control programmes fit within NCC's declared approaches to achieving better quality habitats on areas such as grass verges for foraging and nesting pollinators, and how this can best be balanced with other factors such as public safety
    - Ensuring as a requirement that decisions take full account of the key environmental commitments and in particular the statements listed overleaf which seek to:

(i) Protect and enhance the environment
(ii) Champion sustainable development and resource efficiency
(iii) Set stringent environmental targets
(iv) Go beyond the expectations of national government, (regarding national 'net zero' carbon)

All of which must be set in the context of ensuring spaces are maintained in a safe and healthy condition and fit for purpose. In creating weed management plans, a suitable check against these commitments will be needed to ensure, as much as possible, actions taken are not counter to them.

- Ensuring that the glyphosate policy specifically states, in its policy statement (see later), that use of glyphosate products in school grounds should be restricted to exceptional circumstances and where health and safety could be compromised if such action were not taken. Wherever possible, any such applications should take place outside the school day or in holiday times with suitable warning signs displayed and access to areas restricted, after treatment, for at least the required period stipulated on the glyphosate product label. A similar approach will need to be stated for areas of special scientific interest or areas designated as protected.
- Adopting approaches to enable pollinators and other biodiversity are protected as much as possible in carrying out weed management activities. This will require, where glyphosate products are used, due consideration to timing of applications. To contribute to the achievement of the pollinator action plan, the glyphosate policy should be sympathetic to the needs of pollinators and ensure that weed management activities are planned with all due consideration.
- Continuing to ensure that all responsible for applying plant protection products are fully trained and certificated and checks are in place to ensure that equipment used is tested to meet legal requirements. For equipment where such legal requirements do not exist, such as knapsacks, an agreed NCC process should be in place for regular inspection supported by appropriate fully documented central recording and monitoring.
- Only using contractors who can demonstrate that they operate to best practice and legal requirements by being members of an approved assurance scheme, recognised by the UK Amenity Standard. This will give assurance that they have schemes of continuing professional development (CPD) in place for their operators and managers and are fully up to date with current practices.
- Establishing an appropriate training and CPD programme within NCC for all involved in procuring, specifying, managing or operating weed control programmes. Such a CPD programme will vary in terms of content for each target group.
- Ensuring an appropriate easily understand method is in place for recording glyphosate use, and ensuring proper record is in place to both meet statutory requirements and also clearly demonstrate that a thorough and detailed approach has been taken in determining appropriate weed management approaches. This should also be linked to the existing council dash board monitoring greenhouse gas (carbon) emissions and progression to carbon targets. These actions will not only increase awareness across all departments in NCC but also ensure accurate responses to requests by the public as they arise.
- Communicating throughout NCC, and externally, the agreed policy on glyphosate use, set in the context of weed management across all managed NCC sites. In terms

of external communication to the public, this will involve explaining why weed management is required and how choices are made to achieve this. Also, it can seek to give re-assurance that approaches taken are always implemented by appropriately trained and approved operators fully committed to producing safe, healthy and sustainable spaces minimising environmental impact but ensuring such spaces are fit for purpose and meet community expectations.

- By taking the approach above, the policy will address safety to practitioners, people and society and minimise impact on the environment by:
    - Establishing appropriate training, procedures and communication planning relating to the use of glyphosate across the Council's operations
    - Enabling the correct balance to be achieved, ensuring proper and effective weed management in the context of environmental protection and nature recovery, consistent with strategies and policies already in existence and being developed.
    - Allowing proper management of weed management within integrated approaches designed to minimise the need for control and, as such, to minimise glyphosate use.

V. Glyphosate Policy Statement

Norfolk County Council is committed to minimising the use of herbicides, including those containing glyphosate, to control weeds or other undesirable plant species on its managed land, whilst still maintaining safe and healthy spaces fit for purpose and appropriate use by its communities.

This policy document summarises the approach to be taken by the Council to weed management to achieve desired outcomes in the most effective manner, whilst minimising environmental impact and without any compromise on issues of public safety. The policy also takes full account with the objectives and strategies set out in both the NCC Pollinator Strategy and Environment Policy as well as in both the developing Norfolk and Suffolk 25 year Environment Plan and Nature Recovery Strategies.

The Council will only use authorised and fully approved glyphosate products. It will meet all legal requirements in its application, as well as other checks being undertaken when employing third parties, seeking to ensure best practice throughout all operations. In a range of situations such as highways and the control of invasive weeds, glyphosate products currently continue to provide the most longer lasting and cost effective solution and often have the lowest environmental impact, certainly in terms of carbon emissions. However, in its aim to minimise its use of herbicides including glyphosate products, the Council will employ a fully integrated management approach. This involves defining clearly, for each specific situation, the desired outcome and looking at all ways of minimising weed problems by design and cultural management. Where control is needed, it requires identification of the correct combination of methods to be employed to achieve this desired outcome. It requires co-ordination across departments in terms of operations and strategies with appropriate on-going training in a consistent and co-ordinated manner.

Other than for areas designated as sites of special scientific interest, this document does not specifically state situations where glyphosate products should not be used as this will be identified in the integrated management planning process, a core action in implementation of the policy. However, in its use of glyphosate products, particular areas requiring special consideration will include schools and playing fields. In terms of operations on schools grounds under NCC control, the use of glyphosate products will be restricted to exceptional circumstances and where health and safety could be compromised if such action were not taken. Wherever possible, any such applications should take place outside the school day, or in holiday times, with suitable warning signs displayed and access to areas restricted after treatment for at least the required period stipulated on the glyphosate product label.

Other areas where glyphosate products should not be used is in sites of special scientific interest or areas designated as protected unless absolutely essential. Examples may be walkways through nature areas where weed growth could create pedestrian health and safety issues. Also it may become necessary to use glyphosate products to control unwanted plant growth such as invasives which impact upon other aspects of plant growth and biodiversity. However, such treatment will need appropriate authorisation within a formal control and review process and procedure.

Through adoption of this policy, NCC seeks to produce safe, healthy and fit for purpose spaces whilst providing full assurance to its communities that all approaches used are approved and authorised and all measures are taken to ensure this.

A summary of the key principles embodied in the NCC Policy Statement described in this document is provided at Appendix 6 to this report.

VI. Responsibilities

This Glyphosate Policy, once adopted by the Council, becomes the responsibility of every member of staff working for or on behalf of the Council. This applies not just to personnel who are managing and controlling weeds as part of their day-to-day duties or work programmes, but also to personnel in supervisory, management and administrative roles within the Council. This is to ensure that all staff take, and have a collective responsibility to ensure that, the objectives and outcomes of the policy are delivered in everything NCC does, or is responsible for, regardless of whether or not this relates to weeds and their control or eradication.

The Glyphosate Policy applies to any organisation or any individual who is either contracted to work within any of the sites that the Council is responsible for, or who has consent to undertake any activities within such sites. This applies to any commercial or utility operator who is working within such sites either to undertake statutory or service-related activities or who has been commissioned to work there.

The Policy also places a responsibility on the Council to monitor, review and evaluate its success and that of the various actions agreed under the Policy in terms of managing weeds. This is essential to ensure that:

- a cost-benefit analysis process is regularly undertaken
- any adverse impacts from this policy, and the methods available, are identified and contained or eliminated
- innovative or improved techniques and methods are always given appropriate consideration for inclusion into and application in weed management as they develop and if they meet the criteria for use.

VII. Procedures

When using glyphosate products, the following procedures will be followed:

- Weed control with herbicide will be undertaken to the appropriate specification contained in the contract, related to the desired outcome of weed management agreed for the specific situation involved.
- All herbicides shall be approved by the Chemicals Regulation Division of HSE and used strictly in accordance with the product label and the requirements of UK Plant Protection Products Regulations as well as any advice issued by the Chemicals Regulation Division and the manufacturer
- Herbicides should not be applied during or before weather conditions that would render their use ineffective or result in the contamination of surrounding areas.
- At all times, operations should fully take into account the amount of active pollinators in a given situation and seek to minimise their exposure to the plant protection product where they are at most risk. In terms of spot spraying hard surfaces, the specific risk of potential impact upon pollinators will be identified in drawing up integrated weed management plans. If using glyphosate on green areas, such as around landfill sites, the timing of spray application will be chosen to minimise potential impact upon pollinators.
- Weed spraying within one metre of a water course, or from the top of a river bank, requires Environment Agency notification prior to work starting, using a form, available from the Environment Agency.
- Prior consultation with the Environment Agency will be needed before herbicides are used on filter or French drains which abut or traverse Sites of Special Scientific Interest.
- Where required in a particular situation, the appropriate Authority should be consulted before weed control is undertaken

VIII. Key actions to be implemented in the NCC approach to weed management

This section looks in more detail at the key actions embodied in this policy and to be adopted.

A. Integrated Approach to Weed Management and its application (IWM)

The policy establishes a requirement for each department within NCC, in addressing situations and areas where weed control is required and needed, to have in place a written Integrated Weed Management Plan (IWM). It should be available for inspection when required.

The IWM will cover such items as:

- Is weed control essential and could the need for it be eliminated or minimised by improved management of the site and better planning of its use and requirements?

- If weed management is needed, what level of control is required? Does it need complete weed eradication, such as in treating invasives, or could a certain level of weed infestation be tolerated, for example on certain pavements or roadsides in the county?

- Having established the need for weed control, the plan will review all the various approaches and methods available either as single methods or combinations. These approaches will then be evaluated in terms of cost, effectiveness, safety, health and environmental impact. In assessing effectiveness, one of the measures will relate to the speed at which weeds re-grow after treatment which will influence the number of treatments needed, and hence the cost and potential environmental impact.

- In creating the plan, it is also important to seek co-ordination of activities across other departments in NCC and the county. In hard surfaces, if the responsibilities for sweeping is held by other bodies outside direct NCC control, discussions should be held to allow the plan to demonstrate how proper co-ordination of activity can best be achieved to optimise outcomes in terms of weed control in the most economic, effective and efficient manner.

- Following this review, an approach will be determined and adopted. If the approach involves the use of plant protection products such as glyphosate, checks will be in place to ensure such product is safely stored meeting legal requirements, and that fully tested and inspected equipment is used by appropriately certificated and trained operatives.

- The plan will also include a method of review, following implementation, and will be updated regularly to take account of developments and innovations

Appendix 1 provides a representation of what is involved in adopting an integrated management approach. The production of integrated management plans will involve different stages, depending upon the situations being addressed, but each plan will have the same components. For example, in maintaining highways in the county, weed control is carried out to limit damage to the fabric of the highway, to mitigate structural damage to the highway infrastructure and to facilitate unobstructed free movement along it, including for safety and visibility reasons. In this case, the most appropriate approach is to develop the integrated management plan annually, prior to the start of the growing season, keeping under review depending upon conditions. If dealing with more specific situations, such as the control of unwanted weeds in say a built up area or close to council buildings, the method of treatment would be selected from the integrated weed management plan in place at the time when action is needed, for deciding upon the best approach to be adopted.

An element within the creation of integrated management plans is the assessment of weediness and what level can or cannot be tolerated. Appendix 2 highlights two situations. The first refers to an approach for adoption in maintaining highways. The second relates to an example from a research project which sought to determine weediness levels in more static paved areas, found for example the curtilage of NCC buildings or the like. It is important to emphasise that this is an illustrative example. Each department in NCC, dealing with aspects of weed management, will need to determine the most appropriate method of assessment and include this within their required integrated management plan.

Appendix 3 provides a flow chart indicating the type of decision making to be addressed in integrated management planning. Once more it is an example and, in implementing this policy, it is worth re-emphasising that it will be important to develop an agreed consistent approach appropriate to the needs of NCC. This approach will then be adopted across all areas of activity.

B. Operator certification and equipment testing

The policy establishes the approach under this heading in the following way:

- Where herbicides are to be used, all personnel handling and applying them, whether directly employed or as contractors, must be fully trained in their use, and hold relevant certification (such as City & Guilds PA1 and PA6A, or Lantra equivalents, with additional qualifications as required to meet specialist situations). They will be required to comply with the conditions of these certifications and other regulations relating to the use of herbicides, including COSHH and current Codes of Practice, and must always wear the correct personal protective equipment (PPE). It is a requirement that all operations involving the use of herbicides, undertaken by contractors and/or Council staff are covered by a quality assurance scheme recognised by "The UK Amenity Standard" (see next section).

- All herbicide application equipment (sprayers) should be checked, maintained and calibrated on a regular basis; a useful guide is.
    i. At the start or change of a programme
    ii. Beginning of the season
    iii. Moving to a different location
    iv. Changing product / rate
    v. Repair or maintenance to sprayer

- All application equipment, except knapsacks and hand-held, must also, as required, possess a certificate demonstrating that it has passed an officially recognised test conducted by a centre approved by the National Sprayer Scheme (NSTS). Equipment, five years old or over, has a legal requirement to be tested ,on either a three, five or six yearly basis thereafter, depending on when the most recent test was conducted and the type of equipment. Knapsacks and hand-held equipment will be subject to regular inspection, at least annually, depending upon frequency of use. The results of such inspection will be documented fully and any remedial actions undertaken immediately.

- NCC is on a UK Register established as a result of the Official Controls (Plant Protection Products) Regulations 2020, indicating that they are nationally recognised users of plant protection products. There are requirements within this to ensure safe storage of herbicides. As NCC predominantly uses external contractors, it will be important to establish at the outset of any agreement with them that these contractors are also on the register and have fully approved storage facilities for any plant protection products used.

C. Providing assurance of professionalism and quality of operations

A requirement in this policy relates to ensuring all glyphosate products, or indeed any herbicides used, are applied to the highest professional standards. Key actions for achieving this will be:

- NCC will ensure all weed management programmes are undertaken to the UK Amenity Standard, allowing it to display the logo as and if appropriate on sites within the county. To qualify for the UK Amenity Standard, organisations responsible for weed control, normally contractors in the case of NCC, must be members of an approved and recognised assurance scheme. Given the NCC situation, this is likely to be Amenity Assured, currently overseen by BASIS Registration Limited. In employing contractors, the need to be at this Standard will be paramount, an essential requirement to be specified in tender documents.

- This will give assurance both externally and internally that operations are being undertaken by fully trained professional operators and that, where plant protection products are used either singly or in combination with other non-herbicide methods, that they will be applied efficiently in a targeted manner in line with the NCC policy of minimising use.

- Personnel involved in weed control will exercise due caution before, during and after the application of herbicides, to ensure that their methods of working and handling of plant protection products or equipment does not result in any increased risk of avoidable harm being caused to the environment or public. This includes the safe storage and disposal of any empty containers of herbicides including triple rinsing of used or contaminated equipment or containers (unless prohibited by the label).

D. Training and continuing professional development (CPD)

The actions in this area will include the following:

- An initial training programme will be implemented by NCC for all whose role involves decisions concerning the use of herbicides, primarily glyphosate based currently. This programme will be targeted on those directly involved in operating, managing, and specifying weed control programmes, as well as including awareness training for those procuring products.
- The training will cover all the key elements considered in establishing this policy with the outcome being staff fully understanding the reasons for, and methods available, for weed control and the fundamentals of integrated management planning. It will also provide key guidance specific to their roles in the process. Any new staff subsequently taking on such responsibilities will undertake this initial training
- Such a programme will be part of an NCC Continuing Professional Development Programme (CPD) developed for all staff involved in the use of plant protection products and those managing, specifying or procuring product for such programmes.
- It is recognised that in the main, NCC uses contractors for weed management operations and their commitment to CPD will be validated by their demonstration of being part of a recognised assurance scheme. Hence this NCC CPD programme will be an annual refresher course suitable for operators, specifiers and those procuring products. The core purpose of the refresher will be to update on policy changes and how they might impact on NCC and individuals. It will also update on any changes in codes of practice or requirements.
- In implementing this CPD programme, external trainers will be used, qualified to deliver relevant training in this area.

E. Recording and Monitoring glyphosate use across NCC

It is a legal requirement that whenever any herbicides are used, a detailed record will be kept as to the date, time, duration, site, area, target weed(s) and amount and type of chemical used. These records will be fully documented and available for inspection. In the case of NCC, this legal responsibility chiefly rests with the contractors employed but, in this plan, the aim is to capture such information in its total use by contractors and in house.

However NCC will, in addition, make record of, and centrally monitor, the adoption of integrated weed management plans, identifying that all considerations have been made of impact on people, water and the environment whilst delivering the most effective and economic solution and including an estimate of the carbon implications of the approach chosen using a standard methodology.

There is already a NCC dashboard, recording carbon emissions and capture. Data recording as above will link to this dashboard and, based upon this approach, information on glyphosate use will be available in a format suitable for inspection externally and internally.

F. County Farms & land owned but not directly managed by NCC

Glyphosate may be used in circumstances where, although NCC has land ownership, it does not have direct land management responsibility for determining operations or activities, other than requiring that they meet legal requirements and are within the terms of tenancy agreements. This is certainly the case for County Farms.

However. NCC will ensure this policy is communicated to those involved such as its farm tenants, with a strong request that they apply these principles and actions. Appropriate guidance and access to training will be made available as possible.

G. School Academies

For each situation, NCC leases its land to the Academy Trust including playing fields, car parks and hard surfaces. Normally NCC reserves an access right to the playing field in case of the school closing and other departments wishing to develop this land or the wider site. Decisions relating to weed management approaches and methods are the responsibility of the Academy Trust involved. NCC could seek to enforce the glyphosate policy by adopting changes to the terms of lease agreement. However at this stage, NCC will ensure that this glyphosate policy is communicated to the individual school academy trusts with a strong request that they apply these principles and actions. The approach will be kept under review.

H. Communication strategy – external and internal

Strategies will be adopted and implemented to ensure that this policy and the approach to weed management is understood both internally across all areas of activity within NCC, and externally facing. In public communications, it is important to emphasise the reasons for weed control and decisions taken to achieve the required outcome.

External communication in particular will emphasise the reasons for weed management in maintaining safe and healthy spaces fit for purpose. It will stress NCC's intention to minimise both glyphosate use and its environmental impact. It will also indicate that products used are fully approved and authorised, and applied by fully trained professional operatives. Where they are used, they have been chosen as the most appropriate means of managing weeds in terms of cost and effectiveness as well as least impact on the environment, especially in terms of carbon emissions and meeting commitments within existing NCC strategies and plans.

All personnel handling and applying herbicides in any NCC situation will be aware of the public nature of such sites and the presence of features and factors which could be exposed to potential harm from such products. They should be capable of addressing any public concerns or at least directing them to the appropriate person and will be assisted in this by issue of appropriate written and electronic material.

IX. Impact assessment of implementing the policy

A. Risk Impact Assessment - Compliance and Governance

The adverse impact of adopting this Policy is assessed as LOW. It ensures that the Council is compliant with existing legislation (both EU and UK) and government policy and guidance, as well as able to respond effectively to any new legislation which may emerge and be enacted. It will ensure that the Council is compliant with its own internal policies, especially those regarding improving sustainability, air quality, equalities and health for its residents, its various environmental strategies and commitments and for protecting its staff (and those working on its own behalf) by providing them with a safe working environment.

The Policy also ensures that the Council is fully in control and directing an ongoing commitment to minimising use of glyphosate-based herbicides approved and authorised for use in the UK. It is then able to stand up to scrutiny and challenge from both residents and the wider community if concerns are expressed as to the environmental and health effects of such products. It also enables the Council to demonstrate that it has a robust risk-assessment based action process in place to protect itself and its residents/staff from avoidable legal and financial challenge or liabilities, and to protect its reputation as a responsible public body.

It is important, in assessing methods of weed management, to fully take account of carbon emissions as some non-pesticide methods have high emissions in their operation. Again this policy addresses this.

B. Financial Impact Assessment

Properly evaluating and choosing the right methods and equipment for management of weeds is required through implementing this policy, so that the best, most cost-effective and reliable systems are bought, used and maintained. This supports a LOW adverse financial impact outcome for the Council.

The approach taken will not necessarily provide the least cost solution in money terms alone but the most cost beneficial in terms of delivering on an approach providing safe, healthy and sustainable spaces fit for purpose and taking full consideration of the environmental impact, based upon existing NCC commitments, including carbon targets.

C. Equalities Impact Assessment

Adopting this Policy is likely in some situations to change the tolerance levels for weediness which could both lead to an increased prevalence of weeds in certain places and a potential reduction in the use of plant protection products. These factors could exert a negative or a positive impact on public perception, regardless of gender, age, ethnicity, culture or ability. Such changes in management need to be supported by good public communications to explain what the Council is doing and why.

This Policy will support a MEDIUM-LOW adverse equalities impact.

D. Sustainability Impact Assessment

Sustainability refers generally to the capacity for the Earth's biosphere and human civilization to co-exist.

Sustainability is made up of three main pillars:

- Economy
- Society
- Environment.

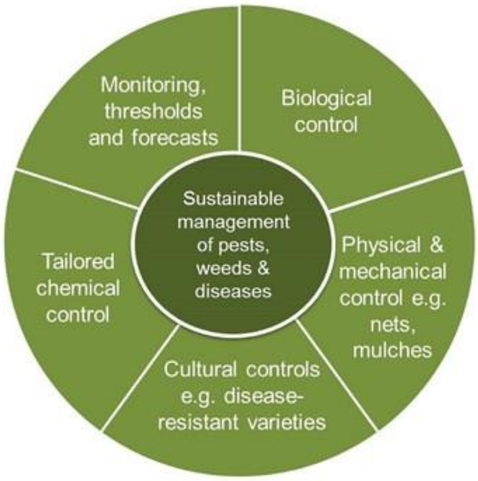
These **principles** can be converted to:

- Cost/profit
- People/Operators
- Planet/Environment

Provided the actions set out in this policy are implemented in terms of careful selection, operation, maintenance and monitoring, then the overall adverse impact upon sustainability and the environment is expected to be LOW.

Appendix 1

Representation of what an integrated approach means



NCC will adopt a consistent approach to producing such integrated weed management plans across all departments and areas involved, based upon the principles and requirements established. It will also establish a central record of the integrated management plans adopted by individual departments with responsibilities which include weed control.

In seeking to create these integrated plans, recommended reference material is available through two documents prepared by the Amenity Forum.

- Integrated Weed Management in Amenity Spaces **Guidance**
- Creating an Integrated Weed Management Plan for Amenity Spaces **Template**

However it will be important to develop an NCC specific approach fully owned by all involved.

Appendix 2

EXAMPLES OF THE APPROACHES TO BE ADOPTED IN DETERMINING WEEDINESS LEVELS

This appendix examines two example situations encountered in terms of weed management. In creating the required integrated management plans within NCC, the approach to determining tolerable weediness levels will be applied as appropriate to the various weed management situations encountered and be documented in each plan.

The first situation relates to highways. The second relates to a more specific situation where weeds are being managed, say around NCC maintained buildings.

Situation 1 – Managing highways

Weed treatment is an annual routine maintenance operation on hard surfaced areas of the highway including footways and kerb lines. As such, those responsible for weed management need to establish an integrated management plan prior to the growing season and, in advance of instructing contractors to undertake the work. This will involve decisions being taken on the level of weediness that can be tolerated.

The current approach to this adopted in NCC, and deemed as fit for purpose in line with this policy, is as follows.

Given the length of the footways and kerb lines across the county, an area weed growth level assessment/condition report is made on a countywide basis. During the season, this assessment is updated based upon observations during planned routine highway inspections and, also taking into account an assessment of the number of customer service contacts related to weed growth. As part of this process, the Highways department frequently collates and discusses such area views at management team meetings to establish the level of weed growth and tolerance levels.

This approach is a key determinant in determining treatment start date for the whole of the county and for monitoring and reviewing matters throughout the season, as will be established in the annual integrated management plan. This is not a specific location assessment but a global county assessment, whereby a dynamic and targeted spot treatment can then be undertaken at the most appropriate time, based on the level of weed growth to minimise the impact on highway users whilst protecting the highway asset.

<u>Situation 2</u> – Managing weeds in paved areas within a built up environment, such as the curtilage of NCC maintained buildings. The example is based upon work initially undertaken as part of a government funded project looking at weed control on pavements in an urban context. It is for illustration. NCC will develop its own specific approach best suited for purpose in terms of its integrated management plan process, as part of implementing this glyphosate policy.

Weed Level Scale

Weediness criteria

Score each criteria and add together to give the weed level

Clump diameter = numerous plants
Rosette diameter = single plant
Length = along any pavement or channel edge

Slab areas – weeds within pavement rule
>30 cm length within pavement area >30 mm height downgrade by 1 classification (i.e. add 3 points total score)

Key
Acceptable
Planning required
Unacceptable

Criteria			Class	Score	Description
Height (mm)	Clump/rosette diameter or length (mm)	Joint coverage (%)			
0-75	0-100	0-20	1	3	No or occasional small weeds
75-150	100-150	20-30	2	4-6	Patchy weed growth some shooting weeds
150-200	150-200	30-40	3	7-9	Numerous weeds many shooting, view annoys or irritates public
>200	>200	>40	4	10-12	Numerous large weeds, risk to slip or trip

Series of photos to accompany a new weed level scale

- Must show extreme of each level to decrease ambiguity

Level 2 - Patchy weed growth some shooting weeds

Level 3 - Numerous weeds many shooting, view annoys or irritates public

New Weed Level Scale - example

- Weeds less than 75mm high (1 point)
- Clump/rosette diameter or length – linear length between 150-200mm (3 points)
- Joints covered by approx. 30% (2 points)

Points total:

6 = Level 2,

acceptable, planning required

Level - Points per criteria cell	Tarmac Score	Slab Score	Height (mm)	Clump/rosette diameter, length (mm)	Joint coverage (Slab only) (%)	Description
2	2-3	4-6	75-150	101-150	20-30	Patchy weed growth some shooting weeds

New Weed Level Scale - example

- Weeds between 75 – 150mm high (2 points)
- Clump/rosette diameter or length – linear length >300mm (4 points)
- Joints covered by approx 25% (2 points)

Points total:

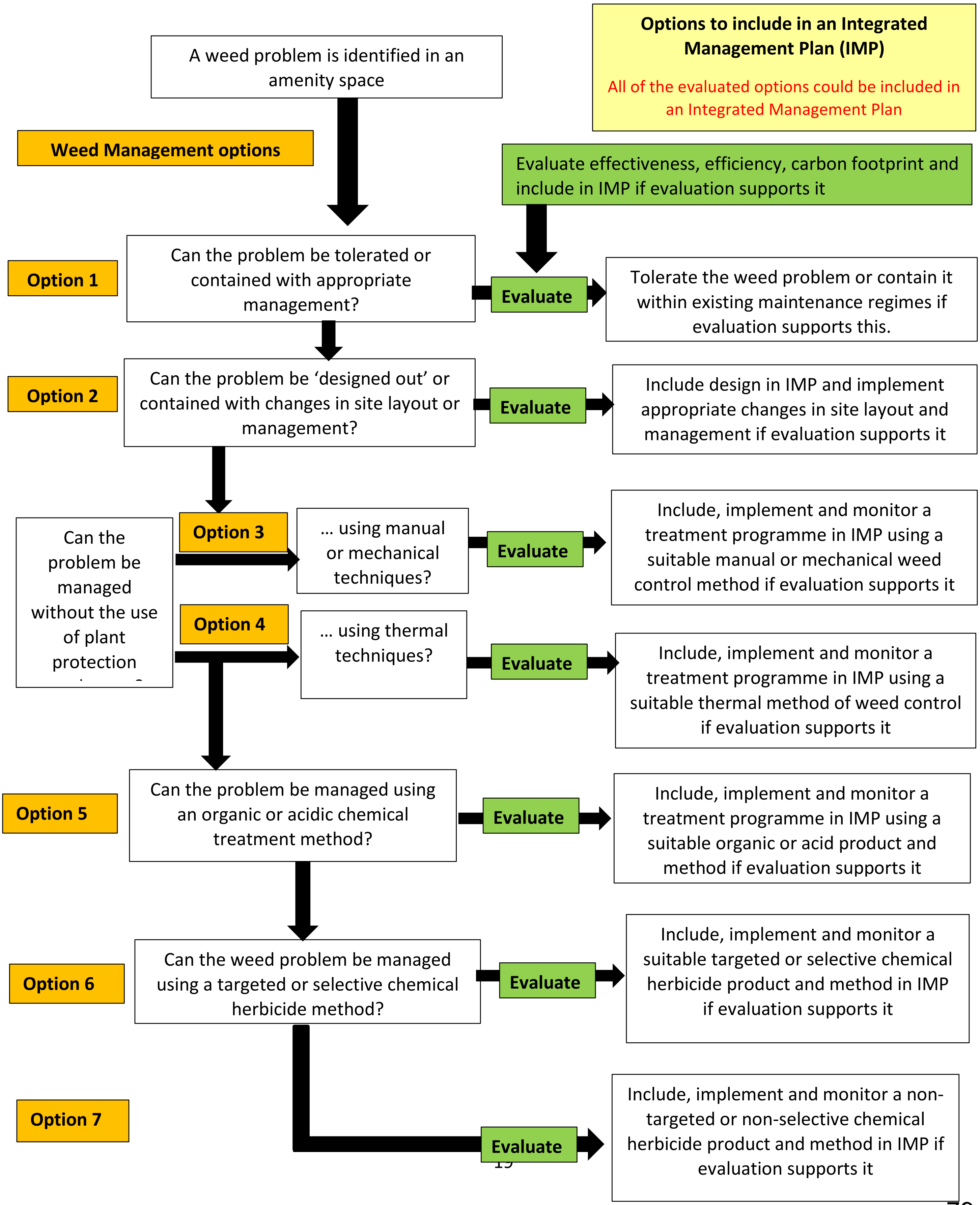
8 = Level 3,

unacceptable, remedial action required

Level - Points per criteria cell	Tarmac Score	Slab Score	Height (mm)	Clump/rosette diameter, length (mm)	Joint coverage (Slab only) (%)	Description
3	5-6	7-9	150-200	150-200	30-40	Numerous weeds many shooting, view annoys or irritates public

Appendix 3

An example of the decision making process to be followed in creating integrated management plans for specific situations



Appendix 4

Legislation Relating to Weeds and their management

Inevitably the use of herbicides, and the control/eradication of weeds, is dictated and influenced by various forms of legislation or regulations that have either been developed in the UK arising from former EU directives or policy, or which have originated solely within the UK as a response to BREXIT, national and regional policies or issues of concern.

The Weeds Act 1959

The Weeds Act 1959 empowers the Department of Environment, Food and Rural Affairs (DEFRA) or its subsidiary bodies to serve notice requiring an occupier of land to take action to prevent the spread of certain specified weeds. Action under the Act is pursued by DEFRA specifically when agricultural land is threatened by these specified weeds. DEFRA may also elect to have a third party undertake any necessary action and recover costs from the occupier. Specified weeds under the Weeds Act 1959 are Spear Thistle, Creeping Thistle, Curled Dock, Broadleaved Dock and Common Ragwort.

Wildlife and Countryside Act 1981 (as amended)

Section 14 of the Wildlife and Countryside Act 1981 makes it an offence, liable to a fine, to plant or otherwise cause to grow in the wild, certain specified weeds. However, it may be a potential defense to prove that all reasonable steps were taken to prevent these plants growing in the wild. Specified weeds under the Act include giant hogweed, Himalayan balsam and Japanese knotweed.

Town and Country Planning Act 1990 (England and Wales)

Section 215 (England & Wales) empowers local authorities to serve notice on owners or occupiers of land to control weeds that are considered harmful to the amenity of the surrounding area. Failure to take appropriate action may be liable to a fine, or alternatively the local authority may recover costs incurred in employing a third party to take the appropriate action.

EU Sustainable Use Directive 2009 implemented by the Plant Protection Products (Sustainable Use) Regulations 2012 (*Whilst the UK is no longer a member of the EU, in transitional arrangements the UK Government has adopted such measures further to subsequent review in due course)*

This Directive states that member nations must keep the use of pesticides and other forms of intervention to levels that are economically and ecologically justified and reduce or minimise the risks to human health or the environment from these forms of intervention.

- All users of herbicides to have a certificate of competence
- A continued requirement for anyone who uses a pesticide to take "reasonable precautions" to protect human health and the environment
- A continued obligation to confine pesticide application to the target area
- Continued requirements in relation to storage, handling and disposal
- Specific measures to protect water
- Requirement to minimise use in specific areas (roads, railways, very permeable surfaces or other infrastructure close to surface and groundwater; sealed surfaces with a high risk of run-off to surface water and sewage systems; areas used by the general public or vulnerable groups; in the close vicinity of healthcare facilities; in conservation areas)
- Obligations for the regular inspection of Plant Protection Product Application Equipment by independent NSTS testers
- Requirement for those who purchase products for professional use to ensure the end user holds an appropriate certificate

Water Framework Directive 2000
This directive relates to the protection of water-based environments, including groundwater and drinking water. To reduce or remove the risks of polluting such water environments, the directive states that future weed management strategies should adopt an integrated approach in order to deliver the most sustainable control of weeds.

Glyphosate License
The current status is that the manufacture and sale of products based on or containing glyphosate will continue to be approved in the UK until December 2025, when further reassessment will be made.

Control of Pesticide Regulations (COPR) 1986
This UK regulation requires that all operators who wish to apply pesticides must hold the appropriate statutory 'NPTC' certificates for the various applicators that they intend to use – recognized certificates are issued by City & Guilds and by Lantra Awards.

Control of Substances Hazardous to Health Regulations (COSHH) 2002
This is the law that regulates the occupational use of substances hazardous to health within the UK, which all herbicides are classified under. It aims to ensure that the correct control measures are in place to reduce the risk of harm from exposure to hazardous substances. This also covers the correct and safe storage of chemicals, including herbicides

The Official Controls (Plant Protection Products) Regulations 2020
These regulations came into force in Great Britain in June 2020 and require all users and all suppliers of professional plant protection products to appear on a GB register overseen by Defra. Those required to register are:

- operators who place PPPs on the market - businesses who produce, manufacture, process, import, distribute and sell professional PPPs, components, and adjuvants
- all other operators, including those who use PPPs in a professional capacity in agricultural, horticultural and amenity situations either directly or using third parties such as contractors.

Provision and Use of Work Equipment Regulations 1998 (PUWER)
These Regulations, often abbreviated to PUWER, place responsibilities on businesses and organisations whose employees use work equipment, whether owned by them or not.

PUWER requires that equipment provided for use at work is:

- suitable for the intended use
- safe for use, maintained in a safe condition and inspected to ensure it is correctly installed and does not subsequently deteriorate
- used only by people who have received adequate information, instruction and training
- accompanied by suitable health and safety measures, such as protective devices and controls. These will normally include guarding, emergency stop devices, adequate means of isolation from sources of energy, clearly visible markings and warning devices
- used in accordance with specific requirements for mobile work equipment.

Appendix 5

Training and Health & Safety for Operatives Using Pesticides

1. **Requirement for users of plant protection products (pesticides) authorised for professional use to have a specified certificate (formerly certificate of competence)**

   Users of professional pesticide products are required to hold a certificate showing they have sufficient knowledge of the subjects listed for their use (these certificates are called a specified certificate, formerly a certificate of competence). Previous certificates of competence remain valid under the legislation. A list of recognised specified certificates is available on the HSE pesticides website.

   Everyone who uses pesticides professionally should have received adequate training in using pesticides safely and be skilled in the job they are carrying out as well as holding a specified certificate. This applies to:

   - users, operators and technicians (including contractors);
   - managers;
   - employers;
   - self-employed people; and
   - people who give instruction to others on how to use pesticides.

   Guidance on the safe use of plant protection products exists in the **Codes of Practice** for Using Plant Protection Products. A new Code of Practice is expected later in 2022. In the meantime, there is guidance available for those affected by the Regulations on the HSE website. Although some of the underlying legislative framework has changed, the general guidance contained in the Code remains appropriate. If there is any inconsistency between the Code and the HSE guidance, the advice in the HSE guidance takes precedence.

   Under the previous UK legislation governing pesticide use, those born before 31 December 1964 who used an agricultural product on their own or their employer's land were exempt from the requirement to hold a certificate of competence. This was known as a **grandfather rights exemption**. This exemption was withdrawn on 26 November 2015, after which everyone who purchases a professional product must ensure that the intended end user holds a recognised specified certificate.

2. **Training Requirements**

   Before using a pesticide, the need for training in the subjects set out below is established by HSE. The key elements are included in the proposed initial training programme and continuing professional development scheme to be established by NCC as part of this policy.

   a. All relevant legislation regarding pesticides and their use.
   b. The existence and risks of illegal (counterfeit) plant protection products, and the methods to identify such products.
   c. The hazards and risks associated with pesticides, and how to identify and control them, in particular:
      I. risks to humans (operators, residents, bystanders, people entering treated areas and those handling or eating treated items) and how factors such as smoking exacerbate these risks;
      II. symptoms of pesticide poisoning and first aid measures;
      III. risks to non-target plants, beneficial insects, wildlife, biodiversity, water and the environment in general.

d. Understanding integrated pest management strategies and techniques, biological pest control methods, information on the general principles and sector-specific guidelines for integrated pest management.
e. Initiation to comparative assessment at user level to help professional users make the most appropriate choices on pesticides with the least side effects on human health, non-target organisms, water and the wider environment among all authorised products for a given pest problem, in a given situation.
f. Measures to minimise risks to humans, non-target organisms, water and the wider environment: safe working practices for storing, handling and mixing pesticides, and disposing of empty packaging, other contaminated materials and surplus pesticides (including tank mixes), whether in concentrate or dilute form; recommended way to control operator exposure (personal protective equipment).
g. Risk-based approaches to applying pesticides which take into account the local water extraction variables such as climate, soil and crop types.
h. Procedures for preparing pesticide application equipment for work, including its calibration, and for its operation with minimum risks to the user, other humans, non-target animal and plant species, biodiversity and the environment, including water resources.
i. Use of pesticide application equipment and its maintenance, and specific spraying techniques (e.g. low-volume spraying and low-drift nozzles), as well as the objectives of the technical check of sprayers in use and ways to improve spray quality. Specific risks linked to use of handheld pesticide application equipment or knapsack sprayers and the relevant risk management measures.
j. Emergency action to protect human health, the environment including water resources in case of accidental spillage and contamination and extreme weather events that would result in pesticide leaching risks.
k. Special care in protection areas established under Articles 6 and 7 of Directive 2000/60/EC, (Requirements for sales of pesticides; Information and awareness-raising)
l. Health monitoring and access facilities to report on any incidents or suspected incidents.
m. Record keeping of any use of pesticides, in accordance with the relevant legislation.

3. **A requirement for anyone who uses a pesticide to take "reasonable precautions" to protect human health or the environment**

   When using a pesticide product, authorised for professional use, it would help a user to meet the requirement to take "reasonable precautions" if he or she identified the most appropriate method (or combination of methods) of control, chose the product/method of control that minimised risks and the amount of pesticide applied whilst achieving an appropriate degree of control. They should then identify and mitigate any risks following practices that are consistent with those detailed in the Code of Practice and the guidance on the HSE pesticides website.

   In the case of non-professional products following instructions on use and disposal of the product in accordance with instructions on the product label would help a user comply with the requirement to take "reasonable precautions".

4. **A continued obligation to confine pesticide application to the target area**

   Users are required to confine pesticide applications to the land, structure or other material intended to be treated. Enforcement action may be taken against users, for example, who directly overspray a watercourse or spray in inappropriate weather conditions causing a risk of adverse effects on people or the environment adjacent to the treated area.

5. **Requirements in relation to storage, handling and disposal**
   There is a requirement to take reasonable precautions to ensure that: storage, handling and disposal of products, their remnants (old products and unused tank mixes) and packaging; and cleaning of equipment do not endanger human health, water or the wider environment. When handling, storing or disposing of products taking the following steps would help in satisfying the requirement to take "reasonable precautions"-

   - in the case of non-professional products, following instructions on storage and disposal of the product in accordance with instructions on the product label.
   - in the case of professional products, identifying and mitigating any risks; and following good filling, storage and disposal practice such as that detailed in the Code of Practice.

6. **Specific measures to protect water**
   There is a requirement to give preference to particular types of products where: the use of a product represents a risk to the aquatic environment and/or drinking water supplies; and there is more than one product authorised for a particular situation. The legislation provides that, so far as is reasonably practicable, preference should be given to products not classified as dangerous for the aquatic environment and not containing priority hazardous substances. Priority hazardous substances are listed in Annex II of Directive 2008/105/EC (link to external website).

   Many factors (product toxicity, mobility, user practice, application of risk mitigation, method of application, condition of machinery, crop or situation, topography, soil type and weather) will determine whether use of a pesticide presents a risk to the aquatic environment or drinking water supplies. It is important, however, that users and advisors assess all risks (human health and the environment) and do not afford a disproportionate emphasis to any particular area. For example, it would not be appropriate to give preference to a product that may be assessed as posing less of a risk to the aquatic environment, if use of the alternative product posed a substantially greater risk to human health.

7. **Requirement to minimise use in specific areas**
   There is also a requirement to ensure that the amount of pesticide used and the frequency of use is as low as reasonably practicable where products are used in a number of specific areas. These areas are: roads, railways, very permeable surfaces or other infrastructure, close to surface water and groundwater; sealed surfaces with a high risk of run-off to surface water and sewage systems; areas used by the general public or vulnerable groups; in the close vicinity of healthcare facilities; in conservation areas; and areas which will be used by or accessible to amenity workers. ('Sealed surfaces', in practice, means surfaces that do not allow liquid to pass through them, e.g. tarmac. "Capped soil" is not a sealed surface.)

   Users need to take into account the appropriate level of pest, weed or disease control necessary in particular situations when deciding their control strategy. For example, the control strategy required for a football pitch in a public park may differ from that on the greens of a championship golf course. Given that needs will differ and that the level of pest, weed and disease control and local risks can vary official guidance does not specify the level of control and consequently what constitutes an appropriate amount or frequency of use, for all circumstances which might arise.

8. **Using pesticides without a Specified Certificate?**

   If you need to have a specified certificate to do your job, but you do not have one yet, you must be working under the direct supervision of someone who has the necessary certificate (because you are undergoing training to obtain a specified certificate).

If you are supervising someone who does not have a certificate, you should be able to see and hear the person doing the job to supervise them. You should be able to see the person doing all parts of the job, including:

- preparing and mixing the pesticide;
- filling equipment and making sure the dose levels are correct (calibrating);
- applying the pesticide; and
- cleaning equipment and disposing of washings, leftover pesticides and the containers.

9. Continuing professional development (CPD)

Once you have achieved a specified certificate, it is important (and a requirement of the Amenity Standard) that you continue to develop your technical knowledge and practical skills in using pesticides. You should make sure that you keep your training up to date and that you know the latest information on how to protect human health, wildlife, other plants and creatures you don't intend to treat, water and the environment.

You should keep a record of all the training you receive. It is the easiest way for you to prove that you have the necessary training, knowledge and skills.

You can get evidence of your continuing professional development by being a member of:

- the BASIS Amenity Training Register or the National Register of Sprayer Operators (if you use pesticides); and
- the BASIS Professional Register (if you sell or supply pesticides).

You will need the appropriate specified certificates to join these registers. To continue to be a member, you will need to attend a sufficient number of appropriate training events and conferences, in line with the terms of each scheme

APPENDIX 6

SUMMARY OF KEY PRINCIPLES FROM THE NCC POLICY

1. In managing weeds, the Council will always take an integrated approach and ensure, especially where glyphosate products are used, that use is minimised and targeted to achieve agreed levels of weed management for given situations
2. The Council will regularly review new methods of weed management as they become available, with a view to trialling these where they offer a viable alternative to glyphosate use but do not compromise other objectives in terms of health and safety, the environment and the NCC commitment to meeting carbon targets.
3. NCC will not use Glyphosate based products wherever possible and will clearly state areas where glyphosate products should not be used
4. Where glyphosate products are used, the Council will ensure full compliance with all legal requirements, maintain detailed and accurate records of pesticide applications and ensure staff managers, specifiers and operators, and appointed contractors, are fully trained, up to date and competent.
5. NCC will ensure all future contracts and, where possible, existing contracts, are consistent with the council's policy on glyphosate products
6. NCC will use whatever mechanisms are available, to ensure that third parties maintaining council owned land, comply with the council's policy especially in terms of them demonstrating that they operate to the UK Amenity Standard
7. Where NCC does not directly manage the land it owns as, for example, county farms and school academies, it will ensure that, as far as possible, the principles of this policy are upheld.

Cabinet

Item No: 10

Report Title: Norfolk Speed Management Strategy

Date of Meeting: 30 January 2023

Responsible Cabinet Member: Cllr Graham Plant (Cabinet Member for Highways, Infrastructure & Transport**)**

Responsible Director: Tom McCabe – Executive Director of Community & Environmental Services

Is this a Key Decision? Yes

If this is a Key Decision, date added to the Forward Plan of Key Decisions: 23 November 2022

Executive Summary / Introduction from Cabinet Member

The Norfolk Speed Management Strategy (NSMS) is an important policy document that provides a countywide strategic direction and guidance on how speed is safely managed on Norfolk's roads. It is based on central government guidance and aligned to other local policies and strategies. The previous version of the NSMS was produced in 2014. New guidance has been produced by the Department for Transport (DfT) since then and also some of the ways Norfolk County Council (NCC) approaches road safety and speed management have also changed. In addition, a new version of the Highway Code was introduced in January 2022 to improve the safety for the most vulnerable road users.

A desire shared by both central Government and NCC has seen a marked increase in local, community-based involvement, resulting in the expansion or introduction of several NCC initiatives. For these reasons, a review has been necessary to capture these changes and latest approaches, and a revised draft version of the Norfolk Speed Management Strategy (NSMS) was presented to the 16 November 2022 Infrastructure & Development committee for initial review and comment. This draft has been further updated to incorporate the amendments and comments arising from this committee meeting and is presented in this report as a final draft document for Cabinet approval.

Recommendations:

1. Agree the revised Norfolk Speed Management Strategy (NSMS).

1. Background and Purpose

1.1 NCC as the local highway authority, is responsible for determining speed limits on the local road network. Speed limits on the A11 and A47 trunk roads in Norfolk are the responsibility of National Highways (formerly Highways England).

1.2 The Norfolk Speed Management Strategy (NSMS) is NCC's document that provides countywide strategic direction and guidance on how speed is safely managed on Norfolk's roads. It is produced as a part-technical, part-general information and guidance document for use by NCC highways officers, Members, Town and Parish Councils and the general public.

1.3 The previous version of the NSMS was produced in 2014 and was based on a set of guidelines from the Department for Transport (DfT) entitled "Setting local Speed Limits" (Circular 01/2013). It also featured casualty reduction targets, which are no longer nationally used, along with former approaches to providing speed reduction measures such as the trial of self-explaining roads, physical carriageway ramps and cushions and coloured road surfacing, which are no longer preferred options.

1.4 Since 2014, there has also been a desire and drive from both central and local government towards more localised decision making, including community-based initiatives. This has subsequently led to the introduction and expansion of several successful NCC initiatives such as the Parish Partnership Scheme and the more recent Road Safety Community Fund, along with School Streets pilots and measures delivered using the Local Member Fund.

1.5 To maintain and encourage greater use of active travel, in 2020/21 the DfT published its 'Gear Change' documents to raise awareness of how increasing cycling and walking can help tackle some of the most challenging issues we face as a society such as improving air quality, combatting climate change, improving health and wellbeing, addressing inequalities, and tackling congestion on our roads. Also, to help improve the safety for the most vulnerable road users, recent changes were made to the national Highway Code, and an updated version was published in January 2022.

1.6 Although there has been no further DfT guidance to succeed the 2013 circular, there have been sufficient changes and different approaches to road safety, speed management and active travel (as described above) to warrant a review of the NSMS. Accordingly, the 2014 strategy has been reviewed and updated to capture these changes and a copy of the proposed new NSMS document is included in Appendix A.

2. Proposal

2.1 The new and updated NSMS included in Appendix A, incorporates several revisions to reflect the changes and new approaches described above. Some of the key revisions made to the NSMS are described below, together with the rationale for the changes.

2.2 The NSMS has been designed to conform with the NCC's current accessibility criteria and has resulted in a fundamental change in style from a brochure style document to an A4 report-style document.

2.3 The new strategy takes account of the revised Highway Code (January 2022) and the following additional or new local/national legislation, guidance, polices and strategies:

- The Local Transport Plan (LTP4, adopted July 2022);
- Manual for Streets (DfT, Dept for Levelling Up, Housing & Communities);
- Transport Decarbonisation Plan (DfT);
- Highways Act 1980;
- Road Traffic Regulation Act 1984;
- Traffic Signs Regulations and General Directions 2016;
- NCC Better Together, for Norfolk (2021-2025);
- NCC Environmental Policy (November 2019).

2.4 The strategy also now includes the latest Council initiatives such as Parish Partnership scheme, Road Safety Community Fund and the School Streets pilot. It also includes sections on the Traffic Regulation Order (TRO) process with an explanation of TROs, why they are needed, and the process required and timescales to make them.

2.5 Persuasion and physical speed reduction measures are explained in the body of the strategy as before but are also summarised in an easy reference form in Appendix 1 of the NSMS, with photos of each type of measure, typical applications, considerations for implementation and the most appropriate funding streams for each measure. This also includes sections on Quiet Lanes and Low Traffic Neighbourhoods.

2.6 There is also an updated section on 'Education, Training and Publicity' provided by the Council's Road Safety Team, with an improved explanation of and emphasis on the 'Safe System Approach Framework' and the team's extensive behavioural change initiatives and educational courses they currently deliver via a link to their online content.

2.7 Section 8 (Speed enforcement) and parts of Section 6 (Speed management measures) of the NSMS were written by colleagues at Norfolk Constabulary, who are a key stakeholder in, and contributor to, the production of the document. The updated NSMS now reflects the Constabulary's updated and current approaches.

3. Impact of the Proposal

3.1 The revised NSMS presented in this report has been designed to provide readers with an up-to-date guidance and reference document. It incorporates several important and relevant changes in guidance and approach to speed management in Norfolk since 2014 and aligns with the Council's current transport-related and other polices and strategies.

3.2 The NSMS also highlights and describes the shift in emphasis towards more community-led, local initiatives and describes the additional funding streams available to support these.

4. Evidence and Reasons for Decision

4.1 The previous version of the NSMS was produced in 2014. Since then, parts of the Council's, Constabulary's and local communities' approaches to speed management have changed, to reflect changing demands, new initiatives and other drivers described in Section 1, above.

4.2 The Council's new Road Safety Community Fund (RSCF) initiative was launched during the summer of 2021 and presented to Cabinet on 6 September 2021. This was deemed an appropriate time to also refresh and update the 2014 NSMS, to capture these changes and to produce a new and updated NSMS document.

4.3 As a result, the 4-year RSCF programme included undertaking a review of the NSMS during the first year (2022) and led to the compilation of the revised NSMS document included in Appendix A and discussed in this report.

5. Alternative Options

5.1 NCC could continue to use the former NSMS until further changes in national legislation or guidelines (e.g. DfT) are published. However, as there have been a number of important changes in approaches to speed management and associated strategies and policies since 2014, a review and update was considered necessary.

6. Financial Implications

6.1 There are no financial implications associated with the approval, publication, and promotion of the new NSMS, as none of the changes have any direct financial impact.

6.2 Notwithstanding this, the NSMS has been written to provide improved information and clarity on the most appropriate speed management measures to be used for given situations, together with the most suitable funding routes. It is hoped that this additional information and the design of the NSMS will help direct its readers more quickly and efficiently to the information they require and/or solutions to speed management issues. It should be noted that schemes and measures can only be taken forward with appropriate funding.

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 must be included):
Effective speed management (allied to other Council highway and transport polices) has a positive impact on the safety of all highway users.

8.4 Data Protection Impact Assessments (DPIA): None

8.5 Health and Safety implications (where appropriate):
Effective speed management (allied to other Council highway and transport polices) has a positive impact on the safety of all highway users.

8.6 Sustainability implications (where appropriate):
Effective speed management (allied to other Council highway and transport polices) can have a positive impact on sustainable transport options and encourage modal shift towards more walking and cycling.

8.7 Any Other Implications: None identified

9. Risk Implications / Assessment

9.1 None identified, therefore assessment not required.

10. Select Committee Comments

10.1 The comments made at the 16 November 2022 Infrastructure and Development Committee meeting have been incorporated into the revised document. These mainly related to adding in points of clarification.

11. Recommendations

1. Agree the revised Norfolk Speed Management Strategy (NSMS).

12. Background Papers

12.1 Department for Transport (DfT) entitled "Setting local Speed Limits" (Circular 01/2013) press here to open

Officer Contact

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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 A

Norfolk County Council

Norfolk Speed Management Strategy

January 2023

Contents

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Welcome to
ACLE
Please drive carefully
40
Welcome to
ACLE
Please drive carefully

1. Foreword

The previous version of Norfolk's Speed Management Strategy was written in 2014. Since then, there have been a number of new publications by the Department for Transport (DfT), also some of the ways we approach safety matters have altered or have been enhanced. A desire shared by both Central Government and the County Council has seen a marked increase in local, community-based involvement, resulting in the expansion or introduction of several initiatives. Therefore, a review was necessary to capture these changes.

The County Council has a successful track record in partnership with other agencies of reducing the severity and number of people hurt on roads in Norfolk, and in supporting and responding to communities that are worried about road safety. Whilst the County Council is fully focused on delivering a consistent safe approach to speed management across the county, many communities are concerned about the effects of speeding traffic on their safety and quality of life, especially for the more vulnerable groups including school children and older people. In terms of school children, current DfT advice is to consider the introduction of more 20 mph speed limits and zones. Elected members have agreed we should aspire to part-time 20 mph speed limits outside each school in Norfolk, although that aspiration is very dependent on the levels of funding available from Government and is achievable at the time. A new and recent trial called Norfolk School Streets, aimed at improving safety around schools and promoting active travel over car use, is currently underway at a small number of sites and is being monitored and assessed. The trial involves road closures during pick-up and drop off times, with certain roads being closed to vehicles to allow children to travel safely to and from their school using sustainable modes of transport including walking, cycling and scooter riding.

To further help address local safety concerns, the County Council has introduced the very popular and extremely successful **Parish Partnership Initiative** which allows local communities across the County to decide upon their own highway related priorities and schemes, many of which relate to improved road safety and speed management. Schemes are jointly funded between the Parish/Town Councils and the County Council.

Further to our aim of making Norfolk's roads safer, we have recently committed an additional £1m in funding which will be spent across the County over the next 4 years (April 2022 – March 2026) to address even more of these local community safety concerns. This is called the **Road Safety Community Fund** and is a new and additional funding stream specifically designed to address local road safety concerns.

I believe that this amended version of the **Norfolk Speed Management Strategy** retains the right degree of flexibility which allows us to look at the best local solutions to speed related issues and get the best out of our resources and those of our key partners. I am grateful to Norfolk Constabulary for their assistance with the continued development of the strategy.

Graham Plant
Cabinet Member
for Highways Infrastructure and Transport

January 2023

2. Speed Management
- Considerations

Introduction

Acting as the local Highway Authority, Norfolk County Council is responsible for setting speed limits on local roads. The Norfolk road network needs to support a local transport system that is safe for all road users, promotes economic growth and improves the quality of life in our communities.

Underpinning this support is the County Council's approach towards the key considerations of speed management, which are covered in this Norfolk Speed Management Strategy, and are:

- **Road Safety**
- **Economic Considerations**
- **The Environment**
- **Links to other strategies**
- **Policy**

Road Safety

The relationship between speed and road casualties is complex, but there is overwhelming evidence that lower speeds result in fewer collisions and less severe injuries. Speed management has undoubtedly contributed to a considerable reduction of road collisions within Norfolk. The agreement to remove specific road safety targets was made by government in 2011 and it was replaced with the **Safe System Framework Approach** (adopted by the DfT). This is an internationally recognised approach to reducing killed or seriously injured road users (KSI) numbers.

The County Council and partner organisations have agreed to adopt the Safe System Framework Approach, explained in greater detail within this strategy document. It is our ambition to implement a step change in how we address road safety, acknowledging that humans make mistakes and that the road system should be designed, built and used in a way which protects lives.

The County Council continues to retain a strong focus on casualty reduction, demonstrated in our Highways, Transport and Waste Service Plan on a Page (2022), and one of its key performance indicators states a reduction in number of killed or seriously injured (KSI) on Norfolk's roads. The aims include the reduction of the number and severity of road traffic casualties on roads in Norfolk.

Increased public confidence that journeys by foot, bicycles, e-scooters, public transport, cars and lorries will be safe is key if we are to have a vibrant and expanding economy together with a county where our residents and visitors feel safe to explore the highway network.

The current guidelines from the Department for Transport (DfT) on **Setting Local Speed Limits (Circular 01/2013)** reinforces our own approach, with an emphasis given to consideration of the full range of options to enhance the environment and quality of life. Speed limits form one distinct element of speed management. They should be considered alongside other speed management measures including engineering, enforcement and education. Roads in residential areas and urban centres need to be designed for all road users and raise driver awareness of their environment.

Traffic speed interacts strongly with the local environment and the public perception of road safety. With the correct environment, sustainable forms of transport such as walking and cycling are encouraged. To promote these activities, in 2020 and 2021 the DfT published its **Gear Change** documents - raising awareness of how increasing cycling and walking can help tackle some of the most challenging issues we face as a society – improving air quality, combatting climate change, improving health and wellbeing, addressing inequalities and tackling congestion on our roads.

Economic Considerations

Efficient transport systems are essential to the economy and vibrancy of Norfolk. Road traffic is essential to move people and goods for business, pleasure and work. The economic health of the county relies on the reliability and effectiveness of the road network, and correct speed management helps to address this. Traffic collisions and injuries are expensive to the county, not only in monetary terms, but in human suffering and social impacts. At present when resources for road improvements are limited, the value of proposed improvements must be assessed. However, many of the benefits of speed management such as environmental, community and quality of life impact do not have monetary values, but still need to be considered. Effective speed management is part of creating a safe road environment and helps ensure the road is suited to the functions it supports. Evidence suggests that when traffic is travelling at constant speeds, even at a lower level, it may result in shorter and more reliable overall journey times, and that journey time savings from higher speed are often overestimated.

The Environment

Effective speed management can enhance an area. Residential areas can be more accessible to the vulnerable road user and more suited to walking and cycling. Town centres can thrive with speed managed to reduce the priority of motorised vehicles and help pedestrians feel comfortable and safer.

To improve the safety for the most vulnerable road users, recent changes were made to The Highway Code (July 2022).

The aims of the changes are:

- To introduce a hierarchy of road users to ensure those who can do the greatest harm have the greatest responsibility to reduce the danger or threat they may pose to others
- To clarify existing rules on pedestrian priority on pavements and that drivers and riders should give way to pedestrians crossing or waiting to cross the road
- To establish guidance on safe passing distances and speeds when overtaking cyclists or horse riders, and ensuring they have priority at junctions when travelling straight ahead

The emissions of both carbon dioxide and nitrogen oxide increase with the speed of traffic along with noise and vibration. At lower speeds, drivers are less likely to vigorously accelerate and if vehicles are more constant in their speed, pollutants such as particulates are lowered. One of the key goals of NCC's Environmental Policy is 'clean air for the population'. Therefore it is vital locally, nationally and globally we do all we can to reduce vehicle emissions which are polluting our environment.

3. The Norfolk Speed Management Strategy

This strategy has been developed taking the following County Council policies and strategies, as well as guidance from the DfT and national legislation into consideration:

- **The Local Transport Plan (LTP4, adopted July 2022)**
- **Transport Asset Management Plan (TAMP)**
- **Setting Local Speed Limits (DfT Circular 01/2013)**
- **Operational Network Management Plan (ONMP)**
- **The Highway Corridor – Environmental Best Practice guide**
- **Manual for Streets (DfT, Dept for Levelling Up, Housing & Communities)**
- **Transport Decarbonisation Plan (DfT)**
- **Highways Act 1980**
- **Road Traffic Regulation Act 1984**
- **Traffic Signs Regulations and General Directions 2016**
- **Together for Norfolk**
- **NCC Environmental Policy (November 2019)**
- **Highway Code (July 2022)**
- **Gear Change (July 2020)**

The strategy has been updated to take account of the latest guidance, customs and practices, as well as changes in technology and society over the period since the last review in 2014.

This strategy supports an on-going delivery of actions by a range of stakeholders, based on a shared approach to the provision of:

- **Speed limits – see Setting Local Speed Limits**
- **Measures to reduce speed – see Speed Management Measures**
- **Education and publicity**
- **Speed Enforcement**

This strategy offers a framework for the setting of local speed limits and deciding how and under what circumstances action should be taken to adjust speed limits. Some aspects of roads policy which are of particular relevance to the setting of local speed limits include:

- **Road Types – rural/urban, built-up/non-built-up**
- **Route Hierarchy – A roads, B roads, C and U roads**
- **Function (uses) – Movement, Access and Place, or mixed uses**
- **Standard – improved/unimproved**
- **Environment – schools, shops, vulnerable road users, etc**
- **Collision and Casualty History – numbers, rates and densities of KSI casualties**
- **Driver compliance – existing mean and 85th percentile speeds**

In association with the Police, the County Council remains committed to keeping speed management and speed limits under review in order to:

- **Maintain good levels of understanding, acceptance and driver compliance with speed restrictions in Norfolk**
- **Develop route management strategies which meet the needs of road users, and improve quality of life for local communities**
- **Encourage self-compliance, with speed limits seen by drivers as the maximum rather than a target speed**
- **Improve road safety**

Over time, there is also an aim to provide a consistent message between the speed limit and what the road looks like, with regards to its function, geometry and environment.

4. Setting local speed limits

Parish & Town Councils

Norfolk is made up of over 500 Parishes with many numerous villages, most of which have existing speed limits. Vehicle speeds affect quality of life as well as affecting the environment. Working closely with Parishes, Town, District and Borough Councils, coupled with making the most of both existing and emerging available funding streams, the County Council will investigate Local Stakeholder concerns, encourage communities to decide upon their priorities and then work closely together to assess, devise and deliver the most suitable speed related safety projects.

> During the past 30 years the majority of Parishes have had at least one speed limit assessment and there have been a large range of speed limit changes, new speed limit restrictions and extensions.

Members of the public raising concerns regarding speed related matters should in the first instance be directed to their local Parish or Town Council to establish whether they agree with the concerns raised and have similar requests reported. It is also beneficial to understand whether this may only be the view of one individual's concerns over what is perceived to be an ineffective speed limit, which will in most cases not be addressed by requesting a lower one. Setting speed limits artificially low will likely have unintended consequences, particularly poor driver compliance with speed limits which could result in further safety issues. In some cases alternative designs/interventions have been proven to achieve better outcomes rather than simply changing the speed limit.

Any proposal to alter an existing speed limit is a collaborative approach and the local Parish/Town Council should act as the initial lead as they represent their community. They need to consider the views expressed and make a judgement as to whether the matter is worthy of their support before making a request to the County Council should it relate to altering an existing speed limit, or to Norfolk Constabulary if it relates to driver compliance, as this is a matter of enforcement.

Traffic Regulation Order (TRO) Process

All requests for speed limit changes are assessed in line with our Council's and DfT guidance. All agreed changes, however small, still require a TRO making process to enable the Order to be enforceable. This requires us, as it does all Highway Authorities, to follow a complex legal procedure defined in statute law which takes around 12-18 months to complete, or longer in more complex cases. This process Involves initial designs, pre-consultations, drafting of legal notices, full consultation in the press (to residents, businesses, emergency services and public transport operators), site notices, further discussions with objectors, full and final design, accompanying health & safety paperwork, sealing of the TRO, ordering and completion of work.

The primary factors to consider before changes are recommended are the following:

- Does the request meet the criteria as described in this Speed Management Strategy?
- Is it linked to clear evidence of personal injury collision data, tangible road safety issues or hazards which may be improved by speed limit reductions?
- Will it result in good driver compliance?
- Are new development works changing the highway related nature of a locality?
- Locations exhibiting the highest priority will be those where there is a proven, speed related casualty record. If so, these may be considered for further development by our Network Safety Team who continually monitor the records of those sites through personal injury collision records received from the Police.

The framework for determining local speed limits in Norfolk is set out below. This approach has been used to establish our speed limits, depending on the road purpose and environment, in accordance with the **Norfolk Speed Management Strategy**. All signing on the highway must comply with the Highway Code (July 2022) and the **Traffic Signs Regulations and General Directions (TSRGD) 2016** but the dimensions and frequency of signs should be designed to suit the location.

Principal Roads and Main Distributor Routes

These are typically the A and B roads in Norfolk which carry traffic between the larger settlements* or are major urban network links for short to medium distance traffic. Some C roads are also included in these categories as described in the **Transport Asset Management Plan (TAMP)**.

*Settlement
County Council definition:
A density of permanent dwellings where people live, socialise and/or work. In rural areas these can be clustered, semi-clustered or fragmented, hamleted, dispersed or isolated.

Not passing through settlements

Motorists on routes that link between larger settlements will expect to be able to make progress at reasonable speeds within the national speed limits. Restrictions on speed should therefore be considered carefully, with the economic and environmental effects taken into account. In some circumstances a reduction from the national limit would be appropriate such as where the collision rate is above the average for the type of road and specific measures to address the problems cannot be identified. Such limits should be set at a level appropriate to the geometric standard of the road and so that the need for it is self-evident to motorists, or signing is used indicating that it is for collision reduction purposes.

Passing through settlements

The risk of collision increases within settlements and the selected speed limit should be appropriate to the potential dangers. Therefore, it is crucial to monitor the collision rate and/or severity pattern to flag up if it is higher than anticipated. This function is monitored by the Council's Network Safety Team. The standard and layout of the road network, its local environment and the types of highway user play a big factor in the expected rates and severity. Likely areas of concern within settlements will include junctions, clusters of private accesses, local facilities (the presence of shops, post office, schools, public houses, etc.), pedestrian activity (crossing the road, walking on footways, walking on the carriageway). In general, as the size of the settlement increases, so too does the number of potential hazards.

The need for a lower speed limit is consequently self-evident and reducing speed accordingly is accepted by motorists. Moving traffic, particular at higher speeds, gives rise to severance and affects the quality of life in communities. A balance must be struck between the needs of the community and the needs of drivers (general public – residents & visitors, commercial & non-profit businesses, public transport etc), particularly where these roads are the main traffic routes in the County. In order not to confuse motorists with too many speed limit changes over a short distance it is suggested that they should be of at least 800m in length.

Exceptions to this would be:

- when used as a 'buffer zone' to gradually slow traffic entering a built-up area where reductions to 400m would be used.
- where the settlement is less than 800m in length provided the 'exit' speed limit terminal signs are not visible at the 'entry' point of the lower speed limit.

Suggested criteria for speed limits on Principal and Main Distributor Roads

In deciding upon a speed limit, the issues to be considered should include the following:

60 mph National Speed Limit Roads (de-restricted)

- no facilities - shops, schools etc.
- only limited or isolated frontage development
- individual houses/small group(s) not exceeding 400m overall length
- roads of suitable standard

50 mph Speed Limit

- few facilities - shops, filling station, PH etc.
- almost entirely frontage development exceeding 400m overall length
- few junctions
- limited pedestrian/cycle activity
- limited reasons to cross the road
- roads of suitable standard for 50 mph, particularly forward visibility

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40 mph Speed Limit

- outer/periphery of village/settlement
- has shop(s), PH, filling station etc
- significant development on both sides of the road, but not necessarily continuous, with some development in depth. Overall frontage exceeds 400m in length
- junctions
- some pedestrian/cycle activity throughout the day with possible peaks associated with schools etc.
- some provision for pedestrians/cyclists or acknowledged need and possible warning signs
- lengths of road that more closely fit the conditions for a 50 mph limit but where the standard of road/forward visibility is more appropriate to 40 mph

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30 mph Speed Limit

- village core should be the focus of the 30 mph speed limit
- settlement has a clearly defined centre, for example village green, cluster of shops/post office, PH, village hall etc.
  facilities generating pedestrian/cycle activity - schools, shops, PH , playground areas, etc.
- frontage development exceeding 400m in length

In addition to the above, may also include:

- adjacent building development
- route has junctions and accesses present
- there is pedestrian activity throughout the day with provision of footways and may have crossings

In terms of 30, 40 and 50 mph speed limits, there exists a range of speed restrictions on Norfolk's Highway Network tailored to meet local conditions and providing a good overall level of road safety benefit on the network.

20 mph Speed Limit

- these limits would be appropriate in areas of high concentrations of vulnerable road users, such as in busy shopping areas or some larger village centres or residential areas and heavily used tourist locations.
- the **Manual for Streets** sets out the approach to the use of 20 mph zones which aims at 20 mph limits for Feeder and Access Roads. These design speeds should be an integral part of all new housing estate layouts.
- serious consideration should be given before imposing 20 mph restrictions just to resolve short periods of high activity as this will frustrate motorists being unnecessarily restricted, possibly leading to a greater non-compliance.
- DfT guidance states that 20 mph speed limits should be self-enforcing through the provision of complementary traffic calming measures, such as speed humps, cushions and give-way priority working. Suitable traffic calming measures are an effective tool in reducing speeds however are not appropriate on roads with certain functions, including the primary and main distributor road network. They can cause passenger discomfort on buses and also can generate additional traffic noise to the detriment of the quality of life of nearby residents and businesses. They can also cause gritting/ ploughing issues during snow conditions.

Part-time 20 mph Speed Limits - Outside Schools

It should be noted that it has been an aspiration of Members for some time to introduce 20 mph speed limits outside all schools, which has not been possible to date with the current government funding levels. Therefore, we do not presently have a program to install these outside every school, but we do permit Parish/Town Councils to bid under the **Parish Partnership Initiative** - where the County Council match funds half the cost. Alternatively, local County Councillors can decide to use their highways **Local Member Fund (LMF)** or place a bid under the **Road Safety Community Fund (RSCF)**. The part-time 20 mph restrictions only apply during periods of high activity (eg drop off and pick up times) to avoid motorists being unnecessarily restricted throughout the majority of the day.

School Streets Initiative

One of the latest measures that the County Council is now exploring is the **School Streets Initiative** - a trial of closing roads at school drop off and pick up times utilising school and community volunteers to erect signs and barriers and to enforce the closures. A small number of schools are initially being trialled and monitored to gauge the success of the schemes and suitability for wider roll-out.

HGV Access Routes
Not passing through settlements

While the speed limit on these routes should normally be the national speed limit (60 mph), there may be circumstances where a lower limit would be appropriate, such as where the collision rate is above the average for the type of road and no specific measures to address the problems can be identified, or where special policies apply (e.g. Norfolk Coast Transport Strategy). Where such a lower limit is introduced, the limit should be appropriate to the geometric standard of the road so that the need for it is self-evident to motorists, or signing is used to explain that it is for collision reduction purposes.

Passing through settlements

The issues here are similar to those for settlements on the Principal Roads and Main Distributor Routes network. However, in most cases the traffic flows are much lower, and it is possible to give more priority to protecting local communities. The norm should be that these settlements are covered by a 30 mph limit, and 20 mph only in exceptional circumstances. In addition, vertical deflection measures should be avoided on HGV Access Routes due to concerns about noise and vibration.

The aim of any traffic management system in a Town Centre should be to ensure that pedestrians and cyclists can move about with relative ease and safety and hence facilitate a vibrant Town Centre. In this context a Town Centre refers to streets which contain a predominance of commercial/retail premises with significant numbers of vulnerable road users. Measures must not be detrimental to the visual environment and where possible should make a positive contribution to it. It is suggested that the existing national standard of 30 mph should be the norm with provision of sufficient crossing facilities. 20 mph zones and speed limits may also be considered for implementation in Town Centres. This means that Town Centres containing a Main Distributor or Access Road would be restricted by the 20 mph if one was present.

New Roads in Residential Areas

Current County Council guidance to potential developers (in the **Manual for Streets** guidance) recommends that residential roads (other than residential link roads within large developments) to be designed to enable implementation of a self-enforcing 20 mph zone.

Existing Roads in Residential Areas

- **Spine Roads in Residential Areas**
  These should be restricted to 30 mph, with a 20 mph limit considered outside schools or shopping centres and pedestrian crossings to local facilities, or on routes to schools, to address specific hazards.

- **Cul-de-sacs in Residential Areas**
  The **Manual for Streets** Guide suggests that such roads be designed to 12 mph. However, since no Traffic Order can be drafted to provide such a speed limit, speed limits on these roads should be determined by the local factors such as the road environment and visibility at junctions.

- **Other Roads in Residential Areas**
  While these are included within the blanket 30 mph limit covering residential areas, there are likely to be limited safety benefits arising from the introduction of a 20 mph limit. However, such limits should be promoted as part of an area wide scheme to support the local economy, encourage sustainable local travel, improve the quality of life in our communities and contribute to wider public health outcomes.

5. Action and intervention levels

Introduction

The basis of the Norfolk Speed Management Strategy is to both set appropriate speed limits and achieve a reasonable level of driver compliance with those limits. Each of the two aspects are relevant in deciding what action may be needed.

Potential or proposed changes to speed limits should be based on the following assessments:

1. **What is the function of the highway corridor and the surrounding environment?**
   A balance needs to be struck between 'movement', 'access' and 'place' functions. Where the former predominates, the economic benefits of continued progress at a reasonable speed are priorities and a higher speed limit is likely to be more appropriate. Where ease of access or a sense of place are of greater importance, quality of life and social interaction may benefit from a lower speed limit.

2. **Casualty numbers. Are the collision rate and/or severity pattern higher than expected?**
   Lower standard rural routes and mixed use urban and village streets are typical areas where this may be the case. A lower speed limit or interventions to improve exiting speed limit compliance may be appropriate.

3. **Is a speed limit change the most appropriate intervention to encourage the use of more sustainable methods of transport such as walking and/or cycling?**
   Or would alternative interventions (e.g. crossing points) have a greater impact? Whilst previously this was more focused on heavily populated urban areas and in the vicinity of schools, several significant factors have had a major impact on our mode of transport choices. Firstly, recent extreme weather events around the world caused by global warming mean we must now drastically cut carbon emissions by looking at environmental and more sustainable travel options. Secondly, since the global pandemic (COVID19) and the resulting lockdowns, we have seen an increase in people walking and cycling. We need to plan on the basis that we will be able to encourage people to continue with their new habits of walking and cycling, which bring benefits including reduced carbon and congestion, improved air quality in our urban areas, and better physical and mental health for people participating. Our latest **Local Transport Plan version 4 (LTP4)** puts great emphasis on continued improvements in cycling and walking as one of its clear objectives. The LTP4 also adopts the Government's **Cycling and Walking Policy for England July 2020.**

The aim of all speed limits should be to achieve good compliance. Where speed limits are set too low and are ‘out of kilter’ with drivers’ perceptions of a reasonable limit, then adherence to the signed speed limit is likely to be ignored by many. If unrealistically low speed limits are widespread, this leads to a lack of respect and poor compliance with speed limits in general. However, there will also be locations where drivers’ speeds are too high for the prevailing local environment and further intervention is required to achieve good compliance with the existing or a lower speed limit. Therefore, enhancements are needed to encourage motorists to comply with the signed speed limits.

Safe Systems Framework Approach

This approach to speed reduction and traffic management is informed by the **Safe Systems Framework Approach** to road safety, which refers to the four components of the System as:

- **Road Users**
- **Vehicles**
- **Roads and roadsides**
- **Speed Limits**

The key focus of the **Safe Systems Framework Approach** is to reduce death and serious injuries through design that accommodates human mistakes and injury tolerances. The **Safe Systems Framework Approach** addresses the safety of all road users, including those who walk, bike, drive, ride or travel by other modes of transport.

6. Speed management measures

Introduction

When the County Council is made aware of public concerns regarding speeding and where compliance is confirmed as poor following Police speed checks, the first course of action is to look at low-cost engineering and environmental measures to raise driver awareness of the need for a change in the speed limit. When improvements are made, consideration should also be given as to whether to reinforce with targeted action via publicity (and where necessary, enforcement) to achieve improved levels of compliance, reduce collisions and casualties.

The full range of speed management measures should be considered when trying to improve compliance with the speed limit and implemented through the most appropriate funding stream (see **Appendix 1** for examples). Some of the persuasion measures can be delivered by others, including the communities themselves - working under the supervision of the Police or Council staff (e.g. Community Speed Watch, SAM2 speed reactive signs).

The management of speed on the highway falls generally into two types of measures available to the County Council. They are:

1. **Persuasion Measures**
   Techniques which seek to influence the driver's perception indirectly, to bring about a reduction in speed, and

2. **Physical Measures**
   Techniques which directly influence the driver's behaviour, to bring about a reduction in speed

PERSUASION MEASURES

Speed Limits and Speed Limit Warning Signs

Speed limits will be set in accordance with this **Norfolk Speed Management Strategy**, which in turn is driven by the DfT guidance detailed in **Setting Local Speed Limits**. Speed Limits should not be used to attempt to solve the problem of isolated hazards, for example a single road junction or reduced forward visibility such as at a bend, since speed limits are difficult to enforce over short lengths. The full range of speed management measures should always be considered before a new speed limit is introduced. It should also be borne in mind that the County Council environmental policy document **The Highway Corridor** recommends that sign proliferation (including speed limit signs) in rural areas must be minimised to prevent urbanisation in rural areas.

Yellow rectangular backing boards are sometimes used to give added emphasis, or to address road safety concerns. However, they can be environmentally intrusive and should only be used where this measure is proportionate to the road safety needs. Unnecessary use of backing boards can also negate the feature of a sign that makes it stand out and if too many signs have yellow backing boards, the highlighting effect is lost. If there are problems with the visibility of a sign to drivers, the first step is to consider if the sign is in the right place and is the right size. A less intrusive way of increasing visibility might be to use a sign that is one size larger rather than adding a backing board. However research has shown that larger speed limit signs are unlikely to have a lasting impact on drivers.

Where existing speed limits are ignored by motorists there may be some merit in experimenting with temporary reminder signs such as the **'THINK!'** campaign posters which could be erected in Parishes if justified concerns about non-compliance were raised.

Local school involvement and education at an early age is very import in raising speed awareness. We promote where possible a competition to design some additional school poster signs. The winners' designs are manufactured and placed alongside our own mandatory signs. This is always very popular with the primary school pupils, although this requires an external funding source.

Gateway Schemes

Experience of gateway scheme provision across the county has demonstrated that they are seen by local communities as an effective speed reducing measure. They have proven to be a useful aid to reinforce motorists' perception that when entering a village they are moving from a rural environment with little or no buildings into a settlement environment warranting a lower speed limit. The success is evidenced by the number of Parish/Town Council bids made under the well-received **Parish Partnership Initiative**. This funding stream provides Parishes with a means to buy-in to speed management in their village, and an opportunity to further enhance the impact of persuasion effects through the addition of planting etc.

In combination with other speed management measures, gateway schemes provide a useful element in a toolbox of persuasive measures. Where the speed limit commences at the village boundary, alongside the village nameplate sign, then these may be mounted onto the gateways. The combined sign should be located at the point where the speed limit starts, and it may be helpful if drivers can see housing at the same time as the signs, reinforcing the visual message for reduced speed. Further enhancement is possible with painted speed roundels on the road surface, although these need to be carefully considered as they are costly and often need replacing regularly. **(NOTE – repeater roundels are only to be used on certain classification of roads following discussions and agreement of the Council's Network Safety Team).**

Speed Reactive Signs

Vehicular Activated Signs (VAS)

In Norfolk there are currently over 600 static Vehicular Activated Signs (VAS) spread out across the county and these either warn of specific hazards such as bends and junctions or are implemented as part of measures to reinforce the speed limit.

Advances in technology have enabled these signs to be more compact, brighter and efficient. They can now be powered by a small solar panel or from an electrical feed. They can be linked to vehicle detection radar to tackle very specific issues as part of a package of speed management tools. They can also be activated by a separate thermal camera e.g. to only operate when someone is trying to cross the road. Across the county these signs perform very well and are also particularly useful in environmentally sensitive areas. Over familiarity with such signs by motorists can lead to the signs losing their intended impact and ultimately diminish their effectiveness. Therefore, the future use of VAS signs is now limited to raising awareness of hazards and should only be used when agreed by the Council's Network Safety Team.

Advisory Part-time 20 mph Speed Limit with Wig-Wags

These signs with the school warning sign and subplate stating 'School 20 when lights show' are mounted on a yellow backing board incorporating a set of wig-wag flashing lights. The 20 mph speed limit applies only at certain times of day and can be programmed with differing times up to two years in advance. These variable limits are particularly effective where for example a school is located on a road that is not suitable for a full-time 20 mph zone or limit, such as a major through road. The positives are that disruption and frustration to motorists is kept to a minimum and also at the time the signs are in use drivers can see the obvious dangers and appreciate the need to drive much slower.

Where Parish Councils request them for their local schools, the **Parish Partnership Initiative** is the recommended route. If their bid is selected, then the costs are shared equally between the Parish and the County Council. Alternatively, County Councillors can decide to use their highways **Local Member Fund (LMF)**.

Speed Awareness Message (SAM2)
Every year the County Council receives numerous Parish Council bids for these signs via the **Parish Partnership Initiative**. The SAM2 can be provided with or without a data recorder that can be downloaded and reviewed; the choice is down to the Parish Council. If the bid is successful the Parish Council is required to manage the SAM2, recharging the batteries, rotation of the SAM2 and general maintenance of the sign itself. An agreement is signed by both the Parish and the County Council.

These signs are portable temporary speed reactive equipment and are deployed throughout Norfolk in response to community safety concerns. The SAM2 system provides drivers with a flashing message asking them to slow down if they exceed the posted speed limit. These signs are placed on brackets that are secured to street furniture so that they can be moved from location to location to provide enhanced persuasion for drivers at perceived local problem sites. Sites are chosen by the Parish Council; the exact locations are agreed with the County Council and the manufacturer of the signs. National regulations require that the SAM2 is then erected at one of the locations and stays in place for up to 4 weeks and is then moved to another agreed location and so on, not returning to any of the sites for at least 8 weeks.

All locations chosen must be within a 20 mph or more generally a 30 mph speed limit. Although the SAM2 signs can work in 40 mph speed limits or above, we do not allow this for safety reasons. This is because safety of the volunteers erecting the signs must be protected and therefore erecting the sign at just above head height on an uneven verge next to traffic travelling at 40 mph or more is deemed too dangerous.

20 mph Zones and Limits

DfT guidance states that 20 mph zones and 20 mph speed limits should be self-enforcing, i.e. the existing conditions of the road together with measures such as traffic calming or signing, publicity and information as part of the scheme - lead to a mean traffic speed compliant with the speed limit. However, it should be noted that the use of traffic calming measures can result in potential increases in traffic noise and discomfort to bus passengers. To achieve compliance there should be no expectation on the Police to provide additional enforcement beyond their routine activity. The Police will investigate specific issues where a problem has been reported but not for general enforcement. Before any decision is made as to the most appropriate method of introducing a 20 mph scheme to meet the local objectives and road conditions, it is important to consider the full range of options available and their benefits. The introduction of a 20 mph speed limit has significant benefits to some and equally significantly disadvantages to others, therefore many factors need to be considered not just the needs of the local community.

Ultimately road safety for all users is paramount, but also important are the wider community, the economy, the environmental benefits and of course the cost required. 20 mph zones are predominantly used in heavily urbanised areas, but can be considered elsewhere in the county’s larger Town Centres and residential areas, and in the vicinity of larger schools. They could also be used around shops, markets, playgrounds and other areas with high pedestrian or cyclist traffic, though they should not normally include roads where motor vehicle movement is the primary function. Under guidance in the **Setting Local Speed Limits** DfT Circular 01/2013, it now permits the placing of any of the following measures to support 20 mph speeds:

- **Repeater speed signs**
- **Speed roundel road markings**
- **Or a combination of both signs/roundels**
- **Traffic calming features**

Only where speeds are already constrained to near the limit do we consider placing the speed limit sign or roundel marking, in addition to physical features within a zone.

Quiet Lanes

These lanes are intended to form a network of country lanes, suitable for use by walkers, cyclists and equestrians as well as by motor vehicles, with the aim of helping to preserve the character and tranquillity of rural areas and encouraging an increase in non-motorised users, while still maintaining vehicular access. The purpose is to make motorists more aware of non-motorized users and, over time, to reduce the number and speed of motor vehicles by changing the “hearts and minds” of local residents rather than lowering the speed limits or using physical traffic calming measures. The lanes are demarcated by the use of small discreet signs. Norfolk and Kent were the first counties in the country to trial the initiative. We currently have two Quiet Lane areas within the county, one in North Norfolk and the other in South Norfolk, which were installed in the early 2000s. The funding required to develop, consult and implement Quiet Lanes means that any future schemes would require external funding.

On Street Parking

When considering the need for waiting restrictions, it is necessary to assess the potential impact on vehicle speeds, and managed parking could assist in speed reduction in streets. However, waiting restrictions should not be introduced where there is a likelihood that vehicle speeds would increase significantly or where the perceived traffic calming benefits would be outweighed by the increase in overall traffic speed/flow, creating a consequential reduction in the overall safety of vulnerable road users.

Speed Enforcement Cameras

Speed limit and traffic light enforcement cameras are an effective method of encouraging better compliance with speed limits and their use in Norfolk is detailed in the **Speed Enforcement** section.

The County Council supports the use of camera enforcement at appropriate locations and works closely with the Police under a **Safety Camera Partnership (SCP)**. An aim of the SCP is to offer educational courses as an alternative to prosecution for some speeding offences, and these courses generally receive positive feedback from those attending.

Community Speed Watch

Community Speed Watch enables volunteers to monitor the speed of passing vehicles using a hand-held speed detection device. The volunteers record the details of vehicles which are exceeding the speed limit. These details are forwarded to the SCP. A warning letter is then sent to the registered owner of the vehicle requesting them to reduce their speed. If the vehicle is seen and recorded again, a second and final letter will be sent. If the vehicle is monitored speeding again within the next 18 months, its details will be passed to the Police Community Engagement Officers for further action. This could include the vehicle details being sent to Roads Policing or the Safer Neighbourhood Team for targeted intervention or a visit. Only two to four volunteers are allowed to operate at one site at a time and they must be in plain view of vehicle drivers at all times with high visibility jackets.

PHYSICAL MEASURES

Pinch Points/Priority Give Ways

Priority Give Ways require one direction of traffic to give way to oncoming vehicles. The layout normally consists of a raised kerb and bollard in one half of the road, with a sign to explain the vehicle traffic priority. For the lane without traffic priority, there are Give Way markings and hatching on approach to the build out.

Contrasting Colour Surfacing

In view of the very high environmental impact of this measure and after subsequent maintenance costs it is considered that coloured surface treatment should not be used for traffic schemes, except when:

- recommended by the Network Safety Team when other collision remedial measures have been considered, have been considered and discounted or were tried but were unsuccessful
- completing surfacing work as part of a maintenance scheme and after checking with Network Safety Team that it is still appropriate

If, after further consideration, a coloured surfacing is deemed necessary (e.g. to emphasise School Zones or Village Zones), then only coloured aggregate within the surface dressing should be considered as a preferred option. In environmentally sensitive areas, consideration must also be given to the visual impact before using coloured surfacing. Coloured surface slurry treatments will not be considered acceptable due to their poor long-term performance, high initial cost and future maintenance costs.

Speed Tables, Humps and Cushions

Because of their physical presence on the highway, these measures have proved very successful in reducing vehicle speeds and collisions for vulnerable road users. However, they are very expensive and careful selection of the right type of physical measure is needed as there are a number of significant considerations and negative consequences, that include:

- increased maintenance costs
- increase in vehicular noise and vibration, particularly from HGVs
- can lead to an increase in emissions if drivers use inappropriate gears
- ‘urbanising’ effect on villages
- delaying blue light services
- some motor vehicle traffic is likely to transfer onto alternative routes, potentially causing a problem somewhere else
- speed humps, cushions and tables require street lighting unless they are part of a wider 20mph zone
- speed humps can be uncomfortable to emergency vehicles, bus passengers and for cyclists
- cars drive considerably faster over speed cushions than speed humps or speed tables
- cushions can be avoided by cyclists and motorcyclists
- drainage could be affected by humps and tables but not by cushions

Whilst it is accepted that the above disbenefits will not affect all residential roads, these physical measures should not be used unless all other options and measures have been considered and addressed first. If any of the above measures are ultimately considered appropriate, then the type chosen will depend largely on the needs of vulnerable road users and the type of traffic using the road in question.

For example:

- Speed tables should only be used at locations where there are high concentrations of particularly vulnerable road users* needing to cross the road. These provide a flush crossing point, offering benefits to the disabled.
- In locations where road humps are considered appropriate, they should be of a round top profile with tapered edges.

Low Traffic Neighbourhoods (LTNs)

LTNs give space over to pedestrians and cyclists by diverting motorists from quiet residential roads onto busier perimeter and arterial routes and prevent vehicles from using the roads as a short cut or to save time. They were first introduced in London as part of temporary measures to create more space for walking and cycling, to allow people to travel safely during the Covid pandemic. So far LTNs have been mainly used in urban areas. Given the knock-on effects, their use would also need to be carefully considered and studied, to predict what these may be and how to mitigate them, and several initial schemes have been removed.

LTNs can be created by closing off roads with bollards or planters and can be enforced with signs telling drivers not to use the streets. In some cases this can be backed up with Automatic Number Plate Recognition (ANPR) cameras to help enforce if necessary.

This is an area that we are looking at carefully, especially the positive and negative feedback from those LTNs already implemented around the country. External funding would also be required to develop the necessary feasibility study, installation and monitoring.

When considering construction of the above measures, the hierarchy of construction materials should be adhered to as shown in the **Highway Corridor** document. It should also be noted that there is very limited funding for the introduction of these types of feature. **NOTE: The County Council will keep the use of all physical traffic calming measures under review as road user behaviour, modes of transport and speed management outcomes develop over time.**

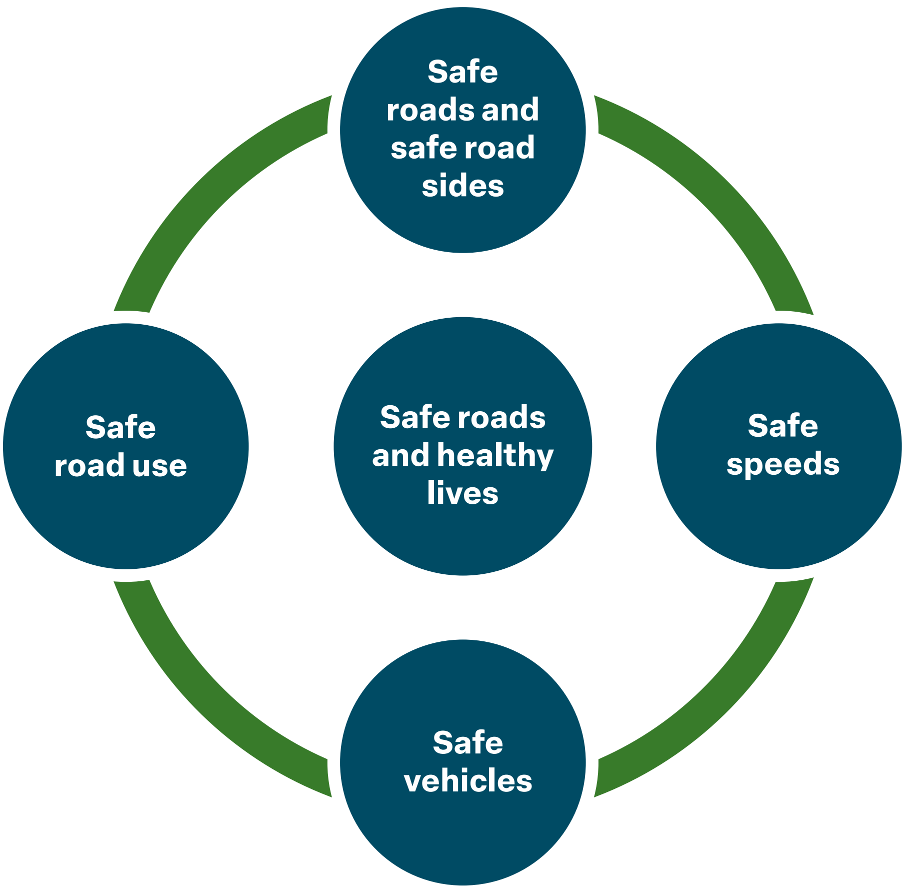
*See The Highway Code July 2022 Rule 207 for definition of particularly vulnerable users. High concentration areas include outside schools, care homes and hospitals.

7. Education, training and publicity

Introduction

Our strategy for the delivery of road safety education and training is underpinned by partnership working, using evidence and data within the Safe System approach framework (as shown in the diagram below). The Road Safety Team targets priority behaviours and groups across Norfolk with interventions and campaigns.

The Safe System Approach Framework



The Road Safety Team delivers, commissions and co-ordinates Road Safety Education and Training across schools and within community settings. Within the team, road safety co-ordinators, officers and assistants, support, commission and deliver high quality, behavioural change based interventions, to improve road safety across Norfolk.

All interventions are free at the point of delivery and provide an essential introduction to the Safe System Approach. They encourage patterns of positive behaviour, promote active travel and personal and community road safety culture. These sessions include practical skills like Bikeability which is led by a national framework. Other educational sessions such as: car seat, seatbelt and pedestrian safety all make reference to the speed of vehicles and encourage people to be safe road users and travel within safe speeds. The Road Safety Team also supports partnership road safety interventions lead by Norfolk Constabulary and Norfolk Fire and Rescue Service, to promote safe speeds and safe road users.

For more details of the Road Safety interventions available, please visit:
https://www.norfolk.gov.uk/roads-and-transport/roads/road-safety

For road users of Norfolk who hold full licences in any category, there is a wide range of courses available to enhance safety and economy whilst reducing emissions. These are delivered by the **Driver & Rider Development Team**, part of the Road Safety Team within the County Council. The team comprises road safety co-ordinators, officers and contracted DVSA Fleet Trained Approved Driving Instructors (ADIs).

The instructors have been carefully selected and trained to deliver a variety of schemes; many of them have their own specialities and the team as a whole has a wealth of qualifications and experience. The County Council invests time and resources in training the instructors; this helps us to maintain a motivated, skilled and focused team who deliver to a consistently high standard.

One intervention delivered by the team on behalf of Norfolk Constabulary is the National Speed Awareness Course. This **2 hours and 45 minutes** course is delivered online and in person and covers a range of subjects, including: speed management, hazard perception and driving more fuel efficiently, and is offered as an alternative to prosecution.

8. Speed enforcement

Introduction

Norfolk Constabulary supports the principles outlined in the Norfolk Speed Management Strategy as part of the Police's approach to collision and casualty reduction. Many studies have indicated speed is a factor in up to one third of injury collisions. The findings have many similarities, but their interpretation and any proposals vary.

Whilst there is no single solution and no simple solution, we need to, as far as possible, avoid complexities. Speed enforcement depends upon continued development of effective partnerships with the County Council, Magistrate's courts, schools and other partners. This approach must ensure that all avenues for speed compliance are fully exploited and that there is not a sole reliance on sanctions.

What is excess speed?

'Speeding' is not just exceeding a speed limit, but more commonly inappropriate speed. That is riding/driving within a legal limit but too fast for the prevailing conditions and circumstances. For example, not allowing for the volume of traffic on the roads or adverse road and weather conditions. Collisions involving excessive or inappropriate speed can often be attributed to a poor standard of driving.

Police approach

Our prime commitment is towards casualty reduction. Our strategy is focused upon:
- Specific Cluster Sites (where focus is upon manoeuvres and time/day)
- Core Routes (which change quarterly and are generally the main roads)
- Target Routes (small sections of road identified as a short-term site of interest).

Our approach is not to maximise the number of offenders we catch but to target collision locations with a balance of advice and education and as a final measure, enforcement. The level at which a prosecution will be initiated is dependent on the circumstances at the time. The Police Officer dealing with the offence will use their discretion and judgement and the **Constabulary's Speed Enforcement Guidelines** as to the most appropriate course of action.

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Norfolk County Council

Targeting

The number of drivers/riders prosecuted is, in itself, meaningless. We must all be satisfied that we are dealing with speeding where it really matters: where lives are being saved. There is a need to gather management information on collisions, identify hotspots, and target speed reduction resources accordingly. In other words, it is quality, not quantity that counts.

Targeting means making sure that enforcement action is directed primarily on those whose behaviour gives rise to the most serious risks, often at identifiable locations or identifiable circumstances. Like all other speed management measures, enforcement action must be focused and prioritised.

Speed Detection

Prosecution of drivers for speeding is no longer solely reliant upon Road Policing officers providing the evidence. The boom in technology has now not only enabled easier detection of speeding offences, but also the remote detection of them. Camera enforcement is simple, but expensive and resource intensive. Officers have a plethora of equipment at their disposal, handheld laser devices, VASCAR and other mobile detection devices, including mobile cameras.

Speeding is one of the ‘Fatal Four’ contributory factors in Killed or Serious Injury Collisions (KSIs). The other three are failing to wear a seatbelt, driving whilst using a mobile phone and drink/drug driving. Norfolk Constabulary uses various methods of speed enforcement; all have the simple aim of slowing vehicle speed down and therefore reducing the level of injuries in the event of a collision.

There are a number of fixed and mobile sites where safety cameras are used. All of the fixed sites and the vast majority of the mobile sites are locations where there is a history of KSIs. The remainder of the mobile sites are locations that have been identified in response to speeding complaints and safety concerns from concerned communities.

Police officers from Safer Neighbourhood Teams and Roads Policing also visit complaint sites with hand-held speed detection devices. This provides an opportunity to engage with motorists, to discuss road safety issues and voice the concerns of communities. Roads Policing officers are also tasked daily to visit locations that have had recent or current KSI collisions to present high visibility reassurance and to conduct fatal four enforcement.

An important direction for Norfolk Constabulary, working closely with Norfolk County Council, is the diversion from prosecution for driving offences to an educational course as an alternative to issuing a fixed penalty notice. **The National Speed Awareness Course** is run by the County Council and covers a variety of offences, including speeding.

Speeding Complaints

When either the Police or the County Council receive a complaint in relation to excess speed at a particular location, it will be acknowledged and considered. The collision database for the site and surrounding area will be investigated and any further information gleaned, if available. Where there is a demonstrable collision record, a study by the Council's **Highways Network Safety Team** in conjunction with the Norfolk Police Traffic Management Officer, would be appropriate to determine if any improvements to the road layout are feasible; the Police may conduct speed checks to assist with this process.

In all cases where further investigation is required, the complainant will be kept informed of our activities and findings.

Child Casualties

Studies of the conflicts between children and moving motor vehicles have shown inappropriate speed and social deprivation as particular features. We will support child education initiatives, particularly those within schools. We will support road engineering schemes and 20 mph limits near to schools although we acknowledge that only approximately 20% of child casualties occur on the journey to or from school.

National Speed Awareness Course

As described in the Education, training and publicity section above, this course is delivered by the County Council's Road Safety Team and covers a range of subjects from speed management to hazard perception and driving more fuel efficiently. Drivers/riders are also referred to the course as a diversion from a fixed penalty notice or attending court in certain circumstances. Attendance on the course benefits in many ways including an opportunity to educate drivers/riders on road safety issues.

Conclusion

Norfolk Constabulary is committed to working in partnership with the County Council and all partners towards reducing casualties on our roads. We fully support the use of traffic management techniques and calming measures to reduce vehicle speeds.

9. Summary

Through successful partnership with other agencies, the County Council remains committed to reducing the severity and number of people injured on Norfolk's roads. This revised Speed Management Strategy works to promote a local transport network that supports economic growth, remains a safe environment for all highway users whilst improving the quality of life in Norfolk's communities. This Strategy details the Council's aims and commitment to help reduce local safety concerns, explains the various approaches towards speed management in line with national guidance and other County Council policies, and identifies funding initiatives that have been introduced to assist with this objective (such as the Parish Partnership Initiative and the Road Safety Community Fund). The County Council's data-led approach is key in prioritising those locations across the county where the greatest casualty reduction benefits can be achieved. This ensures the County Council's resources are directed to where the greatest need exists to improve road safety.

The County Council's website page **Road Safety in Norfolk** provides educational content and advice for all highway users and is a great source of information, including **Safer Driving and Riding**, **Road Safety National Events Calendar** and the **School Streets Initiative** information. In addition, Norfolk Constabulary website offers advice relating to **Community Speed Watch, Safer Driving** and **Roads and vehicles** and other information which is equally valuable to highway users.

10. Appendix 1
Speed Management Improvement Measures

PERSUASION MEASURES

REF: 1
SPEED LIMITS (ALTERATIONS OR EXTENSIONS)
- Requires a traffic regulation order (TRO). This is a complex legal procedure that takes on average 12-18 months to complete.
- Extremely limited funding streams available for small scale TROs.
- Must meet the strict criteria of government guidance and Norfolk's Speed Management Strategy.

Funding Streams: RSCF, LMF

REF: 2
NEW WAITING RESTRICTIONS
(OR EXTENSIONS/ AMENDMENTS TO EXISTING)
- Includes single/double yellow lines with/out loading bans and can be time related and include parking, loading or disabled bays.
- Used to control parking and prevent unsafe or obstructive parking.
- All restrictions need a TRO, which can take 12-18 months to complete the legal process.

Funding Streams: RSCF, LMF

REF: 3
VILLAGE GATEWAYS
- Effective in reminding drivers they are entering a different environment.
- Erected in pairs of gateways - can include speed limit and parish name plate.

Funding Streams: PPI, RSCF, LMF

REF: 4

SPEED ROUNDEL ROAD MARKINGS

- Mainly used at speed limit terminals to highlight change of limit.
- Visual and work well to reinforce changes of speed limits and environments, especially in conjunction with other measures eg village gateways.

Funding Streams: LMF, PPI (as part of other measures).

REF: 5

SAFETY AWARENESS MESSAGING SIGNS (SAM2)

- A mobile battery-operated flashing speed sign.
- Needs repositioning by the Parish/Town Council every 4 weeks.
- Very popular and well received by towns and parishes.
- Town/Parish Council responsible for maintaining.
- Should be considered along with other measures if funded by RSCF.

Funding Streams: LMF, PPI (as part of other measures).

REF: 6

'PART-TIME ADVISORY' 20MPH SPEED LIMITS OUTSIDE SCHOOLS

- A school sign with flashing 'wig wag' lights – mains electric or solar powered.
- Programmable to operate at school busy times, AM & PM only.
- Able to program up to 2 years ahead
- An advisory limit so cannot be enforced.

Funding Streams: LMF, PPI (as part of other measures).

REF: 7

THINK! SIGNS

- A number of signs from the Government's former 'THINK!' campaign was retained by NCC.
- These are available to highlight various road safety issues.
- Should only remain in place for 3 months at a time as a temporary means of raising awareness of issues.

Funding Streams: Local Highways Area Team (LHAT).

REF: 8

SCHOOL KEEP CLEAR MARKINGS

- Only provided outside schools, in immediate vicinity.
- Can be new markings or extensions to existing ones, if supported by the school.
- Helps prevent dangerous/obstructive parking.

Funding Streams: Local Highways Area Team (LHAT).

REF: 9

VEHICLE ACTIVATED SIGNS (VAS)

- A static flashing sign – mains electric or solar powered.
- Aimed at addressing a specific safety issue/problem.
- Only now considered as a hazard warning sign – not to highlight speeding.

Funding Streams: Via the Council's Network Safety Team.

REF: 10

SPEED CAMERAS

- Particularly suitable for busy roads but can be contentious.
- Only installed at proven accident blackspot sites.
- Takes photo of vehicle/driver when exceeding the speed limit.
- Needs agreement with the Police and comply with DfT guidelines.

Funding Streams: Norfolk Safety Camera Partnership.

REF: 11

QUIET LANES

- Reduce the number and speed of motor vehicles, to improve the safety of pedestrians, cyclists and horse riders etc.
- Should not be considered on an individual road or in isolation; needs to be more zonal and covering several parishes.
- Not suitable if requiring physical traffic calming measures to reduce speeding traffic.

Funding Streams: External funding only and only if supported by LHAT.

PHYSICAL MEASURES

REF: 12

SPEED TABLES

- Effective at reducing speeds of all vehicles.
- Should only be used when all other options and measures have been considered and are believed to be inappropriate.
- Should only be used to aid as a crossing point for pedestrians/cyclists.

Funding Streams: LMF, RSCF, or PPI and only if supported by LHAT.

REF: 13

SPEED CUSHIONS

- Often provided in clusters of pairs along a length of road.
- Effective at reducing vehicle speeds.
- More preferable than speed tables on bus routes and for cyclists.
- Normally used in residential areas or local distributor roads.
- Doesn't affect drainage
- They can attract localised complaints regarding noise and vibration to nearby buildings.
- These measures are both disruptive and expensive to construct.

Funding Streams: LMF, RSCF, or PPI and only if supported by LHAT.

REF: 14

PRIORITY ROAD NARROWING

- Normally used in residential areas.
- Can assist pedestrian crossing and control of parked cars.
- Can be used at junctions and target a specific part of the road.
- These measures are both disruptive and expensive to construct.

Funding Streams: LMF, RSCF, or PPI and only if supported by LHAT.

REF: 15

PRIORITY GIVEWAY SYSTEM

- An alternative 'last resort' consideration to other measures.
- Motor vehicles with priority are not required to reduce their speed.
- Motor vehicles without priority are not required to reduce their speed if there is no oncoming vehicle approaching.
- May incur delays during increased traffic flow.

Funding Streams: LMF, RSCF, or PPI and only if supported by LHAT.

REF: 16

LOW TRAFFIC NEIGHBOURHOODS

- Prevents through traffic (i.e. access only) thereby reducing numbers of vehicles and their speed.
- Improves road and pedestrian safety and reduces vehicle emissions/ air pollution.
- Encourages more walking, cycling and on-street activities.
- Can include physical measures e.g. bollards, gates, cycle contraflows and planters.
- Should only be used when there are suitable alternative vehicular routes.
- Aligns with NCC's Environmental Policy and DfT Gear Change.
- Can be controversial as well as beneficial, therefore locations need to be carefully considered.

Funding Streams: External funding only (e.g. Active Travel) and only if supported by LHAT and LCWIP.

Key to Funding Streams

RSCF – Road Safety Community Fund
LHAT - Local Highway Area Team
LMF – Local Member Fund
PPI – Parish Partnership Initiative
LCWIP - Local Cycling & Walking Infrastructure Plan

Norfolk County Council

Cabinet

Item No: 11

Report Title: Dedicated Schools Grant (DSG) Funding

Date of Meeting: 30 January 2023

Responsible Cabinet Member: Cllr John Fisher (**Cabinet Member for Children's Services**)

Responsible Director: Sara Tough, Executive Director of Children's Service

Is this a Key Decision? Yes

If this is a Key Decision, date added to the Forward Plan of Key Decisions: 31 March 2022

Executive Summary / Introduction from Cabinet Member

This paper presents the changes to the distribution for the Dedicated Schools Grant from April 2023 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.

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 2023-24 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
- An additional one-off movement of 1% from the Schools Block to the High Needs Block, due to the scale of demand for high needs specialist places for pupils, if agreed by the Secretary of State (decision awaited at the time of report preparation)

It is proposed that the Minimum Funding Guarantee is maintained at +0.5% and a cap on gains is expected to be +2.56%.

In addition to funding via the DSG, Schools receive funding from other ring-fenced grants, such as Pupil Premium and Universal Infant Free School Meals. Each have their own method of allocation and distribution.

The Local Authority is responsible for setting the High Needs Block budget, which is proposed within this paper. A deficit budget is proposed for 2023-24 as part of a multi-year plan to return the High Needs Block to a balanced position in-year and to repay the cumulative deficit.

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 utilising the increased rate that NCC will receive (announced by the Government in December 2022) are:

- an increased base rate for 3- and 4-year-olds (increased by £0.23 per hour from £4.08 per hour to £4.31 per hour);
- an increased base rate for 2-year-olds (increased by £0.14 per hour from £5.50 per hour to £5.64 per hour);
- move to a single deprivation supplement rate payable for children living in the most 20% deprived areas.

Recommendations:
To agree:

1. **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 in line with the Safety Valve plan submitted to the Secretary of State for Education for approval;**
2. **to delegate decision making powers to the Executive Director of Children's Services, in conjunction with the Lead Member for Children's Services, 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 2023-24 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%. Appendix A provides further details of previous years Schools Block to High Needs Block arrangements for reference.

1.5 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 in addition to supporting pupils within mainstream schools (in addition to delegated SEN notional funding) and the commissioning of services and teams, such as speech and language therapy and sensory support. Norfolk is currently carrying an outstanding DSG deficit from previous financial years, with a forecast £73.616m cumulative deficit forecast for the end of 2022-23. On the basis of the accounting treatment introduced in 2020 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.

This deficit DSG reserve position is referenced in the County Council's reserve balances presented within the Norfolk County Council Revenue Budget 2022-23 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. The accounting treatment has been extended until end of 2025/26.

1.6 Demand has continued to outstrip supply and without significant transformative change requiring significant investment, it is expected to continue to do so in future years, based upon the trends seen since the policy changes made through the SEND reforms within the Children & Families Act 2014. The financial impact of these policy changes were not fully recognised at the time of implementation and the funding for the High Needs Block has not kept pace. The County Council has a significant capital investment and transformation programme that has been underway for a number of years, but it has not proved sufficient to sustainably balance the DSG given the level of pressures that have been seen in the system and acknowledged in the SEND and AP Green Paper (SEND Review: Right Support, Right Place, Right Time1). that was published by the Government in Spring 2022 (the outcome of the delayed National SEND Review).

1.7 However, in light of the continuing significant financial pressures seen in the County, Norfolk was invited to join the Governments 'Safety Valve' programme in late Spring 2022, working with both financial and SEND advisors appointed by the DfE to develop a multi-year plan to both bring the DSG back into balance on an in-year basis as well as to look to repay the deficit both through savings from transformation of High Needs Block spend as well as through contributions from both the DfE and NCC. NCC's proposed contribution is included within the Norfolk County Council Revenue Budget 2022-23 report elsewhere on this Cabinet's agenda.

Central Government Policy

1.8 The Government have issued various funding announcements in recent times, including:

1.9 Spending Review 2021: At last year's spending review, the Government announced that the total core school budget is increasing to £56.8bn by 2024-25 which is a £7bn cash increase compared with 2021-22.

1.10 Funding allocations for 2023-24 represent the second year of the three-year funding settlement. With core schools funding (including funding for mainstream schools and high needs) increasing by £1.5bn in 2023-24 compared to the previous year, on top of the £4bn increase in 2022-23.

1.11 Latest National Funding Formula guidance for 2023-24: Confirms increased mandatory minimum per-pupil levels of £4,405 for primary schools (up from £4,265) and £5,715 for secondary schools (up from £5,525).

1.12 School Supplementary Grant – In 2022-23, Norfolk's mainstream schools were allocated additional funding of £16.818m through the Schools Supplementary Grant to reflect the costs of the Health and Social Care Levy and other costs pressures. For 2023-24 this funding has been rolled into the DSG via the schools' National Funding Formula for 5–16-year-olds.

1.13 July 2022: This DfE funding announcement provided an indicative like-for-like increase to Norfolk's Schools Block formula funding of approximately £11.256m for 2023-24 (£28.073m when including the rolled-in Schools Supplementary Grant of £16.818m). However, this was before allowing for an increase in pupil the 'Growth' funding factor estimated by the Local Authority to be approximately £0.749m (£3.874m for 2023-24 compared to £3.125m included within 2022-23), so the overall like-for-like Schools Block DSG increase available to distribute in 2023-24 was estimated to be approximately £12.004m). The indicative increase published for High Needs Block for NFF 2023-24 was £7.702m compared at that time to the most recent (July 2022) HN Block allocation for 2022-23.

[1] SEND Review: Right support, Right place, Right time

1.14 December 2022: The DfE announced published DfE allocations for 2023-24 including an additional £2bn announced in the autumn statement (£0.400m of this as additional High Needs DSG allocation). The final Schools Block allocation for 2023-24 including growth factor is £601.033m (£568.631m in 2022-23), an increase of £32.402m, including £16.818m School Supplementary Grant rolled into DSG baseline in 2023-24).

1.15 Government policy: 2023-24 is the first year of transition to the direct schools National Funding Formula (NFF). In 2023-24, local authorities will only be allowed to use NFF factors in their local formulae, and must use all NFF factors, except any locally determined premises factors. Local authorities will also be required to move their local formulae factors 10% closer to NFF values unless they are already mirroring NFF. Norfolk's formula has been closely aligned to NFF factor values and methodologies since 2019-20, with options for the local formula for Norfolk co-produced with Norfolk Schools Forum each year and all schools were consulted on the options available.

1.16 Further information is available at the Government websites detailed below:

National Funding Formula 2023-24

Schools Revenue Funding 2023-24

1.17 The cash increase announced provides for minimum per-pupil levels for 2023-24 of £4,405 for primary schools and £5,715 for secondary schools[2].

1.18 The issue of increasing and sustained pressure within the High Needs Block is in part due to increasing quantity and complexity of need which has been experienced nationally. The increased demand can also be correlated to the period following the implementation of the SEND reforms within the Children and Families Act 2014. This has been acknowledged by government through their national review into support for children with special educational needs (2020/21) which led to the publication of the SEND Green Paper: SEND Review: Right Support, Right Place, Right Time in 2022. The DfE held a consultation upon the proposals, which the Council responded to alongside regional and national representations. The government response to the Green Paper consultation was expected by end of December 2022, however, it has been signalled that the next steps plan will now be published later in the spring of 2023. Therefore, the preparation of this budget is based upon the existing arrangements. If implemented, the proposals could have a significant impact, including financial implications.

SEND Strategic Improvement

1.19 Local 1st Inclusion is Norfolk County Council's next stage SEND Improvement Programme covering the period 2023-29. It marks the end of the first phase of our improvement planning, through the completion of the initial SEND & Alternative Provision Programme, having built the initial special schools and specialist resource bases and started our revised approach to supporting mainstream inclusion.

1.20 Local 1st Inclusion is directly linked to our ongoing negotiation with the DfE as part of their 'safety valve' programme, to provide both DfE and NCC investment

[2] https://www.gov.uk/government/news/school-funding-boosted-by-4bn-to-level-up-education-for-young-people

to return the High Needs Block to in-year balanced budget and address the cumulative overspend. In addition to revenue elements the DfE are also considering capital bids from NCC for two more special schools alongside the council's ongoing £120m SEND capital investment. DfE Advisors have informed us that the scale of the capital investment that the Council has committed to exceeds any they have seen elsewhere.

1.21 Local 1st Inclusion will continue the expansion of specialist provision, to reduce our reliance on high cost, lower quality, independent sector provision but will also continue our focus on mainstream inclusion, a reduction in the reliance on Education Health and Care Plans and a new approach to school led alternative provision.

1.22 As a result of the capital investment to date, we have opened the first two special schools (with the third opening this spring term), expanded existing Norfolk special schools and have also established or expanded ten more specialist resource bases since 2021/22 (again with more committed as part of our next phase of work).

1.23 These transformational changes, taken together, will not only improve educational provision and outcomes for children and young people, but are also key to addressing the ongoing budget pressures within the council's SEND transport budget and the High Needs Block (HNB). For example, we have already identified savings to both the High Needs Block and SEN Transport budgets derived from the first cohorts within the new schools, £2.5m and £1.3m respectively.

1.24 Funding for children with SEND in Norfolk remains a key pressure in a number of ways. For many years, Norfolk's rate of pupils with SEND has been higher than the national average (when taking the SEN Support and Education Health and Care Plan cohort as a whole[3]), which leaves a cultural legacy not just in schools, but from families and agencies across the county. In recent years, we have seen the demand nationally 'catch up' with Norfolk's position, but the funding nationally remains challenging compared to the high level of need and identification and given the size of deficits across a large number of local authorities.

1.25 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 schools in Norfolk, a significant proportion of this funding is required to fund places in independent / non-maintained, higher cost provision, which, when compared to relative quality, does not represent best value for money.

1.26 In addition, the permanent exclusion of children from Norfolk schools has historically been amongst the highest proportion of children excluded nationally, (excepting the reduction in exclusions during the pandemic). The consequent

[3] SEN Support cohort is 12.6% nationally and 13.6% in Norfolk, with Education Health and Care Plan cohort 4.0% nationally and 4.1% in Norfolk

impact on the funding of alternative provision for excluded children is adding a further, significant pressure, both at a primary and a secondary level.

1.27 Continuing with the existing situation of high numbers of children and young people being placed in specialist provision which does not provide quality and value for money when compared to state-funded specialist provision, is not in line with our ambitions for children and young people or sustainable within the resources available. The DSG budget will not be balanceable if this situation continues. To be able to bring the High Needs Block, and thus the DSG, back to balance in-year, an invest-to-save revenue approach is needed alongside the capital investment already committed by the County Council and requested from the DfE.

DfE Safety Valve Programme

1.28 The Early Years Finance (England) Regulations 2022 state the ring-fenced status of DSG and how any DSG deficits must be handled. DSG deficits must be carried forward to be dealt with only from future DSG income.

1.29 The grant conditions issued for the 2023-24 Dedicated Schools Grant (DSG) were published in December 2022[4].

1.30 Like many other local authorities, Norfolk currently has a cumulative DSG deficit. Therefore, any overspend on the DSG (for example, due to the number of special school places exceeding the funding available) is required to be repaid through future DSG income, unless the Secretary of State authorises an exception to this.

1.31 Whilst a deficit remains, Norfolk County Council's General Fund (council tax funding) continues to bear the hidden cost of lost interest whilst the County Council 'bank rolls' the deficit.

1.32 Norfolk has been working intensively with the DfE since May 2022 as part of the Safety Valve programme, the DfE mechanism to work with LA's who have the highest levels of High Needs Block (DSG) pressure/overspend, to develop a DSG Management plan and to negotiate potential DfE investment.

1.33 The initial stage of the programme in 2021 worked with 14 LA's which were predominantly small unitary and London borough councils. The programme has been expanded and Norfolk was invited to join the negotiation process in May 2022. There could be up to 40 LAs in the programme by end of current financial year.

1.34 The core aim for DfE and NCC alike is to achieve an in-year balanced budget to enable the cumulative deficit to be addressed. Doing so in a way in which outcomes for children and young people are improved and leading to a long term sustainable model of local mainstream inclusion and specialist provision for those with complex needs.

1.35 The timeline for the safety valve programme has been demanding, with final submission on 6 October 2022 (and the deadline for the final associated submission of the Free School Capital application on 10 October 2022). The decision by the Secretary of State was expected at the end of the Autumn term, but this has been delayed and is now expected late February 2023. Following

[4] DSG: conditions of grant 2023 to 2024 - GOV.UK (www.gov.uk)

2023-24 DSG funding announcements in December 2022, Norfolk have been asked to submit a revised plan taking this funding into account by the end of January 2023. This paper is written based on this revised plan and subsequent agreement by the Secretary of State.

1.36 The key requirements that need to be met by all LAs in the programme are:

- How the LA will control the DSG deficit and reach an in-year balance (as a minimum), and how quickly. It is requested that this be set out in the DfE DSG management plan template. The DSG management plan should also indicate any planned block transfer requests, which will be handled through the Safety Valve programme where required.
- How Norfolk will contribute to the reduction of the historic deficit through use of DSG surpluses, in addition to reaching an in-year balance.
- How Norfolk will ensure that the plan is deliverable, how it will be managed as it is implemented and how this plan will continue to ensure the appropriate support for children and young people with SEND. This includes ongoing monitoring of progress towards the agreement by the LA.
- A clear explanation of the financial support Norfolk needs from the DfE to eliminate the historic deficit over the period of the agreement. This could include, if necessary, a request for some funding to help implement the proposal, as well as funding to eliminate the deficit directly, although we would not expect this to constitute a significant element of the total financial support requested.

Local 1st Inclusion

1.37 Norfolk has worked intensively during Summer 2022 with the DfE and their appointed financial and Special Educational Needs and Disabilities Advisors as part of the Safety Valve programme, the DfE mechanism to work with local authorities who have the highest levels of High Needs Block (DSG) pressure/overspend, to develop a DSG Management plan and to negotiate potential DfE investment. The core aim for DfE and NCC alike is to achieve an in-year balanced budget to enable the cumulative deficit to be addressed. Through these discussions with the DfE, a plan has been prepared to bring the in-year deficit into surplus and to reduce the cumulative deficit over 6 years.

1.38 Norfolk's plan is 'Local 1st Inclusion' and is the next stage of our SEND improvement journey, covering the period 2023-29; it marks the end of the first phase of our improvement planning, our SEND and AP transformation programme. In addition to revenue elements the DfE are also considering capital bids from NCC for two more special schools alongside the Council's ongoing £120m capital investment.

1.39 Local 1st Inclusion will continue the expansion of specialist provision, to reduce our reliance on high cost independent sector provision (whilst continuing to work with those in the sector who can provide good, value for money, provision); our state-funded special schools offer an excellent and high-quality education for children and young people with higher needs SEND and we're investing in more state specialist provision for those children and young people with higher needs. But additionally, we will have a renewed focus on mainstream inclusion and a reduction in the reliance on Education Health and Care Plans.

- The programme aims to create a sustainable and effective system which supports children and young people with SEND to flourish in their education, through:
- Creating a system of improved support for children and young people's education by increasing support and funding for mainstream schools/school leaders
- Ensuring fewer children need Education, Health and Care Plans by improving support within the mainstream system
- Meeting demand earlier to prevent needs escalating by creating more support to mainstream schools and, through them, families
- Improving the confidence of parents and carers in local support and provision in mainstream education
- Strengthening/expanding state-funded specialist education capacity and reducing reliance on costly independent specialist education provision

1.40 Local 1st Inclusion is all about improving outcomes for children and young people with SEND, ensuring wherever possible and appropriate they can attend school close to their home/in their community with the support they need to make progress in their learning alongside other children of the same age.

1.41 This was presented to Norfolk's Schools Forum at its September 2022 meeting. The plan below is an amended version taking into account the recent DSG funding announcement by Government and inflationary pressures seen during these unprecedented times.

1.42 Financial modelling for the DSG Management Plan 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.

1.43 It should be noted that the DSG recovery plan is a based upon a complex financial model, aspects of which are not entirely within the control of the local authority, such as demand for specialist provision, independent sector placement charges and the medium-to-longer term impact of the Covid-19 pandemic upon high needs including alternative provision.

1.44 To enable investment in earlier help and inclusion, particularly within mainstream settings, the in-year deficit is planned to increase initially prior to reduced in-year deficits and then surpluses as the benefits of both the capital and revenue investment and realised.

1.45 The scale of the challenge faced by Norfolk within the current funding arrangements from the Government cannot be understated. The high-level medium-term plan is shown in the table overleaf.

1.46 The Local Authority submitted a disapplication of regulations request to the Secretary of State in November 2022 requesting a further 1% transfer from the Schools Block to the High Needs Block in 2023-24, equivalent to approximately

£6.010m. The decision of the Secretary of State is awaited; agreement, as with the Safety Valve plan is presumed for the purposes of this paper.

1.47 The current financial year outturn forecast (2022/3) is £19.6m overspend at the end of period 8 monitoring (end of November 2022).

DSG Medium Term Plan	2022-23	2023-24	2024/25	2025/26	2026/27	2027/28	2028/29
High Needs Block DSG Income	-120.578	-135.212	-141.484	-145.175	-148.682	-152.865	-157.846
1.5% Schools Block transfer	-8.529	-9.015	-9.196	-9.380	-9.567	-9.759	-9.954
Total income	**-129.107**	**-144.228**	**-150.680**	**-154.555**	**-158.249**	**-162.623**	**-167.800**
Maintained / Academy / Free Special Schools	46.878	53.584	56.351	58.883	62.115	64.828	67.038
Specialist Resource Bases & Deaf Resource Bases	6.314	7.966	10.466	14.291	17.959	19.497	19.887
Independent Special Schools	42.771	47.424	41.437	29.825	16.910	7.427	6.908
Alternative Provision	2.133	2.110	2.007	1.894	1.783	1.662	1.552
Short Stay Schools	8.400	8.831	8.203	7.578	6.957	6.339	5.726
Post-16 (Further Education)	8.173	8.631	8.864	8.620	8.386	8.160	7.960
Other Provisions	5.027	4.238	3.866	3.514	3.133	2.793	2.393
Inclusion fund (including mainstream SEN / EHCP support)	20.176	23.265	25.118	26.533	27.310	27.589	27.370
Speech & Language, Sensory, Youth Offending and Child & Adolescent Mental Health support & contributions	3.551	3.680	3.744	3.841	3.940	4.042	4.146
High Needs Inclusion Infrastructure, cluster teams including parent link workers	2.680	6.098	7.466	7.346	7.323	6.163	5.289
Other, including TPG/TPECG, H&SC levy and new school start-up costs	2.641	2.519	2.591	2.655	2.734	2.804	2.856
Investment contingency including Inclusion Fund	0.000	1.030	1.000	0.500	0.000	0.000	0.000
Total Expenditure	**148.744**	**169.376**	**171.112**	**165.479**	**158.549**	**151.303**	**151.125**
In-year +deficit/-surplus	**19.637**	**25.149**	**20.433**	**10.924**	**0.300**	**-11.320**	**-16.675**
Cumulative Balance without contribution	**73.613**	**98.762**	**119.194**	**130.118**	**130.418**	**119.098**	**102.423**

1.48 The table below provides a breakdown of the placement numbers forecast in the financial model by type, including estimations of the number of children and young people who would be supported in mainstream provision with either an EHCP or high needs funded SEN support. This shows that whilst there is a small, overall increase in the number of children and young people supported by the high needs block, there is a significant shift in how and where needs will be met

Placements Numbers by type:	**2022-23**	**2023-24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**
Maintained / Academy / Free Special Schools	2,049	2,128	2,188	2,233	2,317	2,347	2,369
Independent Special Schools	909	946	820	599	344	119	108
Add/Other Provisions	205	187	170	153	136	119	100
Medical Needs/Hospital Provision	84	20	20	20	20	20	20
Personal Budgets	82	83	84	85	86	87	86
Section 19 Placements and Support^	157	139	122	105	88	71	52
Alternative Provision	110	110	103	96	89	82	76
Post-16 (Further Education)	764	781	796	712	629	546	464
Specialist Resource Bases & Deaf Resource Bases	420	530	717	970	1,132	1,132	1,132
Short Stay Schools	432	432	432	432	432	432	432
Other Local Authority Recoupment	96	94	83	72	61	50	40
Total Placement Numbers	**5,308**	**5,450**	**5,535**	**5,477**	**5,334**	**5,006**	**4,879**
Mainstream EHCP & funded SEN support	4,154	4,330	4,385	4,445	4,496	4,562	4,693
Total	**9,462**	**9,780**	**9,920**	**9,922**	**9,830**	**9,568**	**9,572**

2023-24 DSG Allocations

1.49 The total DSG allocation received for 2023-24 was published in December 2022 by the DfE and totals £787.655m before academy recoupment. This compares to a total DSG allocation of £737.767m in 2022-23, as at the November 2022 DSG update; an overall increase of £49.888m.

1.50 An additional £2bn for both 2023-24 and 2024-25 financial years was announced in the Government's autumn statement, and the DfE states that funding increases for mainstream schools are equivalent to a per-pupil increase of approximately 5% overall compared to 2022-23[5].

1.51 Within the additional £2bn for 2023-24, an extra £400m was announced nationally for High Needs. Norfolk will receive an additional £5.349m of High Needs additional DSG funding is included within the published DSG allocations (the total High Needs allocation for 2023-24 to £135.212m). Part of this additional High Needs funding must be used to allocate an additional 3.4% to special and AP schools and academies, as per the 2023-24 DSG conditions of grant.

1.52 As well as an increased DSG allocation, the Government has announced £1.451bn nationally for 2023-24 in the form of 'Mainstream Schools Additional Grant'. Norfolk's share is, indicatively, £20.5m and the grant will be allocated to mainstream schools and academies. School level allocations are expected from the DfE in spring 2023.

1.53 Finally, the DFE have published the early years rates and operational guidance for 2023-24. The Early Years block will receive a further £20m on top of the £180m of additional funding in 2023-24 compared to 2021-22 announced at the Spending Review. Local authorities will receive average funding increases of 3.4% for the 3- and 4-year-old free childcare entitlements and 4% for the 2-year-old entitlement.

Schools Block

1.54 The Schools Block allocation for 2023-24 is £601.033m; an increase of £32.402m (including School Supplementary Grant of £16.818m rolled into DSG) from the £568.631m received in 2022-23.

1.55 £3.633m of the increase is extra funding for additional pupil numbers on the October census, up from 107,460 pupils to 107,974 pupils compared to the previous year (based on 2022-23 funding rates). The remaining £28.769m is from School Supplementary Grant rolled into DSG and uplifts to National Funding Formula funding distributed by the Department for Education (DfE) for 2023-24.

1.56 Appendix B provides a summary of the changes to the National Funding Formula for 2023-24.

1.57 In addition to the Schools Block DSG allocation, Norfolk's mainstream schools and academies will receive Mainstream Schools Additional Grant[6] of £20.5m which will be allocated to mainstream schools and academies in 2023-24 based on school-level allocations provided by the DfE in spring 2023.

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[5] Investment to shield schools from high energy bills and boost to budgets - GOV.UK (www.gov.uk)

[6] Mainstream schools additional grant 2023 to 2024 - GOV.UK (www.gov.uk)

Central School Services Block

1.58 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.

1.59 The Central School Services Block allocation for 2023-24 is £4.080m (£3.965m in 2022-23) and covers centrally retained budgets that support schools. The increase of £0.115m is due to an increase of 514 pupils between years, an increase in the amount allocated per-pupil (from £35.75 per-pupil to £36.88 per-pupil), partially offset by a decrease in funding for historic commitments (down from £123k to £98k).

1.60 This DSG block will be used as per agreement with Schools Forum at their November 2022 and January 2023 meetings.

High Needs Block

1.61 The High Needs block allocation generated by National Funding Formula for 2023-24, including High Needs additional DSG funding of £5.349m, has increased to £135.212m from £120.578m in 2022-23. This is an increase of £14.634m (12.1%) compared to the 2022-23 High Needs Block (as at the November 2022 DSG update).

1.62 The increase of £14.634m between years includes an increase of £1.577m based on the number of pupils in special schools (including independent), up from 2,299.50 to 2,638 pupils, and £5.349m of High Needs additional DSG funding allocated from the extra £400m announced for High Needs nationally. The remainder is due to previously announced and expected DSG increases with the High Needs National Funding Formula for 2023-24.

1.63 Part of the additional High Needs funding of £5.349m included within the DSG allocation must be used to give an additional 3.4% to special and AP schools and academies, as per the 2023-24 DSG conditions of grant.

Early Years Block

1.64 The indicative Early Years Block for 3- and 4-year-old universal entitlement (15 hours per week) in 2023-24 totals £30.183m compared to £28.397m in 2022-23 (as of Nov'22 DSG update). The increase in funding is due to an increase in the hourly rate from £4.61 per hour in 2022-23 to £4.90 per hour in 2023-24, based on the same number of funded hours for both years.

1.65 The 2023-24 published rate for Norfolk's 3- and 4-year-old funding is £4.90 per hour from which all provider basic hours, supplements (including Teachers' Pay Grant and Teachers' Pension Employee Contribution Grant) and central costs must be funded. The £4.90 per hour includes £0.06 per hour towards Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grant (TPECG) which in 2022-23 were separate grants for schools, and excluding that the rate receive is £4.84 per hour which is an increase of £0.23 per hour compared to the 2022-23 rate of £4.61 per hour.

1.66 Working parents may access an additional 15 hours of funded 3- and 4-year-old early education, taking the total amount to 30 hours per week of funded childcare. Based on the January 2022 census, the DfE has provided indicative funding of £10.863 for the estimated take up of the additional 15 hours by parents in 2023-24, compared to £10.220m in 2022-23. The increase in funding is due to an increase in the hourly rate from £4.61 per hour in 2022-23 to £4.90 per hour (including £0.06.hr towards TPG/TPECG) in 2023-24, based on the same number of funded hours for both years.

1.67 Parents can access 15 hours of funded 2-year-old early education, if they meet the eligibility criteria. The Department of Education is providing £4.993m of funding initially based on the January 2022 census (compared to £4.870m in 2022-23). Norfolk County Council will receive £5.71 per hour for Early Education of 2-year-olds, an increase of £0.14 compared to 2022-23 rate of £5.57 per hour.

1.68 Early Years Pupil Premium will be paid at an increased rate of £0.62 per hour per eligible child claiming 3 and 4-year-old funding, up to a maximum of 570 hours per year (compared to £0.60 per hour in 2022-23). The initial published allocation is £0.631m.

1.69 Initial budgets, and the funding formula, will be set based on the DfE's indicative Early Years Block allocation. Final Early Years Block allocations for 2023-24 will be based on 5/12th of Part Time Equivalent data from the January 2023 Census and 7/12th of PTE data from the January 2024 Census. The local authority will account for EY Block income on an accruals basis, entering estimated adjustments into the accounts at year end to reflect the estimated final EY Block funding for 2023-24. The final adjustment to 2022-23 Early Years Block will take place in July 2024, after year end.

1.70 The Disability Access Fund aids access to early years places. An early years setting is eligible for £828 per year (increased from £800 in 2021/22) for each child in receipt of Disability Living Allowance using February 2022 data. The allocation for 2023-24 is £0.276m, and it is not updated during the financial year.

1.71 The Early Years National Funding Formula (EYNFF) places nursery schools on the same funding model as all Early Years Settings, and supplementary funding of £0.383m (increased from £0.268m in 2022-23) has been provided to continue to protect fixed sums that the 3 Nursery Schools in Norfolk receive. This funding is based upon funding of £3.80 per hour to pass to the 3 nursery schools, including £0.53 per hour towards TPG and TPECG, which in 2022-23 were separate grants for schools. Excluding the TPG/TPECG for equal comparison, the rate received is £3.27 per hour, a £0.61 per hour increase compared to the 2022-23 rate of £2.66 per hour. The supplementary funding is to cover the higher overheads and cost of qualified teaching staff in a Nursery School.

1.72 In addition to the Maintained Nursery Supplement (MNS) provided to nursery schools by the DfE, the LA provided additional protection to the schools in 2022-23 to meet the remainder of the fixed sums that were paid to nursery schools prior to the introduction of the Early Years National Funding Formula (less a reduction of 1.5% per year previously agreed for transition). The combined total level of protection in 2022-23 for nursery schools was £365,342 made up of £268,413 for MNS from DfE and £96,929 additional protection provided by the LA from EY Block.

DSG Changes between years (by Funding Block)

1.73 The overall difference in the DSG allocation from the prior year is set out in the table below:

2. Funding element	2023-24* (£m)	2022-23** (£m)	Change (£m)	Explanation for change
Early Years Block				
Early Years 3- & 4-year-olds: 15 hours universal entitlement	30.183	28.397	1.786	Increase in hourly rate from £4.61 to £4.90 including £0.06 per hour for TPG/TPECG
Early Years 3- & 4-year-olds: 30 hours for working parents	10.863	10.220	0.643	Increase in hourly rate from £4.61 to £4.90 including £0.06 per hour for TPG/TPECG
Early Years 2-year-olds: 15 hours, where eligible	4.993	4.870	0.123	Increase in hourly rate from £5.57 to £5.71
Early Years Pupil Premium	0.631	0.611	0.020	Increase in rate from £0.60 to £0.62
Nursery Schools Supplement	0.383	0.268	0.115	Increase in hourly rate from £2.66 to £3.80 including £0.53 per hour for TPG/TPECG
Early Years Disability Access Fund	0.276	0.227	0.049	Increase from £800 per child (for 284 pupils in 2022-23) to £828 (for 333 pupils in 2023-24)
Schools Block	601.033	568.631	32.402	Increase of 514 pupils, £3.633m, School Supplementary Grant rolled into DSG (£16.818m) and additional money from DfE through NFF £11.951m.
Central School Services Block	4.080	3.965	0.115	Increase of 514 pupils, funding per-pupil has increased from £35.75 to £36.88 per pupil, but £25k reduction to historic commitments funding.
High Needs Block* **	135.212	120.578	14.634	Includes £1.577m for increase in special school (inc. independent) places, £5.349m additional High Needs Block DSG allocation announced in December 2022, and additional funding distributed through National Funding Formula.
Total******	**787.655**	**737.767**	**49.888**	

*Source: DfE's DSG allocation tables 2023-24 (published Dec'22)
**Source: DfE's DSG allocation tables 2022-23 (Nov'22 update)
***Includes High Needs additional DSG funding allocation of £5.349m (HN allocation before additional based on NFF approximately £129.864m)
****Excludes £20.5m of Mainstream Schools Additional Grant, outside of the DSG for mainstream schools and academies which will be distributed based on school-level allocations from the DfE expected to be published in Spring 2023.
Note: All figures are shown rounded to nearest thousand per DfE allocation table

Movement Between Funding Blocks

2.1 Movement of 0.5% from the Schools Block to the High Needs Block was agreed by Schools Forum at the November 2022 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 2023-24 this is a one-off movement of approximately £3.005m. Following that transfer the new totals will be £598.027m for Schools Block and £138.217m for High Needs Block.

2.2 In line with the submitted Safety Valve plan, the Local Authority submitted a disapplication of regulations request to the Secretary of State in November 2022 requesting a further 1% transfer from the Schools Block to the High Needs Block in 2023/224, equivalent to approximately £6.010m. The decision of the Secretary of State is awaited at the time of preparation of this report; the DSG Budget and medium-term plan presented in this report presume that this request is agreed.

Existing DSG Cumulative Deficit

2.3 Norfolk is carrying an outstanding DSG deficit of £53.976m from previous financial years as a result of pressures within the High Needs Block. A further DSG deficit of £19.6m for 2022-23 is forecast based upon the latest information available. The overall DSG starting position for 2023-24 is, therefore, forecast to be a deficit of £73.6m.

Other Schools Grants

Pupil Premium

2.4 The DfE has stated that Pupil Premium funding will increase by 5% for 2023-24, and that the new rates will be:

- Primary FSM6 pupils: £1,455
- Secondary FSM6 pupils: £1,035
- Looked-after children: £2,530
- Children who have ceased to be looked-after: £2,530
- Service children: £335

2.5 The DfE will publish allocations and conditions of grant in spring 2023.

Other grants for 2022 to 2023

2.6 The DfE have said that information about other grants for 2023-24 will be issued during 2023.

2. Proposal

Schools Block

2.2 It is proposed that the Schools Block is allocated to mainstream schools and academies in 2023-24, after deductions for an agreed growth fund and any agreed transfers to High Needs Block, mirroring National Funding Formula factor values and methodologies as closely as possible subject to a final calibration of the formula to funds available (as set out in the autumn 2022 consultation with Norfolk's schools) and including a Minimum Funding Guarantee (MFG) of +0.5% (the maximum allowed for 2023-24).

2.3 Norfolk Schools Forum agreed at the November 2022 meeting:

- A top slice of £0.711m Schools Block funding for a growth fund for maintained schools and academies;
- An additional top slice of £0.390m as part of the growth fund to be allocated to new schools for pre-opening costs;
- A transfer of 0.5% (£3.005m based on final Schools Block allocation) from Schools Block to High Needs Block to support pressures within the High Needs Block and to support recovery of the DSG deficit.

2.4 In addition to the 0.5% transfer agreed by Schools Forum in November 2022, a further transfer of an additional 1% (£6.010m) to High Needs Block has been requested in a disapplication request to the Secretary of State in line with the Safety Valve plan submitted to the DfE.

2.5 The total allocation to mainstream schools' and academies' budget shares will be £590,916,630 (including National Non-Domestic Rates) if the disapplication request is approved (£596,926,961 if refused). In addition, the agreed £1.101m growth fund will be allocated in-year based on the growth fund criteria agreed by Schools Forum in November 2022 (£0.711m for in-year growth and £0.390m for the pre-opening costs of new schools).

2.6 During the Autumn 2022 term, a consultation survey was undertaken with schools on two areas in relation to the formula methodology:

- Feedback was sought to understand the impact to schools and academy trusts, and the system as a whole, at different level of block transfer upon their budgets (documentation set out the impact of three different levels of transfers from Schools Block to High Needs Block in 2023-24).
- Views as to whether Norfolk should retain a 'hard cap' on gains to enable the Minimum Funding Guarantee to be delivered if there is not sufficient funds for all schools to receive their indicative allocation due to a block transfer, or whether an alternative approach should be implemented (and three alternative options were detailed along with impact for individual schools within the documentation).

2.7 Subsequently, further engagement was carried out with schools later in the Autumn term to seek feedback regarding Notional SEN funding.

2.8 Details of the consultations and the responses provided by schools are included within Schools Forum papers[7] and schools fair funding consultation page of our website[8]

2.9 The consultation responses from schools were relatively low in number (110 of 422 state funded schools in Norfolk were represented) with mixed comments regarding impact on their individual schools (likely to be dependent upon whether they are likely to receive funding gains that would be capped) and whether block transfers were the right way of resolving the high needs funding situation as a whole system.

2.10 The second topic of the consultation was the funding cap on gains following issues highlighted by some schools. Historically, a funding cap has been necessary in order to mirror the NFF unit values and methodologies whilst making a Schools Block to High Needs Block transfer. The cap in 2022-23 meant that small schools receiving the sparsity factor for the first time did not realise the large gain in 2022-23 that they may have been expecting as part of the NFF, as overall per-pupil funding in the local formula was capped at increases of +2.82% for schools (beyond which no further increase was received by the schools). This means that the large gains expected by those schools have, effectively, become delayed and, potentially, will be spread over a number of years. This issue could apply equally to other factors if/when there are changes in the methodology within the NFF that target additional amounts to specific school types, although sparsity is thought to be the most notable example of this.

2.11 The alternative options presented included ‘scaling and capping’ rather than a ‘hard cap’, reduction in unit values away from the NFF values, or an application to the Secretary of State for an adjustment to MFG for the affected schools. All options had pros and cons, which were presented, and there would always be ‘winners and losers’ for each one given the finite resources available.

2.12 The survey response was mixed; a high proportion of those schools represented that had had sparsity funding capped in 2022-23 opted for an adjustment to MFG, whilst others opted for maintaining a ‘hard cap’ or a ‘scaling and capping’ combination. Some schools effected by the cap in relation to sparsity funding in 2022-23 opted for reduction in unit values for all rather than MFG adjustment.

2.13 Schools Forum debated the options considering the survey responses and were unable to come to a clear view that an alternative approach should be taken due to the implications of each option given the proposed block transfer. Without a clear direction from the Schools Forum to make a change, it is proposed that the ‘hard cap’ remains in place for 2022-23 and this issue can be revisited with schools in future years. It should be noted that this is likely to mean that some small, rural schools who became eligible for sparsity funding in 2022-23, or become eligible in 2023-24, will have significant caps on gains within the formula.

2.14 The final subject of consultation with schools was Notional SEN. Notional SEN is the element of the DSG Schools Block allocation to all mainstream schools

[7] https://www.schools.norfolk.gov.uk/school-finance/norfolk-schools-forum/forum-agendas-and-papers
[8] https://www.schools.norfolk.gov.uk/school-finance/fair-funding-consultation

that is intended for children and young people described as requiring SEN Support (I.e. not the cohort who have an Education Health and Care Plan). The DfE have issued operational guidance on notional SEN values for the first time, for the financial year 2023-24. LAs are now expected to review the size of their notional SEN allocations following consultation with schools and Schools Forum and to determine if changes are needed.

2.15 The DfE have provided national data on notional SEN, with 78% of authorities allocating between 5% and 15% of their Schools Block funding as notional SEN. In Norfolk, this percentage is approximately 7% currently. Across all authorities, the average is 11.3% which is a significant difference.

2.16 Therefore, there is a need to review whether Norfolk's notional SEN budget should be brought into line with the national average. A consultation survey was issued in November for mainstream schools to gather information on current use of notional SEN budgets.

2.17 There has been a low response rate to the consultation survey, however, of those schools (or Multi Academy Trusts) that did respond they confirmed that the range of spend was between 2.5% and 5%.

2.18 It is important to note that, as the description suggests, this is 'notional' SEN funding and is not intended to prescribe the total level of funding individual schools commit for SEN. Therefore, any change in the ratio of Schools Block funding assigned for notional SEN funding does not change any individual schools' budget allocation. Instead, it provides an indication of the level of support that should be provided and can assist the LA in our work with schools when discussing 'top up' funding from the High Needs Block.

2.19 A further report is being presented to the Schools Forum on 27 January and it will recommend that a move towards national average should not start in the 2023-24 financial year but should instead be phased in over a 3 year period starting FY 2024/25.

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 £9.015m of Schools Block, 1.5% as agreed by the Secretary of State. The Minimum Funding Guarantee, based upon the final DSG allocations, is expected to be set at +0.5% and it is anticipated that a funding cap of +2.56% will be 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, 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 engagement with the DfE's Safety Valve programme, a deficit budget for 2023-24 has been identified as part of a multi-year plan designed to return the HNB to an in-year balanced position through our Local 1st Inclusion programme and will subsequently result in the cumulative deficit being repaid. This plan is aligned with the latest monitoring at the time of writing (period 8, end of November 2022).

2.23 The Council submitted a disapplication of regulations request to the Secretary of State in November 2022 requesting a further 1% transfer from the Schools Block to the High Needs Block in 2023-24, equivalent to approximately £6.010m. A response has not yet been received from the Secretary of State but, for now, the proposed 2023-24 budget and the medium term DSG Management Plan includes the requested transfer. If the disapplication request is subsequently refused, or only partially agreed, the forecast DSG deficit will increase accordingly.

2.24 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 or assumptions.

2.25 The deficit budget for 2023-24 comprises of a combination of demand for high needs, specialist education placements and provision, particularly independent provision, exceeding the funds available combined with revenue invest-to-save approaches as part of the multi-year medium term plan to return to a balanced in year position in future. The budgeted deficit to be added to the cumulative DSG deficit forecast as at end of March 2023.

2.26 Taking into account the modelling of the various types of placements, the proposed HNB for 2023-24 is shown in the table below (an extract of the Safety Valve DSG management plan shown elsewhere on the report):

2023-24 High Needs Block	**£m**
High Needs Block DSG Income	-120.578
1.5% Schools Block transfer	-8.529
Total Resources	**-129.107**
Maintained / Academy / Free Special Schools	46.878
Specialist Resource Bases & Deaf Resource Bases	6.314
Independent Special Schools	42.771
Alternative Provision	2.133
Short Stay Schools	8.400
Post-16 (Further Education)	8.173
Other Provisions	5.027
Inclusion fund (including mainstream SEN / EHCP support)	20.176
Speech & Language, Sensory, Youth Offending and Child & Adolescent Mental Health support & contributions	3.551
High Needs Inclusion Infrastructure, cluster teams including parent link workers	2.680
Other, including TPG/TPECG, H&SC levy and new school start-up costs	2.641
Investment contingency including Inclusion Fund	0.000
Total Expenditure	**148.744**
In-year +deficit/-surplus	**19.637**
Cumulative Deficit Forecast 31 March 2024	**73.613**

2.27 **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 and it adds to the DSG cumulative deficit in line with the Safety Valve plan submitted to the Secretary of State for Education for approval.

Early Years Block

2.28 The 3 and 4-year-old allocation (universal and additional entitlement) for Norfolk provided by the DfE will increase by £0.23 per hour for Norfolk in 2023-24 from £4.61 per hour to £4.84 per hour, but in addition, a further £0.06 per hour has been allocated to cover costs of the previously separately funded Teachers' Pay and Pension Grants, bringing the rate received in Early Years Block to £4.90/ per hour.

2.29 The rate for 2-year-olds will increase from £5.57 per hour to £5.71 per hour for 2-year-olds, an increase of £0.14 per hour.

2.30 Key increases in costs for providers will be the increase in National Living Wage (NLW) of £0.92 per hour April 2023 (and any subsequent impact to higher paid roles), although this has been partially mitigated by the removal of the 1.25% Health and Social Care Levy above the lower National Insurance threshold since the 2022-23 EY formula was set.

2.31 Norfolk's Early Years funding formula has been based upon several elements since its introduction. It is proposed that for 2023-24 that all existing elements continue with the addition of an additional element in relation to the Teachers' Pay and Pension Grants now allocated through the EY Block:

- Hourly base rate (2-, 3- & 4-year-olds)
- Special Educational Needs Inclusion Fund (2-, 3- & 4-year-olds)
- Mandatory Deprivation and Discretionary Flexibility and Quality supplements (3- & 4-year-olds only)
- Additional Maintained Nursery Supplement
- Centrally Retained by the LA for the provision of central services
- Contingency
- NEW: Teachers' Pay and Pension Grant (TPG/TPECG) previously separate grants paid to schools in 2022-23 but rolled into the Early Years Block in 2023-24 and expected by DfE to be allocated via the Quality Supplement. Norfolk proposes to allocate the funding to schools only.

2.32 A consultation and survey was open to all Early Years providers in Norfolk was undertaken during the Autumn term 2022, followed by an agreement by Schools Forum for the results to be discussed by the Early Years Consultative Group prior to recommending a formula to the Forum's January 2023 meeting.

2.33 The Consultative Group reviewed the consultation responses in detail and concluded there was no consensus for any significant change from the current funding formula. They agreed, therefore, to maintain the current optional supplements at existing rates and current level of the SEN Inclusion Funds.

2.34 The group examined the impact of changes to Deprivation rates and concluded it would be beneficial for the sector to maintain the existing budget but combine the two rates into a single rate.

2.35 The group met before confirmation of funding rates from the DfE but agreed that any additional funding should be used to maximise the base rate to benefit all providers equally.

2.36 The proposals within the table below for the 2023-24 funding formula for Norfolk presumes that the Forum agrees to the recommendations.

Element	Consideration and Proposal
2-year-old hourly base rate	It is proposed to pass the **increase of £0.14 per hour** to providers, giving a new rate of £5.64 per hour with £0.07 per hour continuing to be retained for the 2-year-old SEN Inclusion Fund. This maintains the 2022-23 SEN Inclusion Fund at £0.050m in 2023-24 to meet demand for low and emerging need for 2-year-olds, whilst passing the full increase in the hourly rate directly through to providers.
3-&4-year-old hourly base rate	Following the consultation with Early Years providers, the local authority, with the Early Years Consultative group, has considered various options for the distribution of the additional funding. It is proposed that the hourly base rate for rate for 3- and 4-year-olds (universal and additional entitlement for working parents) from £4.08 per hour to **£4.31 per hour**, an **increase of £0.23 per hour** reflecting full 'pass through' of the additional funding provided by the national formula to Norfolk, excluding the Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grant) which was provided in 2022-23 as separate grants to schools.
Special Educational Needs Inclusion Fund (2-, 3- & 4-year-olds)	The SEN Inclusion Funds are to meet demand for low and emerging needs. It is proposed 3-and-4-year-olds fund remains at the current level of £0.850m, equivalent to approximately £0.10 per hour of the funding received from the DfE Following the ongoing success of the fund 2-year-olds during 2021/22, it is proposed to increase the 2-year-olds, it is proposed that it is maintained at the current level of £0.050m for 2023-24, equivalent to £0.07 per hour.
Mandatory Deprivation and Discretionary Flexibility and Quality supplements (3- & 4-year-olds only)	Following feedback from the autumn consultation with providers and from the EY Consultative Group, it is proposed that deprivation and other supplements will remain in the formula for 2023-24. This is a change in direction from the comprehensive autumn 2020 EY funding consultation which at that time indicated a move towards removing discretionary supplements, to reach a standard base rate for all providers, was favoured amongst responses.

	Officers would like to continue to explore the pros and cons for the removal of the discretionary supplements with the EY reference group in future consultations. There is no change proposed to the Quality and Flexibility discretionary supplements for the 2023-24 formula, which will mean they remain at £0.10 per hour where the conditions are met by providers. The Deprivation supplement is currently paid at two levels: £0.25 per hour for children living in the most 10% deprived areas and £0.15 per hour for the 11-20% most deprived parts of the county using the IDACI index. Feedback from the EY Consultative Group indicated a preference to combine the two deprivation rates into a single rate. Therefore, it is proposed the formula is amended for 2023-24 so that there is a **single rate payable for children living in the most 20% deprived areas at £0.21 per hour** (calculated as the weighted average equivalent rate of current take-up).
TPG	Teachers' Pay and Pension Grants (TPG/TPECG) - previously separate grants paid to schools in 2022-23 as part of relevant grants for TPG/TPECG for the whole school. For 2023-24, the equivalent funding has been rolled into the Early Years Block and the DfE expects it to be allocated via the Quality Supplement. Norfolk proposes to allocate the **funding to schools with nursery classes only at a rate of £0.24**. This excludes Maintained Nursery Schools who will receive their share of TPG/TPECG via an additional rate of £0.53 within the Maintained Nursery Supplement.
Additional Maintained Nursery Supplement	In addition to the Maintained Nursery Supplement (MNS) provided to nursery schools by the DfE, the LA currently provides additional protection to the schools to meet the remainder of the fixed sums that were paid to nursery schools prior to the introduction of the Early Years National Funding Formula (less a reduction of 1.5% per year previously agreed for transition). The combined total level of protection in 2022-23 for nursery schools is currently £365,342 made up of £268,413 for MNS from DfE and £96,929 additional protection provided by the LA from EY Block.

	On the basis that the total protection continues to be reduced by 1.5%, the new total protection required for 2023-24 would be £359,862 which would be funded by £329,966 for MNS from DfE (excluding the newly allocated TPG/TPECG element) and £29,896 additional protection provided through the EY Block. In addition, TPG/TPECG funding of £53,481 would be allocated, received from DfE as part of 2023-24 MNS allocation. Schools Forum will be asked to comment on the proposal to provide additional protection to maintained nursery schools at this rate at their January Schools Forum Meeting.
Centrally Retained by the LA for the provision of central services	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. Based on the 2023-24 published DSG allocations, the upper limit of the 5% of total 3- and 4-year-old funding that can be retained centrally by the LA will be £2,052,323. This funding is used by the Council to provide central support and administer payments to all providers of Early Years Education, in schools and in private, voluntary and independent settings. Schools Forum will be asked to vote on retention of the 5% for 2023-24 at its January 2023 meeting so that 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. At present, 2-year-old funding does not contribute towards the central services provided by the Council. For the vast majority of providers who are in receipt of 2-year-old funding and, therefore, can access central services, will also be in receipt of 3-and-4-year-old funding and so contributing through this source.
Contingency	It is proposed that the level of contingency remains at 0.5% (£236,648) of the Early Years Block for 2023-24, in line with the previously agreed contingency level (based upon a percentage of the Block) following consultation with providers on the Early Years formula.

2.1 On the basis of the information provided above and the recommendations from Schools Forum, the proposed final formula for 2023-24 would be:

	Current Rate 2022-23 (£ per hour)	**Proposed Rate 2023-24 (£ per hour)**
Base rate (3-to-4-year olds)	4.08	4.31
Base rate (2-year olds)	5.50	5.64
Quality supplement	0.10	0.10
Quality supplement TPG/TPECG – Schools only excluding Maintained Nursery Schools	N/A	0.24
Flexibility supplement	0.10	0.10
Deprivation supplement (10% most deprived based on IDACI)	0.25	N/A
Deprivation supplement (11-20% most deprived based on IDACI)	0.15	N/A
Deprivation supplement (20% most deprived based on IDACI)		0.21

2.2 **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 Management Plan

3.1 The current financial year forecast (2022-23) outturn is a £19.6m overspend (as at the end of November 2022, period 8 monitoring), as reported elsewhere on this meeting's agenda. Based upon the latest information and modelling, the forecast in-year deficit for 2023-24 is £25.149m and the cumulative DSG deficit by 31st March 2024 is now forecast to be £98.762m.

3.2 Whilst the updated multi-year plan has been prepared based on latest trends and data available, including market forces including inflation increases seen recently, the plan has been prepared on an invest-to-save in the early years that will then enable savings to be delivered in future years. This means that it is anticipated that the in-year deficit will initially grow in 2023-24 prior to reducing over the subsequent 3 years prior to delivering an in-year surplus in 2027-28.

3.3 The multi-year plan for the DSG includes assumptions regarding contributions from NCC (included elsewhere on the agenda within the NCC Revenue 2023-24 Budget paper) and the DfE (agreement of the Secretary of State awaited).

3.4 The Local Authority submitted a disapplication of regulations request to the Secretary of State in November 2022 requesting a further 1% transfer from the Schools Block to the High Needs Block in 2023-24, equivalent to approximately £6.010m. The Secretary of State's decision is awaited, in line with the Safety Valve agreement.

3.5 The statutory responsibilities that the local authority has means that increases in demand or complexity of demand are expected to be met whether the High Needs Block funding is sufficient or not.

3.6 Whilst the accounting treatment of the DSG deficit means that it does not need to be considered when assessing the sufficiency of the Council's general reserves balances, the Council will still have to 'bank roll' the cumulative deficit until it is fully repaid, which is a cost to the Council's NCC Funded revenue budget.

3.7 Officers share the view of Norfolk's Schools Forum that the system, as a whole, remains underfunded. A High Needs Block consultation in 2021 undertaken by the DfE showed that the system had been under-funded for multiple years for many local authorities, like Norfolk, which will have significantly contributed to the cumulative and current deficits. Back-dated funding to mitigate this recognised historic under-funding was not made, leaving the historic deficit to local authorities to resolve, whilst the cap on 'gains' of meant that Norfolk continued to be under-funded.

3.8 The key direct impact for schools is the continuation of the block transfer of the 1.5% from the Schools Block to the High Needs Block, as per the 2022-23 budget. Schools primarily affected are those whose funding gains are capped, and this includes schools that have become eligible for sparsity funding in the last 2022-23 and / or 2023-24 due to changes in the National Funding Formula methodology. Whilst the system of funding caps and the Minimum Funding Guarantee means that no school will lose money on a like-for-like basis compared to the previous year's funding, it does mean that those who become eligible for additional funds have these introduced slowly, potentially over a number of years, and feedback in consultations that this means that funds are not available for the children upon their school roll now. These schools are often relatively small and rural.

Early Years Block

3.9 2-, 3- and 4-year-old hourly base rates will all be increased in line with the additional funding provided via the national funding formula to Norfolk.

3.10 Overall, funding rates remain low for Norfolk compared to other authorities due to the allocation from Government continuing to be at the lowest level. The funding model considers wage rates in the sector and so has the methodology used by Government has the effect of continuing to perpetuate low wages in the sector, which continues to be a concern in terms of ensuring a sufficient and well-trained workforce is in place.

4. Evidence and Reasons for Decision

4.1 The recommendations to Cabinet in this paper reflect the recommendations made, or expected to be made, by Norfolk's Schools Forum following consultation open to all schools in Norfolk in the Autumn Term 2022 and in consultation with all early years providers in Norfolk, also in the Autumn Term 2022.

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.

4.3 Schools Forum Members were asked in November to individually indicate whether they supported a further block transfer of 1%, but a vote was not taken as this was not required by the regulations given that an additional transfer at this level is a Secretary of State decision rather than a Schools Forum decision. The views were mixed from Members sharing concerns regarding reducing funds directly available to mainstream schools versus supporting the revised plan.

4.4 A summary of the relevant consultation responses and Norfolk Schools Forum's considerations can be found within the Forum's publicly available agenda and minutes[9].

4.5 The DfE subsequently requested that Norfolk's Schools Forum takes a vote on the additional 1% block transfer as part of the Safety Valve programme, which will be taken at its next meeting on the 27th January 2023. The budget presented within this paper presumes that the Schools Forum will agree the additional transfer, and that this will subsequently be agreed by the Secretary of State for Education.

4.6 Through the Safety Valve programme over the summer, the DSG medium term plan has been fully remodelled in conjunction with support from the DfE appointed finance and SEND advisors. Our previous model was used as a starting point, with assumptions update and new transformation activity identified to enable the High Needs Block to be brought back into balance in-year and to identify a plan to repay the deficit.

4.7 This plan was submitted to the DfE on the 6 October 2022 in line with the Safety Valve programme deadlines, and an updated version that takes into account the most recent funding announcements is due to be submitted by 31st January 2023. At the time of preparation of this report, the 2023-24 budget and plan included in this report are aligned with the plan expected to be submitted by 31st January

4.8 Applying the Minimum Funding Guarantee provides support to those schools losing per-pupil funding through the National Funding Formula, which will protect local schools from sharp funding reductions. Based upon the modelling undertaken for the schools' consultation, the recommended formula will mean that all schools will receive an increase in funding (on a like-for-like basis).

4.9 In Spring 2022, the outcome of the national SEND Review was published within the Green Paper: SEND Review: Right Support, Right Place, Right Time. This reviewed the impact of the SEND reforms implemented since the Children and

[9] https://www.schools.norfolk.gov.uk/school-finance/norfolk-schools-forum/forum-agendas-and-papers

Families Act 2014. The DfE held a consultation upon the proposals, which the Council responded to. If implemented, the proposals could have a significant impact, including financial implications. The DfE have delayed the response to the Green paper consultation, due December 2022, and their next steps plan is now expected later in the spring term 2023. Therefore, preparation of the multi-year plan is based upon existing legislative arrangements.

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 not to implement a block transfer from the Schools Block to the High Needs Block, or to implement a reduced block transfer. Either option would increase the funding for mainstream schools with the raising or removal of the gains cap and then increases to the factor values, within the DfE's allowable range, may be possible with no block transfer.

5.3 However, a decision to reduce or not to implement a block transfer is likely to remove the possibility of a Safety Valve agreement with the DfE unless it was replaced by additional, equivalent NCC funding, which is unaffordable within the current proposed NCC 2023-24 Revenue Budget paper elsewhere on this agenda.

5.4 For the local formula for distribution of funded early years entitlements, Cabinet could choose to implement an alternative option, such as removing discretionary supplements, reducing or removing the additional protection for maintained nursery schools, capping the level of Special Educational Needs Inclusion Funding available, or distributing the supplements differently. However, this would go against the results of the consultation with early years providers and against the expected view of Schools Forum. It would potentially impact upon the financial planning and stability of providers, many of which are small, local businesses contributing to Norfolk's economy, and 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 the Council is effectively 'bank-rolling' the deficit and so there is the impact upon local Council resources of the loss of interest.

6.5 As a result of the submitted plan to the DfE through the Safety Valve Programme, NCC will need to commit to contribute £5.5m pa towards mitigating the deficit, as included in the NCC 2023-24 Revenue Budget paper elsewhere on this agenda.

6.6 The accounting treatment was due to end at the end of the 2022-23 financial year, but an announcement in December 2022 by the Government that the accounting treatment arrangements have been extended until the end of the 2025/26 financial year.

7. Resource Implications

7.1 Staff: None

7.2 Property: None

7.3 IT: None

8. Other Implications

8.1 Legal Implications:

8.1 The key guidance to, and expectations of, local authorities is contained in the 'Pre-16 schools funding: local authority guidance for 2023 to 2024[10].

8.2 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.

8.3 Human Rights Implications: None

8.4 Equality Impact Assessment (EqIA) (this must be included): There are no direct equality or accessibility implications for this report. However, as part of the councils engagement with the DfE for our 'safety valve' and related

[10] https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2023-to-2024

‘disapplication request’ we were required to provide information within an EqIA context. For that purpose we have stated to the DfE that : ‘A central theme to addressing local needs and, in turn the HNB recovery plan, is the development of state funded special school provision. This will ensure that complex needs, ASD and SEMH needs are met directly. In addition, we are expanding specialist resource base provision hosted by mainstream schools. Taken together these additional 500 places will increase choice and reduce travel time for children and young people with SEND.’

8.5 Data Protection Impact Assessments (DPIA): Not applicable

8.6 Health and Safety implications (where appropriate): Not applicable

8.7 Sustainability implications (where appropriate): Not applicable

8.8 Any Other Implications: Not applicable

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 2023-24;
- Independent providers continue to open new provision and / or places at existing provision in excess, and with cost rates, exceeding the budgeted amounts;
- Legacy of the 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;
- Inflation pressures continue to drive up the cost of independent placements as well as costs within mainstream and special schools costs exceeding the budgeted assumptions within the plan;
- The Secretary of State does not agree the submitted Safety Valve plan and / or the disapplication request for the additional 1% block transfer.

9.2 Officers will continue to keep the DSG Budget and medium term plan under close review throughout the financial year, reporting regularly to Cabinet through the monthly Finance Monitoring reports and termly, at least, to Norfolk Schools Forum. Officers will be required to report regularly to the DfE regarding the DSG plans.

9.3 As detailed earlier in the report, the Government has prescribed an accounting treatment for the DSG deficit. 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, high needs allocations and the Safety Valve programme 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

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 in line with the Safety Valve plan submitted to the Secretary of State for Education for approval;

(ii) to delegate decision making powers to the Executive Director of Children's Services, in conjunction with the Lead Member for Children's Services, 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.

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

Norfolk Schools Forum agendas and minutes from September 2022, November 2022 and January 2023 meetings

https://www.schools.norfolk.gov.uk/school-finance/norfolk-schools-forum/forum-agendas-and-papers

Dedicated Schools Grant (DSG) Funding (Item 11, 31 January 2022 Cabinet)

https://norfolkcc.cmis.uk.com/norfolkcc/CalendarofMeetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1799/Committee/169/Default.aspx

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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 A: Historic Block Transfers in Norfolk

2019-20

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.

2020-21

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.

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, with it stated that the position would need to be reconsidered for 2021-22 and beyond, depending upon the DSG projections.

2021-22

For 2021-22, a disapplication request was submitted to the Secretary of State to move additional funding from the Schools Block to the High Needs Block due to the size of the increasing DSG deficit and based upon the DSG terms and conditions that expects local authorities to look to recover DSG deficits from within the grant. This request was refused by the Secretary of State and so only the 0.5% transfer agreed by Norfolk's Schools Forum from the Schools Block to the High Needs Block has taken place.

2022-23

For 2021-22, a disapplication request was submitted to the Secretary of State to to transfer an additional 1%, above the 0.5% agreed by the Schools Forum, from the Schools Block to the High Needs Block due to the size of the increasing DSG deficit and based upon the DSG terms and conditions that expects local authorities to look to recover DSG deficits from within the grant. This request was agreed by the Secretary of State based upon the strength of evidence provided.

Appendix B: National Funding Formula 2023-24

The DfE announced in their ‘Schools Operational Guide: 2023 to 2024’ that the following changes will be made to the 2023-24 National Funding Formula:

- Additional support directed to disadvantaged pupils, by increasing the FSM6 and IDACI factors in the schools NFF by a greater amount than other factors. These factors will increase by 4.3%, compared to their 2022-23 values. This means that we will be targeting a greater proportion of schools NFF funding towards deprived pupils than ever before with 9.8% of the schools NFF allocated according to deprivation in 2023-24;
- The core factors in the schools NFF (such as the basic entitlement, and the lump sum that all schools attract) will increase by 2.4%;
- Through the minimum per pupil funding levels, every primary school will receive at least £4,405 per pupil, and every secondary school at least £5,715;
- The funding floor will ensure that all schools attract at least 0.5% more pupil-led funding per-pupil compared to its 2022-23 NFF allocation;
- Rolling the 2022-23 school supplementary grant into the schools NFF ensuring that this additional funding forms an on-going part of schools’ core budgets. Appropriate adjustments have been made to NFF factor values and baselines to reflect this;
- Local authorities will only be allowed to use NFF factors in their local formulae. This means that the looked after children (LAC) factor will no longer be an allowable factor (Norfolk does not use this factor). The government provides funding directly to support looked after children and previously looked after children through the pupil premium;
- Local authorities must use the NFF definition for the English as an Additional Language (EAL) factor, whereby pupils attract additional funding for three years after they enter the statutory school system. Norfolk already does this. (Previously local authorities could choose to provide funding for one, two or three years).
- Premises funding which will be allocated at local authority level based on actual spend in 2022-23 (no increases) plus PFI factor will receive RPIX inflation of +11.2%;
- Local authorities have the freedom to set the Minimum Funding Guarantee in the local formulae between +0.0% and +0.5% per pupil, as well as to use a gains cap applied on the same basis for all schools.

The current 2022-23 National Funding Formula unit rates and the DfE’s proposed 2023-24 NFF unit rates are set out in the table below:

Funding Factor	2022-23 Formula	2023-24 Formula
	£ NFF unit rates	**£ NFF unit rates**
Age Weighted Pupil Unit		
Primary	3,217	3,394
Key Stage 3	4,536	4,785
Key Stage 4	5,112	5,393
Minimum Per Pupil Funding		
Primary	4,265	4,405
Secondary	5,525	5,715
Additional Needs Funding		
Primary FSM	470	480
Secondary FSM	470	480
Primary FSM6	590	705
Secondary FSM6	865	1,030
Primary IDACI A	640	670
Primary IDACI B	490	510
Primary IDACI C	460	480
Primary IDACI D	420	440
Primary IDACI E	270	280
Primary IDACI F	220	230
Secondary IDACI A	890	930
Secondary IDACI B	700	730
Secondary IDACI C	650	680
Secondary IDACI D	595	620
Secondary IDACI E	425	445
Secondary IDACI F	320	335
Low Prior Attainment		
Primary LPA	1,130	1,155
Secondary LPA	1,710	1,750
EAL		
Primary EAL	565	580
Secondary EAL	1,530	1,565
Mobility		
Primary Mobility	925	945
Secondary Mobility	1,330	1,360
Lump Sum		
Primary Lump Sum	121,300	128,000
Secondary Lump Sum	121,300	128,000
Sparsity		
Primary Sparsity	55,000	56,300
Secondary Sparsity	80,000	81,900

2023-24 sees the first year of transition to the direct schools NFF, with the end point by 2027-28 at the latest being a system in which every mainstream school in England is funded through the same national formula without adjustments through local funding formulae.

In 2023-24, local authorities will only be allowed to use NFF factors in their local formulae, and must use all NFF factors, except any locally determined premises factors. Local authorities will also be required to move their local formulae factors 10% closer to the NFF values, compared to where they were in 2022-23, unless they are already mirroring the NFF.

To aid the transition, the DfE published the acceptable factor value range for each local authority. The range for Norfolk is shown in the table below:

Factor	**2023-24 NFF Factor Values (£)**	**2023-24 Minimum Factor Values for Norfolk (£)**	**2023-24 Maximum Factor Values for Norfolk (£)**
Primary basic entitlement	3,394	3,309.15	3,478.85
KS3 basic entitlement	4,785	4,665.38	4,904.63
KS4 basic entitlement	5,393	5,258.18	5,527.83
Primary FSM	480	468	492
Secondary FSM	480	468	492
Primary FSM6	705	687.38	722.63
Secondary FSM6	1,030	1,004.25	1,055.75
Primary IDACI F	230	224.25	235.75
Primary IDACI E	280	273	287
Primary IDACI D	440	429	451
Primary IDACI C	480	468	492
Primary IDACI B	510	497.25	522.75
Primary IDACI A	670	653.25	686.75
Secondary IDACI F	335	326.63	343.38
Secondary IDACI E	445	433.88	456.13
Secondary IDACI D	620	604.5	635.5
Secondary IDACI C	680	663	697
Secondary IDACI B	730	711.75	748.25
Secondary IDACI A	930	906.75	953.25
Primary EAL3	580	565.5	594.5
Secondary EAL3	1,565	1,525.88	1,604.13
Primary LPA	1,155	1,126.13	1,183.88
Secondary LPA	1,750	1,706.25	1,793.75
Primary mobility	945	921.38	968.63
Secondary mobility	1,360	1,326.00	1,394.00
Primary lump sum	128,000	124,800.00	131,200.00
Secondary lump sum	128,000	124,800.00	131,200.00
Primary sparsity	56,300	54,892.50	57,707.50
Secondary sparsity	81,900	79,852.50	83,947.50
Middle-school sparsity	81,900	79,852.50	83,947.50
All-through sparsity	81,900	79,852.50	83,947.50

Cabinet

Item No: 12

Report Title: Fee levels for adult social care providers 2023/24

Date of Meeting: 30 January 2023

Responsible Cabinet Member: Cllr Borrett (Cabinet Member for Adult Social Care, Public Health & Prevention)

Responsible Director: James Bullion, Executive Director for Adult Social Services

Is this a Key Decision? Yes

If this is a Key Decision, date added to the Forward Plan of Key Decisions: 09 December 2022

Executive Summary / Introduction from Cabinet Member

Norfolk County Council (the Council) invests more than £344m a year in purchasing external adult social care services from the market. The Council has legal duties under the Care Act 2014 to promote the effective and efficient operation of this market including its sustainability and maintaining adequate fee levels.

This year's fee uplift paper comes at a time of significant pressures across the social care and health sector. The challenges and risks set out in the report are well reported and throughout this year the issues for the care market have been laid bare at both a local and national level.

This paper recommends a fee uplift in 2023/24 amounting to £30m. This is the biggest increase the Council has made and will be broken down as follows:

a) 9.5% for Residential and Nursing (LD, MH and PD), Direct Payments and All Home Care
b) 9.0% on usual prices for Residential and Nursing for Older People
c) 9.0% for all other purchased care
d) 8.0% for housing related support contracts.

This increase in fees comes at a time of significant financial pressure for the Council and for Adult Social Services. In recommending this uplift, the Council is responding to increased costs facing providers, particularly around the National Living Wage and the general underlying inflation within the economy.

The paper also reports the outcome of a Fair Cost of Care exercise which was a requirement on all local authorities in readiness for social care reform. In line with most other areas of the country, this exercise highlighted that median costs of care for home care and older people residential and nursing were above the rates the Council currently pays. Full details are in the paper.

The paper explains that the £30m proposed fee uplift, whilst it is the single largest investment in the Care Market the Council has made, it will only serve to meet the expected additional costs our providers are likely to experience in 2023/24. To move towards paying this median cost of care, and the implicit removal of any private payer cross subsidy implied by the introduction of 18(3) of the Care Act, would require a further 10-20% increase in the rate we currently pay for Residential/Nursing and 5-10% for Home Care. Moving towards the paying of these median rates was a requirement of the now delayed social care reform and would have been funded with the associated funding. The Council continues preparing for reform, and actively working with government, in line with the delayed timetable.

Looking beyond 2023-24, the paper highlights the need to commit to further accelerated investment to reach the rates needed to prepare for social care reform, achieve a long-term sustainable market, and help stabilise the working age adult market.

Cabinet is recommended to:

- **a) Agree to award a £30m increase in fee levels, as described in detail in section 2 of this paper**
- **b) As part of the Government's Social Care Reform, commit to moving towards paying the median cost of care within Government's timescales and within the funding afforded to the Council for this specific purpose**
- **c) Agree to continue to lobby the Government to make the case for sustainable fair funding for Norfolk**

1. Background and Purpose

1.1 Investment in the market

1.1.1 Norfolk County Council (the Council) invests more than £344m each year in commissioning Adult Social Care services from hundreds of independent businesses that make up Norfolk's Care Market. In addition to our investment, both our health partners and private self-funding individuals purchase services from these businesses as part of a local care economy.

1.1.2 For 2023/24, the Council is recommending £30m be made available to Adult Social Care to support the annual uplift. This is the highest uplift that has been offered by the Council, recognising the current inflationary pressures being faced by the sector, but we recognise that this is in the face of unprecedented financial challenges.

1.2 Legal Requirements

1.2.1 The Care Act (2014) requires Local Authorities to promote the efficient and effective operation of a market in services for meeting care and support needs with a view to ensuring that any person in its area wishing to access services in the market:

- a) has a variety of providers to choose from who (taken together) provide a variety of services
- b) has a variety of high-quality services to choose from

c) has sufficient information to make an informed decision about how to meet the needs in question

1.2.2 In performing this duty, a Local Authority must have:

a) regard to the importance of ensuring the sustainability of the market
b) the importance of fostering continuous improvement in the quality of services and the efficiency and effectiveness with which such services are provided and encouraging innovation in their provision
c) the importance of fostering a workforce whose members are able to ensure the delivery of high-quality services (because, for example, they have the relevant skills and appropriate working conditions)

1.2.3 When commissioning services, local authorities should assure themselves, and have evidence, that contract terms, conditions and fee levels for care and support services are appropriate to provide the delivery of the agreed care packages with agreed quality of care. This should support and promote the wellbeing of people who receive care and support and allow for the service provider to be able to meet statutory obligations to pay at least the national minimum wage and provide effective training and development of staff. It should also allow retention of staff commensurate with delivering services to the agreed quality and encourage innovation and improvement. Local authorities should have regard to guidance on minimum fee levels necessary to provide this assurance, taking account of the local economic environment. This assurance should understand that reasonable fee levels allow for a reasonable rate of return by independent providers that is sufficient to allow the overall pool of efficient providers to remain sustainable in the long term.

1.2.4 Local Authorities should ensure that they themselves have functions and systems in place to fulfil their duties on market shaping and commissioning that are fit for purpose, with sufficient capacity and capability of trained and qualified staff to meet the requirements set out in the updated Care Act and the Care and Support Statutory Guidance August 2021.

1.2.5 Local authorities must develop markets for care and support that – whilst recognising that individual providers may exit the market from time to time – ensure the overall provision of services remains healthy in terms of the sufficiency of adequate provision of high-quality care and support needed to meet expected needs. This will ensure that there are a range of appropriate and high-quality providers and services for people to choose from.

1.2.6 The Council also has duties within its broader legislation to deliver an array of other functions. This is all bound within the Local Government Finance Act (1992) provisions which set out the process to which the Council must set a balanced budget annually and the Local Audit and Accountability Act (2014) which requires our Auditors to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. It is therefore important to recognise the delivery of our Care Market duties within the wider context of the Council's responsibilities and financial constraints.

1.2.7 As such, the Council on an annual basis undertakes a broad review of the fee levels it usually expects to pay in relation to the provision of commissioned Adult Social Care services for the forthcoming financial year.

1.2.8 During 2021, Central Government published:

a) the White paper “People at the Heart of Care: adult social care reform”; (December 2021)
b) the new plan for adult social care reform in England “Build Back Better: Our Plan for Health and Social Care Policy Paper (September 2021)
c) Adult social care charging reform policy paper
d) Market Sustainability and Fair Cost of Care Fund 2022-23 (December 2021) aimed at calculating the actual costs of delivering care and developing a plan to narrow the gap between LA and self-funder fee rates and to secure a sustainable care sector

1.2.9 The above policies and guidance set out the reform aspirations that were expected to have a material impact on the services that the Council commissions from independent care markets. The Autumn Statement announced a 2-year delay in the implementation of the social care reform. Local Authorities are though, still required to publish their fair cost of care reports by 1 February and to submit their final Market Sustainability Plans at the end of March 2023. The outcome of the cost of care exercise is not intended to be a replacement for the fee setting element of local authority commissioning processes or individual contract negotiation.

1.3 **Existing Market Conditions**

1.3.1 Before outlining the proposal, the following segment provides some existing background to Norfolk’s care markets that provide relevant context and rationale for the proposal.

1.3.2 **Demand for care**[1]

a) Norfolk’s population is projected to increase by approximately 13% over the next 10 years, it is projected to continue to be the 9th largest local authority in England. This is a projected population increase of over 56,000 spread over the next 10 years, 78.6% of this increase is in the population aged over 65
b) Across Norfolk, the average life expectancy is approximately 80 years for men and 84 years for women. The average number of years a person can expect to live in good health is about 63
c) Deprivation and poverty influence the health and wellbeing of the population. The life expectancy gap between the most and least deprived areas in Norfolk is 7.4 years for men and 4.4 years for women
d) People are living longer with multiple long-term conditions. Long term condition levels increase in the older age group and pre-covid modelled estimates indicate that the 75+ population of Norfolk is likely to require c 15,000 residential and nursing beds and more than 6,000 housing with care units. Now that we are out of the pandemic and services and systems are moving to recovery, it is felt that there is now sufficient stability in the market to update the demand modelling for care home and housing with care capacity and the service models needed going forward. What we are seeing is that the level of acuity of need being supported in residential and nursing provision continues to increase requiring staff with greater skills and competencies to provide good quality, safe care. The ability to retain staff in the sector to enable the development of the required skills and competencies needed is therefore even more important

[1] Norfolk's Joint Strategic Needs Assessment (JSNA) - Norfolk Insight

1.3.3 Dementia prevalence for people of all ages in Norfolk is higher than the England rate. By 2030 dementia prevalence is expected to increase to about 21,400 people, a 24.8% increase on the 2019/20 position. People living with dementia get the diagnosis and medication from the NHS, however, often the symptoms mean that they need help with everyday living such as personal care meaning that social care also provides a lot of support to people living with the condition. As such, a higher number of dementia cases in Norfolk will put additional demand on both the health and social care services required to provide treatment and support to enable individuals to live well for longer.

1.3.4 Further demand is placed on services if people need to be admitted to hospital due to dementia. Across Norfolk and Waveney there are approximately 7,000 emergency admissions each year for people with dementia. Care home and domiciliary care services need to be supported to meet increasing acuity of need and reduce the level of unplanned admissions and ambulance call outs.

1.3.5 In the 2011 census people whose day-to-day activities are limited by their health or disability was just over 1 in 5. In Norfolk 33% of the population aged 16-64 re disabled according to UK law or have a work-limiting disability compared to 29% in England. This is estimated to be 130,000 people in Norfolk.

1.3.6 Advances in healthcare mean that people with disabilities are living longer but they still have lower life expectancy and a higher risk of early death compared to the general population. For example, people with learning disabilities die on average 14 years younger than men in the general population and women 17 years younger.

1.3.7 The prevalence of learning disabilities in Norfolk is higher than in England and the East of England.

1.3.8 As a system we need to review how best to ensure that the adult social care sector has the funding and wider support needed to meet current and expected future needs.

1.4 High Quality Care

1.4.1 The Care Act requires Local Authorities (LAs) to support the development of a vibrant market that gives people choice of high-quality provision.

1.4.2 The Care Quality Commission (CQC) Inspections Board, as at end October 2022 reports the following percentage of providers achieving a good or outstanding rating.

1.4.3 Table 1: CQC % good or outstanding quality rating comparisons as at 31st December 2022

Service Category	Norfolk	East of England	England	Family Group of LA's	Suffolk
All Care Types	68.7%	82.0%	82.8%	83.5%	88.3%
Home Support	74.8%	86.5%	85.8%	89.2%	91.9%
Nursing	65.5%	76.3%	76.8%	76.6%	88.9%
Residential	66.4%	79.4%	82.4%	81.7%	83.1%

1.4.4 The above highlights that Norfolk is significantly worse than the averages for East of England and the family group of similar local authorities and is ranked lowest for the average of 'all care types' compared against both groups. The Council has agreed a strategic approach to work collectively with partners to address social care quality improvement in Norfolk. This programme of work is focused on provider support, improving feedback, contract management and commissioning and ensuring quality health services within social care.

1.4.5 There does not appear to be a direct correlation between fee rates paid and quality of services delivered. For example, an East of England Local Authority that is also within the same family group pays less for residential and nursing care but has 87.5% of nursing and 82.9% of residential homes rated good or outstanding. Previous reviews of service quality against fee rates in Norfolk did not support a direct correlation. This is something that we will continue to monitor.

1.5 **Sustainable Care Markets**

1.5.1 The Council must have regard to the importance of ensuring the sustainability of the care market.

1.5.2 The adult social care market is characterised by increasing demand, greater complexity of need, increased costs, especially related to staffing and critical labour shortages. Whilst this describes Norfolk, it also describes a national picture that will be familiar to many local authorities.

1.5.3 During 2022/23 the Council has seen demand outstrip supply in key sectors such as domiciliary care and seen continuing upward pressure on fee levels across all care sectors. The Council and Integrated Care Board are still struggling to place people with complex needs within residential and nursing provision and this is something that we want to work with the sector to address.

1.5.4 The Council closely monitors the stability of its care markets and is seeing an increase in the number of providers who have already left the sector, are at risk of failure or who are looking to exit the care market. The working age adult residential and supported living sectors are identified as particularly vulnerable currently with five supported living services and nine learning disability residential homes (loss of 94 beds c 10% of the market) having closed over the last two years. The older adult care home market has seen less closures and new services opening; the main concern within this sector is the impact of low occupancy levels with the National Capacity Tracker in December reporting occupancy levels of 79.6% for older adult residential homes and 68% for nursing homes.

1.5.5 Supporting quality improvement through the mechanisms available to the Council is a priority. Identified actions include:

a) The Integrated Quality Service has been strengthened to rollout the programme of PAMMS audits across all parts of the care sector and to deliver specific support for providers where improvement actions have been identified
b) We have reviewed our contract management approach and worked with corporate teams to identify system improvements that support improved access to contract information, oversight of provider performance and a shared evidence base
c) New commissioning approaches and upcoming reviews of contracts will be strengthened to improve quality and workforce measures. In addition, the Council, in collaboration with health, are supporting wider engagement on ethical commissioning approaches to improve future practice. This is a longer term programme of work that will set the standards for how all parts of the system will do business in Norfolk

d) A new policy for quality improvement and escalation has been implemented to ensure a consistent approach to managing the safeguarding and contractual elements of quality concerns
e) Embedding a quality culture across all adult social care teams to ensure that quality is a focus in all roles through induction, training, forums and communications
f) In line with the Market Sustainability and Fair Cost of Care Fund Guidance, a cost of care was undertaken this year for the 65+ care home sector and 18+ domiciliary care sector. Plans are in development to undertake a cost of care review for the working age adult sector during 2023/23
g) The Adult Social Care Workforce Strategy and five-year implementation plan is in place with good progress being made supported by integrated work with social care partners and health
h) Direct action to shape the market through investment in independent living schemes for both older people and working age adults

1.5.6 In order to ensure that we have market stability, we continue to enhance our monitoring of provider risk and maintain a close relationship with the Norfolk Care Association (NorCA).

1.6 **Workforce, Recruitment and Retention**

1.6.1 A critical component to delivering care is a stable, motivated and skilled workforce. Total posts in adult social care numbered 1.79m nationally during 2021/22 with 165,000 of these posts vacant. This is an increase in vacant posts of 55,000 (52%) since 2020/21. [2] In Norfolk during 2021/22, there were on average, 175 (5.1%) posts vacant in nursing homes, 650 (7.7%) posts in residential homes and 800 posts vacant in other services mainly home care (12.2%). Areas such as Thetford and Watton, and Downham Market and Swaffham, had the highest vacancies at 14.9% and 15.6% respectively.

1.6.2 Norfolk has serious long term labour turnover issues amongst staff working in care. Across all care types annual staff turnover was 34.8% in 2021/22 a worsening of the position seen in 2020/21(33.9%). Staff turnover within the domiciliary care sector is higher than in other parts of the care sector and as with vacant posts, areas such as Thetford and Watton, Downham Market and Swaffham and Acle, Aylsham and Wroxham have the highest turnover rates of 52.4%, 42.1% and 36.4% respectively.

1.6.3 A NorCA cost of living survey received responses from 78 care workers with 82.05% saying that they worried a great deal or a lot about the cost of energy and fuel on their ability to afford to work within the adult social care sector. 62% of survey respondents reported that they did not think that they could afford to continue to work at their current income rate within the next 6-12 months. Adverts for care worker jobs are increasingly offering additional benefits to attract staff, including free or discounted food and more flexible pay dates.

1.6.4 The impact of the 10 years of austerity for social care means that there is a limit to the resource available to drive up sector pay to be competitive with similar roles within health. NorCA commissioned a job evaluation framework which looks at parity of social care roles with other sectors delivering similar services such as the NHS. A care worker in a care home would be equivalent to a Health Care Assistant (HCA) level 2 as per Agenda for Change and a carer within domiciliary care, due to the lone

[2] The state of the adult social care sector and workforce in England (skillsforcare.org.uk)

working, is equivalent to a HCA level 3. Social care providers are required to pay as a minimum the National Living Wage (NLW) currently £9.50. A HCA 2 band currently pays an hourly rate for new starters of £10.37 increasing to £10.90 after 2 years. A HCA 3 has a starting rate of £11.11 increasing to £11.85 after 2 years. From the fair cost of care exercises the median pay rates calculated from submissions received were £10 per hour for carers in care homes and £10.35 for domiciliary care workers. Workforce and pay is at the heart of market sustainability and plans for the Council to work towards more sustainability rates as part of future social care reform will improve parity of pay rates.

1.6.5 Whilst clearly a national scale issue, the Council provides a high level of recruitment and retention support for providers. This includes:

a) The employment of a Recruitment and Retention Officer who works with social care providers, delivering recruitment fairs and webinars and offering training sessions to providers in what good recruitment and retention practices look like. During the year there has been a strong focus on the local recruitment campaign with TV and radio adverts, video case studies and social media marketing. This seems to be getting traction but there is still a long way to go to address the current staff capacity issues being experienced within the sector
b) Norfolk Care Academy - a new initiative that supports the on-boarding of applicants into the care sector
c) Earn as you learn – an initiative focussed on students offering them opportunities to gain regular paid work whilst studying
d) International recruitment – working collaboratively with the NHS to optimise the opportunities for international recruitment
e) The Norfolk Care Association (NorCA) undertook a project to develop a job evaluation framework which was published in 2022. The framework compares social care worker experience, qualifications, skills, expertise, level of individual responsibility and complexity of service delivery with other equivalent roles within the NHS and will support the development of a career pathway within the adult social care sector

1.7 Fair Cost of Care and Market Sustainability Fund and impact of Autumn Statement

1.7.1 The main focus this year for the older adult care home and 18+ domiciliary care sectors was the preparations for the expected, but now delayed, social care reforms, which was set out as part of the criteria of the Market Sustainability and Fair Cost of Care Fund. Local authorities were required to work in partnership with care providers to arrive at a shared understanding of the local cost of providing care with the aim of working towards reducing the current gaps in fee rates paid by local authorities and self-funders. Providers were requested to submit their costs and then local authorities, or consultants employed by them, would use this information to calculate fair costs of care for residential and nursing home provision. For providers, fair means that they will be able to cover the cost of care delivery and be able to make a reasonable profit. For local authorities, fair recognises the responsibility they have in stewarding public money, including securing best value for the tax-payer.

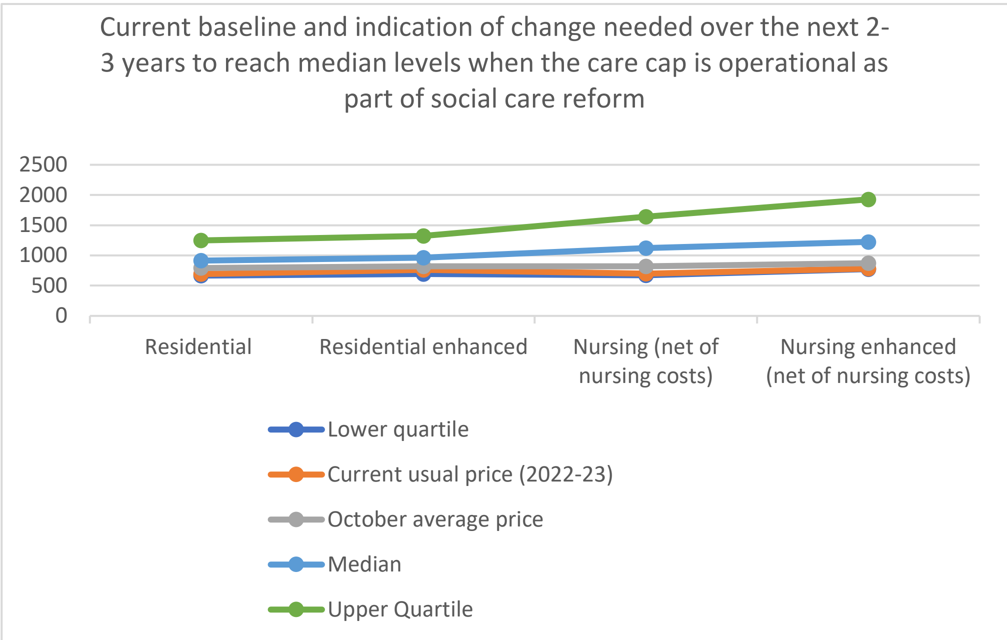
1.7.2 The fair cost of care exercise has helped local authorities to understand where we are now and where we need to get to in relation to fee rates paid. The fair cost of care reports submitted to the DHSC are attached as Appendices A and B to this report. The table below details the current position in relation to care home fee rates:

Table 2: current position in relation to care home fee rates.

Service category (all values £)	Lower quartile £	Current usual price £ (2022-23)	October average price £	Fair cost of care adjusted median £	Upper quartile £
Residential	666.78	691.57	791.98	888.72	1,248.45
Residential enhanced	692.66	762.02	819.82	927.47	1,321.13
Nursing (net of nursing costs)	671.99	699.19	822.37	962.89	1,344.91
Nursing enhanced (net of nursing costs)	773.99	781.37	871.65	1,021.40	1,564.11

1.7.3 Norfolk's usual rate fees are above the lower quartile but this does not give the Council the capacity needed as it does not have all of the market open to it. This means that the Council has to secure provision at rates above its usual rate fee reflecting the higher average fee rates being paid.

1.7.4 If the Council is to move to the cap and a blended rate in line with the Social Care Reform aspirations, then it needs to be working at the median level. The chart below details the current relationship between the various rates:



1.7.5 Pay rates are cited by all providers as a barrier to recruitment and retention. The adjusted median rate has been calculated using the provider reported actual pay rates, however these compare poorly against NHS pay rates and other competing sectors such as retail and hospitality. The following table highlights the gap between the adjusted median rates and the median rates calculated using the current pay rates for NHS health care assistants (HCA). The below is based upon carers within care homes being matched to a HCA level 2 and seniors at HCA level 3.

Table 3: Calculation of Market Sustainable Fee Rates

		Median rates calculated using		
Service category	Adjusted median rate £	HCA entry level rate £	HCA mid point £	HCA top rate £
Residential	888.72	892.26	[redacted]	910.36
Residential enhanced	927.47	938.36	[redacted]	961.20
Nursing *	962.89	979.02	989.99	1,001.72
Nursing enhanced *	1,021.40	1,042.80	1,055.27	1,068.73

* net of nursing costs

1.7.6 For home care, the fair cost of care exercise resulted in a standard median hourly rate of £23.09. The additional £1.08 per hour increase that has been agreed to be funded out of the discharge funding is a significant step towards achieving the median rate. As part of the fair cost of care work, urban and rural/semi-rural rates have been calculated and these will be reviewed as part of the current strategic review of home care.

1.7.7 An independent report 'Impact Assessment of the Implementation of Section 18(3) of The Care Act 2014 and Fair Cost of Care Fund' commissioned by the County Councils Network from healthcare market specialists Laing Buisson, published March 2022 [3] analysed two key aspects of the government's adult social care reforms:

a) proposals to allow private payers (self-funders) to ask councils to arrange care on their behalf at lower local authority rates, and
b) the intention to introduce a new 'Fair Cost of Care' which aims to increase care fees paid by councils to make the care market sustainable

1.7.8 The report stated that were there to be a 50% take up rate of S18(3) and with the fair cost of care funding levels to be made available for Councils, providers across the country would experience significant financial challenges as a result of lost revenues amounting to £560m. Providers in County and CCN Unitary authorities would account for 86% of all net financial losses to the social care sector, with the largest losses in the South-East, East of England and South-West, reflecting these councils geographical spread and high levels of self-funders.

1.7.9 The Laing Buisson Impact Assessment identified that implications for councils would include:

a) The estimated financial impact is at a time when councils are recovering from the pandemic and with the social care sector experiencing acute staffing shortages and increases in demand for a range of community-based services. This is against the backdrop of a decade of austerity in public funding with reduced resources for social care at the same time of increasing demand. The unprecedented cost of living rises seen during 2022 have added further financial pressures for all health and social care organisations
b) Councils do not have resources available to fund fee increases above the funded fair cost of care level without a detrimental impact on existing social care services or challenging their own financial sustainability. The Autumn Statement has now delayed implementation of the Social Care Reform and although the money allocated for this purpose will still be made available to

[3] LaingBuisson 'Impact Assessment of the Implementation of Section 18(3) of The Care Act 2014 and Fair Cost of Care Fund' March 2022.

local authorities, it is expected to be used for cost increases across Childrens and Adult Social Care

c) Without additional funding from the government, the report flagged the increased risk of provider failure and providers exiting the market, thereby negatively impacting on the ability of councils to secure high-quality placements for those eligible for local authority arranged care

d) The reforms introduce new market shaping and fee negotiations for councils – historically there has been limited success in undertaking fair costs of care from the perspective of providers and therefore, the report predicted that there may be difficulties getting providers to engage in the fair cost of care process. In Norfolk 85 out of 214 in scope providers of 65+ care home provision submitted costs for this process a 40.28% return. For home care we received costs for 25 branch locations (19 provider organisations). There are 106 registered providers of home care in Norfolk so although this is a low provider response rate, the providers who did submit deliver 61.4% of council commissioned activity. 33% of providers on our framework deliver less than 100 hours per week (average 44 hours per week)

1.7.10 The Autumn Statement has now delayed implementation of the social care reform by two years. Funding that was originally earmarked to support implementation has been made available to councils to be used to address inflationary pressures, with flexibility for councils to use the funding across adults and children's services according to local needs. There were concerns from the outset that the resource allocated would be insufficient to meet the expected costs of implementing the fair cost of care over the next two years in line with the original implementation timescale of the care cap. The current cost of living pressures are outstripping resources available and the delay in social care reforms means that the focus for 2023/24 will be to support annual inflationary uplifts.

1.7.11 The fair cost of care exercise undertaken, provides the Council with a clear view of where our current fees sit within the range of market costs and it gives a clear indication of where we need to be in the future both as part of social care reform and to support future market sustainability. In summary the outcomes show the Council's usual rates are slightly above the most inexpensive care in the market. In practice, there is not enough availability at this price and our average fees paid reflect this as the Council needs to purchase some higher cost care. The average fees paid are still below the median rates across the Norfolk market and as would be expected significantly below the most expensive care models in Norfolk. The Council's contracts account for approximately 40% of the older people residential and nursing market and 60% of the home support market. To move towards paying this median cost of care, and the implicit removal of any private payer cross subsidy implied by the introduction of 18(3) of the Care Act, would require a further 10-20% increase in the rate we currently pay for Residential/Nursing and 5-10% for Home Care. The current social care market is mixed with a wide range of provision from services with a clear focus on the self-funder market to those with service models more aligned to delivering the level of provision required to meet eligible needs as defined within the Care Act. The aim of the fair cost of care was to identify the median position which is a blend of the range of provision being delivered in a local area. The delay in implementation of S18(3) for care homes means that the current mixed market will continue for the next two years and beyond as the care cap starts to take effect. Although S18(3) is already in use for people requiring domiciliary care, there is currently a low take up. It is assumed that once care accounts are implemented, more people will ask the Council to commission on their behalf.

1.7.12 Norfolk received £2.821m from this year's fair cost of care allocation and this has been confirmed as being recurrent. The priority for use of this funding, as detailed in last year's Cabinet Report, was to implement the cost of care review for older adult residential care services that had been undertaken during 2021/22 and implemented in 2022/23. As a result, £2.453m of the 22/23 fair cost of care funding was allocated to older adult residential providers with a further £0.5m of Council funding to increase fee rates in line with the 21/22 cost of care recommendations. Implementation of this cost of care exercise had the impact of reducing top-ups thereby supporting the Social Care Reform aim of reducing the fee rate gap.

1.7.13 Medium term planning for 2024/25 and beyond will need to address the gap for both older people residential and nursing and home care in preparation for Social Care Reform but also recognise the impact for working age adult rates for market sustainability. As part of the cost of care work, a group of providers have provided advice and challenge through the Task and Finish Groups. This has helped shape the understanding set out in the cost of care report but has also identified further areas to consider including agency costs and the approach for standard residential care.

2. Fee Uplift

2.1 Each year the Council undertakes an exercise to consider any changes in circumstances that will impact the future costs and therefore the fee levels it pays for the delivery of commissioned Adult Social Care services. We have again undertaken this exercise to consider any changes relating to fee levels for 2023/24.

2.2 The starting position for this exercise, as in previous years, is to segment our care provision into the individual care markets and then within these care markets, consider the primary categories of cost and their overarching drivers (including any specific terms and contract clauses).

2.3 The overarching cost categories and drivers in our models are as follows:

Table 3: Care Cost Categories

Category	Driver
Care Staff	Staff pay, National Insurance and Pension contributions
Other Staff	A balance between Care Staff driver and Other Costs driver
Other Costs	Inflation as measured by Consumer Price Index

This method is used to derive a weighted % uplift for each care sector.

2.4 We then gather associated evidence to consider how the cost drivers are materially likely to change as we enter the upcoming financial year.

Table 4: Care Cost Drivers

Driver	Evidence
Staff Pay	Current labour market rates from Skills for Care, National Living Wage national announcement.
National Insurance	Reversal of last year's announcement of the 1.25% increase in NI related to the Health and Care Levy.
General Prices	Office for Budgetary Responsibility November 2022 report forecasts a 5.5% average inflation rate for 2023/24.

2.5 In relation to pay, the Chancellor of the Exchequer announced in the Autumn Statement, the intention to increase the NLW by 9.7% from £9.50 to £10.42 in April 2023. Equally, Real Living Wage (RLW) was confirmed at £10.90 and therefore 10.1% increases from the previous year. We know that some providers pay at the NLW wage level and some towards the RLW. The important part for the Council is recognising the expected level of change and if the underlying rate is sufficient for sustainability.

Table 5: National Living Wage Rates

	Rate from April 2023	Current rate (April – March 2023)	% Increase
National Living Wage	£10.42	£9.50	9.7%
21-22 year old rate	£10.18	£9.18	10.9%
18-20 year old rate	£7.49	£6.83	9.7%
16-17 year old rate	£5.28	£4.81	9.7%
Apprentice rate	£5.28	£4.81	9.7%
Accommodation offset	£9.10	£8.70	4.6%

2.6 The information that we acquire from the Skills for Care minimum dataset information sets out actual pay rates for the care sectors in Norfolk. These indicate that actual average wages in Norfolk's care market are above the National Living Wage. The Council recognises however, that in order to compete in the labour market, at a minimum, increases in pay rates need to be in line with increases in the NLW. In addition, the Council recognises that pay differentials need to be supported to aid retention of skilled and experienced staff.

2.7 This, alongside the training and development opportunities available to adult social care staff through, for example, the ESF funded Health and Social Care Development Fund, will help to support adult social care as a career and hopefully attract more people into the sector.

2.8 The Council has, as in previous years, segmented the care markets for the purpose of the fee uplift exercise into the following categories:

a) Home support (Framework and Block) Long term older people residential and nursing care
b) Short term older people residential and nursing care
c) Working age adults residential and nursing care (including physical disability, learning disability and autism and mental health)
d) Day opportunities (day services)
e) Supported Living
f) Supported accommodation (Housing with Care)

g) Supported accommodation (Shared Lives)
h) Direct Payments
i) Voluntary, community and social enterprise sector.

2.9 For contracts with the following terms and conditions the following will be applied.

2.9.1 Indexation of prices. These contracts specify an annual variation by reference to a specific price index or indices. In these cases, the Council is contractually obliged to apply whatever the indexation requires by way of price variation.

2.9.2 Fixed prices. These contracts set a fixed price for the duration of the contract. The Council is not contractually obliged to adjust prices in these types of contracts.

2.9.3 Pre agreed tendered prices. With these contracts the provider is required to set out in advance the prices they require over the life of the contract including their assessment of inflation with no facility for altering those prices. In these circumstances, the Council is not contractually obliged to make any changes to prices but has a discretion to consider changes in wholly exceptional circumstances.

2.9.4 Prices subject to annual inflation consideration. These are the contracts in scope of the proposed fee uplifts described in Table 6 below.

2.10 In consideration of the aspects described in section 2 (and its sub-sections included above), the fee uplift proposals recommended for those contracts associated with section 2 are:

Table 6: 2023/24 Fee Uplift Proposal

Category	Scope	Fee Uplift %
Home Support	Framework and Block arrangements without fixed/pre-determined prices. Covering all specialisms	c9.50%
Residential and Nursing Care	Older People Long Term Care. Applied as a % of usual price - referred to as a "fixed cash uplift"	c9.00%
Residential and Nursing Care	For people with Physical Disabilities, Learning Disabilities and Mental Health. Long Term and Short-Term Services.	c9.50%
Day Care	Day Services or Day Opportunities. Covering all specialisms	c9.00%
Supported Living	Supported Living, including Floating Support. Covering all specialisms	c9.00%
Supported Accommodation	Housing with Care, Independent Living and Shared Lives	c9.00%
Housing Related Support/VCSE	Social Isolation, Homelessness and any former Supporting People Services	c8.00%
Direct Payments	Contracts for Personal Assistants	c9.50%

2.11 For each of the markets described in table 6 the following applies some additional narrative.

2.12 **Home Support**

2.12.1 The proposal is that framework and block arrangements without fixed/pre-determined prices, covering all specialisms, will be uplifted by 9.5%

2.12.2 The home care market appears to be more financially robust than the care home sector as providers can just stop accepting referrals once the available staff capacity is utilised.

2.12.3 The main issues impacting this sector are the recruitment and retention of staff with pay rates cited as a key barrier to recruitment and retention. At the start of 2022/23, fuel cost increases were cited by providers as impacting on staff retention. Fair cost of care funding allocated during 2022-23 was used to support an in-year increase in fee rates associated with fuel costs. This was a 12p per hour increase in the hourly framework rate from £20.88 to £21.00.

2.12.4 Demand for home care currently outstrips available capacity resulting in difficulties discharging people from hospital. Reflecting upon the significant demand pressures and capacity constraints within the home care sector, the home support rate is being increased in year (2022/23) by £1.08 per hour covering framework and block contracts. This increase in the fee rates has been recurrently funded via the discharge fund and will therefore continue in 2023/24. This will form the base rates upon which the annual uplift will be applied.

2.12.5 The median rate calculated for home care as part of the fair cost of care review was £23.09. The current framework rate that we pay is now £22.08 which is a good step towards this median rate.

2.13 Residential and nursing care for older people (long term)

2.13.1 The proposal is to offer a fixed cash uplift of 9% on the older adult usual rate fees. This will result in the following usual fee rates:

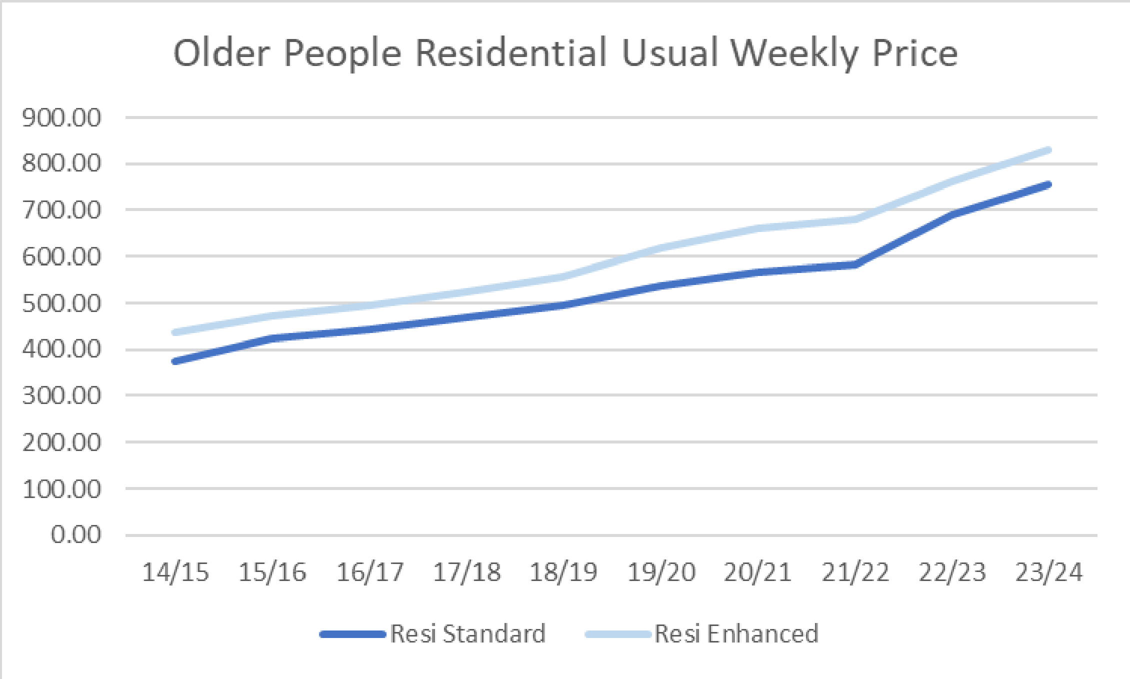
Table 7: Fixed cash fee uplift for older adult accommodation based care

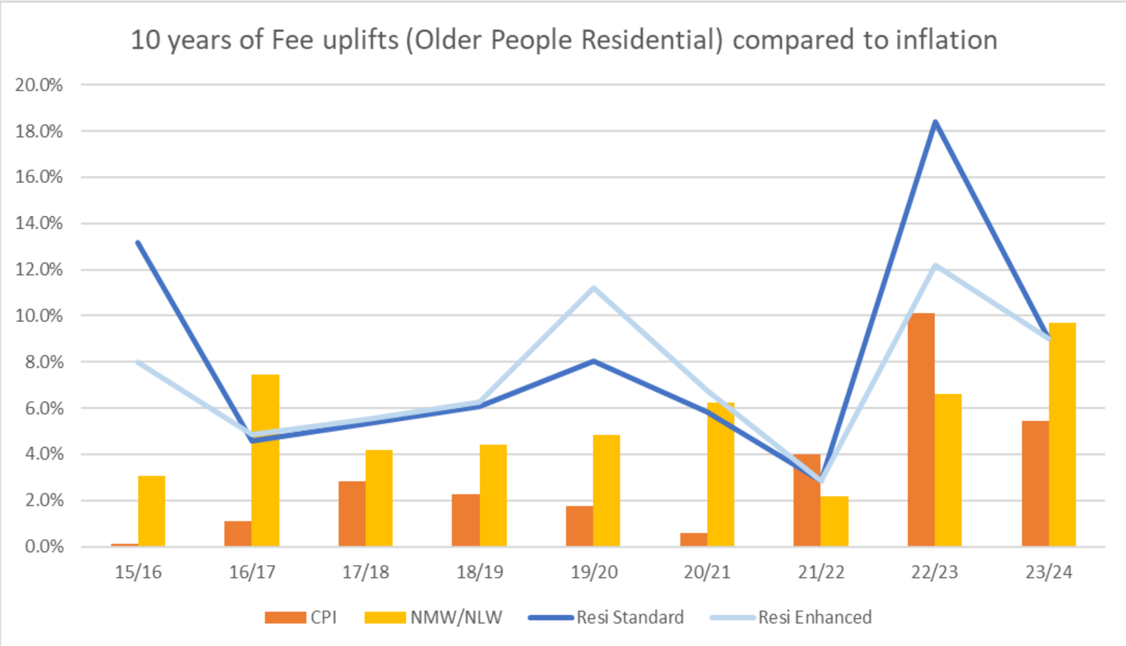
Service category	Current usual rate	Uplift	Proposed rate
Residential	£691.57	£62.24	£753.81
Residential enhanced	£762.02	£68.58	£830.60
Nursing (net of FNC)	£699.17	£62.93	£762.10
Nursing enhanced (net of FNC)	£781.36	£70.32	£851.68

2.13.2 The rationale for this proposal is that a cost of care exercise was undertaken in 2021 and implemented in 2022. Additional investment of £2.9m was provided to meet the cost of care increases agreed and then these new rates were uplifted by 6%.

2.13.3 Although it is recognised that 2022/23 has been a really tough year for all providers, it is felt that the above rates are competitive with other like local authorities within the East of England and that our uplift offer is in line with what other local authorities are offering.

2.13.4 The following charts represent the growth in fees in this market over the last 10 years.





2.14 **Residential and Nursing care for Working Age Adults**

2.14.1 The proposal is to increase the current banded rates for long term and short term services by 9.5%.

2.14.2 Packages of care for WAA have a range of pricing structures in place and in many cases are negotiated to be specific to the needs being met.

2.14.3 The Council is working to implement a model to support consideration of the fair price of care starting in 2023 as part of future reviews of WAA packages.

2.15 **Day Opportunities**

2.15.1 The proposal is to increase the current rates paid by 9%.

2.15.2 Providers have told us that the biggest issue for them is the lack of referrals coming through which is making their services financially unsustainable. It is recognised that the Council needs to improve the referral route in for day services and have proposed a pilot using Brokerage to manage this. We will continue to monitor the impact of this on referrals received during the year.

2.15.3 The Council is also reviewing the day service offer and working with providers in the review of current and future models to ensure that we have sustainable provision.

2.16 **Supported Living**

2.16.1 The annual cost for these services has been assessed and a fee uplift of 9% is proposed as outlined in Table 6 above, subject to the contract clause between the Council and a provider, concerning any uplifts in prices.

2.17 **Supported Accommodation (Housing with Care)**

2.17.1 The annual cost for these services has been assessed and a fee uplift of 9% is proposed as outlined in Table 6 above, subject to the contract clause between the Council and a provider, concerning any uplifts in prices.

2.18 **Supported Accommodation (Shared Lives)**

2.18.1 The annual cost for these services has been assessed and a fee uplift of 9% is proposed as outlined in Table 6 above, subject to the contract clause between the Council and a provider, concerning any uplifts in prices.

2.19 **Direct Payments**

2.19.1 It is proposed that the Direct Payments budget is increased by 9.5%. Direct payments reflect costs relating to both services and direct employment. The increase therefore needs to enable those that directly employ staff, i.e., as personal assistants, to pay in line with the proposed wage rate. This proposal would enable the hourly rate for care to increase to £13.87.

3. Impact of the Proposal

3.1 This proposal offers a balance in meeting the multiple duties for the Council in allowing it to set a robust and balanced budget, whilst also meeting its duties under the Care Act.

3.2 The proposal injects £30m of new funding into Norfolk's Adult Social Care market to help them meet the cost drivers associated with delivering services from April 2023. This means in the last two years the Council will have spent £50m on increasing the underlying fees it is paying for care services. The level of investment this year comes at a time when the wider Council faces a £60m funding deficit for 2023/24. It has only been possible to reach this level of funding with the additional monies in the Autumn statement for Adult Social Care.

3.3 We believe that the proposal recognises the key drivers of cost of delivering care for our care market and enables the market to increase wages beyond the government announced National Living Wage and for many providers towards the Real Living Wage. As articulated in this paper, and will be included in the Market Sustainability Plan, we will continue to push for higher wages for care workers in order to be competitive with other labour markets. We will continue to lobby government on this critical point and seek to use any financial flexibilities we have towards meeting this important goal. We must also recognise that as individual businesses, with individual business models and costs, that this proposal may not meet all of the costs for all of the providers. In such circumstances, we would continue to encourage those providers who are, or are likely to, experience financial difficulties to approach the Council and discuss this with our commissioners.

3.4 We will also continue to work proactively with our care markets and care association to seek for ways to work collaboratively with the common goal of more effectively commissioning and delivering sustainable care.

3.5 The Council launched its consultation on the proposed fees described in this paper on 22 December 2022. This was distributed to all providers that the Council contracts with (over 500 providers).

3.6 The Council has received 54 responses to the consultation:

Older adult care homes	17
Working age adult care homes	7
Supported Living	8
Home Care	10
Day opportunities	10
Housing related support	2

3.7 **Main issues raised by providers:**

a) 54 providers submitted a response to the consultation and the vast majority 85% responded that the proposed uplift was insufficient to meet their costs
b) Providers said that the proposed uplift would cover the NLW rate increase and the expected CPI increase of 5.5% for 2023/24 were it not for the significant increases in utilities costs experienced by the majority of providers who responded
c) Providers flagged that this year's uplift did not address the CPI increases seen this year. An increase of 3.7% was included within the fee rate set for 2022/23 with average CPI inflation rates of 9.9% reported between April and November 2022 (source ONS)
d) Older adult care home providers questioned the rationale for a fixed cash uplift for 2023/24. The rationale for this recommendation is that the Council undertook a cost of care exercise in 2021/22 which was implemented in 2022/23 resulting in an additional investment of £2.9m pre the annual uplift
e) Energy costs – up to 500% increases for providers having to renew energy contracts this year. Concerns have been expressed about what energy relief will be made available by the Government to providers in 2023/24. Current media reports suggest that the current relief package for providers will be halved from April 2023
f) Home care providers referenced the impact of fuel costs particularly when operating in more rural areas where staff have to travel greater distances
g) Several providers talked about the impact on the quality of provision with the proposed increases not meeting the actual cost pressures especially given the gap in inflation funding within fee rates for 2022/23
h) Several providers referenced Care Act duties both for them in the delivery of compliant services and for the Council in terms of being able to evidence that contract terms, conditions and fee levels for care and support services are

appropriate to provide the delivery of the agreed care packages with agreed quality of care

i) Challenges of recruiting and retaining staff – Many providers identified that they have had to increase pay rates again in-year as staff were struggling to meet the increasing cost of living pressures. One provider stated that exit interviews for staff primarily cited pay rates as the main factor in their decision. As part of the cost of care reviews officers looked at job adverts to see what providers are currently offering and more now appear to be offering “free” or “discounted food” as a benefit
j) Several providers reported that they might not be able to continue to deliver services in Norfolk at these rates with some saying that they might close their service(s) or that they would have to serve notice on Council funded people within their services
k) Rising interest rates means providers are having to pay significantly higher banking charges
l) Small home care providers are unable to pay staff on a shift basis therefore staff are not paid for time between call times
m) Free PPE is to cease at the end of March which will be a further cost impact on providers

3.8 **Provider suggestions**

a) The Council could provide an “energy fee” in addition to the current proposed care fee increases. This could support providers who have energy contracts that had to renew energy contracts at higher rates following the Russian invasion of Ukraine. This could only be paid at times of high energy process and removed when energy prices move back to normal levels as detailed in the Knight Frank 2022 Report
b) Could one off grants be made available to support providers at times of high costs/crisis as was the case during covid?

3.9 **Consultation evaluation**

a) The Council is limited by what it can offer given the need to set a balanced budget. The offer proposed is the maximum that is available within current available resources and the £30m increase into the market will help maintain the sustainability of the market at present
b) The consultation responses highlight significant concerns from the sector with the majority of providers responding to say that the uplift proposed is insufficient to address the current and expected costs of care delivery. We recognise that for individual providers costs can vary considerably depending upon their own supplier contracts and the Council has taken assumptions based on national forecasts. As per Schedule 13 of the ‘Call off Terms and Conditions’, clause 15 states that providers can discuss any financial concerns and individual packages of care on an open book accounting basis with the Council at any time during the financial year, should it be needed
c) The Council has reviewed the fair cost of care submissions, and this shows that our usual rates for older adult care homes are above the lower quartile rates which does enable us to buy care at these rates although not enough to meet demand. In practice this means that the Council is having to buy some of the care needed at higher rates
d) Fuel costs were raised by some home care providers and the Council did increase home care rates earlier this year at the height of the fuel prices

e) The Council will continue to monitor the stability of the market during the year and specific issues arising
f) Workforce recruitment and retention is the most significant issue raised and the difficulty of the sector in being able to compete. NorCA has produced a job evaluation framework that matches the responsibilities of social care roles to those in health and pay parity is something that we need to continue to lobby Government about
g) Energy bills were highlighted in the consultation, which can vary considerably across providers dependent upon contracts with energy providers. This should continue to be a focus for discussion with Government and national associations to help identify either continuation of support or alternatives
h) Looking beyond 2023-24, there is a need for Council commitment to accelerated investment to reach the rates needed to prepare for social care reform, achieve a long-term sustainable market and help stabilise the working age adult market
i) During 2023/24 to review the standard residential and enhanced/complex care definitions

4. Evidence and Reasons for Decision

4.1 **The Legal Framework - The Care Act 2014**

4.1.1 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 or in other ways.

4.1.2 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.

4.1.3 The Statutory Guidance to the Care Act (August 2021) - when commissioning services, local authorities should assure themselves and have evidence that contract terms, conditions and fee levels for care and support services are appropriate to provide the delivery of the agreed care packages with agreed quality of care. This should support and promote the wellbeing of people who receive care and support and allow for the service provider ability to meet statutory obligations to pay at least the national minimum wage and provide effective training and development of staff. It should also allow retention of staff commensurate with delivering services to the agreed quality and encourage innovation and improvement. Local authorities should have regard to guidance on minimum fee levels necessary to provide this assurance, taking account of the local economic environment. This assurance should understand that reasonable fee levels allow for a reasonable rate of return by independent providers that is sufficient to allow the overall pool of efficient providers to remain sustainable in the long term. This section also identifies the following tools that may be helpful as examples of possible approaches: UKHCA Minimum Price for Homecare; Laing Buisson toolkit to understand fair price for residential care and the ADASS Paying for Care calculator.

4.1.4 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 service 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.

4.2 **Contracts**

4.2.1 The Council spends over £344m 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.

4.2.2 At 2022/23 usage rates the fee levels proposed in this report would add £30m to the value of our total investment in the care market for 2023/24. This is considered to be essential to enable the Council to continue to discharge its legal obligations as well as securing sufficient supply of care.

5. Alternative Options

5.1 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.

6. Financial Implications

6.1 As described within the paper, and the accompanying budget paper elsewhere on the agenda, the Council faces an extremely difficult financial environment with significant financial savings required. Despite this, the recommended option is will cost £30m and is deliverable within the budget earmarked for Adult Social Care in the Medium-Term Financial Strategy to meet the financial impact of the fee uplift costs for 2023-24.

6.2 Section 1 of this report highlights the outcome of the cost of care exercise, which provides an indication of the Council fees in relation to the range of fee rates across the Norfolk market. It highlights both the challenge of accessing the range of services available within the county and that a significant level of investment would be needed in Norfolk to be close to median rates for care to enable social care reform and the introduction of the care cap in future years. We await further government funding and reform announcements to consider the timescales to which we can move towards paying these rates.

7. Resource Implications

7.1 **Staff:**

7.1.1 The care fees discussed in this paper are applicable to commissioned external providers only. Any care staff employed by the Council, such as those with Norfolk First Support, are subject to the Council's wider staffing terms and conditions.

7.2 **Property:**

7.2.1 None identified.

7.3 **IT:**

7.3.1 The care sector digital support programme will help some providers will implementation of digital care records. The Council will work with providers to identify new investment opportunities that support technological solutions and skills development.

8. Other Implications

8.1 **Legal Implications:**

8.1.1 No specific implications but risks identified in section 9.

8.2 **Human Rights Implications:**

8.2.1 None identified.

8.3 **Equality Impact Assessment (EqIA)**

8.3.1 The fee uplifts that have been proposed are a blended rate, which reflects the: 9.7% National Living Wage pay rate increase; the reversal of the NI rate changes, and a forecast 5.5% CPI increase based on the Office for Budgetary Responsibility October estimates for CPI for the following year. This fee increase will have a greater impact on full cost payers, of which the majority will be older people, as their costs will be increased by the fee uplift rises.

8.3.2 All individuals are means tested and can discuss the impact of any changes with council officers.

8.4 **Data Protection Impact Assessments (DPIA):**

8.4.1 Not applicable

8.5 **Health and Safety implications (where appropriate):**

8.5.1 Not applicable.

8.6 **Sustainability implications:**

8.6.1 The proposals considered in this report are considered to have a neutral impact.

8.7 **Any Other Implications:**

8.7.1 Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.

9. Risk Implications / Assessment

9.1 The Care Act requires Councils with adult social care responsibilities to promote the effective and efficient operation of the market so that sustainable, value for money, quality services are available to those who need care services. If a provider fails, the Council has specific responsibilities to ensure that services remain available to meet needs.

9.2 Some providers nationally and locally have voiced concerns around the cost of care and prices paid by local authorities. Under the Care Act Local Authorities are to have **due regard** to the sustainability of the market and the fees they set being sustainable - our duty is not to the providers alone as this duty also means 1) the fees being sustainable for the Local Authority 2) the fees being sustainable for residents 3) the local authority showing due regard in ensuring sustainability by clearly **identifying** or addressing issues and gaps i.e. lack of funding, other financial challenges, inefficient practice in the market, benchmarking and research, ultimately to evidence that the local authority plans to do whatever it can to mitigate this, including making informed decisions about how to raise fees or *negotiate rates on an individual basis* in a way that ensures longer term sustainability (and not just meet provider needs).

9.4 Providers of older adult care home provision and domiciliary care have engaged in a fair cost of care process so we know what it is costing them to deliver care. Although the Department of Health and Social Care guidance made it clear that the outcome of the cost of care exercise is not intended to be a replacement for the fee setting element of local authority commissioning processes or individual contract negotiations, they do expect that LA's will use the insight gained from their cost of care exercises to support their commissioning and contract negotiation for the relevant services in practice. As part of the fair cost of care process, LAs were told to ensure that they submitted information that "they believed in". the Council has worked really hard to ensure that there was a robust evidence base for the information submitted and therefore we are confident that the costs calculated through this process are fair. The delay in implementation of the Social Care Reform means that the timeframe to move to the blended (median) rate has been pushed back, but there is still a requirement for us to have due regard to this and the impact that this has on self funders during this period.

9.3 We recognise that a number of independent providers have experienced excess levels of inflation in 2022-23 driven by the economic conditions that we are facing. The Council will need to carefully monitor the ongoing impact this has on the sustainability of our markets in 2023-24 if the wider economic conditions do not improve. Increasing numbers of providers are coming to the Council asking for financial help as they are not sustainable at the rates currently being secured. This issue is more acute in the working age adult residential and supported living sectors as the majority of their funding comes from the Council with very low levels of self-funders.

9.4 For older adult care home provision, although our usual rate fee is above the lower quartile, this does not provide the capacity needed as sections of the market are not open to us at these rates. This is reflected in the average fee rates being higher than the current usual prices.

9.5 The working age adult residential sector is seen as unsustainable longer term without significant financial intervention. Providers at the pre-formal consultation events on annual uplifts, have reported that without a substantial uplift for 2023/24 they will be unable to meet the current costs that they are incurring with subsequent risk of provider closure.

9.6 Although outside of the government's social care reform it is clear that our banded pricing structure is due a formal review. A cost of care review is due to be undertaken starting in 2023 and the Council is currently working with 14 providers who have formally requested the open book approach to review their current costs. There is a risk that we do not know what the financial gap is in the Working Age Adult sector until we have undertaken the review.

9.7 There are costs to the Council in dealing with an unsustainable market with operational and commissioning capacity required to manage provider failures.

10. Recommendations

10.1 Cabinet is recommended to:

a) **Agree to award a £30m increase in fee levels, as described in detail in section 2 of this paper**
b) **As part of the Government's Social Care Reform, commit to moving towards paying the median cost of care within Government's timescales and within the funding afforded to the Council for this specific purpose**
c) **Agree to continue to lobby the Government to make the case for sustainable fair funding for Norfolk**

11. Background Papers

11.1 None

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

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Annex A - Fair cost of Care (FCoC) – Care homes 65

+ Fair cost of Care Report – Content

- Summary of approach
- Median, lower and upper quartile analysis
- Adjusted FCoC rate
- Fair Cost of Care outcome and process
- Background
- Principles and approaches
- Outputs and evidence gathering - the check and balance process undertaken
- Issues
- Engagement in the process
- Steps taken to maximise engagement
- Next steps

Summary of our approach:

- In line with the DHSC (Department of Health and Social Care) guidelines we have calculated the median positions of the submissions received.
- We have been clear with providers that this exercise is about understanding the median of current costs being incurred, anything related to what is needed to deliver a sustainable market, such as parity in pay rates with the NHS for social care roles, will be addressed as part of the market sustainability plan.
- The figures included within Annex A are the medians of the provider submissions adjusted for outliers – outliers were determined using local intelligence and via discussions with providers.
- We have then gone through a process of discussing the median rates (net of outliers) that have come out of this review with providers and undertaking benchmarking against other key data sources, such as advertised pay rates, the ONS CPI report etc. This report details the process that we have gone through to ensure that there is a robustness to the figures for inclusion and identifies the further changes proposed to the rates detailed in Annex A.
- We are using this process to gain a better understanding of the costs to inform fee setting.
- This report details the adjusted rates that we believe is a more accurate market cost for care delivery in Norfolk.

Median, lower and upper quartile analysis

Residential

	Residential			
Cost line	lower quartile	median	upper quartile	number of observations
Nurse staff				
Direct care staff	£298.95	£365.91	£472.35	61
Activity co-ordinators	£6.60	£9.67	£13.43	71
Combined managers	£35.28	£48.23	£55.59	71
Reception	£8.56	£11.07	£15.46	64
Chefs cooks	£17.68	£29.52	£38.82	56
Domestic staff	£30.73	£38.45	£54.89	76
Maint. & Gardening	£2.90	£8.36	£13.60	77
Sub-total Care Home staffing	£400.70	£511.21	£664.14	
Total Care Home Premises	£28.91	£53.21	£88.28	77
Food	£26.83	£30.26	£34.60	44
Domestic & Cleaning supplies	£4.35	£6.71	£12.11	57
Medical Supplies	£0.40	£2.69	£4.82	54
PPE	£0.30	£0.69	£2.05	56
Office Supplies	£1.26	£1.84	£3.32	77
Insurance	£4.39	£6.13	£7.27	58
Registration fees	£2.98	£3.30	£3.45	77
Telephone & internet	£0.90	£1.37	£2.27	77
Council Tax/Rates	£0.61	£0.81	£1.25	77
Combined utilities	£18.26	£21.88	£25.77	77
Trade and clinical waste	£2.52	£4.02	£5.16	77
Transport & activities	£0.50	£1.52	£4.39	50
Other supplies and services	£3.25	£10.55	£19.56	77
sub-total - care home supplies and services	£66.55	£91.77	£126.02	
Total Head Office Costs	£57.09	£66.36	£77.52	77
Return on operations	£73.73	£94.04	£117.33	67
Return on capital	£39.80	£98.00	£175.16	67
Total	**£666.78**	**£914.59**	**£1,248.45**	

Residential enhanced

	Residential dementia			
Cost line	lower quartile	median	upper quartile	number of observations
Nurse staff				
Direct care staff	£324.83	£412.29	£545.03	40
Activity co-ordinators	£6.60	£9.67	£13.43	71
Combined managers	£35.28	£48.23	£55.59	71
Reception	£8.56	£11.07	£15.46	64
Chefs cooks	£17.68	£29.52	£38.82	56
Domestic staff	£30.73	£38.45	£54.89	76
Maint. & Gardening	£2.90	£8.36	£13.60	77
Sub-total Care Home staffing	£426.58	£557.59	£736.82	
Total Care Home Premises	£28.91	£53.21	£88.28	77
Food	£26.83	£30.26	£34.60	44
Domestic & Cleaning supplies	£4.35	£6.71	£12.11	57
Medical Supplies	£0.40	£2.69	£4.82	54
PPE	£0.30	£0.69	£2.05	56
Office Supplies	£1.26	£1.84	£3.32	77
Insurance	£4.39	£6.13	£7.27	58
Registration fees	£2.98	£3.30	£3.45	77
Telephone & internet	£0.90	£1.37	£2.27	77
Council Tax/Rates	£0.61	£0.81	£1.25	77
Combined utilities	£18.26	£21.88	£25.77	77
Trade and clinical waste	£2.52	£4.02	£5.16	77
Transport & activities	£0.50	£1.52	£4.39	50
Other supplies and services	£3.25	£10.55	£19.56	77
sub-total - care home supplies and services	£66.55	£91.77	£126.02	
Total Head Office Costs	£57.09	£66.36	£77.52	77
Return on operations	£73.73	£94.04	£117.33	67
Return on capital	£39.80	£98.00	£175.16	67
Total	**£692.66**	**£960.97**	**£1,321.13**	

Nursing

	Nursing			
Cost line	lower quartile	median	upper quartile	number of observations
Nurse staff	205.23	346.51	502.21	17
Direct care staff	£304.16	£433.19	£568.81	17
Activity co-ordinators	£6.60	£9.67	£13.43	71
Combined managers	£35.28	£48.23	£55.59	71
Reception	£8.56	£11.07	£15.46	64
Chefs cooks	£17.68	£29.52	£38.82	56
Domestic staff	£30.73	£38.45	£54.89	76
Maint. & Gardening	£2.90	£8.36	£13.60	77
Sub-total Care Home staffing	£611.14	£925.00	£1,262.81	
Total Care Home Premises	£28.91	£53.21	£88.28	77
Food	£26.83	£30.26	£34.60	44
Domestic & Cleaning supplies	£4.35	£6.71	£12.11	57
Medical Supplies	£0.40	£2.69	£4.82	54
PPE	£0.30	£0.69	£2.05	56
Office Supplies	£1.26	£1.84	£3.32	77
Insurance	£4.39	£6.13	£7.27	58
Registration fees	£2.98	£3.30	£3.45	77
Telephone & internet	£0.90	£1.37	£2.27	77
Council Tax/Rates	£0.61	£0.81	£1.25	77
Combined utilities	£18.26	£21.88	£25.77	77
Trade and clinical waste	£2.52	£4.02	£5.16	77
Transport & activities	£0.50	£1.52	£4.39	50
Other supplies and services	£3.25	£10.55	£19.56	77
sub-total - care home supplies and services	£66.55	£91.77	£126.02	
Total Head Office Costs	£57.09	£66.36	£77.52	77
Return on operations	£73.73	£94.04	£117.33	67
Return on capital	£39.80	£98.00	£175.16	67
Total	**£877.22**	**£1,328.38**	**£1,847.12**	

Nursing enhanced

	Nursing Dementia			
Cost line	lower quartile	median	upper quartile	number of observations
Nurse staff	249.82	431.27	613.53	8
Direct care staff	£406.16	£494.21	£788.01	8
Activity co-ordinators	£6.60	£9.67	£13.43	71
Combined managers	£35.28	£48.23	£55.59	71
Reception	£8.56	£11.07	£15.46	64
Chefs cooks	£17.68	£29.52	£38.82	56
Domestic staff	£30.73	£38.45	£54.89	76
Maint. & Gardening	£2.90	£8.36	£13.60	77
Sub-total Care Home staffing	£757.73	£1,070.78	£1,593.33	
Total Care Home Premises	£28.91	£53.21	£88.28	77
Food	£26.83	£30.26	£34.60	44
Domestic & Cleaning supplies	£4.35	£6.71	£12.11	57
Medical Supplies	£0.40	£2.69	£4.82	54
PPE	£0.30	£0.69	£2.05	56
Office Supplies	£1.26	£1.84	£3.32	77
Insurance	£4.39	£6.13	£7.27	58
Registration fees	£2.98	£3.30	£3.45	77
Telephone & internet	£0.90	£1.37	£2.27	77
Council Tax/Rates	£0.61	£0.81	£1.25	77
Combined utilities	£18.26	£21.88	£25.77	77
Trade and clinical waste	£2.52	£4.02	£5.16	77
Transport & activities	£0.50	£1.52	£4.39	50
Other supplies and services	£3.25	£10.55	£19.56	77
sub-total - care home supplies and services	£66.55	£91.77	£126.02	
Total Head Office Costs	£57.09	£66.36	£77.52	77
Return on operations	£73.73	£94.04	£117.33	67
Return on capital	£39.80	£98.00	£175.16	67
Total	**£1,023.81**	**£1,474.16**	**£2,177.64**	

FCoC rate comparison

This report details the check and balance process undertaken to validate the median rates that have come out of the submissions (net of outliers) and the approaches proposed to calculate an adjusted fair cost of care rate.

Care Type	Annex A - FCOC	Adjusted FCOC
Residential	£914.59	£888.72
Residential dementia	£960.97	£927.47
Nursing*	£1,328.38	£1,172.08
Nursing dementia*	£1,474.16	£1,230.59

*includes Nursing levels as per the output of the FCOC exercise, rather than the DHSC FNC rate which would be the level applied as per national guidance.

Fair cost of care outcome and process:

- **Response rate**
  85 submissions received out of 211 in scope homes which is a 40.28% response rate. 77 submissions were accepted for use in the review process.

- **A clear statement of when the results were collected (base year) and how they have been uplifted for inflation.**
  As a result of the wide variations of inflation uplifts included by providers and with 20 of the submissions not having provided any estimates for inflation, we have used the 2021/22 price base as these are the actual costs incurred by providers. We then looked at the inflation uplift calculated as a % of the median rates for total expenditure identified by providers between the 2 years – this came out at 9.28%. We then reviewed this against the Bank of England Monetary Policy reports to see if this was in line with their inflation estimates. Given the impact on inflation of the Energy Bill Relief Scheme and the reversal of the 1.25% NI.

- **A full description of the questions asked/template used as part of the exercise.**
  Providers were asked to use the iESE tool to submit their information.

Background

- Norfolk CC had undertaken a cost of care exercise during 2021-22 - £2.489m of the £2.820m of FCoC resources allocated to the Council for 2022/23 was used to implement the previous year's cost of care plus an additional £500k of NCC (Norfolk County Council) resources. The annual inflation increase was added on top of this.
- The previous cost of care information has provided a benchmark to assess where there have been significant changes in cost lines.

- There was a vast array of costs submitted as part of the process as can be seen in the table below:

Service category (all values £)	Lower quartile £	Current usual price £ (2022-23)	October average price £	Fair cost of care adjusted median £	Upper quartile £
Residential	666.78	691.57	791.98	888.72	1,248.45
Residential enhanced	692.66	762.02	819.82	927.47	1,321.13
Nursing (net of nursing costs)	671.99	699.19	822.37	962.89	1,344.91
Nursing enhanced (net of nursing costs)	773.99	781.37	871.65	1,021.40	1,564.11

- Norfolk’s usual rate fees are above the lower quartile but this does not give the Council the capacity needed as it does not have all of the market open to it. This means that the Council has to secure provision at rates above its usual rate fee reflecting the higher average fee rates being paid.

Principles and approach

- We believe that the cost calculated should be reflective of an efficient and cost-effective market and we believe that 90% occupancy is the minimum occupancy level to achieve this. The median occupancy level calculated from the submissions was 81%.
- We have met with providers to go through the key areas of variation to discuss with them a fair approach for calculating the FCoC rates to be submitted.
- We have benchmarked key cost lines, against other robust sources (previous cost of care, job adverts, BoE Monetary Policy Papers, other like LA’s etc.) to ensure that the median rates calculated are representative. There are median rates that we feel are too high but also rates that we feel are too low – these have been discussed with our providers to gain a better understanding to inform our approach.
- There was significant variation in the estimates provided of inflation across different cost lines, for example electricity cost inflation ranged from 0% as providers were in the middle of fixed term contracts through to 484% increases for providers having to renew their contracts during this year. Some providers decided not to provide estimates of inflation leaving it for us to determine the approach as part of this process. We therefore felt that the approach to use 2021/22 costs submitted uplifted by the median inflationary

increase in total expenditure was a reasonable approach. We have though discussed this with our providers, and we have agreed to review the overall inflation impact using the ONS CPI inflation rates applied to the relevant individual cost lines and have suggested amendments to some of the cost lines within this report.

- We had many providers who did not respond to the queries posted via the tool, so we contacted them and if they still felt unable to amend, we agreed an approach with them and used the demonstration application within the tool to amend.
- 6 submissions were not calculating due to -ve ROO (Return on Operations) – we agreed an approach with iESE and the LGA (Local Government Association) to address this which was to note the deficit position in the notes section of the tool and to include a rate for the ROO. If providers did not amend as requested, we used the demonstration application within the tool to re-calculate in line with this approach.
- Because of the requirement to use the demonstration application within the tool, the approach taken was to collate all the submissions into a spreadsheet to aid analysis. This spreadsheet was then independently checked by a member of the finance team against the submissions received to identify and correct errors found.
- We had discussions with providers about why their rates were higher than we would have anticipated. Response back was mainly that occupancy and the size of the home were key factors in the costs calculated. Occupancy has been impacted upon by the ability of providers to recruit and retain staff with several providers reporting that they had closed units/rooms to admission due to not having sufficient staff to provide safe, good quality provision. Others report that they hold on to staff even if there is not the occupancy to support as they know how difficult it will be to recruit new staff once demand picks up.
- A review of the direct staff hours per week for homes with low occupancy levels highlighted some significant outliers which suggested that the homes were staffed at levels that would support a higher level of occupancy. When we looked at this, we also looked at other factors that would impact on staffing levels such as the proportion of CHC (Continuing Health Care) income reflecting acuity of need or proportion of self-funders. Some homes that had high staff hours per resident per week also had high occupancy but when we reviewed why this might be they tended to have higher numbers of CHC clients or a higher proportion of self-funders. This will inform the discussions with providers re our approach to fee setting and wider strategic market shaping.
- Where providers have used the “other” section for key costs such as staff on-costs, agency staff etc, we have apportioned these costs into the areas of spend most applicable i.e., proportion of total staff costs. This is because the median of this line is zero but spend included within “other” is for spend such as pension and NI costs for non-direct care staff or to support the costs incurred in international recruitment. Some providers were unable to allocate the on-costs to actual staff cost lines. Many of the costs included in other will

have been included within core staffing costs for other providers so we believe the approaches that we have taken in relation to these costs to be fair.

- There appeared to be inconsistency/difficulties for providers to assess premises costs and head office costs across the four lines. This resulted in lots of zeros which were skewing the median rates, the approach we have taken therefore, is to take the median of the total costs for each of these two sections and this is what has been included in the Annex A template. This is also in line with updated guidance on completion of the template in Annex A.
- Significant outliers (high and low) have been excluded from the analysis as this can adversely affect the median position. For example, some submissions had median rates for food that were less than £20 per resident per week. These low values have been excluded from the analysis. One provider submitted zero costs for chefs and cooks but included an average of £80.78 per resident per week for food costs. The approach taken has therefore been to exclude both the chefs/cooks zero values and the food cost element for this provider as it skews the median.

Outputs from the exercise and evidence gathering; the check and balance process

- Norfolk had undertaken a cost of care review during 2021/22 to inform the usual price paid for 2022/23. This gave us a set of benchmarking information to review submissions received from the same providers and as a further check for the median cost calculated through the FCoC process.
- We have held provider events to go through the median rates coming out of the process and have sensed checked these with providers. We have also met with the Provider T&FG to undertake a further deep dive into the median rates and this feedback has informed the approaches that we have taken.

Median outputs from the review:

- Registered beds 44
- Active beds 41 (21/22) and 42 (22/23). As we have used the 2021/22 expenditure uplifted for inflation, we have used the active beds rate for 2021/22 to review what the median rates would deliver for a home of this size.
- Occupancy: 81% in each of the 2 time periods but occupancy between years varied significantly between providers. This median occupancy rate is below the average occupancy levels calculated from the National Capacity Tracker which reported 85.75% occupancy for older adult residential and nursing on 23/09/22.
- The direct staff hours per resident per week came out as:
  - residential 26.54 hours per resident per week
  - residential dementia 29.98 hours per resident per week
  - nursing 31.58 hours per resident per week
  - nursing dementia 36.07 hours per resident per week

Although we acknowledge the increasing acuity levels being managed in residential and nursing care, we do feel that direct staff hours calculated using the submissions could support a higher level of occupancy. When this was discussed with providers at the deep dive session held, it was suggested by providers that a way of checking this would be to calculate the staff hours using staff pay rates submitted by the provider against the staff cost information supplied. This resulted in average direct care hours for all services of 26 hours per resident per week (excluding outliers both high and low and using occupied beds). This, we feel, supports the view that the staff capacity submitted as part of the review process could support a higher level of occupancy and it is something that we want to work with providers to agree, particularly for nursing homes as the level of direct staff hours are outliers even after applying an occupancy adjustment.

The direct staff hours per resident per week following the occupancy adjustment to 90% are:

- residential — 23.88 hours per resident per week
- residential dementia — 26.98 hours per resident per week
- nursing — 28.42 hours per resident per week
- nursing dementia — 32.46 hours per resident per week

The residential staff hours feel appropriate given what we know about current acuity levels, the difficulty of staffing provision that, in the main, is not purpose built and benchmarking against last year's cost of care exercise. The nursing and nursing dementia hours still appear high, so we want to explore these further with providers.

- Care staff hourly rates – the median rates net of on/cover costs coming out from submissions received were:
  - Carer — £10.00 per hour
  - Senior — £11.05 per hour
  - Nurse Associate — £11.56 per hour
  - Nurse — £18.70 per hour

A review of jobs advertised for older adult care homes in July 2022 gave an average of £9.77 for carers and £11.34 seniors. The median rates calculated from the submissions therefore appear reasonable.

Providers were asked to include the April pay rates for direct care staff. As part of the approach taken, we have reviewed the median hourly rates against the uplifted pay rates calculated as part of last year's cost of care (which had involved a review of provider reported pay rates to Skills for Care and job adverts at the time of the review process) and as a further check we have again reviewed the median rates calculated against job adverts placed in July 2022. Although providers are telling us that these are not sustainable rates, they do currently appear to reflect what the sector is paying based upon job adverts placed.

- The median of on/cover costs were:
    - Carer 30.50%
    - Senior 30.05%
    - Nurse 29.20%

  This will need to be reviewed in light of the reversal of the additional 1.25% NI contribution.
- The median ratio of care staff hours to senior hours from the submissions received are the same as the ratios that were calculated as part of last year's cost of care exercise and are also in line with the Laing Buisson Cost of Care Toolkit 21/22. This is 75%:25% carer to senior ratio for residential provision and 85%:15% carers to seniors for nursing provision.
- Nursing hours per resident per week submitted were significantly above the level of hours that would be supported by funded nursing care (FNC). FNC rates were reviewed nationally last year in co-production with providers and are the responsibility of the DHSC.
- We secured information from the ICB re the total level of CHC income per home for 2021/22 as this would help to explain higher hours per resident per week based on higher acuity of needs and associated cost of delivery. From the information provided by the ICB we were able to cross reference total CHC income for 21/22 with the providers who had submitted FCoC information. 39 providers who had submitted FCoC were shown to have CHC income ranging from 0.4% through to 51.51% of total expenditure identified by the provider submissions. In total CHC income identified by the ICB accounted for £7.8m so supports the assumption that the direct staff and nursing hours calculated include an element of CHC support and therefore the adjustment proposed to the hours is reasonable.
- Review of other staff costs per resident per week based on median home size of 41 active beds and using the median on/cover costs calculated as 30%:
    - Registered manager (RM) – the median rate calculated for 2022 is **£27.74** per resident per week which results in an annual cost inclusive of on-costs of £59,304 (c£41,513 net of on-costs). This cost is in line with RM jobs advertised in July 2022 (6 jobs advertised for older adults with average rates ranging from £38,883-£46,600)
    - Deputy manager – median rate calculated for 2022 is **£19.17** which results in an annual cost of £40,983 inc. on costs (c£28,688 net of on-costs). This is just above the average rates advertised in July 2022 which were £26,500, although there were only 4 deputy manager roles advertised during this time for older adult care homes.
    - Activity co-ordinators – median rate calculated for 2022 is **£9.67** which results in an annual cost for 41 active beds of £20,673 inclusive of on-costs (c£14,471 net of on-costs).
    - Reception staff – median rate calculated is **£11.07** which results in an annual cost of £23,666 inc. on-costs (c£16,566 net of on-costs). This rate is below what was calculated in last year's cost of care exercise. Need to determine with providers whether last year's cost of care submissions

    included additional staff relating to the increased administrative burden relating to covid.
  - Chefs/cooks - median rate for chefs came out as **£29.52** per resident per week which would support c2 hours per resident per week. This is in line with the hours per resident per week calculated in the cost of care exercise undertaken in 21/22. Review of advertised rates for chef/cooks in July - 6 jobs advertised by care homes with average rates from £11.43 - £12.80 per hour. The previous cost of care rate uplifted by inflation was £11.35 so the rates submitted by providers appear fair.
  - Domestic staff - the median rate calculated from the submissions results in a cost per resident per week of £38.45. Last year's cost of care exercise identified 6 domestic/auxiliary staff hours per resident per week with an hourly rate of £9.04 (£9.58 inflated for 22/23) net of on costs. £38.45 would therefore support 3.27 hours which is almost half of that calculated last year which was 6 hours per resident per week for homes with 39 active beds. The average of advertised rates for domestics/catering assistants/cleaning assistants for care homes in July 2022 was £9.66. We therefore feel that the rate calculated through the FCoC exercise is a fair rate but that the number of hours per resident per week should be based upon 6.31 hours per resident per week to support 41 beds. We would therefore propose that we adjust the rate calculated to be **£76.09** per resident per week.
  - Maintenance and gardening – the rate calculated is **£8.36** which equates to an annual cost inc. of on costs of £17,873. The previous cost of care exercise calculated a rate per resident per week for an average 39 bed home of £5.35 which would equate to a cost of £5.62 based on 39 bed home so the median rate calculated appears high. We will be looking to review this rate with providers as part of the fee setting process.
- Care home supplies and service costs:
  - Total care home supplies and services - **£91.77** per resident per week.
  - **Food supplies** – the information submitted in relation to food costs varied significantly. One provider included zero chef/cook costs but then were significant outliers in food supplies costs. A decision was taken to remove the two sets of costs for this provider to ensure a like for like comparison. There were also significant outliers on the low side with no explanation as to why they were so low in comparison to other like providers. These equally were removed as they were skewing the median. The median rate per resident per week calculated was **£30.26 at the 2022/23 price base**. Providers on the task and finish group felt that the food median needed to be reviewed as felt it to be too low especially given the recent increases in food prices. Also benchmarking this rate against the previous cost of care exercise found that the 2022/23 median rate calculated was below the £33.75 per resident per week rate included for 2022/23 from the previous cost of care. This rate has therefore been uplifted by 15% to **£38.81** per week.

- **Insurance** – last year's cost of care inflated rate was £5.30 per resident per week. The median of the insurance costs submitted is **£6.13** a 16% increase on last years included rate.
- **Utilities** – the median rate for combined utilities cost (gas, oil, electricity, and water) calculated was **£21.88** (water accounting for £3.53 per resident per week). The previous cost of care increased the average utilities cost by 40% recognising the cost pressures in this sector and we recognise that these costs have continued to increase. Providers from the T&FG deep dive session suggested that we survey providers for specific information on their energy use – this has been done and we are currently reviewing the information so far received. The current assumption is that we should increase the average cost that came out form the previous cost of care and uplift this by 100%. This gives a rate per resident per week of **£39.78**.

Issues:

- Costs were submitted based on information available to providers as at April 2022 and assumptions that they made in relation to likely inflationary impacts; it is recognised that the current economic situation continues to change. The cost of care exercise has helped shape our understanding of costs within the sector but it has also identified where further work is needed. We will continue to work with providers to address the areas for review agreed with them
- Use of the median – there is significant variation (6.56%) between the sum of the medians of individual lines and the median of total cost lines. Annex A has been completed using the sum of the median cost lines in line with the guidance from the DHSC.
- The nursing hours per resident per week submitted by care homes was over and above that which would be supported by FNC income. This has been raised with health and the commissioners leading the strategic review of nursing care. In the adjusted rates only the £209.19 has been included for nurse staff costs.
- It was impossible from the returns supplied to determine the actual level of occupancy that the submitted costs would support.
- The tool was issued later than anticipated which made timescales for submission and review really tight.
- The tool was designed to provide a consistent approach, however, not all providers had the information available at that level and for several providers this resulted in them using the "other" section. The issue here is that this then meant that the median value was zero as the majority of providers did not include costs within the "other" sections. Hence our approach to apportion these costs into the relevant cost lines.
- 1 provider submitted a null return
- 2 locations were excluded due to them being significant outliers one high, one low.
- 1 provider, submitting 6 locations, did not provide sufficient information within their submissions to enable us to include these within the exercise.

- 6 providers submitted -ve ROO which meant that the tool could not calculate a cost. Advice from iESE, supported by the LGA, was to note the deficits reported in the comments section and to include a level of return that would support actual costs.
- There was huge variation in the return on capital and return on operations submitted by providers. Some providers just submitted a combined ROO or ROC (Return on Capital) %, other providers admitted that they had no idea how best to calculate an appropriate return on capital. The variation in business models has a significant impact on ROC for example, one provider group we talked to about their submissions, rent all their homes and have lease agreements that require them to spend a set average amount per bed per annum re fixtures and fittings/repairs and maintenance, other providers fully owned their homes so the ROC was more about what they could get from the resource were it to be used for other purposes or invested.
- The difficulty of recruiting staff nationally has resulted in several providers having to recruit internationally, particularly for nursing staff. As not all providers have recruited internationally those that have done so had incorporated these costs within the other costs sections. Taking the median position means that looking at this as a separate line results in a median rate of "zero." The approach taken has been to incorporate these costs into the Recruitment section within Head Office Costs.
- Analysis of the data supplied identified that 9 out of 15 nursing homes who submitted a FCoC had levels of occupancy that meant that FNC income did not cover the costs of the nurse staff establishment.
- Several providers where queries were sent back to them just did not have the capacity to respond and update. Providers in this situation were called and an approach agreed to address the issue – for these we then updated the information using the demonstration section of the tool and included the outputs from these amended returns in the collated data schedule. This meant that we were unable to use the function within the tool to pull out the summary data. All data was collated into a spreadsheet to generate the final values for inclusion.

Engagement with the process:

- 211 in scope providers
- 85 submissions received (40.28% return rate)
- 77 submissions included within the analysis – 6 excluded due to insufficient information submitted to ensure consistent approach.
- Two other submissions were excluded as they were significant outliers one on the low side and one on the high side.
- As part of the wider Social Care Reform work, we have sent out a survey to providers asking for information re level of self-funders and asking if they would be willing to undertake provider trusted assessments and the resources required to enable them to do this.

Process undertaken to maximise engagement with the FCoC process (see engagement audit document attached):

- All providers were emailed about the FCoC and MSP (Market Sustainability Plan) requirements with a set of FAQs (developed with providers on the provider project team) sent out with the email.
- All emails were followed up with phone calls – these calls were supported by NorCA.
- We included regular articles about the FCoC and MSP in provider bulletins and in the Norfolk Care Association newsletters.
- We attended NorCA Forums at the start of the process to stress the importance of this exercise and encourage engagement. We then attended subsequent forum meetings to give updates on progress such as the number of submissions received and some of the key themes emerging. We extended the original 6-week submission deadline several times to give providers every opportunity to engage.
- Providers were told to use the iESE tool, all guidance, dates of national training webinars and our local and nationally developed FAQs were shared with providers to encourage engagement.
- 2 local webinars were held with Richard Ayres taking providers through the tool and answering questions and concerns that they had.
- We have reported back our findings to an" all provider" invite event and at this meeting it was agreed that the Provider Task and Finish Group should meet with the Council to undertake a deeper dive into the figures produced.

Annex B

Fair Cost of Care – Home Care

Fair cost of Care Report – Content

- Fair Cost of Care outcome and process
- Principles and approach
- Outputs and evidence gathering - the check and balance process undertaken
- Issues
- Engagement in the process
- Steps taken to maximise engagement

Fair cost of care outcome and process:

Response rate:

Norfolk has 106 registered providers delivering services out of 135 registered offices. 7 of the 106 providers were deemed to be out of scope as they were not primarily delivering domiciliary care. We had responses from 19 providers covering 25 branches which was an initial response rate of 19.19%. 16 provider responses (covering 22 branches) were used in the review process which reduces the response rate to 16.16%

A *clear statement of when the results were collected (base year) and how they have been uplifted for inflation.*

Providers were told to submit 2022/23 costs as the base year, so inflation impacts were built into the submissions received.

A full description of the questions asked/template used as part of the exercise.

Providers were asked to use the ARC/LGA template – all submissions were submitted on this basis.

Lower and upper quartiles and median rate

Cost line	lower quartile	median	upper quartile	Number of observations
Direct Care	£10.59	£10.69	£11.18	22
travel time	£1.32	£1.68	£2.67	22
Mileage	£0.73	£1.28	£1.51	22
PPE	£0.83	£0.76	£0.35	22
Training (staff time)	£0.19	£0.35	£0.53	21
Holiday	£1.52	£1.52	£1.79	22
Additional non-contact pay costs	£0.00	£0.00	£0.68	22
Sickness/Maternity/Paternity pay	£0.25	£0.26	£0.65	22
Notice/suspension	£0.00	£0.00	£0.06	22
NI (direct care hours)	£0.80	£0.94	£1.17	22
Pension (direct care hours)	£0.42	£0.44	£0.50	22

Back office	£2.12	£3.12	£5.31	22
Summary of all other non-pay cost lines	£0.57	£0.88	£2.19	638
CQC Registration	£0.08	£0.07	£0.15	22
Surplus/profit	£0.86	£1.10	£1.53	22
Sub-total	**£20.28**	**£23.09**	**£30.27**	**945**

Observations being the number of values used to calculate the median, upper and lower quartile rates

Lower quartile/median/upper quartile of number of appointments per week by visit length (15/30/45/60 mins)

	Number of appointments per week by visit length			
	15 mins	30 mins	45 mins	60 mins
median	0	763	168	115
Lower quartile	0	423	89	66
Upper quartile	12	1,771	360	166

Call length	Call cost
15 mins	£34.04
30 mins	£24.58
45 mins	£21.42
60 mins	£19.85

Principles and approach

Principle:

- A median rate has been calculated in line with the DHSC (Department of Health and Social Care) guidance.

Outputs and evidence gathering - the check and balance process undertaken

Evidence gathering – check and balance process

- We have held provider events to go through the median rates coming out from the exercise and the assumptions and approaches taken. We have then sense checked these with providers.
- Providers were asked to review the medians as detailed below, against their current business models and send back any comments/concerns to us. No

comments have been received back from providers since we presented the review outputs.

- We have compared our rates with other like LA (Local Authorities) areas with a particular focus on LA's that border Norfolk.
- We have reviewed our rate against the UKHCA minimum average rate for 2022-23 (£23.50). The main area of difference between the Norfolk and UKHCA rate is in relation to staff pay per hour – UKHCA minimum rate includes pay at the NLW level £9.50, the median Norfolk basic rate from submissions received is £10.35. A review of home care jobs advertised in Norfolk in July 2022 highlighted a median rate of £10.84. The other difference is in relation to returns which are 2.93% in the UKHCA minimum price and 4.99% in the Norfolk FCoC (Fair Cost of Care) rate.
- The proportion of spend based on the median of section totals results in the following spend profile: 79% spend on wages and salaries, 16% overheads and 5% surplus/profit.
- We undertook a survey of providers as part of the wider social care reform impact modelling work and as part of this survey we asked providers to share the rates that they charge their private clients. The blended rate that came out from information received from 19 providers was £24.30.
- It is recognised that the costs were submitted at a point prior to the significant increases in the consumer price index. The cost of care exercise has helped shape our understanding of costs within the sector, but it has also identified where further work is needed. We will continue to work with providers to address the areas for review agreed with them.

Median outputs from the review:

- Median volume of hours per annum calculated as per submissions received 56,888 which gives a weekly median volume of hours per provider of 1,091.
- Median of average number of service users per branch – **70 clients**
- Call times from submissions received:
    - 1.72% of calls were 15 mins (15 min calls have been removed from the calculation of costs)
    - 58.00% of calls were 30 mins
    - 18.97% of calls were 45 mins
    - 14.69% of calls were 60 mins
    - 6.62% of calls were between 60 and 120 mins
- Price base 2022/23 – expectation that rates agreed will be uplifted for 2023/24. Pay costs will be informed by the NLW % increase, NI and pension costs and other costs by the prevailing inflation rate informed by the OBR CPI projections in November 2022.
- Average of **15.59 hours** per client per week. A review of the average hours per client per week for council commissioned provision found the average package size to be 10.47 hours and highlights that the Council commissions a higher proportion of 30-minute calls. Discussions with providers suggests that call times for private clients tend to be longer, some providers do not deliver anything less that 60-minute calls.

- Median travel distance calculated from the submissions – average travel distance 2.54 miles per visit and 5.58 mins average travel time.
- Mileage/travel expenses per mile – median rate from submissions **£0.30.** As this is currently below the HMRC rate we will encourage providers to support their staff to claim the additional element from HMRC.
- Median of average care staff per annum – 50
- Carer hourly median rate from submissions received **£10.35** which gives a weighted contact £/hr (incorporating enhancements for weekend and bank holiday working) of **£10.69**
- Senior carer hourly median rate calculated from submissions **£10.53**
- Median % call allocations – carers 95%, seniors 5%
- Median enhancements: 7.4% weekend and 50% bank holidays.
- Non-contact pay costs:
    - Holiday 12.07%
    - Sick pay 1.2%
    - Suspension pay 0%
    - Maternity/Paternity pay 1%
    - Shift apportionment (paid breaks) 0%
    - Additional non-contact pay 0%
- Training and supervision days (FTE days per staff member) 5 days
- PPE median rates and number of items per visit
    - Face mask £0.11 per unit - 1 item per visit
    - Gloves £0.06 per pair – 3 pairs per visit
    - Visor £0.99 – used approx. 10% of visits
    - Apron £0.02 – 3 aprons per visit
- Median Employers NI threshold £9,100 and ENI liability of 15.05%
- Pensions 3% and 0% staff opt out
- Back-office staff – WTE and hourly rate based upon the median volume of hours per annum of 56,888 hours (1,091 hours per week):
    - Registered Manager 1WTE £17.95
    - Team Leader/Supervisor/Deputy Manager – 1WTE £10.77
    - Care co-ordinators scheduling – 1.5 WTE - £11.40
    - Administration (Finance/operations) – 1 WTE £11.15
    - Various other roles (medication, quality etc) – 1.5 WTE £11.40
- On call – annual cost £10,080
- Annual overheads/fixed/back-office costs
    - Rent/rates/utilities: £14,400
    - Recruitment/DBS £ 6,180
    - Training internal and 3rd party £ 1,000
    - IT (hardware, software, CRM, ECM) £ 5,760
    - Telephony £ 3,745
    - Stationery/postage £ 3,295
    - Insurance £ 5,077
    - Legal/finance/professional fees £ 1,500
    - Marketing £ 2,568
    - Audit and compliance £ 2,500

  - Uniforms and other consumables £ 2,484
  - CQC Registration fees £ 4,040

- Operating profit/surplus 4.8%

Engagement

- There are 106 registered providers of home care in Norfolk, operating out of 135 registered offices. 86 are on the Council's framework
- 7 of the framework providers were identified as being out of scope due to delivering live-in services, day and night sitting services, or enhanced support.
- 33% of providers on the framework deliver less than 100 hours per week for Council funded clients (average of 44 hours per week).
- Providers were asked to use the ARC/LGA tool to ensure a consistent approach – providers on the project group trialled the tool and were able to communicate to other providers its ease of use and how this can be an effective tool for their normal business planning and practice outside of this process.
- We eventually received submissions from 19 providers delivering services out of 25 locations (branches). Information from 16 providers delivering care out of 22 branches were included in the exercise.
- 3 providers were then excluded from the analysis – one was delivering extra care housing support; one provider submitted a single return for all their branches nationally and another was unable to get the tool to work as they have staff paid on shifts rather than by packages supported.
- The providers who did submit deliver high volumes of activity for the Council so although few in number the providers who submitted deliver 61.4% of council commissioned activity.
- Unfortunately, no providers who solely deliver support to self-funders submitted their costs.
- As part of the wider SCR (Social Care Reform) work we have sent out a survey to providers asking them to provide their self-funder rates, the number of clients that they support and the number of clients who pay them directly (not through a direct payment) to help us model the potential impact of S18(3).

Process undertaken to maximise engagement with the FCoC process (see engagement audit document attached):

- All providers were emailed about the FCoC and Market Sustainability process and a set of FAQs (frequently asked questions), informed by the home care provider project group supporting the exercise, was sent out with the email.
- The email was followed up by phone calls to providers and offers of individual meetings to go through the tool were made and, taken up by several providers.
- We included regular articles about the FCoC and MSP (Market Sustainability Plan) in provider bulletins and in the Norfolk Care Association newsletters.

- We attended NorCA (Norfolk Care Association) Forums at the start of the process to stress the importance of this exercise and encourage engagement. We then attended subsequent forum meetings to give updates on progress such as the number of submissions received and some of the key themes emerging. We extended the original 6-week submission deadline several times to give providers every opportunity to engage.
- We have reported back to providers the principles underpinning the approach, the key assumptions emerging from the exercise and have discussed with providers an approach to implement tiered rates and the assumptions included re travel time and distance for the tiers scoped. This information will inform the strategic review of the home care model currently being developed in co-production with providers. We have asked providers for comments on the principles and assumptions, but providers really want to know the proposed rates that have been calculated through this process.

Cabinet

Item No: 13

Decision making report title: 2023-24 Revenue Budget and Medium Term Financial Strategy 2023-27

Date of meeting: 30 January 2023

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? Yes/~~No~~

If this is a key decision, date added to the Forward Plan of Key Decisions: 31 March 2022

Introduction from Cabinet Member

I am pleased that this report sets out a balanced Budget proposal for 2023-24 in spite of a budget process which has been extremely challenging this year as a result of a number of complex, interrelated issues. At the very outset, the MTFS position agreed in February 2022 anticipated a budget gap for 2023-24 of almost £60m, by far the largest recurrent gap this administration has ever had to tackle. Since that time, as the budget setting process progressed, a number of external factors have combined to worsen the position. These included the Russian invasion of Ukraine, which has clearly had very significant international and humanitarian implications as well as driving up energy prices and contributing to the wider cost of living crisis in a variety of ways. The cost of living crisis itself at a more local level has resulted in increased demand for some Council services, but has also been characterised by unusually high levels of inflation compared to those experienced in recent years, which have themselves placed considerable pressure on the Council's budgets for both 2022-23 and 2023-24. We have therefore seen very significant additional cost pressures emerge during the year, including (for example) the local government pay award for 2022-23 and the level of the National Living Wage agreed for 2023-24, all of which have needed to be addressed within the 2023-24 Budget.

Alongside these issues, the domestic national political and economic climate has resulted in challenges both directly in terms of higher interest rates and more indirectly in relation to increased levels of uncertainty within the Council's planning assumptions. One direct impact was the repeated uncertainty and delay around Government fiscal announcements, including the Autumn Statement, which had a knock on effect in terms of the publication of the Provisional Settlement very late in December 2022. As a result of all these pressures and uncertainties, the balanced Budget presented in these papers inevitably includes some difficult decisions.

These core risks and uncertainties were precisely why the Council responded so promptly to the challenge of setting the 2023-24 Budget, developing a two-pronged approach to tackling the substantial Budget gap. This was based on an early start to the Council’s usual robust budget and savings development process, alongside in parallel a more fundamental Strategic Review of the whole organisation, intended to both deliver £15-20m in savings and ensure that the Council is fully fit for the future. Details of the implications of the Strategic Review for the Budget are set out elsewhere in this report.

When they eventually came, the Autumn Statement (and the Provisional Settlement in its turn) set out a slightly better funding position for local authorities than many had perhaps anticipated. However, this additional funding has unfortunately been accompanied by the material new pressures referred to previously. It therefore remains the case that the Council must work exceptionally hard even to simply keep pace with the ever increasing inflationary and demand pressures which are being experienced across so many areas of service delivery.

Taking the above into account, I am therefore pleased to be able to confirm that as a result of all these activities, the Council has risen to the challenge of addressing the £60m Budget gap for 2023-24. The papers attached to this report set out the details of a balanced Budget for 2023-24, based on a gross total of £53.519m of new savings (including £17.063m relating to the Strategic Review). I am also pleased to note that the percentage of savings that can be broadly badged as ‘doing things better for less’, or ‘transformation’, is a significant proportion of the total. This is not to gloss over the fact that these proposals require making some very difficult decisions including material savings across all services, and proposing that Cabinet recommend that Full Council agree a 4.99% council tax increase for 2023-24, and also assume the same level of increase for 2024-25 planning purposes.

However these decisions will enable the recommendation of a robust and sustainable budget to Full Council, one which delivers on our key priorities for the County:

1. A vibrant clean and sustainable economy
2. Better opportunities for children and young people
3. Healthy, fulfilling and independent lives
4. Strong, engaged and inclusive communities
5. A greener, more resilient future

Moreover this is a Budget which will:

- Protect our vital public services including Adults and Children’s social care;
- Invest in our local economy through the establishment of a £2.000m fund to include the delivery of projects via the Norfolk Investment Framework (NIF);
- Support the delivery of the County Deal to unlock future investment (if it is ultimately agreed through local-decision making processes);

- Minimise any reductions in the services we deliver which are valued by so many across the County, instead targeting efficiency savings and transformation as a priority;
- Deliver a robust platform on which to develop a sustainable Budget for future years; and
- Put continuing transformation of the way we deliver our services at the heart of our cost control initiatives.

Executive Summary

Appended to this report are a set of papers which support the Council's Revenue Budget decisions for 2023-24.

- Appendix 1: Norfolk County Council Revenue Budget 2023-24
- Appendix 2: Medium Term Financial Strategy 2023-24 to 2026-27
- Appendix 3: Statement on the Adequacy of Provisions and Reserves 2023-24 to 2026-27
- Appendix 4: Statement on the Robustness of Estimates 2023-24 to 2026-27
- Appendix 5: Findings of Public Consultation
- Appendix 6: Equality Impact Assessment
- Appendix 7: Review of Mobile Library Service

Collectively, these papers provide an overview of the Council's strategic and financial planning for 2023-24 to 2026-27 and set out 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' (s151 Officer's) statutory assessment of the robustness of the overall budget. In particular, the papers:

- explain the background to planning for the 2023-24 Revenue Budget, including the wider funding context for the County Council;
- set out the growth and savings proposals for budget planning in both the 2023-24 Revenue Budget and the Medium Term Financial Strategy (MTFS) for 2024-25 to 2026-27;
- recommend the overall level of council tax in 2023-24 based on a 4.99% increase, and future year council tax assumptions including 4.99% for 2024-25, setting out the implications of these for the MTFS position;
- set out forecasts of the level of reserves and provisions across the life of the MTFS;
- provide the Executive Director of Finance and Commercial Services' view on the robustness of the estimates used in the preparation of the 2023-24 Budget; and
- outline the findings of public consultation and equality 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 2023-24 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. In recognition of the budget gap forecast for 2024-25, and to enable a final balanced Budget position to be recommended to County Council, Cabinet is asked to agree the following principles:

a) that any additional resources which become available should be used to delay the use of one-off funding from reserves from 2023-24 to 2024-25, or
b) that any income shortfall should be addressed from the Corporate Business Risk Reserve (to the extent possible). Where the Corporate Business Risk Reserve is insufficient, to note that the ultimate source of funding to balance the Budget will be the General Fund.

2) To review the findings of public consultation as set out in Section 13 of Appendix 1, in full in Appendix 5, and in Appendix 7 in relation to Mobile Libraries, 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 impact assessments, as set out in Appendix 6 to this report (also Appendix 7 in relation to Mobile Libraries), 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 Local Government Settlement for 2023-24 as detailed in Section 3 of Appendix 1.

5) To note that the Council will continue to operate a Business Rates Pool for 2023-24 in partnership with Norfolk District Councils on the same terms as the existing 2022-23 Pool and as set out in Section 6 of Appendix 1, and approve the use of 2022-23 Pool funds as set out.

6) 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 2023-27.
b) The general principle of seeking to increase general fund balances as part of closing the 2022-23 accounts and that in 2023-24 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 2023-24 Budget (Appendix 1).**
d) **To note the advice of the Executive Director of Finance and Commercial Services (Section 151 Officer), in Section 5 of Appendix 1, on the financial impact of an increase in council tax and the sustainability of the Council's medium term position.**
e) **That the Council's 2023-24 Budget will include a general council tax increase of 2.99% and a 2.00% increase in the Adult Social Care precept, an overall increase of 4.99% (shown in Section 5 of Appendix 1), as recommended by the Executive Director of Finance and Commercial Services, and resulting in an increased overall County Council Net Revenue Budget of £493.707m for 2023-24, including budget increases of £169.523m and budget decreases of -£139.939m as set out in Table 15 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. This would result in a budget gap of £45.920m to be addressed for 2024-25, and £124.127m over the life of the Medium Term Financial Strategy.**
f) **The budget proposals set out for 2024-25 to 2026-27, including authorising Executive Directors to take the action required to deliver budget savings for 2024-25 to 2026-27 as appropriate.**
g) **With regard to the future years, that further plans, including phase two of the Strategic Review, to meet the remaining budget shortfalls in the period 2024-25 to 2026-27 are developed and brought back to Cabinet during 2023-24 in line with the proposed timetable.**
h) **Noting Government's assumptions that local authorities will raise the maximum council tax available to them, and that the final level of council tax for future years is subject to Member decisions annually (informed by any referendum principles defined by the Government), to confirm, or otherwise, the assumptions set out in the Medium Term Financial Strategy (MTFS Table 2 in Appendix 2) that the Council's budget planning for 2024-25 will include for planning purposes:**

   i) **general council tax increases of 2.99% (1.99% from 2025-26);**
   ii) **Adult Social Care precept increases of 2.00% (1.00% 2025-26 and 0.00% 2026-27); and**
   iii) **that if the referendum threshold were increased in the period 2024-25 to 2026-27 to above 2.99%, or any further discretion were offered to increase the Adult Social Care precept (or similar), the Section 151 Officer would recommend the Council take full advantage of any flexibility in view of the overall financial position.**

i) **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 2023-24 Budget, to make payments, to raise and repay loans, and to invest funds.**
j) **To agree the Medium Term Financial Strategy 2023-27 as set out in Appendix 2, including the two policy objectives to be achieved:**

i) Revenue: To identify further funding or savings for 2024-25 to 2026-27 to produce a balanced budget in all years 2023-27 in accordance with the timetable set out in the Revenue Budget report (Section 4 of Appendix 1).
ii) Capital: To continue 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.

k) The mitigating actions proposed in the equality impact assessments (Appendix 6).
l) Note the planned reduction in non-schools earmarked and general reserves of 48.94% over five years, from £182.994m (March 2022) to £93.441m (March 2027) (Section 6 of Appendix 3);
m) Note the policy on reserves and provisions in Section 3 of Appendix 3;
n) Agree, based on current planning assumptions and risk forecasts set out in Section 5 of Appendix 3:

i) for 2023-24, a minimum level of general balances of £25.340m, and
ii) a forecast minimum level for planning purposes of
- **2024-25, £26.590m;**
- **2025-26, £27.840m; and**
- **2026-27, £29.090m.**

as part of the consideration of the budget plans for 2023-27 and supporting these budget recommendations;

o) Agree the use of non-school Earmarked Reserves, as set out in Section 6 of Appendix 3.

1. Background and Purpose

1.1. Norfolk County Council's robust and well-established approach to medium term service and financial planning is based on the preparation of a rolling Medium Term Financial Strategy (MTFS), with an annual budget agreed each year.

1.2. The County Council agreed the 2022-23 Budget and MTFS to 2025-26 at its meeting 21 February 2022. Cabinet has since received reports through the year on the emerging 2023-24 Budget position and related matters. This report now sets out the final 2023-24 Budget proposals and associated MTFS to 2026-27 for Cabinet consideration and recommendation to Full Council. The report brings together a range of information to support Cabinet's consideration of how the proposals contribute to delivering an overall balanced budget for the whole Council, and all relevant factors to inform recommendations. To enable discussion of the budget position it:

- Summarises details of Cabinet decisions to date;
- Provides a summary of announcements made at the Autumn Statement 2022, and the Provisional Local Government Finance Settlement for 2023-24.

- Summarises the latest position in relation to some of the significant uncertainties facing local government finances.
- Sets out details of risks to the MTFS position for 2023-24 onwards.
- Provides an overview of some of the key issues facing services in relation to their financial strategy, pressures, risks and uncertainties and details the saving proposals identified by each Service in order to contribute to setting a balanced Budget for 2023-24.
- Details the outcomes of Service Department and Corporate planning, the input from Scrutiny Committee and Select Committees during the year, and the results of public consultation and equality impact assessments.

1.3. During the budget setting process, Scrutiny Committee has considered the development of the budget. The Council's three Select Committees have also received reports on the broad approach to developing budget proposals for the services within their remit at meetings held in May, and detailed proposals at meetings in November. Select Committee comments on the Budget process are set out in Section 11.

2. Proposals

2.1. This report and its appendices now set out the latest information on the financial and planning context for the County Council for 2023-24 to 2026-27. They summarise the pressures, changes and savings proposals for 2023-24 for all Departments, in order to present the proposed cash limited revenue budget of £493.707m, based on a 4.99% increase in council tax. The Budget report to Cabinet includes the Executive Director of Finance and Commercial Services' advice about the implications of a 4.99% council tax increase for the robustness of the Council's MTFS position. The budget setting process undertaken throughout the development of the 2023-24 budget, including work delivered via the Strategic Review, has enabled the identification of robust savings. Simultaneously the proposed Budget reflects a significant investment in key service areas to address the cost pressures they face, including the addition of pressures associated with new funding announced as part of the Autumn Statement 2022. Taken together, the proposed changes are expected to enable the Council to set a realistic, deliverable and balanced budget for 2023-24. Norfolk County Council is due to agree its new Budget and Medium Term Financial Strategy for 2023-24 to 2026-27 on 21 February 2023.

3. Impact of the Proposals

3.1. The recommendations set out in this report are intended to enable Cabinet to recommend to Full Council a balanced budget, and the level of council tax for 2023-24. The proposals, in line with organisational ambitions and priorities, will impact on the nature and type of services provided by the Council. In addition the Strategic Review, and wider saving proposals will support the delivery of transformation to underlying Council structures and operating models. In particular, the Budget 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 the announcements made in the Autumn Statement 2022 and Provisional Settlement for 2023-24;
- contribute to the Council setting a balanced budget for 2023-24; and
- inform future development of the 2024-25 budget and the MTFS beyond 2026-27.
- put continuing transformation of the way we deliver our services at the heart of our cost control initiatives.

3.2. 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 2024-25 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. The County Council continues to engage with Government, MPs and other stakeholders to campaign for adequate and sustainable funding for Norfolk to continue to deliver vital services to residents, businesses and visitors. The Government has confirmed that potentially significant funding reforms, including long-delayed social care reform, the Fair Funding Review, and Business Rates reset, have been delayed until at least the 2025-26 financial year.

4.2. Government announcements, including increased funding allocations for 2023-24 have informed financial planning assumptions, and supported the preparation of a robust budget, but concerns remain about the level of pressure in the system driven by inflation, energy costs and levels and complexity of demand. The Council's MTFS planning builds on the baseline position agreed in February 2022 and this has been continually updated as more reliable information about cost pressures and funding impacts has emerged through the process. It is noteworthy that the level of additional pressures throughout the budget setting process for 2023-24 has been exceptional, reflecting a range of factors and in particular the cost of living crisis and its associated impacts, inflation, and the level of the 2022-23 pay award agreed nationally.

4.3. The full suite of information and evidence to support the Council's 2023-24 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 2023-24 and determine the level of council tax for the year. This year the need to identify savings has been fundamentally driven by service cost pressures as set out elsewhere in the appended papers.

4.4. 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 2023-24 Budget as detailed within this report. The proposals in the report reflect a prudent response to the challenges and uncertainties present in the 2023-24 planning process and ultimately will support the Council to agree a robust budget for the year.

5. Alternative Options

5.1. The papers appended to this report represent the culmination of the process to develop detailed budgets and savings proposals for 2023-24 to be recommended to Full Council and therefore forms a key part of the framework for developing the annual budget. At this stage 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 both the Budget and associated recommendations to Full Council, such as:

- Varying the level of council tax and/or Adult Social Care precept for 2023-24, in the context 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.

The deliverability of the overall budget and saving proposals are 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 2023 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. Financial implications are discussed throughout the report. 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 2023-24. 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 2023. If ultimately approved in the Budget, the proposals in this paper will require departments to deliver further significant savings.

6.2. The Council is legally required to set a balanced Budget annually and should plan to achieve this using a prudent set of assumptions. In the event that additional budget pressures, or any removal of savings for 2023-24 were identified by Cabinet or Full Council, there would be a requirement to identify equivalent further savings or increased income for 2023-24 to maintain a balanced Budget position.

6.3. A number of significant financial implications have been described in this report and the supporting papers. As highlighted in the report and the appendices, there has been a high level of uncertainty throughout the budget process about both the impact of the Local Government Finance Settlement for 2023-24 and other Government decisions and fiscal announcements. The provisional Settlement was announced 19 December 2022, but final figures remain to be confirmed in January or February 2023. The implications of funding reform changes for future years, now expected to be implemented in 2025-26 (including a longer term funding settlement, social care reform, and funding reforms potentially including the long-delayed Fair Funding Review), remain the subject of very considerable uncertainty and although they have been reflected as far as possible in the Council’s 2023-24 planning processes, these impacts will need to be refined as further information is made available by Government.

6.4. In this context, the Government’s decisions about Council funding for 2024-25 and beyond will be hugely significant. The continuing course of the national economy, annual Government budgets, local government funding reform and others may all offer opportunities to adequately fund local authorities to provide vital services and contribute towards the national recovery. However, although Government has given some indications about the direction of travel and underlying approach to funding for 2024-25 in the recent Policy Statement, significant uncertainty remains. In particular, the future prospects for Social Care funding reform, now delayed until at least October 2025, remain to be fully detailed. Any changes in Government funding could have a material impact on both the level of savings to be identified, and the Council’s wider budget process in future years. While the Local Government Settlement in recent years has begun to provide an improved level of funding for local authorities, fundamentally there remains a need for a larger quantum of funding to be provided to the sector to achieve a sustainable level of funding for future years given the types of cost pressures faced.

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. In particular, proposals developed within the Strategic Review as well as departmentally led organisational change will have an impact on organisational structures, management lines, individual roles, and wider ways of working. Where relevant, staff consultation on proposals under the first round of Strategic Review activity are due to commence during February and March 2023. Departmental led change will be staggered across 2023-24

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. The Budget includes some assumptions about the levels of capital receipts which will need to be achieved from property asset disposals to support proposals. The 2023-24 Budget includes activities which will be capitalised under the Government's flexible use of capital receipts policy[1].

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, which contribute to Smarter Working and transformational activity across the organisation. Both the 2022-23 and 2023-24 Budgets include significant savings to be delivered through the implementation of the HR and Finance System replacement project (MyOracle). The timeframe for delivery of these planned savings has been reassessed in light of the progress of system implementation. 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 2023-24. 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. **Data Protection Impact Assessments (DPIA):** None.

8.4. **Health and Safety implications (where appropriate):** None.

8.5. **Sustainability implications (where appropriate):** At its meeting 15 April 2019, the County Council recognised the serious impact of climate change globally and the need for urgent action, committing to cut 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 its Environmental Policy. Since that time, Cabinet has received updates on the progress of delivery of commitments relating to the Environmental Policy at meetings in November 2021 (item 9) and April 2022 (item 11), and as a consequence in November 2021, the Corporate Select Committee (item 12) recommended amendments

[1] In February 2021, Government announced a three-year extension from 2022-23 onwards of the existing flexibility for councils to use capital receipts to fund transformation projects that produce long-term savings or reduce the costs of service delivery: https://www.gov.uk/government/publications/final-guidance-on-flexible-use-of-capital-receipts

to the Financial Regulations to support the establishment of a financial and procurement framework for carbon reduction.

Underlying budget plans include funding for activities which are intended to have an impact on the environmental sustainability of the County Council through the delivery of the Environmental Policy. The MTFS currently assumes that cost pressures and capital schemes to achieve 2030 carbon neutrality detailed in the Environmental Policy are sufficient, however as set out in the reports to Cabinet in November 2021 and April 2022, proposals to support the Council's move towards decarbonisation will potentially have further financial implications for the County Council. Therefore as far as possible, any cost pressures linked to environmental policy and carbon reduction activities are reflected in this Budget and Medium Term Financial Strategy presented to Cabinet in January 2023, but future investments will need to be considered as part of individual programmes and activities and will be reported to Cabinet. The 2023-24 Budget includes additional growth provided for environmental policy delivery of £0.150m in both 2023-24 and 2024-25. The Capital Programme elsewhere on this agenda includes a number of schemes which will contribute to sustainability including £4m for decarbonisation studies across the County's estate – representing an initial investment into the design and development of initiatives to reduce carbon emissions of Council properties.

Individual elements within the 2023-24 Budget may also have an impact on the environmental sustainability of the County Council, particularly the ongoing provision of additional resources to respond to flooding, and assumptions relating to changed 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). In line with the updates to the Council's Financial Regulations made in November 2021, where individual budget proposals relate to (re)procurement activity, the council will also review contracts as they become due for renewal, both to identify opportunities for direct carbon reduction and with regard to any indirect impacts of the supply chain.

Sustainability issues in relation to any new 2023-24 budget proposals will need to be further considered once initiatives are finalised as part of budget setting in February 2023.

Further details of sustainability issues and progress towards 2030 carbon neutrality commitments are detailed within the MTFS.

8.6. **Any other implications:** Significant issues, risks, assumptions and implications have been set out throughout the report.

9. Equality Impact Assessment (EqIA)

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

9.2. In total, 93 equality impact assessments have been carried out on all budget proposals for 2023-24. This includes the proposal to increase council tax and the Adult Social Care precept.

9.3. Based on the evidence available, it is possible to conclude that most proposals will likely have no significant adverse impact on people with protected characteristics.

9.4. Where there is a potential for adverse impact, this is always clearly described in each individual assessment.

9.5. The assessments are set out in Appendix 6.

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

9.7. The task for decision-makers is to consider these impacts alongside the other factors to be taken into account to achieve a balanced budget that focuses the Council's resources where they are most needed.

9.8. As in previous years, the findings of public consultation (set out in Appendix 5) are part of the core evidence base informing the equality assessments and must be read alongside Appendix 6.

9.9. Equality issues in relation to brought forward saving proposals were considered in the Equality Impact Assessment of the 2022-23 Budget.

10. Risk Implications/Assessment

10.1. A number of significant risks have been identified throughout the papers appended to this report. Uncertainties remain which could have an impact on the 2023-24 Budget and the 2024-25 position. These include:

- The significant impacts of the "cost of living" crisis, exceptional inflationary pressures and the wider (longer term) impact of the invasion of Ukraine on the economy. All of these have the potential to drive further cost pressures (either through increased demand for services, or as a result of the increased price of delivering service provision) and may also lead to reductions in overall income due to the wider economic impacts. The MTFS approved by Full Council in February 2022 did not provide for (and could not have anticipated) the current extreme levels of inflation which are being experienced this financial year, and are expected to continue to a slightly lesser degree into 2023-24. This means that the 2023-24 Budget has to address both the level of inflation experienced in 2022-23 (providing for an element of "catch up" in relation to the actual exceptional inflation in 2022-23) and also to make provision for the anticipated levels of inflation in the next financial year. These inflationary pressures have the potential to impact on the Council's budget in a range of ways:

- Pay pressures in 2023-24 if they are in excess of the 5% provided for in the Council's planning assumptions.
- Pressures associated with increase in the National Living Wage, particularly in relation to services contracted by the Council. Within Adult Social Care, every 1p increase in the NLW equates to a pressure of approximately £0.270m. In April 2023 the NLW will increase from £9.50 to £10.42, an increase of £0.92 or 9.7%. This follows a rise of 6.6% in 2022. The rates for 2024 have not been announced but are likely to be on a similar trajectory to 2022.[2]
- Further spikes in energy inflation, to the extent these are above budgeted amounts and/or are not mitigated by Central Government interventions.
- Higher rates of general inflation measures (CPI and RPI) directly impact on the Council's contractual costs which are set with reference to these indicators. Government has indicated that there is limited scope within the existing spending review envelope to address these exceptional inflationary pressures in future years. Although forecasts are for inflation to return to the target 2% over the medium term, this implies a permanent increase in the Council's cost base caused by the current extreme rates (i.e. inflationary pressures are not being taken back out of the system by negative inflation in future).

- Ongoing uncertainty around local government (and wider public sector finances) including:
  - the need for a long term financial settlement for local government. Autumn Statement and Settlement announcements in 2022 covered one year only, with broad indications given for 2024-25. As a result there remains high uncertainty about the levels of funding for 2024-25 and beyond.
  - It remains of major concern that Government continues to place significant reliance and expectations on locally raised income. If this trend persists, the financial pressures for 2024-25 and beyond may become unsustainable. The Government has indicated that the council tax referendum limit for 2024-25 will be 5% as for 2023-24 but has given no insight into the rate for later years. Regardless of the level at which the referendum limit is set, the achievability of continued significant increases in council tax, which put the burden of funding key services onto local taxpayers may be limited. The

[2] The Low Pay Commission remit is to "*put the NLW on a path to reach two-thirds of median hourly pay (of those aged 21 and above) by 2024.*" The LPC has commented "*nominal pay growth and forecasts for future pay growth have strengthened, increasing our projection of the 2024 target from £10.70 to £11.08. We project that a smaller increase will be needed next year (6.3 per cent, £0.66) to reach the 2024 target.*" However, the LPC's range for the target rate in 2024 spans from £10.82 to £11.35. See: "*The path of the National Living Wage*" page 6: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1116992/LPC_short_report_2022_FINAL.pdf

issue of sustainable funding for social care is a national one, which will require national funding solutions. Without a national approach, there is a high risk of an unsustainable fragmented system of local social care provision, which is wholly dependent on local council tax raising ability that bears no link to local needs.

- There remains a specific risk in relation to longer term reform of local government funding and the planned funding review, in 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 these result 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.
- The Policy Statement set out funding expectations for 2024-25 and confirms that fundamental reform of the local government funding system will not progress until at least 2025-26 and possibly later.[3] Linked to this are risks around delivery of reforms to local government funding including actions to deliver "Levelling Up", the funding review, the detailed implications of Adult Social Care reform, reforms to the Business Rates system, and changes to other funding streams including the New Homes Bonus.
- In respect of Adult Social Care reform, the Government has "repurposed" the funding earmarked for implementation, meaning there is significant uncertainty about how reforms will be funded in future and how social care funding as a whole will be addressed.
- Risks around the Dedicated Schools Grant (DSG) deficit position. The Policy Statement has confirmed that the "government will be extending the Statutory Override for the Dedicated Schools Grant for the next 3 years from 2023-24 to 2025-26."[4] The County Council is participating in the 'safety valve' intervention programme with the DfE in the 2022-23 financial year, which aims to agree a deliverable local package of reforms to the high needs system in order to eliminate the in-year DSG deficit over the medium term. This agreement is a pre-requisite in order to access financial support from the DfE to eliminate the historic deficit over the period of the agreement. Agreeing the DSG management plan is therefore a high priority to reduce and mitigate the financial risk associated with the DSG deficit position, the proposed 2023-24 Budget makes provision for the Council's local contribution to this.

- Any further impact of the legacy of COVID-19 on the budget in 2023-24, including any ongoing cost pressures within service delivery, future

[3] "In the longer-term, our ambitions for Levelling Up the country require us to assess our commitments to update local government funding. The government had previously committed to carry out a Review of Relative Needs and Resources and a reset of accumulated business rates growth. Whilst we can confirm that these will not be implemented in this Spending Review period, the government remains committed to improving the local government finance landscape in the next Parliament." https://www.gov.uk/government/publications/local-government-finance-policy-statement-2023-24-to-2024-25/local-government-finance-policy-statement-2023-24-to-2024-25

[4] Ibid.

pressures on income; and the implications of any central Government measures implemented.

- Increasing levels of demand and complexity of need, and the resulting pressure on services.

10.2. At the time of preparing budget papers, the final Local Government Finance Settlement for 2023-24 remains to be confirmed and the overall level of government funding for next year therefore remains an area of limited risk. 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 2023-24, and this position will need to be kept under careful review throughout the remainder of the budget setting process.

10.3. 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 treated, could have significant financial consequences such as failing to generate income or to realise savings. These corporate risks include:

- RM002 – Income streams
- RM006 – Service Delivery
- RM022b – EU Transition
- RM031 – NCC Funded Children's Services Overspend
- RM035 – Adverse impact of significant and abnormal levels of inflationary pressure on revenue and capital budgets

10.4. Further details of all corporate risks, including those outlined above, can be found in Appendix C of the January 2023 Risk Management report to Cabinet[5]. There is close oversight of the Council's expenditure with monthly financial reports to Cabinet. Any emerging risks arising will continue to be identified and treated as necessary.

10.5. A number of budget proposals identified in December 2022 may require public consultation as they potentially relate to a policy or service change:

- Post 16 transport: remove option to pay a daily fare (currently only available on local buses which charge fares)
- Recycling Centres: Mayton Wood relocation to Norwich North HWRC site
- Streetlighting – further dim all lights with an existing CMS (central management system), which are usually the main road streetlights

10.6. This will be confirmed as implementation plans are developed and, if required, any public consultation will be undertaken prior to the implementation of proposals. In the event that the response to public consultation identifies modifications to proposals, or proposals which are not ultimately deliverable,

[5] Cabinet 11 January 2023: https://norfolkcc.cmis.uk.com/norfolkcc/CalendarofMeetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1904/Committee/169/SelectedTab/Documents/Default.aspx

this will be reported in the usual way as part of financial monitoring during the financial year. Service Departments are expected to manage within their agreed budget envelope for the year and in the first instance would be expected to identify alternative in-year savings to avoid overspending in 2023-24. The level of the additional savings identified as potentially requiring consultation is low (£0.344m in 2023-24), and has also been profiled on the basis of delivering only a part year saving for 2023-24. This is therefore considered to be a low risk to the overall 2023-24 Budget position as it represents 0.6% of the total savings for the year and less than 0.07% of the Net Budget for the year.

10.7. Proposals identified as part of the Strategic Review of the County Council have been identified to contribute to delivering a balanced budget for 2023-24. The anticipated 2023-24 savings are included within Departmental budget plans. Where required, staff consultation in relation to these is due to commence in February and March 2023, with further stages planned for later in the year. As such the detailed plans and associated savings cannot be confirmed until consultation responses have been considered.

10.8. However, Executive Directors have considered in detail the work undertaken as part of the Strategic Review including the proposed new structures and ways of working, and have indicated that they are satisfied with the quantum of saving that has been identified and included in 2023-24 Departmental budgets. Due to the timescales for implementation, some Strategic Review savings will deliver a part-year saving in 2023-24 with full recurrent savings achieved from 2024-25, and where appropriate this is reflected within this Budget planning paper. In the event that the response to staff consultation identifies modifications to proposals, or proposals which are not ultimately deliverable, this will be reported in the usual way as part of financial monitoring during the financial year. Service Departments are expected to manage within their agreed budget envelope for the year and in the first instance would be expected to identify alternative in-year savings to avoid overspending in 2023-24. Ultimately any shortfall in Strategic Review savings that could not be addressed through alternative proposals would need to be met from reserves on a one-off basis in 2023-24. While the level of Strategic Review savings is material to the overall Budget (29% of all savings planned), not all of these will require staff consultation. The proposals are based on sound methodology and detailed work and therefore it is considered unlikely that a significant proportion of the savings in the planned Budget would not be deliverable during the year. Further details about Strategic Review savings are set out in Appendix 1 in paragraph 4.23 and the detailed Service Budgets in Sections 8 to 12.

10.9. 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 levels of risk, 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.

10.10. 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.

11. Select Committee comments

11.1. As in previous years, Select Committees have had two opportunities to consider and provide input to the Council's budget setting. In May 2022, Select Committees discussed the broad strategic approach to budget setting for the services within their remit, and then in November 2022 had an opportunity to comment on the detailed proposals for the 2023-24 Budget being taken forward for public consultation.

11.2. Links to the papers and (where available) minutes of Select Committee discussions can be found here:

11.3. May 2022:

- Corporate Select Committee
- Infrastructure and Development Select Committee
- People and Communities Select Committee

11.4. November 2022:

- Corporate Select Committee
- Infrastructure and Development Select Committee
- People and Communities Select Committee

11.5. In their discussions, Select Committees:

- Considered the implications of available Government funding announcements, the funding challenges facing the Council, the associated savings required, and the implications for the level of council tax.
- Discussed the approach to public consultation, particularly in relation to council tax;
- Considered the Government's approach to addressing the issue of Adult Social Care funding, and the implications of delay to Adult Social Care reforms nationally.
- Reviewed the impact of inflation on the Council's Budget.
- Considered the Council's record of delivering savings in the past and the impact of demand-driven statutory services.

- Discussed specific proposals for services within their remit and commented on these, including:
    - The level of reliance on one-off reserves;
    - The impact of increases in demand and savings proposals, and the need for service transformation to deliver efficiencies; and
    - How savings aligned to strategic objectives.

11.6. Full details of Select Committee discussions can be found within the meeting minutes.

12. Recommendations

12.1. Cabinet is recommended:

1) To consider the statements regarding the uncertain planning environment, robustness of budget estimates, assumptions and risks relating to the 2023-24 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. In recognition of the budget gap forecast for 2024-25, and to enable a final balanced Budget position to be recommended to County Council, Cabinet is asked to agree the following principles:

a) that any additional resources which become available should be used to delay the use of one-off funding from reserves from 2023-24 to 2024-25, or
b) that any income shortfall should be addressed from the Corporate Business Risk Reserve (to the extent possible). Where the Corporate Business Risk Reserve is insufficient, to note that the ultimate source of funding to balance the Budget will be the General Fund.

2) To review the findings of public consultation as set out in Section 13 of Appendix 1, in full in Appendix 5, and in Appendix 7 in relation to Mobile Libraries, 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 impact assessments, as set out in Appendix 6 to this report (also Appendix 7 in relation to Mobile Libraries), 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 Local Government Settlement for 2023-24 as detailed in Section 3 of Appendix 1.

5) To note that the Council will continue to operate a Business Rates Pool for 2023-24 in partnership with Norfolk District Councils on the same terms as the existing 2022-23 Pool and as set out in Section 6 of Appendix 1, and approve the use of 2022-23 Pool funds as set out.

6) 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 2023-27.
b) The general principle of seeking to increase general fund balances as part of closing the 2022-23 accounts and that in 2023-24 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 2023-24 Budget (Appendix 1).
d) To note the advice of the Executive Director of Finance and Commercial Services (Section 151 Officer), in Section 5 of Appendix 1, on the financial impact of an increase in council tax and the sustainability of the Council's medium term position.
e) That the Council's 2023-24 Budget will include a general council tax increase of 2.99% and a 2.00% increase in the Adult Social Care precept, an overall increase of 4.99% (shown in Section 5 of Appendix 1), as recommended by the Executive Director of Finance and Commercial Services, and resulting in an increased overall County Council Net Revenue Budget of £493.707m for 2023-24, including budget increases of £169.523m and budget decreases of -£139.939m as set out in Table 15 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. This would result in a budget gap of £45.920m to be addressed for 2024-25, and £124.127m over the life of the Medium Term Financial Strategy.
f) The budget proposals set out for 2024-25 to 2026-27, including authorising Executive Directors to take the action required to deliver budget savings for 2024-25 to 2026-27 as appropriate.
g) With regard to the future years, that further plans, including phase two of the Strategic Review, to meet the remaining budget shortfalls in the period 2024-25 to 2026-27 are developed and brought back to Cabinet during 2023-24 in line with the proposed timetable.
h) Noting Government's assumptions that local authorities will raise the maximum council tax available to them, and that the final level of council tax for future years is subject to Member decisions annually (informed by any referendum principles defined by the Government), to confirm, or otherwise, the assumptions set out in the Medium Term Financial Strategy (MTFS Table 2 in Appendix 2) that the Council's budget planning for 2024-25 will include for planning purposes:

i) general council tax increases of 2.99% (1.99% from 2025-26);
ii) Adult Social Care precept increases of 2.00% (1.00% 2025-26 and 0.00% 2026-27); and
iii) that if the referendum threshold were increased in the period 2024-25 to 2026-27 to above 2.99%, or any further discretion were offered to increase the Adult Social Care precept (or similar), the Section 151 Officer would recommend the Council take full advantage of any flexibility in view of the overall financial position.

i) 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 2023-24 Budget, to make payments, to raise and repay loans, and to invest funds.

j) To agree the Medium Term Financial Strategy 2023-27 as set out in Appendix 2, including the two policy objectives to be achieved:

i) Revenue: To identify further funding or savings for 2024-25 to 2026-27 to produce a balanced budget in all years 2023-27 in accordance with the timetable set out in the Revenue Budget report (Section 4 of Appendix 1).
ii) Capital: To continue 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.

k) The mitigating actions proposed in the equality impact assessments (Appendix 6).

l) Note the planned reduction in non-schools earmarked and general reserves of 48.94% over five years, from £182.994m (March 2022) to £93.441m (March 2027) (Section 6 of Appendix 3);

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

n) Agree, based on current planning assumptions and risk forecasts set out in Section 5 of Appendix 3:

i) for 2023-24, a minimum level of general balances of £25.340m, and
ii) a forecast minimum level for planning purposes of
- **2024-25, £26.590m;**
- **2025-26, £27.840m; and**
- **2026-27, £29.090m.**

as part of the consideration of the budget plans for 2023-27 and supporting these budget recommendations;

o) Agree the use of non-school Earmarked Reserves, as set out in Section 6 of Appendix 3.

13. Background Papers

13.1. Background papers for this report are listed below:

Norfolk County Council Revenue and Capital Budget 2022-23 to 2025-26, County Council 21/02/2022, agenda item 5

Norfolk County Council 2022-23 Budget Book

Strategic and financial planning 2023-24, Cabinet, 04/04/2022, agenda item 15

Finance Monitoring 2021-22 Report Outturn, Cabinet, 06/06/2022, agenda item 14

Strategic and financial planning 2023-24, Cabinet, 04/07/2022, agenda item 17

Strategic and financial planning 2023-24, Cabinet, 03/10/2022, agenda item 18

Risk Management, Cabinet, 11/01/2023, agenda item 12

Strategic and Financial Planning 2023-24 reports to November 2022 Select Committees:

- Corporate Select Committee
- Infrastructure and Development Select Committee
- People and Communities Select Committee

Finance Monitoring Report 2022-23 P8, Cabinet, 30/01/2023 (on this agenda)

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Norfolk County Council
Revenue Budget 2023-24

1. Introduction

1.1. The Revenue Budget for 2023-24 proposed in this report represents the culmination of a process over the course of the current financial year to develop a robust, balanced Budget for consideration by Cabinet and Full Council. This has included detailed work to validate unavoidable cost pressures, model changes in funding, and identify saving options. Budget development has been undertaken, once again, in the context of considerable uncertainty about the wider financial environment for local authorities, a result of both changes in national Government policy and direction, and wider global instability. While the immediate impact of the COVID-19 pandemic is now receding in most areas of the budget, the war in Ukraine, the cost of living crisis, wider inflationary pressures and financial and policy uncertainty at the national level have all had implications in terms of additional costs, levels of demand and financial planning.

1.2. The level of Settlement funding provided since 2021-22 has begun to reverse the trend of year-on-year cuts to local government funding experienced during the austerity period. The provisional 2023-24 Settlement is one of the most generous for some time, but it comes at a time of immense financial pressure and much of the new funding has specific conditions attached to it. As a result, the improvements in the 2023-24 Settlement are some way short of mitigating the sustained reductions experienced since 2010-11. The need remains for the Council to continue to identify material levels of savings in order to operate within the resources available to it. Cost pressures are still increasing for many of the Council's services, and inflation is a particular challenge within the 2023-24 Budget. The Council needs to not only address the "under provision" for inflation in the 2022-23 Budget resulting from the sudden and unexpected inflationary pressures which emerged after the Budget was agreed in February 2022, but also to deal with the expected persistent higher inflation rates forecast for 2023-24 and beyond. The level of inflationary pressure in the 2023-24 Budget is materially higher than the usual run rate as a result of these adjustments and represents a permanent addition to the Council's underlying cost base.

1.3. Dealing with ongoing spending pressures of this scale requires the Council to keep its business and operations under constant review, and to continually seek to deliver value for money services in the most economic, efficient and effective way possible, for the lowest cost. It is for this reason, and in the context of a very significant 2023-24 budget gap, that Cabinet acted promptly to begin the Budget setting process for 2023-24 early in the year, initiating the Strategic Review of the organisation and allocating saving targets to Departments in April 2022. The Strategic Review process, undertaken through the course of 2022-23 financial year, has identified savings which are being incorporated into the 2023-24 Budget as outlined in more detail later in this report. It should be noted that there are likely to be changes to the organisation and senior management structure as a result of the Strategic Review and these associated savings which may also result in amendments to departmental structures[6]. These structures are not yet finalised and staff consultation linked the Strategic Review is expected to commence between February and March 2023, with further phases later in the year. As a result, these changes are not reflected in the 2023-24 Budget paper, but will be incorporated into the 2023-24 Budget Book to the extent possible once the overall Budgets have been agreed by the County Council. Taken collectively, these initiatives and considerations, alongside the Council's vision and strategy, as set out in *Better Together, for Norfolk*, have been critical to informing the preparation of the Council's 2023-24 Budget and Medium Term Financial Strategy (MTFS).

1.4. Work through the course of 2022-23 has enabled the Council to prepare a robust, balanced Budget for 2023-24 as set out within this report. The proposals for 2023-24 close the very significant budget gap of £59.927m identified in the 2022 Medium Term Financial Strategy, make provision to address the material additional pressures which have arisen since the MTFS was prepared, and support the continued investment in key services. The Budget is based on a 4.99% increase in council tax for Cabinet to consider for recommendation to County Council. This level of increase, within the referendum threshold set by Central Government, will enable a balanced 2023-24 position to be established, and supports a robust position for 2024-25. A 4.99% increase for 2023-24 as well as for 2024-25 planning purposes is therefore the recommendation of the Section 151 Officer.

1.5. The latest estimate of the Council's overall budget position for 2023-24 as a result of the matters set out in this report, and other emerging issues, is detailed 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 on the following basis:

a) that any additional resources which become available will be used to establish a budget contingency for 2023-24 onwards, or
b) that any income shortfall will be addressed from reserves, including the Corporate Business Risk Reserve (to the extent possible).

2. Strategic Context

National context

2.1. The context in which the 2023-24 strategic and financial planning is happening has moved on from being dominated just by Covid. Instead, this has been

[6] Further details can be found in the Recommendations to County Council from the Corporate Select Committee held on 14 November 2022 here: Norfolk County Council meeting 13 December 2022, Supplementary Agenda

replaced by a fundamental uncertainty around the ongoing war in Ukraine in terms of global energy and food supply as well as current inflationary pressures and the consequent impact on both the cost of services we deliver, and the demand for services as households and communities struggle with the rising cost of living. These inflationary impacts are not only a short-term issue but could very likely result in a permanent uplift in our cost base.

2.2. In its November Monetary Policy Report, the Bank of England updated its projections for activity and inflation, and described a challenging outlook for the UK economy, which is expected to be in recession for a prolonged period. The Office for Budget Responsibility's (OBR's) latest economic forecast (November 2022) shows inflation peaking at 11% in this quarter (and that is after allowing for a 2.5% benefit arising from the energy price guarantee) before falling sharply to potentially negative territory and then stabilising at the target rate of 2% by the end of 2027.

2.3. Added to this are significant uncertainties around Government policy and the timing of any changes in terms of local government funding reforms, despite the two-year delay in implementing the Social Care reforms discussed elsewhere in these papers. As a consequence, the economic situation remains hugely challenging, with the direct and indirect impacts of all these factors on the County Council, as well as our partners, both unknown and highly volatile at this stage.

2.4. It is in these difficult times that the County Council cannot afford any complacency and, working with its partners, will have to ensure it deploys its own limited resources to support the most vulnerable people and communities, while continuing to provide wider public services.

Devolution

2.5. On 8 December 2022, Norfolk County Council and Government signed a County Deal for Norfolk. Devolution offers a generational opportunity to unlock significant long-term funding and gain greater freedom to decide how best to meet local needs and create new opportunities for the people who live and work in Norfolk. Some decisions and funding previously controlled in Westminster will now be decided by Norfolk, for Norfolk.

2.6. If agreed, a Deal for Norfolk will mean that, from 2024 onwards, we can:

- target funding and resources to Norfolk's own priorities, with a new investment fund of £20m per year for 30 years
- unlock housing and employment sites with an injection of £12.9m capital funding in this Spending Review period and new powers to drive regeneration, housing and development priorities
- invest in the skills we know we need, with devolution of the adult education budget and input into the new Local Skills Improvement Plans
- invest in local transport planning and consolidate transport budgets to direct funding to better meet our local needs and priorities

- strengthen the local business voice to inform local decision making and strategic economic planning through the future integration of New Anglia Local Enterprise Partnership
- have a council leader who is directly elected by the public, with the first election in May 2024
- raise our influence regionally and nationally, enabling our voice to be better heard by Government to shape future policies and funding decisions for the benefit of our County

2.7. This agreement would be the first step in a process of further devolution and will pave the way for future conversations as part of an ongoing dialogue; with the experience from other devolution areas showing that initial deals can open the door to receiving further powers, funding, and influence.

Council Strategy and Transformation

2.8. The Council Strategy '*Better Together, for Norfolk 2021-2025*' is the key high-level document that, alongside the Medium Term Financial Strategy, sets the Council's strategic policy direction.

2.9. The four-year strategy, through five strategic priorities, sets out the Council's vision – to make the most of all that Norfolk has to offer, help improve the quality of life for every community, support businesses to be successful and make sure Norfolk is a place where people want to live, work and visit.

1. **A vibrant clean and sustainable economy** – as well as growing the economy this is also about skills and creating high value jobs; growth and investment; infrastructure and digital connectivity.

2. **Better opportunities for children and young people** – prioritising better opportunities for children and young people, raising educational attainment and creating better employment opportunities.

3. **Healthy, fulfilling and independent lives** – supported by themes of levelling up health; Living Well; and Better Local Services.

4. **Strong, engaged and inclusive communities** – a mix of urban, rural and coastal communities that we can support and empower.

5. **A greener, more resilient future** – recognising our priorities for our physical environment and access to quality spaces and building community resilience.

2.10. Our ongoing service transformation programmes and the Strategic Review of the organisation, which runs alongside those, collectively enable us to improve services and manage demand, making the Council more effective and efficient. In short, our change agenda will help us deliver better outcomes for residents for less money.

2.11. Key areas for transformation include service redesign, improving our approach to prevention and early help, driving improvements in customer experience, organisational culture, and use of digital and data. Recognising our commitment to no one left behind, the Council is also going to deliver a refreshed agenda for Equality, Diversity, and Inclusion to enable the Council to become more inclusive, bringing strength through difference.

3. Financial Context

Government funding announcements during 2022

3.1. While the Council is now well accustomed to setting its Budget with a degree of uncertainty about Government announcements, the 2023-24 budget-setting process has been undertaken in an almost unprecedented climate of change. This was most clearly demonstrated in uncertainty about Central Government policy and direction following the resignation of Boris Johnson as Prime Minister on 7 July 2022 (ultimately stepping down on 6 September 2022), and between 6 September 2022 and 25 October 2022 when Liz Truss served as Prime Minister. However the appointment of Rishi Sunak as Prime Minister on 25 October 2022 has brought a period of greater stability leading up to the announcement of the Autumn Statement 2022 by the Chancellor of the Exchequer, Jeremy Hunt.

3.2. Against this backdrop there have been further delays to major reforms of local government finance including the Fair Funding Review, Business Rates Reform, and social care funding reform. While the Government set out plans for social care reform in September 2021 within the Build Back Better plan for health and social care[7], much of this has subsequently been reversed (the Health and Social Care levy planned for April 2023) or delayed (adult social care charging reforms (including the cap on care costs)) and the full implications therefore remain to be fully understood. It has subsequently been confirmed that charging reforms have been delayed until October 2025, while any form of Fair Funding Review is unlikely until the 2025-26 financial year at the earliest.

3.3. The Chancellor set out the Autumn Statement 2022 on 17 November 2022. Announcements for Local Government were better than had initially been anticipated, with no cuts, additional social care funding, a delay to social care reforms, and increased council tax flexibilities. While the Autumn Statement did not include the significant spending cuts which had originally been anticipated and can therefore be seen as positive in the short to medium term, a key concern remains that these spending reductions are now assumed to be required after the end of the current Spending Review (i.e. from 2025-26 onwards). As such the prospects for the later years of the Medium Term Financial Strategy may be significantly more challenging, with current forecasts suggesting that Departmental Expenditure Limits (DEL) in the next Spending Review period may increase by only 1% in real terms. Key headlines from the Autumn Statement included:

[7] https://www.gov.uk/government/publications/build-back-better-our-plan-for-health-and-social-care

- No reductions to the overall funding allocations announced in the Spending Review 2021. Local Government Resource DEL to increase by 33% from 2022-23 to 2023-24. (Reflecting both council tax flexibility and social care funding)
- Delay of social care reforms from October 2023 until "at least" October 2025.
- Additional funding for social care – £1bn new social care grant funding (£0.600m via iBCF (improved Better Care Fund) and £0.400m directly), the release of funding previously earmarked to deliver reform, and increase Adult Social Care precept flexibility.
- Council tax referendum limit for upper tier authorities increased to 5% (3% general and 2% Adult Social Care precept).

3.4. Following the Autumn Statement, the Department for Levelling Up, Housing and Communities (DLUHC) published the Local Government finance Policy Statement 2023-24 to 2024-25 on 12 December 2022. The Statement set out details of the Government's intentions for the Local Government finance Settlement for 2023-24 and 2024-25, in recognition of the fact that "*providing councils with greater certainty on key aspects of their funding is incredibly important for their budget setting process and their ability to plan for the future.*" While the Statement provided some useful clarity about the likely content of the provisional Settlement, there was not enough detail to determine specific settlement allocations with confidence. Nonetheless, the headlines from the Policy Statement confirmed the direction of travel previously set out in the Autumn Statement. Key points from the Policy Statement for Norfolk County Council are reflected in the provisional Settlement analysis which follows. In this context it is worth noting that although the Chancellor's Autumn Statement 2022 confirmed the outcomes of the multi-year Spending Review announced alongside the Autumn Budget 2021[8] on 27 October 2021, and in spite of ministerial aspirations[9], and the indications set out in the Policy Statement, there has still been no multi-year Settlement provided for local government.

3.5. The Provisional Local Government Finance Settlement 2023-24 was published via a Written Ministerial Statement on 19 December 2022. The Provisional Settlement provided further details about the funding increases announced at the Autumn Statement 2022 and subsequently set out in the DLUHC Policy Statement. This includes a welcome increase in the level of funding for social care. The Government assumes that upper-tier authorities will increase council tax by 5% for 2023-24. If this were the case, the Government expectations are that the County Council's "Core Spending Power" will rise by 10.5% between 2022-23 and 2023-24. The Council faces significant inflationary and demand pressures, including additional costs from the level of the National Living Wage, which is set by Government. The Provisional Settlement figures remain to be confirmed in the Final Settlement expected in late January or early February 2023. The accompanying consultation on the provisional Settlement ran for four weeks and closed 16 January 2023. A Council response was submitted,

[8] https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents
[9] Gove confirms multi-year local government settlements | Public Finance

following consideration by the Leader and the Cabinet Member for Finance and covering the following key points:

- Welcoming the Government's move to provide stability, certainty, and additional funding in the 2023-24 Settlement, and the indications set out for 2024-25, while expressing disappointment at the continued delays to key reforms including Fair Funding and the lack of a true multi-year settlement;
- Challenging the approach which has seen some elements of funding receive inflationary increases while others such as Rural Services Delivery Grant have not;
- Highlighting issues of council tax inequality; and
- Raising concerns about the continuing need for a long-term funding solution for Adult Social Care.

Core Spending Power

3.6. The provisional Settlement sets out the following Core Spending Power figures:

Table 1: Provisional Settlement Core Spending Power for Norfolk County Council

	2022-23	2023-24	Change
	£m	£m	£m
Settlement Funding Assessment	195.903	205.875	9.972
Compensation for under-indexing the business rates multiplier	15.844	27.394	11.551
Council Tax Requirement excluding parish precepts *(government assumption)*[10]	462.203	491.501	29.298
Improved Better Care Fund	39.619	39.619	0.000
New Homes Bonus	1.833	0.628	-1.205
Rural Services Delivery Grant	4.178	4.178	0.000
Social Care Grant	41.495	66.525	25.030
Market Sustainability and Fair Cost of Care Fund[11]	2.821	0.000	-2.821
ASC Market Sustainability and Improvement Fund	0.000	9.785	9.785
ASC Discharge Fund	0.000	5.554	5.554
Services Grant[12]	10.687	6.022	-4.665
Grants rolled in[13]	1.402	0.000	-1.402
Core Spending Power	**775.984**	**857.080**	**81.096**
Change %			10.5%

3.7. In overall terms, the Provisional Settlement reflects an increase in Core Spending Power (CSP) for the County Council, as expected following the Autumn Statement and the Policy Statement. The increase in CSP is largely

[10] This figure represents the Government assumption for council tax in the provisional settlement, rather than the County Council's actual proposed budget.
[11] Rolled into "ASC Market Sustainability and Improvement Fund"
[12] Reduction includes removal of H&SC Levy funding
[13] Principally Independent Living Fund rolled into Social Care Grant

being delivered via increased funding for social care and a higher threshold for council tax increases, including the Adult Social Care precept. The % change in CSP excluding council tax assumptions is 6.7%. These CSP increases are accompanied by significant cost pressures including high inflation rates and the increase in the National Living Wage. Commentators have noted that "*in the 2023-24 settlement, those authorities with the highest "needs", and lowest tax bases, will typically have the highest increases in CSP.*"

3.8. Other elements of the Provisional Settlement announcement include:

- Freezing of the Business Rates Multiplier for 2023-24 at 49.9p. This is to be fully compensated in line with CPI.
- Revenue Support Grant will also increase in line with CPI.
- Services Grant will reduce in 2023-24, reflecting removal of funding for the cancelled increase in National Insurance Contribution / Health and Social Care Levy and provision to increase funding for the Supporting Families programme. Services Grant continues to be distributed via the Settlement Funding Assessment.
- No change to Rural Services Delivery Grant
- New Homes Bonus to continue at a reduced level in 2023-24 (and possibly 2024-25, but this is under review).
- Consolidating Independent Living Fund; Council Tax Discounts – Family Annexe; Local Council Tax Support Administration Subsidy; and Food Safety Enforcement (Natasha's Law) grants totalling £239 million into the local government finance settlement. All four grants will keep their existing distribution.

Social Care funding

3.9. Additional social care funding was announced at the Autumn Statement 2022 and this has been confirmed in the Provisional Settlement. The table below sets out the amounts that the Council can expect to receive in 2023-24. The announcements at national level include:

- Delaying charging reform: £1.265 billion in 2023-24 and £1.877 billion in 2024-25 will be distributed to local authorities through the Social Care Grant for adult and children's social care. This is in addition to the existing Social Care Grant. Government is continuing to equalise against the adult social care precept.
- New grant funding: £600 million will be distributed in 2023-24 and £1 billion in 2024-25 through the Better Care Fund to "get people out of hospital on time into care settings, freeing up NHS beds for those who need them." The funding is split 50:50 between the DLUHC Local Government DEL (departmental expenditure limit) and the Department for Health and Social Care DEL.
- New grant funding: £400 million in 2023-24 and £683 million in 2024-25 will be distributed through a grant ringfenced for adult social care which will also help to support capacity and discharge.
- Funding for adult social care retains £162 million per year of Fair Cost of Care funding and its distribution.

- There will be reporting requirements on the new Adult Social Care Grant and the Better Care Fund regarding performance and use of funding to deliver tangible improvements against the following objectives: discharge delays, social care waiting times, low fee rates and workforce pressures in the adult social care sector.

Table 2: Provisional Settlement allocations of social care funding for Norfolk County Council

	Norfolk County Council	Share of national total
	£m	%
Rollover of Social Care Grant for 2022-23	41.495	1.77%
Independent Living Fund (Rolled in for 2023-24)	1.379	0.86%
Element used to equalise for 2% ASC precept flexibility for 2023-24	3.019	1.89%
Additional funding through existing ASC RNF[14] for 2023-24	20.632	1.74%
Social Care Grant for 2023-24	**66.525**	**1.73%**
ASC Discharge Fund for 2023/24	5.554	1.85%
ASC Market Sustainability & Improvement Fund for 2023/24	9.785	1.74%
Total	**81.864**	**1.74%**

3.10. The purpose of the individual grants is as follows:

- **Social Care Grant** is "*provided to upper tier authorities for social care expenditure, on both adult and children's social care.*"
- **Discharge Funding grant** is "*provided to upper tier authorities to ensure those people who need to draw on social care when they are discharged from hospital can leave as soon as possible. The Discharge Funding must be pooled as part of the Better Care Fund.*"
- **Adult Social Care Market Sustainability and Improvement Funding Grant** is "*provided to upper tier authorities to enable tangible improvements to be made to adult social care.*"

3.11. The Written Statement notes that Government has "*listened to councils' concerns about implementing adult social care charging reform in light of [inflationary and demand] pressures. That is why Government has made the difficult decision to delay these reforms, and to prioritise core pressures rather than risk destabilising the market. The funding intended for implementation will be retained in local authority budgets.*"

Remaining uncertainties

[14] Relative Needs Formula

3.12. The Provisional Settlement announcement has confirmed a number of key elements of funding for the 2023-24 Budget, however there remain several areas of uncertainty and it is likely that further details will emerge over time and as the Budget is finalised. In particular, the Provisional Settlement does not include details of the allocations of Public Health grant for 2023-24. In 2022-23 Public Health grant was worth £42.261m for Norfolk.

3.13. The Government expects the Extended Producer Responsibility for packaging (pEPR) scheme to provide additional income from 2024-25. This Extended Packaging reform is to be phased in over a period of time. Nationally the expected amounts total £1.2bn in 2024-25 rising to £1.7bn. It represents genuine new income as the policy is for the producer to pay, however Government has indicated that it intends to review overall funding in light of additional income. The implications of this for the Council's 2024-25 Budget are unknown at this stage.

3.14. Government has "*noted*" the significant increase in some local authority reserves and is encouraging local authorities to consider how they can use reserves to maintain services in response to immediate inflationary pressures. This must be balanced with the need to maintain appropriate levels of reserves to support financial sustainability and future investment.

Summary

3.15. In overall terms, the 2023-24 Provisional Settlement has provided additional funding for the County Council to meet budget pressures. New pressures since the 2022-23 MTFS was agreed are anticipated to be broadly met by this additional funding. However, significant cost pressures have emerged across a number of service areas, and pressures overall are extremely high this year (driven by a combination of factors including the pay award, National Living Wage and cost of care market pressures, wider inflation rates, energy costs, and demand).

3.16. The outlook for future years of the Medium Term Financial Strategy (MTFS) remains extremely challenging as additional funding has largely been front loaded in 2023-24 and (to some extent) 2024-25, with very limited increases available for 2025-26 onwards. The Provisional Settlement for 2023-24 is essentially a one-year announcement and as such there is limited certainty for planning for 2024-25 onwards. As a result of this, and the overall pressures in 2023-24, there is anticipated to be very little flexibility in the MTFS as a whole.

3.17. The detail of the Provisional Settlement announcements have been analysed and incorporated in Budget planning for January Cabinet. District forecasts for council tax and business rates remain to be confirmed (due 31 January 2023) although latest estimates have been incorporated in planning. There remains potential for some change between the Provisional and Final Settlement (although material changes are unlikely).

4. Proposed Revenue Budget 2023-24

4.1. Budget planning for 2023-24 was undertaken in line with the following overarching timetable. Cabinet's proposed recommendations to Council and the draft timetable below for 2024-25 outline the approach to developing plans to meet the remaining budget shortfalls in the period 2024-25 to 2026-27.

Table 3 Budget planning timetable 2023-24 and proposed 2024-25

Activity / Milestone	Timeframe
Cabinet review of the financial planning position for 2023-27 – including formal allocation of targets	4 April 2022
Scrutiny Committee	20 April 2022
Select Committee input to development of 2023-24 Budget – strategy	w/c 23 May 2022
Review of budget pressures and development of budget strategy and detailed savings proposals 2023-27 incorporating: • Budget Challenge 1 (May) • Budget Challenge 2 (July) • Budget Challenge 3 (September) • Budget Challenge 4 (December)	April to December 2022
Cabinet agree strategic budget approach and any initial proposals for summer consultation	4 July 2022
Scrutiny Committee	20 July 2022
Summer consultation activity	22 July to 21 September 2022
Cabinet approve final proposals for public consultation	3 October 2022
Scrutiny Committee	19 October 2022
Public consultation on 2023-24 Budget proposals, council tax and adult social care precept	21 October to 16 December 2022
Select Committee input to development of 2023-24 Budget – comments on specific proposals	w/c 14 November 2022
Government Autumn Statement	*17 November 2022*
Provisional Local Government Finance Settlement announced including provisional council tax and precept arrangements (outcomes of Fair Funding Review?)	*19 December 2022*
Cabinet considers outcomes of service and financial planning, EQIA and consultation feedback and agrees revenue budget and capital programme recommendations to County Council	30 January 2023
Confirmation of District Council tax base and Business Rate forecasts	31 January 2023
Final Local Government Finance Settlement	*TBC January / February 2023*
Scrutiny Committee 2023-24 Budget scrutiny	15 February 2023

County Council agrees Medium Term Financial Strategy 2023-24 to 2026-27, revenue budget, capital programme and level of council tax for 2023-24	21 February 2023
2024-25 Proposed	**Time frame**
Cabinet review of the financial planning position for 2024-28 – including formal allocation of targets	May / June 2023
Scrutiny Committee	May / June 2023
Select Committee input to development of 2024-25 Budget – strategy	TBC
Review of budget pressures and development of budget strategy and detailed savings proposals 2024-28 incorporating: • Budget Challenge 1 (early June) – context / strategy / approach / outline proposals • Budget Challenge 2 (early September) – detail and final proposals	April to December 2023
Cabinet approve final proposals for public consultation	TBC October 2023
Scrutiny Committee	TBC October 2023
Public consultation on 2024-25 Budget proposals, council tax and adult social care precept	Late October to mid December 2023
Select Committee input to development of 2024-25 Budget – comments on specific proposals	TBC November 2023
Government Autumn Budget	*TBC October / November 2023*
Provisional Local Government Finance Settlement announced including provisional council tax and precept arrangements	*TBC December 2023*
Cabinet considers outcomes of service and financial planning, EQIA and consultation feedback and agrees revenue budget and capital programme recommendations to County Council	TBC January 2024
Confirmation of District Council tax base and Business Rate forecasts	31 January 2024
Final Local Government Finance Settlement	*TBC January / February 2024*
Scrutiny Committee 2024-25 Budget scrutiny	TBC February 2024
County Council agrees Medium Term Financial Strategy 2024-25 to 2027-28, revenue budget, capital programme and level of council tax for 2024-25	TBC February 2024

**Assumed Government activity and timescales*

4.2. On 21 February 2022, the County Council approved the current year's (2022-23) Budget and Medium Term Financial Strategy (MTFS) to 2025-26. Based on information available at that time, and including £45.793m of planned savings, the MTFS set out a budget gap of £96.676m over the period, with a gap of £59.927m to be addressed in 2023-24. This was based on an assumption that the funding allocations set out in the 2022-23 final Local Government Finance Settlement would be broadly "rolled over" for 2023-24 and beyond. The 2022-23 MTFS provided the starting point for the Council's 2023-24 Budget planning activity. Full details of cost pressures assumed in the council's MTFS are set out in the Budget Book 2022-26 and were summarised in the Strategic and Financial Planning report to Cabinet in April 2022.

4.3. The April 2022 Cabinet meeting considered the approach to Budget setting for 2023-24. At that time, Cabinet agreed the addition of a further financial year (for 2026-27) to the planning period. The inclusion of a further year in MTFS planning based on the same broad assumptions added £19.137m to the forecast gap, bringing it to £115.814m for the MTFS period. The forecast budget gap for 2023-24 remained £59.927m. Taking into account this £60m forecast gap for the year, Cabinet agreed to seek to find an initial £15m of proposals for July Cabinet in order to provide a robust foundation for Budget-setting. Cabinet also agreed the overall allocation of saving targets to departments, being the new savings which needed to be found in addition to those currently planned for in the 2022-23 MTFS position and set out in the Council's 2022-23 Budget Book. These decisions represented the starting point to inform wider budget setting work across the organisation.

4.4. In developing the 2023-24 Budget, Cabinet next considered the MTFS position in July 2022, at which point it considered and agreed "Phase 1" budget proposals totalling £13.007m for 2023-24 against the target of £15.000m. Cabinet agreed to undertake public consultation over the summer in order to support in shaping the specific saving proposal to review Norfolk's Mobile Library Service, which would have service delivery implications. This consultation was completed and the outcomes are reflected within the recommendations set out in this Budget. Further specific details relating to Mobile Library saving proposals are detailed in Appendix 7. Cabinet also agreed that public consultation in relation to all other proposals would be undertaken later in the year, alongside the consultation on any additional savings proposals brought forward for consideration by Cabinet in October 2022. Full details of all saving proposals in the 2023-24 Budget are set out later in this report.

4.5. In October 2022, Cabinet then received a further update on the progress towards identifying proposals to address the remaining 2023-24 target and the proposed approaches to tackling the remaining MTFS gap. At that point, further work was required to identify additional proposals that would support the development of a balanced Budget for 2023-24. Cabinet considered the 2023-24 Budget proposals prior to public consultation being undertaken, and agreed the proposed approach to public consultation on, and equality impact assessments of, the 2023-24 Budget. The report also provided an update on the emerging service and other budget pressures along with key areas of risk and uncertainty.

4.6. The latest information about the Council's 2022-23 financial position is set out in the Financial Monitoring report elsewhere on the agenda (Period 8 as reported at January 2023). The Council's overarching budget planning for 2023-24 is based on the assumption that a balanced 2022-23 outturn position is delivered (i.e. that in aggregate savings are achieved as planned and there are no overall overspends). Where possible, ongoing pressures and non-delivery of savings identified within the forecast 2022-23 position have been provided for as detailed later in this paper. In particular the Children's Services overspend in 2022-23 has been considered as part of the 2023-24 budget process with pressures provided in the proposed Budget alongside the mitigating actions in place as set out elsewhere in this report and in financial monitoring.

4.7. As set out in Section 3 above, collectively the Spending Review 2021, Autumn Budget 2022 and DLUHC Policy Statement have provided indications of the medium term financial envelope within which local authorities will operate, but the Provisional Local Government Finance Settlement 2023-24 itself only set out funding allocations for one year. The failure to publish full medium term funding forecasts is disappointing and impacts on the Council's ability to plan over the longer term. The further significant delay to long awaited funding reforms, alongside the absence of any detail at this stage about the likely terms of reference for this funding review only serves to add further uncertainty to the Council's planning and associated forecasts.

4.8. Announcements in the Provisional Settlement were broadly in line with overall planning assumptions, or have been accompanied with associated spending pressures, such as the National Living Wage. As a result the provisional Settlement enables the Council to prepare a balanced 2023-24 Budget but is not sufficient to deliver a balanced position over the life of the MTFS. The Council therefore continues to expect to need to draw on its earmarked reserves over the period covered by the MTFS. This includes a significant draw on one-off resources in 2023-24, continuing the trend of the current year 2022-23 This is not however a sustainable position in the longer term. Some contributions into reserves will be made, but this mainly reflects the timing of spend funded from specific grants. Current planning does not include any draw on the Council's general balances, which are planned to be maintained at the minimum level of at least 5% of the net revenue budget. 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 saving proposals agreed as part of the 2022-23 budget, including those savings which are due for implementation during 2023-24, beyond those set out later in this report.

4.9. 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 2023-24. 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**.

4.10. The Executive Director of Finance and Commercial Services is required to comment on the robustness of budget proposals, and the estimates upon which the budget is based, as part of the annual budget-setting process. This assessment is set out in the Statement on the Robustness of Estimates 2023-24 (Appendix 4)). 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 therefore set out for Cabinet to consider in this report prior to budget-setting by County Council in February 2023.

4.11. **Subject to decisions about the level of council tax increase for 2023-24, the overall net budget proposed for 2023-24 is £493.707m (based on an increase of 4.99%).** The provisional Local Government Finance Settlement for 2023-24 was published 19 December 2022 but remains to be confirmed in January 2023 and therefore amendments may be required to reflect any changes. At this stage, no material adjustments in the Final Settlement are anticipated.

4.12. Table 4 below summarises the overall proposed final budget for 2023-24, including the cash limited budgets by service. Details of the proposed changes for each service are shown in Sections 8 to 12. The structure of the budget is based on the current Service Departments within the organisational framework[15]. Following the departure of the Director of Governance in January 2023, the services which previously formed the Governance Department (Nplaw and Governance) have been incorporated within Strategy and Transformation.

4.13. 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.

4.14. At the time of preparing this report in early January 2023, 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 2023-24 Budget may need to be altered to reflect any changes to government funding amounts for 2023-24 following the final Settlement publication, expected to be announced at the end of January or early February 2023. 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 2023-24 Budget.

4.15. In relation to council tax, if the County Council agrees to increase council tax by 4.99% overall (2.99% in relation to general council tax and 2.00% for the Adult Social Care precept), this would generate £23.356m additional funding in 2023-24. Further details about council tax are included within Section 5 of this report.

4.16. Service and budget planning for 2023-24 has been based on a number of assumptions about changes in core government funding, which remain to be

[15] As highlighted previously, there may be further changes to the organisational structure as a result of the Strategic Review and the departure of the Executive Director of Finance and Commercial Services in April 2023. As the detailed implications remain to be confirmed, these are not incorporated in this report but will be reflected as far as possible in the 2023-24 Budget Book.

confirmed. The details of all such assumptions and the remaining key risks are set out later in this section of the 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.

4.17. **Cabinet is asked to recommend to County Council the 2023-24 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.

Table 4: Net Revenue Budget

Service Department	2022-23 Base Budget	Budget increases - cost pressures	Budget decreases - savings	2023-24 Recommended Budget before funding and cost neutral changes	Net funding changes	Net cost neutral changes	2023-24 Recommended Net Budget
	£m	£m	£m	£m	£m	£m	£m
Adult Social Services	263.184	50.176	-28.040	**285.321**	-36.170	0.330	249.481
Children's Services	189.065	55.187	-12.517	**231.735**	0.000	0.858	232.593
Community and Environmental Services	166.162	19.823	-10.254	**175.731**	0.024	1.354	177.109
Strategy and Transformation	10.720	3.752	-2.042	**12.429**	0.000	0.331	12.761
Finance and Commercial Services	33.424	3.297	-1.200	**35.520**	0.000	0.273	35.793
Finance General	-198.432	16.603	-5.650	**-187.480**	-23.404	-3.146	-214.029
Total	**464.123**	**148.838**	**-59.704**	**553.257**	**-59.550**	**0.000**	**493.707**

Note: Tables throughout the budget reports are rounded to the nearest £0.001m and therefore may not sum exactly.

4.18. The change in the Adult Social Services Net Budget 2022-23 to 2023-24 reflects significant growth pressures of £50.176m (including inflation and market pressures), offset by savings of -£28.040m resulting in a net increase of £22.136m in the Department’s budget before funding and cost neutral changes. Within the 2023-24 Budget it is proposed that additional social care grant funding be recognised in full within the Adult Social Services base budget.

4.19. 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.

4.20. Note:

- Budget increases of £148.838m include £41.528m inflationary pressures, £31.069m legislative pressures, £20.495m of demand and demographic pressures and £55.746m of pressures arising from policy decisions. See detailed Service Budgets in Sections 8 to 12 for further details.
- Details of £59.704m total savings are also shown within the relevant Service Department in Sections 8 to 12. Within the total budget savings, £24.173m (40%) relate broadly to transformation of services or service delivery in 2023-24. £17.052m relate to one-off savings in 2023-24, which will result in a pressure in subsequent years[16]. These are detailed in Table 6 below. The budget also includes one-off use of reserves (included in Table 6) and detailed in the Reserves and Balances report (Appendix 3).
- The net funding increase of £59.550m includes £75.665m funding increases and £16.115m funding decreases as shown in Table 5.
- Further details of the £4.570m of cost neutral changes are provided in the detailed Service Budgets in Sections 8 to 12.
- The change in the net revenue budget between 2022-23 and 2023-24 is £29.584m. The breakdown of this is set out in Table 7 below.

[16] Note the transformation savings include some one-off items and vice versa

Table 5: Breakdown of net funding changes

	2023-24
	£m
Funding increases	
Government Funding changes: Social Care Funding (£25.030m Social Care Grant, £9.785m "ASC Market Sustainability and Improvement Fund")	-34.815
CPI increase in Business Rates budget	-16.355
One-off application of Business Rates Risk reserve to support 2023-24 revenue budget	-7.752
2023-24 Services Grant	-6.022
Government Funding changes: ASC Discharge Fund	-5.554
Change in Revenue Support Grant	-4.170
Rebase Business Rates budget	-0.996
Total funding increases	**-75.665**
Funding decreases	
Removal of 2022-23 "Services Grant" one-off (share of £1.5bn pa SR21 announcement)	10.687
Removal of 2022-23 Social Care Reform grant	2.821
Adults grant assumption decreases (2023-24 Independent Living Fund rolled in to Social Care Grant)	1.379
New Homes Bonus Grant	1.205
Food Safety Enforcement grant rolled into main settlement 2023-24	0.024
Total funding decreases	**16.115**
Net funding changes	**-59.550**

Table 6: One-off savings and use of reserves

		2022-23
Ref	**Saving**	**£m**
S2324ASS041	One-off usage of ASC Reserves	-3.000
S2324ASS045	One-off usage of ASC Reserves: Additional one-off usage of ASC Reserves (reprioritisation).	-2.000
S2324ASS052	Additional capitalisation to release further one-off reserves	-4.000
S2324CS024	Contract efficiencies: Efficiency savings through reducing management roles and one-off inflationary savings.	-0.100
S2324CS033	One-off funding of transformation spend from capital receipts	-2.500
S2324CES123	One-off usage of CES Reserves	-1.000
S2324CES129	One-off saving from Trading Standards staffing budget	-0.042
S2324CES130	Armed forces covenant - reduce funding contribution for one year	-0.010
S2324CES133	Vehicle replacement fund	-0.300
S2324CES136	Fire and Rescue Service efficiencies	-0.050
S2324CES146	Application of Business Rates Pool funds to support Norfolk Investment Framework (NIF) expenditure	-2.000
S2324CES147	One-off application of CES reserves to support core budget	-1.000
S2324S&T008	One-off usage of S&T Reserves	-0.050
S2324FG016	One-off application of Finance General reserves to support core budget	-1.000
	Total savings	**-17.052**
	One-off application of Business Rates Risk reserve to support 2023-24 revenue budget	-7.752

4.21. 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 15 and details provided within Table 26 to Table 31.
- The Budget and Medium Term Financial Strategy (MTFS) includes the 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 throughout these reports and particularly within the MTFS (Appendix 2).

Table 7: Change in Net Revenue Budget 2022-23 to 2023-24

	£m
Budgeted council tax 2022-23	464.123
Increase due to:	
Tax base change (increase 3,876 Band D equivalent)	5.880
General council tax increase (2.99%)	14.024
Adult Social Care precept (2.00%)	9.331
Forecast increase in Collection Fund[17]	0.348
Budgeted council tax 2023-24	**493.707**

Revisions to saving proposals

4.22. The table below sets out a summary of the savings proposals for 2023-24 to 2026-27. After adjustment for changes to saving proposals brought forward from the 2022-23 Budget, the Council has identified a net £50.545m of new savings proposals in this budget round to help enable the Council to set a balanced budget for 2023-24. Since reporting proposed savings for public consultation to Cabinet in October 2022, a number of additional proposals have been identified, and some savings, including plans brought forward from previous years, have been removed, or the saving value has been reassessed. Further details of all the savings within 2023-24 planning can be found in the detailed Service Budgets in Sections 8 to 12. In particular, the following changes have been made to the proposals considered by Cabinet in October and included in public consultation:

Savings removed from 2023-24 planning

- Children’s Services: Review of budget assumptions: Review of mainstream Post 16 transport policy and subsidies. -£0.100m
- Children’s Services: Review of all Children’s Services grants: Review to determine grants which can be ceased or reduced -£0.140m
- Children’s Services: Withdrawing from Professional Development Centre (PDC) building -£1.250m. *Note – withdrawal from site and disposal approval process to be progressed, but this delivers a capital receipt which is not a direct revenue saving.*
- Community and Environmental Services: Recycling Centres: Wednesday closures -£0.200m

[17] The Collection Fund position in 2021-22 reflected a material movement from a surplus position in the 2020-21 Budget to a deficit position for 2021-22, due to the impact of the COVID-19 pandemic on council tax collections in 2020-21. Government subsequently made provision to mandate that any deficit arising in 2020-21 must be phased over a three year period. The movement forecast for 2023-24 reflects a continuation of the improved Collection Fund position from 2022-23, and includes the final year of this deficit phasing from 2020-21. All Norfolk districts apart from King’s Lynn and West Norfolk are forecasting a surplus position on the Collection Fund as set out in Table 22 of this report.

Savings amended in 2023-24 planning

- Community and Environmental Services: Strategic salt storage facility at Ketteringham Depot -£0.045m *Delivery of saving deferred to 2026-27*
- Community and Environmental Services: Review of budget assumptions: Removal of growth and cost pressures previously assumed in the Community and Environmental Services budget which are no longer expected to be required. -£1.211m *Saving reduced by £0.011m*
- Community and Environmental Services: Review of Norfolk's Mobile Library Service -£0.200m *The total saving value to be achieved and the overall approach to delivery of the proposal have been significantly revised following public consultation.*[18] *Saving reduced by £0.093m See* [*Appendix 7*](#) *for full details of the revised proposal.*

Table 8: Summary of recurring net new budget savings by Department

	2023-24 Saving £m	2024-25 Saving £m	2025-26 Saving £m	2026-27 Saving £m	Total Saving £m
Adult Social Services	-23.865	8.400	-2.500	-2.000	**-19.965**
Children's Services	-7.617	2.588	0.050	0.000	**-4.979**
Community and Environmental Services	-10.018	2.819	0.570	-0.045	**-6.674**
Strategy and Transformation	-2.244	0.050	1.571	0.000	**-0.624**
Finance and Commercial Services / Finance General	-6.800	0.540	-0.360	-0.240	**-6.860**
Grand Total	**-50.545**	**14.397**	**-0.669**	**-2.285**	**-39.102**

Strategic Review

4.23. To support the Council in meeting the financial challenges of the next few years, the Strategic Review was commissioned (Cabinet, 4 April 2022,[19]) to identify opportunities to redesign how we are organised to support and deliver the services that residents of Norfolk rely upon in the most efficient and effective ways. This Strategic Review has considered all parts of the organisation but the focus to date has been on ensuring our enabling functions and management structures are fit for the future, limiting disruption to frontline services that are directly supporting our residents and communities.

4.24. The Strategic Review has identified significant opportunities to deliver savings from these changes to our organisation design and ways of working, the first tranche of which have been included in these budget proposals. They represent a whole Council response to delivering on our Strategic Plan, recognising the challenging financial context. Where we are implementing new models for our enabling and support services, some of which will require staff consultation given the extent of changes proposed, these are expected to

[18] The proposal to undertake a review of Norfolk's Mobile Library Service was subject to a consultation in Sumer 2022: https://norfolk.citizenspace.com/consultation/mobilelibraries/, it did not therefore form part of the budget consultation in October 2022.
[19] Agenda Item 12: Document.ashx (cmis.uk.com)

provide non-financial benefits as well. The financial savings identified as part of the Strategic Review respond to one or more of the following drivers:

- Remove areas of duplication or clarify accountabilities and ways of working, in particular for how our ‘enabling’ services work with departments delivering to residents and communities;
- Refocus and consolidate capability within our enabling services and improve the ability to direct the right resources to agreed priorities and collaborate to support departments or major projects;
- Apply consistent organisational design principles, including in the number of management levels and spans of control for managers across our organisation, to improve clarity of accountability, line management and operational decision making;
- Reduce operating costs by safely removing roles in areas where work can be redistributed, stopped or redesigned to be undertaken with less capacity.

4.25. A total of £17m has been identified with changes and resulting savings across all departments, that deliver against the agreed priorities and scope of the Strategic Review. Due to the complexity and importance of the task, and the need to design and implement these changes while ensuring stability and sustaining improvement achieved in our safety-critical services, changes will be brought forward in phases in 2023-24, with full-year effects realised in 2024-25. Further plans are already being drawn up to build on the foundations that are being put in place over the next few months as a result of the Strategic Review. Additional benefits to ways of working and resulting financial savings are anticipated to be identified for 2024-25 and 2025-26 as the next phases of the Strategic Review. There will be broadening and deepening of proposals being brought forwards for 2023-24, and also new proposals that continue to strengthen the Council’s resilience and deliver efficient and effective services and outcomes. It is considered that it would be realistic for phase two of the Strategic Review to target to make a material contribution of c.£10m towards reducing the forecast 2024-25 gap.

4.26. As the changes are embedded, they will provide the platform for a more joined-up approach across the Council to wider changes and opportunities in the local system, in particular our participation in the Integrated Care System with health partners and the implementation of the recently agreed County Deal.

4.27. The proposed 2023-24 Budget includes the savings set out by Department in the following table and linked to the Strategic Review. Further details of all individual savings within the 2023-24 Budget are provided in the detailed Service Budgets in Sections 8 to 1212.

Table 9: Summary of proposed Strategic Review savings by Department

	2023-24 Saving £m
Adult Social Services	-4.800
Children's Services	-5.418
Community and Environmental Services	-2.557
Strategy and Transformation	-2.268
Finance and Commercial Services / Finance General	-2.020
Grand Total	**-17.063**

4.28. 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 2023-24 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 contribute to ensuring that the 2023-24 Budget will be both robust and deliverable. The net saving position above reflects the removal or delay of £3.040m of saving proposals brought forward from previous budget rounds.

4.29. Details of the key elements of the Council’s proposed revenue budget are set out here.

Income

4.30. The Council has four main funding streams:

- Business Rates Retention Scheme (including Revenue Support Grant)
- Council Tax
- Specific Grants
- Fees and Charges

4.31. The main issues in relation to each of these are as follows:

1. **Business Rates Retention Scheme**
The provisional Local Government Funding Settlement in December 2022 set out details of the Council’s Settlement Funding Assessment (SFA) allocations for 2023-24, which include the authority’s Revenue Support Grant (RSG) and business rates baseline funding level.

The business rates baseline within SFA is normally uprated annually in line with CPI (previously RPI up to 2017-18). For 2023-24, the Government has announced that the Business Rate multiplier will again be frozen. The real terms 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 for 2023-24.

The tables below show the breakdown of the 2023-24 Settlement Funding Assessment compared to the 2022-23 allocations, and the component elements. In overall terms, the provisional Settlement shows an increase of £9.945m or 5.08% to core government funding compared to the 2022-23 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 2023.

Table 10: Provisional Settlement Funding Assessment changes

	2022-23 Actual	**2023-24 Provisional**	**% Change (2022-23 actual to 2023-24 provisional)**
	£m	**£m**	**%**
Upper-tier funding within Baseline Funding Level	147.134	152.640	3.74%
Fire and Rescue within Baseline Funding Level	7.884	8.179	3.74%
Total Baseline Funding Level	**155.019**	**160.820**	**3.74%**
Upper-tier funding within RSG	36.628	40.343	10.14%
Fire and Rescue within RSG	4.232	4.661	10.14%
Total Revenue Support Grant	**40.860**	**45.004**	**10.14%**
Total Settlement Funding Assessment	**195.879**	**205.824**[20]	**5.08%**

[20] RSG figures stated in Table 10 exclude the grants rolled in at the Provisional Settlement and therefore do not equal to the total RSG and SFA figures shown in Table 11.

Table 11: Breakdown of Provisional Settlement Funding Assessment

	2022-23 Actual	2023-24 Provisional	Change (2022-23 actual to 2023-24 provisional)
	£m	£m	£m
Settlement Funding Assessment	**195.903**	**205.875**	**9.972**
Notional breakdown:			
Revenue Support Grant	40.885	45.055	**4.170**
Business Rates Baseline	155.019	160.820	**5.801**
Via: Top-up	*127.897*	*132.936*	***5.039***
Retained Rates	*27.122*	*27.884*	***0.762***

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 recommended 2.99% increase in general (basic) council tax and a 2.00% increase in the Adult Social Care precept. This **4.99%** increase is within the referendum threshold, generates £23.356m of additional income and results in total council tax of £493.707m for the year.

The Council has previously opted to raise council tax including the adult social care precept as shown below:

Table 12: Previous council tax increases

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
General increase	1.99%	1.80%	2.99%	2.99%	1.99%	1.99%	1.99%
ASC precept increase	2.00%	3.00%	3.00%	0.00%[21]	2.00%	2.00%[22]	1.00%[23]
Total increase	**3.99%**	**4.80%**	**5.99%**	**2.99%**	**3.99%**	**3.99%**	**2.99%**

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,

[21] No increase available as maximum 8% taken in period 2016-17 to 2018-19.
[22] Maximum 3% available, 1% deferred to 2022-23.
[23] 1% deferred from 2021-22. Additional 1% not taken 2022-23.

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 13: List of key grants and funding

	2022-23	2023-24	2024-25	2025-26	2026-27
	Budget	Estimated	Estimated	Estimated	Estimated
	£m	£m	£m	£m	£m
Un-ring-fenced					
Business Rates	168.196	185.547	185.547	185.547	185.547
Revenue Support Grant	40.885	45.055	45.055	45.055	45.055
Rural Services Delivery Grant	4.178	4.178	4.178	4.178	4.178
Social Care Grant	41.495	66.525	66.525	66.525	66.525
Market Sustainability and Fair Cost of Care Fund	2.821	0.000	0.000	0.000	0.000
ASC Market Sustainability and Improvement Fund	0.000	9.785	9.785	9.785	9.785
ASC Discharge Fund	0.000	5.554	20.919	20.919	20.919
Services Grant	10.687	6.022	0.000	0.000	0.000
New Homes Bonus	1.833	0.628	0.000	0.000	0.000
School Improvement Monitoring and Brokering Grant	0.296	0.296	0.296	0.296	0.296
Fire Pension Grant	1.629	1.629	1.629	1.629	1.629
Fire Revenue	1.184	1.184	1.184	1.184	1.184
Inshore Fisheries	0.152	0.152	0.152	0.152	0.152
Local reform and community voices	0.581	0.581	0.581	0.581	0.581
Social Care in Prisons	0.345	0.345	0.345	0.345	0.345
War Pensions Scheme Disregard	0.248	0.248	0.248	0.248	0.248
Extended rights to free travel (Local Services Support Grant)	1.387	1.387	1.387	1.387	1.387
PFI Revenue Grant (streetlights and schools)	7.905	7.905	7.905	7.905	7.905
Independent Living Fund Grant	1.379	0.000	0.000	0.000	0.000
Improved Better Care Fund	39.617	39.617	39.617	39.617	39.617
Ring-fenced					
Public Health	42.261	43.318	43.318	43.318	43.318
Dedicated Schools Grant	729.191	787.655	787.655	787.655	787.655
Pupil Premium Grant	36.332	36.332	36.332	36.332	36.332
Locally collected tax (forecasts)					
Council tax (assuming increase 4.99% 2023-24 & 2024-25, 2.99% 2025-26, 1.99% 2026-27)	464.123	493.707	521.121	542.070	558.386

Shaded items remain to be confirmed

4. **Fees and Charges**

4.32. Fees and charges are an important source of income, and the Council charges for some discretionary services. Inflationary increases to fees and charges have been included within the budget where appropriate.

Expenditure – underlying trends

4.33. The aim of the budget planning process is to prepare 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 cost drivers affecting Norfolk County Council that have been incorporated into the 2023-24 budget plans are:

1. **Price inflation**
   A significant proportion of the Council's services continues to be delivered externally to the County Council – through partners, private sector contracts, and via the council's own companies (including Norse). This means that contractual arrangements are a key driver of the Council's cost pressures, and many contracts are linked to CPI, RPI or other indices. 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. While difficult to identify separately, inflationary price rises are being driven by a range of factors including the war in Ukraine and its associated impact on energy and fuel costs, the wider "cost of living crisis", the legacy of the Covid-19 pandemic and wider changes in the economy.

2. **Demographics**
   Demand for services continues to rise, both through the age profile of the county, wider 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. In children's social care, the national picture, driven in part by the pandemic, continues to show a significant rise in demand both in terms of numbers and complexity of need, and thus cost. There is uncertainty about the impacts of reforms to Adult Social Care arrangements which could also give rise to a significant increase in demand by self-funders for the Council to arrange care services. Prior to the Autumn Statement announcement delaying charging reforms until October 2025, Government had indicated that these Fair Cost of Care reforms would be implemented in stages from October 2023 to April 2025.

3. **Pay award and the National Living Wage**
   The annual pay award and National Living Wage increases for both the Council's directly employed staff and contracted services are an important cost driver. At the time of preparing the 2023-24 Budget, the 2022-23 pay

award has been confirmed as a £1,925 flat rate uplift for all employees. This equates to approximately a 5.5% increase across the Council's full staffing structure. No announcements about negotiations for 2023-24 pay awards have been made, although there is likely to be continued significant upward pressure on pay given wider inflation rates and the wider economic situation. The Budget makes provision to fully fund the 2022-23 pay award on an ongoing basis and further makes provision for a pay award of up to 5% for all staff in 2023-24. The pay award remains subject to confirmation at this point, but collectively these pay adjustments (compared to assumptions brought forward from 2022-23) total £14.887m in the 2023-24 Budget, materially higher than the trend rate in recent years.

4. **Ongoing costs of COVID-19 pandemic**
Beyond the more generalised impact of COVID-19 on wider costs, which is now effectively built into the Council's baseline budget, additional specific costs have been experienced across a range of Council services. Some of these costs, for example outbreak management activities, were met via specific Government funding in 2022-23. In December 2022, Government confirmed that any remaining COVID Outbreak Management Fund (COMF) can be carried over "*into the 2023-24 financial year for purposes of COVID control and COVID recovery, including mitigating the impact of COVID on health and health inequalities in your populations.*" However, in a number of other areas, such as social care, exceptional and other costs of responding to the COVID-19 pandemic (whether short or long term) will continue to need to be met within existing Council budgets.

5. **Increased costs of borrowing**
Increased costs are anticipated from 2023-24 in line with borrowing forecast to be undertaken in 2022-23 and 2023-24, 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.

4.34. 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. Government has confirmed the extension of the capital receipts flexibility for a further three years from 2022-23 (until 2024-25)[24]. Proposed changes to the capital framework for local government[25] may have an impact on the Council's

[24] https://www.gov.uk/government/publications/final-guidance-on-flexible-use-of-capital-receipts
[25] https://www.gov.uk/government/consultations/changes-to-the-capital-framework-minimum-revenue-provision/consultation-on-changes-to-the-capital-framework-minimum-revenue-provision

planning assumptions in relation to Minimum Revenue Provision. However, Government has confirmed that "*any regulation changes will not be implemented on a mandatory basis earlier than April 2024*" and this is reflected in 2023-24 planning.

4.35. 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 9% 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 2023-27+ programme and funding plans.

4.36. Financial planning assumptions for future years take account of the latest monitoring position for 2022-23, as reported to Cabinet elsewhere on this agenda. Further details of the financial planning context are set out in the Medium Term Financial Strategy 2023-27.

4.37. The Statement on the Robustness of Estimates 2023-27 (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 2023-27 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 £25.340m for 2023-24. Provision has been made within the 2023-24 position to increase the General Fund to contribute to maintaining a target balance of at least 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 2022-23 accounts. The Medium Term Financial Strategy 2022-26 assumes that general balances will remain at or above the recommended level.

Expenditure and savings – proposals

4.38. Table 26 to Table 31 set out in detail the proposed cash limited budget for all Service Departments for 2023-24, and the medium term financial plans for 2024-25 to 2026-27. 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.

4.39. 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 19 December 2022, but the final settlement is not expected to be confirmed until the end of January / early February 2023.

4.40. 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.

4.41. The table below provides a summary of the changes in budget planning from the February 2022 MTFS to the current position across the four years of the 2023-27 MTFS.

Table 14: Budget planning position 2023-24 to 2026-27 – changes from the 2022-23 MTFS position

	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
Medium Term Financial Strategy 2022-26					
Cost pressures and funding decreases					
Economic and inflationary pressures	22.119	23.016	23.016	0.000	**68.151**
Legislative requirements	16.225	6.760	-0.200	0.000	**22.785**
Demand and demographic pressures	21.270	17.050	11.650	0.000	**49.970**
NCC policy decisions	36.234	2.821	-1.732	0.000	**37.323**
Funding decreases	1.833	0.000	0.000	0.000	**1.833**
Total cost pressures and funding decreases	**97.682**	**49.647**	**32.734**	**0.000**	**180.062**
Council tax					
Collection Fund	-0.080	2.000	0.000	0.000	**1.920**
Council tax increase %	-13.958	-14.519	-15.103	0.000	**-43.580**
Tax base increase	-4.622	-4.808	-5.001	0.000	**-14.431**
Total change in council tax income	**-18.660**	**-17.327**	**-20.104**	**0.000**	**-56.091**
Savings and funding increases					
Adult Social Services	-4.175	-5.700	0.000	0.000	**-9.875**
Children's Services	-4.900	-2.500	0.000	0.000	**-7.400**
Community and Environmental Services	-0.236	0.000	0.000	0.000	**-0.236**
Strategy and Transformation	0.102	0.000	0.000	0.000	**0.102**
Governance	0.100	0.000	0.000	0.000	**0.100**
Finance and Commercial Services	-0.300	0.000	0.000	0.000	**-0.300**
Finance General	0.250	0.000	0.000	0.000	**0.250**
Sub-total savings	**-9.159**	**-8.200**	**0.000**	**0.000**	**-17.359**
Funding increases	-9.936	0.000	0.000	0.000	**-9.936**
Total savings and funding increases	**-19.095**	**-8.200**	**0.000**	**0.000**	**-27.295**
Original gap at MTFS 2022-23 to 2025-26 (Surplus)/Deficit	**59.927**	**24.120**	**12.630**	**0.000**	**96.677**

Appendix 1: Norfolk County Council Revenue Budget 2023-24

	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
Extend MTFS assumptions for 2026-27					
Economic and inflationary pressures	0.000	0.000	0.000	23.670	**23.670**
Legislative requirements	0.000	0.000	0.000	0.000	**0.000**
Demand and demographic pressures	0.000	0.000	0.000	11.000	**11.000**
NCC policy decisions	0.000	0.000	0.000	0.124	**0.124**
Council tax increase %	0.000	0.000	0.000	-10.456	**-10.456**
Tax base increase	0.000	0.000	0.000	-5.202	**-5.202**
MTFS Gap 2023-24 to 2026-27 (Surplus)/Deficit [Reported to April 2022 Cabinet]	**59.927**	**24.120**	**12.630**	**19.137**	**115.814**
New pressures and changes to MTFS assumptions for 2023-27					
Economic and inflationary pressures					
Remove NI 2022-23 1.25% increase (abolition of H&SC Levy)	-2.790	0.000	0.000	0.000	**-2.790**
Pay award 2022-23 (£1,925 on all SCP)	15.605	0.000	0.000	0.000	**15.605**
Central provision for pay award 2022-23 allocated to services (originally assumed 3%)	-7.484	0.000	0.000	0.000	**-7.484**
Basic inflation - Pay (2023-24 additional c2% central contingency, 1% 2024-25)	6.766	3.319	0.000	0.000	10.515
Remove 2022-23 inflation contingency not required	-0.296	0.000	0.000	0.000	-0.296
Non-pay inflation update	7.431	-1.899	-1.313	-1.442	2.777
Insurance premium uplift pressures anticipated c15% (10% provided)	0.176	0.000	0.000	0.000	0.176
Legislative requirements					
Increase in the local levy to the Regional Flood and Coastal Committees of up to 3.00% (Cabinet 03/10/2022)	0.028	0.000	0.000	0.000	**0.028**
Additional costs of External Audit following PSAA re-procurement exercise 2022	0.188	0.000	0.000	0.000	**0.188**
Market pressures including National Living Wage and cost of care	9.250	0.000	0.000	0.000	**9.250**
ASC Discharge Fund pooled within iBCF - cost pressures	5.554	0.000	0.000	0.000	**5.554**
Children's Services additional inflationary pressures including impact of National Living Wage	7.000	0.000	0.000	0.000	**7.000**
Remove pressures linked to Social Care reform - cost of care due to implementation delay	-7.626	0.000	0.000	0.000	**-7.626**
Increase in Apprenticeship levy to reflect historic pay awards and actual costs	0.450	0.000	0.000	0.000	**0.450**
Demand and demographic pressures					
Coroners - increased pathologist fees	0.100	0.000	0.000	0.000	**0.100**
Loss of income due to lower demand for chargeable services post-COVID (Children’s traded services)	0.150	0.000	0.000	0.000	**0.150**

	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
Reduction in Waste pressure - demand and demographic (tonnage)	-1.100	0.000	0.000	0.000	**-1.100**
Reprofile Future maintenance costs of Great Yarmouth 3rd river crossing	-0.100	0.100	0.000	0.000	**0.000**
Great Yarmouth 3rd river crossing - future electricity costs for bridge operation	0.175	0.000	0.000	0.000	**0.175**
Provision for future Service Pressures	0.000	25.000	25.500	26.010	**76.510**
NCC policy decisions					
Adult Social Care one-off funding for inspection and assurance preparation activities	2.000	-2.000	0.000	0.000	**0.000**
Children's Services recurrent pressures arising from 2022-23 service levels (2022-23 overspend)	20.000	0.000	0.000	0.000	**20.000**
DSG/HNB recovery plan "Safety Valve" - Norfolk County Council contribution	5.500	0.000	0.000	0.000	**5.500**
ICT support to enable WFH equipment provision	0.031	0.000	0.000	0.000	**0.031**
Green energy tariff via ESPO	0.161	0.000	0.000	0.000	**0.161**
Delivery of Environmental policy 2024-25	0.000	0.150	0.000	0.000	**0.150**
Implementation of council tax maximisation activities with partners	0.250	0.000	0.000	0.000	**0.250**
Minimum Revenue Provision	-10.555	-0.503	1.720	1.954	**-7.385**
Interest payable from Repton	-0.900	0.000	0.000	0.000	**-0.900**
One-off interest payable / receivable Treasury Management adjustment	-2.200	2.200	0.000	0.000	**0.000**
County Deal - implementation costs including consultation	0.250	-0.250	0.000	0.000	**0.000**
Growth and Development - Norfolk Investment Framework (NIF) expenditure (one-off)	2.000	-2.000	0.000	0.000	**0.000**
Growth and Development - Local Transport Plan	0.000	0.300	0.000	0.000	**0.300**
Growth and Development - Transport for Norwich	0.000	0.200	0.000	0.000	**0.200**
Fire Service - Lease cars pressure - cost increases including EV provision, and increased fleet requirement	0.430	0.000	0.000	0.000	**0.430**
Fire Service - Norse contractual pressures for fleet services	0.266	0.000	0.000	0.000	**0.266**
Fire Service - Resource pressure to support NFRS improvement "People" activity following HMI inspection report	0.155	0.000	0.000	0.000	**0.155**
Coroners resource / capacity increase to address volumes of work	0.200	0.000	0.000	0.000	**0.200**
Provision to increase General Fund level to maintain at target 5% net Budget	0.250	0.000	0.000	0.000	**0.250**
8% Market Supplement for Nplaw Grades I to N until 31 October 2023	0.142	-0.142	0.000	0.000	**0.000**
Transformation service - growth pressure following Strategic Review (funded by capital receipt flexibility)	1.531	0.000	-1.531	0.000	**0.000**
Funding decreases					
Reverse assumptions for Social Care Reform grant	10.447	0.000	0.000	0.000	**10.447**
Reverse NCC assumptions for transitional arrangements in 2023-24 Fair Funding Review	12.000	0.000	0.000	0.000	**12.000**

	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
Adults grant assumption decreases (2023-24 Independent Living Fund rolled in to Social Care Grant)	1.379	0.000	0.000	0.000	**1.379**
Food Safety Enforcement grant rolled into main settlement 2023-24	0.024	0.000	0.000	0.000	**0.024**
Funding increases					
One-off application of Business Rates Risk reserve to support 2023-24 revenue budget	-7.752	7.752	0.000	0.000	**0.000**
2023-24 Services Grant	-6.022	0.000	0.000	0.000	**-6.022**
Government Funding changes: Social Care Funding (£25.030m Social Care Grant, £9.785m "ASC Market Sustainability and Improvement Fund")	-34.815	-15.364	0.000	0.000	**-50.179**
Change in Revenue Support Grant	-4.170	0.000	0.000	0.000	**-4.170**
CPI increase in Business Rates budget	-16.355	0.000	0.000	0.000	**-16.355**
New Homes Bonus Grant	-0.628	0.628	0.000	0.000	**0.000**
Government Funding changes: ASC Discharge Fund	-5.554	0.000	0.000	0.000	**-5.554**
Changes to savings proposals brought forward					
Reversal / delay of savings brought forward - ASS027 Extra care housing, and ASS008 Supported Housing	1.500	0.000	0.000	0.000	**1.500**
Reversal / delay of savings brought forward - CES capitalisation ArcGIS	0.100	0.000	0.000	0.000	**0.100**
Rephasing of Museums savings brought forward	0.435	-0.435	0.000	0.000	**0.000**
Reversal of HR savings linked to software and system savings	0.099	0.000	0.000	0.000	**0.099**
Rephasing of savings brought forward - FCS	0.700	-0.180	-0.180	0.000	**0.340**
Reversal of previous savings no longer deliverable: CHL003 Young Parent & Baby Semi-Independent Accommodation, CHL001: Specialist social care housing support, reduced family court costs and reducing LAC numbers, Smarter working: mobile phone reduction through introduction of text service from personal phones	1.241	0.000	0.000	0.000	**1.241**
Reprofiling of planned Children's Services savings to reflect early delivery	-1.100	1.100	0.000	0.000	**0.000**
New savings proposals developed for 2023-24 budget setting					
Adult Social Services	-25.365	8.400	-2.500	-2.000	**-21.465**
Children's Services	-7.758	1.488	0.050	0.000	**-6.220**
Community and Environmental Services	-10.553	3.254	0.570	-0.045	**-6.774**
Strategy and Transformation	-2.268	0.050	1.571	0.000	**-0.647**
Governance	-0.075	0.000	0.000	0.000	**-0.075**
Finance and Commercial Services	-1.600	-0.230	-0.180	0.000	**-2.010**
Finance General	-5.900	0.950	0.000	0.000	**-4.950**

	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
<u>Changes in council tax assumptions</u>					
Collection Fund	-0.268	0.268	0.000	0.000	**0.000**
Council tax increase %	-9.398	-10.249	-0.635	-0.439	**-20.720**
Tax base increase	-1.258	-0.107	-0.210	-0.219	**-1.794**
Gap for 2023-24 to 2026-27 MTFS	**0.000**	**45.920**	**35.491**	**42.716**	**124.127**

4.42. Reflecting these proposed adjustments, the resulting budgets for the period of the MTFS are shown below.

Table 15: Summary Net Budget Changes 2023-24

	Adult Social Services	Children's Services	Community and Environmental Services	Strategy and Transformation	Finance and Commercial Services	Finance General	Norfolk County Council
	£m	£m	£m	£m	£m	£m	£m
Base Budget 2022-23	263.184	189.065	166.162	10.720	33.424	-198.432	**464.123**
Growth							
Economic and inflationary	12.944	11.997	12.268	1.343	3.157	-0.181	**41.528**
Legislative requirements	21.532	7.000	-0.190	0.000	0.000	2.727	**31.069**
Demand and demographic	6.700	11.650	1.965	0.180	0.000	0.000	**20.495**
Policy decisions	9.000	24.540	5.780	2.228	0.140	14.057	**55.746**
Funding reductions	4.199	0.000	0.024	0.000	0.000	11.892	**16.115**
Cost neutral increases	0.580	1.266	1.504	0.356	0.813	0.050	**4.570**
Total budget increase	**54.956**	**56.453**	**21.351**	**4.108**	**4.110**	**28.545**	**169.523**
Reductions							
Total savings	-28.040	-12.517	-10.254	-2.042	-1.200	-5.650	**-59.704**
Funding increases	-40.369	0.000	0.000	0.000	0.000	-35.296	**-75.665**
Cost neutral decreases	-0.250	-0.409	-0.151	-0.025	-0.540	-3.196	**-4.570**
Total budget decrease	**-68.659**	**-12.926**	**-10.405**	**-2.067**	**-1.740**	**-44.142**	**-139.939**
Base Budget 2023-24	**249.481**	**232.593**	**177.109**	**12.761**	**35.793**	**-214.029**	**493.707**

Funded by: Council tax	-491.439
Collection Fund surplus	-2.268
	-493.707
2023-24 Budget Gap	0.000

Table 16: Summary Net Budget Changes 2024-25

	Adult Social Services	Children's Services	Community and Environmental Services	Strategy and Transformation	Finance and Commercial Services	Finance General	Norfolk County Council
	£m	£m	£m	£m	£m	£m	£m
Base Budget 2023-24	249.481	232.593	177.109	12.761	35.793	-214.029	**493.707**
Growth							
Economic and inflationary	8.960	5.772	4.361	0.496	1.078	3.768	**24.436**
Legislative requirements	7.010	0.000	-0.250	0.000	0.000	0.000	**6.760**
Demand and demographic	5.500	9.500	2.150	0.000	0.000	25.000	**42.150**
Policy decisions	-2.000	-0.540	-1.350	-0.281	0.000	4.947	**0.776**
Funding reductions	0.000	0.000	0.000	0.000	0.000	0.628	**0.628**
Cost neutral increases	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Total budget increase	**19.471**	**14.732**	**4.911**	**0.215**	**1.078**	**34.344**	**74.750**
Reductions							
Total savings	2.700	0.088	2.819	0.050	-0.410	0.950	**6.197**
Funding increases	-15.364	0.000	0.000	0.000	0.000	7.752	**-7.612**
Cost neutral decreases	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Total budget decrease	**-12.664**	**0.088**	**2.819**	**0.050**	**-0.410**	**8.702**	**-1.415**
Base Budget 2024-25	**256.287**	**247.412**	**184.839**	**13.025**	**36.461**	**-170.984**	**567.041**

Funded by: Council tax	-521.121
Collection Fund surplus	0.000
	-521.121
2023-24 Budget Gap	0.000
2024-25 Budget Gap	45.920

Table 17: Summary Net Budget Changes 2025-26

	Adult Social Services	Children's Services	Community and Environmental Services	Strategy and Transformation	Finance and Commercial Services	Finance General	Norfolk County Council
	£m	£m	£m	£m	£m	£m	£m
Base Budget 2024-25	256.287	247.412	184.839	13.025	36.461	-170.984	**567.041**
Growth							
Economic and inflationary	9.068	6.041	4.516	0.514	1.102	0.461	**21.702**
Legislative requirements	0.000	0.000	-0.200	0.000	0.000	0.000	**-0.200**
Demand and demographic	6.100	3.500	2.050	0.000	0.000	25.500	**37.150**
Policy decisions	0.000	-0.100	0.250	-1.413	0.000	-0.280	**-1.543**
Funding reductions	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**
Total budget increase	**15.168**	**9.441**	**6.616**	**-0.899**	**1.102**	**25.681**	**57.109**
Reductions							
Total savings	-2.500	0.050	0.570	1.571	-0.360	0.000	**-0.669**
Funding increases	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**
Total budget decrease	**-2.500**	**0.050**	**0.570**	**1.571**	**-0.360**	**0.000**	**-0.669**
Base Budget 2025-26	**268.955**	**256.903**	**192.026**	**13.697**	**37.203**	**-145.303**	**623.481**

Funded by: Council tax	-542.070
Collection Fund surplus	0.000
	-542.070
2023-24 Budget Gap	0.000
2024-25 Budget Gap	45.920
2025-26 Budget Gap	35.491

Table 18: Summary Net Budget Changes 2026-27

	Adult Social Services	Children's Services	Community and Environmental Services	Strategy and Transformation	Finance and Commercial Services	Finance General	Norfolk County Council
	£m	£m	£m	£m	£m	£m	£m
Base Budget 2025-26	268.955	256.903	192.026	13.697	37.203	-145.303	**623.481**
Growth							
Economic and inflationary	9.271	6.193	4.630	0.533	1.128	0.474	**22.229**
Legislative requirements	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Demand and demographic	6.000	3.000	2.000	0.000	0.000	26.010	**37.010**
Policy decisions	0.000	0.000	0.000	0.124	0.000	1.954	**2.078**
Funding reductions	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**
Total budget increase	**15.271**	**9.193**	**6.630**	**0.657**	**1.128**	**28.437**	**61.317**
Reductions							
Total savings	-2.000	0.000	-0.045	0.000	-0.240	0.000	**-2.285**
Funding increases	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**
Total budget decrease	**-2.000**	**0.000**	**-0.045**	**0.000**	**-0.240**	**0.000**	**-2.285**
Base Budget 2026-27	**282.226**	**266.097**	**198.610**	**14.354**	**38.091**	**-116.866**	**682.513**

Funded by: Council tax		-558.386
Collection Fund surplus		0.000
		-558.386
2023-24 Budget Gap		0.000
2024-25 Budget Gap		45.920
2025-26 Budget Gap		35.491
2026-27 Budget Gap		42.716

4.43. 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 2023-24. The Executive Director of Finance and Commercial Services' judgement on the robustness of the 2023-24 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 £132m, which have been identified for 2023-24 and been incorporated into the Budget in February after being reviewed and validated.
- Net new saving proposals totalling £50.545m (after changes to savings brought forward from the 2022-23 Budget)
- Review and validation of the deliverability of previously planned saving programmes has been undertaken so that changes can be reflected in final budget setting for 2023-24. Any saving proposals which are now judged to be at risk of either non-delivery or delay have been removed or delayed as appropriate from 2023-24 and future years.
- The level of reliance on capital receipts and one-off measures including the use of reserves across the life of the MTFS has been considered. This is judged to be appropriate for 2023-24 but it is recognised that reserves do not represent a sustainable long term funding source. Options to reduce the reliance on such measures will be required in future and are reflected in the budget gaps for future years of the MTFS.
- Budget planning reflects final changes to inflation forecasts for 2023-24, however it should be noted that inflation figures are estimates only for future years and these will continue to change.

Assumptions and Risks

- The Budget assumes that, except where they have been specifically amended, all the savings proposed and included from the 2022-23 planning round can be successfully achieved.
- The latest information about the 2022-23 budget monitoring position is set out in the Financial Monitoring report elsewhere on the agenda. A number of the issues identified in the 2022-23 position are provided for in the pressures included in the 2023-24 Budget, however, save where they have been specifically mitigated within the budget process, the underlying assumption for budget setting is that the 2022-23 Budget is delivered (i.e. that all savings are achieved as planned and there are no significant unfunded overspends). This effectively assumes that any "unmitigated" non delivery of savings from 2022-23 can be made up during 2023-24.
- The Chancellor's Autumn Statement 2022 announcements, as confirmed in the provisional Settlement, are expected to provide additional resources in 2023-24 beyond the level assumed in the February 2022 MTFS. These represent both funding for core services and specific funding for social care. Further details are

provided in Section 3 of this report. The additional funding will enable a number of the pressures identified in the Budget process to be mitigated to ensure a robust position can be established for 2023-24. Assumptions have also been made that elements of funding will continue in 2024-25 and beyond, but the Settlement and Policy Statement do not provide detailed figures. The short-term nature of the Settlement announcement (for 2023-24 only, in spite of a multi-year Spending Review provided in 2021) means that risks remain around the levels of funding in future years and therefore a material impact and potential cliff-edge may emerge in 2024-25 or subsequent years, particularly if social care reforms are now implemented in October 2025 as planned. It is likely that Government would put in place transitional arrangements to “smooth” some of the impact of any future burdens or funding changes but details of any proposed approach remain to be announced by Government. Whatever the case, significant additional funding will be required to enable social care reforms to be implemented effectively. Finally, the trajectory for local authority funding implied by both the Spending Review 2021, Autumn Statement 2022, and Provisional Settlement is for only very limited increases in core ongoing funding in 2025-26 and beyond. Government continues to make assumptions about council tax increases which effectively increase the burden of funding services for Norfolk taxpayers. As set out elsewhere in these papers, details of the final Local Government Finance Settlement for 2023-24 remain to be confirmed, although significant changes are considered unlikely.

- Council tax increases are recommended as set out elsewhere in these papers. The assumed council tax increases are subject to Full Council’s decisions on the levels of council tax, which will be made before the start of each financial year. In 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 funding and reform announcements relating to initiatives such as a Fair Funding Review, Business Rates Reform, Social Care Reform and the next Comprehensive Spending Review (for 2025-26). However, having regard to Government assumptions about council tax increases, the impact these have on Core Spending Power, and Government expectations about council tax addressing inflationary pressures, it remains 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. **Therefore, 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 annual tax base increases of 1.27% in 2023-24 and 1.00% for 2024-25 and subsequent years**. If these do not occur, the budget gap would be increased, but equally, additional growth would reduce the gap. This position reflects the broad Norfolk trends experienced in recent years (with the exception of the impact of COVID-19 in 2021-22) in relation to 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 2023.

- The 2023-24 Budget provides for the following in relation to pay awards:
  - fully funding the impact of the 2022-23 pay award agreed during the year;
  - a pay award of 3% for 2023-24 within departmental budgets
  - an additional pay contingency provision of 2%, providing in total for a pay award of circa 5% in respect of 2023-24. This is in line with inflation forecasts and slightly lower than the actual pay award agreed for 2022-23.
  - At the time of preparing this report, national negotiation about the pay award for the 2023-24 financial year has not commenced and therefore the final pay settlement is not known. In broad terms, every 1% pay increase represents an additional £3.1m pressure to the Council.
- Pay inflation from 2024-25 onwards are assumed and included in budget planning at 4% in 2024-25 and 3% per year thereafter, 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, which may increase the pressures, and this will need to be refined as pay negotiations progress.
- The assumed use of one-off funding including reserves within savings proposals. Significantly the 2023-24 Budget assumes that £19.802m can be deployed from reserves in year, including as part of saving proposals and to meet identified service pressures. **The use of one-off resources contributes materially to the scale of the budget gap to be addressed in 2024-25**.
- **Government announced new 2023-24 Social Care funding in the provisional Settlement 2023-24. This includes the re-purposing of funding originally provided to support the implementation of social care reforms.** The level of future funding for social care remains unclear and it is a key concern whether this will be sufficient to meet costs associated with market pressures and fee uplifts. The specific requirements also now attached to this funding and the associated pressures including the level of the National Living Wage are significant. In relation to future years it is unclear what additional resources will be provided to meet the cost pressures associated with planned reforms to Adult Social Care deferred until October 2025, whether these will be sufficient, and how they will be funded at national level.
- The additional Social Care funding in 2023-24 is provided for the purposes described in further detail in paragraph 3.10. Within the 2023-24 Budget it is proposed that these grants be recognised in full within the Adult Social Services base budget. The result of this treatment is that there is a reduction in the department's Net Budget for 2023-24. This reflects a shift, driven by Government funding policy decisions, towards Adult Social Care being increasingly supported via specific funding (social care grants and the Adult Social Care precept) rather than via general council tax. In spite of the Net Budget reduction, the Adult Social Service department's gross budget and spending power for next year will increase, reflecting the significant growth

pressures provided for in the 2023-24 Budget, which have been supported by these new grant funds and the increase in the ASC Precept.

- 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.
- The High Needs Block overspend and brought forward DSG deficit position can continue be treated in line with the accounting treatment set out by Government (as discussed in more detail below).
- Norfolk is currently carrying an outstanding Dedicated Schools Grant (DSG) deficit from previous financial years, with a forecast £71.6m cumulative deficit forecast for the end of 2022-23. On the basis of the accounting treatment introduced in 2020 by the Government[26]:

    - the DSG is a ring-fenced specific grant separate from the general funding of Local Authorities (LAs);
    - 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.

Norfolk has worked intensively during Summer 2022 with the DfE and their appointed financial and Special Educational Needs and Disabilities Advisors as part of the Safety Valve programme, the DfE mechanism to work with local authorities who have the highest levels of High Needs Block (DSG) pressure/overspend, to develop a DSG Management plan and to negotiate potential DfE investment. The core aim for DfE and NCC alike is to achieve an in-year balanced budget to enable the cumulative deficit to be addressed. Through these discussions with the DfE, a plan has been prepared to bring the in-year deficit into surplus and to reduce the cumulative deficit over 6 years. Norfolk's plan is 'Local 1st Inclusion' and is the next stage of our SEND improvement journey, covering the period 2023-29; it marks the end of the first phase of our improvement planning, our SEND and AP transformation programme. In addition to revenue elements the DfE are also considering capital bids from NCC for two more special schools alongside the Council's ongoing £120m capital investment.

Local 1st Inclusion will continue the expansion of specialist provision, to reduce our reliance on high cost, lower quality independent sector provision; our state-funded special schools offer an excellent and high-quality education for children and young people with higher needs SEND and we're investing in more state specialist provision for those children and young people with higher needs. But additionally, we will have a renewed focus on mainstream inclusion and a reduction in the reliance on Education Health and Care Plans.

The programme aims to create a sustainable and effective system which supports children and young people with SEND to flourish in their education, through:

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[26] https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2019-to-2020/dedicated-schools-grant-conditions-of-grant-2019-to-2020#accounting

- Creating a system of improved support for children and young people's education by increasing support and funding for mainstream schools/school leaders
- Ensuring fewer children need Education, Health and Care Plans by improving support within the mainstream system
- Meeting demand earlier to prevent needs escalating by creating more support to mainstream schools and, through them, families
- Improving the confidence of parents and carers in local support and provision in mainstream education
- Strengthening/expanding state-funded specialist education capacity and reducing reliance on costly independent specialist education provision

Local 1st Inclusion is all about improving outcomes for children and young people with SEND, ensuring wherever possible and appropriate they can attend school close to their home/in their community with the support they need to make progress in their learning alongside other children of the same age.

- 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. The Budget provides for cost pressures and capital schemes intended to support the achievement of 2030 carbon neutrality linked to the Environmental Policy, however further financial pressures may emerge linked to other carbon reduction initiatives. Further details about the Council's financial assumptions linked to carbon reduction are set out in the Medium Term Financial Strategy.
- It is assumed pressures forecast within waste budgets can be accommodated within the funding allocations for 2023-24. There is an ongoing risk in relation to pressures within the County Council's budget for waste services which primarily relates to changes in the overall volumes of waste and recycling collected by all councils in Norfolk. Key factors that influence these volumes include the status of the general economy, consumer confidence, changes in national waste policy and the effect of weather patterns on the amount of garden waste that is generated. The two years 2020-21 and 2021-22 saw a combined 8.8% surge in residual waste volumes of around 18,000 tonnes, which was driven by the effects of Covid-19 on consumer behaviours and an increase in work from home practices. The existing data for 2022-23 shows that although residual waste levels have reduced sharply they have not returned to levels seen before Covid-19, even when an allowance is made for an increase in household numbers. The current tonnage projection for residual waste in 2022-23 is for around 210,000 tonnes in total, when street sweepings are excluded, which compares to levels before Covid-19 of around 200,000 tonnes. Service data for 2022-23 also show the impact of a long dry summer on reducing the amount of garden waste collected by councils in Norfolk by around 10,000 tonnes, thereby reducing the total subsidy payment that the County Council makes to the District, City and Borough Councils to support the costs of the recycling they collect. During 2023-24 the current levels of waste and recycling are expected to be sustained with an allowance given for an increase in household numbers and the effects of indexation on costs, and with the levels of garden waste collected by all councils in Norfolk increasing to levels seen in previous years before the reduction in 2022-23. However, there remains a risk that any policy

changes introduced during the year by either the Government, or by the Environment Agency as regulator, could lead to an increase in service volumes and or costs. In the longer term the effects of changes to national policy are expected to reduce residual waste volumes, for example if District, City and Brough Councils are required to collect food waste or a national deposit return scheme is introduced. Policy changes are also expected to increase costs through changes in requirements for how some materials are dealt with and through the introduction of emissions related levies for waste treatment. And the introduction of a national producer responsibility scheme for packaging is expected to lead to changes in how some of the costs of the County Council's waste services are funded, with the expectation that producers will be obliged to pay those that deal with their packaging in waste and recycling.

- Winter Hardship Funds were provided to upper tier local authorities to support families and adults struggling financially as a result of the covid pandemic. This was bolstered in October 2021 with a new Household Support Fund, alongside other funding in place to help vulnerable households and individuals. Government has since extended this funding, most recently until 31 March 2023[27] "to support those most in need to help with global inflationary challenges and the significantly rising cost of living." This has represented welcome funding to date but there remains a risk that need will continue for an extended or ongoing period and that local authorities will be expected to meet this demand without further additional resources. However the written statement accompanying the Provisional Settlement also sets out that Government has provided "*£100 million of additional funding for local authorities to support the most vulnerable households in England. This funding will allow councils to deliver additional support to the 3.8 million households already receiving council tax support, whilst also providing councils with the resources and flexibility to determine the local approaches to support other vulnerable households in their area.*"
- On 17 November 2022, the Government announced[28] National Living Wage increases which will come into effect from April 2023. These reflect a significant 9.7% increase from £9.50 to £10.42 for workers aged over 23. This is an even greater increase than the 6.6% provided for 2022-23 and represents a sustained level of material increase in the National Living Wage (NLW) which is becoming increasingly challenging. Although the NLW can be accommodated in the Council's own pay scales, it will be difficult in the medium term if this level of increase is sustained. It also has significant implications for some third party providers, particularly in respect of Adult Social Care, but also increasingly for Children's Services, both in terms of the direct financial cost and also on wider recruitment and retention. The impacts for Adults are discussed in further detail in the Fee Levels for Adult Social Care Providers 2023-24 report to Cabinet elsewhere on this agenda. The Council's proposed fee uplift is set at a level intended to enable providers to offer pay at National Living Wage rates but this represents a major financial pressure for the Council – in broad terms, every penny increase in the National Living Wage rate represents a pressure of approximately £0.270m for Adult Social Care. In summary, increases to meet

[27] Household Support Fund (1 October 2022 to 31 March 2023): final guidance for county councils and unitary authorities in England - GOV.UK (www.gov.uk)
[28] https://www.gov.uk/government/publications/minimum-wage-rates-for-2023

the National Living Wage pay rates have been provided for within 2023-24 budget plans, but future increases will continue to put significant pressure on the medium term position.

4.44. 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, the impact and economic uncertainty linked to the war in Ukraine, the cost of living crisis, the legacy of the COVID-19 pandemic, and the Council's overall value for money position. In broad terms, the general fund balance provides for around 19 days of the Council's net budget activity. While recognising the changing picture, and increasing levels of risk, the proposed revenue budget for 2023-24 is based on increasing general balances to £25.340m. 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 pressures and risks in 2023-24. 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 2023-24 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.

4.45. Taking these issues into account, it is the recommendation of the Section 151 Officer that early planning is undertaken in respect of 2024-25 and the scope to address pressures within the constraints of the overall budget should be reviewed in the round during 2023-24. This should be informed by any local government funding announcements during 2023-24. It may be that further specific details of the longer term funding allocations for the Council are not known until late in 2023-24. **In this context 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 2024-25, 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. The proposed timetable for 2024-25 Budget setting in Table 3 reflects these considerations.

5. Council tax

5.1. The level of council tax and Adult Social Care (ASC) precept is set annually by Members in the context of thresholds determined by Government. Legislation requires that any council tax increase in excess of a limit / threshold determined by the Secretary of State for Levelling Up, Housing and Communities and approved by the House of Commons, must be decided by local voters, who, through a local referendum, will be able to approve or veto the proposed increase. In 2023-24, the threshold for upper tier authorities with responsibility for social care has been provisionally announced as 5%. For Norfolk County Council in 2022-23 this equates to 3% for general council tax and 2% for the Adult Social Care precept. Government has also indicated its intention to set a threshold of 5% (3% general and 2% ASC precept) for 2024-25. The threshold for the year is normally finalised annually alongside the Final Local Government Finance Settlement. There is currently no option for any “unused” element of increase to be carried forward to future years, i.e. if not taken in the relevant year, that discretion will be lost.

5.2. The MTFS approved by Members in February 2022 assumed a 1.99% increase in council tax for 2023-24 and subsequent years, plus a 1.00% increase in the Adult Social Care precept for 2023-24 to 2025-26. In October 2022, Cabinet agreed to undertake consultation on a proposed increase in council tax of 2.99% (in line with the February MTFS), and two further options including 4.1% and 10.1%[29]. **Having reviewed the latest financial position and the underlying Budget proposals for 2023-24, the Section 151 Officer recommends that Members adopt the maximum council tax increase available within the referendum threshold, an overall increase of 4.99% for 2023-24**. The table below sets out the additional income available from an increase of 4.99%.

Table 19: Forecast additional income from 4.99% council tax increase 2023-24

	2023-24 £m
General council tax	14.024
Adult Social Care precept	9.331
Total	**23.356**

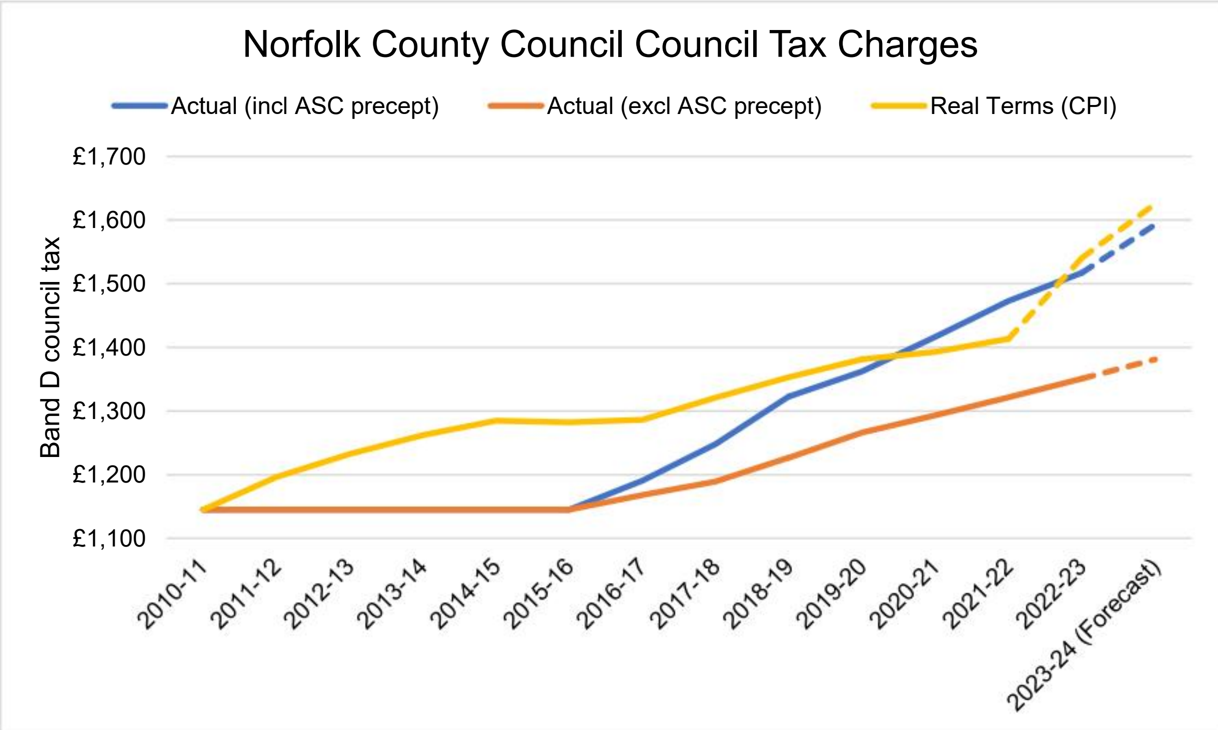
5.3. The increase in council tax contributes to closing the 2023-24 budget gap and mitigating the gap in future years. **An overall council tax increase of 4.99% supports a substantially more robust Budget for 2023-24 and in particular helps to enable a sustainable position over the Medium Term Financial Strategy period**. A further 4.99% increase for 2024-25 is recommended for planning purposes, taking into account the referendum threshold anticipated to be set by Government, Government expectations about council tax exemplified within Core Spending Power, and the robustness of the Council’s wider financial position in the context of the forecast 2024-25 gap.

5.4. The referendum threshold of 5% (including the Adult Social Care precept) is intended by Government to allow local authorities to raise additional resources to meet increased costs within social care and also across wider services. The chart below illustrates how historic and planned council tax increases compare with the level it would have been if CPI increases had been applied since 2010-11. With significant CPI increases now forecast for both 2022-23 and 2023-

[29] 4.1% reflects average increase of recent years. Increase of 10.1% informed by inflation rates as of September 2022.

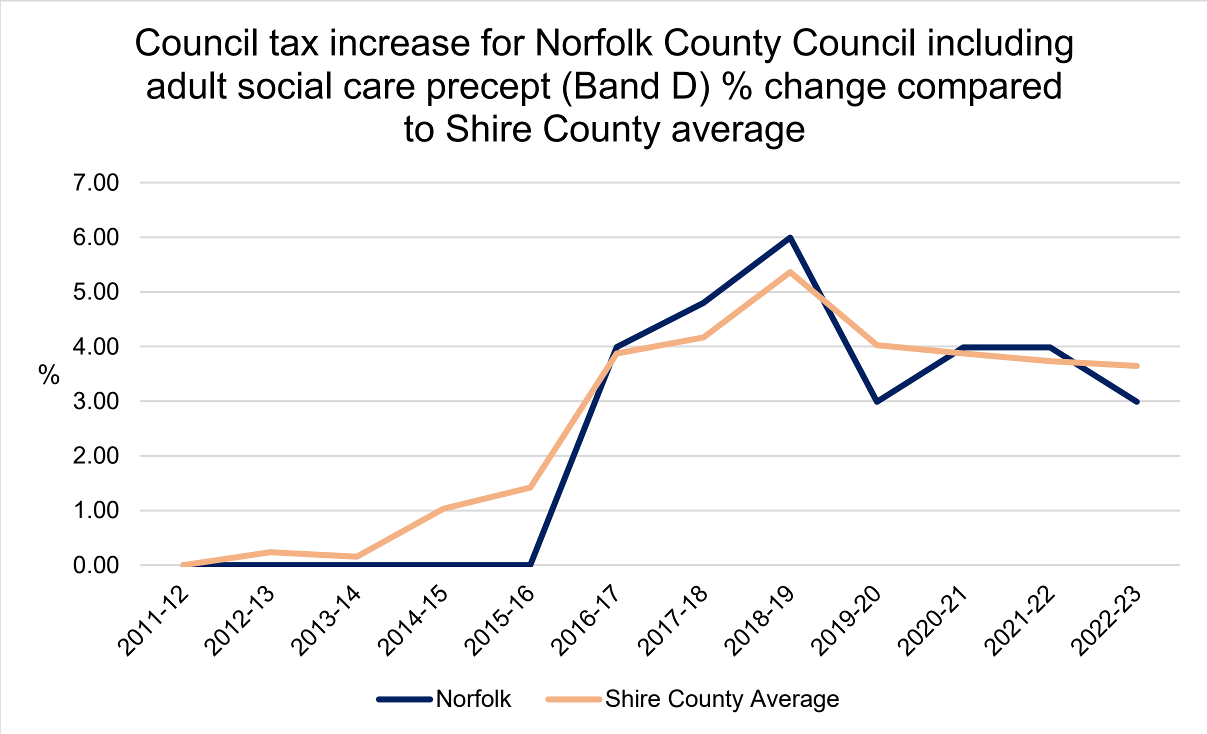
24[30], the forecast actual level of council tax is slightly below the theoretical CPI level. This is reflective of the Government's policy of encouraging councils to limit council tax increases in the period to 2015-16, prior to the more recent policy of assuming that local authorities will raise the maximum council tax available. Comparison of changes in the County Council's band D council tax indicates that most upper tier shire counties have made similar decisions in recent years in relation to the level of council tax increase to apply.

Chart 1: Actual council tax levels compared to theoretical CPI increases



[30] 9% 2022-23 per ONS and 5.5% 2023-24 per OBR EFO November 2022 (Table A.3)

Chart 2: Norfolk County Council council tax increases compared to average for shire counties

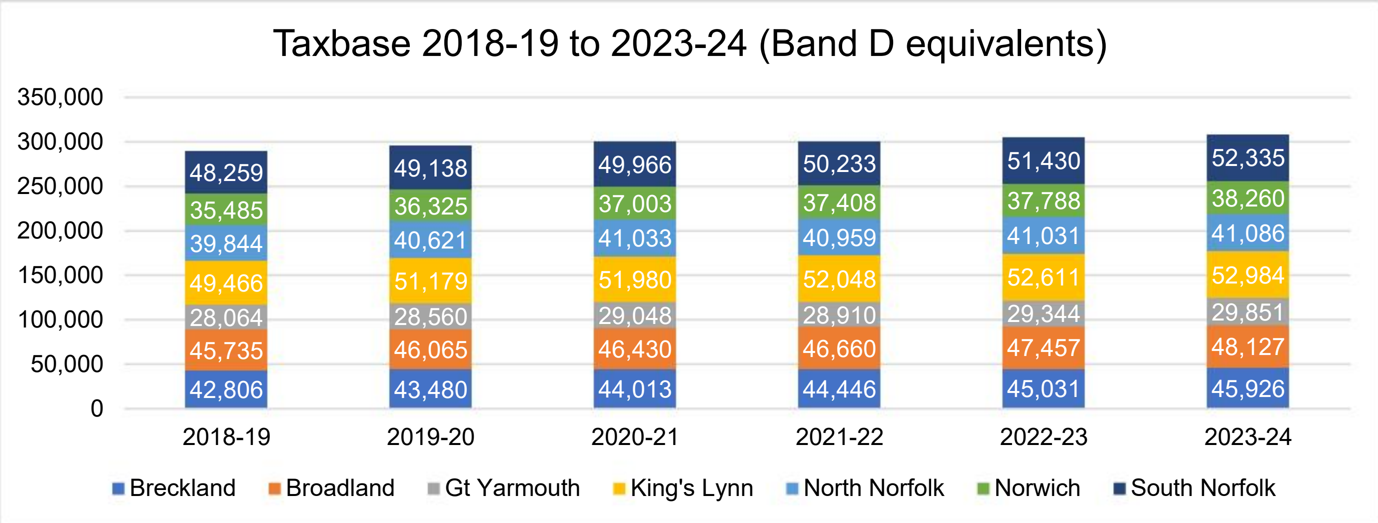


5.5. The Government will examine council tax increases and budget increases when final decisions have been made throughout the country. County Councils are required by regulations to declare their level of council tax precept by the end of February.

5.6. 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.

5.7. 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. Current forecasts suggest that between 2016-17 and 2023-24, Norfolk will have experienced average growth in the tax base of 1.51% per year. However, the level of growth forecast for 2023-24 is slightly lower than this, at 1.27%. The chart below shows the tax base for each district since 2018-19.

Chart 3 Norfolk Band D equivalent tax base 2018-19 to 2023-24 (forecast)



5.8. As set out in Table 12, 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, the Government 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). The Council subsequently agreed that the Adult Social Care precept should be increased by 2% in 2021-22 with a further 1% increase deferred to 2022-23. This decision was taken in recognition of the cumulative impact of council tax increases. For 2022-23 Government has confirmed an ASC precept of 1% plus any deferred element from 2021-22. In February 2022, Council agreed an increase for 2022-23 of 2.99%, foregoing 1% of the Adult Social Care precept available. This report recommends that Cabinet propose to Council an increase in council tax for 2023-24, of 4.99%. This reflects the views of the Section 151 officer that:

- a robust budget can be proposed for 2023-24 based on a 4.99% increase (including the 2.00% Adult Social Care precept increase available), which will support a more sustainable medium term position;
- it remains critical to secure available increases in council tax and the Adult Social Care precept within the base budget to provide additional resources to meet pressures across the organisation. Doing so will enable demographic and other pressures within the Adult Social Care budget and elsewhere across the Council, to be met in 2023-24 and beyond;
- the Government continues with its general assumption 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.

- in "*Build Back Better: Our Plan for Health and Social Care*"[31], the Government has clearly set out its expectation that "*demographic and unit cost pressures will be met through Council Tax, social care precept, and long-term efficiencies*." The nature and level of pressures within the system, and the achievability of further long term efficiencies in the context of more than ten years of budget savings, mean that meeting this expectation will be extremely challenging (and not achievable in the medium term) if the Council fails to raise the maximum available local resources.
- the pressures within the current budget planning position are such that, unless mitigated by additional savings or government funding, the Executive Director of Finance and Commercial Services considers 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. This judgement reflects:
    - the levels of emerging service pressures balanced against saving proposals identified;
    - consideration of the robustness of the Council's overall 2023-24 budget;
    - the risks for the longer term financial position, and in particular the need to ensure that a resilient budget can be set in future years,
    - reliance on one-off measures to support the 2023-24 Budget which will need to be addressed in 2024-25.
    - the considerable remaining uncertainty around risks, funding and cost pressures in 2024-25 and beyond.

5.9. The precise final level of any change in council tax will be confirmed in February 2023 and is subject to Member decision making annually.

5.10. 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 2023-24.

5.11. 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.

[31] https://www.gov.uk/government/publications/build-back-better-our-plan-for-health-and-social-care/build-back-better-our-plan-for-health-and-social-care#our-plan-for-adult-social-care-in-England

Implications of council tax proposals

5.12. The table below sets out the current proposals within the MTFS and reflected within this report.

Table 20: Proposed Council Tax assumptions in MTFS

	2023-24	2024-25	2025-26	2026-27
General council tax	2.99%	2.99%	1.99%	1.99%
Adult Social Care precept	2.00%	2.00%	1.00%	0.00%
Total increase	**4.99%**	**4.99%**	**2.99%**	**1.99%**

5.13. 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 2023-24 budget will include a 2.99% increase in general (basic) council tax and a 2.00% increase in the Adult Social Care precept (a total increase of 4.99%)** as recommended by the Executive Director of Finance and Commercial Services (Section 151 Officer).

5.14. This will need to be considered at the County Council meeting on 21 February 2023.

5.15. For planning purposes, for 2024-25 the Medium Term Financial Strategy (MTFS) assumes an increase of general council tax of 2.99%, and 2.00% in the Adult Social Care precept, reflecting the threshold indicated in the DLUHC Policy Statement[32]. For 2025-26, the MTFS assumes increases overall increases of 2.99%, reflecting the thresholds implied at the Spending Review 2021, and for 2026-27 onwards. 1.99%. If the referendum threshold were increased in 2024-25 and subsequent years to above 3%, 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 overall financial position.

5.16. The calculation of total payments of £493.707m due to be collected from District Councils in 2023-24 based on a council tax increase of 4.99% as set out, together with the instalment dates and the council tax level for each valuation band A to H is set out below.

5.17. 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 2023-24 budget in order that he can make payments, raise and repay loans, and invest funds.

Council tax precept 2023-24

[32] "*For 2024-25, the core council tax referendum principles will continue the same as 2023-24. We can confirm that the referendum limit for increases to council tax will remain at 3% per year. In addition, local authorities with social care responsibilities will be able to increase the adult social care precept by up to 2% per year.*" https://www.gov.uk/government/publications/local-government-finance-policy-statement-2023-24-to-2024-25/local-government-finance-policy-statement-2023-24-to-2024-25

5.18. 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.

5.19. 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 21: Council tax precept 2023-24

2022-23 £m		**2023-4 £m**
462.203	Precept Charge on District Councils	491.439
	Plus:	
1.920	Estimated Surplus / (Deficit) on District Council Collection Funds etc.	2.268
464.123	**Total payments due from District Councils (2023-24 Council Tax Requirement)**	**493.707**
£1,516.95	Council Tax for an average Band "D" Property in 2023-24	£1,592.64
£1,179.85	Council Tax for an average Band "B" Property in 2023-24	£1,238.72

Table 22: Total payments to be collected from District Councils in 2023-24

District Council	**Tax Base**	**Collection Fund Surplus / (Deficit)**	**Precept**	**Total Payments Due**
	(a)	**(b)**	**(c)**	**(d)**
		£	**£**	**£**
Breckland	45,925.50	£1,010,072	£73,142,788	£74,152,860
Broadland	48,127.00	£290,248	£76,648,985	£76,939,233
Great Yarmouth	29,851.00	£265,746	£47,541,897	£47,807,642
King's Lynn and West Norfolk	52,984.40	-£84,480	£84,385,075	£84,300,595
North Norfolk	41,085.85	£72,648	£65,434,968	£65,507,616
Norwich	38,260.00	£153,616	£60,934,406	£61,088,022
South Norfolk	52,335.00	£560,247	£83,350,814	£83,911,062
Total	**308,568.75**	**£2,268,097**	**£491,438,934**	**£493,707,031**

Council tax collection

5.20. The precept (column (c) above) for 2023-24 will be collected in 12 instalments from the District Council Collection Funds, as follows:

Table 23: 2023-24 precept instalments

Payment	Date	%
1	28 April 2023	8
2	19 May 2023	9
3	19 June 2023	9
4	19 July 2023	9
5	21 August 2023	9
6	19 September 2023	9
7	19 October 2023	9
8	20 November 2023	9
9	19 December 2023	9
10	19 January 2024	9
11	19 February 2024	3
12	19 March 2024	8
		100%

5.21. Where a surplus on collection of 2022-23 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 2023 to February 2024 precept payments.

5.22. Where a deficit on collection of 2022-23 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 2023 to February 2024 precept payments.

2023-24 council tax bands

5.23. 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 24: Norfolk County Council 2023-24 council tax bands

Band	£
A	1,061.76
B	1,238.72
C	1,415.68
D	1,592.64
E	1,946.56
F	2,300.48
G	2,654.40
H	3,185.28

6. Business rate pool 2023-24

6.1. Between 2013-14 and 2020-21 Norfolk County Council participated in a Business Rate Pool (Pilot in 2019-20) with other Norfolk Local Authorities. Taking into account the level of risk attached to pooling in 2021-22 as a result of the significant impact of COVID-19 on business rates, Norfolk Leaders agreed to withdraw from pooling in 2021-22.

6.2. The opportunity for pooling was reviewed for 2022-23 and full details were presented to Cabinet in November 2021 in the report *Business Rates Pool – Annual Report 2020-21 and Pooling Decision 2022-23*[33]. At that point, Cabinet endorsed the proposed application and governance arrangements for a 2022-23 Norfolk Business Rates Pool, which is in place for the current financial year. In the 2023-24 Budget, £0.600m of 2022-23 Pool funds are being used to support the underlying revenue Budget position within Community and Environmental Services, and £2.000m is being applied to establish a one-off fund which will be created for investing in the economy (including the Norfolk Investment Framework (NIF)). This fund is intended to generate a "pipeline" of proposals that could ultimately be funded through the County Deal, if approved.

6.3. In August 2022, Government invited local authorities to consider their intentions for pooling in 2023-24. Following discussions, all pool members indicated that they wished to continue pooling in 2023-24 on the same basis as in 2022-23 and this was confirmed to Government. Accordingly, as part of the provisional Settlement announced 19 December 2022, Government has confirmed its intention to designate Norfolk County Council and all Norfolk Districts as a Pool on the terms requested. Any prospective member of the Pool had until 16 January 2023 to indicate to Government that they wished to withdraw. No prospective member of the Pool has done so, and it is therefore anticipated that Government will confirm the Norfolk Pool for 2023-24 at the Final Settlement announcement. The 2023-24 Pool is expected (based on current forecasts) to deliver additional one-off revenue Budget resources to Norfolk County Council of approximately £3m. These resources are available for use, at the Council's discretion, from 2024-25 and the MTFS currently makes no

[33] Business Rates Pool – Annual Report 2020-21 and Pooling Decision 2022-23, Cabinet, 08/11/2021, agenda item 15

assumptions about how they will be used beyond the £0.600m supporting the revenue position.

6.4. Cabinet is asked to note the expected establishment of the 2023-24 Pool, and the resources which are forecast to be available to the Council in future budget years.

7. Service strategy and new saving proposals for 2023-24

7.1. Total saving proposals for inclusion in this year's Budget total £56.461m, of which £59.704m relate to 2023-24 as shown in the table below.

Table 25: Summary of total MTFS savings proposals for 2023-24 to 2026-27

	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
Adult Social Services	-28.040	2.700	-2.500	-2.000	**-29.840**
Children's Services	-12.517	0.088	0.050	0.000	**-12.379**
Community and Environmental Services	-10.254	2.819	0.570	-0.045	**-6.910**
Strategy and Transformation	-2.042	0.050	1.571	0.000	**-0.422**
Finance and Commercial Services	-1.200	-0.410	-0.360	-0.240	**-2.210**
Finance General	-5.650	0.950	0.000	0.000	**-4.700**
Total savings target	**-59.704**	**6.197**	**-0.669**	**-2.285**	**-56.461**

7.2. The following sections of the Budget report set out details of the financial and savings strategy for each Department, along with details of the new savings proposals for 2023-24. Where required (and subject to the caveat set out below and in paragraph 10.5 onwards of the Risk Implications/Assessment section of the covering report), these have been subject to consultation and further validation work to ensure that they are robust and deliverable prior to being included in the Budget presented to Cabinet for recommendation to Full Council for consideration in February 2023. No final decisions on the implementation of savings will be made until February 2023 when the County Council considers the Cabinet's proposed Budget for 2023-24, including the findings of public consultation and equality impact assessments.

7.3. The savings target to be found for the 2023-24 Budget was materially higher than it has been in previous years and after significant budget reductions over recent years the identification of savings has inevitably been challenging. When proposals were reported to Cabinet prior to public consultation, there remained a gap to be closed against the required target. As part of the 2023-24 Budget setting process, the County Council therefore undertook further rounds of savings development up to December 2023 to identify additional savings to support the 2023-24 Budget. This process has successfully resulted in further savings being identified, which have been included within the budget proposals set out in this report. In addition, as set out elsewhere in this report, savings linked to the Strategic Review have been added to the 2023-24 Budget. In overall terms, £22.750m of additional new 2023-24 savings (offset by £1.746m of changes to proposals) have been incorporated into the Budget since October.

7.4. If, following agreement of the 2023-24 Budget it subsequently becomes apparent (once the Council starts to implement the proposals) that any Budget proposals impact on the delivery of services, then the Council would carry out detailed consultation on those during 2023-24 prior to the proposals being implemented. Equality impact assessments would also be undertaken as required. If necessary, this process will enable Cabinet to make a decision on whether or not to implement proposals, taking into account the findings of consultation and EQIA. In the event that any savings cannot be delivered in the year, or shortfall on savings delivery were to arise due to the timing of implementation, it is proposed that these would be mitigated to the extent possible via service Business Risk Reserves in the first instance. Further specific considerations in respect of 2023-24 additional savings are set out in paragraph 10.5 onwards of the Risk Implications/Assessment section of the covering report.

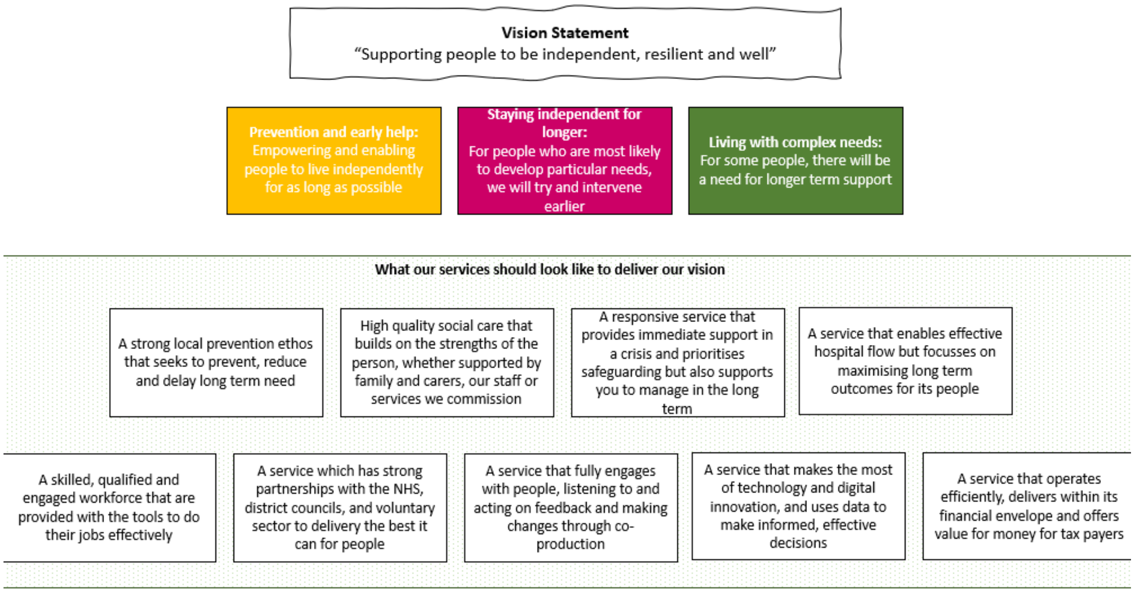
7.5. Details of Service Budgets and savings currently included within them are set out in Sections 8 to 12.

8. 2023-24 Budget proposals - Adult Social Services

Service Strategy and context

Local Context

8.1. The Better Together, for Norfolk Council strategy creates 5 clear priorities. The Adult Social Care strategy underpinning the departments delivery of these priorities is called Promoting Independence: Living Well and Changing Lives. For Norfolk, our vision for Adult Social Care is to "support people to be independent, resilient and well".



8.2. Promoting Independence: Living Well and Changing Lives represents the second phase of our strategy and has 8 core ambitions:

- **Prevention and early help** – a clear strategy, targeted interventions and a re-purposed 'front door' which put people and their family carers at the heart.
- **Integrated Health and Social Care Offer** – integrated health and social care offer in each locality to help people retain independence
- **Living Well social work** – being led by people who direct their own choices, addressing holding lists, reviews and practice quality
- **A stable, modern care market** where 85% of providers are good or outstanding
- A step change in **housing choices** for older people and disabled people and through our building programme
- **Transformation of the Norse Care estate** to match market needs and ensure it remains a leader in the sector
- Driving the **'Eight technologies that will change the face of health and social care'**
- **Workforce Development** – Developing skills and capacity in social care and the care market

8.3. Each of these ambitions is crucial in delivering Adult Social Care not just in a sustainable way, or a way that offers value for money, but one that is progressive and puts prevention at the heart of the offer.

8.4. As we came out of the pandemic, we developed a 3 pronged approach to driving the department forward. This focused on:

8.4.1. **Transformation of Adult Social Care**

- Our new Connecting Communities programme
- Short term offer, in particular driving home first principles to support people home from hospital
- Commissioning the Care Market (market shaping and accommodation development)

8.4.2. **The national reform of Adult Social Care**

- Delivering the Government's "Putting People at the Heart of Care" white paper
- Delivering the Integration white paper

8.4.3. **The recovery of Adult Social Care**

- Clearing the backlogs of care that have built during the pandemic
- Recruitment and Retention of our Social Care workforce
- The wellbeing of our staff
- Stabilising the external care market
- Decreasing our interim care lists

8.5. As we move into 2023-24, it will be the right time to launch our third phase of the Promoting Independence Strategy.

Service financial strategy and savings proposals 2023-24

Financial Strategy

8.6. The Adult Social Care financial strategy is firmly intertwined with both the service's vision "to support people to be independent, resilient and well", as well as the department's Promoting Independence strategy.

8.7. We know our Promoting Independence approach has helped, and will continue to help, the service to deliver the significant financial savings needed to continue to meet the increasing demands for social care across Norfolk. Our financial strategy therefore remains fairly consistent as we move from 2022-23 to 2023-24. Within the overall strategy, our specific financial strategy for achieving savings and financial sustainability is focussed on:

- **Investing in early intervention and targeted prevention:** Using specific services and being responsive and proactive in order to prevent need or prevent the escalation of need to keep people independent for longer.
- **Focusing and building upon people's strengths:** Investing in excellent social work and therapy which focuses on people's strengths and helps people regain and retain independence, and reduces, prevents and delays the need for formal social care.
- **Provide services that focus on the future potential of the person:** 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.
- **Driving housing solutions**: Stimulating a market to provide alternative choices to permanent residential and nursing care; including focusing on wider housing options alongside care, for older and younger adults.
- **A prosperous care economy:** Leading and developing the care market for social care so that it can offer people choice from a collective of good quality providers, within an efficient, stable and sustainable care economy, whose ambitions aligns with those of Promoting Independence.
- **A healthy Integrated Care System:** Working with health partners in a refreshed Integrated Health and Care system, that seeks to reduce system demand, whilst also focusing on improving long term health and care outcomes for the people of Norfolk. This includes both the alignment to localised Primary Care but also an efficient and sustainable system of supporting people upon leaving hospital and into the community.
- **Digital by default**: Seeking innovation and creating a culture that strives to embrace the efficiencies afforded by technology, when suitable, without losing the focus on the customer.
- **Maximising value for money:** Continuing to get the basics right by using our resources to their full extent, questioning and challenging ourselves in areas of improvement, reducing inefficiencies and strengthening the contract management of our commissioned contracts to ensure we both get, and utilise, what we are paying for.

8.8. What we continue to evolve and strengthen is the focus on specific areas of change required to deliver the themes of our Financial Strategy. Whilst Promoting Independence gave us the broad approach, centring on demand management, our continued developed has allowed us to begin to focus on specifics.

8.9. Our 2023-27 budget cycle includes some very specific areas of focus that we believe will deliver financial benefits in a supported way. In particular:

8.9.1. We will drive forward self-directed support, ensuring those who draw on social care have choice and flexibility in the way their needs are met. We believe this level of control often creates ownership of cost and the innovative ways care can be delivered create cost efficiency.

8.9.2. We will review those people who require two carers to provide the care in their homes. We will work with those people and their care providers to see if alternative approaches, such as the provision of enabling equipment, can be utilised to reduce the demand on physical staff time.

8.9.3. We will transform the service supporting people with a physical disability. In doing so, under the strategic review, we will create a standalone service to recognise the focus and specific service offer that will enable us to appropriately meet the needs of this group of people. Alongside this we will continue our transformation of the support to people with Learning Disabilities.

8.9.4. We will focus on prevention in some specific areas that appear to drive the need for Social Care. These include but not limited to recovering from or ideally preventing falls, self-neglect and hoarding, and the support required overnight within your own home.

8.9.5. We will continue our building programme to develop alternative and enabling accommodation for both younger adults with disabilities and our older adults.

8.10. During 2022-23 we were very excited to launch our Connecting Communities programme. This programme underpins a substantial proportion of our financial benefits and will deliver over £18m of recurrent savings when it is wholly delivered. 2023-24 will be a really important year for the roll-out and implementation of this programme.

8.11. This programme is being delivered in partnership and has begun to deliver major change in our service offer. This work will deliver within four main workstreams:

8.11.1. Workstream 1 - Initial Engagement

We want to improve the ways people can contact us. Redesigning how initial access is structured within communities, shaped by a clear understanding of the unique value-add of the Front Door and the structural challenges currently faced by SCCE, our Adult Social Services front door.

Bringing together the best insight from our data and our people to really understand our communities and the best services for them. This will help us focus our efforts on the right services which will best support our residents, helping them both now and much further into the future and empowering them to live well for longer.

8.11.2. Workstream 2 - Short Term Services

Our ambition is to always be able to offer the service that would be right for the service user and not let constraints stop us from providing the best support to maximise any of our community's longer-term independence.

We wish to consolidate and streamline how our services are accessed and delivered throughout all localities. Very specifically, we recognise the importance of, and impact of, our reablement services on reducing and delaying long term needs. We will transform this service to ensure we generate efficient capacity and enhance the effectiveness of its outputs and outcomes.

8.11.3. Workstream 3 – Environment for Social Care

We want to ensure that adults in Norfolk get appropriate support to lead an actively independent and connected life in their community, in the best setting for them. We want to empowering practitioners to deliver evidence-based social work and social care interventions supported by clear processes and agile leadership.

Creating effective, two-way links between the community and social workers, and making use of the latest technology to be evidence based in our decision making to achieve the best outcomes for the people of Norfolk, now and in the future.

8.11.4. Workstream 4 – Proactive Interventions

The newest but perhaps most progressive of our workstreams is underpinned by a digital analytics platform. The future of health and care services is one that is resident-centred and preventative and makes most use of advanced digital technology such as being able to extract meaningful data from case notes and use risk classification and segmentation to identify levels of need so we can proactively support. Some of initial work to test how we can proactively use this rich intelligence will be a falls pilot.

8.12. Finally, alongside both our targeted areas of support and the major transformation described above, is a simple but continued focus on value for money and accountability. We recognise that getting the basics right is important and vital to managing the Adult Social Care budget. Whilst it is one of the largest budgets the Council has, it is very much spent on thousands of individual services and by hundreds of individual practitioners who support those people who draw upon these services. It continues to be critical that we utilise our systems, such as My Oracle and Liquid Logic, to employ controls and create accountability in our spending decisions.

Key issues and risks

8.13. Whilst considered a robust budget, the Adult Social Care service does have some underlying risks and issues that need to be considered within the context of the budget. The following are not considered to be an exhaustive list of these risks.

Recovery implications

8.14. The Adult Social Care department has made some positive impacts on its recovery from the pandemic. However, it is still managing significant backlogs in key areas of its service typified by holding lists, interim care lists and overdue reviews.

8.15. As a result of these backlogs, we continue to manage the demands and risks associated with both new demand for support and the existing demand within these backlogs. Whilst the risk to individuals is thoroughly managed, it does put excess strain on our staff. These backlogs are replicated nationally, and our position represents a similar situation that a number of Councils face. In managing this on an extended, ongoing basis, it will likely undermine the capacity and impact our wider transformation seeks to achieve.

Market Stability

8.16. Each year the Council spends over £330m in buying thousands of care packages from our local care market. Section 5 of the Care Act (2014): “Promoting diversity and quality in provision of service” outlines a Local Authorities duties in regards to local care markets. In particular, “*A local authority must promote the efficient and effective operation of a market in services for meeting care and support needs with a view to ensuring that any person in its area wishing to access services in the market*”. In achieving this a Local Authority must effectively shape local care markets and commission care that:

- Focuses on outcomes and wellbeing
- Promotes a quality services
- Is sustainable and offers value for money services
- Offers choice through a wider array of diverse providers
- Has been co-produced with the people who wish to access these services

8.17. Whilst many who operate within these markets are independent businesses, it is therefore vital that we shape these markets so they are sustainable and prosperous. There is no Social Care without these services. The ASC Fee uplift paper also on this agenda describes a market picture of relatively poor quality (as assessed by the Care Quality Commission and compared to other Local Authority regions) and a level of increasing instability. Whilst our MTFS provides for a significant investment in these markets for 23/24, there is a risk that it is not sufficient to enable providers to either attract high quality labour in sufficient quantities or provide sufficient returns to incentivise businesses to stay or enter the market.

Hospital Discharge

8.18. As part of the Health and Care response to the pandemic, hospital discharge, and in particular discharge to assess, has become a central feature of the national recruitment to ensure acute capacity is sufficient to manage both those requiring emergency care but also those awaiting delayed elective procedures.

8.19. Each Integrated Care System (ICS) will face its own unique challenges, but many experience pressures in acute hospitals, whose demands often exceed the level of available beds. Much work is undertaken within the Norfolk and Waveney ICS to ensure those who no longer meet the “criteria to reside” are supported to be discharged from our three acute hospitals.

8.20. For our ICS, it is vital that those who require social care upon hospital discharge have access to it. This approach is underpinned by our home first principle. Equally, it is vital for those being supported to be discharged that they have access to the right health and care services in the community to enable them to stand the best chance of recovery. One risk many ICS will face is to support the discharge from acute hospitals in such a way that ongoing demand for health and care services is not created.

Workforce

8.21. Workforce shortages in the delivery of care are now becoming more widely understood nationally. The ability to deliver Adult Social Care will be contingent on solving these shortages and is in part are large part of the risk referred to under market stability. The lesser talked about risk is the emerging shortage of qualified social care practitioner (qualified Social Workers).

8.22. In Norfolk we have seen both high levels of vacancies related to Social Workers and indeed a high level of turnover. Whilst we are doing a lot of work to both attract workers to Norfolk, retain our existing staff and “grow our own” new practitioners, it is still a very challenging staff position.

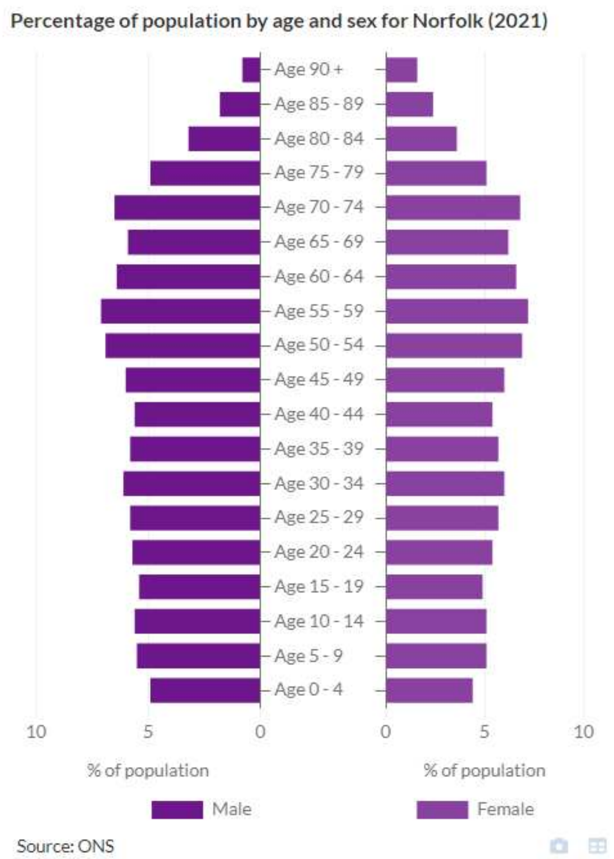
8.23. Simply put, without sufficient high quality, experienced, professionally qualified staff, our MTFS will not work over the longer term.

Demand

8.24. Each year the MTFS includes funding towards an underlying growth in our demand, either characterised by increased volume or an increasing complexity of the support required.

8.25. It is widely recognised, and indicated by both the following Norfolk Insight graphics and Institute of Public Care population projections, that the demography of Norfolk represents a higher proportion of Adults over the age of 65 than both the East of England and National averages.

Population estimates by age, 2021 and 2043



Population aged 65 and over, projected to 2024

Population aged 65 and over, projected to 2024	2020	2021	2022	2023	2024
Norfolk: People aged 65-69	56,300	56,600	57,400	58,300	59,500
Norfolk: People aged 70-74	62,000	61,800	58,100	56,300	55,700
Norfolk: People aged 75-79	44,600	47,300	52,600	55,100	55,900
Norfolk: People aged 80-84	31,700	31,700	32,300	33,500	35,400
Norfolk: People aged 85-89	19,800	20,200	20,700	21,400	21,900
Norfolk: People aged 90 and over	11,700	11,900	12,200	12,300	12,500
Norfolk: Total population 65 and over	**226,100**	**229,500**	**233,300**	**236,900**	**240,900**

www.poppi.org.uk version 14.0 (Institute of Public Care)

8.26. At the same time, we know that improvements in our Health and Care services means that people are now more likely to live longer with the most complex of disabilities. This is of course a most welcome improvement but does mean that the underlying demand for our services continues to grow year on year. Equally, the social care support people with the most complex needs require continues to rise with underlying complexity of care increasing year on year.

8.27. There is a risk that the impact of the pandemic will have created latent demand that will materialise over the life of the MTFS and render the funding insufficient to meeting this need.

Reform and Assurance

8.28. Whilst much of the national reform of Adult Social Care has been delayed until "at least October 2025" there are some aspects have not been. In particular, the new CQC led assurance regime is due to start in 2023-24 and will likely provide independent assessment of the quality of Local Authority run Adult Social Care services. With such levels of backlogs, and our known quality issues within our care market, there will be a significant requirement for the service department to focus on and invest in its wider performance to ensure we are in the best possible place for when this new regime begins.

8.29. Whilst key elements of the reform were delayed, they were delayed in order for Local Authorities to be ready to deliver them. Government's delay recognised the challenges in delivering this ambitious agenda in the original timescales. This therefore means that we need to continue to plan to deliver the original scope of change within the slightly longer period of time.

Adult Social Services proposed budget 2023-24

8.30. Within the 2023-24 Budget it is proposed that additional social care grant funding be recognised in full within the Adult Social Services base budget. The result of this is a reduction in the department's Net Budget for 2023-24, reflecting a shift, driven by Government funding policy decisions, towards Adult Social Care being increasingly supported via specific funding rather than general council tax. In spite of the Net Budget reduction, the Adult Social Service Department's 2022-23 Gross Budget of £495m (and therefore spending power) will increase for 2023-24 by an estimated £20-25m to approximately £515-520m (subject to final budget reconciliations following Cabinet and Full Council), reflecting the significant growth pressures provided for in the 2023-24 Budget.

Table 26: Detailed budget change forecast Adult Social Services 2023-27

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
	OPENING BUDGET	**263.184**	**249.481**	**256.287**	**268.955**

Appendix 1: Norfolk County Council Revenue Budget 2023-24

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3% 22-23 onwards)	2.108	2.204	2.237	2.304
	Basic Inflation - Prices	7.108	6.756	6.831	6.967
G2324ASS001	Pay award 2022-23 (£1,925 on all SCP)	4.372	0.000	0.000	0.000
G2324ASS002	Remove NI 2022-23 1.25% increase (abolition of H&SC Levy)	-0.643	0.000	0.000	0.000
	Legislative Requirements				
G2223ASS008	Pay and Price Market Pressures	6.728	7.010	0.000	0.000
G2223ASS006	New Social Care reform pressures funding - cost of care	7.626	0.000	0.000	0.000
G2223ASS006	Remove pressures linked to Social Care reform - cost of care due to implementation delay	-7.626	0.000	0.000	0.000
G2324ASS005	ASC Discharge Fund pooled within iBCF - cost pressures	5.554	0.000	0.000	0.000
G2324ASS004	Market pressures including National Living Wage and cost of care	9.250	0.000	0.000	0.000
	Demand / Demographic				
G2223ASS008	Demographic growth	6.100	6.100	6.100	6.000
G2324ASS003	Leap year pressure in Adult Social Care	0.600	-0.600	0.000	0.000
	NCC Policy				
G2223ASS003	Emerging cost pressures for social care demography and market pressures in 2023-24	7.000	0.000	0.000	0.000
G2324ASS007	Adult Social Care one-off funding for inspection and assurance preparation activities	2.000	-2.000	0.000	0.000
		50.176	**19.471**	**15.168**	**15.271**
	SAVINGS				
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.	2.000	0.000	0.000	0.000
ASS027	Recognising additional benefits from our existing savings programme. Linked to our existing saving ASC044: Extra care housing programme - delivering savings by building 2,800 units of extra care housing for older adults.	-0.175	-1.100	0.000	0.000
ASS028	Delivering a saving through an accelerated Supported Housing Programme. Providing 183 units of supported housing for younger adults over a three year period, which is expected to increase independence and help in fewer people needing to be supported early in residential care.	0.500	0.000	0.000	0.000
ASS030	Recognising additional benefits from our existing savings programme. Linked to our existing saving ASC018: Working with our partners to reshape our approach to supporting people on their initial contact with Adult Social Care (the "Front Door"). We will review our process and how we support people early on in the social care pathway and help their care needs before they escalate.	-4.500	-4.000	0.000	0.000

Appendix 1: Norfolk County Council Revenue Budget 2023-24

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
ASS031	Improving market utilisation and delivering efficiencies. Strengthening our contract and performance management by getting better value for money in services we purchase by targeting the funding we have available to us.	-1.500	-0.500	0.000	0.000
ASS032	Learning Disabilities transformation. Continued implementation of Norfolk's Learning Disability strategy. This sees the continued development of more choices and alternatives to residential care and access to community based activities.	-1.500	0.000	0.000	0.000
ASS034	Expansion of Self Directed Support. Delivering a saving by utilising more Direct Payments rather than commissioned services, particularly when Direct Payments offer individuals more choice and are cost effective.	-0.100	-0.100	0.000	0.000
ASS035	Use of ASC reserves. One-off release of reserves to offset budget pressures.	3.000	0.000	0.000	0.000
ASS038	Double up care reviews. Using therapists to lead reviews on care packages requiring two carers to attend, in order to consider alternatives to having two carers on site.	-0.200	0.000	0.000	0.000
ASS039	A strategic refocus of NCC's investment in Intermediate Care Services	-0.200	0.000	0.000	0.000
S2324ASS040	Connecting Communities: Recognising additional benefits from our existing savings programme. Linked to our existing saving ASC018 and 2223ASS030	-2.360	-0.600	-2.500	-2.000
S2324ASS044	Double up care reviews. Recognising additional benefits from our existing savings programme. Linked to our existing saving 2223ASS038	-0.600	0.000	0.000	0.000
S2324ASS043	Expansion of Self Directed Support. Recognising additional benefits from our existing savings programme. Linked to our existing saving 2223ASS034	-0.300	0.000	0.000	0.000
S2324ASS041	One-off usage of ASC Reserves	-3.000	3.000	0.000	0.000
S2324ASS045	One-off usage of ASC Reserves: Additional one-off usage of ASC Reserves (reprioritisation).	-2.000	2.000	0.000	0.000
S2324ASS046 [SR]	Reduction in staff travel costs: Post pandemic, staff travel has not returned to the level seen in previous years. This proposal reflects the changing pattern of spend.	-0.300	0.000	0.000	0.000
S2324ASS047	Review of budget assumptions: Removal of cost pressures previously assumed in the Adult Social Care budget which are no longer expected to be required.	-2.000	0.000	0.000	0.000
S2324ASS048	Review of budget assumptions: Reprioritised Better Care Fund (BCF) and Improved Better Care Fund (iBCF) investment.	-1.855	0.000	0.000	0.000
S2324ASS049	Review of service levels and demand post pandemic: Targeted interventions relating to the Adult and Older Care Budgets – getting it right first time.	-3.000	0.000	0.000	0.000
S2324ASS042	Working with partners to fully recover the costs of integrated services	-0.200	0.000	0.000	0.000
S2324ASS051	Review of budget assumptions: Utilising alternative funding sources to maintain housing related ASC Prevention Services	-1.000	0.000	0.000	0.000

Appendix 1: Norfolk County Council Revenue Budget 2023-24

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
S2324ASS050 [SR]	Transformation of Physical Disabilities Services: Delivering improved choice and independent outcomes for people with a Physical Disability.	-1.500	0.000	0.000	0.000
S2324ASS052	Additional capitalisation to release further one-off reserves	-4.000	4.000	0.000	0.000
S2324ASS053	MH Transformation	-0.250	0.000	0.000	0.000
S2324ASS054 [SR]	Strategic Review – Opportunity A and B	-3.000	0.000	0.000	0.000
		-28.040	**2.700**	**-2.500**	**-2.000**
	BASE ADJUSTMENTS				
B2223ASS001	New Social Care Reform grant	-7.626	0.000	0.000	0.000
B2324ASS001	Reverse assumptions for Social Care Reform grant	10.447	0.000	0.000	0.000
B2324ASS002	Government Funding changes: ASC Discharge Fund	-5.554	0.000	0.000	0.000
B2324ASS003	Government Funding changes: Social Care Funding (£25.030m Social Care Grant, £9.785m "ASC Market Sustainability and Improvement Fund")	-34.815	-15.364	0.000	0.000
B2324ASS004	Adults grant assumption decreases (2023-24 Independent Living Fund rolled in to Social Care Grant)	1.379	0.000	0.000	0.000
		-36.170	**-15.364**	**0.000**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
C2324ASS001	Depreciation transfer	0.579	0.000	0.000	0.000
	CES/ASS - PH 22/23 agreed new cross cutting transfers	-0.250	0.000	0.000	0.000
C2324ASS002	REFCUS	0.001	0.000	0.000	0.000
		0.330	**0.000**	**0.000**	**0.000**
	NET BUDGET	**249.481**	**256.287**	**268.955**	**282.226**

9. 2023-24 Budget proposals – Children's Services

National Context

9.1. Children's Services nationally continue to operate in a challenging context; high levels of need across numerous areas of service continues to be experienced and, in particular, in relation to children with special educational needs and children at risk of harm. The service also continues to respond to newer issues within society, and the range of responsibilities for the department continues to widen to tackle issues such child sexual and criminal exploitation and the threat of radicalisation.

9.2. The cost-of-living crisis is an additional factor that has emerged in recent months both directly in relation to financial pressures increasing the challenges facing families who may already be struggling, and indirectly. It is currently unclear what impact this may have upon demand for services, as well as the impact upon our own workforce and that of the wider system.

9.3. The Association of Directors of Children's Services (ADCS) have recently published a thematic report on children's mental health[34]. This report resonates with the situation currently seen in Norfolk, in particular:

- Proportion of assessments where mental health is a factor is increasing across early help and social care
- Emotional disorders, particularly anxiety, depression and eating disorders are also rising, as is self-harm, suicide and suicidal ideation.
- The wider challenging economic climate and cost of living crisis increases pressure on struggling families and can test emotional resilience; such circumstances are a contributory factor to the emotional wellbeing of children and their families
- The resources available to meet the current level of demand is not readily available and/or accessible, resulting in waiting lists.
- Results in bespoke packages of case being purchased that include therapeutic work for children that cannot access CAMHS support
- There has been a reduction in the provision of Tier 4 beds commissioned by NHS England while at the same time demand for such placements has increased. This lack of provision directly impacts authorities as responsibility often falls to children's social care to accommodate the child to ensure the safety and welfare of themselves and of others.
- Waiting lists for interventions are too long and delays can affect other areas of a child's life, such as negatively impacting upon their education and attendance at school.
- This can result in increased and/or escalating needs for children whilst waiting, which respondents felt was unnecessary, or a child being refused a service as they do not meet the clinical criteria with no alternative offer

[34] ADCS Safeguarding Pressures Phase 8 Special Thematic Report on Mental Health

- Unmet emotional wellbeing and poor mental health needs have a knock-on effect to any other work taking place with professionals to meet other needs a child may have
- More children attending acute emergency settings in crisis, resulting in the child receiving more intrusive crisis care
- Where children do not have their emotional wellbeing and mental health needs met in a timely and effective way, this can often result in costly local authority involvement as families reach crisis point and look to safeguarding services to keep themselves and their children safe
- Family breakdown as parents are unable to cope, resulting in some instances with the child coming into the care of the local authority
- Children's unaddressed poor emotional wellbeing and mental ill-health will, without adequate support, continue into adulthood and ultimately affect life chances

9.4. The Eastern Region of Association of Directors of Children's Services have produced a report on Placement Sufficiency for Young People in Care focusing on the impact of the 2021 Placement Regulations on Placement Costs and Outcomes for children and young people. This identifies that the current situation in respect of both placement costs and availability is unsustainable and calls on the Government to act immediately to mitigate the impact of the regulation change, assess the unfunded financial burden of the regulations and pause the implementation of future changes planned until future financial burdens have been fully assessed. The combination of barriers to new entrants to the market and further restrictions on placement availability caused by the regulation changes has resulted in dramatic cost increases seen across the region, illustrated by the table below:

Placement Type	**Average weekly unit cost**		**% Increase**
	2020/21	**2021/22**	
New registered residential placements made in period	£5,292	£5,828	10%
Cost for all registered residential placements in place	£3,854	£4,604	19%
New unregulated/unregistered placements for under 16s made in period	£2,287	£7,131	312%
New Semi-Independent Placements for 16- and 17-year-olds	£1,238	£1,566	26%

9.5. During 2022, the Government published the long awaited National Social Care Review[35] and the SEND & AP Green Paper 'SEND review: right support, right place, right time'[36]. The Government's implementation plans of both of these reviews are awaited.

35 https://childrenssocialcare.independent-review.uk/final-report/

36 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1063620/SEND_review_right_support_right_place_right_time_accessible.pdf

Local Context

9.6. Children's Services vision and strategy is crucial to delivering the right outcomes for children, whilst also ensuring that provision is preventative, sustainable, and offers value for money.

9.7. Following a full Ofsted inspection, inspectors have praised Children's Services at NCC, judging the authority as "good" and highlight "exemplary" and "exceptional" areas of practice. This recognises "significant improvements" in the services for children and their families, investment in services, "compassionate, warm and committed workers and carers", and "a stable and determined children's senior leadership team, endorsed by councillors, has been innovative, establishing a shared practice culture and new ways of working which have transformed services".

9.8. The inspection outcome and report narrative from the inspectors demonstrates the embedding of Vital Signs for Children (driving the way we work with children and families – our practice principles) and our Flourish framework for outcomes for children and young people.

9.9. The overall number of children in care and having placements has broadly stabilised, which is a better position than in many local authority areas, but the cost is increasing substantially. This is primarily due to the cohort with the very highest and most complex needs continuing to grow as a proportion of all children looked after; particularly as we have been successful with interventions and new models of working to keep children out of care when appropriate to do so.

9.10. In particular, New Roads is proving very successful in keeping children out of care. Without such transformative interventions, the level of pressure would be significantly higher with prices potentially further inflated due to market forces. However, the cost avoidance and reduction being achieved is counteracted by the volume and complexity of need along with market forces, which is proving to be significantly higher than modelled within the 2022-23 budget, particularly in relation to the number of external residential placements for children and an increase in the unit cost of such placements as well as the packages of support we are creating for children and young people with very challenging needs.

9.11. The proportion of children in foster care is lower than anticipated through our transformation programme due to lower numbers of placements being available, reflecting national shortages of foster carers. Consequentially, the proportion of children in external residential care, driven by sufficiency challenges elsewhere in the care market as well as complexity of need, is higher (39% more residential placements in 2022-23 than budgeted). Additionally, the cost of placements are, on average, significantly exceeding 2022-23 budgeted values; again, a trend seen nationally. This pressures is despite the considerable evidenced impact of New Roads showing a very significant diversion from care for many adolescents who may otherwise have needed to be accommodated in additional residential placements far exceeding current forecasts.

9.12. Alongside transformation of children's social care, Norfolk County Council has also undertaken the first phase of our Special Educational Needs and Alternative Provision transformation, particularly through the significant capital investment programme in additional special schools and specialist resource based provision within mainstream primary and secondary schools. Having completed the first phase of our improvement planning, The Council is now launching Local 1st Inclusion as the next stage covering the period 2023-29.

Service Financial Strategy

9.13. This evidence shows that Children's Services core strategy and transformation approach is working, and our transformation programme evidences delivery of significant financial savings and avoidance of further financial pressures through keeping families together and reducing numbers in care since we started our transformation programme. Alongside the significant financial benefits, the recent inspection by Ofsted has confirmed that the programme and service have also delivered improved outcomes for children and families.

9.14. Given the success of the programme to date, our transformative approach to services remains core to our strategic financial approach. Existing schemes continue to be embedded and deliver benefits, whilst new schemes continue to be delivered within the five key themes around which our transformation strategy has been built:

- Inclusion;
- Prevention and Early Intervention;
- Quality of Practice;
- Edge of Care and Alternatives to Care; and
- Re-shaping the care and specialist support market.

9.15. Overall, the key financial drivers expected for social care are consistent with recent financial years. The legacy of the pandemic is expected to continue to have a substantial impact; one area causing significant pressure is the court system and the significant delays that continue to be seen. Such delays result in significant additional costs to NCC (for example, lengthier placements preadoption, additional preparation for court when cases are delayed or postponed, etc.) as well as affecting the outcomes for children. Additionally, the pandemic knock-on economic impact continues to drive demand for services as well as the impact upon staffing availability of both NCC staff and those of commissioned services or partner organisations, such as health services.

9.16. The key financial drivers previously identified by the service have not eased and, in many cases, have continued to increase, with many elements being unpredictable in nature:

- lack of supply of placements is significantly impacting our ability to purchase the right placements at the right cost.
- An unhelpfully rigid approach from the regulator (Ofsted) - challenging care settings in a way which makes them unwilling to work with young people with complex needs or drives a demand for very large packages of additional support.

- the continued worsening of emotional wellbeing and mental health amongst children, young people and parents,
- A significant rise in 'extra familial harm', including county lines and exploitation of young people.
- An underlying trend of increasing special educational needs and disabilities, including some children with complex disabilities surviving into later childhood as a result of medical advances.
- An additional strain on families as a result of the pandemic and hidden harm with families locked down together.
- The demand-led aspects of placement and transport provision for children with special needs.
- The shortage in housing available for post-18-year-olds.
- Ongoing shortages of staff in key professional specialisms.

9.17. We know that the legacy of the pandemic has continued to have a significant impact on children and families, as well as our services and those of partners. A range of impacts on demand have been identified, including hidden need, trauma, and economic factors. Sadly, nationally, we have seen examples of the harm which occurred behind closed doors coming to light with several tragic cases across the Country, and overall increases in need in many areas of the children’s system. Norfolk saw a persistent increase in demand for Family Support resulting from the impact of the pandemic, which placed those teams under significant pressure. We have seen a stabilisation in the number of children looked after following previous years of reduction since the start of our transformation programme; this is counter to the picture seen by many authorities nationally due to increased demand being countered by the impact of our transformation programme. The situation remains highly uncertain and, whilst attempts have been made to financially plan for these circumstances, the situation is fluid and is likely to continue to be so into 2023-24.

9.18. The key themes of our transformative agenda remain unchanged as they continue to be pertinent to addressing the considerable, ongoing challenges and uncertainties that face children’s services and the wider associated system throughout the country. The service will continue to drive this work forward, working alongside the increased strategic partnership working of recent years that has generated and driven system change in Norfolk that, as the County Council alone, could not be delivered. The ongoing challenges and uncertainties are driving significant financial pressures across many authorities due to increasing costs of placements and the changing type and, in some cases, increasing complexity of need as societal changes result in increased and more varied extra familial harm.

9.19. Our transformation programme has an ongoing programme of work alongside activity to identify further new initiatives that could deliver substantial transformation. The services’ core financial strategy for achieving savings is on an invest to save basis that aligns with this strategic approach, enabling the service to respond to the changing needs within communities and the current and future financial challenges by developing innovative new approaches, in particular:

- 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;
- 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; and
- 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.

9.20. In recent years, the service has been supported to invest in staffing to enable transformation of services. The people who deliver our services to children and families are the most important asset that the service has, whether these be directly employed staff or indirectly employed through partners and commissioned providers. Having the right people in the right roles delivers the outcomes needed for Norfolk's children whilst also delivery good value for money. That said, where appropriate, technology and automation continue to be exploited to deliver committed efficiency.

9.21. However, the financial pressures projected in 2022-23 are anticipated to continue into 2023-24, with financial provision included within the identified budget pressures for the ongoing impact of the 2022-23 overspend. These forecast pressures are driven by the key financial drivers detailed earlier and would be significantly greater without the ongoing programme of transformation. To meet these pressures, Children's Services, along with the Council as a whole, has committed to identifying additional efficiencies.

Specific Funding

9.22. Supporting Families funding – the Government announced the continuation of this funding after the 2022-23 budget was set with expected income of £2.6m for Norfolk. 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. Funding is expected to continue in 2023-24, though specific details of Norfolk's allocation have not yet been provided, leaving a risk that actual funding received is insufficient to meet existing commitments.

9.23. It had previously been announced that the Adoption Support Fund (ASF) would end at the end of 2020-21, and the risk of the loss of funding had been raised in previous reports. To date the funding has continued with amended terms and, currently, the DfE have approved the ASF in its current form until end March 2025. Given the direction indicated within the National Social Care Review and the focus on supporting families, we expect that ASF will be approved in the future when next up for review prior to March 2025

9.24. Late on in the 2022-23 budget planning process, the DfE made a decision to cease the School Improvement Monitoring and Brokering Grant, with removal of 50% of the grant in 2022-23 and complete cessation from 2023-24. The DfE expect that all council school improvement activity, including core improvement activities and non-statutory services, would be funded via de-delegation from the Schools Block of the Dedicated Schools Grant, provided on a traded basis or through local authority council tax funds. Norfolk's Schools Forum have not agreed to de-delegation of funds for services and that maintained schools requiring or wanting support should buy-in on a traded basis.

Saving proposals 2023-24

9.25. A significant proportion of Children's Services saving proposals for 2023-24 are extensions of our existing programme of work, complementing, and in addition to, the savings already within the 2022-25 MTFS. The proposals comprise of individual but related projects that, together, will continue to deliver significant transformation needed to provide financial sustainability as well as to deliver financial savings:

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.
- To date, this investment has enabled an increase in permanent social care staff and, thus, a reduction in the usage of agency staff, alongside the introduction of functions such as Support for Success teams to ensure sufficient capacity to work with newly accommodated children and young people can return home or have placements stabilised. The ongoing anticipated financial benefit has been reflected in the MTFS for future years.
- For 2023-24, budget reflects the redesign of support for children with disabilities to deliver more effective care and support and helping more families to stay together through reducing escalation of need and families reaching crisis point, which is expected to avoid children coming into care and costly placements and support.

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.
- Through the transformation programme to date, the Council has already invested in Stronger Families (social impact bond), which has delivered significant financial benefits, and New Roads, whose financial benefits to date have significantly exceeded projections, which has been recognised in for 2023-24.

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. We are continuing 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.

- Through the transformation programme to date, the Council has made capital and revenue investment in a range new provision, including the semi-independent accommodation and solo / dual placements, with financial benefits already delivered and embedded within the department's budget.
- In conjunction with health partners, development will continue in 2023-24 of edge of mental health in-patient provision to support, in a therapeutic way, young people to step down from, or avoid, hospital stays and / or expensive, external placements / support, which leads to better outcomes for young people whilst also providing cost savings.

Inclusion:

- The Council has significantly invested capital monies in the development of additional places in existing special schools, new special schools that are being built, and expanding specialist resource base provision throughout the County. This provision will enable more children and young people with Special Educational Needs to access appropriate provision closer to home and in the state sector, which will significantly reduce the pressures on the Dedicated Schools Grant forecast if we 'do nothing'. Additionally, investment in the support in mainstream schools is intended to reduce the escalation of needs enabling more children and young people to remain in the mainstream sector where it is appropriate for them to do so.
- Linked to this investment we are, and will continue, to deliver savings in relation to the home to school transport costs associated with long journeys for children with Special Educational Needs and Alternative Provision requirements.
- For 2023-24, we are proposing extending the existing additional home to school transport savings through expansion of savings already in the MTFS and, in particular, will be delivered through promoting a wider range of opportunities for home to school travel, focus on tightening controls and ensuring good financial grip.

9.26. In addition to the core financial strategy, we continue to have a significant focus on efficiency, modernisation, and funding sources, and our budget proposals look to capture these opportunities, including:

- **Strategic review of internal post 16 teams**: To ensure integrated delivery of these functions across council and wider system;

- **Review of service levels and demand post-pandemic**: An amalgamation of not restarting activities where there is no longer demand nor economic viability, along with withdrawing from the professional development centre building following review of usage;

- **Alternative NPLaw arrangements:** A combination of ensuring the right level of external legal expertise is utilised alongside an invest-to-save model through the appointment of Legal Officers embedded into the High Needs SEND function in relation to SEND tribunals. By increasing number of individuals within NPLaw able to undertake court advocacy, there will be a reduction of reliance on barristers for shorter hearings and therefore a saving achieved;

- **Post 16 transport: remove option to pay a daily fare (currently only available on local buses which charge fares)**: it is proposed that the option to pay for post 16 transport via a daily fare on local buses will be removed meaning that all post 16 students will have the same options for payment regardless of provider;

- **Contract efficiencies**;

- **Capitalisation and use of capital receipts to fund transformation**;

- **Review of grant funding budget assumptions**: As a result of ongoing successful outcomes, the Council is receiving maximum performance by results income. This is expected to continue during 2023-24 offsetting the need for NCC funding for Family Support teams.

9.27. As we work through the budget setting process, the department continues to focus upon potential transformation within our overall strategy, as described above, that could maximise outcomes for children and young people, whilst mitigating the challenges resulting from the pandemic and also delivering financial benefits to alleviate the pressures facing the County Council.

Key Issues and Risks

9.28. Whilst we are seeing some medium-term financial impacts of the pandemic and the budget looks to mitigate these where possible, it remains unclear precisely what the 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 continue to 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.

9.29. The level of pressures included in the Children's Services budget for future years attempts to reflect the high-level expectations regarding the medium-to-longer-term demand. However, the last 2 years has shown that it is difficult to predict these with certainty and, therefore, risks within Children's Services remain that 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.

9.30. Some specific risks that should be noted are:

- **Pandemic economic and societal impact leading changes in market forces**

Increasing cost pressures have been seen throughout the external markets that Children's Services deals within including transport providers and social care placement provision. Some providers have contracted, such as reduced numbers of taxi drivers, or exited the market, such as coach company closures, during the pandemic for various economic and societal reasons, such as seeking more secure income streams, or a different lifestyle being sought. These impacts have has resulted in demand exceeding supply, leading to unexpected cost increases, and there is a risk that such patterns continue or other, unexpected, trends emerge in the medium-to-longer-term;

- **Exacerbation of demand pressures due to pandemic legacy and cost of living crisis leading to additional cost pressures**
  Demand, as a legacy of the pandemic, could continue to increase in volume and / or complexity. Demand may emerge over time both directly into Children's Services (as evident in demand for Family Support services), as well as through schools or within early years provision (such as reduced speech and language skills). Combined with cost of living pressures being experienced by families, additional children and families may require our services due to a combination of increased strains on families and the medium-term impact of 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 and / or additional placement and support costs, to ensure that the right outcomes for children and families are achieved;

- **Economic and societal impact of the legacy of the pandemic and the cost of living crisis 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, in some cases, these challenges have been exacerbated post pandemic, e.g. the national shortage of foster carers. Additionally, public sector pay increases are, on average, below those in the private sector and individuals may choose that they need to make alternative role or career choices to ensure that they can meet their own financial needs, particularly for lower graded roles;

- **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. Additionally, the inflation pressures currently being seen are having a significant impact upon key providers, particularly in relation to staffing costs as well as energy and transport, which may result in providers being unable to fulfil contracted provision or choosing to hand back contracts that are no longer financially viable for them;

- **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. Additionally, they are facing the same inflationary cost pressures as seen by the County Council and key providers. 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, and cost of, SEND home to school transport**
  Increases in demand for SEND home to school transport provision has mirrored increasing demand for special school and specialist resource base provision. The increase in demand has been exacerbated by price pressures from providers both due to the cost of fuel, vehicles and their ability to recruit and retain staff. Additional resources are allocated in this budget to reflect this situation, but there remains a risk that demand will exceed the financial resources available;

- **Legacy of the pandemic leading to excessive strain on families caring for a child with significant additional needs and / or disabilities**
  The majority of families found the pandemic caused 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 were 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 had the resilience to cope during the pandemic, but the medium-to-longer-term impact brings increased risk of family break-down and, subsequently, increased demand for services;

- **National Living Wage and impact upon workforce pay rates.**
  When the National Minimum Wage, and subsequently National Living Wage (NLW), were introduced there remained a differential to lower graded roles within children's social care sector and education. As the NLW has increased, the pay and terms and conditions for these roles is no longer as attractive and key services and providers are experiencing challenges in recruiting and retaining staff to some roles. There is a risk that any differential is completely eroded, resulting in key roles remaining unfilled as the workforce makes alternative choices to meet their financial needs;

- **Unfunded new burdens from Government in response to the National Social Care Review and the SEND review: right support, right place, right time**

The Government's response to both of these reviews has been delayed from the end of 2022 and is currently awaited and, if implemented in full, the recommendations would potentially bring significant additional burdens to local authorities. Previous reviews in both of these policy areas have resulted in legislative change that has then not been fully funded, leading to the significant risk that any changes as a result of these review implementations may not be fully funded.

Children's Services proposed budget 2023-24

Table 27: Detailed budget change forecast Children's Services 2023-27

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
	OPENING BUDGET	**189.065**	**232.593**	**247.412**	**256.903**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3% 22-23 onwards)	3.322	3.094	3.169	3.264
	Basic Inflation - Prices	4.289	2.678	2.872	2.929
G2324CS001	Pay award 2022-23 (£1,925 on all SCP)	5.377	0.000	0.000	0.000
G2324CS002	Remove NI 2022-23 1.25% increase (abolition of H&SC Levy)	-0.991	0.000	0.000	0.000
	Legislative Requirements				
G2324CS008	Children's Services additional inflationary pressures including impact of National Living Wage	7.000	0.000	0.000	0.000
	Demand / Demographic				
G2324CS005	Social care: demographic and demand growth	4.000	3.000	3.000	3.000
G2223CS010	Social care: additional growth due to medium term impact COVID-19	4.000	4.000	0.000	0.000
G2324CS006	Home to School Transport: demographic growth	3.500	2.500	0.500	0.000
G2324CS009	Loss of income due to lower demand for chargeable services post-COVID (Children's traded services)	0.150	0.000	0.000	0.000
	NCC Policy				
G2324CS007	Recruitment and retention investment offset by Agency reduction	-0.610	-0.540	-0.100	0.000
G2122CS006	New operating model investment	-0.350	0.000	0.000	0.000
G2324CS010	Children's Services recurrent pressures arising from 2022-23 service levels (2022-23 overspend)	20.000	0.000	0.000	0.000
G2324CS011	DSG/HNB recovery plan "Safety Valve" - Norfolk County Council contribution	5.500	0.000	0.000	0.000
		55.187	**14.732**	**9.441**	**9.193**
	SAVINGS				
CHS002	Expansion of 2019-20 CHS002: Alternatives to care (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	-6.000	0.000	0.000	0.000

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
	extended families keeping families safely together where possible and averting family crises.				
CHS001 (Extend)	Extending our existing savings programme to deliver additional benefits. Proposal is to expand our 2019-20 saving 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.	0.000	-0.900	0.000	0.000
CHS002 (Extend)	Extending our existing savings programme to deliver additional benefits. Proposal is to expand our 2019-20 saving CHS002: Alternatives to care – Investing in a range of new services which offer alternatives to care using enhanced therapeutic interventions, combined with a focus on support networks from extended families keeping families safely together where possible and averting family crises.	0.000	-0.250	0.000	0.000
CHS003 (Extend)	Extending our existing savings programme to deliver additional benefits. Proposal is to expand our 2019-20 saving 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.	0.000	-0.250	0.000	0.000
S2324CS023 [SR]	Changes in ways of working post pandemic: Reduction in the Early Years Training Budget as a result of the move towards a digital training offer	-0.200	0.000	0.000	0.000
S2324CS020	Expansion of CHS002: Alternatives to care (New Roads)	-1.000	0.000	0.000	0.000
S2324CS019	Expansion of CHS007: Inclusion (Home to School Transport). Extension of existing activity focussed on providing education more locally, supporting inclusion, supporting independent travel where that is right for the child, and commissioning transport most efficiently.	-0.935	0.000	0.000	0.000
S2324CS025 [SR]	Review of budget assumptions: Additional Supporting Families base funding offsetting the need for NCC funding for Family Support teams.	-0.476	0.000	0.000	0.000
S2324CS026 [SR]	Review of budget assumptions: Additional Supporting Families income due to ongoing successful outcomes resulting in maximum performance by results income.	-0.235	0.000	0.000	0.000
S2324CS028 [SR]	Review of legal costs: Ensuring the right level of external legal expertise is utilised	-0.050	0.000	0.000	0.000
S2324CS029	Review of service levels and demand post pandemic: Right sizing of the Early Years Sustainability Fund to reflect the level of demand seen in recent years	-0.100	0.000	0.000	0.000
S2324CS031	Withdrawing from the PDC Building: Revenue implications	-0.100	0.000	0.000	0.000
S2324CS030 [SR]	Revision to NPLaw Model: Alternative arrangement expected to deliver savings for Children's Services	-0.200	0.000	0.000	0.000
S2324CS024 [SR]	Contract efficiencies: Efficiency savings through reducing management roles and one-off inflationary savings.	-0.156	0.050	0.050	0.000

Appendix 1: Norfolk County Council Revenue Budget 2023-24

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
S2324CS022 [SR]	Review of service levels and demand post pandemic: Not restarting activities where there is no longer demand nor economic viability.	-0.016	0.000	0.000	0.000
S2324CS033 [SR]	One-off funding of transformation spend from capital receipts	-2.500	2.500	0.000	0.000
S2324CS034 [SR]	Additional capitalisation of Senior Leaders in relation to asset development	-0.100	0.000	0.000	0.000
S2324CS035	Post 16 transport: remove option to pay a daily fare (currently only available on local buses which charge fares)	-0.055	-0.045	0.000	0.000
S2324CS036	Strategic review of internal post 16 teams to ensure integrated delivery of these functions across council and wider system	-0.150	0.000	0.000	0.000
S2324CS037 [SR]	Strategic Review – Opportunity A and B	-1.485	-1.017	0.000	0.000
Various CHL003 / CHL001	Reversal of previous savings no longer deliverable: CHL003 Young Parent & Baby Semi-Independent Accommodation, CHL001: Specialist social care housing support, reduced family court costs and reducing LAC numbers, Smarter working: mobile phone reduction through introduction of text service from personal phones	1.241	0.000	0.000	0.000
		-12.517	**0.088**	**0.050**	**0.000**
	BASE ADJUSTMENTS				
		0.000	**0.000**	**0.000**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
C2324CS001	Depreciation transfer	1.264	0.000	0.000	0.000
C2324CS002	Debt management transfer	0.002	0.000	0.000	0.000
C2324CS003	CES/CS - Repeat Removals Prevention	-0.080	0.000	0.000	0.000
C2223CS002	FG to CS Extended Rights to Free Travel grant	-0.050	0.000	0.000	0.000
	CES/CS - PH 22/23 agreed new cross cutting transfers	-0.250	0.000	0.000	0.000
	CS/FCS - Semi Independent Accommodation	-0.029	0.000	0.000	0.000
		0.858	**0.000**	**0.000**	**0.000**
	NET BUDGET	**232.593**	**247.412**	**256.903**	**266.097**

10. 2023-24 Budget proposals – Community and Environmental Services

Financial Strategy

10.1. 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 Norfolk and we have a key role to play in supporting the delivery of the Better Together, for Norfolk strategy.

10.2. Our services are delivered across the county in the heart of local communities. The common factor is that CES services impact on residents, visitors and businesses in Norfolk every day. They are also crucial to successful economic growth.

10.3. We play a key role in keeping Norfolk communities safe, healthy and independent; including responding to emergencies, developing skills, tackling social isolation and providing the advice and support people need to stay safe and healthy. There is also a focus on Norfolk as a place, including looking after our unique heritage and environment as well as ensuring that key community infrastructure is in place.

10.4. We are investing in some key service areas to ensure critical activities to support local communities and businesses can continue to be delivered and developed further:

- Supporting economic recovery and growth, including development of a County Deal and the Norfolk Investment Framework to focus future growth and development.
- Supporting community resilience and development of social infrastructure, including through the Social Infrastructure Fund and delivery of projects and interventions with a range of partners.
- Providing the community infrastructure individuals and businesses in Norfolk need to thrive, including investments in transport, community facilities and skills development.
- Work to reduce our impact on the environment and deliver the action plan supporting the Council's Environmental Policy, including developing transport infrastructure that supports green ways to travel and enjoy Norfolk.
- Investing in services to help keep Norfolk Communities safe and healthy.
- Working with partners and stakeholders to further develop the visitor economy.

10.5. A key part of our strategy for some time has been to reduce our reliance on revenue funding whilst continuing to make significant investment in key improvements and activities for Norfolk. We have achieved this through successfully securing funding from alternative sources, including grants, competitively bidding for funding and generating income, for example the £49.6m of funding securing during 2022 to deliver our bus service improvement plan. Less than half of the workforce in CES is revenue funded.

Savings proposals 2023-24

10.6. The service continues to first look for opportunities to deliver budget savings, to minimise the impact on vital front-line services which local communities, businesses and visitors rely on. The range of services and outcomes means that a single approach would not be beneficial. Instead, CES is focussing on service redesign across the following broad approaches:

- A focus on Core service provision – Protecting, developing and enhancing the core services at the heart of local communities, including those supporting the work to keep people safe and healthy and to support economic activity.
- Working both internally and with key partners and stakeholders to collectively maximise alternative funding sources, including opportunities to generate income, to deliver shared outcomes for Norfolk without a continued reliance on NCC revenue contributions.
- Smarter Working – Efficiency and cost reduction – this includes putting new ways of working in place for our directly employed workforce, as well as working with our contractors to enable efficiencies from our commissioned services.
- Through the work as part of the Strategic Review, making sure that we organise our resources in the most effective and efficient way, including removing duplication.
- Recognising the importance of community infrastructure and continuing to invest in new and enhanced facilities, for example investment in more modern libraries and recycling centres. To ensure that communities can continue to access infrastructure in their local areas, the approach aims to change and flex access arrangements to better meet wider demand and to make best use of the new modern new facilities we are investing in.

Community and Environmental Services proposed budget 2023-24

Table 28: Detailed budget change forecast Community and Environmental Services 2023-27

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
	OPENING BUDGET	**166.162**	**177.109**	**184.839**	**192.026**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3% 22-23 onwards)	3.145	2.396	2.468	2.537
	Basic Inflation - Prices	6.587	1.966	2.048	2.092
G2324CES001	Pay award 2022-23 (£1,925 on all SCP)	3.234	0.000	0.000	0.000

Appendix 1: Norfolk County Council Revenue Budget 2023-24

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
G2324CES002	Remove NI 2022-23 1.25% increase (abolition of H&SC Levy)	-0.699	0.000	0.000	0.000
	Legislative Requirements				
G2122CES002	Trading Standards - additional trading standards requirements following Brexit	-0.090	0.000	0.000	0.000
G2223CES005	Fire Pension pressures	-0.100	-0.250	0.000	0.000
G2324CES003	Fire Service - Ill health payment to Home Office fire pension account	0.000	0.000	-0.200	0.000
	Demand / Demographic				
G2324CES004	Waste pressure - demand and demographic (tonnage)	0.600	2.000	2.000	2.000
G2324CES005	Future maintenance costs of other new infrastructure assets	0.050	0.050	0.050	0.000
G2223CES036	Future maintenance costs of Great Yarmouth 3rd river crossing	1.140	0.100	0.000	0.000
G2324CES006	Great Yarmouth 3rd river crossing - future electricity costs for bridge operation	0.175	0.000	0.000	0.000
	NCC Policy				
G2223CES035	Emerging cost pressures across all services in 2023-24[37]	3.000	0.150	0.000	0.000
G2223CES025	Growth and Development - One-off funding for local implementation plans arising from the Local Transport Plan adopted by Full Council 29 November 2021	-0.215	0.000	0.000	0.000
G2324CES010	Growth and Development - Norfolk Investment Framework (NIF) expenditure (one-off)	2.000	-2.000	0.000	0.000
G2324CES011	Growth and Development - Local Transport Plan	0.000	0.300	0.000	0.000
G2324CES012	Growth and Development - Transport for Norwich	0.000	0.200	0.000	0.000
G2223CES037	Loss of income from removal of overdue library charges for children and young people [Cabinet 08/03/2021]	0.044	0.000	0.000	0.000
G2223CES009	Other pressure on CES income budgets including other library fine income due to changes in policy	0.100	0.000	0.000	0.000
G2223CES040	Upfront investment for project / scheme development	0.000	0.000	0.250	0.000
G2324CES007	Fire Service - Lease cars pressure - cost increases including EV provision, and increased fleet requirement	0.430	0.000	0.000	0.000
G2324CES008	Fire Service - Norse contractual pressures for fleet services	0.266	0.000	0.000	0.000
G2324CES009	Fire Service - Resource pressure to support NFRS improvement "People" activity following HMI inspection report	0.155	0.000	0.000	0.000
		19.823	**4.911**	**6.616**	**6.630**

[37] This growth has been allocated in the 2023-24 Budget as follows: Pressures linked to retender of P&R contracts £0.600m, Highways exceptional materials cost pressures £0.300m, Highways exceptional energy cost pressures (street lighting) £0.950m, Delivery of the Council's Environment Policy £0.150m (plus £0.150m 2024-25), Culture and heritage - statutory duties in relation to resilience of structures (environment / planning related) £0.250m, Community information and learning income budget pressures £0.050m, release of pressure to contribute to saving S2324CES125 £0.700m.

Appendix 1: Norfolk County Council Revenue Budget 2023-24

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
	SAVINGS				
CMM043	Income generation – Norfolk Museums Service	0.000	-0.400	0.000	0.000
CES001	Additional efficiencies in staffing and operations to progress the Adult Learning service towards its goal of being cost neutral.	-0.100	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
CES051	Buying rather than leasing fire service vehicles. This would bring savings while keeping the same number of vehicles on the road.	-0.111	0.000	0.000	0.000
CES052	Charge for some of the expert planning advice and services we provide. This proposal requires that some of the costs for environment planning advice and information be transferred from the County Council revenue budget to a charge to the planning system. Enacting this change will require engagement with Tier 2 Local Authorities for those planning functions they cover.	-0.075	0.000	0.000	0.000
CES060	Fixed Penalty Notices. Income from fines if utilities and other companies do not comply with the roadwork permits they have been issued.	0.050	0.000	0.000	0.000
CES061	Fines for overrunning roadworks. Income from fines if utilities and other companies do not comply with the roadwork permits they have been issued. Section 74 of the New Roads and Street Works Act (NRSWA) allows highway authorities to charge undertakers if street works are unreasonably prolonged i.e. take longer than previously agreed.	0.350	0.000	0.000	0.000
CES094	Bring forward the reversal of Brexit pressures	0.090	0.000	0.000	0.000
CES097	Remove CES ICT reserve	0.085	0.000	0.000	0.000
CES099	Tarmac - increased 2021 contract saving over and above £250,000	0.010	0.000	0.000	0.000
S2324CES122	Budget reduction: Reduction of Arts Projects Grants and reduction in the Strategic Fund	-0.010	0.000	0.000	0.000
S2324CES105	Business Rates Pool - forecast income over £2m	-0.600	0.000	0.600	0.000
S2324CES121 [SR]	Business Support review (CES)	-0.100	0.000	0.000	0.000
S2324CES109 [SR]	Civil Parking Enforcement - future back office efficiencies	-0.100	0.000	0.000	0.000
S2324CES113	Closed landfill: capitalise borehole installations	-0.030	0.000	0.000	0.000
S2324CES108	Flood Prevention Funding – capitalise relevant activity previously funded from revenue budgets	-0.120	0.000	0.000	0.000
S2324CES117	Norfolk Record Office - reduction in opening hours and income generation	-0.022	0.000	0.000	0.000
S2324CES123	One-off usage of CES Reserves	-1.000	1.000	0.000	0.000
S2324CES112	Recycling Centres: contract efficiencies	-0.050	0.000	0.000	0.000

Appendix 1: Norfolk County Council Revenue Budget 2023-24

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
S2324CES119	Recycling Centres: harmonise summer opening hours at recycling centres	-0.070	0.000	0.000	0.000
S2324CES118	Reduce funding to the Norfolk Windmills trust	-0.020	0.000	0.000	0.000
S2324CES107	Reducing weedkilling on highway network to a single treatment	-0.130	0.000	0.000	0.000
S2324CES106	Review charges for events on the Highway	-0.075	0.000	0.000	0.000
S2324CES125	Review of budget assumptions: Removal of growth and cost pressures previously assumed in the Community and Environmental Services budget which are no longer expected to be required.	-1.200	0.000	0.000	0.000
S2324CES116	Review of Norfolk's Mobile Library Service	-0.107	0.000	0.000	0.000
S2324CES114	Roll out of on street parking charges	-0.200	-0.800	0.000	0.000
S2324CES110	Strategic salt storage facility at Ketteringham Depot	0.000	0.000	0.000	-0.045
S2324CES111	Waste reduction initiatives: reduced funding	-0.050	0.000	0.000	0.000
S2324CES115	Winter Maintenance - operational delivery efficiencies	-0.100	0.000	0.000	0.000
S2324CES126	Review of fees and charges: Review of fees and charges across Highways and Waste budgets to ensure charging is at the right level and introduce new charges in line with other local authorities where appropriate.	-0.290	0.000	0.000	0.000
S2324CES127	Review of Highways and Waste budgets: Reviewing service levels, budget requirements and demand, contract efficiencies, capitalisation and deletion of vacant posts.	-0.207	0.010	0.000	0.000
S2324CES124 [SR]	Restructure of the Museums Service	-0.157	-0.094	-0.030	0.000
S2324CES128 [SR]	Capitalisation in EDI service	-0.058	0.000	0.000	0.000
S2324CES129 [SR]	One-off saving from Trading Standards staffing budget	-0.042	0.042	0.000	0.000
S2324CES130	Armed forces covenant - reduce funding contribution for one year	-0.010	0.010	0.000	0.000
S2324CES131	Remove L&D budget	-0.010	0.000	0.000	0.000
S2324CES133	Vehicle replacement fund	-0.300	0.300	0.000	0.000
S2324CES135	Joined-up approach to Prevention and Protection / Trading Standards activities	0.000	-0.050	0.000	0.000
S2324CES136	Fire and Rescue Service efficiencies	-0.050	0.050	0.000	0.000
S2324CES137	Norfolk Record Office efficiencies	-0.005	0.000	0.000	0.000
S2324CES139	Changes to the process for determining planning decisions where the County Council is the applicant	-0.025	0.000	0.000	0.000
S2324CES140	Residual waste: waste growth review – additional saving over and above BC2 proposal	-0.100	0.000	0.000	0.000
S2324CES141	Recycling Centres: Mayton Wood relocation to Norwich North RC site	-0.030	-0.040	0.000	0.000
S2324CES142	Increase Recycling Centre charges	-0.025	0.000	0.000	0.000
S2324CES143	External funding contribution	-0.060	0.000	0.000	0.000

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
S2324CES144	Streetlighting - further dim all lights with an existing CMS (central management system) which are usually the main road streetlights - lights would come on @ 75%, dim to 50% from 8pm	-0.100	-0.074	0.000	0.000
S2324CES145 [SR]	Strategic Review – Opportunity A and B	-2.100	-0.100	0.000	0.000
S2324CES146	Application of Business Rates Pool funds to support Norfolk Investment Framework (NIF) expenditure	-2.000	2.000	0.000	0.000
S2324CES147	One-off application of CES reserves to support core budget	-1.000	1.000	0.000	0.000
		-10.254	**2.819**	**0.570**	**-0.045**
	BASE ADJUSTMENTS				
B2324CES001	Food Safety Enforcement grant rolled into main settlement 2023-24	0.024	0.000	0.000	0.000
		0.024	**0.000**	**0.000**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
C2324CES001	Depreciation transfer	0.613	0.000	0.000	0.000
C2324CES002	Debt management transfer	0.001	0.000	0.000	0.000
	CES/ASS - PH 22/23 agreed new cross cutting transfers	0.250	0.000	0.000	0.000
	CES/CS - PH 22/23 agreed new cross cutting transfers	0.250	0.000	0.000	0.000
	CES/FCS - P&G GRT budget transfer to Corporate Property. Further transfer to be made for PG1002 and staff budgets.	0.024	0.000	0.000	0.000
	CES/FCS - Removal of Mile Cross GRT site budget	0.032	0.000	0.000	0.000
	CES/FCS - IMT Fire Budgets to CES	0.127	0.000	0.000	0.000
	FCS/CES - Budget loaded to FF1700 Fire rev- spend will be on IMT Fire KT4300	-0.100	0.000	0.000	0.000
C2324CES004	CES/FG - CFL062 Fire Emergency Vehicles Red Fleet	0.112	0.000	0.000	0.000
C2324CES005	CES/FG - CFL064 Fire Breathing Apparatus	0.014	0.000	0.000	0.000
C2324CES006	CES/CS - Repeat Removals Prevention	0.080	0.000	0.000	0.000
C2324CES007	FCS/CES - Adult Learning	-0.024	0.000	0.000	0.000
	CES/FCS - transfer of Better Broadband	-0.027	0.000	0.000	0.000
		1.354	**0.000**	**0.000**	**0.000**
	NET BUDGET	**177.109**	**184.839**	**192.026**	**198.610**

11. 2023-24 Budget proposals – Strategy and Transformation

Service Strategy and context

11.1. The Strategy and Transformation department provides a continuum of services from strategy development, organisational development and upskilling, HR and HSW core services and professional advice, innovation and transformation delivery, insight and performance, strategic communications and resource stewardship.

11.2. Following the departure of the Director of Governance in January 2023, the functions previously identified separately within the Governance Department have transferred into Strategy and Transformation. These areas 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 opening budget in the table below has been restated to reflect the inclusion of these budgets in 2023-24.

11.3. The enlarged department's key functional areas are Human Resources, Transformation, Communications and Marketing, Insight and Analytics, Democratic Services, Regulatory Services, and Legal Services. As well as providing a service to operational departments they also enable the delivery of change and benefits within those departments. As described elsewhere in this report, there will be further changes to the organisational structure following the departure of the Executive Director of Finance and Commercial Services in April 2023 (see paragraph 12.2).

- 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, 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 in key areas such as strategy, communications and intelligence and analytics, to drive insights and actions.
  - These capabilities are also offered to Norfolk Resilience Forum (NRF) partners, supporting their management and delivery.

- 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.

- A **transformational focus** – to support and enable change to deliver expected benefits and outcomes and drive innovation, through providing 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, enhancing the governance of significant transformation activity and capital investment.
  - supporting our people to have the skills and behaviours needed to deliver

- An **enabling 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
  - supporting and driving evidence-based decision making
  - clear concise communications internally and externally to support service provision, drive the uptake of council services, and position the council in a leadership capacity
  - building the Council's positive reputation for delivery and influence positive behavioural change

- A **service delivery and income generating focus** – to create value for the Council 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 newly integrated functions of Nplaw and Registrars generate income, and budget proposals take into account the potential for fee earning. Other functions within Strategy and Transformation including HR, Communications and Insight and Analytics also have an important income generating dimension to their budgets

Service financial strategy and savings proposals 2023-24

11.4. To ensure best value for money, we continue to investigate and explore opportunities for a coordinated spend approach across the Council in all areas. The department's strategic approach to developing budget proposals is intended to:

- Maintain strong governance as efficiently and effectively as possible, which keeps the organisation safe and legally sound and supports elected members to shape and deliver the Council's key priorities.
- 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 and organisation design, in providing support across the organisation to maximise efficiency, and effectiveness.

- Ensure the realisation of benefits identified in the Strategic Review, Transformation and Smarter Working programmes. To support this activity, the budget proposals for 2023-24 include growth in the service's Transformation delivery and associated governance capacity, funded by capital receipts for the two years to 2025-26 to provide:
    - specialist resource to improve transformation delivery across the council
    - improved corporate oversight of the transformation and capital spend to support clear strategic alignment and resourcing of our programmes
- Provide clarity on HR core service delivery post MyOracle implementation.
- Acknowledge and invest in the role of manager capability and capacity in good people practice resulting in reduced HR intervention and advice.

11.5. Critical objectives and priorities for the year include to:

- Support the overall implementation year one of the Strategic Review and developing plans for future years that support an increased culture of delivery.
- Implement those changes identified in the Strategic Review that specifically relate to areas within Strategy and Transformation and identifying opportunities and synergies through this new grouping of services.
- Co-ordinate the preparation for mobilisation of the County Deal for Norfolk and leading on relevant areas.
- 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.
- Increase the provision of insight, accessible information and resources in a timely and meaningful way so as to enable evidence and intelligence led decision-making in the delivery of our services.
- Create meaningful conversations with residents, employees, 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, innovation and capital programme's 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.
- Developing better systems, processes and online resources which support self-service and improve access for the public, councillors and colleagues.
- Delivering regulatory services which are business-like and joined up, making a positive contribution to the Council's priorities.
- 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.

Key issues and risks

11.6. The timescales for implementation and delivery of key projects including Strategic Review and MyOracle have implications for the delivery of savings across the Strategy and Transformation Budget, particularly where Strategy and Transformation capacity is needed to support delivery across other services both as part of their Strategic Review and other organisational change implementation. In addition, the Strategic Review will require new systems, processes, and ways of working to support the revised models for service delivery. There are specific risks in relation to the professional leads savings under the Strategic Review which are linked to wider Opportunity A schemes and mechanisms including centralisation of budgets.

11.7. The demand for insight and reporting continues to increase both in terms of volume and complexity, which reflects NCC's growing maturity in how it values the use of data to understand daily operation and insight to inform decision making. However, the growing demand will require more effective and efficient use of NCC's current analytical resources, which will be achieved through a different pan-NCC approach. However given the scale of efficiency savings in reducing capacity it will take time to deliver changes.

11.8. Changes within the target operating model for HR are designed to deliver a lean structure with no spare capacity for additional change and projects. As a result where there are one off demands for support, these will need to be funded as part of the business case for change. Where the change has already been planned there is a risk that this has not been accounted for putting additional pressure on the system.

11.9. The scale of change across the Council is significant and this brings reputational risks and challenges to keep a highly motivated and high performance work force.

Strategy and Transformation proposed budget 2023-24

Table 29: Detailed budget change forecast Strategy and Transformation 2023-27

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
	Strategy and Transformation Opening Budget	8.759			
	Governance Opening Budget	1.960			
	OPENING BUDGET (Consolidated Strategy and Transformation)	**10.720**	**12.761**	**13.025**	**13.697**
	ADDITIONAL COSTS				
	Economic / Inflationary				

Appendix 1: Norfolk County Council Revenue Budget 2023-24

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
	Basic Inflation - Pay (3% 22-23 onwards)	0.476	0.490	0.508	0.526
	Basic Inflation - Prices	0.007	0.006	0.006	0.006
G2324S&T001	Pay award 2022-23 (£1,925 on all SCP)	1.066	0.000	0.000	0.000
G2324S&T002	Remove NI 2022-23 1.25% increase (abolition of H&SC Levy)	-0.206	0.000	0.000	0.000
	Demand / Demographic				
G2021GOV001	Coroners - additional cost for storing bodies	0.080	0.000	0.000	0.000
G2324GOV003	Coroners - increased pathologist fees	0.100	0.000	0.000	0.000
	NCC Policy				
G2324S&T004	Transformation service - growth pressure following Strategic Review (funded by capital receipt flexibility)	1.531	0.000	-1.531	0.000
G2324S&T003	County Deal - implementation costs including consultation, prior to capacity funding becoming available in December 2023, if the County Deal is approved	0.250	-0.250	0.000	0.000
G2324GOV006	8% Market Supplement for Nplaw Grades I to N until 31 October 2023	0.142	-0.142	0.000	0.000
G2324GOV005	Coroners resource / capacity increase to address volumes of work	0.200	0.000	0.000	0.000
G2021GOV002	Coroners Officers administrative team (12 FTE) transfer from Police	0.105	0.111	0.118	0.124
		3.752	**0.215**	**-0.899**	**0.657**
	SAVINGS				
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	0.099	0.000	0.000	0.000
S&T002	Insight & Analytics budget saving and additional income. Deliver a saving by delaying recruitment and seeking alternative sources of funding for currently vacant posts.	0.097	0.000	0.000	0.000
S&T003	One off use of Strategy and Transformation reserves.	0.050	0.000	0.000	0.000
S&T005	National Insurance savings on employee support schemes - invest to save approach based on promoting uptake of salary sacrifice arrangements to deliver Employer's NI savings	-0.045	0.000	0.000	0.000
GOV005	Use of Governance reserves. One-off release of reserves to offset budget pressures following review of all reserves held.	0.100	0.000	0.000	0.000
S2324S&T006 [SR]	Expansion of professional leads - Centralise and control spend on communications. This would include paid staff and/or non-pay procurement across the organisation	-0.100	0.000	0.000	0.000
S2324S&T007 [SR]	Expansion of professional leads - Work with other departments to agree the Council's desired level of activity and overall number of analysts required	-0.100	0.000	0.000	0.000
S2324S&T008 [SR]	One off use of Strategy and Transformation reserves.	-0.050	0.050	0.000	0.000
S2324S&T009 [SR]	Strategic Review - HR remodelling	-0.447	0.000	0.000	0.000
S2324S&T010 [SR]	S&T - Transformation capitalisation saving	-1.571	0.000	1.571	0.000

Appendix 1: Norfolk County Council Revenue Budget 2023-24

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
S2324GOV010	Increase in Registrars Income	-0.075	0.000	0.000	0.000
		-2.042	**0.050**	**1.571**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
	S&T/FCS HR Admin Support Officer	0.039	0.000	0.000	0.000
C2324S&T001	S&T/FCS - HR Transactions Team	0.317	0.000	0.000	0.000
	FCS/GOV - IMT for support when Dem Serv use Council Chamber	-0.010	0.000	0.000	0.000
C2324GOV001	FG/GOV - Depreciation 81000	-0.015	0.000	0.000	0.000
		0.331	**0.000**	**0.000**	**0.000**
	NET BUDGET	**12.761**	**13.025**	**13.697**	**14.354**

12. 2023-24 Budget proposals – Finance and Commercial Services / Finance General

Service Strategy and context

12.1. Finance and Commercial Services provides capacity to enable the Council to act swiftly, innovatively, and effectively in a climate of continuous change. The Department continues to be 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;
- Rolling out technological infrastructure, improving customer service and saving money; and
- Delivering savings through the Strategic Review by making sure that resources are organised in the most effective and efficient way, and by removing duplication.

12.2. As part of the Strategic Review, the Executive Director of Finance and Commercial Services will be leaving the Council in April 2023. There will be further changes to the organisational structure of the Finance and Commercial Services Department as a result of this, however as the detailed implications remain to be confirmed, these are not incorporated in this report but will be reflected as far as possible in the 2023-24 Budget Book.

Service financial strategy and savings proposals 2023-24

12.3. The key objectives set out above have informed the Department's approach to identifying budget proposals which minimise the impact on front line services. Saving plans for 2023-24 are therefore focussed on achieving efficiencies and improvements, including realising the benefits of the HR and Finance System (MyOracle) in future financial years, and achieving savings from greater integration of activities within IMT. Alongside this, the Department is seeking to maximise income, for example from further commercialisation and maximising the return from the Council's property assets within the Corporate Property Estate.

Key issues and risks

12.4. The Department is directly managing, and supporting the wider Council with a number of key issues and risks:

- Supporting the response to the cost of living crisis and the legacy of COVID-19 including directly through Finance Exchequer Services activities;
- Providing and managing resilient IT infrastructure to support staff at all NCC sites and working remotely;
- Delivering major procurements;
- Rationalising and achieving best value from the Council's property portfolio;
- Supporting the Council to set and deliver services within planned budgets;
- Supporting the wider organisation to engage with funding reform and ensuring the Council's needs are understood by Government;

Finance and Commercial Services proposed budget 2023-24

Table 30: Detailed budget change forecast Finance and Commercial Services 2023-27

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
	OPENING BUDGET	**33.424**	**35.793**	**36.461**	**37.203**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3% 22-23 onwards)	0.754	0.758	0.776	0.796
	Basic Inflation - Prices	1.120	0.320	0.326	0.332
G2324FCS001	Pay award 2022-23 (£1,925 on all SCP)	1.531	0.000	0.000	0.000
G2324FCS002	Remove NI 2022-23 1.25% increase (abolition of H&SC Levy)	-0.247	0.000	0.000	0.000
	NCC Policy				
G2122FCS002	Revenue pressure for HR and Finance System replacement	-0.052	0.000	0.000	0.000
G2324FCS003	ICT support to enable WFH equipment provision	0.031	0.000	0.000	0.000
G2324FCS004	Green energy tariff via ESPO	0.161	0.000	0.000	0.000
		3.297	**1.078**	**1.102**	**1.128**
	SAVINGS				
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.	0.400	-0.150	-0.150	-0.200
FCS018	Benefits realisation from the HR & Finance system replacement (MyOracle) project. Recognising efficiency and other savings to be achieved within Budgeting and Accounting service from 2023-24.	0.000	-0.030	-0.030	-0.040
S2324FCS021	Further income from commercialisation of property assets including County Hall	-0.350	0.000	0.000	0.000

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
S2324FCS022 [SR]	Strategic Review – Opportunity A – Finance and Property	-0.700	-0.230	-0.180	0.000
S2324FCS023 [SR]	Strategic Review - Opportunity A - Procurement	-0.050	0.000	0.000	0.000
S2324FCS024 [SR]	Strategic Review - Opportunity A - IMT / Digital	-0.500	0.000	0.000	0.000
		-1.200	**-0.410**	**-0.360**	**-0.240**
	COST NEUTRAL ADJUSTMENTS				
C2324FCS001	Depreciation transfer	0.623	0.000	0.000	0.000
C2324FCS002	Debt management transfer	0.001	0.000	0.000	0.000
	CES/FCS - P&G GRT budget transfer to Corporate Property. Further transfer to be made for PG1002 and staff budgets.	-0.024	0.000	0.000	0.000
	CES/FCS - Removal of Mile Cross GRT site budget	-0.032	0.000	0.000	0.000
	CES/FCS - IMT Fire Budgets to CES	-0.127	0.000	0.000	0.000
	FCS/CES - Budget loaded to FF1700 Fire rev-spend will be on IMT Fire KT4300	0.100	0.000	0.000	0.000
	FCS/GOV - IMT for support when Dem Serv use Council Chamber	0.010	0.000	0.000	0.000
	S&T/FCS HR Admin Support Officer	-0.039	0.000	0.000	0.000
	CS/FCS - Semi Independent Accommodation	0.029	0.000	0.000	0.000
C2324FCS004	FCS/CES - Adult Learning	0.024	0.000	0.000	0.000
C2324FCS005	S&T/FCS - HR Transactions Team	-0.317	0.000	0.000	0.000
	CES/FCS - transfer of Better Broadband	0.027	0.000	0.000	0.000
		0.273	**0.000**	**0.000**	**0.000**
	NET BUDGET	**35.793**	**36.461**	**37.203**	**38.091**

Finance General proposed budget 2023-24

12.5. 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.

12.6. 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 31: Detailed budget change forecast Finance General 2023-27

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
	OPENING BUDGET	**-198.432**	**-213.600**	**-170.554**	**-144.873**

Appendix 1: Norfolk County Council Revenue Budget 2023-24

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3% 22-23 onwards)	0.526	0.381	0.391	0.402
G2324FG009	Basic inflation - Pay (2023-24 additional c2% central contingency, 1% 2024-25)	7.196	3.319	0.000	0.000
	Basic Inflation - Prices	0.109	0.068	0.070	0.072
G2324FG010	Remove 2022-23 inflation contingency not required	-0.296	0.000	0.000	0.000
G2324FG002	Remove NI 2022-23 1.25% increase (abolition of H&SC Levy)	-0.004	0.000	0.000	0.000
G2324FG001	Pay award 2022-23 (£1,925 on all SCP)	0.025	0.000	0.000	0.000
G2324FG011	Central provision for pay award 2022-23 allocated to services (originally assumed 3%)	-7.484	0.000	0.000	0.000
G2324FG012	Insurance premium uplift pressures anticipated c15% (10% provided)	0.176	0.000	0.000	0.000
	Legislative Requirements				
G2021FG004	NCC Pensions valuation 31 March 2019 for 2020-21 to 2022-23	1.152	0.000	0.000	0.000
G2021FG005	Other Pensions valuation 31 March 2019 for 2020-21 to 2022-23	0.848	0.000	0.000	0.000
G2021FG001	Environment Agency Levy increase	0.050	0.000	0.000	0.000
G2021FG002	Increased IFCA Precept	0.011	0.000	0.000	0.000
G2324FG003	Increase in the local levy to the Regional Flood and Coastal Committees of up to 3.00% (Cabinet 03/10/2022)	0.028	0.000	0.000	0.000
G2324FG004	Additional costs of External Audit following PSAA re-procurement exercise 2022	0.188	0.000	0.000	0.000
G2324FG013	Increase in Apprenticeship levy to reflect historic pay awards and actual costs	0.450	0.000	0.000	0.000
	Demand / Demographic				
G2324FG014	Provision for future Service Pressures	0.000	25.000	25.500	26.010
	NCC Policy				
G2324FG005	Minimum Revenue Provision	-4.555	2.497	1.720	1.954
G2021FG005	Increased Treasury Management costs	2.902	0.000	0.000	0.000
G2324FG006	Implementation of council tax maximisation activities with partners	0.250	0.000	0.000	0.000
G2223FG011	Children's transformation provision removal	0.000	0.000	-2.000	0.000
G2223FG007	Provision to increase General Fund level to maintain at target 5% net Budget	0.500	0.250	0.000	0.000
G2223FG002	One-off application of 2021-22 underspends carried forward to support revenue budget pressures across all services	18.000	0.000	0.000	0.000
G2223FG008	Reduced ESPO dividend income	0.060	0.000	0.000	0.000
G2324FG007	Interest payable from Repton	-0.900	0.000	0.000	0.000
G2324FG008	One-off interest payable / receivable Treasury Management adjustment	-2.200	2.200	0.000	0.000
		17.033	**33.716**	**25.681**	**28.437**
	SAVINGS				

Appendix 1: Norfolk County Council Revenue Budget 2023-24

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
FIN005	One off release from Organisational Change Fund. Annual budget provision is made for organisational change and redundancy costs. An assessment of the amount required to be held against organisational need(s), experience of actual costs incurred, and the likely organisational and staffing impact of emerging saving proposals for 2022-23, indicate that it would be possible to release £0.750m from this budget on a one-off basis.	0.750	0.000	0.000	0.000
FIN010	Additional saving from review of treasury management requirements. Latest borrowing undertaken, with review of borrowing needs and interest rates, will enable a further saving to be delivered from interest budgets.	-0.500	0.000	0.000	0.000
S2324FG012	Review of budget assumptions: Additional dividend income expected from ESPO.	-0.180	0.000	0.000	0.000
S2324FG013	Review of budget assumptions: Additional Norse rebate income expected.	-0.450	0.000	0.000	0.000
S2324FG014	Review of budget assumptions: Review of pension pressures previously assumed in the budget which are no longer expected to be required.	-2.000	0.000	0.000	0.000
S2324FG015	Review of budget assumptions: Review of Treasury Management budgets to reflect higher interest rates achieved on investment and treasury management activity.	-0.500	0.000	0.000	0.000
S2324FG011	Repton Property Developments Ltd dividend - Recognise an income budget from Repton Property Developments Ltd following successful commercial activity. Following the launch of the company and a period of development and growth, Repton is now expected to be in a position to deliver a dividend to the County Council of around £1m in 2023-24 and on an ongoing basis annually.	-1.000	0.000	0.000	0.000
S2324FG016	One-off application of Finance General reserves to support core budget	-1.000	1.000	0.000	0.000
S2324FG017 [SR]	Release pay provision held in Finance General following SR	-0.720	0.000	0.000	0.000
S2324FG018 [SR]	Strategic Review – Opportunity A – Finance and Property	-0.050	-0.050	-0.180	0.000
		-5.650	**0.950**	**0.000**	**0.000**
	BASE ADJUSTMENTS				
B2324FG001	New Homes Bonus Grant	1.205	0.628	0.000	0.000
B2324FG002	Change in Revenue Support Grant	-4.170	0.000	0.000	0.000
B2223FG006	Removal of 2022-23 "Services Grant" one-off (share of £1.5bn pa SR21 announcement)	10.687	0.000	0.000	0.000
B2324FG004	2023-24 Services Grant	-6.022	0.000	0.000	0.000
B2223FG002	Rebase Business Rates budget	-0.996	0.000	0.000	0.000
B2324FG005	CPI increase in Business Rates budget	-16.355	0.000	0.000	0.000
B2324FG006	One-off application of Business Rates Risk reserve to support 2023-24 revenue budget	-7.752	7.752	0.000	0.000
		-23.404	**8.380**	**0.000**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
C2324FG001	Depreciation transfer	-3.065	0.000	0.000	0.000

Ref		2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
C2324FG002	Debt management transfer	-0.005	0.000	0.000	0.000
C2324FG003	CES/FG - CFL062 Fire Emergency Vehicles Red Fleet	-0.112	0.000	0.000	0.000
C2324FG004	CES/FG - CFL064 Fire Breathing Apparatus	-0.014	0.000	0.000	0.000
C2223FG001	FG to CS Extended Rights to Free Travel grant	0.050	0.000	0.000	0.000
		-3.146	**0.000**	**0.000**	**0.000**
	NET BUDGET	**-213.600**	**-170.554**	**-144.873**	**-116.436**

13. Public consultation

13.1. 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.

13.2. For the 2023-24 Budget the Council has consulted on proposals to:

- increase council tax, including the Adult Social Care precept, in 2023-24 with views sought about a range of options;
- reduce summer opening hours at Norfolk's recycling centres and close all recycling centres on Wednesdays;
- reduce the opening hours of the Norfolk Record Office; and
- reduce weed spraying activities on the highway.

13.3. The Council also invited comments on the approach to budget savings or any of the individual proposals themselves. No other specific proposals were anticipated to have an impact on service delivery.

13.4. The approach to consultation involved:

- Consultation took place between 21 October 2022 and 16 December 2022 with consultation feedback available for Cabinet in January 2023;
- Proposals were published and consulted on via the council's consultation hub, Citizen Space: https://norfolk.citizenspace.com/consultation/budget2324/;
- 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 the Norfolk Resident's Panel, 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.

13.5. It should be noted that the consultation did not cover the proposals brought forward in the fourth round of savings development, undertaken in December 2022 as described in paragraph 7.3, or a number of the savings identified as part of the Council's Strategic Review. Details of the savings arising from these activities are also set out in Section 7. Those considered to be efficiency type savings which will not impact on front line service delivery (and therefore would not require public consultation) have been included in the proposed 2023-24 Budget. Savings proposals which may require consultation have been included on the basis set out in Section 10 of the covering Cabinet report dealing with Risk Implications/Assessment, and described in paragraph 10.5 onwards. Saving proposals linked to the Strategic Review, with potential implications for staffing levels, will be the subject of staff consultation during February and March 2023, as described in paragraph 10.7 of the covering Cabinet report.

Your views on our budget consultation 2023-24: consultation feedback

13.6. We received 805 responses in total. Full details of respondent numbers and analysis are provided in Appendix 5.

13.7. The feedback in relation to each section of the consultation is as follows:

COUNCIL TAX (proposal to increase council tax, including the Adult Social Care precept, in 2023-24 with views sought about a range of options)

There were 293 responses to the council tax proposal.

Increasing Norfolk County Council's share of council (including the Adult Social Care precept) by 2.99% in 2023-24.

- One hundred and thirteen people explained why they **agree or strongly agree** with the proposal. The main reasons for agreement include:
  - additional money is necessary to maintain important social services (38)
  - proposed increase is acceptable or reasonable (35)
  - proposed increase reflects current economic conditions in which all costs are rising (25)

- One hundred and one people explained why they **disagree or strongly disagree** with the proposal. The main reasons for disagreement include:
  - people cannot afford to pay more (43)
  - negative impact of wider economic factors on people's finances (24)
  - the requirement for NCC to operate more efficiently (21)

Increasing Norfolk County Council's share of the council tax (including the Adult Social Care precept) by 4.10% in 2023-24

- Fifty-three people explained why they **agree or strongly agree** with the proposal. The main reasons for agreement include:
  - additional money is necessary to maintain important social services (28)
  - proposed increase is acceptable or reasonable (13)
  - proposed increase reflects current economic conditions in which all costs are rising (10)

- One hundred and fifty-eight people explained why they **disagree or strongly disagree** with the proposal. The main reasons for disagreement include:
  - people cannot afford to pay more (70)
  - negative impact of wider economic factors on people's finances (33)
  - the need for NCC to operate more efficiently (32)

Increasing Norfolk County Council's share of the council tax (including the Adult Social Care precept) by 10.1% in 2023-24 – in line with rates of inflation as of September 2022

- Twenty-six people explained why the **agree or strongly agree** with the proposal. The main reason for agreement is:
  - services required a lot of financial support to be maintained or improved (13)

- One hundred and ninety-eight people explained why they **disagree or strongly disagree** with the proposal. The main reasons for disagreement include:
  - people cannot afford to pay more (97)

    - negative impact of economic factors on people's finances (50)
    - NCC's reasoning behind the proposal (47)
    - the need for NCC to operate more efficiently (37)

RECYCLING CENTRES (proposal to reduce summer opening hours at Norfolk's recycling centres and close all recycling centres on Wednesdays)

There were 332 responses to this proposal.

The proposal to reduce summer opening hours.

- One hundred and forty-four people explained why they **agree or strongly agree** with the proposal. The main reasons for agreement include:
    - the same opening hours all year round would provide consistency for people using the centres (27)
    - proposal is acceptable or reasonable (24)
    - seen as an effective way to save the council money (20)

- One hundred and fifty-five people explained why they **disagree or strongly disagree** with the proposal. The main reasons for disagreement include:
    - worries that the proposal will lead to more flytipping (52)
    - comments about how longer opening hours in the summer benefit people (37)
    - shorter opening hours would affect respondents who work during the day (35)

The proposal to close all Norfolk recycling centres on Wednesdays.

- Ninety-two people explained why they **agree or strongly agree** with the proposal. Only two reasons were cited over 10 times. These were the same that the proposal is acceptable or reasonable (14) and the proposal is seen as an effective way to save the council money (12).

- One hundred and ninety-nine people explained why they **disagree or strongly disagree** with the proposal. The main reasons for disagreement include:
    - possible increase in flytipping (78)
    - concern that the staff at centre may have their employment affected, during a cost of living crisis (38)
    - proposal is short sighted and could have knock on effects which would create more problems (37)

NORFOLK RECORD OFFICE (proposal to reduce the opening hours of the Norfolk Record Office)

There were 60 responses to this proposal.

- Thirty-nine people indicated that they **agree or strongly agree** with the proposal. The main reasons for agreement include:
    - proposal as a way of making needed savings (7)
    - proposal as fair and reasonable (5)

  - proposed changes would not have a significant impact on them or others (4)

- Twenty-one people indicated that they **disagree or strongly disagree** with the proposal. The main reasons for disagreement include:
  - belief that the NRO is a key and vital service (8)
  - concern over the fact that the NRO has already experienced a reduction in opening hours (7)
  - concern over the restriction of public documents to the public (6)

HIGHWAYS (proposal to reduce weed spraying activities on the highway)

There were 111 responses to this proposal.

- Sixty-three people indicated they **strongly agree or agree** (56.75%) with the proposals to reduce weed spraying, and **9 people shared that they neither agree or disagree** (8.11%). The main reasons given for agreement include:
  - reducing weed spraying is better for the environment (30)
  - understanding that NCC must prioritise and make savings (11)
  - agreement, as long it does not compromise safety (10).

13.8. A full analysis of the consultation feedback on the proposals above can be found 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.

14. Representatives of non-domestic rate payers

14.1. 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 2023, a package of material including a summary of key issues relating to the 2023-24 Budget was circulated to representatives of the business sector via the Chambers of Commerce and the Norwich Business Improvement District, with feedback and questions invited to HaveYourSay@Norfolk.gov.uk. Representatives were provided with a summary of the financial challenges facing the Council in 2023-24, and an overview of the proposals for budgets.

15. Capital programme

15.1. A summary of the proposed Capital Programme is set out in the separate Capital Programme report elsewhere on this agenda. Where relevant the implications of capital proposals, including the required level of Minimum Revenue Provision (MRP) budget, have been reflected within the proposed Revenue Budget.

16. Robustness of the Budget and compliance with the Financial Management Code

16.1. The Executive Director of Finance and Commercial Services is required by section 114 of the Local Government Finance Act 1988 to report to Members if it appears that the expenditure the authority proposes to incur in a financial year is likely to exceed the resources available to it to meet that expenditure. In addition, duties under section 25 of the Local Government Act 2003 establish a requirement 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).

16.2. As a result, these duties require a professional judgement to be made by the Executive Director of Finance and Commercial Services as the officer ultimately responsible for the authority's finances. The Executive Director takes a view of the robustness of the Council's budget across the whole period covered by the Medium Term Financial Strategy and this is set out in full in the Statement on the Robustness of Estimates 2023-24 to 2026-27 (Appendix 4).

16.3. At this closing stage of the budget setting process, and with reference to the new saving proposals developed for next year and set out in this report, the assessment by the Executive Director of Finance and Commercial Services in relation to this duty is that a balanced budget can be proposed for 2023-24. This reflects the following key considerations and assumptions:

- The new savings proposals developed to date for 2023-24, contribute to establishing a solid foundation for the development of a robust budget in future years, but a number of key risks remain.
- The current monitoring position for 2022-23 indicates an overspend of £2.054m, but a balanced position is expected to be achieved by the end of the financial year.
- Initial forecasts from District Councils suggest that the council tax base and collection position has proven more resilient that previously forecast and has provided additional funding which has assisted in closing the 2023-24 gap.
- Having regard to the Local Government Finance Settlement and prospects for 2024-25 funding, the Executive Director of Finance and Commercial Services considers that a balanced budget for 2023-24 can be set with an overall council tax and Adult Social Care Precept increase of 4.99%, with the same 4.99% level of increase assumed for planning purposes for 2024-25 to support a sustainable Medium Term Financial Strategy position. A lower increase in council tax in future years would require material additional deliverable, recurrent savings to be identified.
- Significant risks therefore remain around the scale of the likely gap for 2024-25 and future years, subject to the level of one-off options required to balance the 2023-24 budget.
- The assessment of the robustness of the Budget remains highly sensitive to the detail of Government decisions about funding made at future

Spending Reviews and Budgets and also the progress of Local Government Finance reforms.

16.4. In addition to the above, this judgement takes into account the fact that significant emerging pressures have been included in the final Budget proposals in January 2023 where they have been shown to be appropriate, but risks remain around a number of other areas:

- The level of the 2023-24 pay award for local government agreed nationally;
- Further exceptional inflationary pressures including for energy, fuel, and utilities as a result of wider international economic instability;
- Pressures within adults and children's social care including growth in demand, additional cost of purchasing care provision, delays in delivery of savings, the overall position of the care market and the impact of the National Living Wage;
- Risks linked to expectations around hospital discharge activities and associated funding;
- Potential future cost pressures linked to Government social care reforms;
- Other demographic pressures including home to school transport;
- Impact of policy decisions
- Property cost pressures;
- Government funding ceasing;
- Wider pressures linked to the National Living Wage; and
- Other decisions with cost implications, legislative and other changes.

16.5. Further risks are also emerging around the long term economic impacts of issues including the invasion of Ukraine, and the ongoing impacts of the COVID-19 pandemic. For example, disruptions to the food supply chain could result in additional costs related to the need to provide support to vulnerable members of society. Children's services, in both social care and education (particularly the High Needs Block), continue to be under very significant stress. There remains a risk that many of these pressures continue to increase in the medium-term as a result of both additional needs and higher unit costs.

16.6. While recognising that the forecast budget gap for 2024-25 is smaller than that bridged for 2023-24, it remains a material and challenging gap with limited prospects for additional Government funding in 2024-25. Taking all of this into account, the Executive Director of Finance and Commercial Services' current advice is that the Council needs to develop the 2024-25 Budget in a way which offers flexibility to respond to changes in the wider environment and operating context. This includes an early and thorough process to identify deliverable recurrent savings for 2024-25. The overall Budget position will need to be kept under review as budget planning progresses, informed by consideration of the adequacy of the overall General Fund balance, the need for a general contingency amount within the revenue budget, uncertainty about Government funding, and the further implications of the key issues discussed in this report alongside the Council's wider value for money position. Due to the size of the budget gap, it is recommended that this process starts in April/May 2023 and is supported by a series of savings reports to Cabinet through the year, in order to ensure that Cabinet can be assured that there will be a sufficient quantum of savings deliverable savings in place from the beginning of 2024-25.

16.7. As in previous years, the 2023-24 Budget has been prepared with reference to the Financial Management Code (the FM Code) published by the Chartered Institute of Public Finance and Accountancy (CIPFA). The FM Code provides guidance about the principles of good and sustainable financial management, and requires authorities to demonstrate that processes are in place which satisfy these principles. It identifies risks to financial sustainability and sets out details of a framework of assurance which reflects existing successful practices across the sector. In addition, 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.

16.8. The code builds on elements of other CIPFA codes and in particular has clear links with The Prudential Code for Capital Finance, the Treasury Management in the Public Sector Code of Practice and the Code of Practice on Local Authority Accounting in the United Kingdom. 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.

16.9. Details of how the Council considers it achieves compliance with the FM Code are set out in the table below.

Table 32: 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 the annual budget setting process. 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.[38] 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[39]. The Executive Director of Finance and Commercial Services is leaving the Council in April 2023 as a result of the Strategic Review. Alternative arrangements to fulfil the duties of the Section 151 Officer will be put in place at that time. These new arrangements will be established in compliance with the requirements of the FM Code and will be subject to approval by Full Council. Financial Regulations will be updated with any consequential changes as required to reflect the new arrangements.
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[40] which accompanies the Statement of Accounts,

[38] https://www.norfolk.gov.uk/what-we-do-and-how-we-work/our-budget-and-council-tax/statement-of-accounts
[39] https://www.cipfa.org/policy-and-guidance/reports/the-role-of-the-chief-financial-officer-in-local-authorities
[40] https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/statement-of-accounts/draft-annual-governance-statement-2021-22.pdf

Section	Statement	Summary of assessment of compliance
		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 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 Cabinet 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	The Council underwent a Local Government Association Corporate Peer Review / Challenge in October 2019[41], which included consideration of financial planning and viability. Findings included that

[41] Plan to develop Peer Challenge Recommendations into Action Plan, (Item 16), Cabinet, 2 December 2019

Section	Statement	Summary of assessment of compliance
	transparent financial resilience assessment.	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 a high level annual resilience review, as part of the budget setting process, including a sensitivity analysis for key aspects of the Budget.
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.	The Council has an annually produced, rolling four-year medium term financial strategy which also looks at the longer term (10 years) to establish potential risks and sensitivities within the budget setting process. The annual Budget sets out links to annual Departmental Plans and priorities. Annual Strategic Planning activity makes the link between budget-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.
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	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.

Section	Statement	Summary of assessment of compliance
	proposed financial reserves.	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 Capital Programme Quarterly Review Board is in place 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.
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 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	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

Section	Statement	Summary of assessment of compliance
	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 United Kingdom. Statements in the 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.

17. Summary

17.1. Collectively, the proposals in this report represent a prudent, robust Budget for 2023-24, which is closely aligned to the delivery of the Council's key priorities as set out in its Vision and Strategy. The Budget for 2023-24 incorporates very significant cost pressures, which are higher than experienced in previous years and driven largely by external factors. The development of a balanced position has required the identification of material savings proposals for the year, and the successful achievement of these will require major organisational effort.

17.2. Looking forward, the Budget makes provision for the identified cost pressures across all services in order to establish a foundation for the delivery of a balanced position for 2023-24 and the development of a sustainable MTFS position. However, material risks and significant uncertainties remain for 2024-25 as described in the report, and an early and robust process will be required to support the preparation of a balanced 2024-25 Budget.

Norfolk County Council
Medium Term Financial Strategy 2023-27

1. Introduction

1.1. The Medium Term Financial Strategy (MTFS) 2023-27 replaces the Medium Term Financial Strategy 2022-26. It outlines the different factors that contribute towards the financial context in which the County Council operates and the expected future impacts. It offers reassurance that our spending plans are sustainable and affordable over the medium term (the next four years).

1.2. There have been many developments globally during 2022 that continue to have a material impact on the ability to forecast the Council's future financial position. No longer dominated by Covid recovery, the medium term fiscal outlook for the country has significantly worsened since the beginning of the year.

1.3. We could not have predicted the war in Ukraine, changes of leadership of the national government, a steep rise in inflation, higher interest rates and a global energy crisis, which have all profoundly impacted the wider economy and increased demand for services, as households and communities struggle with the rising cost of living.

1.4. Locally, a County Deal for Norfolk has been negotiated, in principle, with the Government. Under a deal, Norfolk would receive £20 million investment fund every year for 30 years. Public consultation will be undertaken in early 2023, further details are outlined in the local economy section below.

1.5. The Local Government Finance Settlement announced in December 2022 covered one year; 2023-24, with indications given in the preceding Policy Statement for a rollover settlement for 2024-25. The financial implications for Local Government for the latter two years of the MTFS (2025-27) in particular are largely unknown, and therefore remain subject to considerable change and uncertainty. Initial assessments show a particularly challenging financial landscape in 2025-26, as there is major uncertainty linked to Government's plans to reform local government funding and linked to the delivery of the levelling up agenda.

1.6. 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.

1.7. 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.

1.8. 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 within Adults and Children's Services, with increased spending on social care services due to a range of factors including; managing new and existing demand (due to a post pandemic backlog) market stability, staff recruitment and retention (both within care providers and social care workers), pressures of hospital discharge requirements, cost of care packages exceeding inflation, additional complexity of cases and court system delays.

1.9. As detailed later within the MTFS, recent inflationary increases have contributed to the announcement within the Autumn Budget 2022 to increase the National Living Wage by 9.7% to £10.42 (from £9.50) which will have a significant impact on our contracted / procured services.

1.10. 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 and the Medium Term Financial Strategy will need to remain flexible to adapt to changing circumstances.

2. National Factors

Government Funding

2.1. The Department for Levelling Up, Housing and Communities (DLUHC) announced the provisional Finance Settlement for Local Government on 19 December 2022, which covered 2023-24 and (in outline) 2024-25.

2.2. In overall terms, the Provisional Settlement reflects an increase in Core Spending Power (CSP) for the County Council, as expected following the Autumn Statement and the Policy Statement. The increase in CSP is largely being delivered via increased funding for social care and a higher threshold for council tax increases, including the Adult Social Care precept. The percentage change in CSP excluding council tax assumptions is 6.7%. These CSP increases are accompanied by significant cost pressures including high inflation rates and the increase in the National Living Wage.

2.3. It has also been announced that **Fair Funding** will be delayed until 2025-26 at the earliest. It is disappointing as it had initially appeared that the direction of travel was generally favourable for upper tier shire authorities. The Council continues to engage with 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.

2.4. 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, burdens such as the 9.7% increase to the National Living Wage, central Government policy expectations, and the needs of vulnerable social care users becoming increasingly complex.

2.5. Children's services, in both social care and education, are also under very significant stress. This pressure has been impacted in the medium-term post pandemic, as a result of additional needs driven by the associated lockdowns and restrictions and the impact of court system delays.

2.6. Other services such as transport, planning, environment, and trading standards have been subject to significant funding restrictions which have also seen increasing pressure placed on discretionary and preventative services.

Government policy and economy forecasts

2.7. At the time of preparing this Strategy in January 2023, the last major fiscal event was when the Chancellor of the Exchequer, Jeremy Hunt, announced the Autumn Budget in November 2022.

2.8. Alongside this, the OBR have published an updated Economic and Fiscal Outlook[42] in November 2022 to set out forecasts for the economy and Government plans. The OBR forecast indicated that with high inflation and rising interest rates weighing on demand, the UK economy is expected to enter a recession lasting just over a year from the third quarter of 2022. However more recent statistics indicate that the last quarter of 2022 could see small growth or be flat.[43]

2.9. The OBR reports inflation at a 40 year high, peaking at 11% in this quarter (and that is after allowing for a 2.5% benefit arising from the energy price guarantee) before falling sharply to potentially negative territory and then stabilising at the target rate of 2% by the end of 2027.

2.10. 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

2.11. Alongside the Autumn Statement[44], in November 2022, the Government published an update to its preferred measure of illustrative core spending power, which suggests that Local Government's core spending power (assuming authorities increase their Band D by the maximum allowed) will increase by 9.2% in 2023-24 and 7.9% in 2024-25.

2.12. For Norfolk, a large proportion of the increase in core spending power of 10.5% is driven by assumed council tax increases. When the assumed level of Council tax is excluded, Norfolk's spending power increases by 6.7%, which is below current levels of inflation. The remainder of the increase in CSP largely derives from additional funding for Social Care.

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[42] Economic and fiscal outlook – November 2022 (obr.uk)
[43] https://www.bbc.co.uk/news/business-64267126
[44] Autumn Statement November 2022

2.13. The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. At a meeting on 14 December 2022, the MPC voted to increase the Bank rate to 3.5%[45].

2.14. The Government implemented a National Living Wage (NLW) from 2016-17, starting at £7.20. From April 2023, it will be increased by 9.7% to £10.42 (currently £9.50). The exact level at which the National Living Wage will be set in future years has not been confirmed. Although assumed cost pressures relating to the National Living Wage have been included in medium term forecasts, there is a risk these could change significantly in the future.

European Union withdrawal (Brexit)

2.15. One of the challenges for economic growth is the ongoing impact of Brexit. On 17 November 2022, the OBR updated its forecast alongside the Autumn Statement, reflecting an assumption that Brexit will result in the UK's trade intensity being 15% lower in the long run than if the UK had remained in the European Union (EU). The latest evidence suggests that Brexit has had a significant adverse impact on UK trade, reducing both overall trade volumes and the number of trading relationships between UK and EU firms. Subsequent trade deals have had negligible positive effect and, in some cases, add further to the stresses businesses already face - especially farmers and other food producers.[46]

2.16. Brexit has also intensified a post-pandemic labour shortage, with the current immigration policy posing particular challenges to the care and agricultural sectors in the county. It is therefore doubly important that Norfolk is able to access post-Brexit government funding to address identified challenges, including supporting small and medium enterprises (SMEs).

Coronavirus Pandemic

2.17. The COVID-19 pandemic, and the public health measures taken in response to contain it, delivered one of the largest shocks to the UK economy and public finances in recent history. While the immediate impacts of the pandemic have now begun to recede, there has been a legacy impact on the Council in respect of both higher costs which have effectively become mainstreamed into the base budget (for example more expensive and different ways of delivering services to maintain health and safety standards), and higher levels of demand. In particular, many of the main issues we faced before COVID-19 have been exacerbated including population changes, social, economic and health inequalities, rising demand for services and support, workforce challenges in key sectors such as the care market, and planned

[45] Monetary Policy Summary for the Monetary Policy Committee meeting on 15 December 2022 | Bank of England
[46] Economic and Fiscal Outlook - November 2022 (obr.uk)

national living wage increases. Nationally, no funding to support ongoing COVID-19 cost pressures is being provided in 2023-24.

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. The County Council played a vital role in delivering the Norfolk response to COVID-19, and as we move firmly into the recovery phase the council is now responding to the wider cost of living crisis while remaining 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 updated strategy Better *Together, for Norfolk*. This Medium Term Financial Strategy has been developed to support this work to ensure that the council's gross budget of £1.5bn 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 916,100 in the census 2021[47] – an increase of around 58,200 since the previous Census in 2011.

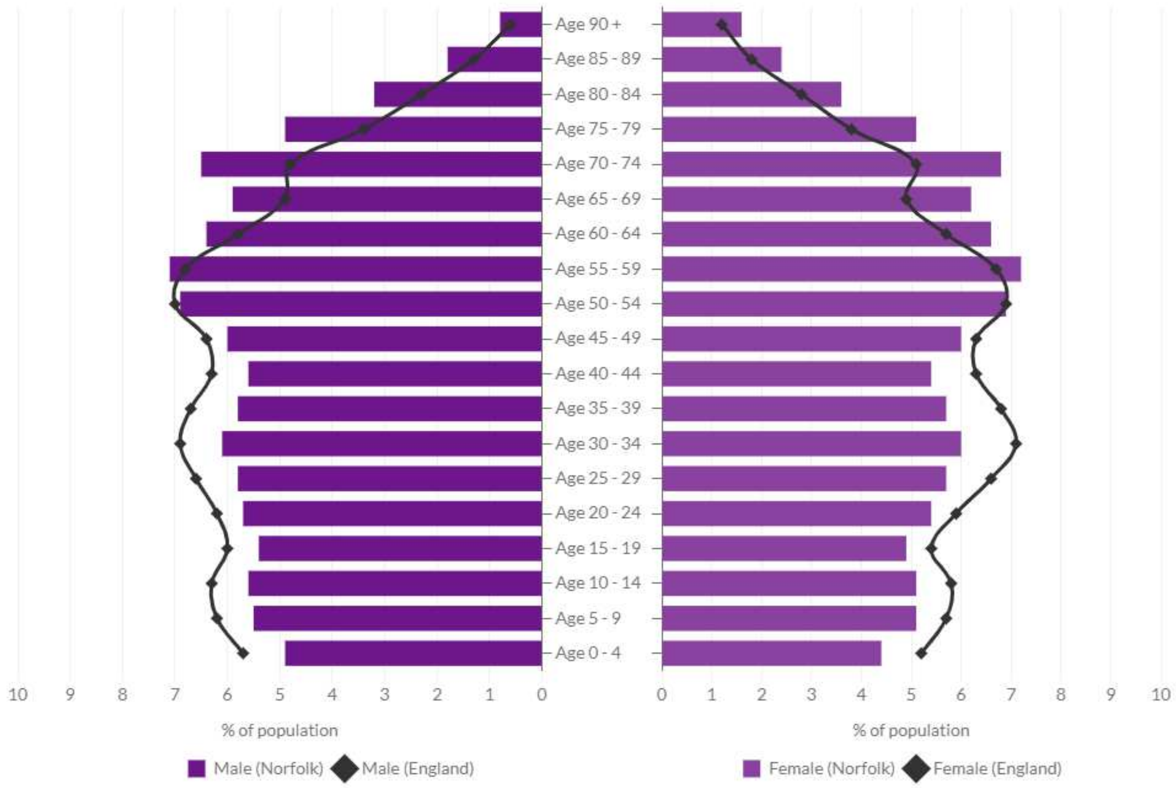
3.5. Since the previous Census, Norfolk's population has increased by 6.8%, compared with an increase of 6.6% for England.

3.6. In terms of broad age groups, Norfolk's population is made up of 15.3% of under 15-year-olds; 60.3% of 15 to 64-year-olds; and 24.4% of those aged 65 and over.

3.7. The Census 2021 data confirms that Norfolk's population has a much older age profile than England as a whole, with 24.4% of Norfolk's population aged 65 and over, compared with 18.4% for England. This is seen in more detail by looking at the five-year age groups.

[47] ONS Census 2021

MTFS Figure 1: % of population by 5-year age groups (Census 2021)



3.8. The ONS 2018-based population projections are trend-based[48], 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%.

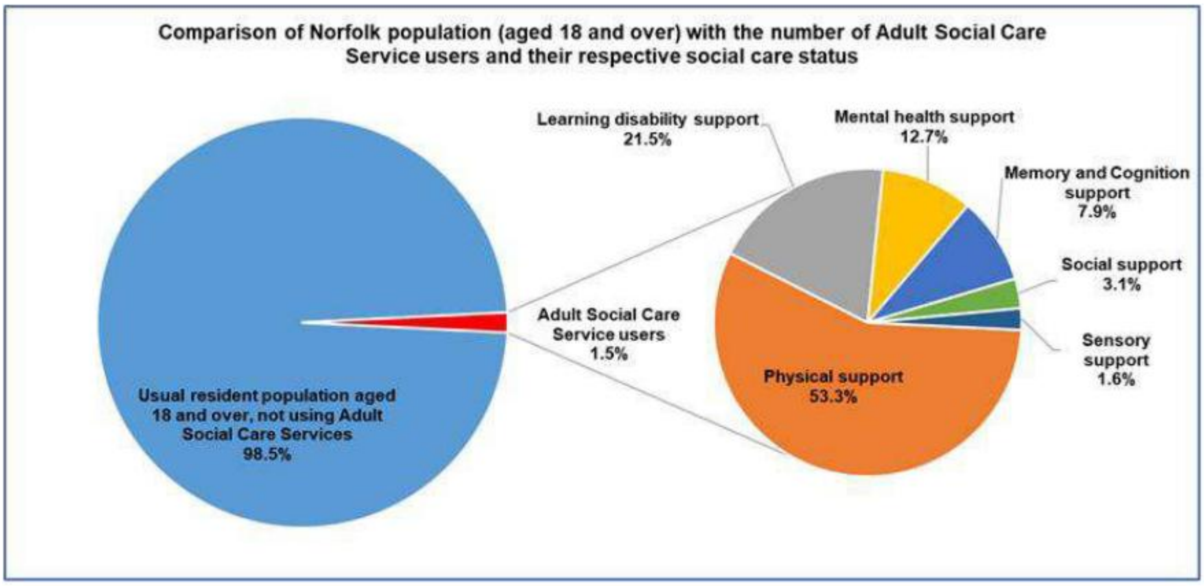
3.9. Norfolk's oldest age groups are projected to grow the quickest over the ten years to 2028, with numbers of 75 to 84-year-olds projected to increase by around 37% and numbers of those aged 85 and over projected to increase by around 24%. This age group is the most likely to require social care, so 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%.

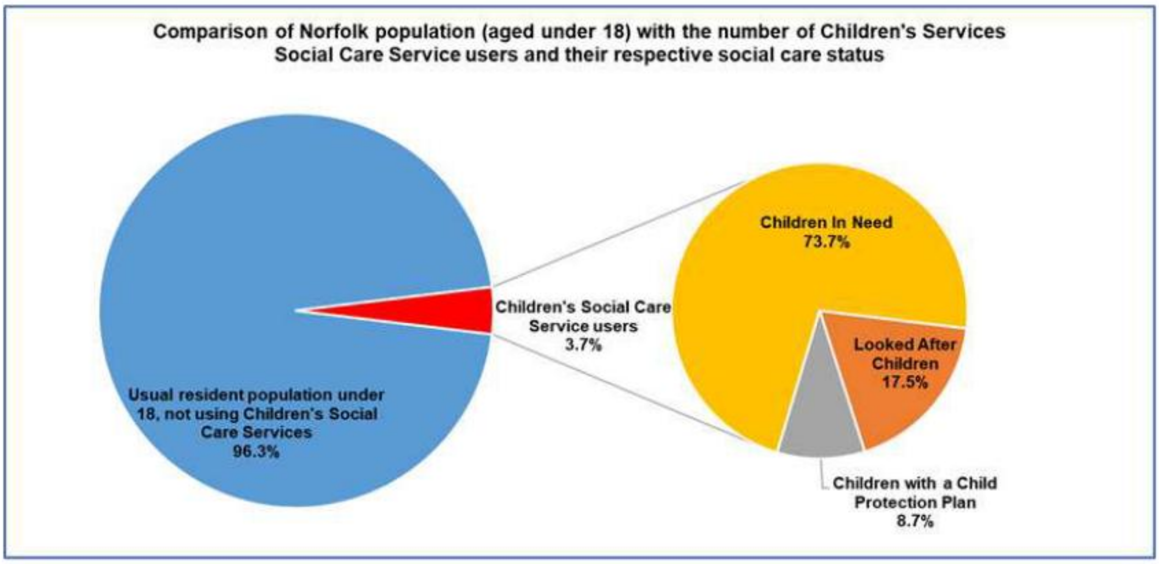
3.11. Further demographic information is provided below, relating to the proportions of adults (aged 18 and over) and children (aged under 18) in Norfolk's population, compared with the proportions who are social care service users, along with their respective social care status.

[48] ONS 2018-based subnational population projections

MTFS Chart 1: Adults demographic information



MTFS Chart 2: Children's demographic information



Population data from Census 2021; service data 2021-22.

Local Economy

3.12. The Council's work to drive economic growth is contextualised within the Norfolk Investment Framework, which Cabinet endorsed in June 2022 and aligned to the New Anglia Local Enterprise Partnership (NALEP)'s Economic Strategy for Norfolk and Suffolk, the Council's business plan, and Better Together for Norfolk. Based on detailed data and analysis, the Framework is a set of high-level investment priorities designed to tackle the high-level challenges Norfolk faces. By focussing our investments in a few key areas, rather than spreading our efforts too thinly, we can maximise Norfolk's potential and be ready to target funding as it becomes available.

3.13. The Government replaced EU funding with the £2.6bn UK Shared Prosperity Fund[2] (SPF) and the £4.8bn Levelling Up Fund (capital). Including funding for a national adult numeracy programme ('Multiply'), Norfolk's SPF allocation for 2022-25 is £10.4m, an average of £1.49m per district for the three-year period. Three-year investment plans for the funding, submitted by Norfolk's district councils, were agreed by Government on 5 December 2022. The Government's flexible approach means that councils and local partners will have the opportunity to adapt each plan to reflect new economic priorities over the period to 2025.

3.14. Of the £4.8bn Levelling Up Fund, which supports town centre and high street regeneration, local transport projects, and cultural and heritage assets, £1.7bn was allocated in the first round, following a competitive bidding process. The second bidding round has closed, and it is not yet known whether any of Norfolk's bids have been successful.

3.15. The Rural England Prosperity Fund was announced in September – an additional fund to support the SPF's priorities on Supporting Local Business and Community and Place, with nearly £5.9m allocated across six Norfolk districts (all except Norwich) to 2025. As for the main SPF allocation, district council investment plans have yet to be agreed by government.

3.16. If a county deal is agreed for Norfolk in December 2023 (see next paragraph), SPF will form part of the multi-year funding managed by the County Council, in consultation with a wide range of partners, including district councils, from April 2025.

3.17. On 8 December 2022 agreement was secured from the Government to pursue a County Deal for Norfolk. Under the deal, Norfolk would receive a £20m investment fund, every year for 30 years. There would also be specific funding for integrated transport, brownfield development (£7m), adult education, and infrastructure (£5.9m for housing, regeneration and development, during this Spending Review period). The deal would also see the County Council taking on the management of SPF for the county from April 2025.

3.18. Full Council and Cabinet considered the Deal in January 2023 following which a public consultation will be held in early 2023, and if the consultation is favourable, Full Council will be asked in December 2023 whether they support the move to an elected leader and cabinet system of governance.

3.19. Securing a funded medium-term plan to support the Council's aspirations to improve transport, accessibility and clean energy outcomes is considered of critical importance considering the council's Net Zero commitments and the desire to support sustainable housing, jobs and economic growth. Investing in the development of an approved pipeline of projects to enhance external funding opportunities will create pathways to net-zero and decarbonisation.

[2] https://researchbriefings.files.parliament.uk/documents/CBP-8527/CBP-8527.pdf

3.20. Looking briefly at 2022-23 achievements – in addition to securing Government approval of our county deal proposal, and developing the Norfolk Investment Framework - our programmes have continued to deliver strongly and to help businesses and people recover from the pandemic:

- The contract to build out the Operations & Maintenance (O&M) Campus at Great Yarmouth was awarded, with construction set to start in January 2023. The campus set to set to create 288,700 square foot of lettable space and up to 650 jobs, as well as drive investment in the renewable energy sector in the region. A video and 3D visualisation, to help promote the Campus to an international audience, was launched in November 2022 at Europe's leading offshore energy exhibition in Amsterdam.
- Our €6.7m C-Care project, responding to Covid, together with funding from Norfolk's district councils, enabled over 1000 businesses to date to do more business online. The project offers bespoke advice and support for small to medium sized businesses, including access to £500 in funding to increase their digital capabilities.
- Our Employer Training Incentive Programme (ETIP), supporting businesses to train staff, allocating over £0.303m - which with match funding from employers equated to £0.444m of funds spent on training of which over 80% was spent with locally based training providers, delivering 1,689 interventions funded and 344 businesses supported. The programme also won the FSB East of England Local Government Award for Support to Small Businesses in the Covid Response category.
- We have allocated £1.9m of funding to support businesses in increasing apprenticeship opportunities in Norfolk, including £0.437m in grants supporting businesses to take on young apprentices, incentive packages to support the progression of young people from the Government's Kickstart scheme into an apprenticeship, and support for disadvantaged young people to take on an apprenticeship.
- We have almost completed delivery of our successful £9.9m LEADER programme, which supports farms to diversify into new markets: The programme has contracted with beneficiaries to create 278.82 FTE jobs in Norfolk's rural economy.
- We are delivering the £2.6m Delivering Rural Investment for Vital Employment (DRIVE) programme, which supports rural businesses, and has funded 46 projects and 64 jobs are contracted to be created, to date.
- To support green growth, the Low Carbon Innovation Fund 2 made 26 investments in 17 businesses in the wider region, valued at c.£5m. These levered £35m of private investment. In addition, the programme has reported a decrease of 636,587 tonnes of greenhouse gas.

3.21. The €315m 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. EU programme funding ends 31st December 2023, as such we are working closely with both the French and UK Government representatives to ensure adequate funding is available from 1st January 2024 until the end of the programme to deliver to all EU regulations.

Adult Social Care: Care Market Workforce

3.22. The high level Skills for Care data for 2021-22 for Norfolk estimated that there were 28,000 filled posts in adult social care with a vacancy rate of 8.5% (estimated 2,400 vacancies). The turnover rate of staff working in the adult social care sector in Norfolk was 34.8% over a year. For staff delivering care directly, the % was higher still at 41.2%. Both figures were higher than the England average. Turnover was especially high for nursing home staff (50.9% all roles/57.4% direct care roles/51% registered nurses) and residential care home staff (38.6% all roles/44.2% direct care). The turnover percentages for community based services were lower, yet still concerning, at 35.4% (all roles)/39.2% (direct care roles). The following areas of Norfolk had the most acute turnover percentages: NN1-Fakenham, Holt and Sheringham; Fens & Brecks-Villages around Downham; Gorleston; Aylsham; Swaffham and Downham; and Mid Norfolk-Dereham. Other areas, namely Norwich and Great Yarmouth & Northern Villages, had comparatively low staff turnover percentages. 39% of Norfolk staff had been in their roles for less than three years, reflecting a difficulty retaining new staff. However, many of those that left their roles remained within the sector, as on average 64% of recruitment was from within adult social care and 10 years working in the sector was the county average. Despite this, staff leaving one employer and starting with another was likely to have caused disruption to both, including to continuity and quality of care delivery. Demographically, 29% of the Norfolk workforce was aged 55 and above with only 8% aged under 25, which is likely to cause further workforce issues in future if recruitment and retention issues are not addressed. Average pay for direct care staff was marginally (66p per hour) above the National Living Wage at £9.57 in 2021/22, meaning that jobs outside of social care were likely to be an appealing alternative. 39% of the workforce directly delivering care in Norfolk had a qualification relevant to social care which was the same as the England average.

3.23. Development Skills in Health and Social Care Programme, a £7.580m European Social Fund match funded project delivered by Norfolk and Suffolk County Councils, is being implemented, with a focus on training and enhancing the competencies of the health and social care workforce. The project is aiming to upskill the workforce and to ensure a better quality of care, whilst also contributing through a dedicated mentoring service to increased retention of care staff, which continues to remain a key to achieve a stable care market.

Environment

3.24. Norfolk County Council is fully behind the UK-wide effort to tackle climate change and reach net zero greenhouse gas emissions by 2050. The council has set its own commitments, set out in its Environment Policy, to lead by example through making its own estate net zero by 2030 and working in partnership to support the county-wide transition towards a low carbon future.

3.25. The council's estate target focuses on its buildings and streetlights. Significant progress has been made to date, with these emissions having been cut by nearly half (48%) between 2016/17 and 2021/22. However, there is still some way to go, and a number of initiatives are under way to maintain this momentum.

3.26. Streetlighting is the single largest source of estate emissions at present. To address this, NCC is converting its streetlights to LED technology, which improve the lamp energy efficiency by 60-70%. By the end of this financial year (2022/23) two-thirds of the streetlighting stock will be LED, and work has also started towards securing an agreement with PFI partners to convert the remaining lamps. It is forecast that completing these conversions, together with the reducing carbon intensity of grid electricity supply, will bring a 57% drop in streetlighting emissions by 2026/27 and a 79% drop by 2030-31.

3.27. Achieving a net zero estate will also require raising the energy performance of our buildings and transitioning away from gas and oil heating systems towards low carbon alternative such as air-source heat pumps. Steps are under way here, with technical assessments of NCC buildings nearing completion which will provide a clear picture of the potential to retrofit each building. These insights will be costed so that the council can make a fully informed decision as to how best to move forward with these works and what resource it will require. In addition to the existing resource already committed to meet climate related delivery of our environmental policy, the 2023-24 proposals include committing further revenue budget of £0.150m in both 2023-24 and 2024-25.

3.28. Significantly, Norfolk County Council is also developing an overarching Climate Strategy which, alongside our estate emissions, will outline its approach to addressing the following:

- Scope 3 emissions, such as those from the council's supply chain, leased assets, wholly-owned companies, staff commuting and business travel
- County-wide emissions, particularly under the themes of: transport, energy, waste, buildings and planning, digital connectivity, and the industrial and commercial sectors
- Promoting a green economy
- Climate adaptation
- Nature recovery
- Engagement and collaboration

3.29. In setting out how carbon reduction is being embedded as business as usual across the council's activities, the strategy will clarify a set of priorities for the medium term. This is due to be delivered to Cabinet in Spring 2023.

Waste

3.30. The County Council is responsible for dealing with the left over rubbish (residual waste) collected by all local authorities in Norfolk and for the provision of recycling centres and payments to the District, City and Borough Councils for the recycling they collect.

3.31. Increases in household numbers and the effects of economic growth mean that the amount of left over rubbish and recycling collected are expected to increase significantly, and the associated increase on costs of the expected increases are compounded by the effects of indexation. 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 councils in Norfolk and they are actively working on this together as the Norfolk Waste Partnership.

3.32. The combined effect of 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 councils in Norfolk or changes in legislation, can all have a major effect on the cost of the County Council's waste services, meaning that the suitable approach to managing budgets for this service area is to make justifiable and evidence based allowances in medium and longer term plans that are continually subject to review.

3.33. In relation to potential changes in legislation, developments on national waste policy are expected which could directly affect the County Council's cost in the short, medium and long term. The expected introduction of an Extended Producer Responsibility scheme for packaging in 2024 would mean that those, including all councils, that deal with packaging as waste or recycling would have the costs of that met directly by producers. Other changes linked to this development could be the amending or ending of current requirements around the payment of recycling credits to the District, City and Borough councils.

3.34. In the longer term, between 2025 and 2030, there is a prospect of incineration being included in a national emissions trading scheme, which could add a significant and unknown extra cost to each tonne of waste that is incinerated. And in relation to recycling centres there remains uncertainty about the long term financial implications of Defra's requirements, as whilst it consulted on proposals on charging for DIY waste in 2022, and gave wider consideration to the consistency of council services in earlier consultations, there have been no subsequent changes to legislation.

Flooding

3.35. Norfolk is identified in the Norfolk Local Flood Risk Management Strategy[49] 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

[49] Norfolk Local Flood Risk Management Strategy

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.

3.36. 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[50]. 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.

3.37. Following the flooding events which affected large parts of Norfolk in late December 2020 and January 2021, the Council set up the Norfolk Strategic Flood Alliance (NSFA) with a remit to ensure that the residents of Norfolk have confidence that inland and coastal flood risks are as low as reasonably practicable. Additionally, Cabinet approved changes to the Local Flood Risk Management Strategy and agreed[51] to extra 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 needed were and continue to be extensive. Flood investigations[52] into the 350+ properties that suffered internal flooding were completed and Flood Investigation Reports published during 2021-22. These reports identified areas where improvements should be made to reduce the future risk of surface water flooding. 28 priority sites were agreed by the NSFA where multi agency efforts are needed to develop and deliver solutions to flood risk.

4. Organisational factors

Organisational structure and governance changes

4.1. The County Council is under Conservative control and moved to an Executive Leader and Cabinet governance structure in May 2019. The senior management and organisation structure is currently being examined as part of the Council's Strategic Review, as discussed elsewhere within the Budget reports. At the time of writing, the outcomes of the Review are not fully known, but the Director of Governance has left the Council in January 2023 and the Executive Director of Finance and Commercial Services will be leaving the organisation in April 2023. As a result the service areas in these departments will move within the overall organisational structure. The transfer of the

[50] Bellwin Scheme thresholds published October 2017 https://www.gov.uk/government/publications/bellwin-scheme-guidance-notes-for-claims
[51] Local Flood Risk Management Strategy Review, Agenda Item 11, Cabinet, 12 January 2021
[52] Flood investigations - Norfolk County Council

Governance department into Strategy and Transformation is reflected in these reports. Further changes will be shown as far as possible within the 2023-24 Budget Book.

4.2. The annual pay award and National Living Wage increases in 2022-23 for both the Council's directly employed staff and contracted services are an important cost driver. The 2022-23 pay award was confirmed in November 2022 as a flat rate of £1,925 and an additional day annual leave per full time employee. No announcements about national negotiations for 2023-24 pay awards have been made, although there is likely to be significant upward pressure on pay given wider inflation rates. The Budget makes contingency provision for a pay award of circa 5% for all staff in 2023-24, 4% for 2024-25 and 3% per year in the final two years of the MTFS. The pay award remains subject to confirmation at this point.

4.3. 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 2023-24.

4.4. 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 2023-24.

The Norfolk and Waveney Integrated Care System (ICS) – formally the Norfolk and Waveney Health and Care Partnership

4.5. Integrated care systems (ICSs) are partnerships that bring together providers and commissioners of NHS services across a geographical area with local authorities and other local partners to collectively plan health and care services to meet the needs of their population. The central aim of ICSs is to integrate care across different organisations and settings, joining up hospital and community-based services, physical and mental health, and health and social care. All parts of England are now covered by one of 42 Integrated Care Systems.

4.6. Norfolk and Waveney together are in one of four ICSs within the Eastern Region, and has agreed three key goals:

1. **To make sure that people can live as healthy a life as possible**. This means preventing avoidable illness and tackling the root causes of poor health. We know the health and wellbeing of people living in some parts of Norfolk and Waveney is significantly poorer – how healthy you are should not depend on where you live. This is something we must change.

2. **To make sure that you only have to tell your story once.** Too often people have to explain to different health and care professionals what has happened in their lives, why they need help, the health conditions they have and which medication they are on. Services have to work better together.
3. **To make Norfolk and Waveney the best place to work in health and care**. Having the best staff, and supporting them to work well together, will improve the working lives of our staff, and mean people get high quality, personalised and compassionate care.

4.7. The Norfolk and Waveney ICS brings together a range of partners including;

- Norfolk and Waveney NHS (previously the CCG)
- 3 acute hospitals (Queen Elizabeth, James Paget and the Norfolk & Norwich)
- 2 Community Healthcare providers (East Coast Community Healthcare and NCH&C)
- Norfolk County Council
- Suffolk County Council
- 8 District Councils; (Breckland, Broadland, Norwich City, South Norfolk, Kings Lynn & West Norfolk, Great Yarmouth, North Norfolk and East Suffolk District Councils)
- Voluntary, Community and Social Enterprise (VSCE) providers of care and health related service
- 17 Primary Care Networks

4.8. The ICS promotes the principle of subsidiarity, making decisions close to the communities they effect. Work takes place at a system level as well as a place level and neighbourhood level (Primary Care Network footprints).

4.9. There are 5 Place Boards in the ICS bringing together colleagues from across health and social care to integrate services, focussing on effective operational delivery and improving people's care.

4.10. Eight Health and Wellbeing Partnerships based in district council footprints bring together district and council colleagues, health services and wider VCSE organisations and partners that have an impact on people's health and wellbeing, to progress work on tackling the wider determinants of health.

4.11. Provider collaboratives bring together NHS providers to reduce unwarranted variation and inequality in health outcomes, access to services and experience; improve resilience and ensure specialisation and consolidation occur where this provides better outcomes and value. All local providers are working towards these expectations with the overarching aim of enabling the best health outcomes for the population of Norfolk and Waveney.

4.12. An ICS has two named bodies, an **Integrated Care Board (ICB)** and an **Integrated Care Partnership (ICP)**:

- **Integrated Care Board (ICB)** is a statutory body that is responsible for planning and funding most NHS services in Norfolk and Waveney, leading integration within and across the NHS to deliver healthcare. The role of the ICB is to allocate the NHS budget and commission services for the population, taking over the functions previously held by clinical commissioning groups (CCGs) and some of the direct commissioning functions of NHS England. The ICB is directly accountable to NHS England for NHS spend and performance within the system.
- **Integrated Care Partnership (ICP)** provides leadership to the wider health and social care system, bringing together health and social care providers, local government, the voluntary, community and social enterprise (VCSE) sector, and other partners. It drives and enhances integrated approaches to address challenges that the health and care system cannot address alone. This includes prioritising prevention, reducing health inequalities, and addressing the wider social and economic factors affecting our communities. The ICP, which is a statutory committee of the ICS, is responsible for setting an integrated care strategy for improving the health care, social care and public health across the whole of the Norfolk and Waveney ICS population. The ICB is required to have regard to this strategy when making its decisions.

4.13. **The ICB is responsible for**:

- Setting the NHS Joint Five Year Forward Plan
- Delivering the health elements of the Integrated Care Strategy.
- Holding the executive to account for monitoring the performance of the body against core financial and operational objectives, and providing effective financial stewardship.
- Promoting effective dialogue between the ICB and other partners, including NHS England, the ICP, providers, councils, representatives of local committees and people who use services.
- Putting in place effective arrangements for place-based working with partners. Ensuring that the ICB develops arrangements for effective clinical and care professional leadership.
- Creating an organisational culture that encourages and enables system working, building partnerships with people and communities and utilising feedback to improve services.
- Ensuring legal duties are discharged effectively and foster the development of policies, processes and initiatives that promote equality and address health inequalities.
- Ensuring workforce strategies are built on the commitments in the NHS People Plan and People Promise.
- Developing a compassionate and inclusive leadership model.
- Aligning the ICB assets to contribute to population health and improvement as anchor institutions.

4.14. **The ICP is responsible for:**

- Leading the Integrated Care Strategy, reflecting the priorities of all partners, to improve health and care outcomes for Norfolk and Waveney people for which all partners will be accountable.
- Driving improvement in the care, health and wellbeing of all residents from babies and young people, working age adults and older people
- Playing a critical role in supporting place-based partnerships and coalitions with community partners to help people live more independent, healthier lives for longer.
- Improving the wider determinants that drive inequalities including employment, housing, education, environment and reducing offending.

4.15. The Council's Cabinet at its meetings in October 2020 and September 2021 have agreed the Council's leadership role within the ICS.

4.16. Alongside the Council's budget position, wider NHS partners have identified an increasing and underlying recurrent deficit. The ICS has also developed principles for medium to long-term financial planning, that could be congruent with NCC's objective to support a sustainable health and care system, including:

a) working transparently and sharing understanding of financial pressures
b) working collaboratively to identify and deliver efficiency and productivity schemes, with no one party pursuing any scheme that may have a detrimental impact on another party without agreement
c) engaging transparently and early in respect of emerging financial plans.

4.17. Whilst there are significant opportunities presented by working together on resource allocation, there are also risks that will need to be mitigated. These risks apply to all individual organisations in an ICS. The Norfolk and Waveney Health and Care system is currently operating with a significant financial deficit. The aspiration continues to be work through the financial needs for the system as a whole and developing whole system solution. Critical to the approach will be the overall principle that the Council retains ultimate control and accountability for its budgets and would retain its ability to adjust resource across the county to meet need.

Consultation with citizens and equality and rural impact assessments

4.18. The council has undertaken **public consultation** and produced **equality impact assessments** in relation to the 2023-24 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.

Resource plans, funding, service pressures and savings

4.19. The plans and assumptions in the Council's budget and Medium Term Financial Strategy have been reviewed as part of the preparation of the 2023-24 Budget to ensure that they are robust and deliverable. The Executive Director of Finance and Commercial Services' recommendation of a 4.99%

council tax increase is made on the basis that this will enable a more robust budget for 2023-24 and for future years, however the outlook for 2025-27 remains extremely challenging.

4.20. 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. 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 2023-24 Budget.

4.21. As set out elsewhere, the Provisional Settlement has provided clarity about funding levels for 2023-24, with indications about 2024-25 for local authorities. However, there remains very considerable uncertainty around the final two years of the Medium Term Financial Strategy (2025-27).

General and Earmarked Reserves and provisions

4.22. 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. The Medium Term Financial Strategy assumes an increase in the level of general balances in 2023-24 rising to £29.090m by 2026-27 to reflects the increased level of risk around budget assumptions, such as pay awards, where the longer forecasting horizon increases the level of uncertainty, the increased levels of risk relating to council tax base assumptions and uncertainty about government funding allocations.

4.23. Earmarked Reserves support the Council's planning for future spending commitments. Historically, the planned use of Earmarked Reserves has allowed the council to smooth the impact of funding reductions and provided additional 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 in each year of the MTFS until March 2026, then only rising slightly by March 2027. Further details of the anticipated use of Earmarked Reserves are included in the Statement on the Adequacy of Provisions and Reserves 2023-27 (Appendix 3).

4.24. 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

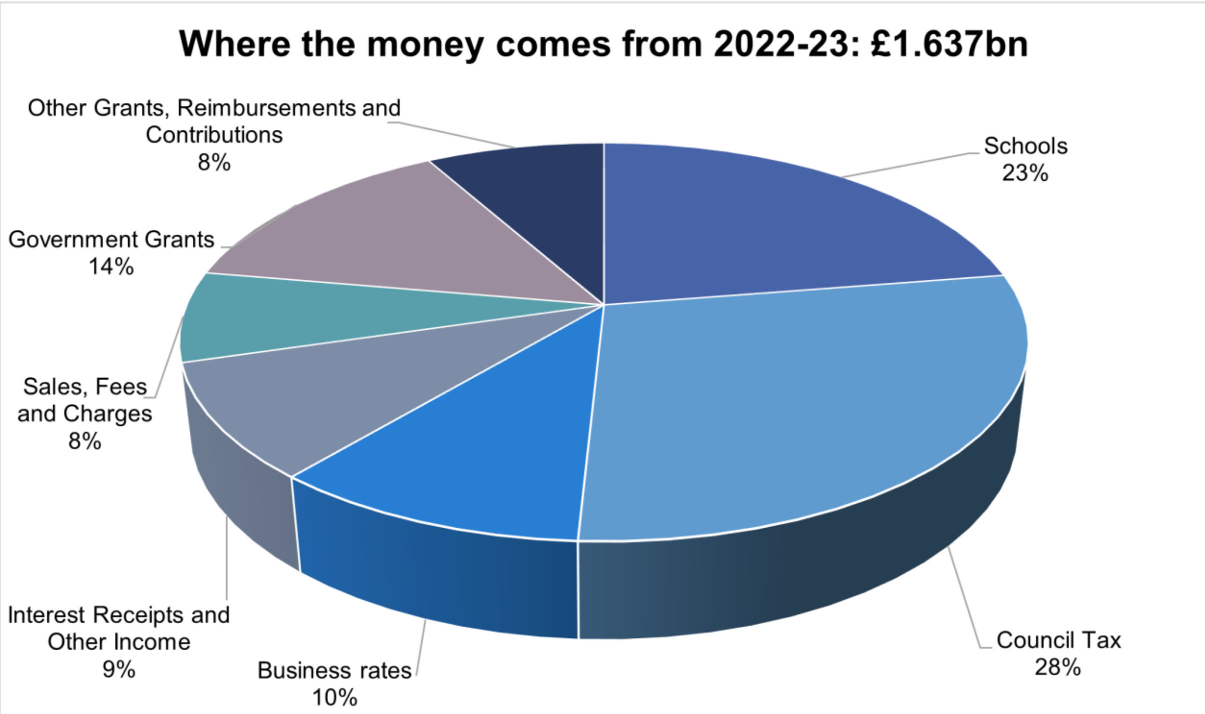
5.1. Local Government funding has three major components:

- 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 2022-23 is shown in the pie chart below.

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.

MTFS Chart 3: Council funding sources 2022-23



Business Rates (10%)

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. 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. Risks to business rates income are considered to be higher due to the impact of COVID-19 and the level of uncertainty around continued Government support for businesses.

5.9. 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, any 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.

5.10. Within the provisional settlement, it was confirmed that local government will be fully compensated for the Government's decision to "freeze" the business rates multiplier, which will remain at 49.9p in 2023-24. Given that the Consumer Price Index (CPI) was 10.1% (September 2022), the cost of providing full compensation is considerable (about £1.5bn) and was not certain when the Autumn Statement 22 was announced.

5.11. All local authorities in Norfolk have agreed to continue the 2022-23 Norfolk Business Rates Pool in 2023-24. The Pool allows Norfolk to retain additional business rates funding in the county through retaining levy payments which otherwise would have been paid over to central government.

5.12. In respect of the 2023-24 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

5.13. The Government has confirmed that potentially significant funding reforms, including reforms to the Business Rates system and Business Rates reset, have been delayed until at least the 2025-26 financial year.

5.14. A key issue for the County Council will be to ensure that reforms going forward 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%)

5.15. The amount of funding the Council receives is published as the Settlement Funding Assessment. In comparison to other councils, Norfolk remains somewhat reliant on Revenue Support Grant (RSG) and therefore cuts to this funding stream would 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 CPI in 2023-24.

5.16. Details are shown within the revenue budget report regarding the Settlement Funding Assessment 2023-24 funding allocations. There is currently limited information about Settlement Funding for 2024-25 and beyond and the MTFS gap assumes this will be unchanged from the assumed 2023-24 allocations.

Specific government grants (14%) and schools funding (23%)

5.17. The table below summarises the amount of specific grants due to be received in 2022-23, along with provisional figures for 2023-24. In most cases the allocations for the years beyond 2023-24 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 1: Grants and Council Tax

	2022-23 (restated comparative) £m	2023-24 Provisional £m
Un-ringfenced	297.696	351.423
Ring-fenced (schools)	729.191	787.655
Ring-fenced (Public Health)	42.261	43.318
Council tax	464.123	493.707
Local Business Rates	27.122	27.884

5.18. Details of significant specific grants are set out below:

Ring-fenced grants

5.19. **Public Health** – Public Health grant continued to be ring-fenced grant in 2022-23 for public health services. The Government has not yet confirmed grant allocations for 2023-24. The Spending Review 2021 announced that public health grant would increase in line with inflation, but given such high levels this year, it seems unlikely – our budget assumptions are that there will a 2.5% increase in the grant. Allocations will be announced separately in early 2023. 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.

5.20. **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 receives its DSG allocation based on the new National Funding Formula. Pupil premium will continue as a separate, ring-fenced grant.

5.21. 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 has indicated in the past that there will be a move towards a 'hard' formula in future and, therefore, the implications of this have needed to be considered by local authorities when determining their local formula. Government policy has now been updated so that 2023-24 is the first year of transition to the direct schools National Funding Formula (NFF). In 2023-24, local authorities will only be allowed to use NFF factors in their local formulae, and must use all NFF factors, except any locally determined premises factors. Local authorities will also be required to move their local formulae factors 10% closer to NFF values unless they are already mirroring NFF. Norfolk's formula has been closely aligned to NFF factor values and methodologies since 2019-20. The options for the local formula for Norfolk were co-produced with Norfolk Schools Forum and all schools were consulted on the options available.

5.22. The Government has announced[53] DSG for 2023-24 totalling £787.655m (2022-23 totalling £729.191m[54]).

5.23. Norfolk is currently carrying an outstanding Dedicated Schools Grant (DSG) deficit from previous financial years, with a forecast £71.6m cumulative deficit forecast for the end of 2022-23. On the basis of the accounting treatment introduced in 2020 by the Government:

- the DSG is a ring-fenced specific grant separate from the general funding of Local Authorities (LAs);

[53] Norfolk (skillsfunding.service.gov.uk)
[54] Total DSG allocation including; Schools , central school services, early years and high needs block.

- 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.

5.24. High Needs Block (HNB) 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 state special schools, independent schools, and Alternative Provision (AP), taking account of parental and student choice.

5.25. Norfolk has worked intensively during Summer 2022 with the DfE and their appointed financial and Special Educational Needs and Disabilities Advisors as part of the Safety Valve programme, the DfE mechanism to work with LAs who have the highest levels of High Needs Block (DSG) pressure/overspend, to develop a DSG Management plan and to negotiate potential DfE investment. The core aim for DfE and NCC alike is to achieve an in-year balanced budget to enable the cumulative deficit to be addressed. Through these discussions with the DfE, a plan has been prepared to bring the in-year deficit into surplus and to reduce the cumulative deficit over six years.

5.26. As part of this plan, the Council submitted a disapplication request in respect of the Dedicated Schools Grant (DSG) for 2022-23 for 1% transfer in addition to the 0.5% transfer from the Schools Block (SB) to the High Needs Block (HNB) agreed by Schools Forum on 16 November 2022. The Council is awaiting notification from the Secretary of State as to whether the request has been accepted or declined, alongside whether the Minister has approved Norfolk's Safety Valve programme.

5.27. 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.

5.28. **Pupil Premium Grant (PPG)**[55] – 2023-24 allocations will increase by 5% above the 2022-23 rates and for disadvantaged pupils will be as follows: primary allocated £1,455, which is aimed to help primary schools raise attainment and ensure that every child is ready for the move to secondary school. £1,035 was allocated for disadvantaged secondary pupils. Disadvantaged pupils are those who have been registered for free school meals at any point in the last six years.

5.29. The pupil premium plus (for children looked after) is £2,530 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 £2,530 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.

[55] Pupil premium: conditions of grant 2022 to 2023 - GOV.UK (www.gov.uk) published December 2022

5.30. Children with parents in the armed forces continued to be supported through the service child premium, which will be £350 per pupil.

Un-ring-fenced grants

5.31. **NHS funding (Better Care Fund[56])** – 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.

5.32. **The national conditions are:**

- **A jointly agreed plan between local health and social care commissioners, signed off by the Health and Wellbeing Board (HWB)**
- **NHS contribution to Adult Social Care to be maintained in line with the uplift to the NHS minimum contributions**
- **Invest in NHS commissioned out of hospital services**
- **Implementing the BCF policy objectives.**

5.33. The BCF is developed alongside Integrated Care Boards (ICBs) (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 ICS to agree the budget plans reflect priorities within the programme. In 2021/22 NCC led a joint review of the BCF with the ICB in Norfolk to shape a future BCF that further delivers local priorities; acts as a strengthened delivery arm of joint commissioning; and focus' strategy and funding on the most important priorities for integration. A new local set of principles for services in the BCF have also been agreed:

a) **Funding services which move us towards meeting our local and national priorities**
b) **Funding whole services through BCF, to better understand system impact**
c) **Funding services which are meaningfully joint health and social care**

5.34. We presently await the 2023-24 planning guidance relating to the Better Care Fund (BCF) which should confirm the mandatory minimum contributions from Integrated Care Boards (ICB) towards the protection of Social Care. Our 22-23 plan was recently agreed as part of the annual BCF assurance cycle.

[56] 2022 to 2023 Better Care Fund policy framework - GOV.UK (www.gov.uk) updated November 2022

5.35. 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 DFG will also continue to be worth £573m nationally in 2022-23 and set out the planning requirements. Details for 2023-24 have not yet been confirmed.

5.36. **Social Care Grant** – The provisional settlement confirmed a £1.345bn national expansion of this grant, in addition Government has rolled into this grant the former Independent Living Fund (£161m), the combination of these two changes, when added to the sums continued from 2022-23, takes the total fund to £3.852bn. This provides a further £23.651m for Norfolk (plus £1.379m of Independent Living Grant rolled in), and brings our total grant for 2023-24 to £66.525m (2022-23 £41.495m). This grant is ringfenced towards helping to address cost pressures across both Adults and Children's social care. Nationally, £1.185bn of the additional funding has been distributed based on the adult social care relative needs formula and £160m has been used to "equalise" the impact of the distribution of the adult social care council tax precept in 2023-24. This methodology is favourable to Norfolk due to the comparatively lower tax base.

5.37. **Improved Better Care Fund (iBCF)** The provisional settlement confirmed no increase to the iBCF and our allocation remains at £39.619m for 2023-24. 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 Integrated Care Board 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. The Adult Social Care budget reflects the spending plans for the grant.

5.38. **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 2023-24 it is therefore assumed that this funding continues in 2023-24 and in future financial years, however if not received, a pressure of £0.599m will arise.

5.39. **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 April 2023 this funding will be rolled into the Social Care Grant at 2022-23 levels.

5.40. **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 2023-24 onwards but it is assumed that the funding continues. If the funding is not received a pressure of £0.345m will arise in Adult Social Care for this and future financial years.

5.41. **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. Allocations for 2023-24 have not been published and it is therefore assumed that this funding continues in 2023-24 and in future financial years, however if not received, a pressure of £0.248m will arise.

5.42. **Adult Social Care Discharge Grant** – A new grant for 2023-24 offering £300m of national funding to which Norfolk will received £5.554m of funding. It is provided to upper tier authorities to ensure those people who need to draw on social care when they are discharged from hospital can leave as soon as possible. The Discharge Funding must be pooled as part of the Better Care Fund. Guidance on this fund is yet to be received but it is envisaged that it will be used to continue some of the initiatives established utilising the Winter 2022 discharge funding.

5.43. **Adult Social Care Market Sustainability and Improvement Grant** – A new grant for 2023-24 offering £562m of national funding to which Norfolk will receive £9.785m. £2.820m of this funding is being rolled into this grant from the former Market Sustainability and Fair Cost of Care fund. This funding is provided to upper tier authorities to enable tangible improvements to be made to adult social care.

5.44. **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. NHB 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 NHB will continue in 2023-24 and will be paid on the same basis as 2022-23. The legacy payments that will end in 2022-23 will be used to fund the new 3% funding guarantee. In two-tier areas, the annual payment will continue to be split: 80% for shire districts and 20% for shire counties. It is unclear whether New Homes Bonus will continue after 2024-25, ministers have promised a new consultation on the Future of the New Homes Bonus before the 2024-25 settlement. Our NHB allocations have reduced by £1.205m in 2023-24 (£0.608m) compared with 2022-23 (£1.833m).

5.45. **Rural Services Delivery Grant** – Rural Services Delivery Grant (RSDG) recognises the extra costs of delivering services in rural areas. The provisional Settlement confirmed that 2022-23 allocations of Rural Services Delivery Grant will be rolled forward £85m nationally in 2023-24, given that inflation is currently 10.5% (December 2022, reported in January 2023. It peaked in October 2022 at 11.1%), this equates to a real term year on year reduction in this grant.

5.46. **Services Grant 2023-24 -** Service Grant will reduce by £4.665m in 2023-24, reflecting removal of funding for the cancelled increase in National Insurance Contribution and provision to increase funding for the Supporting Families programme. Services Grant will be distributed by the Settlement Funding Assessment.

COVID funding

5.47. Up to 2021-22 the Council received one-off emergency funding in relation to the pandemic to meet the additional costs arising due to COVID-19. No further COVID-19 funding has been provided since 2022-23. The Government has now confirmed that any remaining COMF funding can be carried forward to 2023-24.

Council Tax (28%)

5.48. 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.

5.49. 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.

5.50. In 2021-22 the Government included within the provisional Local Government Finance Settlement[57] (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. Members chose to split the available 3% adult social care precept increase with 2% applied in 2021-22 and 1% in 2022-23.

[57] Provisional local government finance settlement 2021 to 2022: consultation - GOV.UK (www.gov.uk)

5.51. For 2022-23 the Government announced a core council tax referendum principle of 2% and an additional 1% adult social care precept, which could be taken in addition to the deferred element of the 2021-22 amount (1%). The Council opted not to take the deferred element (1%) for 2022-23.

5.52. Current forecasts suggest that between 2016-17 and 2022-23, Norfolk will have experienced average growth in the tax base of 1.55% per year. However the increase forecast in 2023-24 is lower at 1.27% and projected increases are significantly smaller at 1% for the duration of the current MTFS (2024-27) as shown in **Table 2** below.

MTFS Table 2: Council Tax assumptions

	2023-24	2024-25	2025-26	2026-27
Assumed increase in general council tax	2.99%	2.99%	1.99%	1.99%
Assumed increase in Adult Social Care precept	2.00%	2.00%	1.00%	0.00%
Total assumed council tax increase	**4.99%**	**4.99%**	**2.99%**	**1.99%**
Assumed Council Tax Base	**308,569**	**311,654**	**314,771**	**317,919**
Assumed increase in Council Tax Base (%)	**1.27%**	**1.00%**	**1.00%**	**1.00%**

5.53. 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

5.54. 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.

5.55. Core spending power risks painting an unrealistic picture of how well a council might be faring. For example, Norfolk's indicative core spending power has risen from £606.3m in 2015-16 to £857.1m in 2023-24, an increase of £250.8m, however the vast majority 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.

5.56. 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.*"[58]

5.57. 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 Care precept, 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 2023-27 is to show a balanced four-year position. At present further savings or additional revenue funding need to be identified to meet the significant shortfall shown in the period 2024-25 to 2026-27 below:

MTFS Table 3: Provisional medium term financial forecast budget shortfall

	2023-24	2024-25	2025-26	2026-27
	£m	£m	£m	£m
Additional cost pressures and forecast reduction in Government grant funding	169.523	74.750	57.109	61.317
Forecast council tax increase	-29.584	-27.414	-20.949	-16.316
Identified saving proposals and funding increases	-139.939	-1.415	-0.669	-2.285
Budget shortfall	**0.000**	**45.920**	**35.491**	**42.716**

6.2. The council's revenue budget plans deliver a balanced budget for 2023-24, but a significant shortfall remains in the subsequent years 2024-25 to 2026-27 (an **overall deficit in the Medium Term Financial Strategy of £124.127m**. The Medium Term Financial Strategy (MTFS) is intended to aid forward planning and help mitigate financial risk. The detailed timetable for the identification of

[58] *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

the required savings and future year budget setting is set out in the Revenue Budget report (Appendix 1).

6.3. The Strategic Review is discussed elsewhere in the Budget report. Phase two of the Strategic Review is expected to make a material contribution of c.£10m towards reducing the forecast 2024-25 gap.

6.4. Uncertainty remains around several key areas which could impact on the MTFS in future years:

- 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, backlogs built up on top of new demand, alongside staff shortages due to changes in immigration caused initially by Brexit but compounded by the pandemic;
- Delayed adult social care charging reforms (including the cap on care costs) where the full implications of Government decisions remain to be understood;
- The above inflation increasing price of care packages, as providers struggle to meet soaring energy and food prices and high wage inflation;
- 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; awaiting the outcome of whether the Safety Valve programme proposal has received ministerial approval;
- The impact of the decision to leave the EU on local government funding and the wider economy; workforce shortages in key sectors, supply bottlenecks have been exacerbated by changes in migration and reductions in trading;
- Workforce recruitment and retention and shortage of labour in key sectors;
- Exceptionally high levels of inflation (including national living wage, energy and fuel);
- Significant delays to Business Rates reform and the fair funding review not expected until 2025-26 at the earliest;
- The uncertainty concerning the quantum and distribution of funding in the future years of the MTFS; and
- The ability of local tax payers to continue to absorb increases in council tax and the Adult Social Care precept.

6.5. 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 2023-24.

6.6. Norfolk County Council has a strong history of good financial management. An assessment of our compliance with the Financial Management Code is included within Appendix 1 Table 32.

6.7. 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 4: Long term financial forecast budget position

	Medium Term Financial Strategy				Long Term Financial Outlook						Total
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Growth Pressures											
Economic and inflationary	41.528	24.436	21.702	22.229	23.409	24.097	24.815	25.406	26.148	26.893	**260.662**
Legislative requirements	31.069	6.760	-0.200	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**37.629**
Demand and demographic	20.495	42.150	37.150	37.010	11.000	11.000	11.000	11.700	11.100	11.100	**203.705**
Policy decisions	55.746	0.776	-1.543	2.078	0.000	0.766	-6.266	0.000	0.000	0.000	**51.556**
Funding decreases	16.115	0.628	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**16.743**
Savings and funding increases											
Identified savings	-59.704	6.197	-0.669	-2.285	0.000	0.000	0.000	0.000	0.000	0.000	**-56.461**
Funding increases	-75.665	-7.612	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**-83.277**
Council tax changes	-29.584	-27.414	-20.949	-16.316	-16.807	-17.313	-17.834	-18.371	-18.924	-19.493	**-203.003**
Forecast Gap (Surplus)/Deficit	**0.000**	**45.920**	**35.491**	**42.716**	**17.602**	**18.551**	**11.715**	**18.735**	**18.324**	**18.500**	**227.554**

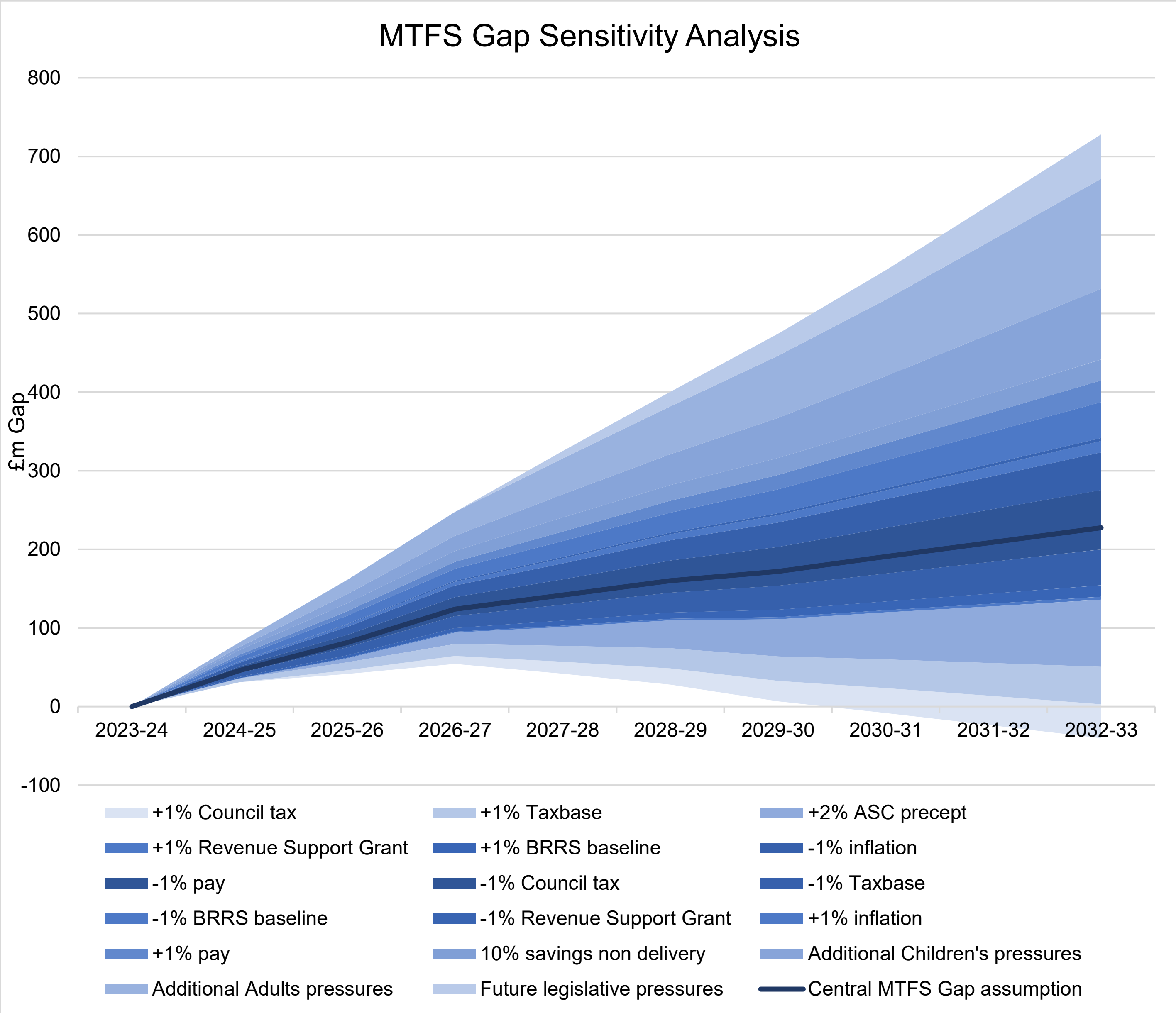
6.8. The long term outlook suggests a cumulative budget gap in excess of £225m by 2032-33, if no mitigating actions are taken. However, the level of this gap is highly sensitive to changes in assumptions and is ultimately likely to be materially different. In particular, the level of uncertainty within these forecasts inevitably increases for later years. The sensitivity of the budget in 2023-24 to changes in key assumptions is shown in the following table.

MTFS Table 5: Assumption sensitivity 2024-25

Change in assumption	£m
10% savings non delivery	+/- 5.970
+/-1% pay inflation	+/- 3.100
+/-1% general inflation	+/- 5.183
+/-1% Revenue Support Grant	+/- 0.451
+/-1% Business Rates baseline	+/- 1.608
+/-1% Council tax base	+/- 4.914
+/-1% Council tax	+/- 4.914

6.9. The graphic below illustrates the range of sensitivity around the central MTFS forecast shown in **MTFS Table 4**. The graphic indicates that if all upside assumptions occurred, there would be no gap in 2032-33, however if all downside risks materialise, the gap could potentially be in excess of £700m. 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

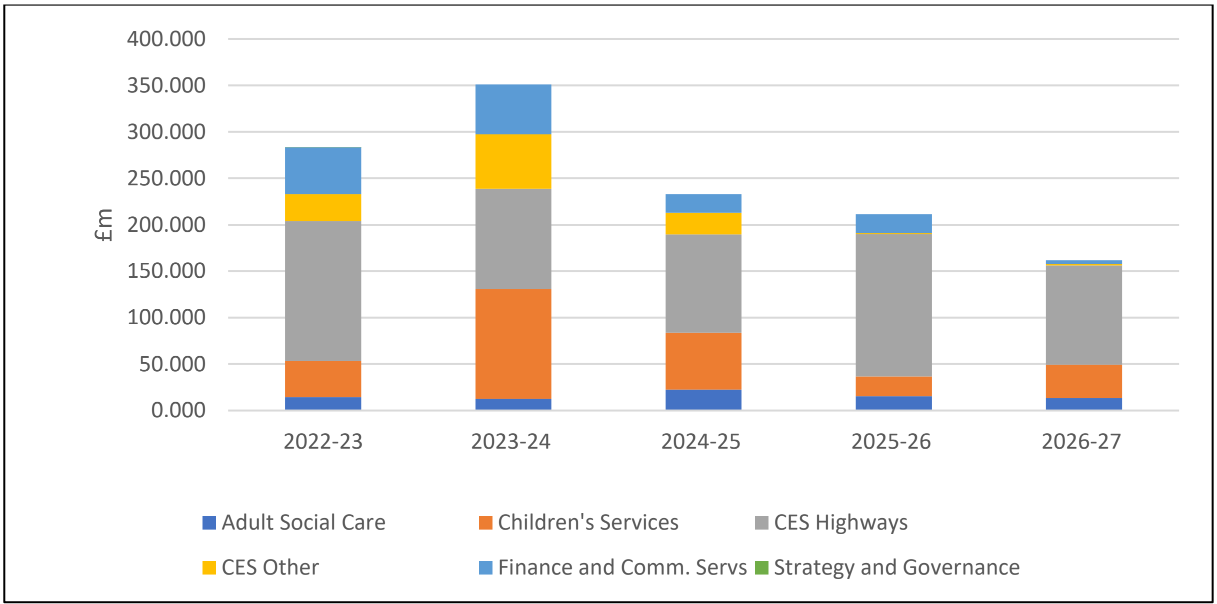
7.1. The Capital Strategy provides a framework for the allocation of resources to support the Council's objectives. The capital strategy is intended to:

- 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 2022-27+ of £1,240.555m is included elsewhere on the agenda, of which £956.971m relates to future years.

7.3. The bar charts below show the split of capital spend and how it is funded.

MTFS Chart 5: Capital Programme expenditure 2022-27+



MTFS Table 6: Capital Programme funding 2022-27+

Service	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
Adult Social Care	14.130	14.130	12.473	22.482	15.401	13.200
Children's Services	38.977	38.977	118.296	61.323	21.325	36.294
CES Highways	150.836	150.836	107.926	105.658	153.090	106.757
CES Other	32.296	28.896	58.706	23.483	1.200	1.217
Finance and Commercial Services	47.801	50.312	53.654	19.989	20.180	4.320
Strategy and Governance	0.432	0.432	0.000	0.000	0.000	0.000
Total	**284.472**	**283.583**	**351.054**	**232.934**	**211.196**	**161.787**

8. Summary

8.1. As in previous years, the Medium Term Financial Strategy sets out details of the high level national and local factors which are considered likely to impact on 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 2023-24 budget decisions for the future years 2024-25 to 2026-27 and outlines the potential longer-term issues facing the Council.

8.2. The overarching purpose of the Medium Term Financial Strategy is to support the Council in developing balanced budget plans over a four year period, and to support this objective a proposed planning timetable for setting a balanced budget for 2024-25 is included within the 2023-24 Revenue Budget report.

8.3. The Medium Term Financial Strategy links closely with the CIPFA Financial Management Code implemented in 2021-22 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 forming a view of, understanding, and maintaining financial resilience in the medium to longer term. The Strategy is therefore aligned with the requirements of the Financial Management Code.

Norfolk County Council Statement on the Adequacy of Provisions and Reserves 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 increased to a minimum level of £25.340m.

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 2023-27.

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 2023 is £24.340m, prior to allowing for the revenue budget year end position. The County Council holds balances of 5.2% as a percentage of its net 2022-23 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 6.8%. In the medium term, the Council aspires to continue 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 2022-23 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 2023-24 and indicative minimum levels for planning purposes for 2024-25 to 2026-27.

Reserves Table 1: Norfolk County Council general balances requirement

2021-22 (31/03/2023 Forecast)		2023-24	2024-25	2025-26	2026-27
£m		£m	£m	£m	£m
24.340	Assessment of the level of General Balances	25.340	26.590	27.840	29.090

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 2023-24 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 £25.340m.

If the level of general balances is reduced to below the minimum balance, currently £24.340m, 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 £25.340m for 2023-24. The projected actual level at 31 March 2023 is £24.340m, prior to allowing for the revenue budget year end position, which is currently forecasting an overspend of £2.054m (period 8 as per the monitoring report to Cabinet 30 January 2023). Executive Directors are continuing to take action to secure achievement of a balanced outturn position for the year. The budget proposals for 2023-24 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 in relation the 2020-21 accounts.

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 increased by £1.000m in 2023-24 followed by an increase of £1.250m in 2024-25 and 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 key risks and assumptions – (section 4 of Appendix 1). The recommended general balance position for 2023-24 has in particular been set with reference to considerable uncertainty about the wider financial environment for local authorities. Wider inflationary pressures and financial and policy uncertainty at the national level have all had implications in terms of additional costs, levels of demand and financial planning. The Budget and MTFS seeks to maintain the general fund balance at or around 5% of the Council's Net Revenue Budget for the year.

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.
- 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:** 2023-24 represents a one year funding allocation. Uncertainty about the outcomes of the Comprehensive Spending Review (CSR), Fair Funding Review (FFR), and Business Rates Retention Scheme (BRRS) means that the council faces a very significant level of uncertainty about funding levels from 2024-25. • **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, revaluations and applications for relief 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 1.00% increase in tax base in 2024-25, 2025-26 and 2026-27. • **NHS/Social Care Funding:** The improved Better Care Fund (iBCF) funding represents a mix of recurrent and one-off funding. Planning assumptions are based on funding of £39.617m announced in the provisional Settlement. The provisional Settlement confirmed that existing social care funding of £30.342m plus additionally announced social care funding of £25.030m, Discharge Support funding of £5.554m and ASC Market Sustainability funding of £9.785m will also be provided in 2023-24. 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 2023-24 has been confirmed as £10.42. Further details are provided in the Statement on the Robustness of Estimates.
2) Inflation	Pay inflation has been assumed at 3% for 2023-24 to 2026-27, with an additional contingency provision of 2% for 2023-24 and 1% 2024-25. The County Council is currently part of the national agreement

Area of risk	Explanation of risk
	and therefore pay awards for 2023-24 onwards will be determined by any agreements reached. Every 1% variation in pay amounts to around £3m 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 2% increase has been assumed for 2023-24 and 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 interest rates are at a 14 year high and are forecast to increase further during the next 12 months, before beginning to reduce slightly once inflation has been brought back to target levels. 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 2023-24, 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 2024-25. A number of issues may also impact on future funding levels: • The effect of cost of living policy responses, the war in Ukraine and legacy 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. • 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.

Area of risk	Explanation of risk
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 £56.461m 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 £124.127m funding shortfall between 2024-25 and 2026-27.
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: Norfolk County Council Statement on the Adequacy of Provisions and Reserves 2023-27

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	2023-24			2024-25			2025-26			2026-27		
	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)	45.055	0.00%	0.000	45.055	0.50%	0.225	45.055	0.50%	0.225	45.055	0.50%	0.225
Business Rates	188.214	0.50%	0.941	188.214	0.50%	0.941	188.214	0.50%	0.941	188.214	0.50%	0.941
Council Tax Variation to Base/Collection	493.707	0.00%	0.000	521.121	0.50%	2.606	542.070	0.50%	2.710	558.386	0.50%	2.792
NHS/Social Care Funding	121.481	0.00%	0.000	136.845	1.00%	1.368	136.845	1.00%	1.368	136.845	1.00%	1.368
Apprenticeship Levy	1.425	3.00%	0.043	1.454	3.00%	0.044	1.484	3.00%	0.045	1.515	3.00%	0.045
Landfill Tax - waste recycling (price)	27.486	1.00%	0.275	29.486	1.25%	0.369	31.486	1.50%	0.472	33.486	1.75%	0.586
	877.367		**1.259**	**922.175**		**5.553**	**945.154**		**5.762**	**963.501**		**5.958**
Inflation												
Employees	331.577	0.50%	1.649	339.076	0.50%	1.712	348.604	0.50%	1.735	359.062	0.50%	1.806
Premises	18.464	0.50%	0.092	19.265	0.50%	0.097	20.065	0.50%	0.100	20.467	0.50%	0.103
Transport	75.633	0.50%	0.376	79.530	0.50%	0.402	80.962	0.50%	0.405	82.581	0.50%	0.416
Supplies and Services	91.119	0.50%	0.453	97.183	0.50%	0.491	103.591	0.50%	0.518	105.663	0.50%	0.533
Agency and Contracted	563.077	0.50%	2.801	581.233	0.50%	2.924	599.090	0.50%	2.995	611.072	0.50%	3.080
Income (Fees and charges)	122.133	0.50%	0.608	124.097	0.50%	0.620	126.061	0.50%	0.630	128.582	0.50%	0.643
	1,202.004		**5.979**	**1,240.384**		**6.246**	**1,278.373**		**6.384**	**1,307.427**		**6.580**
Interest Rates												
Borrowing	31.430	0.25%	0.079	33.630	0.25%	0.084	33.630	0.50%	0.168	33.630	1.00%	0.336
Investment	1.081	0.25%	0.003	1.081	0.25%	0.003	1.081	0.50%	0.005	1.081	1.00%	0.011
	32.511		**0.081**	**34.711**		**0.087**	**34.711**		**0.174**	**34.711**		**0.347**
Grants												
Public Health Grant funding	43.318	0.25%	0.108	43.318	0.50%	0.217	43.318	0.75%	0.325	43.318	1.00%	0.433
Other General Fund Grants	23.897	0.25%	0.060	23.897	0.50%	0.119	23.897	0.75%	0.179	23.897	1.00%	0.239
	67.215		**0.168**	**67.215**		**0.336**	**67.215**		**0.504**	**67.215**		**0.672**

Appendix 3: Norfolk County Council Statement on the Adequacy of Provisions and Reserves 2023-27

Area of Risk	2023-24			2024-25			2025-26			2026-27		
	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	17.187	0.00%	0.000	17.187	2.50%	0.430	17.187	5.00%	0.859	17.187	5.00%	0.859
	17.187		**0.000**	**17.187**		**0.430**	**17.187**		**0.859**	**17.187**		**0.859**
Volume / Demand Changes												
Customer and Client Receipts	122.133	0.75%	0.916	124.097	0.75%	0.931	126.061	0.75%	0.945	128.582	0.75%	0.964
Demand Led Budgets (Adult Social Care third party and transfer payments)	406.141	1.00%	4.061	413.375	1.00%	4.134	421.809	1.00%	4.218	430.245	1.00%	4.302
Demand Led Budgets (Children's Services third party and transfer payments)	81.217	1.00%	0.812	87.333	1.00%	0.873	91.949	1.00%	0.919	93.788	1.00%	0.938
Winter Pressures	3.179	10.00%	0.318	3.207	10.00%	0.321	3.235	10.00%	0.324	3.264	10.00%	0.326
Landfill Tax - waste recycling (volume)	27.486	1.00%	0.275	29.486	1.00%	0.295	31.486	1.00%	0.315	33.486	1.00%	0.335
Public Health third party spend	36.452	1.00%	0.365	35.370	1.00%	0.354	35.370	1.00%	0.354	35.370	1.00%	0.354
Social care and Better Care Fund Spend	121.481	1.00%	1.215	136.845	1.00%	1.368	136.845	1.00%	1.368	136.845	1.00%	1.368
	798.089		**7.962**	**829.712**		**8.275**	**846.755**		**8.444**	**861.581**		**8.588**
Budget Savings												
Budget Reductions	59.704	7.50%	4.478	0.000	7.50%	0.000	0.669	7.50%	0.050	2.285	7.50%	0.171
	59.704		**4.478**	**0.000**		**0.000**	**0.669**		**0.050**	**2.285**		**0.171**
Insurance/Public Liability Third Party Claims												
Uninsured Liabilities	0.000		4.250	0.000		4.500	0.000		4.500	0.000		4.750
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		**5.414**	**1,163.554**		**5.664**	**1,163.554**		**5.664**	**1,163.554**		**5.914**
TOTAL			**25.340**			**26.590**			**27.840**			**29.090**

5.4. The required level of general balances is therefore identified as £25.340m in 2023-24, rising to £29.090m by 2026-27. 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 2023 of £24.340m, prior to allowing for the revenue budget end of year position, which is currently forecasting an overspend of £2.054m for 2022-23.

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, the increased levels of risk relating to council tax base assumptions and uncertainty about government funding allocations, which add £4.890m to the assessed balance required by 2026-27. 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 2023-24 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).

Reserves Table 4: Summary of Earmarked Reserves and Provisions 2022-27

Department	Balance at 31/03/22 £m	Forecast at 31/03/23 £m	Forecast at 31/03/24 £m	Forecast at 31/03/25 £m	Forecast at 31/03/26 £m	Forecast at 31/03/27 £m
Adult Social Services	45.890	36.465	13.155	7.295	7.295	7.295
Children's Services	12.930	6.418	3.014	2.144	1.281	1.281
Community and Environmental Services	65.507	60.067	53.712	49.950	49.706	49.462
Strategy and Transformation Directorate	2.640	2.387	2.387	2.387	2.387	2.387
Governance Department	2.045	2.110	2.410	1.275	1.575	1.875
Finance and Commercial Services	3.793	2.724	2.724	2.724	2.724	2.724
Finance General	53.556	32.198	24.446	24.446	24.446	24.446
Total (excluding schools)	**186.360**	**142.368**	**101.848**	**90.222**	**89.415**	**89.471**
Reserves for capital use	1.000	1.000	1.000	1.000	1.000	1.000
Schools	9.064	8.144	7.875	7.515	7.085	6.894
School – LMS	17.888	11.483	8.795	-1.322	-1.322	-1.322
DSG Reserve	-53.976	-73.613	-93.266	-108.341	-113.975	-109.006

Reserves Table 5: Detailed table of Reserves and Provisions 2022-27

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026	Forecast Balances 31/03/2027
		£m	£m	£m	£m	£m	£m
Earmarked Reserves							
All Services							
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.	3.001	2.259	2.112	2.112	2.112	2.112
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.	4.380	3.810	3.634	3.634	3.634	3.634
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.	49.172	45.597	28.275	17.817	16.710	16.466
		56.554	**51.665**	**34.021**	**23.563**	**22.456**	**22.212**
Adult Social Services							
Business Risk Reserve: Reserves established to manage key risks.	Reserve which will be used to mitigate continuing financial risks in future years. Expected to be utilised in full in 2023-24.	13.025	8.822	0.000	0.000	0.000	0.000

Appendix 3: Norfolk County Council Statement on the Adequacy of Provisions and Reserves 2023-27

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026	Forecast Balances 31/03/2027
		£m	**£m**	**£m**	**£m**	**£m**	**£m**
Prevention Fund: This includes the Living Well in the Community Fund, Prevention Fund and Strong and Well revenue funding as agreed by Members to support prevention work, mitigate the risks in delivering prevention savings and to help build capacity in the independent sector.	Some use expected to 2023-24.	0.554	0.664	0.483	0.483	0.483	0.483
Social Services Residential Review: This reserve contains funds set aside to support delivery of Mental Health services within Adult Social Services.	Use of the reserve over the budget planning period is expected.	8.418	6.807	3.969	3.935	3.935	3.935
		21.997	**16.293**	**4.451**	**4.418**	**4.418**	**4.418**
Children's Services							
Business Risk Reserve: Reserves established to manage key risks.	Reserve which will be used to mitigate continuing financial risks in future years. Expected to be utilised in full in 2023-24.	1.825	1.759	0.000	0.000	0.000	0.000
Children's Services Education Equalisation: To fund the variance in the number of Home to School/College Transport days in a financial year as a result of the varying dates of Easter holidays.	Use dependent upon the dates of future school years. Expected to be utilised in full in 2022-23.	2.872	0.000	0.000	0.000	0.000	0.000
		4.697	**1.759**	**0.000**	**0.000**	**0.000**	**0.000**

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026	Forecast Balances 31/03/2027
		£m	£m	£m	£m	£m	£m
Community and Environmental Services							
Business Risk Reserve: Reserves established to manage key risks.	Reserve which will be used to mitigate continuing financial risks in future years.	1.724	1.724	0.724	0.724	0.724	0.724
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.	3.274	2.049	2.049	2.049	2.049	2.049
Bus De-registration: This is funding to meet costs associated with the commercial deregistration of bus services.	There is no current planned use of this reserve.	0.027	0.027	0.027	0.027	0.027	0.027
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.	7.212	3.789	3.789	3.789	3.789	3.789

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026	Forecast Balances 31/03/2027
		£m	£m	£m	£m	£m	£m
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.	0.194	0.194	0.194	0.194	0.194	0.194
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.	10.579	9.743	9.743	9.743	9.743	9.743
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.	0.045	0.045	0.045	0.045	0.045	0.045
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

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026	Forecast Balances 31/03/2027
		£m	£m	£m	£m	£m	£m
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.	There is no current planned use of this reserve.	0.118	0.118	0.118	0.118	0.118	0.118
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.	0.081	0.034	0.034	0.034	0.034	0.034
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	Reductions in the level of this reserve are expected over the next four years.	5.013	3.743	3.743	3.743	3.743	3.743

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026	Forecast Balances 31/03/2027
		£m	£m	£m	£m	£m	£m
needed in future financial years to meet contract payments.							
Waste Management Partnership Fund: This reserve is for waste management initiatives.	There is currently no planned use of this reserve.	0.425	0.425	0.425	0.425	0.425	0.425
		28.943	**22.140**	**21.140**	**21.140**	**21.140**	**21.140**
Strategy and Transformation							
Business Risk Reserve: Reserves established to manage key risks.	Some use of reserve is planned for 2022-23.	0.747	0.501	0.501	0.501	0.501	0.501
Strategic Ambitions Reserve: This reserve supports the council in achieving its aspirations and strategic ambitions for Norfolk.	Some use of reserve is planned for 2022-23.	0.385	0.315	0.315	0.315	0.315	0.315
		1.132	**0.816**	**0.816**	**0.816**	**0.816**	**0.816**
Governance							
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.	0.811	0.686	0.686	0.686	0.686	0.686

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026	Forecast Balances 31/03/2027
		£m	£m	£m	£m	£m	£m
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.	0.534	0.834	1.134	0.000	0.300	0.600
		1.345	**1.520**	**1.820**	**0.686**	**0.986**	**1.286**
Finance and Commercial Services							
Archive Centre Sinking Fund: This reserve is to maintain the Archive Centre in accordance with a lease agreement between the County Council and the University of East Anglia.	This reserve is used as and when required.	0.247	0.328	0.328	0.328	0.328	0.328
County Farms: This reserve is to hold income related to the County Farms estate.	There is no current planned use of this reserve.	0.415	0.415	0.415	0.415	0.415	0.415
		0.661	**0.743**	**0.743**	**0.743**	**0.743**	**0.743**
Finance General							
Business Risk Reserve: Reserves established to manage key risks.	Reserve which will be used to mitigate continuing financial risks in future years.	5.275	4.275	4.275	4.275	4.275	4.275
Business Rates Risk Reserve: Reserves established to manage key risks.	To be fully utilised to support the 2023-24 budget.	7.752	7.752	0.000	0.000	0.000	0.000

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026	Forecast Balances 31/03/2027
		£m	£m	£m	£m	£m	£m
Corporate Covid Risk Reserve: Reserves established to hold funding for Covid related expenditure	Reserve use planned to support service delivery in 2022-23.	22.336	4.336	4.336	4.336	4.336	4.336
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.	There is no current planned use of this reserve.	0.134	0.134	0.134	0.134	0.134	0.134
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.	7.829	4.991	4.991	4.991	4.991	4.991
		43.326	**21.488**	**13.736**	**13.736**	**13.736**	**13.736**
Non-Schools Total		**158.654**	**116.424**	**76.728**	**65.101**	**64.295**	**64.351**
Reserves for Capital Use							
Usable Capital Receipts		1.000	1.000	1.000	1.000	1.000	1.000

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026	Forecast Balances 31/03/2027
		£m	£m	£m	£m	£m	£m
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.	17.888	11.483	8.795	-1.322	-1.322	-1.322
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 2022-23. The reserve will then be replenished over the planning period.	2.101	1.848	1.579	1.220	0.789	0.599
Building Maintenance: This is money put aside to spend on building maintenance of schools.	Reserve balances are reviewed and utilised as required.	1.518	0.850	0.850	0.850	0.850	0.850
Unspent Grants and Contributions: This reserve contains the balances on the council's unconditional grants and contributions.	Utilised as grants are spent.	5.446	5.446	5.446	5.446	5.446	5.446
Schools Total		**26.952**	**19.627**	**16.670**	**6.193**	**5.763**	**5.572**

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026	Forecast Balances 31/03/2027
		£m	£m	£m	£m	£m	£m
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.	-53.976	-73.613	-93.266	-108.341	-113.975	-109.006
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.	3.295	1.647	0.824	0.824	0.824	0.824

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026	Forecast Balances 31/03/2027
		£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.	1.281	1.281	1.281	1.281	1.281	1.281
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.	12.914	12.914	12.914	12.914	12.914	12.914
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 and Commercial 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.	0.038	0.038	0.038	0.038	0.038	0.038

Appendix 3: Norfolk County Council Statement on the Adequacy of Provisions and Reserves 2023-27

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026	Forecast Balances 31/03/2027
		£m	£m	£m	£m	£m	£m
Finance General							
Insurance: Provision for insurance claims.	Contractual commitment based on reported claims and provision for incurred but unreported claims.	10.000	10.000	10.000	10.000	10.000	10.000
Redundancy: A provision to meet redundancy and pension strain costs.	This provision is forecast to be used in 2022-23.	0.132	0.016	0.016	0.016	0.016	0.016
Non-Schools Provisions Total		**27.707**	**25.944**	**25.120**	**25.120**	**25.120**	**25.120**

6.2. The planned change in total non-school's reserves is a reduction of 48.94% over five years as shown in the following table.

Reserves Table 6: Change in reserves 2022-27

	March 31, 2022	March 31, 2027	Reduction %
	£m	£m	
General Balances	24.340	29.090	
Earmarked Reserves	158.654	64.351	
Total	**182.994**	**93.441**	**48.94%**
The comparative figures for last year were:			
	March 31, 2021	March 31, 2026	Reduction %
General Balances	23.763	26.018	
Earmarked Reserves	112.827	34.529	
Total	**136.590**	**60.547**	**55.67%**

6.3. 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.

6.4. It should be noted that the Department for Education (DfE) consulted in November 2018[59] 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[60] 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.*"

[59] *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

[60] https://consult.education.gov.uk/funding-policy-unit/revised-arrangements-for-the-dsg/

6.5. 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 £93.266m deficit forecast for the end of 2023-24. On the basis of the accounting treatment established 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.

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 2023-24 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 2023-24 to 2026-27

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 2022-23, 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 May, July, September and December 2022.
- Member review and challenge via Cabinet in the July, October, and January 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 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[61] which sits alongside the Financial Management Code (FM Code). Both of these have helped to inform the council's 2023-24 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 2023-24.

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[62] **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.

[61] https://www.cipfa.org/services/financial-resilience-index-2022

[62] 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).

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 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 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 the provisional Settlement, to seek to maximise the funding available for rural shire counties.
- Working with District Councils to reach a consensus position to pool business rates in 2023-24 in order to maximise business rates for Norfolk local authorities.
- Providing for budget pressures, 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.
- Ongoing budget-setting work for 2023-24 to set a robust, balanced budget, and regular monitoring of the 2022-23 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 2023-24 will consider any further actions needed to enhance compliance with the 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 2023-27 report (Appendix 4).

4.2. Budget proposals and emerging pressures were reported to Cabinet in November, 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 2023-24.

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:

- **Local sources of income:** In relation to council tax and business rates, District Council forecast figures are to be confirmed 31 January 2023;
- **Government funding:** The final 2023-24 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 unknown following the delayed Fair Funding Review and there is uncertainty about future plans for 75% Business Rates Retention. A list of revenue grants is included within Table 13 of the Revenue Budget 2023-24 report (Appendix 1);
- **General pay and prices:** Inflationary pressures affecting the council's contracted spend and uncertainty about the level of future national 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 in principle 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. The Council has engaged in intensive negotiation over Summer 2022 with the DfE as part of its Safety Valve programme, intended to develop a plan to achieve an in-year balanced budget to enable the cumulative deficit to be addressed. Through these

discussions with the DfE, a plan has been prepared to bring the in-year deficit into surplus and to reduce the cumulative deficit over 6 years. The Budget provides for the Council's local contribution to this. 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 Norwich Western Link, Great Yarmouth Third River Crossing, programme to improve SEND school provision, which are significant capital projects required to be met within planned capital funding; and
- **Organisational Change:** Managing significant transformation and staffing changes, including implementation of the outcomes of the Strategic Review.

4.4. The budget estimates span a four year period, 2023-27, 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 2024-25 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, *Better 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 May, July, September and December 2022, 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. Following the recognition of a "good" Ofsted judgement, priorities for the service include transformation of children's social care, and our Special Educational Needs and Alternative Provision transformation 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 Integrated Care System (ICS)) 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). Preparing for the new inspection regime, absorbing and adjusting to any new requirements and/or new burdens arising from the delayed implementation of social care reform.

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 2023-24 has included extensive work to review the deliverability of savings and understand service pressures. As a result, the 2023-24 Budget sees a significant investment in Departmental budgets through both the provision of growth for cost pressures, and 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 £3.040m 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 2023-24 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 2022-23. The Medium Term Financial Strategy does not reflect plans to fully meet the funding shortfall between 2024-25 to 2026-27. 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 4 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 2024-25 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 2022-23 to 2026-27

	2022-23 (Period 8 forecast)	2023-24 Budget	2024-25 Budget	2025-26 Budget	2026-27 Budget
	£m	£m	£m	£m	£m
Forecast outturn budget deficit	2.054	0.000	45.920	35.491	42.716

5.7. Work is underway by Executive Directors and budget holders to deliver a balanced outturn position at year end as reported in period 8 Financial Monitoring report which currently forecasts an overspend of £2.054m will be balanced at year-end. The non-delivery of unachievable future year savings from the 2022-26 budget round has been addressed as part of the 2023-24 budget process, however any 2022-23 savings which have not been achieved in-year due to timing delays are assumed to be delivered in 2023-24.

5.8. The factors and budget assumptions used in developing the 2023-27 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 3% for 2023-24 to 2026-27, with a 2% contingency in 2023-24 and 1% in 2024-25. The County Council is currently part of the national agreement and therefore pay awards for 2023-24 onwards will be determined by any agreements reached. Every 1% variation in pay amounts to around £3m for the council. There is therefore a risk that pay awards could vary from this assumption over the planning period. Pensions – The 2022 actuarial valuation of the pension fund has set the employer contribution rates from 1 April 2023 at 15.5% (unchanged) plus a lump sum for each of the three years 2023-26. Price Inflation is provided where a contractual increase is required. This is at the contractual rate where appropriate.
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 £6.700m reflecting rising demand for services as people live longer

Budget Assumption	Explanation of financial forecast and approach
	and transition of service users from Children's Services to adult social care. • Gross demand pressures of £11.650m 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 maintenance costs of infrastructure assets.
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 2023 it will be increased to £10.42[63]. 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 2023-24 budget includes: • £9.000m to address pressures in Adult Social Services; • £24.540m to address pressures in Children's Services; • £5.780m to address pressures in Community and Environmental Services.
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.

[63] https://www.gov.uk/government/publications/minimum-wage-rates-for-2023

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 2023-24, which remain to be confirmed in the final Local Government Finance Settlement. Uncertainty about the outcomes (and indeed in some cases progress) of Local Government funding reforms including Social Care Reform, the Fair Funding Review (FFR), Business Rates Retention Scheme (BRRS), which have all been delayed until at least 2025-26, means that the council faces a very significant level of uncertainty about funding levels in future years. The provisional Settlement confirmed that existing social care funding of £30.342m plus additionally announced social care funding of £25.030m, Discharge Support funding of £5.554m and ASC Market Sustainability funding of £9.785m will also be provided in 2023-24. The MTFS assumes these will be ongoing, and indications are that they will continue until at least 2024-25, but a degree of uncertainty remains. 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 2023-24. 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 2022-23 for 1% transfer in addition to the 0.5% transfer from the Schools Block (SB) to the High Needs Block (HNB) agreed by Schools Forum on 16 November 2022. The Council is awaiting notification from the Secretary of State as to whether the request has been accepted or declined, alongside whether the Minister has approved Norfolk's Safety Valve programme.. Further details are provided 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.

Budget Assumption	Explanation of financial forecast and approach
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 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 31 December 2022, the council's outstanding debt totalled £896m. The council continues to maintain its total gross borrowing level within its Authorised Limit of £1,061m (prudential indicators) for 2022-23. 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. At the end of December 2022 (Period 9), the council's cash balances stood at £275m.
12) The authority's track record in budget and financial management	As at Period 8 the 2022-23 revenue budget is forecast to be overspent by £2.054m on a net budget of £464.123m (gross £1.637bn). Executive Directors are working to deliver a balanced outturn position at year-end. Ernst and Young, the council's external auditor, issued an unqualified opinion on the Council's 2020-21 accounts in December 2021 and concluded that the council made appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources. The audit of the 2021-22 accounts has not yet been concluded due to the external auditors planned phased approach to delivering the 2021-22 audits. At the time of writing, it is anticipated that the Council's audit

Budget Assumption	Explanation of financial forecast and approach
	committee will consider the results of the 2021-22 audit at its meeting in March 2023.[64]
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 under/overspends at authority and departmental level	Guidance on end of year procedures is reported annually and arrangements are monitored. Detailed year-end financial information is reported alongside 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.

[64] https://www.norfolk.gov.uk/what-we-do-and-how-we-work/our-budget-and-council-tax/statement-of-accounts

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 2023-27.

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.

Norfolk County Council
Budget Consultation findings report 2023-24

1. Background

Norfolk County Council has conducted an annual budget consultation for financial year 2023-24.

The budget consultation was open between Friday 21 October and closed on Friday 16 December 2022 and sought views from the public and stakeholders on the level of council tax, including the adult social care precept. We also consulted on three other savings proposals, namely:

- by reducing summer opening hours at Norfolk's recycling centres and closing all recycling centres on Wednesdays
- by reducing the opening hours of the Norfolk Record Office
- by reducing weed spraying activities on the highway

No other outline budget proposals needed to go out to further public consultation as none were 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 eight weeks, closing on the 16 December 2022. 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 available on request by email and phone (with a Freepost returns process in place).

People could choose which proposals to comment on which is why there are individual reports per proposal. 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

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
- Email briefing to members of our Norfolk Resident's Panel.
- Social media promotion on Twitter, Facebook, LinkedIn, NextDoor
- Members briefing to all NCC councillors
- 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)

We asked respondents how they heard about this year's budget consultation for council tax and the response is tabled below.

Option	Total	Percent
Local media (e.g newspaper, radio)	92	31.40%
From a social media post (e.g Facebook)	48	16.38%
From a friend	9	3.07%
From a group I belong to	3	1.02%
From my place of work or education	13	4.44%
The Norfolk Residents' Panel	37	12.63%
District Council web page	0	0.00%
Norfolk County Council web page	29	9.90%
My Parish Council	7	2.39%
From an email I received	40	13.65%
Not Answered	15	5.12%
Total	**293**	**100%**

3.1. Parish Council Webinar Event

On 22 November 2022 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 Councillor Andrew Jamieson, lead Member for Finance and Joel Hull, Assistant Director for Waste and Water Management.

Participants were invited to find out more about our budget consultation and our specific proposals. Cllr Jaimeson and Joel Hull, gave a presentation outlining our proposals, followed by a questions and answers session with Cllr Jamieson. A recording of the event was made available after the session via the NALC. After the session closed, participants were invited to visit our consultation online and provide written feedback if they so wished. In total, representatives from 17 parish councils attended the event. The parish councils and other organisations that had representatives at the meeting were:

- East Rudham
- Framingham Earl
- Hoveton
- Marham
- Middleton
- Moving to Norfolk

- North Norfolk District Council
- Northwold and Whittington
- Roydon – Diss
- Stalham
- Swardeston
- Taverham
- Terrington St John
- Thornham
- Tilney All Saints

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 including adult social care precept and three savings 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 to our budget proposals

We received, in total **805** responses to our budget consultation. The number of respondents for each proposal are tabled below:

Budget Savings Proposal	Response Rate
Your views on our proposal to increase council tax in 2023-2024	293
Your views on our proposals to save money by reducing summer opening hours at Norfolk's recycling centres and closing all recycling centres on Wednesdays	332
Your views on our proposal to save money by reducing the opening hours of the Norfolk Record Office	69
Your views on our proposal to save money by reducing weed spraying activities on the highway	111

6. Proposal 1: To increase Council Tax in 2023-24

Of the 293 responses received to the council tax consultation, the majority, 291 were online submissions to Citizen Space and two were via email. It should be noted that respondents could choose which questions 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. We received exactly 293 responses to our council tax consultation. Of these, 265 people or 90.44% replied as individuals.

Option	Total	Percent
An individual/member of the public	265	90.44%
On behalf of a voluntary or community group	3	1.02%
On behalf of a statutory organization	0	0.00%
On behalf of a business	0	0.00%
A Norfolk County Councillor	1	0.34%
A district or borough councillor	2	0.68%
A town or parish councillor	1	0.34%
A Norfolk County Council employee	17	5.80%
Not Answered	4	1.37%
Total	**293**	**100%**

Responses by groups, organisations and businesses:

Three online consultation respondents told us which group, organisation or business they were responding on behalf of. The organisations cited:

- Broadland District Council
- North Norfolk District Council
- Voluntary organisation, Attleborough (name not provided)

Respondent Profile:

The profile of 'individual' respondents (293 individuals) is as below:

Option	Total	Percent
Male	139	47.44%
Female	123	41.98%
Prefer not to say	20	6.83%
Prefer to self-describe	3	1.02%
Not Answered	8	2.73%

Responses by age (293 individuals)

Option	Total	Percent
Under 18	0	0.00%
18-24	4	1.37%
25-34	26	8.87%
35-44	38	12.97%
45-54	59	20.14%
55-64	66	22.53%
65-74	52	17.75%
75-84	17	5.80%
85 or older	1	0.34%
Prefer not to say	21	7.17%
Not Answered	9	3.07%

Responses by long-term illness, disability or limiting health problem (293 individuals)

Option	Total	Percent
Yes	67	22.87%
No	175	59.73%
Prefer not to say	43	14.68%
Not Answered	8	2.73%

Responses by condition or disability (309 responses, some consultees have ticked more than one box)

Option	Total	Percent
Blind or partially sighted	4	1.37%
D/deaf or hard of hearing	10	3.41%
Limiting health condition e.g. heart disease, asthma, strokes, osteoarthritis, rheumatoid arthritis, fibromyalgia and myalgic encephalomyelitis (ME) etc.	34	11.60%
Learning Disabilities	2	0.68%
Neurodiversity e.g. autistic spectrum disorders, dyslexia, dyspraxia	5	1.71%
Mental health conditions – e.g. depression, schizophrenia, bipolar affective disorders, eating disorders, obsessive compulsive disorder	10	3.41%
Physical disability e.g. limb disorder, amputee, wheelchair user, cerebral palsy, motor neurone disease, muscular dystrophy	12	4.10%
Other	14	4.78%
Not Answered	218	74.40%
Total	**309**	**105%**

Responses by ethnic group (293 individuals)

Option	Total	Percent
English, Welsh, Scottish, Northern Irish or British	233	79.52%
Irish	2	0.68%
Gypsy or Irish Traveller	1	0.34%
Roma	0	0.00%
Not Answered	57	19.45%

Responses by language spoken (293 individuals)

Option	Total	Percent
English	276	94.20%
Not Answered	17	5.80%

Responses by district (293 individuals)

Option	Total	Percent
Breckland	31	10.58%
Broadland	53	18.09%
Great Yarmouth	15	5.12%
King's Lynn and West Norfolk	36	12.29%
North Norfolk	26	8.87%
Norwich	67	22.87%
South Norfolk	56	19.11%
Not Answered	9	3.07%
Total	293	100%

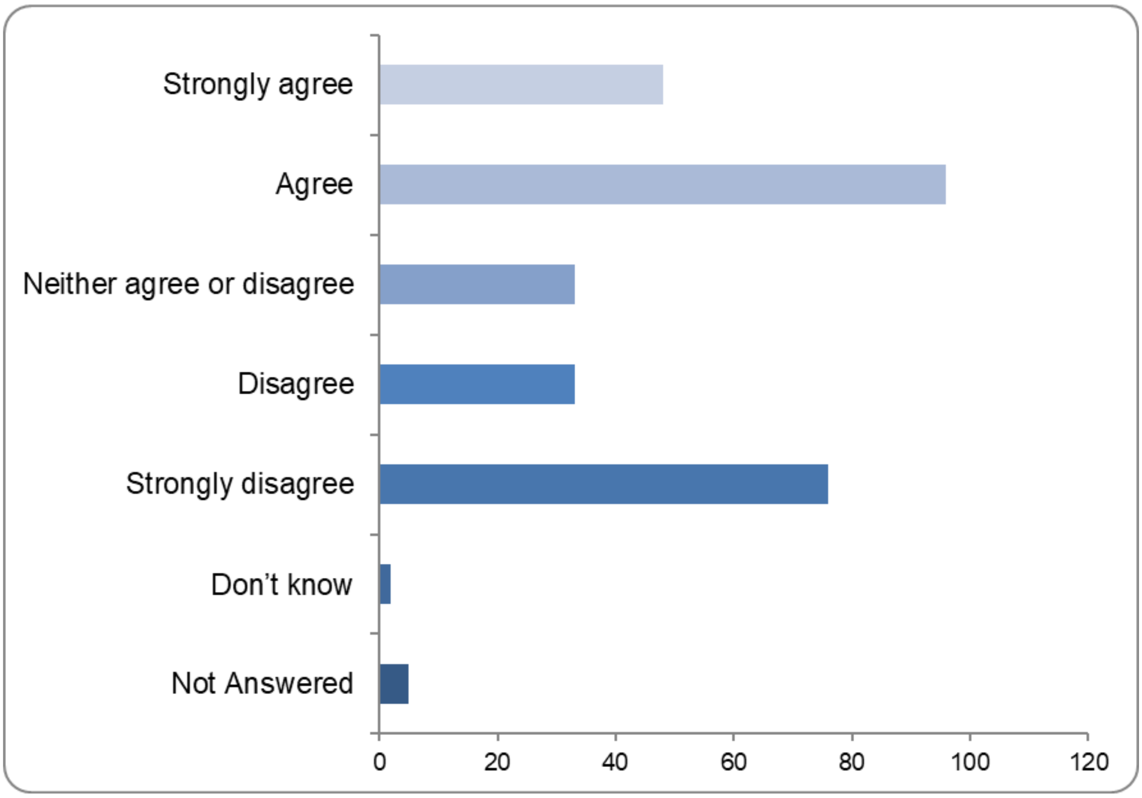
Responses from those with caring responsibilities (293 individuals)

Option	Total	Percent
No	205	69.97%
Yes – for children with additional needs	17	5.80%
Yes – for older family members	39	13.31%
Yes – other	15	5.12%
Not Answered	17	5.80%

Responses from those outlining employment status (293 individuals)

Option	Total	Percent
Employed (full time)	128	43.69%
Employed (part time)	38	12.97%
Self employed	16	5.46%
Unemployed	2	0.68%
Student	0	0.00%
Looking after the family home	9	3.07%
Long-term sick	9	3.07%
Retired	78	26.62%
Not Answered	13	4.44%

Q: How far would you agree or disagree with increasing Norfolk County Council's share of council tax (including the Adult Social Care precept) by 2.99% in 2023-24?



Option	Total	Percent
Strongly agree	48	16.38%
Agree	96	32.76%
Neither agree or disagree	33	11.26%
Disagree	33	11.26%
Strongly disagree	76	25.94%
Don't know	2	0.68%
Not Answered	5	1.71%

One hundred and thirteen people explained why they **agree or strongly agree** with the proposal. The main reasons for agreement are that additional money is necessary to maintain important social services (38); the proposed increase is acceptable or reasonable (35); and the proposed increase reflects current economic conditions in which all costs are rising (25). However, people who agreed or strongly agreed with the proposal also mentioned the financial hardship of paying more and referred to the need for NCC to operate more efficiently.

Q: How far would you agree or disagree with increasing Norfolk County Council's share of council tax (including the Adult Social Care precept) by 2.99% in 2023-24? **Agree or strongly agree**		
Theme	**No.**	**Comments**
Comments about current services, demand for services, or paying for services.	38	I think it's hard to raise it at the moment, but the thought of cutting services - especially social care - is even worse. Because the money is needed to provide services to the most vulnerable. Unfortunately it is left to local government to fund social care. It is important that this is funded generously but well managed to protect other services that have an impact when this is not managed effectively. Because the quantity spent is not enough to match demand. I think it is vitally important that this area has the proper level of investment now and in future as it is one of the biggest challenges the country face with such an ageing population.
Comments about the proposed increase being fair, reasonable, or acceptable.	35	This is a fair increase for an essential service. This feels like a reasonable increase. I understand and accept that an increase is needed to ensure funding to support the council. It's what most people can afford.
Comments about wider financial factors which affect NCC such as cost of living or inflation.	25	Costs are rising for everyone including councils so they need the money to fulfill their obligations. Costs are rising, and the residents of Norfolk will have to share the burden. This seems like a reasonable increase, however you have to take in to consideration how most people are being affected by the cost of living crisis. Wages aren't increasing and more and more people in the area do not have a stable income.
Comments about people's inability to pay because of their personal financial situation.	17	I would reluctantly agree to this rise. I think most people can sorely cope with much more increases in household income. I am now classified as living in fuel poverty. In addition to this, council tax is now 15% of my total income, a record high and a huge burden on my already struggling finances. Any increase greater than 2.99% would cripple me.
Comments about efficiency savings, ways NCC could, or	14	I feel that adult social care should be protected. Councils should focus money on the services that really matter and see efficiencies wherever they can.

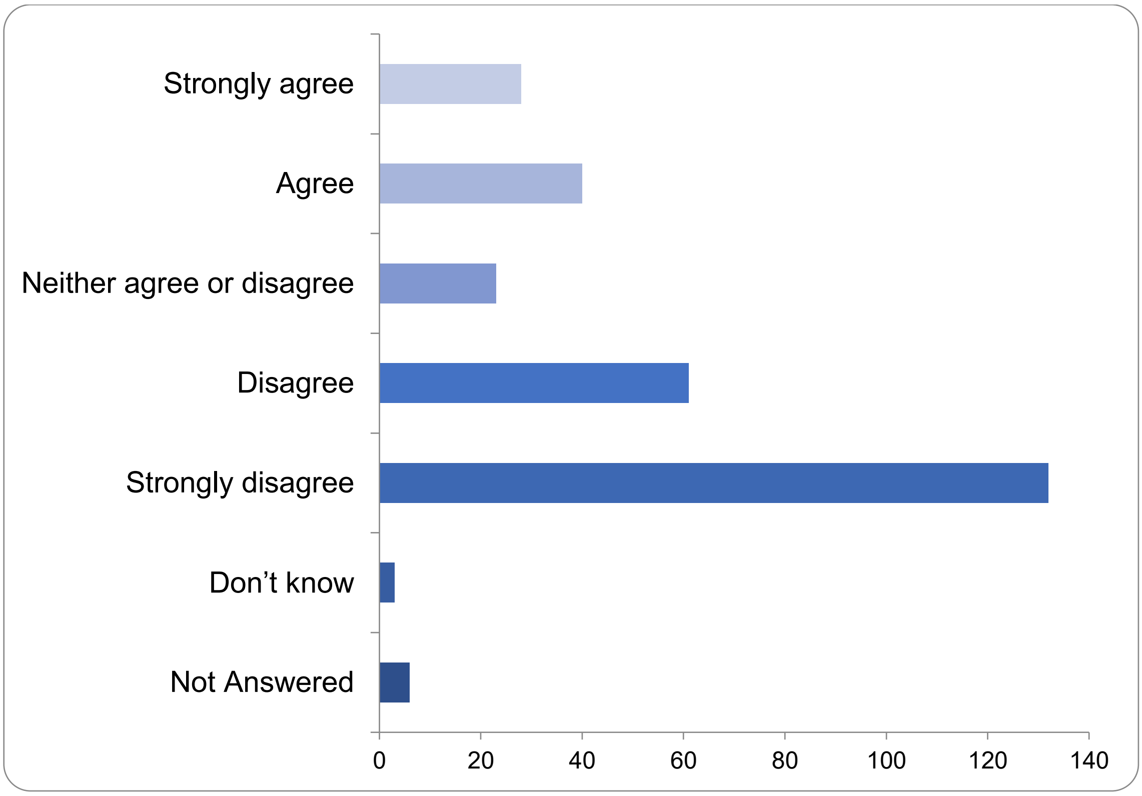
should save money.		An increase is required to cover increasing costs of providing Adult Care particularly given the increasing age of the population of Norfolk. Other efficiencies are required from the council though.

One hundred and one people explained why they **disagree or strongly disagree** with the proposal. The main reasons for disagreement are that people cannot afford to pay more (43); the negative impact of wider economic factors on people's finances (24); and the requirement for NCC to operate more efficiently (21).

Q: How far would you agree or disagree with increasing Norfolk County Council's share of council tax (including the Adult Social Care precept) by 2.99% in 2023-24? Disagree or strongly disagree		
Theme	**No.**	**Comments**
Comments about people's inability to pay because of their personal financial situation.	43	I am 81 years of age living totally alone with a wife in a care home for the past 6 years. I receive no benefits, and currently sit at night without both lights or heating, Tell me how I could possibly pay any more? Where are families meant to budget for this with all other costs going up. You are putting families in an impossible situation. People's income is not going up at the same level as the rising prices making an already bad situation worse. People simply cannot afford to pay more. With many people already having to decide between heating and eating any additional cost in council tax should be avoided.
Comments about efficiency savings, ways NCC could, or should save money.	24	Ncc are evidently failing at adult social care as reported in press. Perhaps find a more efficient way rather than throwing money at it. The council's of Norfolk are inefficient, ineffective talking shops that waste Council tax payers hard earned money. They do not meet or consult with tax payers and have little idea on how to effectively manage money. To much money is wasted in the wrong places on people who put in nothing.
Comments about wider financial factors such as cost of living or inflation.	21	Prices are at its highest in a long time and salaries are not even meeting the inflation so any additional increase to mandatory payments like council tax and energy bills are not appropriate. At a time of austerity and rising prices the expectation would be that the services manages within existing budget and reflects what is an essential or non essential services. Pay awards are falling way below the rate of inflation and cost of living.
Comments about the rationale behind the proposal.	15	Increasing Council Tax at all is abhorrent, particularly when you are then also talking about cutting services - so we pay more for less....does this make sense to you? Any increase at this time is unacceptable. Particularly when you fail to deliver so frequently and are looking to cut services at the same time as raising council tax
Comments about the concept of council tax as a form of taxation	13	The extra money should be raised by stopping the 25% council tax reduction given to single househo;ders. They receive the same service from the council as multi occupied householders.

		My immediate next door neighbour linked to my house is in a lower tax band. I have challenged my band with no success. So you now expect me to continue to pay tax?

Q: How far would you agree or disagree with increasing Norfolk County Council's share of council tax (including the Adult Social Care precept) by 4.10% in 2023-24?



Option	Total	Percent
Strongly agree	28	9.56%
Agree	40	13.65%
Neither agree or disagree	23	7.85%
Disagree	61	20.82%
Strongly disagree	132	45.05%
Don't know	3	1.02%
Not Answered	6	2.05%

Fifty-three people explained why they **agree or strongly agree** with the proposal. The main reasons for agreement are that additional money is necessary to maintain important social services (28); the proposed increase is acceptable or reasonable (13); and the proposed increase reflects current economic conditions in which all costs are rising (10).

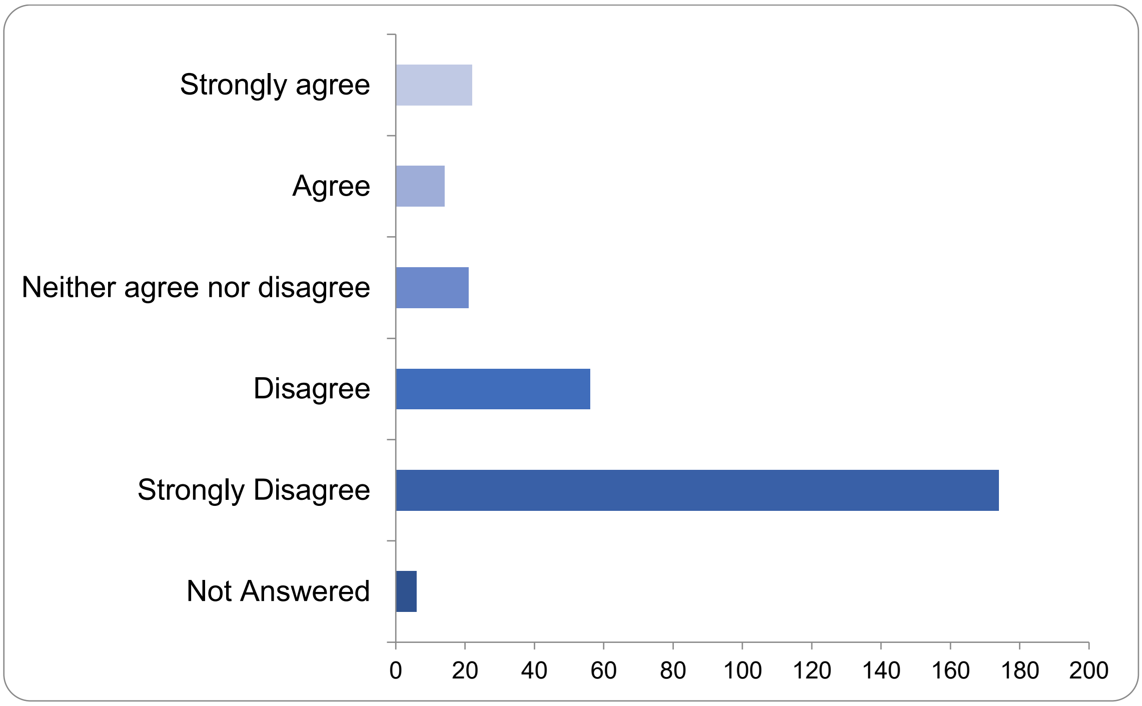
Q: How far would you agree or disagree with increasing Norfolk County Council's share of council tax (including the Adult Social Care precept) by 4.10% in 2023-24? Agree or strongly agree		
Theme	**No.**	**Comments**
Comments about current services, demand for services, or paying for services.	28	Because we need to keep as many services going so this isn't too much of a hit to general tax payers. This has to be a top priority, but the extra money must be spent wisely with a view to providing services for the longer term Adult services are grossly underfunded and patients suffer as a result. I would like to see this spent on mental health services particularly. Services to vulnerable people at this time is of paramount importance.
Comments about the proposed increase being fair, reasonable, or acceptable.	13	Inflation has been soaring and a slightly higher increase does not seem unreasonable in these times. Realistically, this is probably the rate required. I agree that in the current economic situation a rise of 4% is reasonable. I do however feel that the proportion ringfenced as part of the adult social care precept should rise by at least 2% of this 4.1% increase.
Comments about wider financial factors which affect NCC such as cost of living or inflation.	10	Costs have gone up so our council tax will need to go up. Whilst I don't want my bill increasing I do understand with inflation everything is costing more. So out of the three option obviously I would prefer the lowest rise I would accept the 4.10%.

One hundred and fifty-eight people explained why they **disagree or strongly disagree** with the proposal. The main reasons for disagreement are that people cannot afford to pay more (70); the negative impact of wider economic factors on people's finances (33); and the need for NCC to operate more efficiently (32).

Q: How far would you agree or disagree with increasing Norfolk County Council's share of council tax (including the Adult Social Care precept) by 4.10% in 2023-24? Disagree or strongly disagree		
Theme	**No.**	**Comments**
Comments about people's inability to pay because of their personal financial situation.	70	Because I can barely afford my own bills. 4.10% is a massive amount - as per previous comment this is just not possible. Who can afford this? Most people can't. I am on a pension and cannot afford such a large increase. I simply cannot afford a 4.1% increase and would rather go to jail than pay this amount. If you impose an increase of 4.1% I will be unable to heat my home and feed my family,
Comments about wider financial factors which affect NCC such as cost of living or inflation.	33	It is not justified in the light of the major crises the country is in. Because the rises in tax and living costs are greater than the rising wages or pensions. Because cost of living has increased dramatically. Households can't take any more. Because with high inflation and increases in mortgage rates people are already suffering and it is unfair.
Comments about efficiency savings, ways NCC could, or should save money.	32	The finances of the council are already poorly managed. Giving you more is not the answer. You all need to find savings in house. Stop wasting money on frivolous things and fund the important things people care about. There is too much waste at the Council. I think there are more manager savings that can be achieved by shortening the approval process for many council activities and less use of expensive consultants would be helpful too. Efficiency savings are required not increasing taxes.
Comments about the rationale behind the proposal.	28	I see no persuasive evidence to support that level of increase. It shouldn't be for the residents to bail out your poor accounting. You are ripping the good people on Norfolk off for your failures to run all that Norfolk County Council own in a way that is fair to it's residents'. You as a council cannot keep piling money on people bills causing stress and hardship on people forever.
Comments about the concept of council tax as a form of taxation	15	We're in a cost of living crisis. Tax the wealthiest. And outdated council tax bands are not an accurate estimator of wealth. Council tax bands are a regressive form of taxation. Council tax is sorely unfair anyway. It should be based on ability to pay, not how much your property is worth which is meaningless unless you sell.
Comments about current services, demand for	10	An increase too far, may cover the cost but doesn't address the inefficient service.

services, or paying for services.		The social care precept is simply used as an excuse to raise tax. It has already been increased significantly over recent years but the services it is said to support are as poor as they were before.

Q: How far would you agree or disagree with increasing Norfolk County Council's share of council tax (including the Adult Social Care precept) in line with current rates of inflation? (September 2022, listed the current rate of inflation at 10.1%)



Option	Total	Percent
Strongly agree	22	7.51%
Agree	14	4.78%
Neither agree nor disagree	21	7.17%
Disagree	56	19.11%
Strongly Disagree	174	59.39%
Not Answered	6	2.05%

Twenty-six people explained why they agree or strongly agree with the proposal. The main reason for agreement is that services require a lot of financial support to be maintained or improved (13).

Q: How far would you agree or disagree with increasing Norfolk County Council's share of council tax (including the Adult Social Care precept) in line with current rates of inflation in 2023-24? Agree or strongly agree		
Theme	**No.**	**Comments**
Comments about current services, demand for services, or paying for services.	13	This is the burden we all need to share of we're going to keep the front line services you provide. So that adult social care can continue to be provided to those that need it. Need more money to maintain services. Totally agree should pay more for good social care make Norfolk the best social care in the entire country.

One hundred and ninety-eight people explained why they disagree or strongly disagree with the proposal. The main reasons for disagreement are that people cannot afford to pay more (97); the negative impact of economic factors on people's finances (50); NCC's reasoning behind the proposal (47); and the need for NCC to operate more efficiently (37).

Q: How far would you agree or disagree with increasing Norfolk County Council's share of council tax (including the Adult Social Care precept) in line with current rates of inflation? Disagree or strongly disagree		
Theme	**No.**	**Comments**
Comments about people's inability to pay because of their personal financial situation.	97	Essentially I can't afford it. You have got to be kidding, how can you possibly expect people to pay any more on council tax when we can't afford to feed ourselves and keep warm. We have already cut back on anything that would be considered as non essential to try to survive. In the current circumstances it is absolutely disgusting that you would even raise this this question. You should be ashamed. Nobody has any bloody money! That is a ridiculous increase, people can't afford to eat, let alone keep warm and have hot shower. There is now I could afford such a large increase. My income has not gone up at all and there are other pressures i.e. food and heating costs. I could not afford to pay an increase of that magnitude. A 10% increase in my council tax is outrageous and would render me homeless and destitute. This is an outrageous option! As mentioned previously, people simply cannot afford this increase when salaries aren't rising at all, let alone matching inflation.
Comments about wider financial factors	50	Our pay rises are not inflation linked neither are pensions so why should the Council Tax be?

Q: How far would you agree or disagree with increasing Norfolk County Council's share of council tax (including the Adult Social Care precept) in line with current rates of inflation? Disagree or strongly disagree		
Theme	**No.**	**Comments**
which affect NCC such as cost of living or inflation.		Current levels of inflation exceptionally high due to short term global problems, increasing in line will cripple household incomes and place further demands on statutory services. People have already been hit hard enough by the cost of living crisis, a rise of this much is too high. Too much in the current financial climate.
Comments about the rationale behind the proposal.	42	Taking the absolute bananas, no one will be able to afford it with rents, gas electric and food going up. Actually have some common sense. It's a ridiculous proposition to even come up with, even more so with the hardships people are facing. I don't know in what world you think that would be acceptable. Cannot believe the council are being that insensitive towards the public at a time of massive increases in cost of living.
Comments about efficiency savings, ways NCC could, or should save money.	37	The council cannot keep increasing CT at the current rate. The council needs to find efficiency savings first. Unaffordable you need to look at yourselves and save money on top salaries etc. Most council tax is wasted. We need less councils (3 is ridiculous), more police and street lights turning back on. I can't afford it so cut your costs in other ways. Get better value for money, reduce staff benefits.
Comments about the concept of council tax as a form of taxation.	12	Council tax bands are a regressive form of taxation. I appreciate central government refuses to raise and allocate funding from income tax, but can people really afford rising costs on all fronts?

Q: Do you have any comments about our budget savings and challenges?

One hundred and eighty-eight people answered question 8. The main theme to emerge was the need for NCC to operate efficiently, save money where possible, reduce waste, and review existing projects for possible savings (76). People also questioned the rationale underpinning the proposal (37) and noted the importance of services provided by NCC (28). Comments about retaining or reducing staff (26), ceasing transport infrastructure projects (24) and generating more income (21) were also made. As with the other budget proposals, people also expressed concern about their ability to pay more council tax (16) and referenced the negative effects of the broader financial environment (11).

Q: Do you have any comments about our budget savings and challenges?		
Theme	**No.**	**Comments**
Comments about efficiency	76	The council will need to look at all areas of spending including areas where there is overspend and waste.

Q: Do you have any comments about our budget savings and challenges?		
Theme	**No.**	**Comments**
savings, ways NCC could, or should save money.		Raising taxes isn't the answer, nor is cutting officers or services. The Council needs to look at culling unnecessary or underperforming contracts. It is also about time that the Council consider what changes can be made to the ceremonially functions and the number of councillors. The most impossible thing is to spend the money effectively. Reduce unnecessary administration. Simplify procedures. Become more accessible to residents. Openness and more detailed clear communications about the council's internal efficiencies is needed before and not whilst introducing proposed funding costs. Please look at how the council is spending the budget that it is afforded with. Stop waste and frittering it away on projects that serve no long term benefit such as designer corgi displays for the Queens jubilee. No justification can be given for spending money on something like that and then increasing council tax claiming that the budget of the council is limited and expect residents to produce extra from a magic money tree. Do the essentials and cut out the to haves. Help the environment and turn off street lights an our earlier. Hold less meetings and waste less money. Working for a local government organisation, I'm astounded by the amount of waste where for example deliveries go missing and things being reordered along with many all day off site meetings that are simply not needed snd stop people getting on with their job.
Comments about the rationale behind the proposal.	37	I just don't think these savings are realistic. I mean to take £8m out of adult social care and £2m out of Childrens services… what will be left?? Inflation is already killing these services. What happens to the money that you save does it get spent on other things or just balance the books or pay for inflation? You need to take a longer term view. What are you doing this year to ensure in 5 years time you can move taxes down? The budget challenge has resulted from a combination of chronic government underfunding, massive increases in social care costs and a chronic failure of the Health service to pay its share of this, and mismanagement by the governing party at NCC. None of this should be borne by the public. You are fixated on savings when we need more services.
Comments about current services, demand for services, or paying for services.	28	I am not happy to see that services that work with the most vulnerable and that are already operating badly (adult care in crisis) are being targeted for the biggest reductions. Cuts to adult social services seems excessive and should be evened out with appropriate cuts to children's services over the period 2024-2027. I think we should look at non essential services, if only to suspend them until the economic situation improves.
Comments about retaining or reducing	26	I strongly believe you can do more to reduce your senior management costs and remove layers. Money should be focused on front line jobs. I also think getting in external consultants when you have internal expertise

Q: Do you have any comments about our budget savings and challenges?		
Theme	**No.**	**Comments**
staff (frontline or managers).		is a waste of money simply done because Members and seniors will not listen to reason from existing staff. Institute an across the board pay freeze for council staff and suppliers and shrink headcount. Continuing to cut staff numbers only puts pressure on those who remain and leads to an increase in the numbers of experienced people leaving the service due to burn out. It's a vicious cycle that needs better thought and joined up work.
Comments about stopping or reducing road building, cycle lane or other transport projects.	24	Why don't you cancel the proposed NWL vanity project, save the money, and use it for Social Services? I don't agree that services should be cut though I do object to council tax being used to support environmentally damaging infrastructure projects which benefit a few people at the expense of many, such as the Western Link and the dualling of the A47. Stop wasting money on vanity projects like cycle lanes (I am a cyclist myself) and st Stephens.
Comments about how NCC might generate income.	21	Is Norfolk County Council able to look at more ways of income generation or business opportunities to help with other income streams? 200% taxes on second homes - that would generate more revenue. Stop pandering to Tory government and fight for more funding. You need to charge second homes more and holiday homes and holiday lets. These are luxuries and need to be taxed higher.
Comments about people's inability to pay because of personal financial situation.	16	Only increase to the absolute minimum, to many people are living in poverty. Government needs to fund services - it shouldn't be for the general public to fund when we are already struggling - unless wages are increased to meet inflation we simply can't afford higher costs. You simply cannot increase the tax, when people cant pay it because they are having to heat their homes and keep a roof over their heads.
Comments about wider financial factors which affect NCC such as cost of living or inflation.	11	The budget challenge has resulted from a combination of chronic government underfunding, massive increases in social care costs and a chronic failure of the Health service to pay its share of this, and mismanagement by the governing party at NCC. None of this should be borne by the public. I recognise the financial constraints however solutions need to be found without a continuous resorting to the easy solution of council tax increase. It is morally wrong to put peoples bills up in the climate we are in.

Equality Impact Assessment evidence

In total, there were five comments relevant to the EQIA: references to 'pensioners' are likely to relate to the protected characteristic of age.

EQIA Evidence	
Question	**Comment**
Q3 (2.99% rise) 1 comment	As **pensioners**, our total council tax bill already accounts for 10% of our total income which is excessive. We do not have the luxury of having our tax paid for us as our income is over the threshold for benefits.
Q5 (4.10% rise) 1 comment	This is far too much. You most think of **pensioners** and people on very low wages.
Q7 (in line with inflation rise) 2 comments	Because the government is considering abandoning the triple lock on pensions so where do I get the extra money for the council - why are they so much in debt anyway - need to do what **pensioners** do, budget properly. This will be seen by many to be unsustainable, given huge rises elsewhere, particularly food and fuel. There is no guarantee that pensions will rise by this level, given the turbulence in Government at the present time and the danger of losing the triple lock on pensions.
Q8 Other comments 1 comment	a balance is needed between essentials but what some consider essentials others dont. i have a **disabled adult son** to whome the alive at downham is essential but to others it is not.

Comments about the consultation process

There were 24 comments about the consultation process: a *sample* is shown below.

Comments about the consultation process
Question 3 (2.99% increase) - 6 comments Because this feels like a foregone decision regardless You consult but go ahead anyway. But I'm sure you have already made up your minds, what the public say won't really count. Total waste of money that is poorly targeted and a tick box exercise. I could not see how much more money NCC would get by raising the precept by 2.99% as such I cant make a decision on if I feel it may benefit or not
Question 5 (4.10% increase) - 7 comments I don't believe you have fully explained the need to do this. Is it to improve services or is it because you feel the services will be threatened if you don't do it? Your calculations do seem a bit out as my council tax is (band D) is over £1800 per year. How much wd be for teh social care precept?
Question 7 (in line with inflation increase) - 3 comments Also, why is there a 'Don't know' option for this question as that is the one that I want to tick? I wd be prefer to know the exact amt going into adult social care.
Question 8 (other comments) - 9 comments

Comments about the consultation process
It is very hard to comment about these as I don't know what half of them mean or what the impact would have on frontline services. Unclear how exactly savings are going to achieved in adult social care and children services. Am suspicious of replacement F2F with a digital offer in these vulnerable groups. Why is the public only being consulted on <.5 mill minor services not the whole budget. I;m sure you will do whatever you want to do regardless of people's concerns. Incidentally the costs of this futile questionnaire is an unnecessary expenditure. Get a better communications team to design a survey that is more user friendly, less wordy and will give people the chance to say what they want to say - not as this one is - one that leads them to answers you want to hear.

7. Proposal 2: Your views on our proposals to save money by reducing summer opening hours at Norfolk's recycling centres and closing all recycling centres on Wednesdays.

As part of the budget consultation, Community and Environmental Services (CES) put forward savings proposals affecting Norfolk's Recycling Centres, which were

- reducing summer opening hours at Norfolk's recycling centres
- closing all recycling centres on Wednesdays

These were both presented in the same consultation.

In total 332 responses were received to the Recycling Centre consultation page.

The consultation was promoted via social media, the Norfolk Residents' Panel, through the NALC and press releases. This consultation was also promoted via posters display at Norfolk's Recycling Centres to ensure direct 'reach' to service users.

Of the responses received, the majority were submitted online via Norfolk County Council's Consultation Hub. Five responses were received via the Council's 'Have your say' email address.

Of those that responded, 285 (85%) responded as individuals.

Option	Total	Percent
An individual/member of the public	285	85.84%
An employee of a recycling centre in Norfolk	14	4.22%
On behalf of a voluntary or community group	1	0.30%
On behalf of a statutory organisation	1	0.30%
On behalf of a business	7	2.11%
A Norfolk County Councillor	1	0.30%
A district or borough councillor	2	0.60%
A town or parish councillor	5	1.51%
A Norfolk County Council employee	6	1.81%
Not Answered	10	3.01%

Responses by groups, organisations and businesses:
Five online consultation respondents told us which group, organisation or business they were responding on behalf of. The organisations cited: • Norse Environmental Waste Services • Broadland District Council • Henry piper (sole trader) • Taverham Parish Council • Fakenham Town Council

Respondent profile

The profile of ‘individual’ respondents (317 individuals) is as below:

Option	Total	Percent
Male	169	50.90%
Female	122	36.75%
Prefer not to say	25	7.53%
Prefer to self-describe (please specify below)	1	0.30%
Not Answered	15	4.52%

Responses by age (319 individuals)

Option	Total	Percent
Under 18	0	0.00%
18-24	1	0.30%
25-34	18	5.42%
35-44	35	10.54%
45-54	51	15.36%
55-64	70	21.08%
65-74	98	29.52%
75-84	17	5.12%
85 or older	1	0.30%
Prefer not to say	28	8.43%
Not Answered	13	3.92%

Responses by long-term illness, disability or limiting health problem (some consultees may have ticked more than one box)

Option	Total	Percent

Blind or partially sighted	4	1.20%
D/deaf or hard of hearing	8	2.41%
Limiting health condition e.g. heart disease, asthma, strokes, osteoarthritis, rheumatoid arthritis, fibromyalgia and myalgic encephalomyelitis (ME) etc.	27	8.13%
Learning Disabilities	0	0.00%
Neurodiversity e.g. autistic spectrum disorders, dyslexia, dyspraxia	4	1.20%
Mental health conditions – e.g. depression, schizophrenia, bipolar affective disorders, eating disorders, obsessive compulsive disorder	7	2.11%
Physical disability e.g. limb disorder, amputee, wheelchair user, cerebral palsy, motor neurone disease, muscular dystrophy	8	2.41%
Not Answered	287	86.45%

Responses by district (319 individuals)

Option	Total	Percent
Breckland	52	15.66%
Broadland	41	12.35%
Great Yarmouth	26	7.83%
King's Lynn and West Norfolk	57	17.17%
North Norfolk	62	18.67%
Norwich	39	11.75%
South Norfolk	37	11.14%
Not Answered	18	5.42%

Responses from those with caring responsibilities (297 individuals)

Option	Total	Percent
No	232	69.88%
Yes – for children with additional needs	13	3.92%
Yes – for older family members	31	9.34%
Yes - other	21	6.33%
Not Answered	35	10.54%

Responses from those outlining employment status (311 individuals)

Option	Total	Percent
Employed (full time)	102	30.72%
Employed (part time)	35	10.54%
Self employed	36	10.84%

Unemployed	2	0.60%
Student	0	0.00%
Looking after the family home	10	3.01%
Long-term sick	5	1.51%
Retired	121	36.45%
Not Answered	21	6.33%

Responses by language spoken (304 individuals)*

Option	Total	Percent
English	304	91.57%
Not Answered	28	8.43%

*1 respondent said Dutch was their first language.

Responses by ethnic background

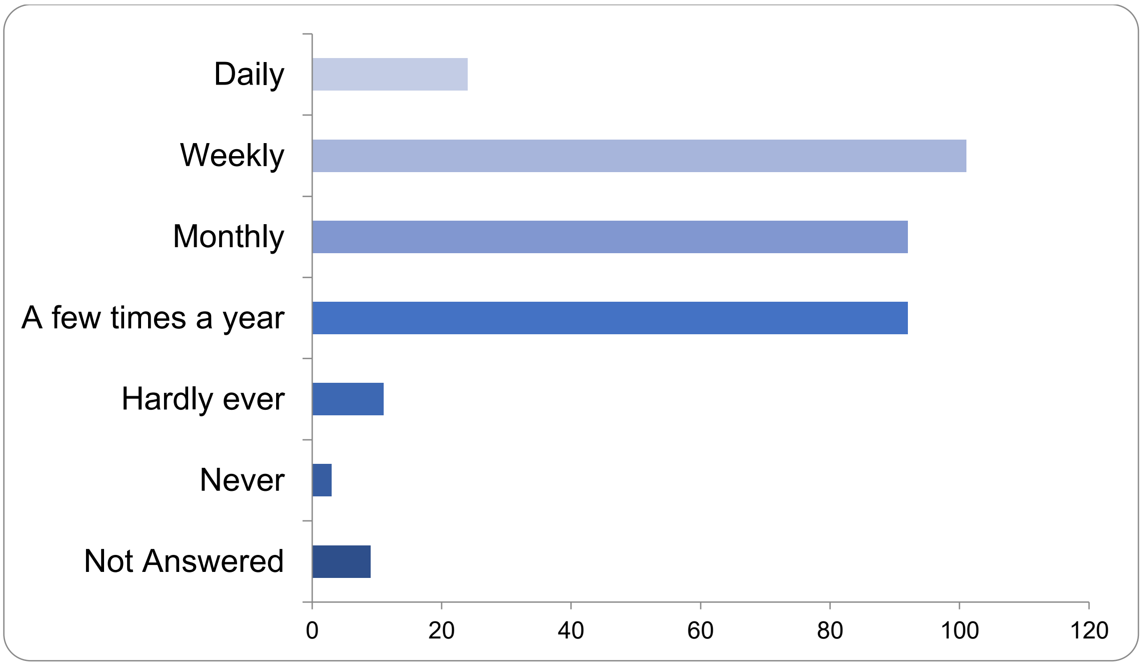
Option	Total
English, Welsh, Scottish, Northern Irish or British	262
Irish	2
Asian British	2
Indian	1
Black British	1
European*	4
Dual nationality*	2
Anglo-Celtic*	1
'Not Relevant'*	1
Prefer not to say	40
**answer written in the 'other please state here box'*	

Recycling Centre Proposals - analysis

* Numbers in brackets show the number of times a comment is made.
** Only comments expressed ten or more times appear in the tables. Comments are presented verbatim as they were submitted.

Q. How often do you use your local recycling centre?

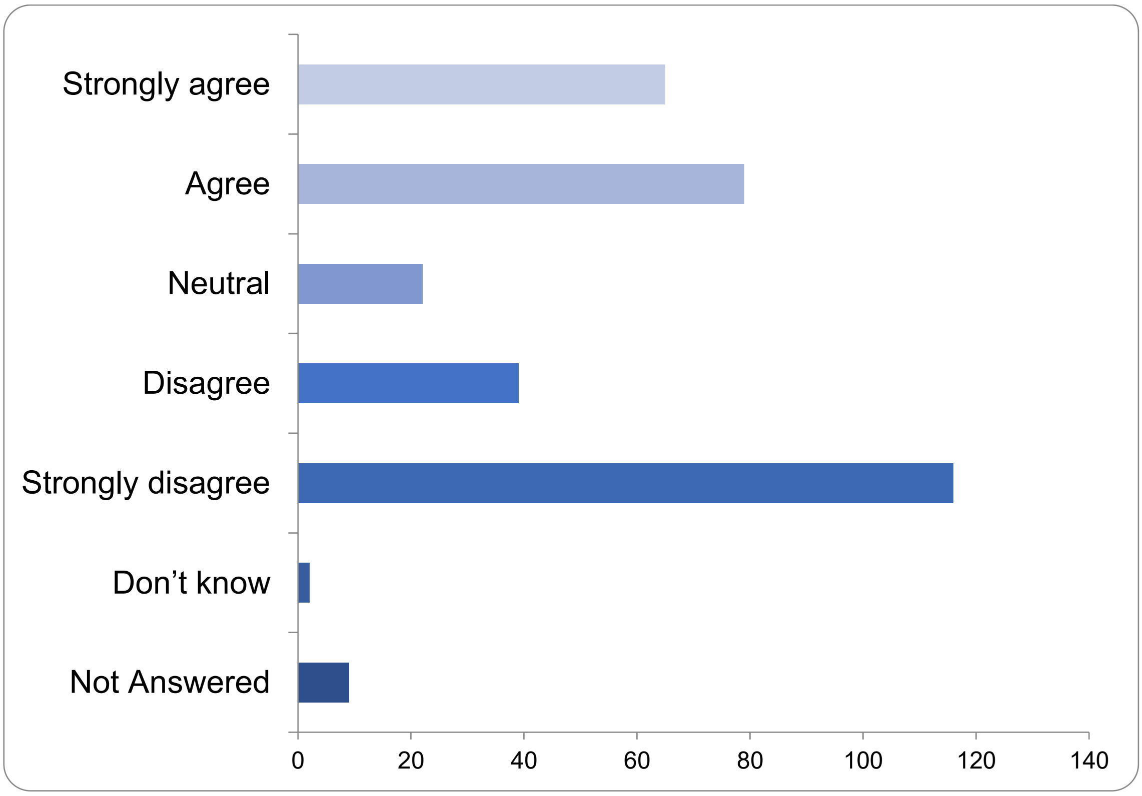
Three hundred and twenty-three people responded to this question, the majority (101) of whom said they used their local recycling centre every week.



Option	Total	Percent
Daily	24	7.23%
Weekly	101	30.42%
Monthly	92	27.71%
A few times a year	92	27.71%
Hardly ever	11	3.31%
Never	3	0.90%
Not Answered	9	2.71%

Q. To what extent do you agree or disagree with the proposal to harmonise summer and winter opening hours, meaning recycling centres would open from 9am to 4pm all year round?

329 people responded to this question, with the majority (116) saying they 'strongly disagreed' with the proposal.



Option	Total	Percent
Strongly agree	65	19.58%
Agree	79	23.80%
Neutral	22	6.63%
Disagree	39	11.75%
Strongly disagree	116	34.94%
Don't know	2	0.60%
Not Answered	9	2.71%

One hundred and forty-four people explained why they **agree or strongly agree** with the proposal. The main reasons for agreement are that the same opening hours all year round would provide consistency for people using the centres (27); the proposal is acceptable or reasonable (24); and the proposal is seen as an effective way to save the council money (20).

Q. To what extent do you agree or disagree with the proposal to harmonise summer and winter opening hours, meaning recycling centres would open from 9am to 4pm all year round? Agree/Disagree		
Theme	**No.**	**Comments**
Comments about the effect of consistent opening hours	27	There is obviously not a great deal of use in the last hour of the day and it would ensure more simple opening time system for people to remember If the times are harmonised for both summer and winter times, I believe it will give greater clarity to when the recycling centres are open. It makes sense to do this as it often confuses people who turn up to find the places closed If the times were the same throughout the year it would be less confusing. We don't use the centres that regularly so if the time was consistent throughout the year it would be easier to remember. If your research shows that only 7% visit in the last hour of the day it doesn't really make sense to be open for that extra hour. I think being able to use the centres at weekends is more important. I sometimes visit the recycling centre in Wells and have been caught out a few times by the centre being closed. Harmonising times of all centres would make it much easier to remember when they are open and save a wasted journey. Consistency in opening times would benefit all. Universal hours seems like a good idea but 1000-1700 would be better. The recycle centres are very quiet at 0900 and first hour
Comments about how the proposal is fair, acceptable, sensible or reasonable, can be 'resigned'	24	These standard opening hours seem reasonable given cost restraints. The savings justify the inconvenience of being closed for one day It seems the better option It is a good way to save money. My only concern would be the effect on staff (Ashill) as ours are brilliant! If only 7% of visits are conducted during this hour, then this seems to be a reasonable adjustment to save funds. My visits are always in the late afternoons, and I have commented to staff how quiet it always is. Seems pointless to stay open the last hour may as well have set times through whole year. If money needs to be saved it does seem a sensible option for the reasons outlined above. However, it is important that if introduced the effects of this change is clearly monitored. In particular it must be monitored to see if there is an increase in fly-tipping as a result because the costs and impacts of this will just be transferred to district councils and I would not consider that to be acceptable. Reducing the hours so that they are consistent throughout the year seems a sensible option On the basis that relatively low % of visits take place during the last hour of opening this appears a sensible/logical step.

Q. To what extent do you agree or disagree with the proposal to harmonise summer and winter opening hours, meaning recycling centres would open from 9am to 4pm all year round? Agree/Disagree		
Positive comments about savings, including agreement because it will save money/we need to save money and this is an OK way of doing it	20	savings have to be mad somewhere and this is a relatively painless way to do it Council needs to make savings to reduce tax increases to house holders. The savings justify the inconvenience of being closed for one day It's a good saving and I can work with those hours If cuts are to be made then this makes sense, but not sure how the workers would manage with a cut in their pay. I see no reason why 1 hour less would affect people using the recycling centres. If its only 1 hour less and saves money, then fine. So long as we don't see a rise in Council Tax when you reduce these services? Appreciate the savings that can be made from a relatively small change
Comments stating agreement with the proposals, but no reason cited	12	It seems the better option I have no issue at all with 4pm closing of sites all year round. My visits are always in the late afternoons, and I have commented to staff how quiet it always is. Seems pointless to stay open the last hour may as well have set times through whole year. It makes sense
Comments on the proposal, although there is no or minimal impact on the respondent or their family	11	It won't affect me It's a good saving and I can work with those hours I feel the hour between 4 to 5pm will make very little difference to overall useage. Certainly in my case, as being retired, I can chose an appropriate time. I much prefer this option as I work 30 hours per week with a half day every Wednesday. I use the busy North Norwich RC most Wednesday afternoon's. A 4pm daily closing time would not unduly inconvenience me. However Full day closure on Wednesday's most certainly will do. Being retired it is easy for me to go to the recycling centre. As for working people that will only leave the weekend. However cuts have to be found and this is less of an inconvenience than other proposals.

Q. To what extent do you agree or disagree with the proposal to harmonise summer and winter opening hours, meaning recycling centres would open from 9am to 4pm all year round? Agree/Disagree		
Comments about the potential increased rise in fly-tipping	10	I think it would be better for the public for the sites to remain open 9-4, as I think if the sites were shut on the wednesday, people wont remember and turn up to the sites closed, this could cause more fly tipping, which have to be cleared up, therefore money saved on closing sites will be spent clearing fly tip 4pm closure throughout the year would be easier to understand however for those that visit after work and traders this could increase fly tipping. It would be unreasonable for the workers to receive a pay cut to facilitate this due to them being on a low wage and the amount of management, maybe a trim up of management and allow more decision making to be made on site rather than them having to go through supervisors It would save money but avoid the inevitable rise in fly-tipping For the working man it is already difficult to use the recycling centres during the week which leads to long queues at the weekends. These hours have already been cut in the past. This is again sending out the wrong message about the importance of recycling. This will encourage fly tipping which will cost more money to clean up or are we expecting landowners to pay for this removal. This council needs to stand up and demand more money from Central Government instead of kowtowing to cut after cut to services. I believe that Norfolk's recycling centre's should be open daily, to prevent illegal fly-tipping & to maximise the income generated by NCC through recycled materials.

One hundred and fifty-five people explained why they **disagree or strongly disagree** with the proposal. The main reasons for disagreement were the worries that the proposal will lead to more flytipping (52); comments about how longer opening hours in the summer benefit people (i.e when disposing of garden waste) (37); and how shorter opening hours would affect respondents who work during the day (35).

Q. To what extent do you agree or disagree with the proposal to harmonise summer and winter opening hours, meaning recycling centres would open from 9am to 4pm all year round? Disagree/Strongly Disagree		
Theme	**No.**	**Comments**
Comments about the potential increased rise in fly-tipping.	52	Fly tipping is bad at the moment reducing peoples opportunities to dispose of waste in a controlled way will only increase this. Closing earlier would lead to fly tipping elsewhere as people get frustrated that the centre has closed early There is not enough recycling centre in Norfolk and fly tipping is becoming more noticeable

		The hours will give traders less time to visit so possibly cause more fly tipping and the staff will earn less money, personally I am a member of staff so I shall be looking for a new job depending on what happens. Fly tipping is increasing anything that makes recycling more difficult is unlikely to help the situation It could result in additional fly tipping. Reducing opening times will increase fly-tipping and be an inconvenience to the residents/council tax payers of Norfolk. If anything you should be extending the winter hours. It's easy to forget that the recycling centre closes at 4 in the winter and turn up to find it closed. The more accessible the centres are, the less flytipping there will be. What about opening till 6pm so that tradespeople can get there without having to cut their working day short, unless they want to? I feel that it reduces access and will result in an increase of fly tipping which is already evident in laybyes surrounding my local recycling centre. Reducing opening times will not be cost effective if fly tipping increases. I use the tip a lot and feel this this will only encourage fly tipping, the excuse for cuts is not logical as higher up staff still get their bonuses There was a significant increase in fly tipping when hours were reduced during pandemic. We need to protect our wildlife and rural land
Comments about the longer opening hours in summer, for example how people like it being open later so they can drop off garden waste.	37	I believe these changes may create problems during summer time, a time of the year when people trim their hedges and cut their grass, on top of other garden home projects that require some waste recycling, even this summer I came across busy times when had to wait to get parked to offload my vehicle. In summertime people do more gardening and diy the daylight enables people to do more and often need to dispose of waste later. The sites are busier so more pinch points will happen. Major inconvenience in summer. Most people who work will do gardening g and jobs after work and then take the rubbish to the centre. It was much better when they were open until 19:00. Why not open later and close later. After working in the garden or at home in summer months it is much more convenient to visit a recycling centre as late in the day as possible. More access on summer evenings reduces congestion at peak times A lot of people work until 4pm which negates them using the centre unless it is on a specific rest day. Also a lot of green waste is generated during the summer months when people are working in their gardens and that extra hour per day allows extra flexibility to plan a visit. Daylight hours are longer in the summer than the winter. Householders can be expected to spend more time in the garden in the summer months, producing more garden waste. 4 pm closure in Winter is OK because it is dark at that time and is a health and safety consideration. 5 pm closure in Summer is no good as people will still be loading stuff to dispose of at 4 pm and need to empty their vehicles for domestic use first thing in the morning. There are always queues where I tip garden waste at Hempton. Early closure in Summer will increase pressure on the throughput of recycling resource and increase queuing.

		The summer months are when the majority of users make a trip to the tips. Even with the use of the home brown recycling bin, the need to use the local tips is necessary, esbishibly for those who work. I strongly disagree because it affects waste traders and their financial circumstances as won’t be able to fit work in after 3:30pm especially in the summer when the days are longer they can work longer days during the summer months. It is difficult to responsibly dispose of waste as it is. Don't give people any other excuse to fly tip. You may save some costs but destroy our countryside in the process.
Comments about the respondent's working pattern in relation to proposed opening hours (not staff working patterns)	35	This is a crazy proposal. Very often the busiest times of the day are the last hour/90mins. Working people would be penalised by being prevented from disposing of their rubbish towards the end of the existing opening hours. For those people working a 4pm close means that we could only access the recycling centre at weekends which is already the busiest times with the longest queues. When you are working evening availability is essential I have found it very difficult to find time to visit the recycling centre since the hours were reduced to within the working day. The old Mile Cross recycling centre used to open until 7pm which was much more practical for people working regular 9-5 jobs. Parents with children are on the school run 1500 to 1600 so closing at 1600 would mean they can not get to the recycle facility Generally working 7:30 - 16:00 out of the city, it's hard enough to have time at the weekend to visit a recycling centre; at least with the current setup it's possible to make a visit during the week when needed. This is a convenience and also a service to the community paid for by the taxpayer; it would be nice for councils to look at how to improve things for the taxpayer, rather than constantly cutting back to ensure higher-ups don't lose out on their salary increases. These hours mean many people cannot use the service because they work 9-5. Close whole days not reduce hours. I use the centre after work so would need it open after 4, of not open more fly tipping.
Alternative ideas	30	If most people visit the recycling centres in the last hour of opening, then why not open from 10.00am - 5.00pm April to October, and 11.00am - 4.00pm in the winter? You would be better off opening later during the Summer and closing later so people have access during early evenings Difficult to get to centre before 4pm. the 5pm opening is very beniifcal. Maybe it could be maintained one day a week, or open an hour later one days to can stay open till 5 without additional cost why 9 -4pm when most people are at work, certainly keep hours the same everywhere, thats is absolutley fine. Why not have more community friendly hours for everyone - like 11am - 6pm all year round. If a reduction of hours is absolutely necessary, consider shifting the opening hours so that they include the evening, e.g. 12-7 pm instead of

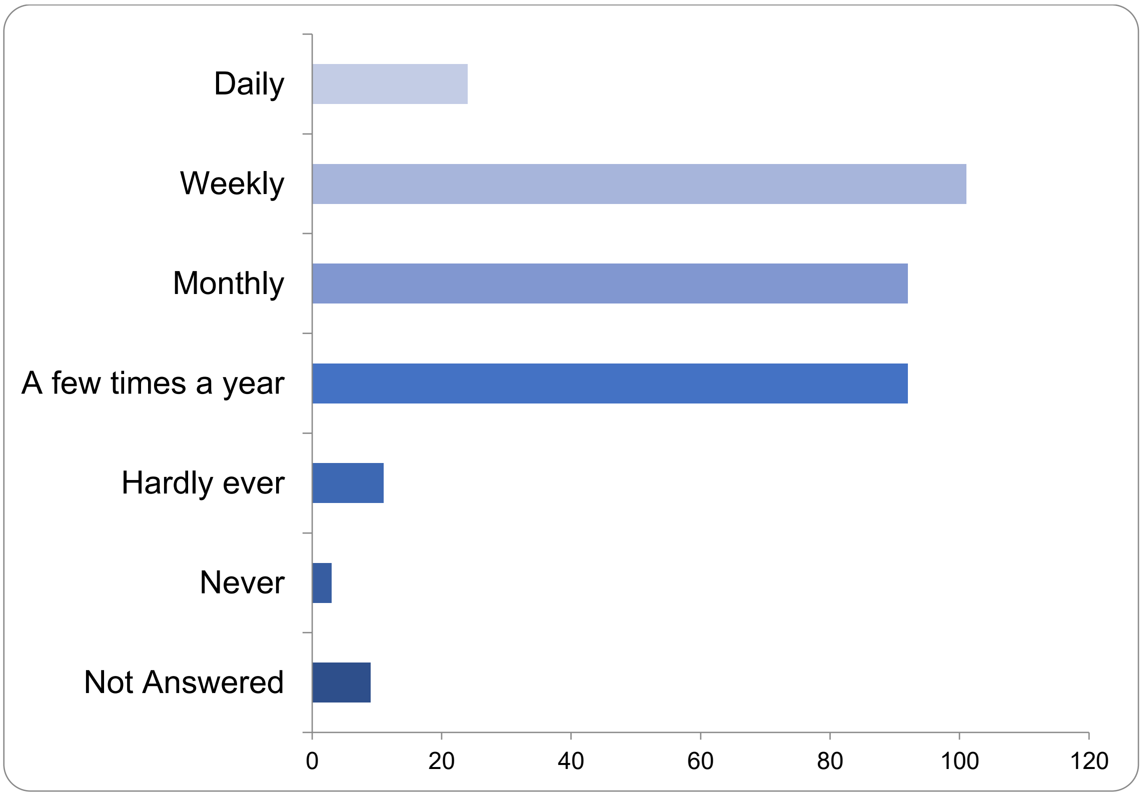
		only opening during hours when a large part of the population is bound to be in a workplace. The hours i prefer are 10 am to 6pm It would be better to close one day a week and extend opening hours in the evenings so people who own houses and work normally hours can actually take their rubbish to the dump.
Comments about how the proposals will affect recycling centre staff	29	I would be concerned with staff losing pay when energy prices are gone up hugely, and cost of living too. How are these staff going to manage their bills. Busier at the new times may put strain not only on staff who may become victims of driver's frustrations, and on the drivers bringing their rubbish/recycling. While I agree that, for the general public, it would far easier to have a consitent set of trading hours all year around, as a partner of a Recycling Advisor I am really concerned about the reduction in wages for the staff. The cost of living continues to increase and you're basically proposing to pay your staff less. That's not even taking in to consideration the fact they don't get paid enough to put up with the verbal abuse and general aggravation from people that try to dispose of their trade or DIY waste without paying the fees. Because the site staff are on basic salary as it is, take away the hour a day will have a huge impact on their lives and their family lives Recycling centres staff we face loss of hours or redundancy. This would reduce the hours of the workers (who apparently are only earning minimum wage - not even living wage). This would therefore reduce their income through no fault of their own. The workers on site will have reduced earnings and this will affect their families. Everything is going up in price so I'm sure the workers can't afford a pay cut . Because I work at one of the recycling centres and it would make an already poor wage even lower. Concerned at the pay implications on staff during current cost of living scenario. More work required in less time for reduced wage. How easy is it to retain staff anyway?
Comments about how proposal is short sighted as it will lead to problems further down the line.	20	I also feel that a reduction in service could signal to the local community that recycling is not a priority for our council. I use the trade service and find it very helpful to tip after 4pm. Has anyone considered how many new houses are being build in Norfolk, those home owners will need to tip there waste. This option however is better and just more sensible to closing on Wednesdays. This is a service which is essential for society. It is critical to ensure that households waste is properly managed and the service is easily available, making this difficult to access will lead to more fly tipping and increased costs to the council. Please do not go ahead with these cuts, and look for savings elsewhere! More rubbish will be dumped on farmer's land - leaving them to pay for the disposal charges which you charge them if they try and recycle it at a Centre. A job I expect our Authorities to do on our behalf from the Council charges we already pay. It is this type of service we expect from

		Local Government. It is bad enough you no longer dispose of old paint which inevitably goes into landfill. As a business who uses the Hartford Recycling centre regularly. I think cutting the summer hours would be a bad idea. With more hours of light customers want stuff picking up later in the day. When that happens as normal in the summer months we wood be stranded with loads that we can't get off and can't make the time of closure. Encinitas will put people under pressure and increase fly tipping. I strongly disagree with the summer hours change. It will end up costing the council more in the long run. Opening less hours will make other times busier than they already are. For the user: reference to summer means that users will all rush during the reduced opening times to attend causing further delays that can already be long. May only be less than 10% use the facility during the final hours of opening but by not opening on Wednesdays the opportunity to use the facility is reduced and 100% of those that would have on a Wednesday will then try and squash into the schedule on the opening days causing further congestion. I suspect the congestion caused with both the measures suggested will increase waiting times in the summer months by an estimated 15%.
Comments about impact on respondent or their family	14	I like the option to use the recycling centre later in the day during the summer. Closing at 4.00 would take this choice away My Heacham site is really busy, would probably be too busy if hours were cut For working people finishing at 4 means the weekend will be a nightmare as it's the only time they can get there. Today, I had to queue for 10 minutes to get into my recycling center. A Wednesday. What will it be like on other days if this were implemented. I am a sole trader - your hours are already awkward for trade waste users since in the summer I am working far beyond 5pm - and you will not allow tradespeople to come at weekends for some stupid reason. You now only open at 9am, beyond the start of most traders' working day. If I need to offload, which I need one or twice a month I have to sacrifice work (and money) during the week to try to get there by. It's not harmonising, its cutting. Say what it is. I work a normal job 7-5 and recently when ever i want to take my rubbish to the dump, its shut. Reduces the work i can do in the garden by an hour on my chosen day, impacting family plans the following day
Comments about the role and responsibilities of NCC.	10	I believe that Norfolk County Council should be doing it's utmost to help the community to recycle and avoid fly tipping. I do not believe cutting the recycling hours will help the council tax payers who are paying for the service. In fact, I would like to see increased opening hours for my local centre which is only open 4 days a week. I consider that there are plenty of area where savings could be made and the centres made to be more efficient without cutting these particular services. This is a service which is essential for society. It is critical to ensure that households waste is properly managed and the service is easily available,

		making this difficult to access will lead to more fly tipping and increased costs to the council. Please do not go ahead with these cuts, and look for savings elsewhere! Loss of jobs, loss of available time to use them, is showing that apparently recycling is not important and can cut money from this area I pay into to probably just fund/line other people's pockets. I pay my council tax and I know for a fact I won't see a reductions in this. How about instead of reducing things people use, reduce the money of those who don't need a wage/all expenses/ general life paying for when us lowest minions do get that luxary

Q. How often do you use your local recycling centre on a Wednesday?

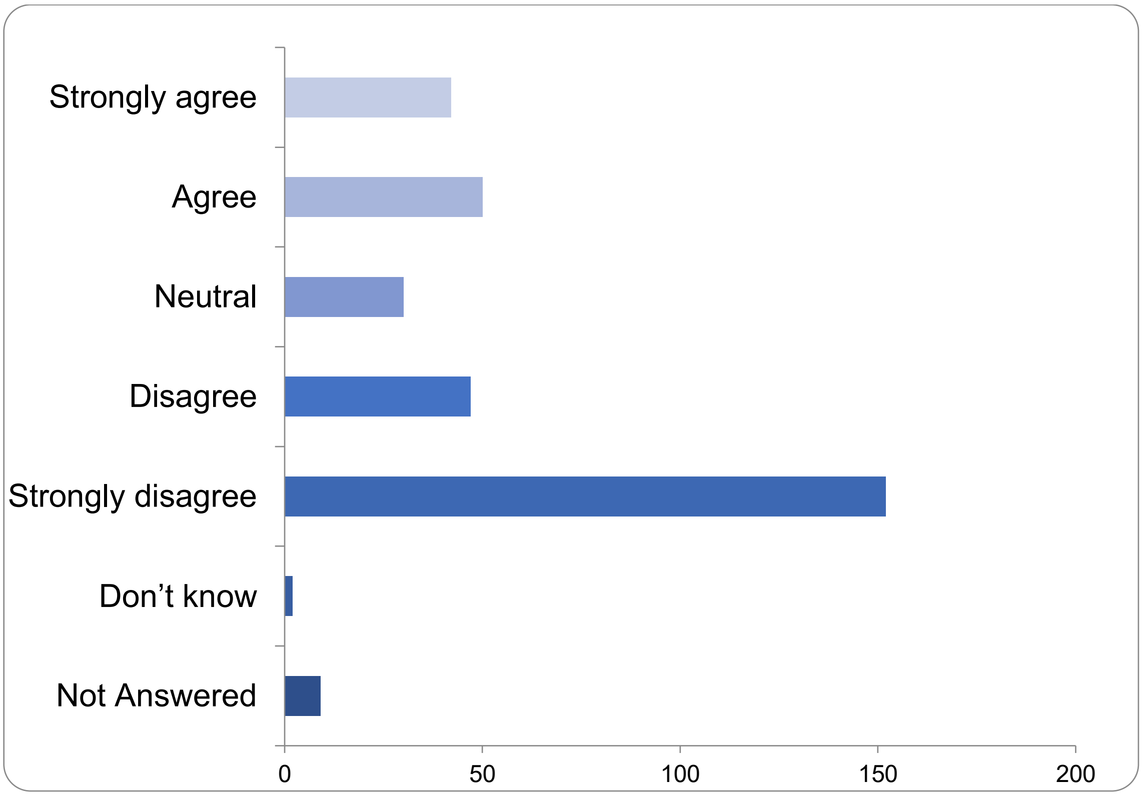
316 people responded to this question, the majority (96) of whom said they used their local recycling centre every week.



Option	Total	Percent
Weekly	76	22.89%
Monthly	56	16.87%
A few times a year	96	28.92%
Hardly ever	54	16.27%
Never	34	10.24%
Not Answered	16	4.82%

Q. How far do you agree or disagree with the proposal to close all Norfolk recycling centres on Wednesdays?

323 people answered this question, with the majority (152) saying they '**strongly disagreed**' with the proposal.



Ninety-two people explained why they **agree or strongly agree** with the proposal. Only two reasons were cited over 10 times. These were the same that the proposal is acceptable or reasonable (14); and the proposal is seen as an effective way to save the council money (12).

Q. How far do you agree or disagree with the proposal to close all Norfolk recycling centres on Wednesdays? **Agree/Strongly Agree**		
Theme	**No.**	**Comments**
Comments about how the proposal is fair, acceptable, sensible or reasonable, can be 'resigned'	14	Wednesday's are midweek and likely to be the least used day of the week This seems a sensible way to save money. this is probably one of the quieter days we have to save money somehow Closing on a Wednesday would be only a very slight inconvenience. balanced against the considerable projected savings this makes a lot of sense. I think people would soon afjust to a different opening regime. The ability to save £200,000 is very positive. It might mean some people turning up to a closed centre which would be very annoying. It would mean reduced pay for your workers which is a problem.

		Closing one day a week for a big saving is worthwhile and people will know where they stand rather than reducing times for other days that the centre is open - causes confusion.
Positive comments about savings, including agreement because it will save money/we need to save money and this is an OK way of doing it	12	It seems agood way to save a huge amount of money, but I can see there could be problems for trade waste disposal relatively painless way to make savings It will save us money. Good saving 12% of visits on a Wednesday but times that by 7 days which gives 84%. Not too far off 100%. I don't have a problem with saving money but I do sympathize with the staff who will have their wages reduced just at a time when finances are difficult. If centres were closed on a common day, it wouldn't be a hardship to plan visits on another day. I would prefer this to happen (with the greater saving) instead of making the open hours shorter. Other industries have certain days where services are unavailable, so I see no issue with Wednesdays being a closure day as long as the open hours are extended in the Summer months.

One hundred and ninety-nine people explained why they **disagree or strongly disagree** with the proposal. The main reason for disagreement is the possible increase in flytipping that the proposal might create (78); the concern that the staff at centre may have their employment affected, during a cost of living crisis (38); and how the proposal is short sighted and could have knock on effects which would create more problems (37).

Q. How far do you agree or disagree with the proposal to close all Norfolk recycling centres on Wednesdays? Disagree/Strongly Disagree		
Theme	**No.**	**Comments**
Comments about the potential increased rise in fly-tipping	78	Wednesday would become the day of the week when even more rubbish gets fly tipped in our Country lanes. Closing the centers will lead to an increase in fly tipping. This has been a problem in the past when NCC make significant changes. The cost of flytipping be borne by the district councils resulting in a zero cost saving to the taxpayer. As said previous, think this would encourage fly tipping if people turn up at a closed site as people wont remember that the sites are shut Wednesday's I'm concerned that having a whole day closed in all centres, particularly the busy norwich ones, will have an impact on fly-tipping. I used to live very near the Mile Cross centre & when the centre was closed people would dump things in the road, footpaths & on Andersons Meadow, which was not pleasant. If tips were closed on Wednesdays there would need to be a lot of promotion of this to raise awareness & extra resources would need to be used to target fly tipping. Surely these things would cost the council money anyway. Closing the recycling on a Wednesday would result in fly tipping and the countryside looking an untidy mess If you remove the Wednesday opening without actually consulting the people who come in on a Wednesday, you will never know why they chose Wednesday. It could be that they can only do it on a Wednesday, which would remove the possibility of the correct disposal of materials from themselves. Just because Suffolk do it doesn't mean you have to follow suit, you will have a bigger problem collecting the waste that has been fly tipped. If you make it increasingly difficult for people to stay within the law, then you push them towards fly-tipping as the only way they can dispose of their materials. Again, I feel this will encourage more fly tipping. It again reduces the amount of time people have to visit a recycling centre. If someone wants or needs to get rid of rubbish or unwanted items on a Wednesday, then people should be able to do so. What is good in one area of the country such as Suffolk, does not mean that Norfolk should be the same. I think it is a stupid idea. I believe this may increase fly tipping further. Would be best to reduce the opening hour to accommodate this. Reduced days of operating may increase flytipping, already a problem in forests round Thetford!
Comments about how the proposals will affect recycling centre staff	38	Reduced hours for staff resulting in reduced pay. How will they manage the huge increase in energy costs, and cost of living. As a relatively frequent user of a recycling centre these changes wouldn't affect me as I primarily use it at the weekend.

		It will however, impact my family as my partner is a Recycling Advisor and the reduction in working hours will seriously affect our household finances in a negative way and I am very worried. I have not seen anywhere in this proposal, the impact on the staff. Unless someone can describe what impact this will have in terms of how many staff will be made redundant or suffer from reduced working hours I'm not in favour of supporting a cut. As I said before, I currently work on one of the sites and I would have to strongly disagree about it being a quiet day, this has never been the case, some days have been as busy as a Saturday, I would say that this is due to Suffolk's sites being closed so the Norfolk ones inherit Suffolks users, this is evident as the vast majority of users have never been seen by the site staff or actually mention it. To close on a Wednesday would be an issue for the Trade users and some public, and every day you receive comments about fly tipping which I would say may well increase due the nature and general impatience of some people. I often wonder whether a postcode centred pass/permit would be a good idea, as well as a booking system for cars with trailers and vans like Suffolk use should be implemented too. How will this impact the wages of those who work there and have families to support? I am little concerned about staff losing pay by being forced to work extra hours. These are often low-paid workers and therefore the cost of living may have a devastating effect on them. The opening days should stay as they are now. Wednesday maybe the only day some people can visit. This would not be fair on the staff working at these recycling centres whose pay will be reduced.
Comments about how proposal is short sighted as it will lead to problems further down the line	37	Closing recycling centres on a Wednesday would confuse the general public and once again will communicate the message that the council does not prioritise recycling. Also, how does reducing opening hours and opening days of our recycling centres fit into your Greener more resilient future, priority? Takes at least £200k out of the local economy because you are reducing peoples pay and increases the councils commitments else where as the employee's may have to rely on the council to pay their rent or a portion of I'm concerned that having a whole day closed in all centres, particularly the busy norwich ones, will have an impact on fly-tipping. I used to live very near the Mile Cross centre & when the centre was closed people would dump things in the road, footpaths & on Andersons Meadow, which was not pleasant. If tips were closed on Wednesdays there would need to be a lot of promotion of this to raise awareness & extra resources would need to be used to target fly tipping. Surely these things would cost the council money anyway. Any reduction in opening days or times could increase fly tipping so is false economy when it is the council that have to deal with fly tipping. People would go to dump rubbish on Wednesdays, not realising it was closed. This would lead to fly tipping which would cos5 the council more to clear up the mess. More houses equals more people equals more waste.

		For the working man it is already difficult to use the recycling centres during the week which leads to long queues at the weekends. These hours have already been cut in the past. This is again sending out the wrong message about the importance of recycling. This will encourage fly tipping which will cost more money to clean up or are we expecting landowners to pay for this removal. This council needs to stand up and demand more money from Central Government instead of kowtowing to cut after cut to services. The centre is already busy and I have to queue. If it is open less hours then the open times will be even busier. More and more houses are being constructed which will therefore generate more waste, you cannot keep building more houses (more houses means more council tax) and not supply the infrastructure needed to support that decision. By closing recycling centres mid-week, including trade disposal centres it will discourage individuals from using the facilities. This will in-turn cause trade waste to be disposed of via private-sector supplies, affecting income received by NCC - and also will encourage private individuals to dispose of their waste either via bin collections (not recycling) or through fly-tipping / 3rd party, private sector waste contractors.
Comments about impact on respondent or their family	22	Norfolk should be acting for Norfolk residents, what goes on in Suffolk shouldn't be of concern. Some people (a family member living alone is one) have Wednesday as their only non-working day of the week. This proposal would rob them of sole opportunity to dispose of rubbish. It is one of the few days i am able to come Wednesday is my only half working day and I live in Hellesdon, Norwich. By all means close some of the smaller less busy RC's in Norfolk each Wednesday to save some money, but PLEASE DO NOT close the busy Norwich North RC on Wednesday. If you decide to do this I will submit a formal complaint to Broadland Council and my local MP Chloe Smith. Dependant on working schedules the knowledge that the recycling centres are open each day means that a visit can be accommodated easily-often with garden waste and clearance (domestic) a large volume needs to be cleared the same day. Personally my working schedule requires a Wednesday visit--travelling to South Norwich RC is neither economic nor environmentally sensible. I like to visit in a Wednesday Wednesday is one of my allocated rest days each week. I use the local recycling centre frequently, virtually every week. If it is closed on a Wednesday (and also closing at 4pm throughout the year) that will really impact the times I can visit. I am sure there are many other people in a similar position. Wednesday is my only day off so the only day I can use the recycling facility my other local recycling centre is only open weekends so wouldn't be able to dispose of any rubbish Taken our choices away to use the facility when and what days we want. Working part time and have Wednesdays off would make visits to the recycling centre impossible.
Comments stating	17	As someone that uses the site every day I think it is a bad idea

disagreement with the proposals, but no reason cited		You need to come out on a Wednesday at Norwich North and see how busy it is and also the money we take as well Don't believe in cutting public services, keep Wednesday afternoon 3to5 open If Wednesday is the only day I'm able to get to a recycling centre I won't be using one anymore. We need to keep this vital service open all week long. Recycling rates are high at my local centre and we need to encourage people to continue this, not to shut down the recycling centre. would be unwise I firmly believe that the recycling centres should be readily available to residents. I suggest that in order to reduce the demand on the budget consideration should be given to recycling more of what is taken to the recycling centres .
Comment about the role of NCC, it's NCC's job or responsibility, or NCC should be doing this as part of their role	17	As I said in my previous answer I see no evidence of the alleged savings involved in the closure on Wednesday and repeat that if RCs operated with greater flexibility and a spark of entrepreneurial innovation then they would cover a greater proportion of their costs than under the vice like grip of County Hall As per previous reasons , the saving maybe saved in management without affecting both the lower paid workers and public services. I would expect a reduction with my council tax as you are providing less service. If you do close for one day a week a Sunday would be better. If you want to make savings you should not have spent money on new lorries. Or employed another manager. As the people you have are capable to do this job. These proposals only save money for the county council while the problems it will cause must be covered by other councils. Win - win for county really Again, workers would loose a days work and consequently a days pay. This would probably mean they would have to claim working tax credit. The phrase "robbing peter to pay paul" comes to mind since this is all from the Council's pot of money. Staff will have a pay cut or lose their job, but never anyone at the council. Why did they not look at cutting staffing at the council too, as this would save money? What value for money is the taxpayer getting?
Comments about how the respondent wants to maintain the current level of service, keep it as it is now with no changes	15	Why not close the smaller tips on a Wednesday and keep the large centres open 7days a week. I use Norwich South on a daily basis and as a business this would effect my ability to work and support my customers. Norwich South generates hundreds of pounds per day from the shop & trade sales, so why spend millions on a new site to then reduce the operational hours of a new mega site. New homes are being built everywhere and people need to get rid of there waste, so these large tips are going to be needed more than ever moving forward. KEEP 7DAYS PLEASE! It’s a service that’s needed daily Excluding lots of people on a Wednesday again that cannot get there any other day

		Given a proposed reduction in opening hours for summer it will not be helpful to close all day on Wednesday The opening days should stay as they are now. Wednesday maybe the only day some people can visit. This would not be fair on the staff working at these recycling centres whose pay will be reduced. Centres are there to reduce fly tipping and all should be open every day. We should be keeping people in jobs, if people are visiting on a Wednesday there is a need to stay open
Comments about issues for tradespeople or trade waste disposal	15	Terrible idea. Tradespeople work Wednesdays, are they supposed to take the waste home with them at the end of the day? And then take time off work the next day catching up with waste disposal before they start their next job? It will increase flytipping, which will cost more in the long term. I believe that this is a community facility that should be open 7 days a week. It would also affect traders who are only allowed to dispose of their waste on weekdays I'm a trade user of the recycling centres, if sites were to close early all year (16.00) and a Wednesday effectively if I was not able to get to the recycling centre by 15.30 (which I'm told is my latest admittance) on a Tuesday I'm then unable to work Wednesday, if a am able to tip Tuesday I'm then limited to what work I can do on a Wednesday because of the proposed closures as I couldn't tip. How about leaving them open till 5 all year close on Wednesday and allowing trade to tip on a Saturday thus easing the potential loss. How will people remember this??? If builders or the public need to go on a Wednesday, they will just dump it somewhere else. Again it's affecting waste traders they will be losing a days wage because they won't be able to book work in. if you close the tip on a wednesday, that means larger cues on a thursday, big van fulls of multiple traders trying to empty at the same time Changing the summer hours would be very difficult on us trade users. As the days get lighter people get busier and the summer months are very busy for waste Disposal. I own a house Clearance company and use Hartford as trade. It would put a lot more pressure on us to try and get jobs finished and get to the recycling centre in time. Which could leave us stranded with rubbish and not being able to get to our next customer the next day. I think it will increase the fly tipping rate, and cost the council more in the long run. This again restricts businesses as to when they can collect rubbish and if they do collect rubbish on a Tuesday late it ties up their van until Thursday morning which means they lose out on other business and this will then encourage fly tipping. You already make trade waste offloading awkward - why reduce the ability for trades people to offload to just four days per week. If we must lose a day at least make it so that the next nearest tip is open. My company use Hartford recycling centre on a weekly bases as trade. A closing on a Wednesday in the middle of the week would be bad for all of us trade users as if we have a load on to be disposed of in the right way and we can't get it of the content on the van that will cause problems not

		just for my business but for every other business who are paying the council for there brilliant service to dump there items. I think a closer on a wednesday will increase the fly tipping incidents rapidly as we already see so much of it that makes the rest of us look bad. I think on larger sites the council need to look at overheads and cut their costs in wages to save money. I strongly disagree with the closing on a Wednesday. I think in the long run the council will be loosing money on running around picking up the fly tipping problems. We also as trade can't dump on weekends! So it will leave a lot of us stranded.
Alternative ideas	11	Have different sites closed on different days to give people options to dispose of household waste Any reduction in hours of operation is a retrograde step. I would not support closing on Wednesday all year round. Is there a compromise by closing on Wednesday during the winter? I would expect a reduction with my council tax as you are providing less service. If you do close for one day a week a Sunday would be better. I believe this may increase fly tipping further. Would be best to reduce the opening hour to accommodate this. It is not easy to argue the case for or against any day of the week until you need the facilities on that day and they are not available. Personally I think the facilities should be available 7 days a week because society is moving towards a 7 x 24 environment (with some notable exclusions such as medical care etc. It is a step backwards. It's better to close earlier and still have a daily service

Equality Impact Assessment Evidence

In total, there were **0** comments relevant to the EQIA.

Comments about the consultation process

There were **4** comments about the consultation process.

Comments about the consultation process
Q To what extent do you agree or disagree with the proposal to harmonise summer and winter opening hours, meaning recycling centres would open from 9am to 4pm all year round? …On a subsidiary point, what statistical evidence are you relying on in your decision-making regarding the relationship between flytipping and opening hours? **Q How far do you agree or disagree with the proposal to close all Norfolk recycling centres on Wednesdays?** …You are totally detached in the methodology of carrying out this survey!

Regular users of these Recycling facilities will not respond to this survey, as you well know, and you will base your decision on a very few responses.
You are wasting the NCC's finance on an unrealistic method of surveying!

…If you remove the Wednesday opening without actually consulting the people who come in on a Wednesday, you will never know why they chose Wednesday. It could be that they can only do it on a Wednesday, which would remove the possibility of the correct disposal of materials from themselves.

…I only heard of this survey by chance this week. It was not well publisised Perhaps consultations could be sent out by post, with the tax bills (I know that this would take a bit of forward planning). It would be good to be consulted more often. I'm sure a lot of us could let you know what we don't value, if you gave us a list.

8. Proposal 3: Your views on our proposal to save money by reducing the opening hours at the Norfolk Record Office

As part of the budget consultation, the Norfolk Record Office put forward savings proposals which would see the NRO close to the public on a Friday, but to extend the opening hours on Tuesday, Wednesday and Thursday, by opening half an hour earlier.

The consultation was promoted via social media, the Norfolk Residents' Panel, through the NALC and press releases. There was specific engagement the Norfolk Record Society.

Of the responses received, all were submitted online via Norfolk County Council's consultation hub.

In total 69 responses were received to the Norfolk Record Office consultation page.

Option	Total	Percent
An individual/member of the public	63	91.30%
On behalf of a voluntary or community group	1	1.45%
On behalf of a statutory organisation	0	0.00%
On behalf of a business	2	2.90%
A Norfolk County Councillor	0	0.00%
A district or borough councillor	0	0.00%
A town or parish councillor	0	0.00%
A Norfolk County Council employee	2	2.90%
Not Answered	1	1.45%

Responses by groups, organisations and businesses:

Three online consultation respondents told us which group, organisation or business they were responding on behalf of. The organisations cited:

- The Norfolk Record Society

Respondent Profile:

The profile of ‘individual’ respondents (67 individuals) is as below:

Option	Total	Percent
Male	25	36.23%
Female	35	50.72%
Prefer not to say	4	5.80%
Prefer to self-describe (please specify below)	3	4.35%
Not Answered	2	2.90%

Responses by age (68 individuals)

Option	Total	Percent
Under 18	0	0.00%
18-24	0	0.00%
25-34	6	8.70%
35-44	10	14.49%
45-54	9	13.04%
55-64	10	14.49%
65-74	18	26.09%
75-84	7	10.14%
85 or older	0	0.00%
Prefer not to say	8	11.59%
Not Answered	1	1.45%

Responses by long-term illness, disability or limiting health problem (67 individuals)

Option	Total	Percent
Yes	14	20.29%
No	49	71.01%
Prefer not to say	4	5.80%
Not Answered	2	2.90%

Responses by condition or disability (13 responses, some consultees may have ticked more than one box)

Option	Total	Percent
Blind or partially sighted	3	4.35%
D/deaf or hard of hearing	1	1.45%

Limiting health condition e.g. heart disease, asthma, strokes, osteoarthritis, rheumatoid arthritis, fibromyalgia and myalgic encephalomyelitis (ME) etc.	4	5.80%
Learning Disabilities	1	1.45%
Neurodiversity e.g. autistic spectrum disorders, dyslexia, dyspraxia	0	0.00%
Mental health conditions – e.g. depression, schizophrenia, bipolar affective disorders, eating disorders, obsessive compulsive disorder	2	2.90%
Physical disability e.g. limb disorder, amputee, wheelchair user, cerebral palsy, motor neurone disease, muscular dystrophy	2	2.90%
Other	3	4.35%
Not Answered	56	81.16%
Blind or partially sighted	3	4.35%

Responses by ethnic group (59 individuals)

Option	Total
English, Welsh, Scottish, Northern Irish or British	52
Irish	1
Prefer not to say	6

Responses by language spoken (293 individuals)

Option	Total	Percent
Prefer not to say	6	8.70%
Not Answered	63	91.30%

Responses by district (67 individuals)

Option	Total	Percent
Breckland	8	11.59%
Broadland	8	11.59%
Great Yarmouth	4	5.80%
King's Lynn and West Norfolk	5	7.25%
North Norfolk	9	13.04%
Norwich	20	28.99%
South Norfolk	13	18.84%
Not Answered	2	2.90%
Breckland	8	11.59%

Responses from those with caring responsibilities (64 individuals)

Option	Total	Percent

No	49	71.01%
Yes – for children with additional needs	3	4.35%
Yes – for older family members	6	8.70%
Yes - other	6	8.70%
Not Answered	5	7.25%

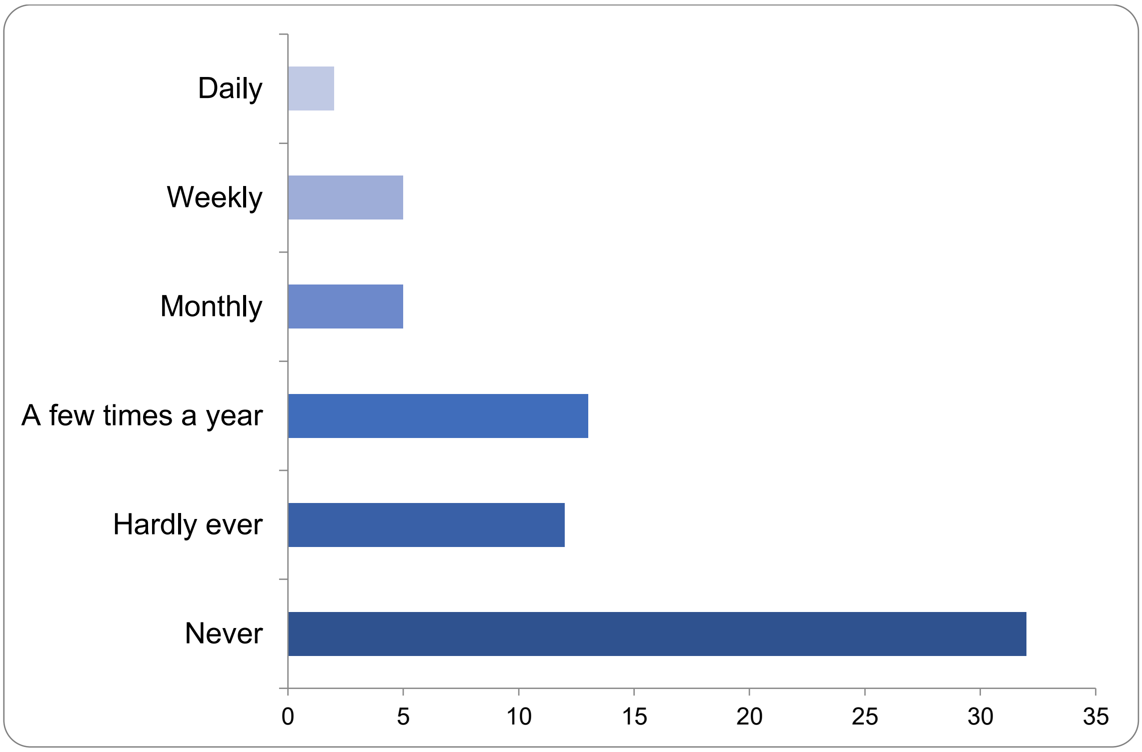
Responses from those outlining employment status (66 individuals)

Option	Total	Percent
Employed (full time)	21	30.43%
Employed (part time)	8	11.59%
Self employed	10	14.49%
Unemployed	0	0.00%
Student	0	0.00%
Looking after the family home	1	1.45%
Long-term sick	1	1.45%
Retired	25	36.23%
Not Answered	3	4.35%

Norfolk Record Office Proposal – Analysis

Q. How often do you use the Norfolk Record Office?

For this question, 69 answered. The majority, (46%) said they never use the Norfolk Record Office.



Option	Total	Percent
Daily	2	2.90%
Weekly	5	7.25%
Monthly	5	7.25%
A few times a year	13	18.84%
Hardly ever	12	17.39%
Never	32	46.38%
Not Answered	0	0.00%

Q. Do you agree or disagree with the proposal to reduce the opening hours of the Norfolk Record Office?

39 people indicated that they **agree** or **strongly agree** with the proposal. The main reasons for agreement were recognising the proposal as a way of making needed savings (7); regarding the proposal as fair and reasonable (5) and believing that the proposed changes would not have a significant impact on them or others that they know (4).

Q. Do you agree or disagree with the proposal to reduce the opening hours of the Norfolk Record Office? Please tell us more about why you chose that answer, using the box below: Strongly Agree/Agree		
Theme	No.	Comments
Comments about savings in general	7	You need to save money in a painless way. Saving money is priority. we have to save money. Looking at times it would he good to reduce hours and save money. Cuts have to be made.
Comments about the acceptability and fairness of the proposal	5	It sounds sensible and will save money. Seems like an evidence-based, sensible approach. It seems a good way of reducing costs. this seems an appropriate way to compromise and consideration has been made as to how the service is used by those who actually use it. Looking at times it would he good to reduce hours and save money.
Comments about the lack of impact on respondent or others	4	Due to the amount of people visiting the records office, reducing the hours open will have little or no impact on those whom seek to use this facility. Those who really need information will organise so that they can be there at the right time. If you need the service, you set your visit according to the opening hours. I never use this service, would not miss it at all.
Comments about the service not being vital, a key or major service	3	For most cases it is non essential but is a good service. This appears to be a useful rather than a critical service and so I would have no issues with the cut in opening hours. Not a necessity. 2 days a week enough.
Comments suggesting alternative opening times to those proposed.	3	Why extend the hours on the days you still propose to open for such a low number of attendances? Just keep the same hours and reduce the day. I think that reducing the number of days it is open but increasing the hours on the days it is open is a much better option.

		Looking at the times used it appears further saving could be made by cutting the hours further from 10am to 3pm.
Please note that themes with fewer than three associated comments have not been included in this table.		

21 people indicated that they **disagree** or **strongly disagree** with the proposal. The main reasons for disagreement are the belief that the NRO is a key and vital service (8); concern over the fact that the NRO has already experienced a reduction in opening hours (7) and others expressed concern over the restriction of public documents to the public (6).

Q. Do you agree or disagree with the proposal to reduce the opening hours of the Norfolk Record Office? Please tell us more about why you chose that answer, using the box below:
Strongly Disagree/Disagree

Theme	No.	Comments
Comments about the NRO being a key service.	8	The NRO is something of an unsung hero within the council - their dedicated staff provide an excellent service and important work in maintaining and developing collections essential to the cultural life of the county The Norfolk Record Office is an important resource locally, nationally and internationally. It is part of our cultural heritage and access is very important. Norfolk has the finest Records outside London. The NRO holds one of the most important archive collections in England.
Comments about further cuts to the NRO's operating hours.	**7**	I feel the hours of the record office have already been severely cut back and the amount of saving is quite minimal. Opening hours have already been reduced. We have already lost Monday, which has excluded anyone whose day off from work this is, and I know people in this position. A further reduction in opening hours (following on from Monday closures) will simply confirm that the County Council has little concern for the treasures in its custody and has, at best, limited commitment to educational outreach. This is yet another damaging reduction in the opening hours for the NRO following, first, the abandonment of Saturday morning opening, then the loss of the compensatory Thursday evening session and finally (in 2018) the reduction to a four-day week (Tues-Fri).

Comments about how the NRO should be accessible to all and the importance of public access	7	Diminishing access to our community's records/past is wrong in principle. The Norfolk Record Society is itself the owner of a substantial holding of the material that is now housed in the Archive Centre and, like many other private owners, made its deposit on the assumption that the collection would always be readily available to the public and to members of the academic community. Public access was regularly stressed as one of the advantages of such deposit and the proposed further erosion of this service is a denial of that commitment. The society has also in the past helped to provide funding for record purchases on the assumption that the same conditions would be observed; they should be, unequivocally. I'm sure many enquiries are from people who do not visit in person however I think it is vital to give as much personal access to such an important collection as is possible. The number of people visiting is not so important as the fact that it is available, and the use they make of it. It would be tragic to reduce the days on which the public can access it. Because lots of people like to access it and it needs to be at a convenient time.
Comments about the consequence of reduced hours on accessibility to NRO collections	6	trimming away further hours (let's not forget that Mondays and evening visits have gone out of the window in previous years) only serves to undermine the work done there and reduces opportunities for people to visit. Those working on prolonged research will be greatly inconvenienced losing yet another day. This will inevitably discourage serious research, and diminish the number of users of the service. Further reductions in opening hour are discriminatory towards scholars, particularly visiting scholars, who might need continuous access to records for short bursts of activity - this might not show up in the overall figures quoted. I understand the need for budgetary savings nowadays, but to close on Fridays does curtail the availability of the documents in the Record Office. The NRO is a very valuable resource and reducing the opportunities to visit will make if difficult for visitors. If a visitor comes to Norfolk for the week, to carry out research, the available hours for research diminishes so much.
Comments about Friday being an	4	Friday is inconvenient for people who would like to visit for a long weekend to study.

inconvenient day to close		Anyone wanting to have a long weekend and combine a day in NRO with a weekend break will no longer be able to do so. It is widely used by students and academics, many of whom travel to Norwich from far afield to work on research projects. They, and students nearer home at UEA, engaged on postgraduate degrees, will find Friday closure difficult, as they need sustained access to material which is only available for consultation in the search room.
Comments about staff, their expertise or concern regarding redundancies	4	their dedicated staff provide an excellent service and important work in maintaining and developing collections essential to the cultural life of the county. It is preferable to losing staff and expertise but does not represent value for money given the loss of opening hours. Will it result in redundancies among the record office staff? Presumably, staff can undertake a variety of tasks while on duty.
Comments about negligible savings made by the proposal.	3	I feel the hours of the record office have already been severely cut back and the amount of saving is quite minimal. Given the scale of savings needed to be made, saving £22k with these adjustments seems to outweigh any benefits. The saving proposed is not enough to close the service for another day.
Comments suggesting alternative opening times to those proposed.	3	I recognise the need to make savings but looking through your data wouldn't it be better to retain a 4 day service opening at 10.00 for example and closing at 3.30 or earlier? Surely it would make more sense to open the building 10am - 3pm Tuesday - Friday. That is 20 hours a week, so two hours less than your proposal - generating a bigger saving but also capturing the majority of your user base. Why not open half an hour later rather than earlier? People that work will not be able to use the service early but may use it at the end of the day once they finish work, foot fall may increase between 16.00 and 17.30.
Please note that themes with fewer than three associated comments have not been included in this table.		

Equality Impact Assessment Evidence

In total, there were **0** comments relevant to the EQIA.

Comments about the consultation process

There were **2** comments about the consultation process.

Comments about the consultation process
Q. Do you agree or disagree with the proposal to reduce the opening hours of the Norfolk Record Office? Please tell us more about why you chose that answer, using the box below. I welcome the opportunity to consult on the opening hours of the Record Office but I do not see how this is of much help towards meeting the budget deficit of £60m. The cost of putting together this report will eat into the £22,000 a year saving. I am pleased they have investigated popular visitor times and adjusted the hours in accordance with this. I do have a slight reservation about closing on a Friday because not all visitors to the Record Office will be local and by not opening on a Monday or Friday this may deter people from away who might make a weekend of their research and thus spend money in Norwich/Norfolk on accommodation, food etc. The numbers don't add up there - you've pretty much got a 25% split over each of the 4 current days but with hardly anyone using the service after 3pm on each day. Surely it would make more sense to open the building 10am - 3pm Tuesday - Friday. That is 20 hours a week, so two hours less than your proposal - generating a bigger saving but also capturing the majority of your user base. It is a shame the service isn't open for a few hours on a Saturday to accommodate council tax payers who work Monday - Friday 9 - 5 and would like to use the service on their day off at the weekend!

9. Proposal 4: Your views on our proposal to save money by reducing weed spraying activities on the highway

As part of the budget consultation, Norfolk County Council proposed a savings proposal which would reduce weed killing from an activity completed twice a year, to once a year.

The consultation was promoted via social media, the Norfolk Residents' Panel, through the NALC and press releases.

Of the responses received, all were submitted online via Norfolk County Council's consultation hub.

In total 111 responses were received to the weed killing consultation page.

Option	Total	Percent
An individual/member of the public	102	91.89%
On behalf of a voluntary or community group	2	1.80%
On behalf of a statutory organisation	1	0.90%
On behalf of a business	0	0.00%
A Norfolk County Councillor	0	0.00%
A district or borough councillor	1	0.90%
A town or parish councillor	1	0.90%
A Norfolk County Council employee	3	2.70%
Not Answered	1	0.90%

Responses by groups, organisations and businesses:
Five online consultation respondents told us which group, organisation or business they were responding on behalf of. The organisations cited: • Norfolk Residents' Panel • Diocese of Norwich • Broadland District Council • Taverham Parish Council We received one consultation response following the closure of the consultation (received on 19/10/2022 at 15:34) from Cley Parish Council. This detailed that Councillors agreed that NCC should reduce the number of times the grass verges are cut/sprayed each year. Due to the submission date, this has not been included in analysis, but has been captured for transparency here.

Respondent Profile:

The profile of 'individual' respondents (111 individuals) is as below:

Option	Total	Percent
Male	42	37.84%
Female	56	50.45%
Prefer not to say	10	9.01%
Prefer to self-describe (please specify below)	1	0.90%
Not Answered	2	1.80%

Responses by age (111 individuals)

Option	Total	Percent
Under 18	0	0.00%
18-24	0	0.00%
25-34	8	7.21%
35-44	10	9.01%
45-54	22	19.82%
55-64	18	16.22%
65-74	37	33.33%
75-84	5	4.50%
85 or older	0	0.00%
Prefer not to say	9	8.11%
Not Answered	2	1.80%

Responses by long-term illness, disability or limiting health problem (111 individuals)

Option	Total	Percent
Yes	20	18.02%
No	75	67.57%
Prefer not to say	12	10.81%
Not Answered	4	3.60%

Responses by condition or disability (111 responses, some consultees may have ticked more than one box)

Option	Total	Percent
Blind or partially sighted	3	2.70%
D/deaf or hard of hearing	0	0.00%
Limiting health condition e.g. heart disease, asthma, strokes, osteoarthritis, rheumatoid arthritis, fibromyalgia and myalgic encephalomyelitis (ME) etc.	12	10.81%
Learning Disabilities	0	0.00%
Neurodiversity e.g. autistic spectrum disorders, dyslexia, dyspraxia	2	1.80%
Mental health conditions – e.g. depression, schizophrenia, bipolar affective disorders, eating disorders, obsessive compulsive disorder	1	0.90%

Physical disability e.g. limb disorder, amputee, wheelchair user, cerebral palsy, motor neurone disease, muscular dystrophy	1	0.90%
Other	5	4.50%
Not Answered	92	82.88%

Responses by ethnic group (101 individuals)

Option	Total
English, Welsh, Scottish, Northern Irish or British	83
Irish	1
Prefer not to say	17

Responses by language spoken (101 individuals)

Option	Total	Percent
English	103	92.79%
Not Answered	8	7.21%

Responses by district (111 individuals)

Option	Total	Percent
Breckland	9	8.11%
Broadland	18	16.22%
Great Yarmouth	6	5.41%
King's Lynn and West Norfolk	15	13.51%
North Norfolk	15	13.51%
Norwich	20	18.02%
South Norfolk	24	21.62%
Not Answered	4	3.60%

Responses from those with caring responsibilities (114 individuals)

Option	Total	Percent
No	86	77.48%
Yes – for children with additional needs	3	2.70%
Yes – for older family members	12	10.81%
Yes - other	4	3.60%
Not Answered	6	5.41%

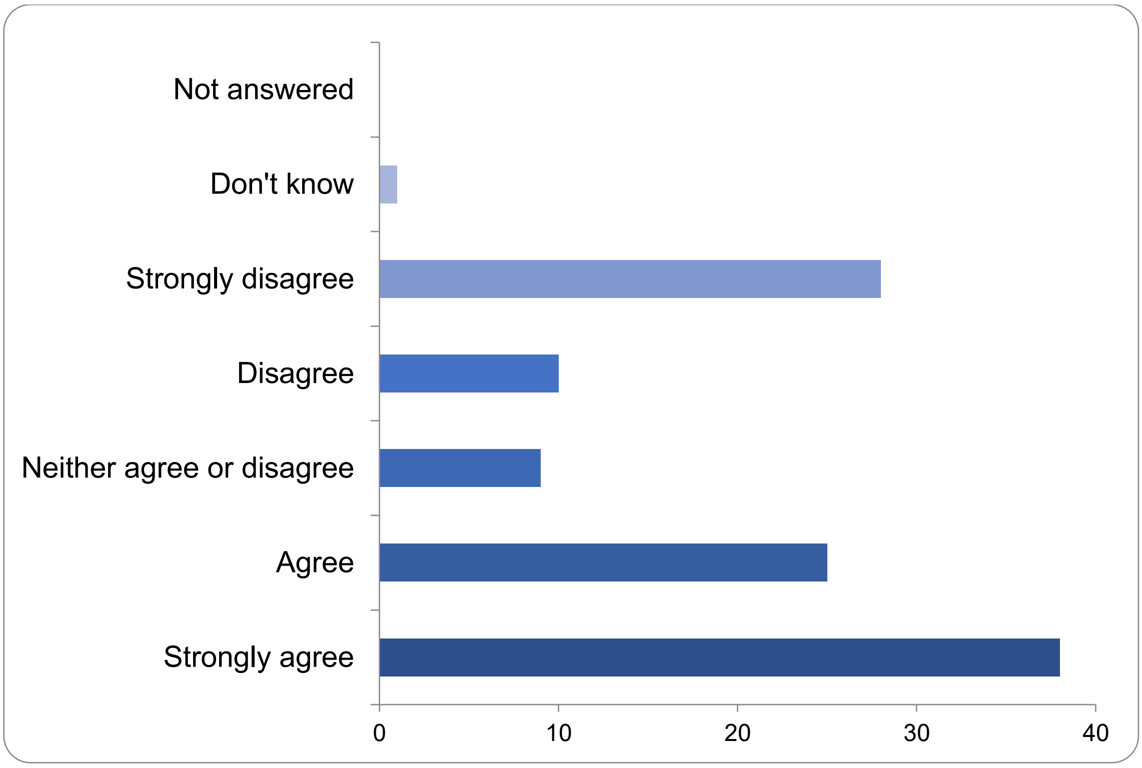
Responses from those outlining employment status (111 individuals)

Option	Total	Percent
Employed (full time)	42	37.84%
Employed (part time)	13	11.71%
Self employed	15	13.51%
Unemployed	0	0.00%
Student	0	0.00%
Looking after the family home	2	1.80%
Long-term sick	1	0.90%
Retired	35	31.53%
Not Answered	3	2.70%

Your views on our proposal to save money by reducing weed spraying activities on the highway – analysis

Q. How far do you agree or disagree with our proposal to reduce the frequency of weed spraying activities?

All 111 respondents answered this question, with a total of **63 people sharing that they strongly agree or agree** (56.75%) with the proposals to reduce weed spraying, and **9 people shared that they neither agree or disagree** (8.11%). The main reasons given for agreement include that reducing weed spraying is better for the environment (30) and the understanding that NCC must prioritise and make savings (11). Another popular answer is agreement as long it does not compromise safety (10).



Option	Total	Percent
Not answered	0	00.00%
Don't know	1	0.90%
Strongly disagree	28	25.23%
Disagree	10	9.01%
Nether agree or disagree	9	8.11%
Agree	25	22.52%
Strongly agree	38	34.23%

Q. How far do you agree or disagree with our proposal to reduce the frequency of weed spraying activities? Please tell us more about why you chose that answer, using the box below.
Strongly agree/agree

Theme	No.	Comments
Comments about the impact of spraying on the environment (eg. pollinators, food for birds, habitat), reference to nature or biodiversity.	30	Better for environment. Destroying ecosystems should be avoided. Spraying at a time of year which avoids massive disruption to insect populations would be good, too. Weeds are just plants like any other I imagine this will be better for the natural environment Would increase the number of wild flowers and have a positive impact on related wildlife. Would like to know what environmentally friendly weed killer is being used. Many "weeds" are pollinators that should be allowed to thrive. The less use of weed killers the better for overall biodiversity.
Agree or disagree but with a proviso **('only if'/ 'as long as …')**	12	Does not look like you do this in any case where I live. Agree could therefore save the money but if it is going to cause more repairs later, these will clearly cost more int he long run so not the point of the exercise. I agree you might get away with 1 spray but the weeds will be bigger and stronger so you will have to use a higher dose of spray to kill the big weeds. I agree, as long as it can be proven that the surrounding road surfaces will not be adversely effect, because if they are, then the savings against only spraying once a year will be greatly outweighed against the cost of road repairs and the disruption to road users. As long as safety is not compromised I am happy with the proposal. Norfolk is a rural county and a few weeds don't matter.

Acknowledgement that NCC has to prioritise, make hard decisions, comment shows understanding of need to balance books and budget	11	It’s about priorities and although I would prefer you continue some hard decisions have to be made Not only will it save money but 'weeds' like all plants are carbon sinks and will help with pollution too. its a good way to save money without having to reduce more important services. My only concern that it would cost more in the long run, if the weeds have caused damage that has then to be repaired. Have you done a cost benefit analysis on whether the savings now will outweigh the cost of future repairs? As far as I can see this is a "win, win" proposal. It affords Norfolk County council the opportunity to save money and reduces the use of harmful chemicals in our immediate environment. Reducing use of pesticide, however environmentally friendly it is deemed to be, seems to be a good proposal and if it saves money so much the better. Cost savings. These duties can be carried out by those who are receiving benefits for more than 6 months.

In total, **38 people disagreed or strongly disagreed** (34.24%) The main reasons for disagreement is the impact on safety of pedestrians, cyclists and drivers (18), comments about how the proposal is short sighted and will therefore lead to problems further down the line (13) and the negative visual impact on appearance (12).

Q. How far do you agree or disagree with our proposal to reduce the frequency of weed spraying activities? Please tell us more about why you chose that answer, using the box below. Strongly Disagree/Disagree		
Theme	**No.**	**Comments**
Comments about the impact of spraying on the safety of pedestrians, cyclists or drivers.	18	The weeds will not only erode the roads and paths resulting in costs to repair or insurance claims as people are injured through tripping. Views at junctions will be impaired by particularly tall weeds. Narrow paths will be reduced to one way only and force people into the road. Damage to pavements will be costly to repair and will result in more trip injuries. The visually impaired will struggle particularly to avoid damage and are more likely to have a fall. Small children will be unable to access footpaths if they will be required to brush past brambles and nettles.

		For the motorist this is a safety hazard, as said some weeds grow quite vigorously. The reduction in hedge cutting along with this is step to much. There are many safety, warning, and traffic management signs currently obscured. In addition, the taller weeds next to junction sight lines and on top of round-a-bouts, make it unsafe to use those junctions.
Comments about how proposal is short sighted as it will lead to problems further down the line.	13	I believe this is short sighted. It may reduce costs initially but weeds take hold and create more costly problems to solve. Weeds break up hard surfaces, block drainage channels etc. The cost of repairing these will far outweigh the cost of weed killing. Aside from the unpleasant impact on the local environment, leaving weeds could in the longer-term cause damage to pathways which could cost more to replace. This proposal seems like a short-term measure. As mentioned on previous page, weeds will make roads look messy. However, more seriously the spread of weeds may cause more damage to roads in the long run. My only concern that it would cost more in the long run, if the weeds have caused damage that has then to be repaired. Have you done a cost benefit analysis on whether the savings now will outweigh the cost of future repairs?
Comments about the impact of spraying on the appearance of places.	12	The highways are a complete mess, with too many overgrown weeds etc. The spray programme should be increased. The roads of Norfolk are very tatty. I will not like living in a area that looks like a scruffy and overgrown in the Summer. It reflects badly on Norfolk and will only encourage others to litter and generally take less care of their local environment. The amount saved is not worth it. This is not good because not only to do with roads etc. not looking nice but it is also not good for pedestrians having to use pavements where things are over grown. It will be unsightly and potentially dangerous for road and path users. Results in more work untidy streets ,trip hazards and damage to surfaces.
Comments about impact of spraying on weeds or about the weeds	10	False economy as will lead to even more weeds Weeds not destroyed also results in weed seeds being dispersed into gardens making harder work for housholders in keeping gardens presentable.

themselves (including comments about ragwort, hogweed or other dangerous weeds).		the amount of harmfull weeds such as ragwort (which i believe we have a respnsibility to keep under control) is on the increase. I much prefer the mowing as on the riverbanks Ive known an elderly person down our road have quite a fight with a 50cm high bunch of weeds on our roadside. Weeds left to grow during the summer become well established if they are not reduced/removed.
Please note that themes with fewer than three associated comments have not been included in this table.		

Q. How, if at all, do you think our proposal might affect you? Please share your answer with us, using the box below:

In total, 85 people answered this question. The most common answer was that reducing weed spraying will not have an impact on them (26), that it will have negative impact on them (15), that it will have a negative impact on others (11) and that it will cause risks to their personal safety (10) and others safety (10).

Q. How, if at all, do you think our proposal might affect you? Please share your answer with us, using the box below:		
Theme	**No.**	**Comments**
No or minimal impact	26	Did not know that you did this so guess not Where I live we do not have a big weed problem on our roads or pavements. Not at all Minimally
Negative impact on the individual	15	In my road I have only seen the weeds chopped down twice in 20 odd years and it is a nightmare trying to keep on top of the weeds that spread into the gardens. My road, Paxton Place, is currently badly weed-strewn as we've had few visits from any weed-sprayers over the last few years. I did ask someone in Allens Lane recently to do our road (Paxton Place) too and he seemed surprised by my request but then did spray it. The cobbled surface is potentially damaged. As a cyclist I'm very aware of all the life-threatening detritus at the edge of the road, weeds included. We can’t see around corners of verges and it will affect our standard of living.

		It won't be nice walking or travelling around if the weeds are on paths As indicated previously this could impact me a lot as I am a pedestrian, and am blind, so if areas are not cut or treated then it results in things being over grown making it defficult to walk on pavements.
Negative impact on others/everyone /community and issues with safety as a collective group	11	Safety on rural roads, pets at risk of injury dispersal of weed seeds. Increased costs of repairs where infrastructure is damaged by uncontrolled/ineffectively controlled weed growth. Our main roads are gateways to our area and towns/villages and excessive wed growth looks terrible to visitors in tourist areas, etc. Degradation of the look and feel of the neighbourhood.
Risks to **personal safety** as a pedestrian, horse rider, cyclist or road user	10	I regularly walk along roads and frequently there are no footpaths or verges, reduccing the amount of maintenance will make some areas unaccessible without compromising my safety As a cyclist I'm very aware of all the life-threatening detritus at the edge of the road, weeds included. Damage to pavements will cause more trip injuries. My mother has already tripped on a damaged pavement this year and injured herself. She is visually impaired and did not see the damage until she was lying on the ground next to it. I will have to walk in the road so that my young son can use the pavement if the pavement is narrowed.
Please note that themes with fewer than three associated comments have not been included in this table.		

Equality Impact Assessment Evidence

In total, there were 3 comments relevant to the EQIA.

EQIA Evidence	
Question	**Comment**
Q2 - How far do you agree or disagree with our proposal to reduce the frequency of weed spraying activities?	Views at junctions will be impaired by particularly tall weeds. Accessibility for wheelchair users and parents with children in pushchairs will be affected by encroachments on to pavements and footpaths. Narrow paths will be reduced to one way only and force people into the road. Damage to pavements will be costly to repair and will result in more trip injuries. The visually

	impaired will struggle particularly to avoid damage and are more likely to have a fall.
Q3 - How, if at all, do you think our proposal might affect you?	As indicated previously this could impact me a lot as I am a pedestrian, and am blind, so if areas are not cut or treated then it results in things being over grown making it defficult to walk on pavements.

Proposed budget for 2023/24

Equality impact assessment report

For further information about this report please contact:

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If you need this document in large print, audio, Braille, alternative format or in a different language please contact Claire Charlwood on 01603 989946 or 18001 0344 800 8020 (Text relay).

Contents

Appendix 6: Equality Impact Assessment report 2023-24

Introduction

1. This report summarises the findings of equality impact assessments of Norfolk County Council's proposed budget for 2023/2024.

2. Equality 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 [i]
   - Advancing equality of opportunity between people who share a protected characteristic[ii] and people who do not share it[iii]
   - Fostering good relations between people who share a protected characteristic and people who do not share it.[iv]

4. The full Act is available here.

5. The new Armed Forces Covenant Duty came into force on 22 November 2022 and budget proposals have been considered in line with this new duty.

Summary of findings for 2023/2024

6. In total, 93 equality impact assessments have been carried out on all budget proposals for 2023/2024. This includes the proposal to increase council tax and the Adult Social Care precept.

7. Based on the evidence available, it is possible to conclude that most proposals will likely have no significant adverse impact on people with protected characteristics.

8. Broadly speaking, this is because:
   - Most proposals are designed to promote greater independence, choice and dignity for service users, giving them more flexibility and control over their lives. These are priorities routinely highlighted as vital by the public in consultation.
   - Eligibility thresholds for services remain unchanged, so people will continue to receive support relevant to their assessed needs.
   - People who currently receive a service will continue to do so.
   - Service users will not experience any reductions in the quality, standards, or level of support they currently receive.
   - There will not be new or increased costs for service users.
   - The proposals 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 requirements. These means that reasonable adjustments for disabled people will always be made where appropriate.

9. Where there is a potential for adverse impact on people with protected characteristics, this is always clearly described in the assessment.

10. If a proposal relates to transformation, it may not yet be possible at this stage to predict the final outcome of the transformation - because this level of detail is not yet known. It should be noted that transformation may lead to changes to how some services will be provided in future. These changes could impact differently on people with protected characteristics – including on older and disabled people who make up a substantial proportion of Norfolk residents.

11. In view of this, individual assessments have reflected where there may be risks and how these may be mitigated through further in-depth equality impact assessments, robust monitoring, quality assurance and tailored implementation plans. People who share protected characteristics may also be over or under-represented as service users in some services and therefore, as proposals are implemented, the Council will continue to take steps to meet statutory obligations and respond to the needs of these residents.

12. In addition, the individual assessment always states that if new evidence emerges during transformation of the potential for determinantal impact on people with protected characteristics, that this will be reported to the Cabinet before the transformation progresses, to enable decision-makers to give due regard to the public sector equality duty.

Contextual issues to take into account

13. When considering the impact of the 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 economy, the rising cost of living; deprivation and poverty
- The impact of the COVID-19 pandemic on Norfolk
- The increased use of digital, web-based and virtual technology to deliver services
- Population changes and trends
- 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.
- The Council's new duty of due regard to the principles of the Armed Forces Covenant where this applies.

14. The Cabinet routinely keeps these issues under review. Reports are published on the Council's website www.Norfolk.gov.uk

15. In addition, the findings of the equality assessments should be considered alongside the following information:

- Public consultation on the budget proposals for 2023-2024, set out elsewhere on the agenda.
- 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.
- Norfolk's population data, set out in Norfolk's Story 2021 published - Norfolk Insight
- 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.
- The findings of the new Norfolk equalities evidence base.

Other information

16. It is important to note that the assessments set out in Appendices 1-5 only consider the impact of the Council's budget proposals for this year.

17. For obvious reasons, they do not detail the various positive impacts of the Council's day-to-day services on people with protected characteristics, such as: growing the economy; the proposed programme of capital investment for 2023-2024; 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

18. 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.

Conclusion

19. The impacts set out in this report should be considered when deciding whether or not the proposals should go ahead, in addition to the mitigating actions below.

20. 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.

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

22. The findings of the assessments are set out in **Appendices 1-5**.

    - Appendix 1 – Adult Social Services Proposals
    - Appendix 2 – Childrens Services Proposals
    - Appendix 3 – Community & Environmental Services Proposals
    - Appendix 4 Strategy & Transformation, Governance and Financial Services Proposals (including Finance gross new saving proposals)
    - Appendix 5 – Strategic Review Proposals (all Services)

Mitigating actions

23. 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. 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.	All Executive Directors	From 1 April 2023
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 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 2023
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.	Director of People	From 1 April 2023

Other evidence used to inform these assessments

- Norfolk budget proposals 2017-2018 to 2020-2023 – consultation documents, consultation findings and background papers, as previously reported to Full Council each February
- The equality impact assessment of the Digital Inclusion Strategy
- The equality impact assessments of the Adult Social Care Connecting Communities Programme and Recovery Plan
- The equality impact assessment of the re-design of the mobile library service
- The equality impact assessments of the Strategic Review and Organisational Change Reviews
- Norfolk County Council's Digital Inclusion Strategy 2018 and Digital Inclusion EqIA 2021
- Equality Act 2010
- Public Sector Equality Duty
- Armed Forces Covenant Duty

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[i] **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.

[ii] **The protected characteristics are:**

Age – 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 – 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.

[iii] **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

For the assessment see Appendix 4 - Finance General gross new saving proposals - Council Tax and Adult Social Care Precept

Table: The number of dwellings on the council tax valuation list, and percentages of council tax exemptions, by Norfolk district (October 2022)

	Total chargeable dwellings on valuation list	Number dwellings paying full Council Tax	% Dwellings paying full Council Tax	% Dwellings subject to some reduction in Council Tax
Breckland	62,182	42,038	67.60%	32.40%
Broadland	59,428	40,382	67.95%	32.05%
Great Yarmouth	48,361	29,172	60.32%	39.68%
Kings Lynn & West Norfolk	72,271	48,033	66.46%	33.54%
North Norfolk	54,777	35,516	64.84%	35.16%
Norwich	65,670	36,661	55.83%	44.17%
South Norfolk	64,021	42,209	65.93%	34.07%
Total Norfolk	**426,710**	**274,011**	**64.21%**	**35.79%**

EQIA APPENDIX 1 - Adult Social Services – Budget savings proposals 2023-24

Budget Challenge 1-3

Reference and title of proposal	Potential impact
Connecting Communities: Recognising additional benefits from our existing savings programme. Linked to our existing saving ASC018 and 2223ASS030	A comprehensive equality impact assessment of the Connecting Communities programme has been undertaken to inform service planning and delivery. This assessment is supported by the findings from the Council's public consultation with seldom-heard communities on equality, diversity, and inclusion (open now). This assessment includes an action plan which identifies how the experiences and needs of people with protected characteristics should be monitored and considered in decision making. This assessment will be regularly reviewed by strategic and operational leads for the duration of the programme. This assessment recognises that people with protected characteristics may experience different barriers when seeking to access services, may experience services differently, and may require practitioners to work differently on a case-by-case basis to identify and meet individuals' ongoing care and support needs. This assessment recognises the need to examine data about services users with protected characteristics and use this intelligence to ensure that new service plans are responsive to service users' diverse needs. Currently, there is limited 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 should not experience any reductions in the quality or standards of support they currently receive. No changes are proposed to eligibility criteria (as per the Care Act 2014), so people should continue to receive support relevant to their assessed needs. People who currently receive a service should continue to do so, where they are assessed as continuing to meet eligibility criteria. • The proposal should not lead to increased direct 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 legislation and 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 currently insufficient evidence to indicate whether staff with protected characteristics would be disproportionately affected compared to staff without these characteristics because of this proposal. The equality impact assessment recognises there may be more staff with protected characteristics working in Adult Social Services than elsewhere in the Council. Any organisational changes to staffing structures or changes to staff terms or conditions because of this proposal will be implemented in accordance with relevant HR policies, procedures and guidance which are impact assessed separately. In addition the Programme will take account of other work taking place including the Workforce Race Equality Standard action plan. This proposal will require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. This has been identified as a requirement for the Programme by the overarching assessment. If, during monitoring and quality assurance of the Programme's activities, it emerges that an aspect of the work may have a 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

Reference and title of proposal	Potential impact
	assessment this will be reported formally to enable next steps to be agreed before proceeding further.
Double up care reviews. Recognising additional benefits from our existing savings programme. Linked to our existing saving 2223ASS038	This proposal builds on work already being undertaken under the Adult Social Services Recovery Plan which was subject to a comprehensive equality impact assessment in March 2021. This assessment recognised that some proposals may potentially impact differently on service users with protected characteristics. It is understood that service users who have more than one carer at a time supporting them are more likely to have long-term complex health needs or disabilities. Ensuring service users can remain independent at home with the appropriate and safe level of care and support is an ongoing priority for Adult Social Services. This proposal recognises that care plan reviews conducted by qualified occupational therapists may identify changes in service users' personal circumstances and / or identify opportunities for improved access to assistive technology and equipment. As a result, in some instances it may be possible introduce changes to existing care plans to safely reduce the number of carers required by individuals, without compromising the quality of care currently being provided. All care plan reviews are undertaken by qualified experienced professionals and Adult Social Services are legally required to ensure that care plans • remain up-to-date, and relevant to the person's needs • remain relevant to the person's aspirations; and • Mitigate the risk of people entering a crisis or safeguarding situation. This assessment recognises that there is some evidence that • The proposal may have a disproportionate impact on some older and disabled people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian,

Reference and title of proposal	Potential impact
	gay, bisexual or transgender) compared to people who do not share these characteristics. • The proposal may have a greater impact on 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. However, the proposal should not have a detrimental impact on service users with protected characteristics because care plan reviews will continue to be conducted in accordance with statutory obligations and best practice, and service users will continue to receive care and support in accordance with their assessed needs. This assessment recognises that: • Some service users may experience a reduction in the amount of support they currently receive. Service users should not experience a reduction in the quality, standards of support because of this proposal. • No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. • The proposal should not lead to new or increased direct 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 insufficient 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
	This proposal will require robust monitoring and care reviews should continue to be subject to quality assurance. If, because of monitoring 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 enable next steps to be agreed before proceeding further.
Expansion of Self-Directed Support. Recognising additional benefits from our existing savings programme. Linked to our existing saving 2223ASS034	If this proposal goes ahead, it should promote greater independence, choice, and dignity for disabled and older people, giving them greater flexibility and control to decide how their care and support needs are met. This is a core aim for Adult Social Services. This proposal will continue to enable service users in receipt of self-directed support to liaise directly with the providers of their choice to arrange their own care and support, rather than being referred to commissioned services. This assessment recognises that disabled and older people report maintaining their independence is a critical factor to their well-being. This assessment recognises that there may be potential for adverse impact if service users with protected characteristics experience barriers when seeking to access commissioned services or because available commissioned services have insufficient capacity or resources or experiences to meet their needs. There is a recognised risk that some disabled people may struggle to effectively identify or articulate their care and support needs due to barriers to communications and/or understanding and some service users may find it more difficult to access services due to geographical, physical and or financial barriers. This risk should be mitigated as service users in receipt of direct payments, and their support networks will continue to be able to access specialist advice and support through the Direct Payment Support Service. There is some evidence to indicate that:

Reference and title of proposal	Potential impact
	• The proposal may have a disproportionate impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics. • The proposal may indirectly 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. However: • Service users should not experience any reductions in the quality, standards, or level of support they currently receive. No changes are proposed to eligibility criteria, so people will continue to receive financial support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal should not lead to new or increased direct 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

Reference and title of proposal	Potential impact
	This proposal will require officers to take account of the findings of the related equality impact assessments for the Connecting Communities Programme and Adult Social Services Recovery Plan. The anticipated increased take-up of self-directed support should be robustly monitored to ensure the impacts on service users with protected characteristics are understood and any potential for adverse impact is recognised and mitigated where possible. If it emerges that an aspect of the proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or people in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to enable next steps to be agreed before proceeding further.
One-off usage of ASC reserves	If this proposal goes ahead, it will mean releasing funds from Adult Social Care reserves to alleviate budget pressures as a 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 because of this proposal. 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.
One-off usage of ASC reserves: additional one-off usage of ASC reserves (reprioritisation)	If this proposal goes ahead, it will mean releasing funds from the reserves to alleviate budget pressures as a 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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
	• 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.
Reduction in staff travel costs: post pandemic, staff travel has not returned to the level seen in previous years. This proposal reflects the changing pattern of spend.	This proposal recognises the need to adjust the budget because staff travel costs across Adult Social Services have reduced. This is because of changes in ways of working introduced over the past few years which have enabled more staff to choose to work flexibly from home to undertake administrative work or attend meetings virtually, resulting in an associated reduction in travel claims. This proposal recognises that Adult Social Services staff will continue to meet service users face to face where necessary and travel to attend important meetings in person as required. This proposal recognises the benefits of hybrid working to the environment and to staff wellbeing, as well as achieving a cost saving. Staff will continue to be able to claim for essential travel costs in accordance with Council policies and mileage and costs will continue to be paid in accordance with contractually agreed rates. There is no evidence to indicate that:

Reference and title of proposal	Potential impact
	• 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. • 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.

Reference and title of proposal	Potential impact
Review of budget assumptions: removal of cost pressures previously assumed in the Adult Social Care budget which are no longer expected to be required.	This proposal involves adjusting the overall Adult Social Care budget to remove assumed cost pressures which are believed to no longer be required, based on the latest information. There will be no impact on front line services or on the workforce. 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; people who are intersex or non-binary; disabled people; People from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy, corporate and departmental policies and procedures and national guidance. 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
	• 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.
Review of budget assumptions: reprioritised Better Care Fund (BCF) and Improved Better Care Fund (iBCF) investment	This proposal involves adjusting the Reprioritised Better Care Fund (BCF) and Improved Better Care Fund (iBCF) investment to revise budget assumptions which are believed to no longer be required based on the latest information available. The Better Care Fund (BCF) programme is a joint fund for NHS and local authorities to support local systems to successfully deliver the integration of health and social care in a way that supports person-centred care, sustainability and better outcomes for people and carers. The pooled budget is made up of clinical commissioning group funding as well as local government grants, of which one is the NHS Improved Better Care Fund (iBCF). There should be no impact on front line services or on the workforce because of this proposal. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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
	• 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.
Review of service levels and demand post pandemic: targeted interventions relating to the Adult and Older Care Budgets – getting it right first time	If accepted, this proposal recognises that there may be opportunities to target more interventions to keep more older people healthy, safe, and well at home for longer and potentially limit the need for longer term interventions by Adult Social Services. This proposal will involve undertaking in-depth reviews of the causes of older people requiring long-term care and support and using this intelligence to adjust service levels and identify ways to take more effective preventative action or provide care and support in different ways, for example: • improving early support to reduce self-neglect and hoarding • providing advice and assessments to reduce falls at home or in care.

Reference and title of proposal	Potential impact
	This proposal should also reduce demands on Adult Social Services through the re-direction of resources. There are parallels with the work being undertaken through the Connecting Communities Programme and this proposal should draw on the learning from the comprehensive equality impact assessment undertaken of this Programme. This proposal recognises that the eligibility criteria for services will remain unchanged (as per the3 Care Act 2014) so service users should still receive care & support in accordance with their assessed needs. This proposal recognises there may be ways to make changes to the way services are provided to individuals and as a result some existing care packages may be reduced because of tailored interventions. This assessment recognises that there may be some evidence to show that: • The proposals may have a disproportionate impact on some older people with protected characteristics (such as men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics. • The proposal may have a greater impact on 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 assessment notes that the proposal should not have a detrimental impact on service users with protected characteristics as care plan reviews will continue be conducted in accordance with statutory obligations and best practice. Service users should continue to receive care and support in accordance with their assessed needs, albeit this may be delivered in different ways in future.

Reference and title of proposal	Potential impact
	• Some service users may experience a reduction in the level of support they currently receive. They should not experience a reduction in the quality or standards of support they receive because of this proposal. • No changes are proposed to eligibility criteria, so people should continue to receive support relevant to their assessed needs. • The proposal should not lead to new or increased direct 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 insufficient 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. This proposal will require robust monitoring, and care reviews will continue to be subject to quality assurance. If, because of monitoring 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 enable next steps to be agreed before proceeding further.
Working with partners to fully recover the costs of integrated services	This proposal relates to ongoing work with health partners to ensure contracts in place for the provision of the Norfolk Swift Response service (formerly Night Owls) are adjusted to take account of rising costs for the provision of this service on behalf of the NHS. Norfolk Swift Response is a free 24-hour service for residents to call if they have an urgent, unplanned need at home but don't need the emergency services. A core aim of this service

Reference and title of proposal	Potential impact
	is to reduce pressures on acute health services by providing immediate support in the event of a sudden emergency – for example, where someone has a fall, but is not seriously injured. NCC: Norfolk Swift Response Team 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. • 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.

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.
Review of budget assumptions: utilising alternative funding sources to maintain housing related ASC Prevention Services	This proposal involves revising budget assumptions which are believed to no longer be required, based on the latest information. This is because alternative funding sources have been identified to maintain existing housing related Adult Social Services prevention services which are vital to supporting Norfolk residents to remain healthy, safe, and well and live independently at home. There should be no impact on front line services or on the workforce because of this proposal. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 should 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.
Transformation of Physical Disabilities Services: delivering improved choice and independent outcomes for people with a physical disability	This proposal involves undertaking a review of how services and support are currently offered to people with physical disabilities by Adult Social Services. Currently, there is not a specialist team supporting people with physical disabilities although there are specialist teams supporting people with learning disabilities, mental health needs and sensory impairments. This proposal recognises that there may be significant benefits in providing a specialist physical disability service as this will enable more targeted interventions to be identified through care plan reviews and through engagement with service users with physical disabilities and their families and support networks. This assessment recognises that taking a holistic approach to understanding and removing the barriers experienced by people with physical disabilities, using the social model of disability, should improve outcomes and enable more people to live independently at home with greater choice and control over their care and support. This assessment recognises that this proposal will directly impact on service users with a protected characteristic (disability), and there may also be some impact on staff because of reorganisation. There is insufficient evidence at present to state whether:

Reference and title of proposal	Potential impact
	• The proposal would have a detrimental impact on people with protected characteristics (such as older and younger people; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. However: • Service users should not experience any reductions in the quality of standards 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. • The proposal should not lead to new or increased direct costs for service users. • The proposal will be implemented in accordance 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 insufficient evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There may be some organisational changes to staffing structures. Any changes will be implemented in accordance with their terms or conditions and relevant HR policies and procedures which are impact assessed separately. • Similar proposals have been successfully implemented elsewhere in the UK.

Reference and title of proposal	Potential impact
	This proposal requires officers to undertake a further equality impact assessment to inform the development and implementation of this proposal. This assessment will also need to be informed by the views and experiences of service users with physical disabilities to ensure that their needs are taken account of in the service re-design. This proposal will require robust monitoring, and care reviews will continue to be subject to quality assurance. Any potential for adverse impact will be recognised and mitigated where possible, through this assessment. If it emerges that an aspect of the proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or people in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to enable next steps to be agreed before proceeding further.

Budget Challenge 4

Reference and title of proposal	Potential impact
Additional capitalisation to release further one-off reserves	If this proposal goes ahead, it will mean releasing funds from the Adult Social Care budget. The Flexible Use of Capital Receipts direction allows authorities to use the proceeds from asset sales to fund the revenue costs of projects that will reduce costs, increase revenue or support a more efficient provision of services. This proposal recognises that the substantial investment by the Service in the transformation partnership with Newton Europe for the Connecting Communities Programme falls into this category. The partnership has an agreed fee which has historically been funded from reserves, funding it instead from capital receipts means that reserves can be redirected for investment elsewhere. 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics.

Reference and title of proposal	Potential impact
	• 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. • 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.
Mental Health Transformation	This proposal recognises that there may be further opportunities to streamline how support is provided to service users with mental health needs through care plan reviews and direct engagement with service users and their families and support networks. The reviews will be conducted by the established accommodation review team who are qualified mental health professionals within the existing Adult Mental Health team. Care plan reviews will also consider whether support can be offered in different ways through commissioned providers to achieve savings and improvements.

Reference and title of proposal	Potential impact
	This proposal does not reflect a change in policy with respect eligibility so existing service users will continue to receive support in accordance with their assessed needs, albeit the way this is provided may be adjusted in accordance with individual care reviews. This assessment recognises that there will be a direct impact on some service users with a protected characteristic (disability – mental health). There is insufficient evidence at present to state whether: • The proposal would have a detrimental impact on people with protected characteristics (such as older and younger people; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. However: • Service users should not experience any reductions in the quality of standards 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. • The proposal should not lead to new or increased direct costs for service users. • The proposal will be implemented in accordance 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.

Reference and title of proposal	Potential impact
	• There is insufficient evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There may be some organisational changes to staffing structures as an outcome of the review, but these will be implemented in accordance with HR policies which are impact assessed separately. • Similar proposals have been successfully implemented elsewhere in the UK. This proposal will require robust monitoring, and care plan reviews will continue to be subject to quality assurance. Any potential for adverse impact on people with protected characteristics should be identified through monitoring and mitigated where possible. Monitoring and quality assurance should also take account of the views and experiences of service users with mental health needs to inform service improvements. If it emerges, that an aspect of the proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or people in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to enable next steps to be agreed before proceeding further.
Strategic Review	See **APPENDIX 5 – All Strategic Review Proposals – Budget Equality Impact Assessment 2023-24** for details of the Equality Impact Assessment for this proposal

EQIA APPENDIX 2 - Children's Services – Budget savings proposals 2023-24

Budget Challenge 1-3

Reference and title of proposal	Potential impact
Changes in ways of working post pandemic: reduction in the Early Years training budget because of the move towards a digital training offer	If accepted this proposal will involve reducing the allocated budget for delivering Early Years training due to increased demand for online training and more hybrid working which enables training to be delivered virtually and increases staff capacity. There will be no impact on frontline services because of this proposal. People who wish to attend training will still be able to access this, albeit it will be delivered in different ways moving forward. The accessibility of training (including digital accessibility) will be considered as a priority through the work of Learning & Development as the Council recognises that people with different disabilities require online training to be provided in accessible formats, taking account of the barriers they experience. The Council is undertaking a considerable amount of work to ensure its online provision meets accessibility standards in 2023 and this proposal will pay due regard to the Council's NCC Digital Inclusion Strategy. If this proposal goes ahead, because it is responsive to staff and service user demand, there is no evidence to indicate that: • The proposal would have a disproportionate detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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: • People will not experience any reductions in the quality, standards, or level of support they currently receive. Staff, schools, and early years providers will continue to be able to access high quality training through Children's Services according to their needs. • The proposal will be implemented in accordance with the Council's statutory responsibilities to children, young people and families, 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 insufficient evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. Any organisational changes to staffing structures or changes to staff terms or conditions will be undertaken in accordance with HR policies which are impact assessed separately. • Similar proposals have been successfully implemented elsewhere in the UK.
Expansion of CHS002: Alternatives to care (New Roads)	New Roads is a dedicated service for young people aged 12-25, who are being supported by Children's Services. It gives young people access to a dedicated support team that helps them to achieve and succeed. The aims of the service are: • Reduce the time young people spend in residential settings, like children's homes. • Support children and young people to live in family-based care, such as foster care, when they cannot live with their own families • Reduce the number of children and young people in care • Support children and young people to live closer to their family, friends, and their community, wherever possible

Reference and title of proposal	Potential impact
	• Help to prevent young people from going missing, getting arrested or going into hospital. The New Roads hubs are supported with: • Dedicated supported accommodation trainer flats for 16 to 18-year-olds • High needs supported lodgings hosts. The hosts will be able to provide a room within their home and be a stepping-stone for young people moving towards living independently. • Hub community families, supported and supervised by our fostering team wo can call on any of the specialist hub support at any time. Young people residing at one of the placement options will continue to be supported by the New Roads service and the professional specialist support through this proposal. This assessment recognises that some young people within this cohort share one or more protected characteristics and as a result may experience worst outcomes due to a lack of tailored support and provision. Evidence from the Commission on Young Lives shows young black men are more likely to become looked after and more looked after young people and care leavers are identified as having special educational needs/long-term mental health conditions. These cohorts of young people are more likely to spend time in residential settings and national research indicates they are at greater risk of criminal exploitation and/or entering the youth justice system. The continued expansion of New Roads is aimed at improving outcomes for all young people in this cohort, including young people with protected characteristics and the Service will continue to prioritise work to identify and addressing systemic inequalities impacting children who are looked after and care leavers as part of anti-racist practice work and the Council's corporate Service & Communities Equality, Diversity & Inclusion plan 2023-26.

Reference and title of proposal	Potential impact
	If this proposal goes ahead, it should have a positive impact on young people with protected characteristics where support continues to be tailored to respond to the needs of diverse young people. There is no evidence to indicate that: • The proposal would have a disproportionate detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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: • Young people 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 young people will continue to receive support relevant to their assessed needs. Young people who currently receive a service will continue to do so. • The proposal will be implemented in accordance with the Council's statutory responsibilities to young people who are looked after, 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

Reference and title of proposal	Potential impact
	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.
Expansion of CHS007: Inclusion (Home to School Transport) – extension of existing activity focussed on providing education more locally, supporting inclusion, supporting independent travel where that is right for the child, and commissioning transport most efficiently	The Council provides free school transport, as required by the Education Act 1996, if a child is: • of compulsory school age (5 to 16 years old) on 1 September or they will be 5 before 1 September when applying for school… and • they attend the nearest catchment school or the nearest appropriate school with a place as designated by Children's Services and • live more than 2 miles, measured by the nearest walking route to school, when under the age of 8 • live more than 3 miles walking distance from school, when aged 8 or over. The Council also provides transport for children who are unable to walk to school due to limited mobility or a severe medical condition in some circumstances. Free school transport may also be available for families receiving certain other benefits, dependent on how far from the school a child lives, and eligibility is assessed based on evidence of need. This proposal builds on work undertaken in previous years, and if accepted, Children's Services working with school transport services, will continue to work to ensure that children and young people's transport needs are being met in the most appropriate way, with a continued focus on ensuring that children and young people are in the right local setting, their diverse needs are being met and they are being supported to develop their ability to travel independently in preparation for adulthood. This work will involve reviewing personal budgets and individual travel plans to ensure these are appropriately child centred and exploring ways to improve the commissioning and procurement of home to school transport to achieve savings.

<table>
<tr><th>Reference and title of proposal</th><th>Potential impact</th></tr>
<tr><td></td><td>If this proposal goes ahead, it should have a positive impact on children and young people with protected characteristics (and their families) where support continues to be tailored to respond to their diverse needs. There is currently insufficient evidence to indicate that:

• The proposal would have a disproportionate detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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:

• Eligible children and young people should 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 children and young people will continue to receive support relevant to their assessed needs in accordance with the Council's legal obligations. There should be no increased direct costs for parents and carers whose children and young people are eligible for support with transportation.
• The proposal will be implemented in accordance with the Council's statutory responsibilities to children, young people and families, 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.</td></tr>
</table>

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. Eligibility for home to school transport requires continued robust monitoring to ensure that policies are applied fairly and there is no unintended adverse impact. Responsible officers should take account of monitoring and use this to quality assure services. If, because of monitoring, there appears to be any disproportionate or detrimental impact on people with protected characteristics that it was not possible to identify at the time of this assessment, this will be reported formally so appropriate mitigating actions can be implemented.
Review of budget assumptions: Additional Supporting Families base funding offsetting the need for NCC funding for Family Support teams	This proposal involves adjusting the budget for Family Support Teams to remove assumed costs which are believed to no longer be required on receipt of additional central funding received from Supporting Families Programme 2022-25. There is no impact on front line services or on the workforce. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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
	• 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 statutory responsibilities to children, young people and families, 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.
Review of budget assumptions: Additional Supporting Families income due to ongoing successful outcomes resulting in maximum performance by results income	This proposal involves adjusting the budget to remove assumed costs which are believed to no longer be required, because of additional funding received from Supporting Families Programme 2022-25. This is because Children's Services has demonstrated successful outcomes and maximised its performance by results income. There is no impact on front line services or on the workforce. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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,

Reference and title of proposal	Potential impact
	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. • The proposal will be implemented in accordance with the Council's statutory responsibilities to children, young people and families, 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.
Review of legal costs: ensuring the right level of external legal expertise is utilised	This proposal recognises that Children's Services must be appropriately represented in court and at hearings involving children, young people, and families, and case work must be robust, however there may be opportunities to make savings and use contracted legal services more efficiently in future. The review will check to ensure that practitioners and managers are drawing on the correct level of expertise for case work and hearings and can upskill in legal case work. The review will also consider levels of demand and need for barristers in court to ensure they are bought in when required.

<table>
<tr><th>Reference and title of proposal</th><th>Potential impact</th></tr>
<tr><td></td><td>If this proposal goes ahead, there is no evidence to indicate that:

• The proposal would now have a disproportionate detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics.
• The proposal now 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. Children’s Services will continue to have legal representation as required.
• The proposal will not lead to new or increased costs for service users.
• The proposal will be implemented in accordance with the Council’s statutory responsibilities to children, young people and families, 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.</td></tr>
</table>

Reference and title of proposal	Potential impact
	• Similar proposals have been successfully implemented elsewhere in the UK.
Review of service levels and demand post pandemic: right sizing of the Early Years Sustainability Fund to reflect the level of demand seen in recent years	This proposal represents an adjustment to the Early Years Sustainability Fund because funding is no longer required for provision which ceased in 2021 and there is now an associated decreased demand on the fund. If this proposal goes ahead, there is no evidence to indicate that: • The proposal would now have a disproportionate detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics. • The proposal now 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 related provision has already ceased, and alternative provision has been identified to meet local demand/need. • Children and families will not experience any further 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 statutory responsibilities to children, young people and families, 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

Reference and title of proposal	Potential impact
	Accessible Information Standard and all other relevant equality, diversity, and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics will now be disproportionately affected compared to staff without these characteristics. There will be no further organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
Withdrawing from the PDC Building: revenue implications	Due to decreased demand face-to-face training and events from organisations who have used the Professional Development Centre historically (including schools and education providers) and because of the Council's move to more flexible and hybrid working, this building is currently being under-utilised. Following a review in 2022, it has been identified that there is now an opportunity to withdraw from and make savings within the Service with minimal impact. The service will continue to provide training on-line or at other Council facilities as required, so service users' needs will continue to be met. This assessment recognises that there are other Council facilities which are more accessible to diverse service users because of long-term investments. If the proposal to withdraw from the Professional Development Centre is accepted, this will enable an adjustment to the overall Children's Services budget because of the change in expected revenue generated because of savings from capital recovery. Any revenue generated will be reinvested for the benefit of Norfolk children, young people, and families. If this proposal goes ahead, there is no evidence to indicate that: • The proposal would now have a disproportionate detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics.

Reference and title of proposal	Potential impact
	• The proposal now 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. • The proposal will be implemented in accordance with the Council's statutory responsibilities to children, young people and families, 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 because of this part of the proposal. There may be some minor organisational changes and changes to working arrangements for the small number of staff who currently use the Professional Development Centre as their centre of operations. • Similar proposals have been successfully implemented elsewhere in the UK. A full equality impact assessment of organisational change reviews and restructures has been undertaken by HR. This identifies where there may be the potential for adverse impact on staff with protected characteristics because of workforce reorganisations and restructures and how these will be monitored and mitigated through the application of the correct HR processes which are also equality impact assessed separately.

Reference and title of proposal	Potential impact
Revision to nplaw model: alternative arrangement expected to deliver savings for Children's Services	This proposal recognises that Children's Services must be appropriately represented in court and at hearings involving children, young people, and families, and case work must be robust, however there are opportunities to make savings and use nplaw services more efficiently in future through changes to the way services are provided. The alternative arrangements are expected to deliver savings, as well as upskilling staff in the service and in nplaw. If this proposal goes ahead, there is no evidence to indicate that: • The proposal would now have a disproportionate detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics. • The proposal now 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. Children's Services will continue to have legal representation from nplaw as required. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with the Council's statutory responsibilities to children, young people and families, 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. • 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.
Contract efficiencies: efficiency savings through reducing management roles and one-off inflationary savings	This proposal relates to a re-negotiation of a contract with an external provider to support children and families living with a range of issues and provide community-based early years support. As a result of contract negotiations, management efficiencies have been identified with no impact on front line services, although there may be some redistribution of workloads for management and the contracted provider as a result. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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
	• 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 statutory responsibilities to children, young people and families, 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. A full equality impact assessment of organisational change reviews and restructures has been undertaken by HR. This identifies where there may be the potential for adverse impact on staff with protected characteristics because of workforce reorganisations and restructures and how these will be monitored and mitigated through the application of the correct HR processes which are also equality impact assessed separately.
Review of service levels and demand post-pandemic: not restarting activities where there is no longer demand nor economic viability	This proposal relates to an adjustment in the Children's Services budget to remove costs which are no longer required as there has been no demand for provision post-pandemic. This includes removing the budget allocated for the coordination of the Children's University (a traded service which schools and education providers can still access independently), and removing budget allocated for coordination of international exchanges (also a traded services which schools can continue to facilitate as they wish). There is no requirement to consult with staff about the changes due to re-distribution of workloads internally to balance

Reference and title of proposal	Potential impact
	the loss of functions. If this proposal goes ahead, taking account there has been no demand for these services, there is no evidence to indicate that: • The proposal would have a disproportionate detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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: • Children and young people will not experience any reductions in the quality, standards, or level of support they currently receive. Schools and education providers will continue to be able to access these services independently from Children's Services based on whether they wish to continue to participate in these schemes. • The proposal will be implemented in accordance with the Council's statutory responsibilities to children and young people, 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 because of this proposal. • Similar proposals have been successfully implemented elsewhere in the UK.

Reference and title of proposal	Potential impact

Budget Challenge 4

Reference and title of proposal	Potential impact
One-off funding of transformation spends from capital receipts	This proposal recognises the opportunity to utilise capital receipts as a one-off to support wider transformation work being undertaken within Children's Service. The Flexible Use of Capital Receipts direction allows authorities to use the proceeds from asset sales to fund the revenue costs of projects that will reduce costs, increase revenue or support a more efficient provision of services. There is therefore an opportunity to fund transformation costs from capital receipts where there is an associated saving and no impact on frontline services If this proposal goes ahead, this should support planned service improvements and there is no evidence to indicate that: • The proposal would now have a disproportionate detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics. • The proposal now 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 statutory responsibilities to children and young people, 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 because of this [art of the proposal. • Similar proposals have been successfully implemented elsewhere in the UK.
Additional capitalisation of Senior Leaders in relation to asset development	This proposal recognises that there are likely further opportunities to recover costs through the capitalisation of work undertaken by senior managers in Children's Services through asset development because of their ongoing involvement in provision of advice and consultancy on national and regional projects. Any income generated would be reinvested for the benefit of Norfolk children, young people, and families. If this proposal goes ahead, there is no evidence to indicate that: • The proposal would now have a disproportionate detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics. • The proposal now 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 statutory responsibilities to children and young people, 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 because of this part of the proposal. • Similar proposals have been successfully implemented elsewhere in the UK.
Post-16 transport: remove option to pay a daily fare (currently only available on local buses which charge fares)	The Council provides free school transport, as required by the Education Act 1996, if a child is: • of compulsory school age (5 to 16 years old) on 1 September or they will be 5 before 1 September when applying for school… and • they attend the nearest catchment school or the nearest appropriate school with a place as designated by Children's Services and • live more than 2 miles, measured by the nearest walking route to school, when under the age of 8 • live more than 3 miles walking distance from school, when aged 8 or over. The Council also provides transport for children who are unable to walk to school due to limited mobility or a severe medical condition in some circumstances. Free school transport

Reference and title of proposal	Potential impact
	may also be available for families receiving certain other benefits, dependent on how far from the school a child lives, and eligibility is assessed based on evidence of need. Although young people must now remain in education or training until they are 18, the government has not increased the age range of free transport available to eligible young people. For students aged 16-19 years (or 16-25 years for those with an education, health, and care plan (EHCP) that names a post-16 learning establishment) the Council operates a subsidised scheme on existing local bus or train services, on education transport contract vehicles, or on any specialist transport that is deemed necessary to meet a student's needs. NCC: Post-16 Travel Scheme To ensure equity across the systems this proposal would mean daily payments for travel would no longer be permitted. A review has already been undertaken to inform this proposal, which has identified that the Council currently offers some families the option of paying daily for some types of transport provision. Whilst ceasing daily payments would bring efficiencies, it would also bring equality to the system ensuring all eligible young people have the same payment option regardless of type of transport. The removal of the option of the daily payment would also enable Children's Services to manage the post-16 travel budget robustly and allow for more effective monitoring of demand. While this would be a change for a small number of affected young people and their parents and carers initially, the change will be communicated in advance, and those affected be signposted to advice and guidance to ensure the young people can continue to travel to school or college with no disruption. This assessment recognises that in the short term, whilst changes are implemented the proposal to remove daily payments could: • Have a disproportionate detrimental impact on a small number of people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority

Reference and title of proposal	Potential impact
	groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. However: • Eligible young people should not experience any reductions in the quality, standards, or level of support they currently receive. No changes are proposed to eligibility criteria, so young people should continue to receive support relevant to their assessed needs in accordance with the Council's legal obligations. There should be no increased direct costs for parents and carers whose children and young people are eligible for support with transportation. • The proposal will be implemented in accordance with the Council's 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. As the removal of daily payments would constitute a change in the way a small proportion of young people pay for post 16 transport and receive their subsidised support, it will require a further equality impact assessment to be undertaken prior to implementation to ensure that any potential for short term adverse impact is fully understood and mitigated. The small

Reference and title of proposal	Potential impact
	cohort of affected young people will be communicated with so they understand and can adapt to the changes with advice and support in place.
Strategic review of internal post-16 teams: ensuring integrated delivery of these functions across the council and the wider system	The review of specialist post-16 teams ensuring integrated delivery of these functions across the council and the wider system should not impact on how eligible young people access services. If this proposal goes ahead, overall, this proposal should have a positive impact on young people as support will continue to be provided in accordance with assessed needs, but the service will be delivered more efficiently. If this proposal goes ahead, there is no evidence to indicate that: • The proposal would have a disproportionate detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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: • Young people 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 young people will continue to receive support relevant to their assessed needs. Young people who currently receive a service will continue to do so. • The proposal will be implemented in accordance with the Council's statutory responsibilities to children, young people and families, 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. • There is insufficient evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. Any organisational changes to staffing structures or changes to staff terms or conditions will be undertaken in accordance with HR policies which are impact assessed separately. • Similar proposals have been successfully implemented elsewhere in the UK.
Strategic Review: Opportunities A and B	See **APPENDIX 5 – All Strategic Review Proposals – Budget Equality Impact Assessment 2023-24** for details of the Equality Impact Assessment for this proposal

EQIA APPENDIX 3 – Community & Environmental Services – Budget savings proposals 2023-24

Budget Challenge 1-3

Reference and title of proposal	Potential impact
Budget reduction: reduction of Arts Projects Grants and reduction in the Strategic Fund	The Arts Strategic Fund supports strategic arts activities in the county. This Fund is a recognised invaluable means of enabling partners across the cultural sector to access a wide range of external investment, including public funding such as the National Lottery, Arts Council England (ACE), trusts and foundations. This match-funding is used to support in-year funding applications by cultural partners to funding bodies including Arts Council England. It also enables the wider strategic development and capacity building of the sector and supports collaborative development work across Norfolk and Suffolk with, and on behalf of, the Norfolk and Suffolk Culture Board. Funding supports creative enterprise, cultural leadership development activity, skills programmes, and cultural tourism development. The NCC Arts Project Fund prioritises support to projects and activities that demonstrate significant community impact and benefit, and which most closely fulfil the Council's strategic aims and Arts Policy objectives. The Council has made previously made awards of up to £500 to around 70 projects per year. Funding is awarded based on eligibility criteria for projects – for example: • Projects which demonstrate the wider value and impact of the arts on individuals and communities eg, health and wellbeing, social inclusion, learning & skills, and community cohesion. • Arts projects which benefit arts practitioners, and which are accessible to people of • all ages and backgrounds. • Projects which encourage exploration and awareness of cultural diversity and develop new audiences for the arts. If accepted, this proposal will reduce the budget available for these two arts funds. The main potential for adverse impact is that the proposal may reduce the capacity of smaller arts

Reference and title of proposal	Potential impact
	organisations in Norfolk to deliver targeted initiatives to groups with protected characteristics, including those with complex needs, and outreach work. This has been identified in equality impact assessments undertaken in previous years. Evidence suggests that vulnerable people with protected characteristics, and those with complex needs are at greater risk of social exclusion and isolation, and less likely to participate in the arts than other people. Any associated reduction in outreach work could impact on people in rural areas. Any increase in ticket prices will impact on people on low incomes. Disabled and older people and people from Black, Asian, and other diverse ethnicity minority backgrounds are often in the lowest income groups. Arts organisations in Norfolk have historically played a significant role in delivering outward facing programmes to promote equality, foster positive relationships between different communities in Norfolk and provide educative opportunities. Any potential for disadvantage will be minimised where possible by: • ensuring the criteria for awards remains focused on meeting the Council's wider strategic priorities • ensuring that activities supporting or benefiting vulnerable and excluded people are prioritised. The Service will continue to mitigate any potential detrimental impact by continuing to identify other ways to promote, celebrate and support diverse and seldom heard communities – through well-established programmes for Black History Month and Norfolk Pride and LGBTQ+ History Month as examples. The service has also successfully attracted increased Arts Council England funding for the next 3 years. Arts Council funding will be focused on supporting and maintaining outreach and engagement with diverse communities, including targeted outreach and support to enable people who are at greater risk of social exclusion and isolation to access the Arts. A good example of this work is the regional Festival of East Anglia & Punjab. The Service undertakes an annual review of supported organisations and has robust data with respect to the diversity of the programmes it supports through funding – this information

Reference and title of proposal	Potential impact
	is reviewed annually to help inform diverse project and programme development and delivery. This assessment recognised that there may be some limited evidence to indicate that: • The proposal may have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics. • The proposal may 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. However: • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The service will continue to maintain its strong track record with respect to promoting and supporting equality, diversity, and inclusion. • 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
Business Rates Pool – forecast income over £2m	This proposal, relating to the pooled business rates, which are in the Council's control, has no direct impact on front line services or on the workforce, as this is a source of income. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 because of this proposal. 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.
Business Support review	See **APPENDIX 5 – All Strategic Review Proposals – Budget Equality Impact Assessment 2023-24** for details of the Equality Impact Assessment for this proposal
Civil Parking Enforcement – future back-office efficiencies	If accepted, this proposal, will involve the transfer and combining of back-office services in civil parking enforcement from Norwich City Council to Kings Lynn & West Borough District Council and will achieve savings through delivering efficiencies in the management and administration of enforcement processes. The transfer will commence in October 2023. A small number of City Council employees will be impacted by this change but will be protected through TUPE processes. The change will be clearly communicated to members of the public through the Council's website and through information provided at the time of enforcement. Service users should only experience minor changes with regards who to contact for advice and information relating to civil parking enforcement matters (including appeals processes) in affected areas. There will be robust interim arrangements in place for the duration of the change period (until April 2024) to support the smooth transition of back-office services. A full equality impact assessment of organisational change reviews and restructures has been undertaken. This identifies where there may be the potential for adverse impact on staff with protected characteristics because of workforce reorganisations and restructures and how these will be monitored and mitigated through the application of the correct HR processes (which are also equality impact assessed separately). If this proposal goes ahead, there is no evidence to indicate that: • The proposal would have a disproportionate detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics.

Reference and title of proposal	Potential impact
	• 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. Information about the changes will be communicated clearly to affected members of the public and to staff. • The proposal will be implemented in accordance with the Council's statutory responsibilities, 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 – only a small number of City Council employees will be affected by these changes. Any organisational changes to staffing structures or changes to staff terms or conditions will be conducted in accordance with TUPE/HR processes • Similar proposals have been successfully implemented elsewhere in the UK.
Closed landfill: capitalise borehole installations	A closed landfill is a site where solid waste is no longer deposited for disposal but is still monitored to ensure its environmental safety and that site risks around landfill gas and leachate are being managed effectively. In the proposal some borehole installations (to undertake monitoring and management of risks) will be recognised as assets rather than expenses, due to the County Council's investment into the development of these. There is no evidence to indicate that:

Reference and title of proposal	Potential impact
	• The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; people who are intersex or non-binary; disabled people; People from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. • 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
Flood Prevention Funding – capitalise relevant activity previously funded from revenue budgets	This proposal will generate a saving through recognising flood prevention activities as assets rather than expenses, due to the Council's longer-term work and investment into the development of these. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. • 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

Reference and title of proposal	Potential impact
	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.
Norfolk Record Office – reduction in opening hours and income generation	The Norfolk Record Office provides a range of services to the public who are seeking documentation (including copies of birth, deaths, and marriage certificates) as well as offering advice, guidance and support for people undertaking research and archival work in Norfolk. The Norfolk Record Office has always sought to keep its fees and charges at a reasonable rate. This proposal recognises that there is now a need to increase some fees and charges, taking account of rising costs and the need to generate sufficient revenue to maintain a high-quality and accessible service to all Norfolk residents. This proposal also recognises that other savings can be made by reducing opening hours at times when there is low demand. This proposal is subject to public consultation. This will enable diverse service users to express their views and feedback will be taken account of in the implementation of this proposal, to ensure that the services on offer continue to be accessible to those who wish to use these. There is minimal evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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,

Reference and title of proposal	Potential impact
	compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users should not experience any reductions in the quality or standards of service they currently receive. People who currently pay for services will continue to do so (albeit that some fees and charges to the public who use the service will increase), and the service may be open at different times, based on overall demand. • 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 limited evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. This proposal may impact on some staff. Any organisational changes will be undertaken in accordance with HR policies which are impact assessed separately. • Similar proposals have been successfully implemented elsewhere in the UK. A full equality impact assessment of organisational change reviews and restructures has been undertaken. This identifies where there may be the potential for adverse impact on staff with protected characteristics because of workforce reorganisations and restructures and how these will be monitored and mitigated through the application of the correct HR processes (which are also equality impact assessed separately).
One-off usage of CES reserves	If this proposal goes ahead, it will mean releasing funds from the reserves to alleviate budget pressures as a 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

Reference and title of proposal	Potential impact
	who are intersex or non-binary; disabled people; People from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. • 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.
Recycling centres: contract efficiencies	This proposal relates to further optimisation of the contract arrangement with NEWS and Norse who provide recycling services and the updating of service level agreements to achieve better value for money. There will be no changes to services to the public because of this proposal. There is no evidence to indicate that:

<table>
<tr><th>Reference and title of proposal</th><th>Potential impact</th></tr>
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The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 service they currently receive. People who currently receive a service will continue to do so.
The proposal will not lead to new or increased direct or indirect 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. Some contracted staff of the commissioned provider may be impacted because of the renegotiation of contracts which will be the responsibility of their employer to manage. 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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Reference and title of proposal	Potential impact
Recycling centres: harmonise summer opening hours at recycling centres	This proposal will involve modifying summer opening hours, so these are standardised across Norfolk recycling centres all year round. This proposal may involve some minor adjustments to staff working arrangements to ensure that the centres are appropriately staffed during opening hours. The proposal is intended to positively benefit service users because it will mean that opening hours will be consistent across Norfolk all year round. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. • 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
	• There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. Any changes to staff working hours will be implemented in accordance with their terms or conditions and relevant HR policies and procedures which are impact assessed separately. • Similar proposals have been successfully implemented elsewhere in the UK.
Recycling centres: Wednesday closures *Note: Proposal removed from budget planning*	If this proposal goes ahead, it will mean closing full-time recycling centres that are currently open seven days a week, on Wednesdays but would not affect part-time recycling centres that only open Friday to Monday. The proposal recognises that at full-time recycling centres there is lower demand by the public for using the recycling centres on some weekdays, although it is recognised that older retired people and other people who do not work may make more use of the recycling centres mid-week as they wish to avoid going to the centres at peak times. This impact is mitigated because recycling centres will remain open on other weekdays. Two new recycling centres in the greater Norwich area have been designed to be as inclusive and accessible as possible and include large reuse shops, parking for cars and bikes and bins at lower levels and this approach is being factored into other new site designs. This proposal is subject to public consultation. This will enable diverse service users to express their views and their feedback will be taken account of in the implementation of this proposal, to ensure that the services offered are accessible to those who wish to use these. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics.

Reference and title of proposal	Potential impact
	• 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 of the service they currently receive. People who currently access this service will continue to do so, albeit there will be a reduction in the service. • 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 insufficient evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. Any changes to staff working hours will be implemented in accordance with their terms or conditions and relevant HR policies and procedures which are impact assessed separately. • Similar proposals have been successfully implemented elsewhere in the UK.
Reduce funding to the Norfolk Windmills trust	The Norfolk Windmills Trust cares for 21 buildings across Norfolk. Thirteen are owned or leased by Norfolk County Council. These are open to the public on certain days throughout the year when admission is charged. This proposal seeks to reduce Council funding by a range of means – for example, increasing the frequency of open days and generating more revenue from admissions. This will enable the Trust to continue to pay for restoration and maintenance of the windmills.

Reference and title of proposal	Potential impact
	The proposal may lead to new or increased costs for members of the public (visitors and residents) who visit Norfolk windmills. It is recognised that the Norfolk windmills are an important part of Norfolk's heritage, but due to their age, structure, and their locations across Norfolk they may not be fully accessible to all Norfolk residents, particularly residents with physical disabilities. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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: • Norfolk residents should still be able to visit the Norfolk windmills, albeit there may be increased costs to do so and not all the sites are fully accessible. • 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

Reference and title of proposal	Potential impact
	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.
Reducing weedkilling on highway network to a single treatment	This proposal will seek to reduce costs for the highways networks through reducing the frequency of weedkilling treatments. This proposal will have no direct impact on service users but may have a limited impact on the workforce/contracted staff due to the change in workloads. There are associated benefits to the environment, and Highways will continue to ensure that grass verges are cut as required for safety reasons. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 because of this proposal. 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. • 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.
Review charges for events on the Highway	This proposal recognises there may be a need to increase some charges, to take account of the increasing costs to provide services and budget pressures. Non-community events on the public highway are charged per event, for arranging and processing Traffic Regulation Orders etc. Currently, community events are heavily subsidised and consequently parish councils and other interested parties are only currently charged a nominal fee of £41. This fee has been further reduced for certain events such as royal weddings and jubilees etc. Typically, each year there are around 100 community events where this reduced charge is applied. The proposal is to charge the full amount to ensure the Council's costs are covered. The Highways service has always sought to keep its fees and charges set at an affordable rate and all fees and charges are reviewed annually. This is to ensure these generate sufficient revenue to ensure the Council can continue to provide a high-quality service to all Norfolk residents and maintain Norfolk's highways to a good safe level. Other fees and charges are applied in accordance with the [published schedule.] It is recognised that this would be seen as a substantial increase in fees, and this assessment identifies that this may impact negatively on community groups who wish to hold events, raise funds, or celebrate with their community. The smaller the community group,

Reference and title of proposal	Potential impact
	the less available income they may be able to generate to pay these fees. In addition, it should be recognised that charitable contributions and small grant funding for community activities has reduced significantly overall due to the wider financial climate. Smaller community and voluntary organisations representing special interest groups (including those supporting groups of people with protected characteristics) may find it particularly difficult to raise funds to pay for significantly increased fees and therefore may have to make choices to limit or refocus their community activities as a result. The Council will seek to mitigate this impact by continuing to identify other ways to promote, celebrate and support diverse seldom heard communities – through well-established programmes for Black History Month and Norfolk Pride and LGBTQ+ History Month as examples. This assessment recognises that there may be some evidence to indicate that: • The proposal may have a disproportionate or detrimental impact on some people with protected characteristics (such as older and younger people; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics. • The proposal may 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 assessment recognises that: • Norfolk residents should not experience any reductions in the quality or standards of service they currently receive, albeit that some charges will increase to bring these in line with other fees

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. • Similar proposals have been successfully implemented elsewhere in the UK.
Review of budget assumptions: Removal of growth and cost pressures previously assumed in the Community and Environmental Services budget which are no longer expected to be required.	This proposal involves adjusting the overall Community and Environmental Services budget to remove assumed growth and cost pressures which are believed to no longer be required, based on the latest information. There is no impact on front line services or on the workforce. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 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.
Review of Norfolk's Mobile Library Service and Vehicle replacement fund	This equality impact assessment considers a proposal to deliver a redesigned mobile library service, based on the following key principles: - • Regular mobile stops to be designed no closer than 1.5 miles of a branch library, except where there are significant geographical barriers or another significant factor to be considered • Any stops that have been unused for six months/the last six visits will cease • Encourage use of the Home Library Service (HLS) where people are unable or less able to reach either a mobile library stop or a branch library • Utilise greener vehicle options as the business case and affordable technologies allow *(note that an Electric Vehicle Mini-Mobile is being purchased using funds from a secured external grant)* • Continue to provide non-scheduled targeted activity for those socially furthest from the service, supporting one-off campaigns and programmes e.g., at care homes,

Reference and title of proposal	Potential impact
	Travellers' sites and with schools or nurseries *(note the Electric Vehicle Mini-Mobile will be used for this purpose)* **The people affected** In total, 5224 people used the mobile library service in Norfolk between January 2022 and December 2022. It is estimated that 278 current mobile library service users would be affected by the proposal. This includes people with a range of protected characteristics, set out below. The proposal would impact on employees of the service, as it would lead to a reduction of 1 full time equivalent (FTE) post. However, there is currently a 1 FTE post vacant within the service. Employees will be consulted on the changes and implications in accordance with agreed HR policies, and in line with the equality impact assessment of Organisational Change, Restructure and Review. This ensures that employees with protected characteristics (which includes being from the armed forces community) have access to appropriate support. **The demographic profile of the people affected** It is well documented that people who use mobile library services in Norfolk (and England as a whole), tend to be older people. Of the current profile of 278 current Norfolk mobile library service users, 60% are over the age of 65. Detailed demographic information on the other protected characteristics of these service users is not known.

Reference and title of proposal	Potential impact
	However, there is good information about the protected characteristics of the 5224 people who used the mobile library service in Norfolk between January 2022 and December 2022. For example: • The highest proportion of users were aged 75 to 95+ (1,768). The next groups, in terms of size were: • People 25 years and under (1,424) • People aged 65 to 74 years (939) • People aged 25 to 64 years (964). In terms of sex/gender, the majority of service users are women (64 per cent women vs 27.4 per cent men). In term of disability, around 6% of users self-identified as being disabled, homebound or being a hospital member. There were low levels of reporting on ethnicity. **Public consultation on the proposal** Another source of data is the public consultation findings on the proposal, which was carried out from 22nd July to 21st September 2022. In summary, there was a good participation rate, with 1,397 responses received: • 60% of respondents to the public consultation were over the age of 65 and 36% were over the age of 75 (due to this age profile, there is a strong likelihood that more women than men will be impacted by the changes, as the number of women in

Reference and title of proposal	Potential impact
	proportion to men in the county increases with age, for example, in Norfolk, people aged 85+ are more likely to be women who live alone). • 1% of respondents to the consultation were under the age of 24. • 30% of respondents declared a disability which included sight loss, physical, mobility and wheelchair use, heart conditions and mental health issues. • 33% of respondents had no transport or means to get to other library services. Respondents reported this is a key service, often describing it as a ‘vital lifeline’ to people in rural communities at increased risk of social isolation. Respondents reiterated the importance of the role of the library service in alleviating loneliness and reducing social isolation, particularly among older and/or less mobile people. There were many positive comments about the service and the staff – particularly - were praised. The contribution of the mobile library service in improving literacy and facilitating people’s love of reading was also noted. There was limited desire for people to change to digital services, existing users of these services often noted barriers to access or caveats around the take-up of digital services. Those less likely to use digital and online services gave their reasons as a preference for books and face to face contact, or technical skills/barriers. When asked about other activities or services that could be provided alongside the mobile library service, over half of respondents (725 or 51.90%) picked the ‘basic health checks’ option of listed potential activities. The Healthy Libraries initiative, an established partnership with Public Health and now the NHS (National Health Service), will continue to seek ways to enhance this offer within the redesign and continuation of the mobile library service. Other suggestions for the service to explore were charities, organisations for children or older people, The Post Office, councils, financial organisations, and food suppliers. These would require further partnership development and feasibility work.

Reference and title of proposal	Potential impact
	The Home Library Service (HLS) is volunteer delivered via agreement with the Royal Voluntary Service (RVS). The aim of the HLS is "to provide a library and information service to people referred to as Home Library Service customers who because of restricted mobility, are vulnerable, housebound or in residential care, or have considerable difficulty getting to a local library or mobile library." 68.6% of respondents to the public consultation were not aware of the Home Library Service and 16%, or 223 people, said that they would be interested in using the HLS now that they know about it. This provides an opportunity to enhance the use of the HLS when redesigning the routes, to ensure residents still receive an adequate level of service. A further 35%, or 493 people, said that they may be interested in using the HLS. There is some capacity within current provision of the HLS to serve more customers and the RVS is keen to recruit additional volunteers. The Electric Vehicle (EV) Mini Mobile is being funded by a grant from the Arts Council Libraries Improvement Fund. It will enable an environmentally responsible means of bringing the library service to deprived areas, fitting-out an EV with books and a suite of laptops or tablets to visit schools and targeted areas such as hospitals and other care settings. Respondents told us visits should be long enough to carry out activities which promote wellbeing and/or social cohesion or to allow library users to do activities such as chat and choose from a wide selection of books. Respondents also told us that they wanted mobile library services to be provided in rural areas; places where clusters of residents have specific needs and, conversely, where there is any need. The main reason people are unlikely to travel to a branch is lack of transport, though the cost of travel and barriers to accessing branch libraries were also mentioned. The main feedback given to prioritise routes and stops were usage and the availability of other services in the area.

Reference and title of proposal	Potential impact
	It was evident that many respondents considered themselves to be rurally or socially isolated. Responses came in from every part of Norfolk, with slightly lower responses from Great Yarmouth and Norwich. **If the proposal goes ahead** 278 current mobile library service users would be affected by the change. The proposal sets out principles for the continuation of the service, identifying new routes that will cause minimal disruption for service users. The Library Service would contact all users affected by the change and guide them to alternative services that include use of a branch library or registering for the Home Library Service to mitigate disruption for users. The Library Service would include work with the Digital Inclusion Strategy team to help people to make the transition to digital options where this provides a wider range of reading materials such as Large Print or eAudio listening books. There would be opportunities for targeted activity that is not part of the scheduled mobile library stops and routes. The proposal also includes use of an Electric Vehicle (EV), grant funded, for targeted activity to also mitigate the impact of change for customers. **Potential impact of the proposal** Based on the evidence available, if the proposal goes ahead, there may be a limited detrimental impact on some older and disabled people over the shorter term. This is because

Reference and title of proposal	Potential impact
	some users may not be able to access the mobile library service in the same way they did previously. However, it is important to note that this detrimental impact is not considered to be substantial, because existing service users may continue to be able to access reading and audio materials from the home library service. This means that Norfolk will be able to maintain a ‘comprehensive and efficient library service’ for all residents. It should also be noted that the current mobile library service is not accessible to all older and disabled people – specifically older and disabled people who are unable to leave home or travel independently to a mobile library vehicle (it should be noted that some service users benefit from the mobile library stop being parked outside their home or very close by). In view of this therefore, there is potentially a positive impact for older and disabled people over the longer term, as the proposed expansion, development and marketing of the home library service means that people who are currently unable to use the mobile library service due to their age or disability will be signposted to use the HLS. In addition, current users of the service, who were finding it challenging to use the service due to increasing age or disability, may still be able to access reading and audio materials. In the short term there is a risk that the HLS may not have capacity in some specific areas where there is demand, but every effort would be made to develop business resilience over the longer term. There is insufficient evidence to show whether people from some ethnic minority groups and people of diverse religions and beliefs will be negatively impacted by the proposal. Whilst Norfolk is home to a growing ethnically diverse population, Office of National Statistics data suggests that the county’s ethnic minority population is primarily concentrated in urban communities. Norfolk Library user data shows a high proportion of branch library users from ethnic minorities.

Reference and title of proposal	Potential impact
	The Mobile Library Service does not currently serve Traveller sites in the county, except for the Roundwell site in Norwich. Provision to Roundwell site is not affected by this proposal. There is evidence of low levels of literacy skills on local authority-owned Traveller sites in Norfolk. In view of this the service is exploring options undertake outreach to these sites, working with relevant teams such as Traveller Education to enable more Gypsy and Traveller young people and families to access reading and audio materials. As indicated earlier in this assessment, there is a strong likelihood that more women than men will be impacted by the proposal. It may also be the case that women of younger age groups may be more impacted, as they are more likely to be primary caregivers to young children and be economically inactive living in rural areas, hence more likely to utilise a local mobile library service. Branch library services already provide resources targeted parenting, pregnancy, women into work and reading groups and the proposal has already sought to prioritise securing routes where the mobile service has higher numbers of older women or families with young children or routes which are further away from static libraries and poorer public transport. The Service will continue to prioritise targeting activities which will complement other community provision for families with children. There is no evidence to indicate that lesbian, gay, bisexual, transgender or non-binary people (LGBT+) would be negatively impacted by the proposal. Norfolk Library Service is well regarded for the diverse resources it provides to LGBT+ service users, and the availability of this resource will remain unchanged. If the proposal goes ahead, the Mobile Library Service will continue to ensure that the mobile library service takes account of the needs of people with protected characteristics (whether in terms of ethnicity, disability, sex, gender, sexual orientation and religion and belief) by providing access to relevant reading and audio resources.

Reference and title of proposal	Potential impact
	It is relevant to note that a primary issue raised by participants in the consultation was 'increased social isolation' if the mobile library service was removed. Whilst this is a significant impact (greatly valued by service users) it should be noted that the general duty of the library service (as set out in the Public Libraries and Museums Act 1964) does not include tackling social isolation. Having noted this, recent strategies for the library service published by the Department for Digital, Culture Media, have identified cultural enrichment, happier lives and social cohesion as important aspects of the library service. It should also be noted that the demographic profile of mobile library users is likely to undergo a significant shift over future years. This is because as the digitally confident population ages, the number of people who prefer to access digital services is likely to increase. In terms of the impact on employees, this is addressed as set out earlier in this assessment. **Conclusion** There is no legal impediment to going ahead with the proposal. The proposal will be compliant with the Public Libraries and Museums Act 1964 to provide a 'comprehensive and efficient library service to all persons'. The Norfolk Library and Information Service will continue to meet the needs of the most vulnerable people in Norfolk, including older, disabled, socially isolated and rurally disadvantaged residents. It is possible to conclude that the proposal may have a detrimental impact on some people, for the reasons set out in this assessment. It may also have positive impacts, set out in the assessment.

Reference and title of proposal	Potential impact
	Over the longer term, the process of developing and expanding the home library service could have far-reaching benefits for older and disabled people across Norfolk for decades to come. Decision-makers are advised to take the impacts set out in this assessment into account when deciding whether the proposal should go ahead, in addition to the mitigating actions recommended at the end of this document.[65] Some of the mitigating actions will address the detrimental impacts identified in this assessment, but it is not possible to address all the potential impacts. Ultimately, the task for decision-makers is to balance these impacts alongside the need to manage reduced resources and continue to provide a library service to the people of Norfolk.
Roll out of on street parking charges[66]	This proposal is to roll out new a suite of new parking schemes to solve historical parking issues across different locations in Norfolk, with tailored options to meet the needs of each community. The purpose is to provide an effective on-street parking service in these locations and manage the Council’s assets in a cost-effective way, while still ensuring that local people’s parking needs are met. This assessment recognises that car parking charges can influence residents and visitors home, school, work, and travel choices and also promote sustainable transport choices. We are aware, from feedback received to date that some residents will be strongly supportive of the proposal on the basis that this approach should discourage non-residential (tourist or business parking in residential areas enabling more people to park closer to their homes). It is understood that any increased or new parking charges would potentially have a more significant impact on lower income households and particularly on those who rely on using

[65] Mitigating actions agreed because of this assessment can be found at page 66 of this Appendix
[66] Consultation will be undertaken with specific areas impacted prior to any implementation

Reference and title of proposal	Potential impact
	their own vehicles for work (including delivery drivers and tradespeople who may be on zero-hour contracts). There is some evidence nationally to suggest that there are likely to be a disproportionate number of people from diverse ethnic backgrounds in this type of work. There may also be a greater impact on disabled people on lower incomes who rely on a Motability vehicle to travel independently, however it should be considered that this group will also be in receipt of the higher rate PIP mobility payment which may offset some impact. It is recognised that all Blue Badge holders will continue to be able to park free of charge at some Pay and Display sites and in some marked residential and business areas (with statutory limitations) and that disabled and older people (and some eligible carers) will continue to be able to access free off-peak bus transportation across Norfolk. Nothing in this proposal will impede the concessions they are entitled to currently and therefore this would mitigate the impact of any changes on disabled and older people. Full time students aged 5-19 (including those studying at City College Norwich) can also access discounted fares for unlimited travel on First Buses. There is limited evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; people who are intersex or non-binary; disabled people; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics. It should also be considered that: • For these proposals to take effect an existing Traffic Regulation Order will need to be amended and this proposal will follow a formal inclusive consultation process, as a result, which will ensure that people with diverse protected characteristics can give feedback. • The Council will communicate with those residents likely to be affected as early as possible because the proposal may lead to increased costs for some Norfolk residents, thus enabling them to prepare in advance and give their views.

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. • Similar proposals have been successfully implemented elsewhere in the UK. This proposal will require a further equality impact assessment to be undertaken to assess feedback from people with protected characteristics and inform the detailed implementation plans. If it emerges that an aspect of the restructure may have a 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 enable next steps to be agreed before proceeding further.
Waste reduction initiatives: reduced funding	If accepted, this proposal will reduce the available funding for the Council to spend on campaigns, initiatives and awareness raising activities to reduce waste. The Council will identify ways to use alternative lower cost methods including working effectively with the Norfolk Waste Partnership on shared goals and objectives and continue to promote important messages and programmes to increase the benefits of waste reduction through recycling and re-use. Norfolk Recycles is the public-facing brand of the Norfolk Waste Partnership (NWP); a partnership of Norfolk's County, District, Borough, and City councils working together to improve waste and recycling services for Norfolk's residents and visitors and campaign against fly-tipping. Norfolk Recycles has developed a fully accessible website as a central repository of information and advice and will continue to be used to promote shared and increasingly targeted campaigns through established networks, including on social media and in the community.

Reference and title of proposal	Potential impact
	It is recognised that some people with protected characteristics, particularly some older, disabled, and ethnic minority people may experience barriers when engaging with campaigns where information is only provided online or in one format. The County Council and NWP should take account of this in the development of all future campaigns and consider how it can monitor and assess whether information is reaching a diverse audience. Information on Norfolk Recycles is already provided to every household in Norfolk through different mechanisms the "Your Norfolk" newsletters, e-bulletins and through District, Borough, and City Council magazines. The County Council and NWP support a range of community initiatives although some of this activity may be limited because of the reduction in funding. There is currently limited evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 services because of this proposal. 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.
Winter maintenance – operational delivery efficiencies	This proposal relates to a change in the ICT system being used to manage the winter maintenance programme of work. This will achieve a cost saving through the procurement of a new system which is expected to also deliver efficiencies. The priority for winter maintenance will continue to be to carry out precautionary salting on priority established routes when ice is likely to form – this includes on A, B and some C class roads, commuter and major bus routes and, as far as is possible, one route into all villages and some pedestrian areas in central King's Lynn, central Great Yarmouth and central Norwich. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 should not experience any reductions in the quality, standards, or level of service they currently receive. 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 limited evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. This proposal may impact on some contracted Norse staff. Full training on the system will be provided 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.
Review of fees and charges: review of fees and charges across Highways and Waste budgets to ensure charging is at the right level and introduce new charges in line with other local authorities where appropriate	The ongoing review of fees and charges has identified that some Highways, Transport and Waste services fees are set at substantially lower rates in Norfolk in comparison to neighbouring authorities, and some fees require adjusting on an annual basis to take account of inflationary increases (RPI) and other effects on costs. This proposal also recognises that there may also be opportunities for the Council to generate revenue for reinvestment by introducing some new fees – particularly to businesses and developers where they wish to use the highways for their purposes – for example displaying banners on highways or for permits for skips and scaffolding. Where necessary, the public will be consulted on increased fees, in accordance with the Council's legal obligations.

Reference and title of proposal	Potential impact
	This proposal, if accepted would enable the Council to generate more income, primarily from businesses and developers, for re-investment in the service, to maintain services and cover enforcement costs. The proposal will ensure that where the Council can lawfully make charges, these fees are set at competitive levels and deliver value for money. There may be some impact on individual service users, but frontline services would be unaffected by this proposal. Fees and charges would apply based on agreed set criteria with statutory exemptions. Rates will be tested for affordability, and all fees and charges will be published and reviewed annually in accordance with the schedules. There is currently insufficient evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. However: • Service users will not experience any reductions in the quality, standards, or level of support they currently receive, albeit there may be some increases in some fees and new charges • 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

Reference and title of proposal	Potential impact
	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. This proposal may require officers to undertake further equality impact assessments to understand whether there is a likelihood of any adverse impact on people with protected characteristics, taking account of feedback from consultations undertaken and statutory guidance with respect making fees and charges. If it emerges that an aspect of the restructure may have a 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 enable next steps to be agreed before proceeding further.
Review of Highways and Waste budgets: reviewing service levels, budget requirements and demand, contract efficiencies, capitalisation, and deletion of vacant posts	If accepted, this proposal will bring together several different activities to deliver efficiencies, ensure contracts are delivering value for money and proactively identify improvements to highways and waste services. Increasing the frequency of proactive highway street-works inspections and close monitoring of contractors work and compliance with permit schemes would benefit residents. Extension of contracts which are performing well would create savings from procurement processes, as would the capitalisation of assets which have benefited from service investments and the deletion of posts and re-distribution of work, and the recognition of further opportunities to recover costs from re-charging of for advice and consultancy on national projects. Whilst for some Waste services that are demand led, changing budgets to reflect the most recent levels of demand will generate a cost reduction, driven mainly by a reduction in the amount of residual waste collected by Norfolk’s councils.

Reference and title of proposal	Potential impact
	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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. • 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. Any changes to staff working hours will be implemented in accordance with their terms or conditions and relevant HR policies and procedures which are impact assessed separately. • Similar proposals have been successfully implemented elsewhere in the UK.

Reference and title of proposal	Potential impact
Restructure of the Museums Service[67]	Since 2021, the Museums Service has been looking at how funding can be accessed or used in different ways to maintain service levels and deliver efficiencies. The Service has successfully attracted significant national funding to maintain and enhance provision at all its 10 museums and in the delivery of services across Norfolk. If accepted, this proposal will seek to deliver efficiencies within the Service with minimal impact on Norfolk residents and visitors who wish to visit the various museum or engage with education programmes. Savings will be achieved through restructuring the service and reviewing staffing levels. The planned restructure will take account of analysis of demand for/use of locations at different times by members of the public and groups and consider visitor feedback in tailoring the offer. There may be some adjustments to opening times and/or entry fees as a result, and there may also be some changes behind the scenes in terms of managing exhibitions and supporting ongoing preservation and education work. In 2021-22 the Museums Service undertook in-depth accessibility audits at key locations to understand how to make its physical locations as accessible and inclusive as possible. This work has included a detailed equality impact assessment of the refurbishment of Norwich Castle and a full access audit of Gressenhall Farm and Workhouse (currently underway and linked to the work being undertaken through the Monuments Project). The Museums Service is also providing Changing Places toilets in some locations. The evidence from these assessments and audits will be considered as part of the restructure to enable the Service to consider how people with one or more protected characteristic can use the Service, and whether there are still opportunities to generate more income through increased footfall. The Service has a strong track record of meeting the needs of diverse communities and will continue to support community led initiatives both physically and online – including, but not limited to LGBTQ+ History Month, Holocaust Memorial Day and Black History Month, and through the Kick the Dust programme for young people and Slaves of Fashion exhibition.

[67] Proposal to deliver efficiencies within the service, this does not relate to changes in the level or type of services provided.

Reference and title of proposal	Potential impact
	If this proposal goes ahead, there is currently limited 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 should not experience any significant reductions in the quality or standards of the service they currently receive. People who currently access this service will continue to do so, albeit there may be some limited changes to how they access this service. • 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 insufficient evidence available currently to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. Any organisational changes to staffing structures or changes to staff terms or conditions with be undertaken in accordance with HR policies and procedures which are impact assessed separately and all affected staff will be consulted with in accordance with the Council's legal responsibilities as an employer. • Similar proposals have been successfully implemented elsewhere in the UK.

Budget Challenge 4

Reference and title of proposal	Potential impact
Capitalisation in EDI service	This proposal represents a change in accounting recognising the commercial consultancy and advice services provided by officers within the EDI service and associate income generation for reinvestment can be considered a capital asset. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. • 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

Reference and title of proposal	Potential impact
	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.
One-off saving from Trading Standards staffing budget	This proposal recognises that as trainee Trading Standards Officers progress through their qualification journey their salary will increase. Previously, the budget was set above the current Officer's existing salary level. Taking account of the time it would take current staff to reach the required level of qualifications, the assumed budget can be reduced in this financial year (as a one-off saving). 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 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.
Armed forces covenant funding – reduce funding contribution for one year	The Norfolk Armed Forces Covenant Board is a highly-regarded, established independent Board. It facilitates partnership work and supports organisations across Norfolk to improve outcomes for members of Norfolk's armed forces in line with the Armed Forces Act 2021, which more recently includes the new statutory duty of due regard to the Covenant. This proposal recognises that the small events and partnership activities budget provided by the Council to the Armed Forces Covenant Board has been under-utilised in the past. For one year only, it is proposed to reduce the funding allocation we provide to the Norfolk Armed Forces Covenant Board budget for 2023/2024 from £20,000 to £10,000. This means that in 2023/2024, the Board would receive funding of £10,000. Thereafter, from 2024/2025, the funding allocation to the Board would return to £20,000 per annum. It is not proposed to make any reductions to any other aspect of the significant level of resource we dedicate to the Board.

<table>
<tr><th>Reference and title of proposal</th><th>Potential impact</th></tr>
<tr><td></td><td>The Norfolk Armed Forces Commissioner and the Norfolk Armed Forces Covenant Board members have been asked for their views about the proposal, to ensure that we fully understand the potential before making a decision. The findings of this equality assessment will be updated when this information is available.

If the proposal goes ahead, the Board will still retain a budget in 2023/24 to support projects to improve outcomes for Norfolk’s armed forces community. This should not impact on the Board’s ability to continue to be able to maintain strong relationships with Armed Forces Charities and local services supporting the Armed Forces community in Norfolk to ensure that the needs of serving families and veterans living in Norfolk are being met.

There is no evidence at the present time to indicate that:
The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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.</td></tr>
</table>

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 duty of due regard for the Covenant, the 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. If the proposal goes ahead, the size of the budget available to the Board will be reduced in 2023/2024, and the impact of this on armed forces initiatives will be assessed in detail following receipt of the views of the Norfolk Armed Forces Commissioner and the Board.
Remove Learning & Development budget	The Director of Communities, Information & Learning had a historic budget allocated for additional learning and development which is no longer required. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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
	• 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. Staff will continue to access required learning and professional development via their management • Similar proposals have been successfully implemented elsewhere in the UK.
Joined up approach to Prevention and Protection/Trading Standards activities	If accepted, this proposal relates to the realignment of the CES Trading Standards team with Norfolk Fire & Rescue Service's Prevention and Protection team. The proposal recognises there would be opportunities to achieve efficiencies through closer working of these teams because of similarities in their functions and ways of working. The implementation of this proposal will be informed by a review and no changes to organisational structures are expected in the financial year. Staff will be consulted on this proposal via their management and their views and experiences will be considered in the re-design. An equality impact assessment of organisational change reviews and restructures has been undertaken. This identifies where there may be the potential for adverse impact on staff with protected characteristics because of workforce reorganisations and restructures and how these will be monitored and mitigated through the application of the correct HR processes (which are also equality impact assessed separately). If this proposal goes ahead, there is no evidence to indicate that:

Reference and title of proposal	Potential impact
	• The proposal would have a disproportionate detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. Information about any changes to how services will be delivered in future will be communicated clearly to members of the public and to staff when these are agreed upon • The proposal will be implemented in accordance with the Council's statutory responsibilities, 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 currently insufficient evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. Any organisational changes to staffing structures or changes to staff terms or conditions will be conducted in accordance with HR processes which are impact assessed separately, and staff will be consulted with before any organisational changes are made, in accordance with the Council's contractual obligations.

<table>
<tr><th>Reference and title of proposal</th><th>Potential impact</th></tr>
<tr><td></td><td>This proposal will require a further equality impact assessment to be undertaken to assess whether there is the potential for any adverse impact on staff or service users with protected characteristics and inform the detailed implementation plans. If it emerges that an aspect of the reorganisation may have a detrimental or disproportionate impact on service users or staff 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 enable next steps to be agreed before proceeding further.</td></tr>
<tr><td>Fire and Rescue Service efficiencies</td><td>This proposal represents a one-off release of budget through a review of Fire & Rescue service underspends and short-term opportunities to minimise costs within the year. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. 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.</td></tr>
</table>

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. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. • Similar proposals have been successfully implemented elsewhere in the UK.
Norfolk Record Office efficiencies	As a result of ongoing reviews, the Norfolk Record Office has identified some efficiencies which can be made in the back office, which will achieve a reduction in spend on staff training, conservation materials, transport costs and office supplies. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 service they currently receive. 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. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. Staff will continue to access required learning and professional development via their management (albeit this may be online training or in-house training which can be provided at lower cost) • Similar proposals have been successfully implemented elsewhere in the UK.
Local Transport Plan (LTP) funding surplus	The Transport Act 2020 requires NCC to publish a local transport plan which describes the council's strategy and policy framework for transport and is used as a guide for investment priorities as well as being considered by other agencies when determining their planning or delivery decisions. The current Local Transport Plan (LTP) covers the period 2021-2036 and was adopted at the full County Council meeting of 19 July 2022 following extensive consultation. However, as part of the work towards achieving a County Deal for Norfolk, the LTP will need to be reviewed in line with expected new national guidance which will be subject to specific funding meaning that NCC will not be required to fund this change as would normally be the case. 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics.

Reference and title of proposal	Potential impact
	• 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. • 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. • Similar proposals have been successfully implemented elsewhere in the UK. This proposal may require officers to undertake further equality impact assessments when reviewing the LTP and implementing it. 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.
Changes to the process for determining planning decisions	The Town and Country Planning General Regulations 1992 enable local planning authorities to determine their own development proposals on land in which they have an interest. This

Reference and title of proposal	Potential impact
where the County Council is the applicant	proposal would see the Council taking opportunities arising from amendments to these regulations to achieve efficiencies in future. 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. • 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. • Similar proposals have been successfully implemented elsewhere in the UK.
Residual waste: waste growth review – additional saving over	Residual waste volumes increased sharply over two years from 2019 by around 9%, driven by the Covid-19 effects on consumer behaviours and increases in working from home. From late 2021 waste volumes started to reduce, and that effect has continued as a reflection of

Reference and title of proposal	Potential impact
and above associated proposals above	changing consumer practices and confidence. This means that savings can be achieved because money set aside will no longer be needed to cope with the disposal of high levels of waste. 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 should 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 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. • Similar proposals have been successfully implemented elsewhere in the UK

<table>
<tr><th>Reference and title of proposal</th><th>Potential impact</th></tr>
<tr><td>Recycling centres: relocation of operations from Mayton Wood Recycling Centre to the new Norwich North Recycling Centre</td><td>The proposal is to relocate operations from the existing recycling centre at Mayton Wood near Coltishall, around six miles or a 15-minute car journey, to the new Norwich North Recycling Centre meaning that the Mayton Wood Recycling Centre would be able to close. The new Norwich North Recycling Centre opened in autumn 2021 and provides an improved service which is easily accessible by customers due to its location. The new site is operated without interruptions for bin movements and does not require use of steps by customers to dispose of their waste and has an improved layout for traffic flows and parking as well as a large reuse shop.

There is some 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 may experience some reductions in the standard of support they currently receive due to an increased travel time or distance to the new recycling centre. However, it should be noted that the new site is more accessible for disabled and older people.
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 however the relocation of the site may act as a barrier for some people, especially if they are less able to travel.</td></tr>
</table>

Reference and title of proposal	Potential impact
	• The proposal will potentially lead to new or increased indirect costs for service users if they need to travel further to access the site. • 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 some evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics if they are required to travel to the new recycling centre, an alternative recycling centre or if their employment ceases. • There will be no organisational changes to staffing structures and no changes to staff terms or conditions, however contractors' employees may be impacted by the changes. • Similar proposals have been successfully implemented elsewhere in the UK. This proposal will require a further equality impact assessment to be undertaken to assess feedback from people with protected characteristics and inform the detailed implementation plans. If it emerges that an aspect of the proposal may have a 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 enable next steps to be agreed before proceeding further.
Increased recycling centre charges	Whilst household waste items such as garden waste, electrical items and furniture are accepted free of charge to householders at recycling centres, charges have been in place at recycling centres for DIY type waste for over 20 years. The charges in place were last updated in 2018, with charges in place such as £3 for an item or 80 litre bag equivalent of rubble or timber, £5 for flat glass or non-recyclable DIY waste, £9 for plasterboard and £4 per tyre. Increases to charges in place for these specific DIY type materials from householders and for charges to business customers are required to ensure that they cover the costs of

Reference and title of proposal	Potential impact
	dealing with these materials due to changes in processing costs and the effects of inflation. The approach would be to ensure that from 01 April 2023 any changes to charges are rounded-up to the nearest 50 pence to keep the charges simple for all when calculating costs and for when customers are comparing alternative options for dealing with such materials. 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 however they will potentially be required to pay more for some of the service they receive. • The proposal will lead to increased costs for all service users, regardless of protected characteristics. • 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

Reference and title of proposal	Potential impact
	Accessible Information Standard and all other relevant equality, diversity, and inclusion requirements. • Similar proposals have been successfully implemented elsewhere in the UK. This proposal may require further equality impact assessments to be undertaken 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.
External funding contribution to deliver the Bus Service Improvement Plan (BSIP)	The Council is required to contribute towards the National Bus Strategy (part of the Bus Services Act 2017) to improve bus services through greater local leadership, to reverse the recent shift in journeys away from public transport and encourage passengers back to bus. New funding made available from the Department for Transport will enable NCC to deliver actions to meet the Strategy without having to fund it directly. 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 and may see some improvements in the level of service provided. • The proposal will not lead to new or increased costs for service users. • 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. • Similar proposals have been successfully implemented elsewhere in the UK.
Streetlighting – further dim all lights with an existing CMS (Central Management System) which are usually the main road streetlights – lights would come on at 75%, dim to 50% from 8pm	Currently streetlights on main roads (not residential areas) are switched on at 100% illumination and dimmed to 75% at 8pm and to 50% at 10pm. This proposal would seek to start lighting at 75% and then dim to 50% at 8pm for the remaining overnight period to achieve savings. This would mean that streetlights would be less bright from earlier in the evening and overnight all year round. This proposal will not be fully implemented until 2024-25. There is limited 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics.

Reference and title of proposal	Potential impact
	• 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 may experience some 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. • The proposal will not lead to new or increased costs for service users. • 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. • Similar proposals have been successfully implemented elsewhere in the UK. As previously reported to elected members, the main impact of dimming the lights is that some people with sight loss, who rely on bright light to see, may find it harder to navigate. Some people who are older or disabled or who are worried about crime may be worried that reduced lighting increases risk of crime. However, similar proposals to reduce street lighting in Norfolk have been implemented in the past, and this has not triggered these issues. This proposal may require officers to undertake further 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

Reference and title of proposal	Potential impact
	be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further.
Application of Business Rates Pool funds to support Norfolk Investment Framework (NIF) expenditure	If accepted, this proposal will involve releasing funds from pooled business rates, which are in the Council's control, as a one-off to fund economic development activities. This investment is expected benefit Norfolk's economy by allowing Norfolk to self-determine long-term investment priorities and ensure the collective benefits of those investments are shared by all residents. Both the evidence base and the Norfolk Investment Framework were consulted on widely, involving public, private, and voluntary sector bodies and community groups. The Framework and its supporting evidence document were endorsed by the County Council's Cabinet on 6 June 2022. There is no evidence to indicate that this proposal will: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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.
One-off application of CES reserves to support core budget	This proposal, relating to the use of CES reserves, has no direct impact on front line services or on the workforce, as this is an alternative source of funding enabling current activity levels to be maintained. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 because of this proposal. No changes are proposed to

Reference and title of proposal	Potential impact
	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.
Strategic Review	See **APPENDIX 5 – All Strategic Review Proposals – Budget Equality Impact Assessment 2023-24** for details of the Equality Impact Assessment for this proposal

Mitigating actions agreed to support the implementation of the Mobile Library proposal if agreed

No.	Action	Lead
1.	If the proposal goes ahead, the Library Service to contact all users affected by the change and to guide them to alternative services that include use of a branch library or registering for the Home Library Service to mitigate disruption for users. This will include work with the Digital Inclusion Strategy team to help people to make the transition to digital options where this provides a wider range of reading materials such as Large Print or e-Audio listening books.	Head of Norfolk Library and Information Service
2.	If, during implementation of this proposal, a detrimental impact emerges for people with protected characteristics or who are from the armed forces that it was not possible to predict at the time of conducting this assessment, this to be reported to decision makers, to enable them to give due regard to equality before proceeding further.	Head of Norfolk Library and Information Service
3.	HR to continue to monitor whether staff with protected characteristics are disproportionately represented in redundancy or redeployment figures. If any disproportionality arises, this is to be reported to CES senior leadership to determine next steps	Director of People

EQIA APPENDIX 4 - Strategy & Transformation – Governance - Finance and Commercial Services/Finance and Governance – Budget savings proposals 2023-24

Also - Finance General gross new saving proposals 2023-24 to 2024-25 (Council Tax and Adult Social Care Precept)

Budget Challenge 1-3 – Strategy & Transformation

Reference and title of proposal	Potential impact
Expansion of professional leads: centralise and control spend on communications. This would include paid staff and/or non-pay procurement across the organisation	See **APPENDIX 5 – All Strategic Review Proposals – Budget Equality Impact Assessment 2023-24** for details of the Equality Impact Assessment for this proposal
Expansion of professional leads: work with other departments to agree the Council's desired level of activity and overall number of analysts required	See **APPENDIX 5 – All Strategic Review Proposals – Budget Equality Impact Assessment 2023-24** for details of the Equality Impact Assessment for this proposal
One-off usage of S&T reserves	If this proposal goes ahead, it will mean releasing funds from the Strategy & Transformation budget reserves to alleviate pressures as a 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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

Reference and title of proposal	Potential impact
	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 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.

Budget Challenge 4 – Strategy & Transformation

Reference and title of proposal	Potential impact
HR remodelling	See **APPENDIX 5 – All Strategic Review Proposals – Budget Equality Impact Assessment 2023-24** for details of the Equality Impact Assessment for this proposal
Transformation capitalisation saving	This proposal is linked to the Strategic Review and if accepted would see the Council's investment in service transformation and associated revenue generation funded from capital receipts for two years. The Flexible Use of Capital Receipts direction allows authorities to use the proceeds from asset sales to fund the revenue costs of projects that will reduce costs, increase revenue or support a more efficient provision of services. There is therefore an opportunity to fund transformation costs from capital receipts where there is an associated saving and no impact on frontline 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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.

Reference and title of proposal	Potential impact
	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 by this aspect of the Strategic Review. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. The Strategic Review is subject to an equality impact assessment to inform the development and implementation of related proposals. Any potential for adverse impact will be recognised through this assessment process and mitigated where possible.

Budget Challenge 1-3 – Governance

Reference and title of proposal	Potential impact
Increase in registrars' income	This proposal recognises there has been increased demand for registrar services post-pandemic (copy certificates, venue licencing, marriages, and civil partnerships) and therefore there will be an associated increase in income for reinvestment into Council services as a result. Costs for providing ceremonies are reviewed annually to ensure that these take account of inflation and the rising costs associated with the provision of venues and registrars for ceremonies. The service will continue to work to ensure that there is sufficient choice for service users and ensure that ceremonies (including Council owned venues) are inclusive and accessible to all and there are affordable/lower cost options available. While there may be some associated increases in fees relating to this proposal, because of increasing costs to the Council for provision of services, fees will be applied equitably based on the ceremony option the individual service user chooses. Therefore, 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics. • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others

Reference and title of proposal	Potential impact
	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 service they currently receive. Service users will still be able to access registrar services as required, and the service will offer a range of options which are accessible, inclusive and affordable. • 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.

Budget Challenge 1-3 – Finance and Commercial Services/Finance General

Reference and title of proposal	Potential impact
Review of budget assumptions: Additional dividend income expected from ESPO.	This proposal recognises the additional income for the Council because of the additional dividend income expected from investments. 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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

Reference and title of proposal	Potential impact
	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.
Review of budget assumptions: additional Norse rebate income expected	This proposal recognises the additional income for the Council because of the predicted increase in the expected refund from Norse. 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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

Reference and title of proposal	Potential impact
	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.
Review of budget assumptions: review of pension pressures previously assumed in the budget which are no longer expected to be required	This proposal recognises the adjustment to the budget because of the latest information with respect previously anticipated pension pressures. 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics.

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: • 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.

<table>
<tr><th>Reference and title of proposal</th><th>Potential impact</th></tr>
<tr><td>Review of budget assumptions: review of Treasury Management budgets to reflect higher interest rates achieved on investment and treasury management activity</td><td>This proposal recognises the additional income for the Council because of higher interest rates payable on investments. 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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</td></tr>
</table>

Reference and title of proposal	Potential impact
	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.
Repton Property Developments Ltd dividend: recognise an income budget from Repton Property Developments Ltd following successful commercial activity. Following the launch of the company and a period of development and growth, Repton is now expected to be able to deliver a dividend to the County Council of around £1m in 2023-24 and on an ongoing basis annually.	The Council set up Repton Property Developments Ltd with the aim of building up to 600 much-needed homes over a five-year period and generating an income. This proposal reflects the expected return on this investment which will be reinvested for the benefit of all Norfolk residents. 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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
	• 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.

Budget Challenge 4 – Finance and Commercial Services/Finance General

Reference and title of proposal	Potential impact
Further income from commercialisation of property assets including County Hall	Due to changes in ways of working across the Council in recent years and a move towards more flexible/hybrid working this proposal will ensure best use of Council owned office space through the letting of a part of the building which was previously under-utilised for use by partner organisations.

Reference and title of proposal	Potential impact
	This proposal will deliver value for money through the effective use of vacant office space, ensure there is recovery of costs to the Council for reinvestment and offer further opportunities for closer working between partner organisations and Council staff through direct face-to-face engagement in the workplace. In 2022 County Hall was recognised globally as the most "Inclusive Building/Organisation" and winner of the 2022 Leonard Cheshire Blue Badge Award. There is no evidence to indicate that this proposal will: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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.

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 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.
Strategic Review – Opportunity A – Finance and Property	See **APPENDIX 5 – All Strategic Review Proposals – Budget Equality Impact Assessment 2023-24** for details of the Equality Impact Assessment for this proposal
Strategic Review – Opportunity A – IMT/Digital	See **APPENDIX 5 – All Strategic Review Proposals – Budget Equality Impact Assessment 2023-24** for details of the Equality Impact Assessment for this proposal
Strategic Review – Opportunity A – Procurement	See **APPENDIX 5 – All Strategic Review Proposals – Budget Equality Impact Assessment 2023-24** for details of the Equality Impact Assessment for this proposal
Release pay provision held in Finance General following Strategic Review	See **APPENDIX 5 – All Strategic Review Proposals – Budget Equality Impact Assessment 2023-24** for details of the Equality Impact Assessment for this proposal
One-off application of Finance General reserves to support core budget	This proposal, relating to the use of Finance General reserves, has no direct impact on front line services or on the workforce, as this is an

Reference and title of proposal	Potential impact
	alternative source of funding enabling current activity levels to be maintained. 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; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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 because of this proposal. 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
	• 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.

Finance General gross new saving proposals 2023-24 to 2024-25

Reference and title of proposal:	Potential impact
Proposed increase in council tax and adult social care precept	The Council has consulted on a proposed total increase of **2.99** per cent to Council tax - 1.99 per cent for general council tax and one per cent for the adult social care precept. This is in line with current budget planning and the expected level of funding set by Government. The Council has also asked people for views on a rise of 4.10 per cent, as has been set in previous years, and 10.1 per cent - in line with inflation - which would require a referendum. If the increase was set at 5% this would add an estimated £51 and £152 to council taxpayers' bills in 2023/24. Each organisation that provides services in the area sets their own proportion of the council tax bill. These are: • Norfolk County Council • The District / Borough council • The Parish council (if there is one) • Norfolk Police

Reference and title of proposal:	Potential impact
	Most of the money that people pay as part of the 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 adult social care precept** In 2015, the Government permitted Councils to raise council tax to help pay for adult social care services – this is the adult social care precept. The money raised from the precept is ringfenced which means that the Council can only spend it on adult social care services. Government now expects the Council to raise sufficient funds to cover Norfolk's adult social care costs via the precept. This funding must enable the Council to meet the needs of the increasing numbers of adult social care users, many of whom are older, disabled and extremely vulnerable. Meeting this high level of demand is a priority as any reduction in social care support has the potential to have a substantial detrimental impact on people with one or more protected characteristics, as well as a detrimental impact on other local services. Adult Social Care supports older people, disabled people, and people with mental health problems to stay safe in their own homes and live independently. Where this is not possible, they will support people in residential care, with the expectation that people pay what they can in accordance with national criteria. In 2023-24 the Council's gross budget for Adult Social Care is £495m. **Who is affected by the proposed increase in council tax and adult social care precept** The proposed increase in council tax 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**

Reference and title of proposal:	Potential impact
	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 table at **Annex A** presents the proportion of people subject to some 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. • 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 23,281, and for older people was 18,643. 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

Reference and title of proposal:	Potential impact
	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. In October 2022 there were 426,710 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 rising cost of living and new benefits that have been introduced by the Government to mitigate hardship. **Social factors to consider** Any decisions with respect to increasing Council Tax should take into consideration that: As of October 2022, the Consumer Prices Index (CPI) rose by 9.3% in the 12 months to November 2022. The largest upward contributions to the annual inflation rate came from housing and household services (principally from electricity, gas, and other fuels), and food. The State Pension rise will be 10.1% from April 2023. The current basic rate State Pension is £141.85 per week (£7,376 per annum); and the highest rate for the new State Pension (for those retiring from April 2016) will be £185.15 a week (£9,627 per annum). The National Living Wage will increase in April 2023 to £10.42 for over 23-year-olds and £7.49 for 18–20-year-olds. This is now only marginally lower than the "real" living wage in the UK.

Reference and title of proposal:	Potential impact
	In November 2022, the Prime Minister announced the energy price cap would increase from £2500 (average bill for a typical household) to £3000 in April 2023. This increase may be considered to have been offset through government investment with • All households automatically receiving a one-off £400 discount on their fuel bills from October 2022 • Eight million low-income households who receive certain benefits or tax credits receiving £650 • Pensioner households receiving £300 and some disabled people getting £150. In January 2023, the DWP announced that Universal Credit claimants will receive an additional £900 cost of living support payment over next 12 months. As of November 2022, around 70,300 people in Norfolk were in receipt of Universal Credit with around 45% of these being in employment. The Government's assessment published in the Spring Statement 2022, showed that in the financial year 2024 to 2025, the poorest 60% of households will receive more in public spending than they contribute. On average, households in the lowest income decile will receive over £4 in public spending for every £1 they pay in tax. The Government's latest analysis of the impact of the cost-of-living increases has identified • The proportion of all adults finding it difficult to afford their energy bills, rent or mortgage payments has increased through the year • 55% of disabled adults reported finding it difficult to afford their energy bills, and around a third (36%) found it difficult to afford their rent or mortgage payments compared with 40% and 27% of non-disabled people. • 4 in 10 (44%) White adults reported finding it difficult to afford their energy bills, compared with around two-thirds (69%) for Black or Black British adults and 6 in 10 (59%) Asian or Asian British adults

Reference and title of proposal:	Potential impact
	• In the period September-October 2022, adults who paid their gas or electricity by prepayment (72%) more frequently reported difficulty affording energy than those who pay for gas and electricity using either direct debit or one-off payments (42%) • Poorer households are currently experiencing higher inflation, on average, than better-off households. This may be compounded because the price of lowest-cost food items on which these households rely have increased further or the cheapest products have been unavailable In the East of England, the Trussel Trust, the largest distributor of emergency food parcels recorded 140,000 food parcels were distributed across the East of England (an increase of 50% compared to the same period in 2019). Around 20% of Norfolk's population has a long-term limiting health condition. This figure increases to around 45% of people aged 65+ years. In 2020 the Joseph Rowntree Foundation identified around half of households living in poverty in the UK include a disabled person, and that working-age disabled people were most likely to be at risk of living in poverty. This assessment recognises that cost-of-living increases combined with the long-term impact of the pandemic has created a significant challenge for the voluntary and community sector (VCSE). This is at a time when individual charitable contributions and volunteer numbers continue to fall. The general cost-of-living increase and the long-term outcomes of the pandemic have been recognised to have exacerbated mental health problems for some people as they experience more social isolation and/or future uncertainty. This assessment recognises that this impact may be greater where people live in rural areas with few community facilities, less access to services and limited transport links. Another issue to consider 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

Reference and title of proposal:	Potential impact
	bands. However, people in rural areas report 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. **Mitigations** In addition to the mitigations provided by Government (as set out above) at a local level Norfolk County Council has been working closely with district, borough and parish councils, housing providers, VCSE partners and utilities providers to support local people in need of emergency assistance since 2021. Most of the funding for this work has come directly from Government through the Household Support Fund (HSF). NCC: Norfolk Cost of Living Support Scheme Launched 2022 Further funding from Government was released in November 2022 to enable this work to continue until March 2023. The package of support on offer has been subject to a comprehensive equality impact assessment to ensure planned activities meet the needs of diverse local people who share protected characteristics where they are facing acute hardship. Further information about support available to people in hardship in Norfolk can be found at Help with living costs - Norfolk County Council The Norfolk Social Infrastructure Fund (set up in 2020) has made capital grants of up to £250,000 available for groups who are involved in community projects and initiatives that benefit the residents of Norfolk, as part of the Council’s commitment to voluntary and community organisations. **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

Reference and title of proposal:	Potential impact
	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[v]. On balance, the greatest factor to consider 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 environment, public health, culture and heritage, trading standards and highways.

[v] The same is also true for women, and some ethnic minority groups.

EQIA APPENDIX 5 – ALL Strategic Review Budget savings proposals 2023-24

Reference and title of proposal	Potential impact
Adult Social Care - Strategic Review Proposal **Children's Services** - Strategic Review Proposal - Opportunities A and B **Community & Environmental Services** - Strategic Review Proposal **Finance & Commercial Services / Finance General** - Strategic Review Proposal: Opportunity A – **Finance and Property** **Finance & Commercial Services / Finance General** - Strategic Review Proposal: Opportunity A – **IMT/Digital** **Finance & Commercial Services / Finance General Strategic Review Proposal** - Opportunity A – **Procurement**	The Strategic Review has been designed as a whole organisation exercise to enable the Council to meet the financial and organisational challenges it is facing and will continue to face in the coming years. It aims to enable the Council to become a leaner organisational structure, which in turn should aid engagement and communication, internally and externally taking account of the ongoing challenges in an evolving public sector environment. Cabinet Papers 3 October - Strategic Review Work to date has involved a whole Council review to consider new models, ways of working and associated structural changes which may be required. This approach will enable the right capacity and capability across the organisation moving forward. The initial focus areas are those that facilitate and support the delivery of core services to our communities. The review also applies a consistent set of principles which will lead to a refresh of current structures and give greater clarity on accountabilities, faster decision making, improved management of risk and empowerment of staff with clarity on career progression and development opportunities. Future activity will see the Council adopt career families, which will support professional leadership development and talent management – aiding staff retention. This will partly be delivered by implementing standardised job role profiles, which will help to maintain a good structure in the future and mitigate equal pay risk. The review will also design a pay and reward strategy, which will assist recruitment by ensuring the Council is competitive in the job market. The review is ongoing and should lead to the Council to become an organisation which is able to recognise, analyse and respond to change in a positive manner – for the benefit of staff, the wider organisation, and the communities it serves.

Reference and title of proposal	Potential impact
	Due to the scale of the Strategic Review, an equality impact assessment is being maintained to assess whether proposals will have a direct or indirect impact on people with protected characteristics. The Adult Social Care, Children's Services, Community & Environmental Services, Finance & Commercial Services / Finance and Governance elements of this work will be considered as part of this wider assessment (options A & B) to fully understand whether there will be any potential for adverse impact on employees with protected characteristics which will require mitigation through implementation. Currently there is insufficient evidence available to state whether: • The proposal would have a detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. However, as mitigation, it should be considered that: • Service users should not experience any reductions in the quality or standards of service they currently receive because of this proposal. People should continue to receive support relevant to their assessed needs. • The proposal should not lead to new or increased costs for service users. • The proposal will be implemented in accordance with statutory, 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

Reference and title of proposal	Potential impact
	Accessible Information Standard and all other relevant equality, diversity, and inclusion requirements. • There is currently insufficient evidence to indicate whether staff with protected characteristics may be disproportionately affected compared to staff without these characteristics. Any organisational changes to staffing structures or changes to staff terms or conditions will be undertaken in accordance with HR policies which are impact assessed separately. All Children's Services, Adult Social Care, Community & Environmental Services, IMT/Digital and Procurement staff will continue to be consulted with in accordance with the Council's legal and contractual obligations, and staff will continue to be kept apprised of developments which may directly or indirectly impact on them by senior managers. • Similar proposals have been successfully implemented elsewhere in the UK. This proposal requires an equality impact assessment to be maintained to inform development and implementation. Any potential for adverse impact will be identified through this process and mitigated where possible. If it emerges that an aspect of the proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or people in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to Cabinet enable next steps to be agreed before proceeding further. The Strategic Review is subject to an equality impact assessment to inform the development and implementation of related proposals. Any potential for adverse impact will be recognised through this assessment process and mitigated where possible.
Community & Environmental Services Strategic Review Proposal - Business Support review	This proposal recognises that in light of a review of Business Support functions, linked to the Strategic Review there is an opportunity to delete or reduce some posts on the basis that these are no longer required due to changes in ways of working. A full equality impact assessment of organisational change reviews and restructures has been undertaken by HR. This identifies where there may be the potential for adverse impact

Reference and title of proposal	Potential impact
	on staff with protected characteristics because of workforce reorganisations and restructures and how these will be monitored and mitigated through the application of the correct HR processes (which are also equality impact assessed separately). There is currently insufficient evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; people who are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. However: • 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 limited evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. This

Reference and title of proposal	Potential impact
	proposal may impact on some staff. Most of the changes relate to the deletion of posts which are already vacant as a result they are no longer required. Any organisational changes or changes to staff terms and conditions will be undertaken in accordance with HR policies which are impact assessed separately. Staff will continue to be consulted with in accordance with the Council's legal and contractual obligations, and staff will continue to be kept apprised of developments which may directly or indirectly impact on them by senior managers. • Similar proposals have been successfully implemented elsewhere in the UK. The Strategic Review is subject to an equality impact assessment to inform the development and implementation of related proposals. Any potential for adverse impact will be recognised through this assessment process and mitigated where possible.
Strategy & Transformation – Strategic Review Proposal - Expansion of professional leads: centralise and control spend on communications. This would include paid staff and/or non-pay procurement across the organisation	This proposal will be informed by the Strategic Review. If accepted, it will involve centralising all spend on communications across the Council to ensure that there are robust controls on expenditure and all organisational communications meet agreed corporate standards, including accessibility standards. This proposal will also ensure all staff can continue to access support from communications experts when they want to share messages with the public. Due to the scale of the Strategic Review, an equality impact assessment is being undertaken to assess whether proposals will have a direct or indirect impact on people with protected characteristics. The "expansion of professional leads" element of this work will be considered as part of this wider assessment. Currently there is insufficient evidence available to state whether: • 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 are intersex or non-binary; disabled people; people from different ethnic minority

Reference and title of proposal	Potential impact
	groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. However, as mitigation, it should be considered that: • Service users should not experience any reductions in the quality or standards of service they currently receive because of this proposal. People should continue to receive support relevant to their assessed needs. • The proposal should not lead to new or increased costs for service users. • The proposal will be implemented in accordance with statutory, 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 currently insufficient evidence to indicate whether staff with protected characteristics may be disproportionately affected compared to staff without these characteristics. Any organisational changes to staffing structures or changes to staff terms or conditions will be undertaken in accordance with HR policies which are impact assessed separately. All staff will continue to be consulted with in accordance with the Council's legal and contractual obligations, and staff will continue to be kept apprised of developments which may directly or indirectly impact on them by senior managers. • Similar proposals have been successfully implemented elsewhere in the UK. This proposal requires an equality impact assessment to be maintained to inform the development and implementation of this proposal. Any potential for adverse impact will be recognised through this assessment process and mitigated where possible. If it emerges that

Reference and title of proposal	Potential impact
	an aspect of the proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or people in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to enable next steps to be agreed before proceeding further. The Strategic Review is subject to an equality impact assessment to inform the development and implementation of related proposals. Any potential for adverse impact will be recognised through this assessment process and mitigated where possible.
Strategy & Transformation – Strategic Review Proposal - Expansion of professional leads: work with other departments to agree the Council's desired level of activity and overall number of analysts required	This proposal will be informed by the Strategic Review, and if accepted will ensure that across the organisation there are sufficient analysts to undertake necessary monitoring and quality assurance of services and support service re-design and development through use of intelligence, with and expectation that efficiencies can also be achieved through some changes to ways of working. Due to the scale of the Strategic Review, an equality impact assessment is being undertaken to assess whether proposals will have a direct or indirect impact on people with protected characteristics. The “expansion of professional leads” element of this work will be considered as part of this wider assessment. Currently there is insufficient evidence available to state whether: • 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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,

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	compared to disabled people who face less complex and substantial barriers to independence. However, as mitigation, it should be considered that: • Service users should not experience any reductions in the quality or standards of service they currently receive because of this proposal. People should continue to receive support relevant to their assessed needs. • The proposal should not lead to new or increased costs for service users. • The proposal will be implemented in accordance with statutory, 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 currently insufficient evidence to indicate whether staff with protected characteristics may be disproportionately affected compared to staff without these characteristics. Any organisational changes to staffing structures or changes to staff terms or conditions will be undertaken in accordance with HR policies which are impact assessed separately. All staff will continue to be consulted with in accordance with the Council's legal and contractual obligations, and staff will continue to be kept apprised of developments which may directly or indirectly impact on them by senior managers. • Similar proposals have been successfully implemented elsewhere in the UK. This proposal requires an equality impact assessment to be maintained to inform the development and implementation of this proposal. Any potential for adverse impact will be recognised through this assessment process and mitigated where possible. If it emerges that an aspect of the proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or people in rural areas that it was not possible to predict

Reference and title of proposal	Potential impact
	at the time of conducting this assessment, this will be reported formally to enable next steps to be agreed before proceeding further. The Strategic Review is subject to an equality impact assessment to inform the development and implementation of related proposals. Any potential for adverse impact will be recognised through this assessment process and mitigated where possible.
Strategy & Transformation – Strategic Review Proposal - HR remodelling	The remodelling of Human Resources services during the year will be informed by the Strategic Review. If accepted, this proposal will ensure the HR service will continue to meet the needs of staff across the organisation, with the expectation that efficiencies can also be achieved. Due to the scale of the Strategic Review, an equality impact assessment is being undertaken to assess whether proposals will have a direct or indirect impact on people with protected characteristics. The Human Resources element of this work will be considered as part of this wider assessment. Currently there is insufficient evidence available to state whether: • 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) 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. However, as mitigation, it should be considered that:

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	• Service users should not experience any reductions in the quality or standards of service they currently receive because of this proposal. People should continue to receive support relevant to their assessed needs. • The proposal should not lead to new or increased costs for service users. • The proposal will be implemented in accordance with statutory, 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 currently insufficient evidence to indicate whether staff with protected characteristics may be disproportionately affected compared to staff without these characteristics. Any organisational changes to staffing structures or changes to staff terms or conditions will be undertaken in accordance with HR policies which are impact assessed separately. All affected staff will continue to be consulted with in accordance with the Council's legal and contractual obligations, and staff will continue to be kept apprised of developments which may directly or indirectly impact on them by senior managers. • Similar proposals have been successfully implemented elsewhere in the UK. This proposal requires an equality impact assessment to be maintained to inform the development and implementation of this proposal. Any potential for adverse impact will be recognised through this assessment process and mitigated where possible. If it emerges that an aspect of the proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or people in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to enable next steps to be agreed before proceeding further. The Strategic Review is subject to an equality impact assessment to inform the development and implementation of related proposals. Any potential for adverse impact will be recognised through this assessment process and mitigated where possible.

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<tr><th>Reference and title of proposal</th><th>Potential impact</th></tr>
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<tr><td>Strategy & Transformation - Strategic Review Proposal - Transformation capitalisation saving</td><td>This proposal is linked to the Strategic Review and if accepted would see the Council’s investment in service transformation and associated revenue generation funded from capital receipts for two years. The Flexible Use of Capital Receipts direction allows authorities to use the proceeds from asset sales to fund the revenue costs of projects that will reduce costs, increase revenue or support a more efficient provision of services. There is therefore an opportunity to fund transformation costs from capital receipts where there is an associated saving and no impact on frontline services. 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics.
This 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.
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</table>

Reference and title of proposal	Potential impact
	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 by this aspect of the Strategic Review. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. The Strategic Review is subject to an equality impact assessment to inform the development and implementation of related proposals. Any potential for adverse impact will be recognised through this assessment process and mitigated where possible.
Finance & Commercial Services / Finance and Governance Strategic Review Proposal - Release pay provision held in Finance General following Strategic Review	This proposal recognises that the general budget can be adjusted as a one-off and a saving achieved because of initial outcomes from the Strategic Review and savings generated to-date. As a stand-alone budget adjustment 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 are intersex or non-binary; disabled people; people from different ethnic minority groups; people with different religions and beliefs; people who are lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics. • This 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 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 by this adjustment to accounting. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. The Strategic Review is subject to an equality impact assessment to inform the development and implementation of related proposals. Any potential for adverse impact will be recognised through this assessment process and mitigated where possible.

Review of Mobile Library Service

The mobile library service operates across Norfolk and is primarily intended for those people who either cannot or find it difficult to access one of the 47 the branch library buildings. The current service has just over 1,300 stops at a variety of places within local communities, ranging from playgroups, schools, care homes, as well as locations where there is high footfall such as parish halls, and supermarkets.

In July 2022, Members considered a proposal to review the mobile library service. At the time, the work to review the service had not been carried out and an indicative saving of £200k was allocated, against a total current budget of £405k. Since that time, a public consultation asking for views to help shape how the reduced funding could be used for the future delivery of the service has been carried out. There was a good response rate, with 1,397 responses received from Residents and key stakeholders. A copy of the full report setting out the findings of the consultation is included at **Annex 7.1**.

In the consultation, people told us this is a key service, often describing this as a vital lifeline to people in rural communities at increased risk of social isolation. Respondents reiterated the importance of its role in alleviating loneliness and reducing social isolation, particularly among older and/or less mobile people.

There were many positive comments about the service and the staff – particularly - were praised. The contribution of the mobile library service in improving literacy and facilitating people’s love of reading was also noted.

Taking account of the findings of the consultation, the focus has been on a review that ensures statutory compliance contained in ‘The Public Libraries and Museums Act 1964’, meets the needs of the most vulnerable, elderly, disabled, socially isolated, and rurally disadvantaged residents and incorporates the views of the respondents to the public consultation, while addressing the budget challenge.

The public consultation has informed the proposal to deliver a redesigned mobile library service, operating within a set of key principles to guide planning and provision into the future. The proposal is to continue to deliver a mobile library service based on the following key principles: -

1. Regular mobile stops to be designed no closer than 1.5 miles of a branch library, except where there are significant geographical barriers or another significant factor to be considered

2. Any stops that have been unused for six months/the last six visits will cease

3. Encourage use of the Home Library Service where people are unable or less able to reach either a mobile library stop or a branch library

4. Utilise greener vehicle options as the business case and affordable technologies allow *(note that an Electric Vehicle Mini-Mobile is being purchased using funds from a secured external grant)*

5. Continue to provide non-scheduled targeted activity for those socially furthest from the service, supporting one-off campaigns and programmes e.g., at care

homes, travellers' sites and with schools or nurseries *(note the Electric Vehicle Mini-Mobile will be used for this purpose)*

These principles will be reviewed on a regular basis (at least annually) and adjustments made to the routes and stops in line with these.

The existing service has been reviewed against these principles and identified 144 stops that have been unused in the last six visits. In addition, there are 98 active stops that fall within 1.5 miles of a branch library. There are a small number of stops within 1.5 miles which will remain as there is a clear justification for doing so, for example the Queen's Hill School stop in Norwich will remain as although it is within 1.5 miles of a branch library, it has 50 users and a complex journey for children to attend the local library.

The number of stops will reduce by 242 stops for 2023/24, which will deliver an ongoing saving of £107,000. A full list of the stops that will cease, along with information on the number of service users accessing them, is included at **Annex 7.2**. The total number of service users affected is 278.

We will support service users to make use of the home delivery service, or direct to branch libraries, to help mitigate any impact. The Home Library Service (HLS) is volunteer delivered via agreement with the Royal Voluntary Service (RVS). The aim of the HLS is "to provide a library and information service to people referred to as Home Library Service customers who because of restricted mobility, are vulnerable, housebound or in residential care, or have considerable difficulty getting to a local library or mobile library." There is some capacity within current provision of the HLS to serve more customers and the RVS is keen to recruit additional volunteers.

In addition, we have reviewed our approach to funding new mobile library vehicles to operate the service. This has identified the ongoing saving of £107,000 and a one-off saving of £300k by removing the mobile library replacement fund. Instead, we will progress alternative ways to secure appropriate vehicles for the service, as needed.

Further information about the service context and the potential impact of these proposals is set out in detail in the mobile library service Equality Impact Assessment within **EQIA Appendix 3**.

The Future of Norfolk's Mobile Library Service Consultation Findings Report – 4 October 2022

Background

Norfolk County Council (NCC) continues to face higher costs and demand for services and have set a target to save £60 million from the council budget by next year.

On 4th July 2022, initial proposals to save £13 million as part of the £60 million target were considered by councillors. One of those savings proposals is to reduce the budget for the mobile library service by £200,000 - this is nearly half of the 2022-23 budget of £422,000.

Norfolk County Council ran a consultation and encouraged residents and stakeholders to consider the proposed saving and to think about how the mobile library service could be run in a different way.

This document outlines the findings of the consultation which ran from 22nd July to 21st September 2022 and received **1397 responses.** Please note: the original end date of the consultation was due to be Wednesday 14th September. However, given the death of Her Majesty Queen Elizabeth II it was decided to extend the time the consultation was open to reflect the national period of mourning.

Methodology

A consultation was developed and ran for nine weeks and was hosted on the County Council's Citizen Space online platform. Easy Read and large print versions were available to download from the online portal, and paper copies and large print versions were also available through the library service and on request by email and phone. The mobile library teams distributed and collated paper copies of the consultation which were returned to County Hall where the consultation team added responses to our online platform.

Promotion

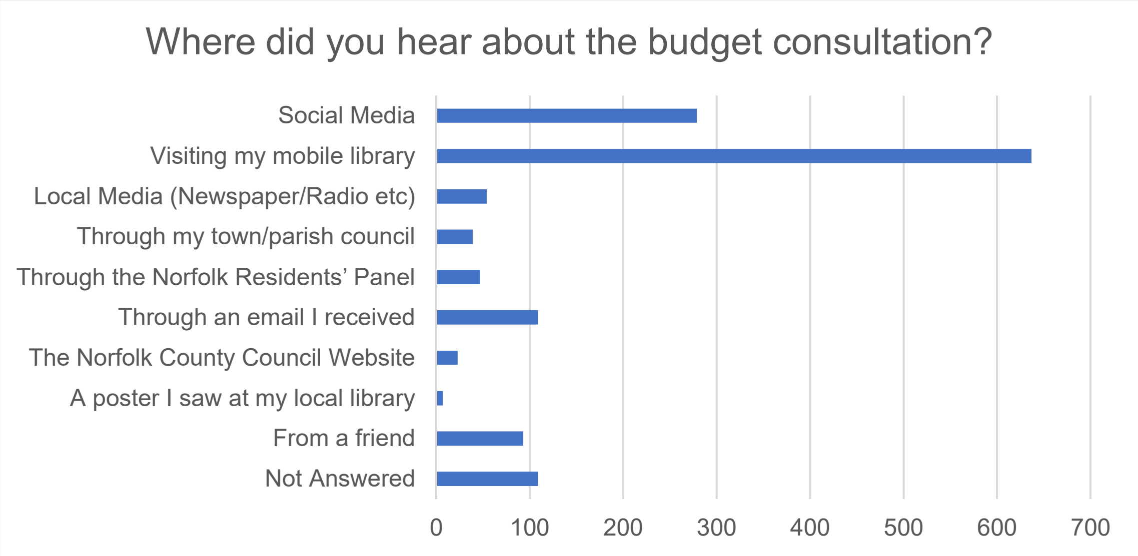
The consultation was promoted to make sure that both the members of the public and local stakeholders were informed and invited to contribute. We promoted the consultation through a variety of methods, these are detailed in the table below.

Activity	Description	Completed
Mobile library staff briefed	Mobile library staff briefed by management on the budget saving proposal and the forthcoming consultation	04/07 and 11/07
Consultation launched	Consultation went live on Citizen Space, linked to from the libraries and mobile libraries web page	22/07
Social media posts[68]	Link to the consultation posted on NCC's social media channels, posts also went out 4 weeks into the consultation and 1 week before the closing date.	22/07
Press release issued	Press release about the consultation sent to local media	25/07
Eastern Daily Press Article	Article published about the launch of the consultation Hundreds have say on cuts to Norfolk mobile libraries | Eastern Daily Press (edp24.co.uk)	26/07
Members briefing	Member update (via Dem Services)	22/07
Staff briefing	An article published in the *Friday Takeaway*	29/07

[68] Some posts that were scheduled to go out one week before the original closing date were suspended due to the period of mourning as a result of the death of Her Majesty Queen Elizabeth II

Activity	Description	Completed
	informing staff about the consultation	
Poster for branch and mobile libraries	A poster was designed to promote the consultation in library buildings	25/07
Parish Council briefing	Briefing and link to the consultation sent to the Norfolk Association of Local Councils (NALC) A second reminder was sent to the NALC	27/07 02/08
Norfolk Residents' Panel	An email was sent to the Norfolk Residents' Panel (over 1000 people) informing them of the consultation	29/07
Eastern Daily Press article	An article to mark the halfway point of the consultation, commenting that over 750 responses had been received and featuring comments from councillors. Hundreds have say on cuts to Norfolk mobile libraries | Eastern Daily Press (edp24.co.uk)	22/08
Paid for social media ads	Performance £100.00 spent over 10 days: Link Clicks 843 Post engagement 1043 Post reactions 67 Post shares 48	22/07

How respondents heard about the consultation



Option	Total	Percent
Social media	279	19.97%
Visiting my mobile library	637	45.60%
Local media (newspaper/radio etc)	54	3.87%
Through my town/parish council	39	2.79%
Through the Norfolk Residents' Panel	47	3.36%
Through an email I received	109	7.80%
The Norfolk County Council website	23	1.65%
A poster I saw at my local library	7	0.50%
From a friend	93	6.66%
Not answered	109	7.80%

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.

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, 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.

Overview and summary of key themes in the responses

The Communications team worked in collaboration with the Mobile Library team to ensure we reached out to service users, residents and other key stakeholders and invite them to feedback to the consultation. There were good response rates and most respondents were elderly with around 60% of people over 65 years of age, and around 36% being of respondents being over the age of 75.

Key findings:

People told us this is a key service, often describing this as vital lifeline to people in rural communities at increased risk of social isolation. Respondents reiterated the importance ('lifeline') of the mobile library service to rural communities and its role in alleviating loneliness and reducing social isolation, particularly among older and/or less mobile people.

There were many positive comments about the service and the staff – particularly - were praised. The contribution of the mobile library service in improving literacy and facilitating people's love of reading was also noted.

Respondents told us visits should be long enough to carry out activities which promote wellbeing and/or community cohesion or to allow library users to do particular activities such as chat and choose from a wide selection of books.

Respondents also told us that mobile library services should be provided in rural areas; places where clusters of residents have specific needs and, conversely, where there is any need. People likely to travel to a branch said they could do so because they have transport and would want to continue their love of reading, even if going to a branch wasn't their preferred option. The main reason people are unlikely to travel to a branch is lack of transport, though the cost of travel and barriers to accessing branch libraries were also mentioned.

When asked about potential reduced routes and route priorities, there were many comments about reasons why routes should not be reduced or questions about the rationale for proposing a reduction. The main feedback given to prioritise routes and stops were usage and the availability of other services in the area.

People who are likely to use digital and online services generally identified as existing users of these services, but they also often noted barriers to access or caveats around the take-up of digital services. Those less likely to use digital and online services gave their reasons as a preference for books and face to face contact, or technical skills/barriers.

When asked about other activities or services that could be provided alongside the mobile library service many respondents questioned the practicalities of hosting additional activities or expressed a preference for keeping the mobile library service to its core library service activities. Over half of respondents (725 or 51.90%) picked the 'basic health checks' option of listed potential activities but only seven people referred to health related activities in their comments. Similarly, the organisations Norfolk County Council could work with most frequently cited by respondents were: health services, charities, organisations for children or older people. The Post Office, councils, financial organisations and food suppliers were also mentioned.

Respondent numbers

We received **1397** responses to our consultation.

We received **449** paper submissions and **935** submissions to the online survey, **13** responses were received via the haveyoursay@norfolk.gov.uk email address.

Of these, over 90% or 1265 people described themselves as 'members of the public'.

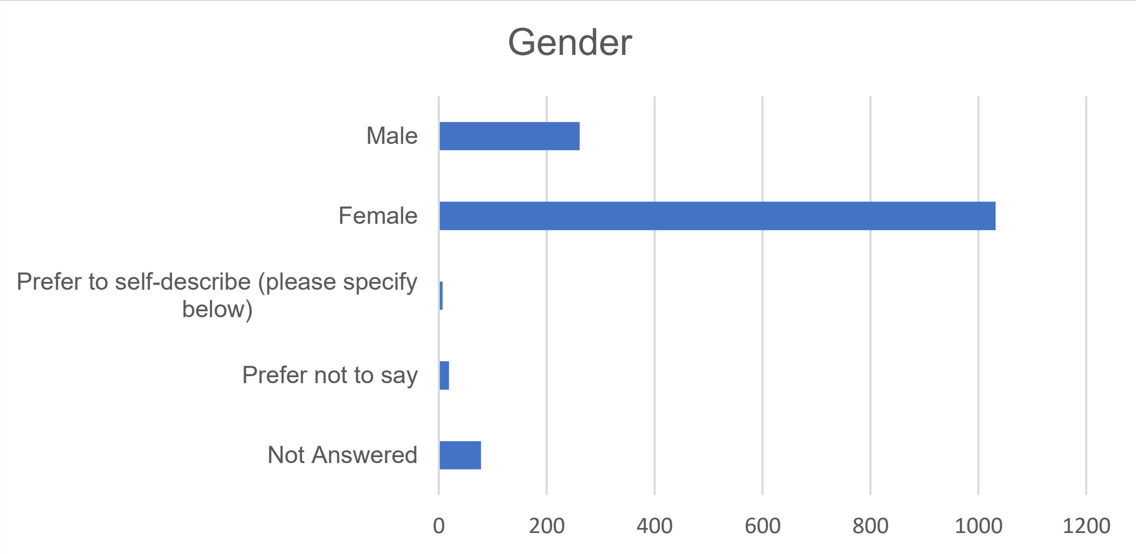
Option	Total	Percent
A member of the public	1265	90.55%
On behalf of a voluntary or community group	23	1.65%
On behalf of a statutory organisation	5	0.36%
On behalf of a business	8	0.57%
A Norfolk County Councillor	4	0.29%
A district or borough Councillor	3	0.21%
A town or parish Councillor	19	1.36%
A Norfolk County Council employee	4	0.29%
Prefer not to say	11	0.79%
Not answered	55	3.94%

A list of organisations that responded can be found in **Appendix 5** **located on page 487 of** this **document.**

Respondent profile

Gender:

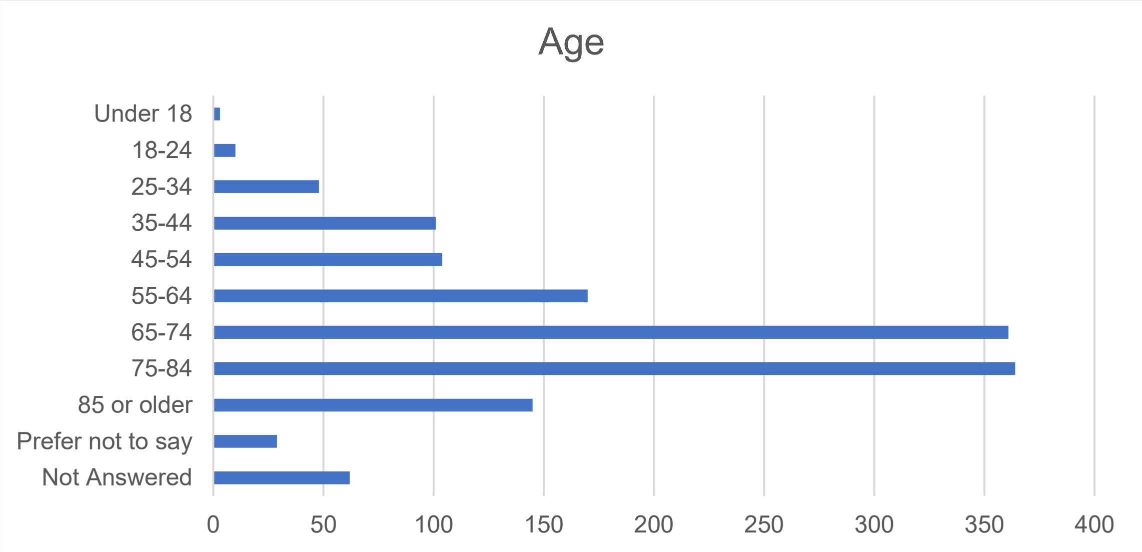
The majority of respondents (73.87%) identified as female.



Option	Total	Percent
Male	261	18.68%
Female	1032	73.87%
Prefer to self-describe (please specify below)	7	0.50%
Prefer not to say	19	1.36%
Not answered	78	5.58%

Responses by age:

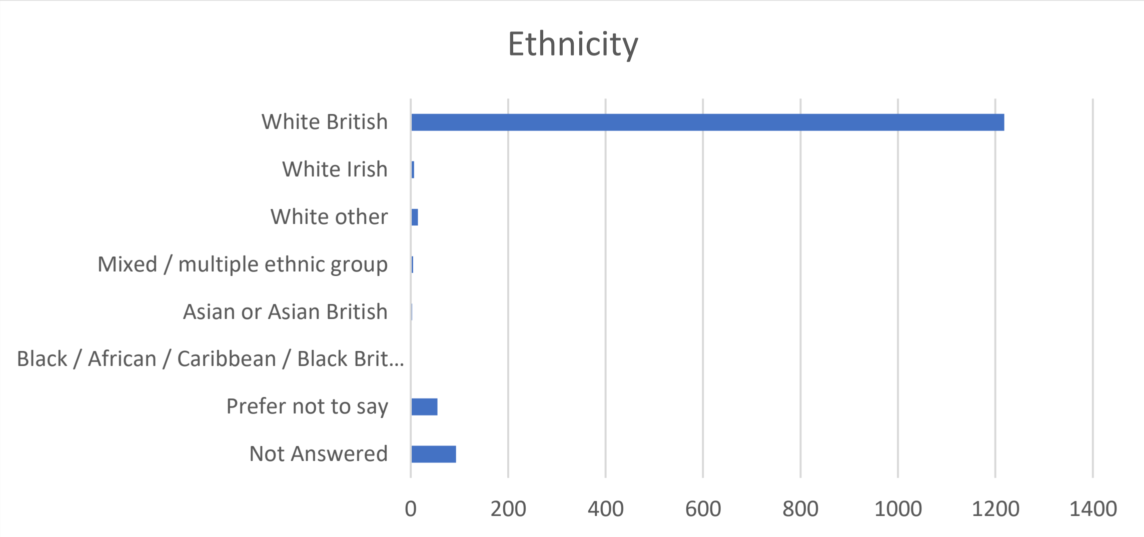
Most respondents were elderly. Around 60% of people were over 65 years of age, with around 36% being of respondents being over the age of 75.



Option	Total	Percent
Under 18	3	0.21%
18-24	10	0.72%
25-34	48	3.44%
35-44	101	7.23%
45-54	104	7.44%
55-64	170	12.17%
65-74	361	25.84%
75-84	364	26.06%
85 or older	145	10.38%
Prefer not to say	29	2.08%
Not answered	62	4.44%

Responses by ethnic group:

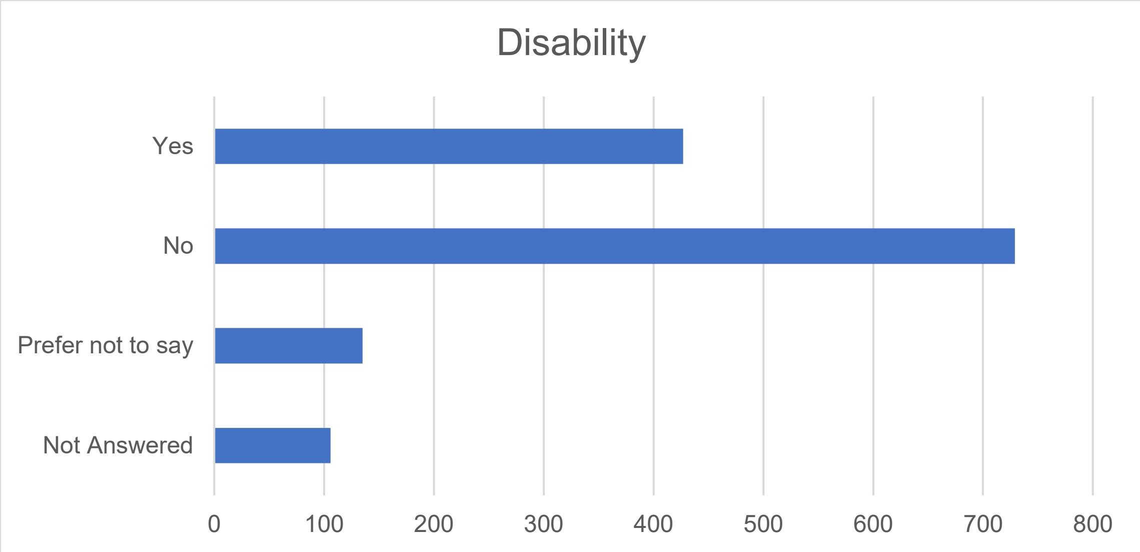
The majority of respondents identified as White British.



Option	Total	Percent
White British	1218	87.19%
White Irish	7	0.50%
White other	15	1.07%
Mixed/multiple ethnic groups	5	0.36%
Asian or Asian British	3	0.21%
Black/African/Caribbean/Black British	1	0.07%
Prefer not to say	55	3.94%
Not Answered	93	6.66%

Disability

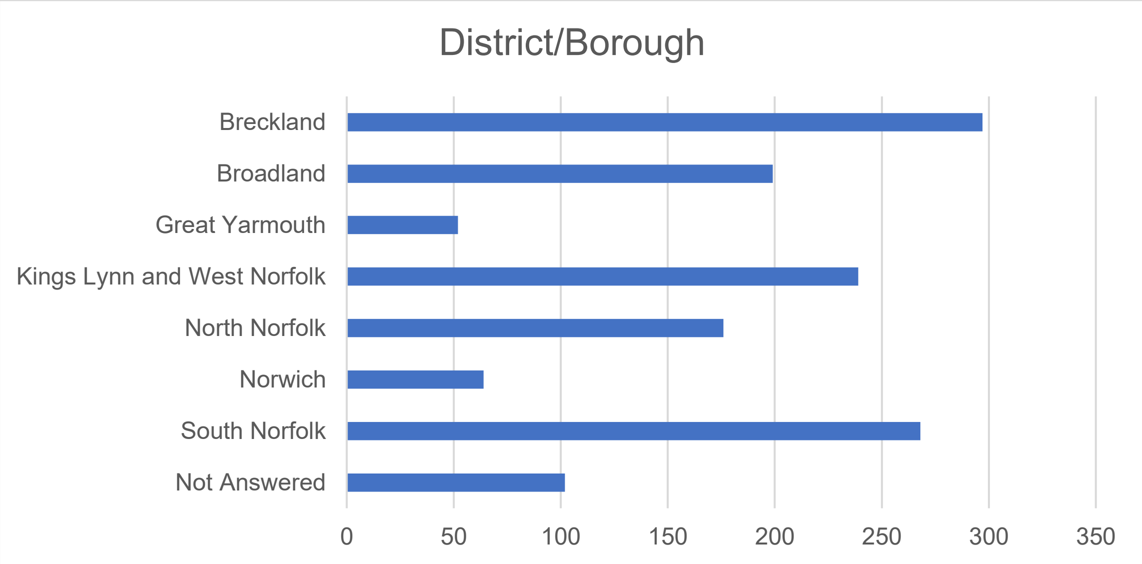
Around 30% of respondents said that they have a “long-term illness, disability or health problem that limits your daily activities or the work you can do”. Around 10% of respondents said they prefer not to answer the question.



Option	Total	Percent
Yes	427	30.57%
No	729	52.18%
Prefer not to say	135	9.66%
Not answered	106	7.59%

Location

Respondents were asked 'Which district/borough/city do you live in?' The responses were reasonably evenly spread with Great Yarmouth and Norwich having the lowest response rate.



Option	Total	Percent
Breckland	297	21.26%
Broadland	199	14.24%
Great Yarmouth	52	3.72%
Kings Lynn and West Norfolk	239	17.11%
North Norfolk	176	12.60%
Norwich	64	4.58%
South Norfolk	268	19.18%
Not answered	102	7.30%

Questions and answers

The consultation was structured into two sections, this is also how we will also report the findings.

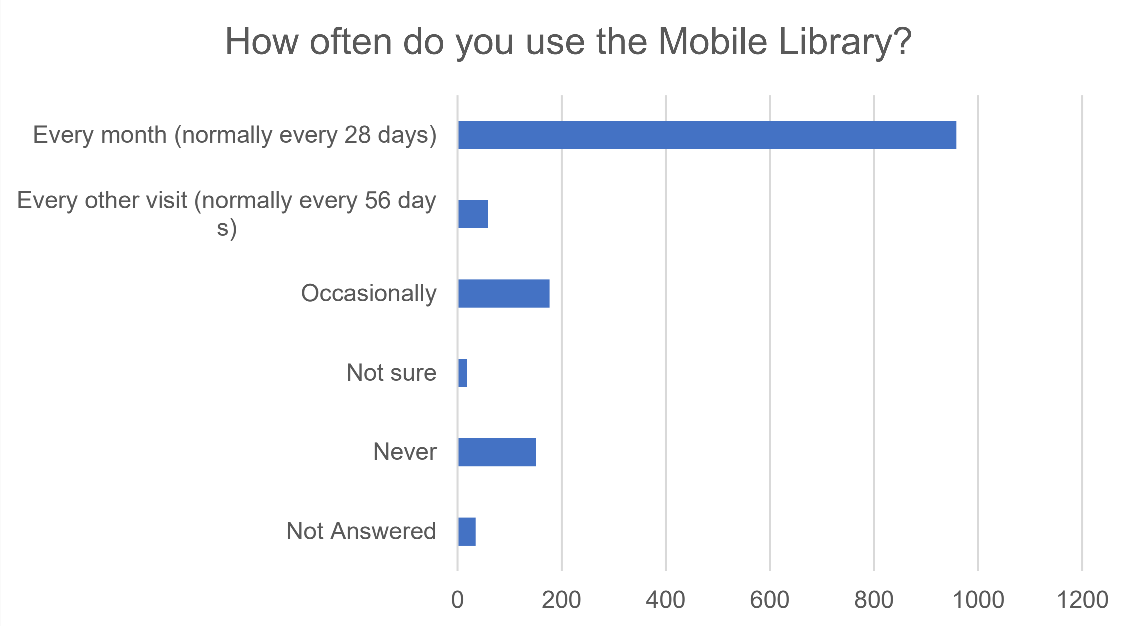
Part 1 – How you use the mobile library service
Part 2 – Questions about the future of the mobile library service'

Below are the results and a detailed analysis of the responses given to our questions. Please note the question numbers are as they appeared in the online survey. Question 1 was related to consenting to taking the survey and reading NCC's data privacy agreement.

Part 1 How you use the mobile library service

Q2. How often do you use your local mobile library service?

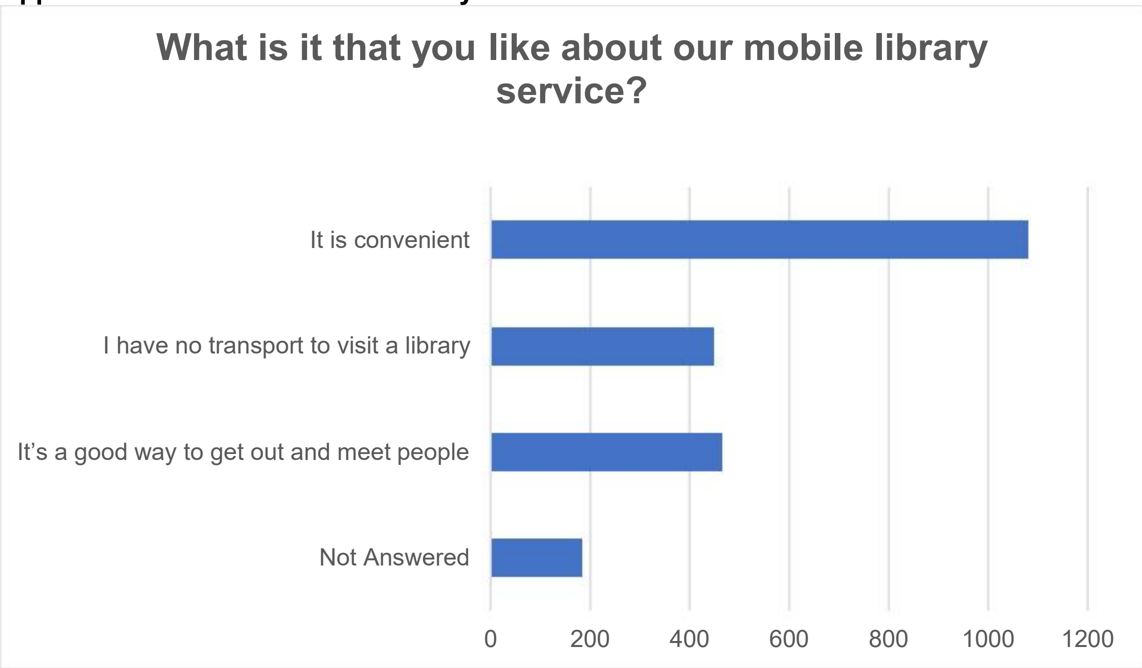
The vast majority of respondents (68.58%) said they used the service every month.



Option	Total	Percent
Every month (normally every 28 days)	958	68.58%
Every other visit (normally every 56 days)	58	4.15%
Occasionally	177	12.67%
Not sure	18	1.29%
Never	151	10.81%
Not answered	35	2.51%

Q3. What is it that you like about our mobile library service? Please tick (✓) all that apply.

1,214 people answered this question, people could tick more than one option. Just over three-quarters of respondents [1,082] said they like the convenience of the mobile library service. Around a third of respondents [465] highlighted the social aspects of the mobile library service and a similar number of people [449] said they have no transport to visit a library.



Option	Total	Percent
It is convenient	1082	77.45%
I have no transport to visit a library	449	32.14%
It's a good way to get out and meet people	465	33.29%
Not answered	183	13.10%

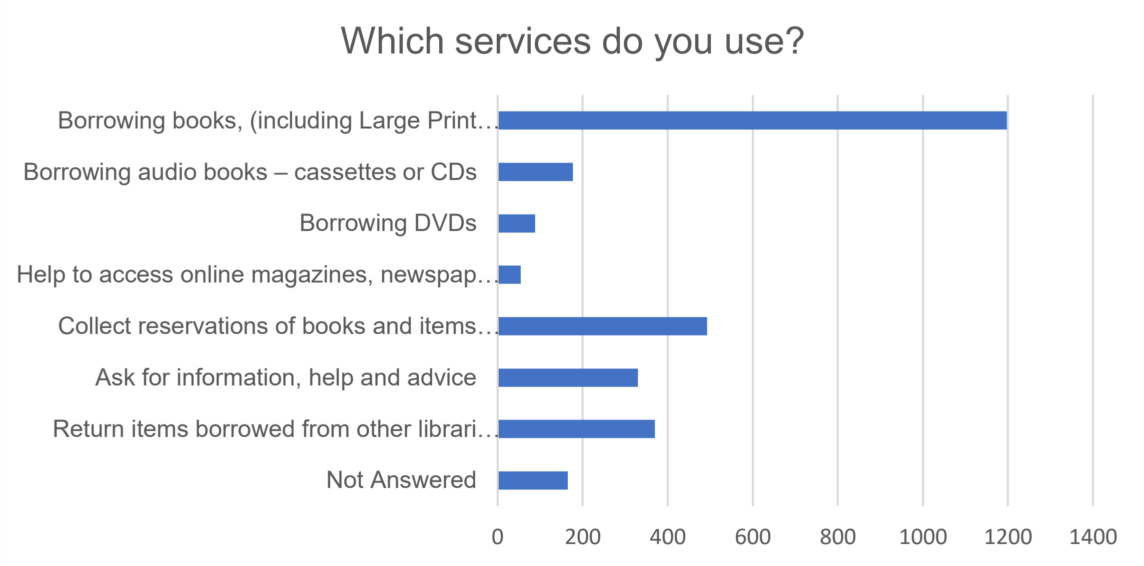
Additional Comments for Q3

430 additional comments were received for question 3. In this and in each subsequent question the number in brackets shows the number of comments.

Respondents were positive about the mobile library service [88], describing it as an important service to people, a 'lifeline' [63], especially for older people and children [67], to rural communities [38], and for people who are unable to travel to branch libraries [50]. Mobile library staff were praised for their knowledge and personal qualities [64]. In addition, the role of the mobile library service in promoting reading [42] and enhancing the wellbeing of individuals and communities by providing an opportunity for social interaction was noted [59].

See Table 1, Appendix 1 located on page 467 of this document for examples of comments.

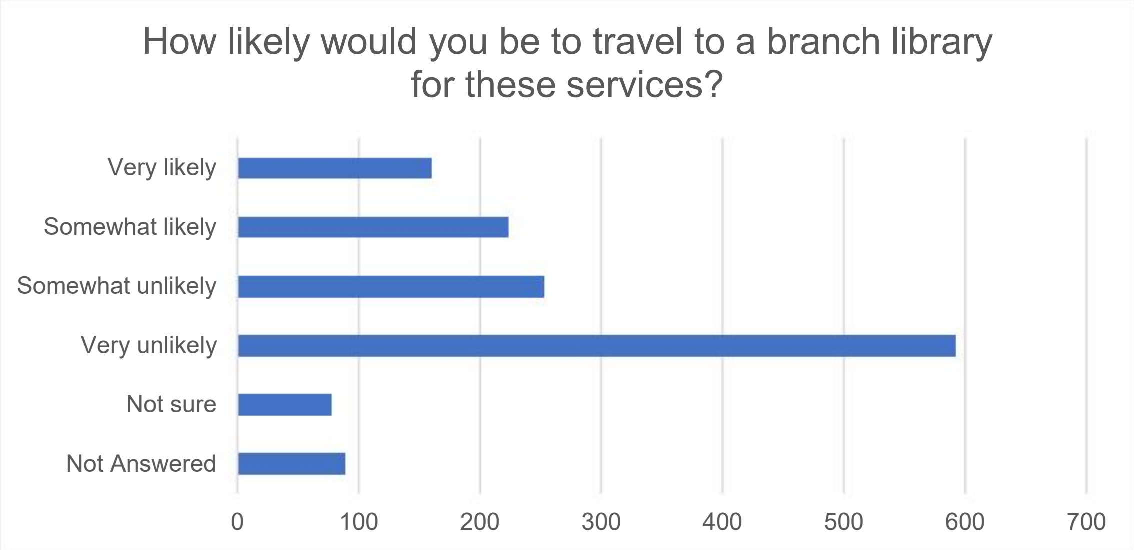
Q4. What services do you use on the mobile library? Please tick (✓) all that apply:



Option	Total	Percent
Borrowing books, (including large print and children's)	**1198**	**85.76%**
Borrowing audio books – cassettes or CDs	**177**	**12.67%**
Borrowing DVDs	**88**	**6.30%**
Help to access online magazines, newspapers, eBooks and eAudio	**54**	**3.87%**
Collect reservations of books and items from the wider library service	**493**	**35.29%**
Ask for information, help and advice	**330**	**23.62%**
Return items borrowed from other libraries in Norfolk	**370**	**26.49%**
Not answered	**165**	**11.81%**

Q5. If the mobile library was not available how likely would you be to travel to a branch library for these services? Please tick (✓) one answer only:

1,308 people answered this question, people could pick one option only. [846] respondents said they are 'very or somewhat *unlikely*' to travel to a branch library if the mobile library was not available; [384] are 'very or somewhat *likely*' to travel, and [78] are unsure.



Option	Total	Percent
Very likely	160	11.45%
Somewhat likely	224	16.03%
Somewhat unlikely	253	18.11%
Very unlikely	593	42.45%
Not sure	78	5.58%
Not answered	89	6.37%

Please explain why you said this:

992 additional comments were received for question 5.

There were 668 comments from people who said they are **'very or somewhat *unlikely*' to travel to a branch library**: the main reason given was lack of transport – both public and private - making it difficult to reach a branch library [357]. Other reasons included health issues (including difficulties in carrying large numbers of books home) [82], barriers to accessing branch libraries [81] and the cost of travelling to a branch library [68]. **See Table 2, Appendix 1 located on page 469 of this document for examples of comments.**

There were 258 comments from respondents who said they are **'very or somewhat *likely*' to travel to a branch library**: the main reason given was ability to travel using public or private transport [63]. However, some respondents who said they could travel to a branch library qualified their statement [56] or referred to difficulties in accessing a branch library [34]. The importance of the mobile library service in promoting reading was also mentioned [34].

See Table 3, Appendix 1 on page 470 of this document for examples of comments.

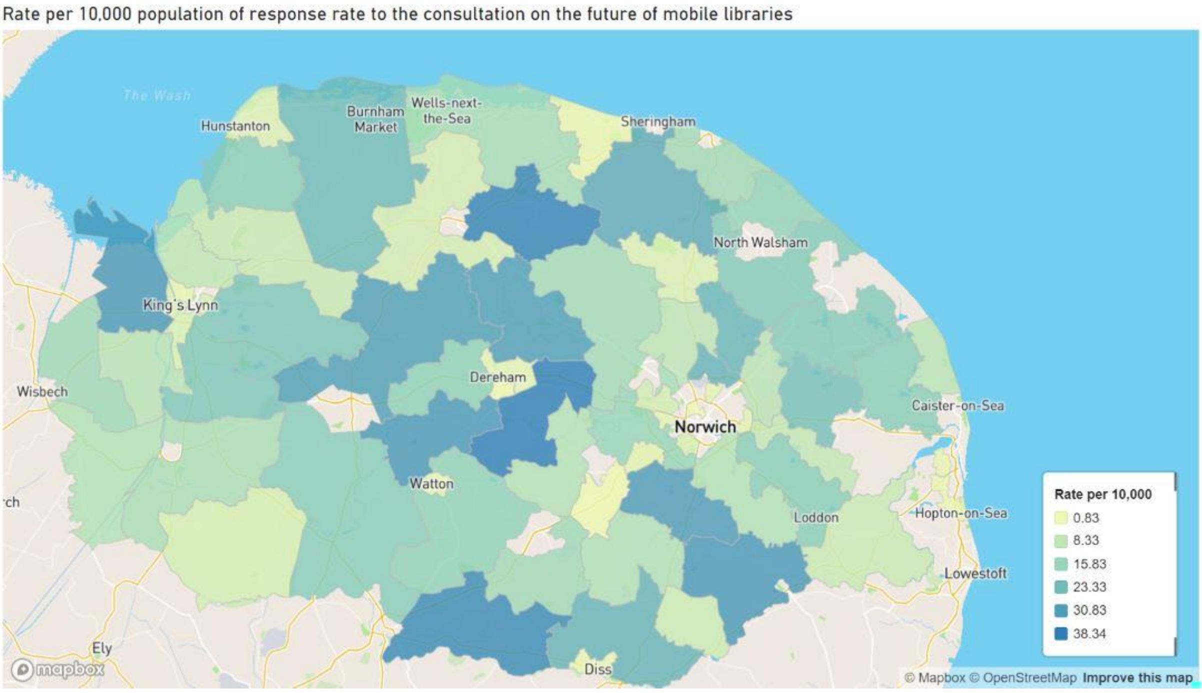
There were 59 comments from respondents who said they are **'*not sure*'** if they would travel to a branch library; the main reason cited was lack of transport [20]. Some respondents did not pick one of the options but provided a further 7 comments making a total of 992 comments.

Q6. Where is your nearest mobile library stop?

There were 1260 responses to this part of the question. **These answers can be found in Appendix 6 on page 490 of this document.**

Q7. If you know it, please give the postcode of your local mobile library stop? Details can be found online at www.norfolk.gov.uk/mobilelibraries

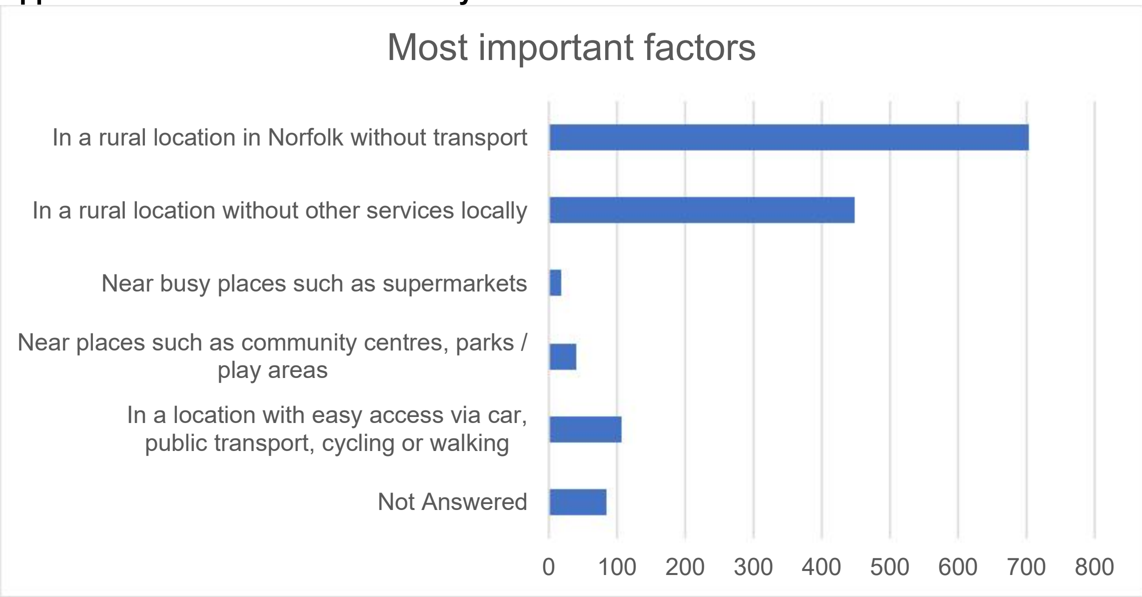
Some of the answers we received to this question were incomplete e.g. 'NR10', as such these were not able to be included in the map below. As a result, only about 81% of responses to this question were able to be mapped. Note that the rate per 10,000 is the number of responses we would expect in that area in a group of 10,000 people.



Part 2 Questions about the future of the mobile library service

Q8. What do you think are the most important factors when deciding where library services should be provided? Please tick (✓) one answer only:

1,313 people answered this question, people could tick more than one option. The majority of respondents said the most important factor when deciding where library services should be provided is the rural nature of locations where transport [703] and other local services [447] are limited.



Option	Total	Percent
In a rural location in Norfolk without transport	703	50.32%
In a rural location without other services locally	447	32.00%
Near busy places such as supermarkets,	18	1.29%
community centres, parks / play areas	40	2.86%
In a location with easy access via car, public transport, cycling or walking	105	7.52%
Not answered	84	6.01%

Other – e.g. specific needs of local communities to consider?

226 other comments were received for question 8.

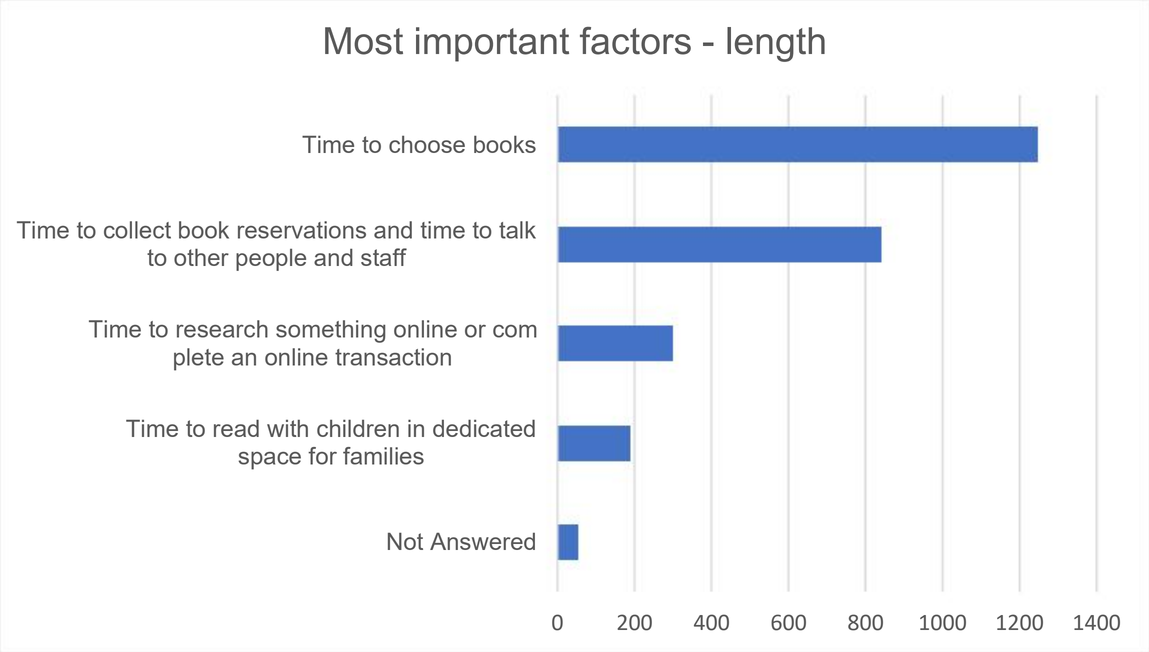
Respondents told us the most important factor when considering where library services should be provided is the rural nature of an area [62].

Locations where specific populations of people live [47], where older people or children and younger people live [34, or at specific community sites such as schools or care homes [23], should also be considered. Conversely, some respondents said that services should be provided *anywhere* there is a need [20]. The significance of the mobile library service to people (a 'vital' service) [22] and its role in promoting community and individual wellbeing [23] was also noted.

See Table 4, Appendix 1 on page 471 of this document for examples of comments.

Q9. What do you think are the most important factors to consider when deciding how long a mobile library visit should be? Please tick (✓) all that apply:

1,344 people answered this question, people could tick more than one option. Respondents told us that time to choose books was the most important factor to consider when deciding the duration of a mobile library visit [1,247]. Time to collect book reservations and to talk to staff were also important considerations [840].



Option	Total	Percent
Time to choose books	1247	89.26%
Time to collect book reservations and time to talk to other people and staff	840	60.13%
Time to research something online or complete an online transaction	300	21.47%
Time to read with children in dedicated space for families	190	13.60%
Not answered	53	3.79%

Other comments, please write here

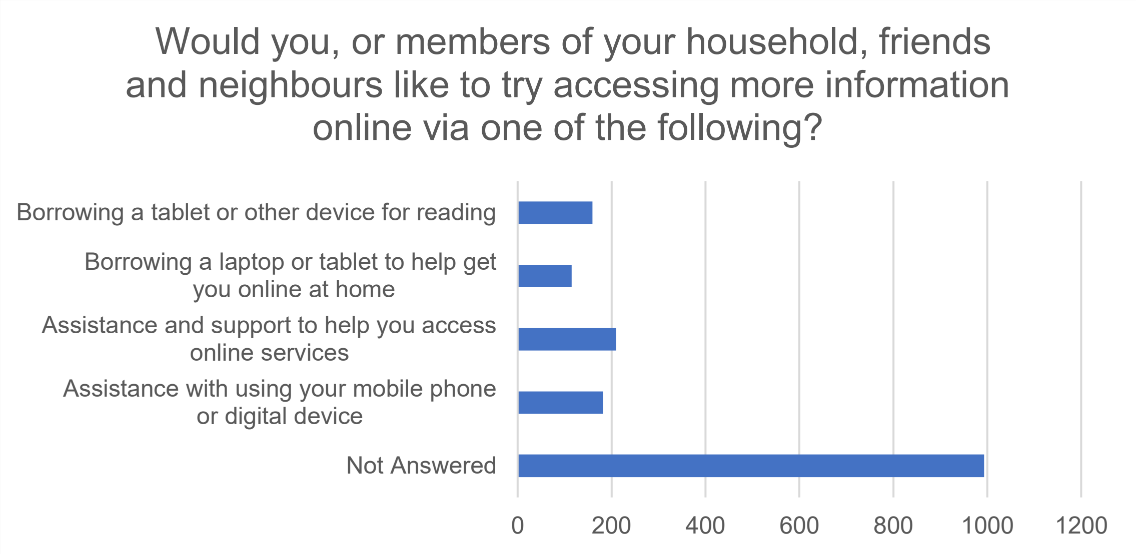
107 other comments were received for question 9.

Respondents said the most important factor to consider when deciding on the duration of a mobile library visit is the time it takes to complete certain activities such as finding a book [19]. Some respondents suggested specific periods of time for a stop, or ways of calculating the duration of a stop [22]. The role of the mobile library service in promoting community and individual wellbeing [16] was also noted. Eleven people queried the underlying assumption or premise of the question.

See Table 5, Appendix 1 on page 472 of this document for examples of comments.

Q10. Would you, or members of your household, friends and neighbours like to try accessing more information online via one of the following? Please tick (✓) one answer only:

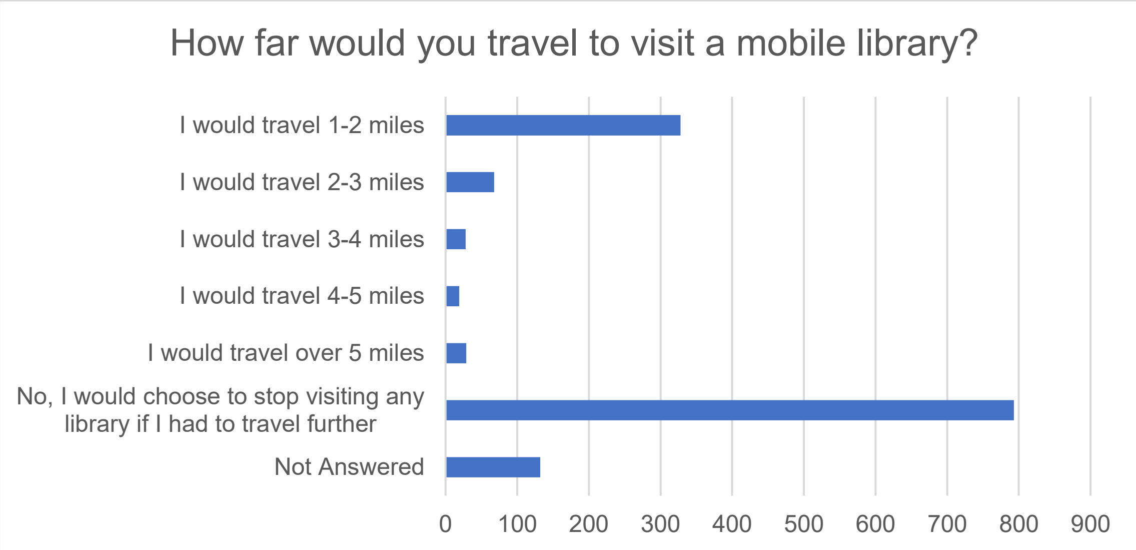
A vast majority of respondents (71.08%) did not answer this question. One of themes that emerged in other answers is that a lot of service users are not comfortable or are unable to use digital technology, which may explain why the response rate to this question was very low.



Option	Total	Percent
Borrowing a tablet or other device for reading	159	11.38%
Borrowing a laptop or tablet to help get you online at home	115	8.23%
Assistance and support to help you access online services	210	15.03%
Assistance with using your mobile phone or digital device	182	13.03%
Not answered	993	71.08%

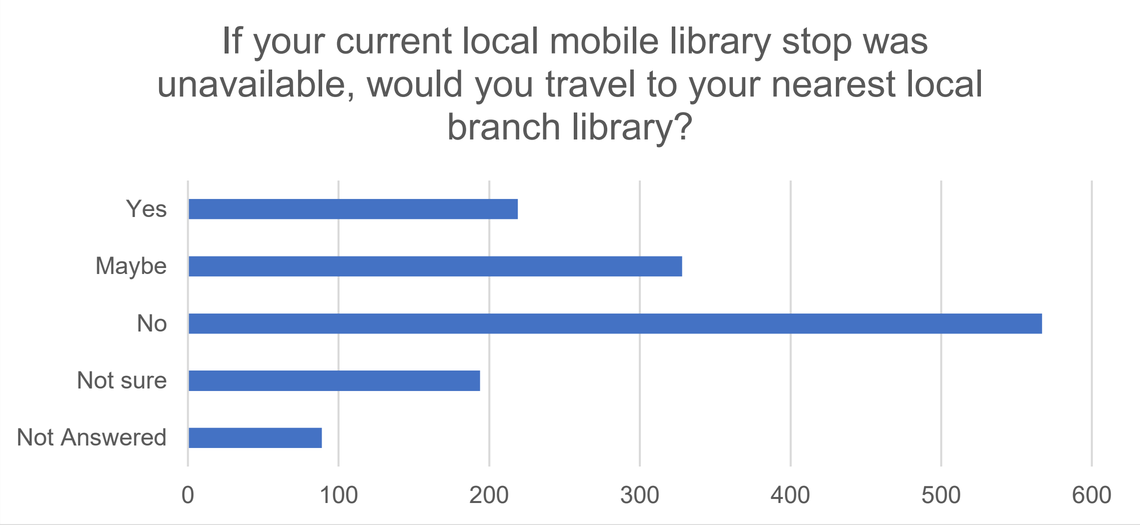
Q11. If we were to reduce the number of routes, how far would you travel to visit a mobile library? Please tick (✓) one answer only:

The majority of respondents to this question stated they would choose (or many stated on their paper copies that they would be unable) to visit any library if they had to travel any further.



Option	Total	Percent
I would travel 1-2 miles	328	23.48%
I would travel 2-3 miles	68	4.87%
I would travel 3-4 miles	28	2.00%
I would travel 4-5 miles	19	1.36%
I would travel over 5 miles	29	2.08%
No, I would choose to stop visiting any library if I had to travel further	793	56.76%
Not answered	132	9.45%

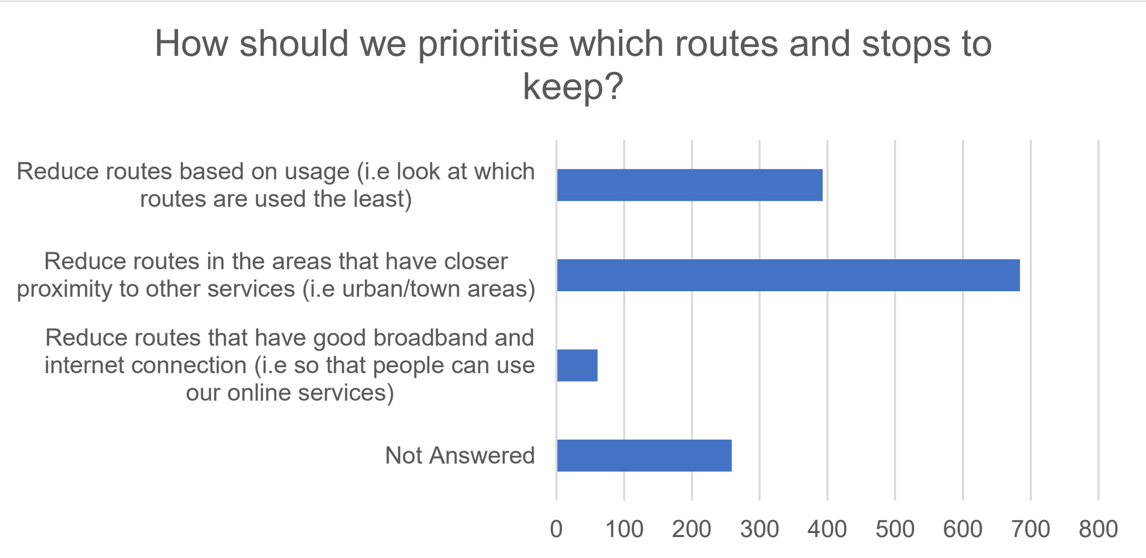
Q12. If your current local mobile library stop was unavailable, would you travel to your nearest local branch library? Please tick (✓) one answer only:



Option	Total	Percent
Yes	219	15.68%
Maybe	328	23.48%
No	567	40.59%
Not sure	194	13.89%
Not answered	89	6.37%

Q13. If we were to reduce routes, in your opinion how should we prioritise which routes and stops to keep? Please tick (✓) one answer only:

1,138 people answered this question, people could tick more than one option. Almost half of respondents [684] selected the option 'reduce routes in the areas that have closer proximity to other services (ie, urban/rural areas)' and [393] of respondents selected the option 'reduce routes based on usage' (ie. routes which are used the least).



Option	Total	Percent

Reduce routes based on usage (i.e look at which routes are used the least)	393	28.13%
Reduce routes in the areas that have closer proximity to other services (i.e urban/town areas)	684	48.96%
Reduce routes that have good broadband and internet connection (i.e so that people can use our online services)	61	4.37%
Not answered	259	18.54%

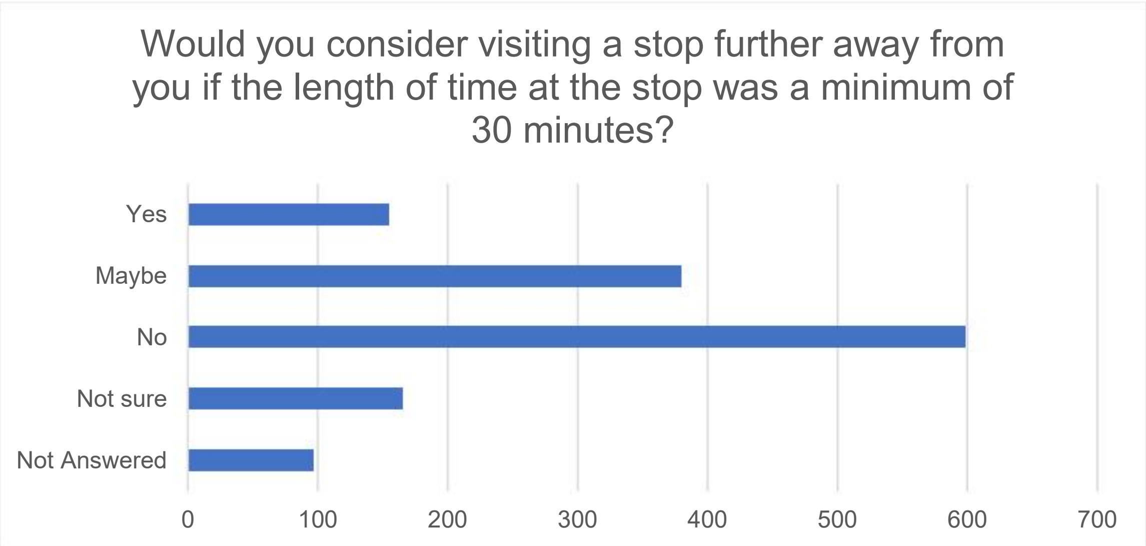
Other, please write here:

239 other comments were received for question 13.

43 respondents told us that routes and stops should *not* be reduced. Comments were also received about the need to prioritise routes/stops based on current usage [29], and in rural areas where other services may be limited [37]. Respondents questioned the rationale of the proposal [30]. Some respondents suggested reducing the frequency of stops instead of reducing the number of routes [23].

See Table 6, Appendix 1 on page 473 of this document for examples of comments.

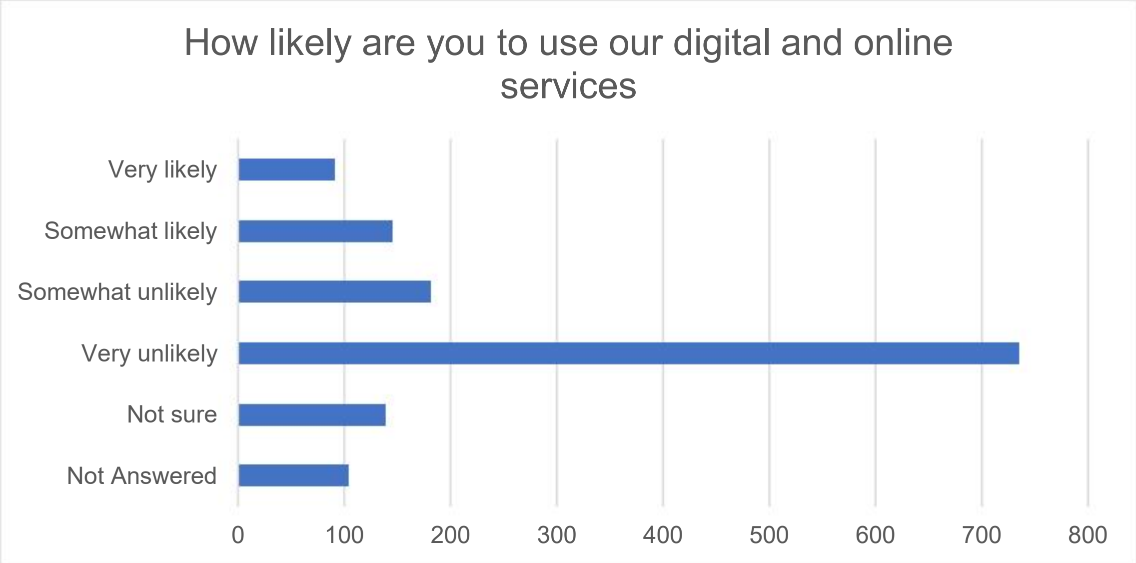
Q14. Would you consider visiting a stop further away from you if the length of time at the stop was a minimum of 30 minutes? Please tick (✓) one answer only:



Option	Total	Percent
Yes	155	11.10%
Maybe	380	27.20%
No	599	42.88%
Not sure	166	11.88%
Not answered	97	6.94%

Q15. How likely are you to use our digital and online services if we were to reduce the mobile service? Please tick (✓) one answer only:

1,293 people answered this question, people could pick one option only. [918] respondents said they are 'very or somewhat *unlikely*' to use our digital and online services if the mobile library service is reduced, [236} are 'very or somewhat *likely*', and [139] are not sure.



Option	Total	Percent
Very likely	91	6.51%
Somewhat likely	145	10.38%
Somewhat unlikely	182	13.03%
Very unlikely	736	52.68%
Not sure	139	9.95%
Not answered	104	7.44%

Please explain why you said this

858 additional comments were received for question 15.

There were 607 comments from respondents who said they are **'very or somewhat *unlikely*'** to use digital and online services if the mobile library service was reduced: the main reason given was a preference for paper books [181]. Lack of skills or interest in using technology [152] was also given as a reason, as was lack of computer equipment and broadband access [138]. Preference for face-to-face contact with other people at the mobile library van instead of using digital services was also mentioned [57]. Although some respondents already have access to the internet at home the difference between using IT for functional, necessary activities and reading for pleasure was noted [53] as was a preference for reading typeface on a page instead of looking at a screen [43].

See Table 7, Appendix 1 on page 474 of this document for examples of comments.

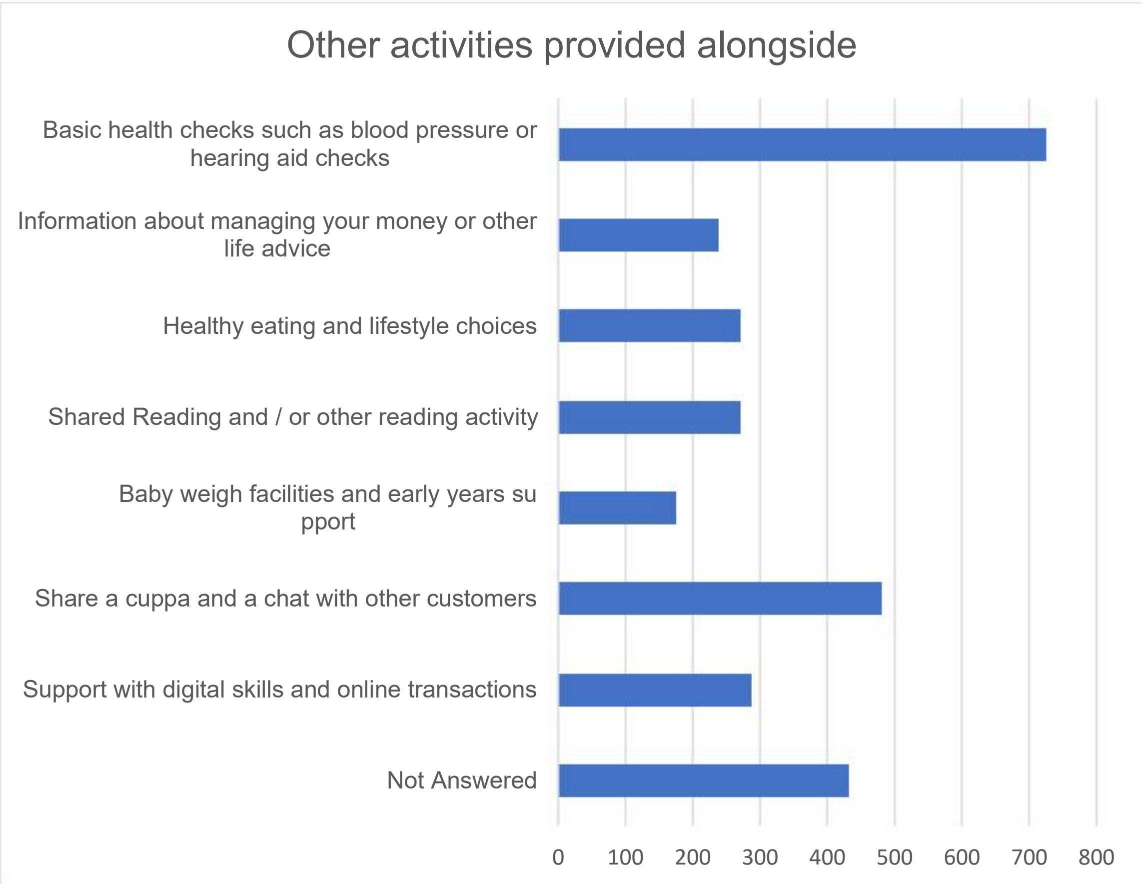
There were 145 comments from respondents who said they are '**very or somewhat *likely*'** to use digital and online services if the mobile service was reduced: respondents who picked this option tended to identify as being existing users of digital services [68] although some qualified their response with a proviso about choice or stock [30]. Preference for books as physical artifacts as opposed to a virtual version was also noted [20].

See Table 8, Appendix 1 on page 476 of this document for examples of comments.

There were 82 comments from respondents who said they are ***'not sure'*** if they would use digital or online services; the main reasons were a preference for reading paper (not virtual) books [21], lack of IT equipment or access to broadband [14], and lack of technological ability or interest [14]. Some respondents did not pick one of the options but provided a further 24 comments making a total of 858 comments.

Q16. Which, if any, of the following activities would interest you *if* services could be provided alongside the mobile library service? Please tick (✓) all that apply:

965 people answered this question, people could pick more than one option. The option selected most frequently was 'basic health checks' [725], followed by social activities [480].



Option	Total	Percent
Basic health checks such as blood pressure or hearing aid checks	725	51.90%
Information about managing your money or other life advice	238	17.04%
Healthy eating and lifestyle choices	270	19.33%
Shared Reading and / or other reading activity	270	19.33%
Baby weigh facilities and early years support	175	12.53%
Share a cuppa and a chat with other customers	480	34.36%
Support with digital skills and online transactions	286	20.47%
Not answered	432	30.92%

Other please write here:

177 other comments were received for question 16.

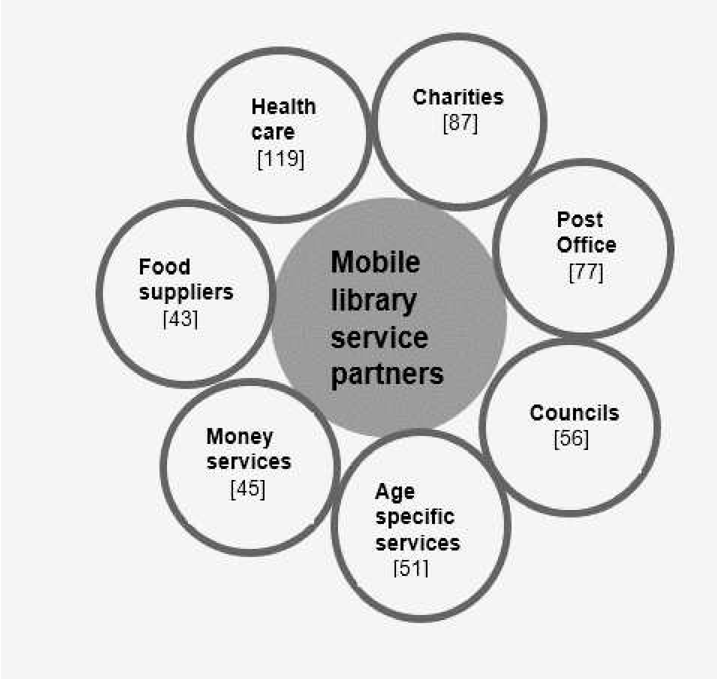
Although many respondents selected numerous options from the list of suggested activities (see above) with health and social activities being the most popular options, the free text comments provided an alternative view. Respondents expressed a lack of interest in, or need for, additional activities and/or told us that the mobile library van should stick to core library activities, often defined in comments as lending books and encouraging reading activities [54]. The rationale of adding services was also questioned [38].

See Table 9, Appendix 1 on page 476 of this document for examples of comments.

Q17. Which other organisations could we consider working with to deliver services to rural locations?

591 people answered this (free text) question. Some respondents suggested organisations which could operate within the mobile library van, while others suggested locations the mobile library van could be based at to undertake joint working in the community (for example at churches, schools or village halls).

The main organisations which respondents said the library service could consider working with to deliver services to rural areas were:



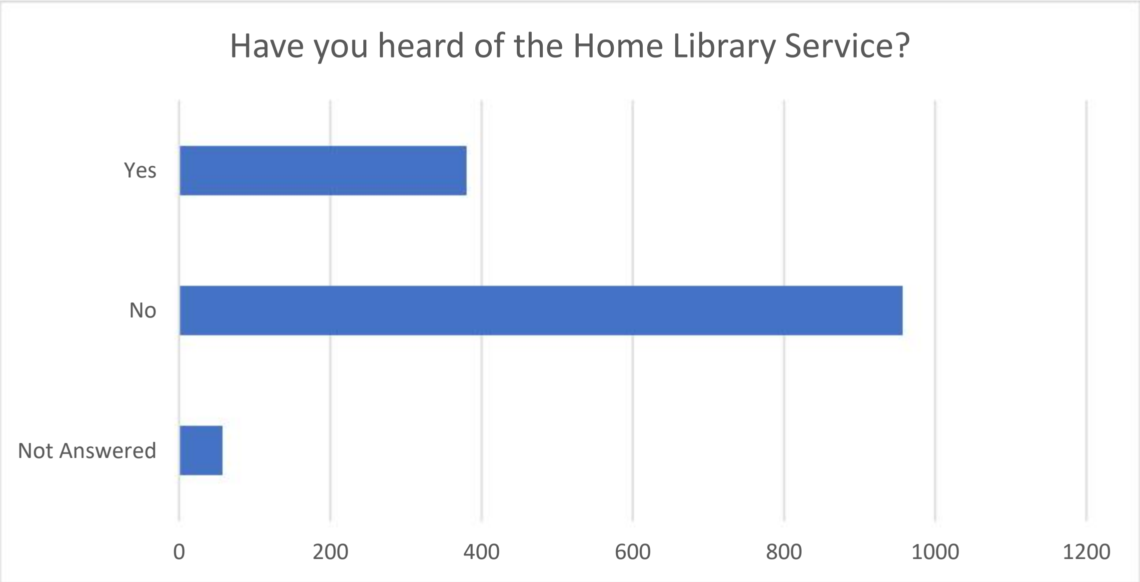
- **Health providers** – GPs, pharmacies, dentists, mental health services [119]
- **Charities** – WRVS, Citizens Advice Bureau, Womens' Institute [87]
- **The Post Office** [77] (many people noted the loss of their local post office)
- County, District and Parish **councils** [56]
- Organisations with **age-specific clients** (older people/children) – Age UK, Norwich Play Van [51]
- **Financial services** - support with debt, money problems, mobile banking and cash [45]
- **Food suppliers -** markets, food banks, community fridges [43]
- '**Other**' services included churches and church groups, the Police, 'community champions', pubs, garden centres, cafes, schools, sports centres, and specific activities such as befriending or swapping surplus garden produce [185]

22 respondents questioned the rationale of working with other organisations, how it would work in practice, and how existing library services might be affected. Although there was enthusiasm about the prospect of the mobile library service working alongside other organisations, [20] respondents said we should not consider working with any other organisations but should focus instead on core services.

The importance of the mobile library service to the wellbeing of people and communities [15] and for rural communities [14] was reiterated.

Q18. Are you aware of the Home Library Service that delivers books to your door for those who are less able to get to a library? See www.norfolk.gov.uk/libraries-local-history-and-archives/libraries/library-services/home-library

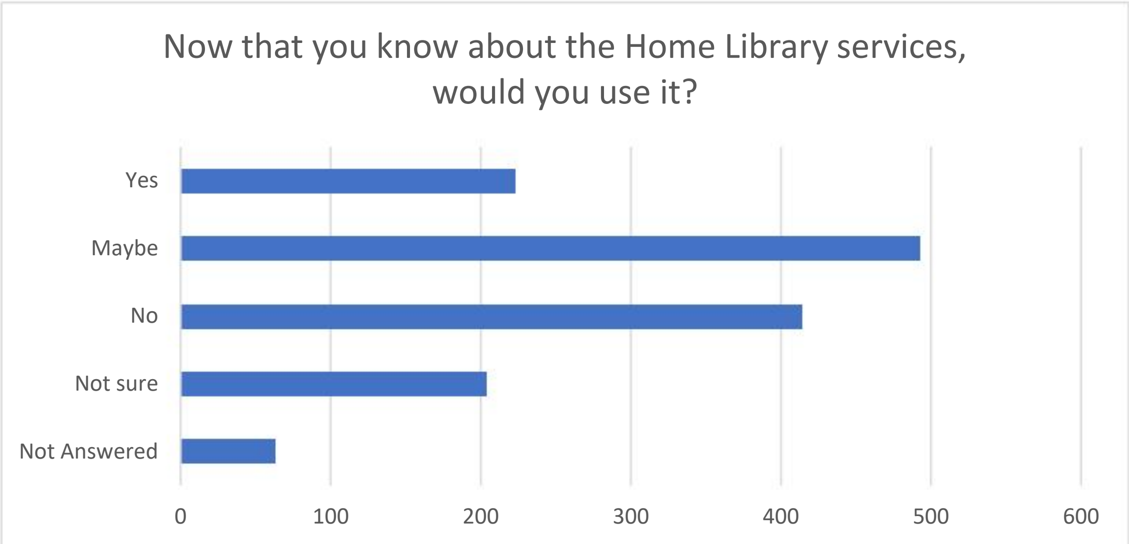
Most respondents (68.58%) who answered this question were not aware of the Home Library Service.



Option	Total	Percent
Yes	381	27.27%
No	958	68.58%
Not answered	58	4.15%

Q19. Now that you know about the Home Library services, would you use it?

However, despite the majority not knowing about the service, the response to possibly using the service in future was lukewarm, with just over 15% saying they would use it.



Option	Total	Percent
Yes	223	15.96%
Maybe	493	35.29%
No	414	29.63%
Not sure	204	14.60%
Not answered	63	4.51%

Q20. Is there anything else you want to tell us about the mobile library services that you think might be useful?

798 people answered this (free text) question. Most of the comments for question 20 reflected points made in previous responses. Respondents stressed the importance of the mobile library service, describing it as 'vital' or a 'key service' [250], its role in promoting wellbeing [206], particularly in rural areas where other services may be limited [149] and for older and younger people [139]. Library staff were praised for their expertise and personal qualities [131] and there were also very many general positive comments about the service [162]. The importance of the mobile library service in promoting reading was noted [97]. Some respondents queried the rationale behind the proposal [103] or asked for the service not to be cut [92] (see table below).

Theme	No.	Comments
Comments about the service being vital, a 'lifeline', invaluable, and something people rely on	250	This service is important to those of us who can not travel far, it gives us access to things we do not normally have and we rely on it. This is a life line for many esp in rural areas. Please keep the library service, it is an important aspect of village life and a lifeline for many. Living in a rural area with no public transport as we are both pensioners this service is vital to us. This service is the lifeline to a proportion of our community. It is wrong therefore to reduce or remove this treasured and valued amenity that some of our society treat as their lifeline. The mobile library is a life line to isolated and lonely people such as myself. At a time of shrinking budgets this is an essential lifeline for pensioners who are in danger of becoming even more isolated. To older readers the library is essential. If disabled or inform or a non driver, the mobile is a lifeline. Please don't take it away. This is such an undeservedly depressing form. A library and easy access to one should be a human right since it is so fundamentally important. The mobile library is a very important event in a lot of people's lives.
Comments about how the service promotes individual or community wellbeing and reduces isolation	206	For many isolated people, this is the only human contact they get, and reducing it will impact greatly on their mental health. It's my only meaningful contact with others. It is a vital source of contact (personal/human) for many and can prevent loneliness becoming a crisis situation for many people. It offers a service that supports the mental well-being of many people who cannot easily access library services in branch libraries on a regular basis, and it would be a retrograde step to withdraw it. It is an older generations link to the outside world for some it's their only link to conversation and peace of mind and well being. It is a privilege to have a mobile library service in rural Norfolk. To stop thiis would be detrimental to the wellbeing of the community. For some, it's more than just a library, it's a point of social contact. For some it maybe the only social interaction they have. I really value the service, was a lifeline to me when I was really depressed and needed something to look forward to. Was a god send when I had just had a baby and had little confidence leaving home. One gentleman I am aware of says that the mobile library driver is the only person who he speaks to apart from his wife who suffers from dementia.
Generalised positive comment about the service	162	Libraries are now a 'social service', offering a safe, accessible and open space to all, which is amazing. It is a brilliant service, very much loved by those who use it and to reduce it would be a travesty. I absolutely love this very valuable service and I would be so disappointed if my library van stop were axed :-(Myself & my 2 children age 2 and 8 LOVE the library bus and always take out our maximum allowance every month. It's the highlight of my week.

		I am lucky to have a library near me but if I moved to an area that didn't I would be heartbroken if I didn't have this service. It is an amazing service. We love it, it is one of the few county council services that is of use. The pleasure of it turning up once a month is something to look forward to. I have used the mobile library service for over 30 years and would be very sad not to have it. You provide an expectational service!
Comments about the importance of the service for rural communities which may lack other services or transport links	149	One of the few, if not only services stil (at present) available to those of us who live in more rural situation that actually brings a little pleasure. This village has nothing. I love to read I order quite a lot of books. Please do not take this away from me. The mobile service is really appreciated by people in villages especially older people with no transport. The Council has cut many services in rural areas. We don't have a shop, news agents or post offfice anymore and we have absolutely no public transport to Martham - our nearest stop for any services including the library. Losing the mobile library service would be devastating to our little community, especially the elderly who rely on it for socialising and providing entertainment and information. We don't get much for our council tax living in a rural area - seems a real privilege to use such a resource. Discontinuing it will convey the message that it is not important to provide services to rural communities.
Comments about people's age	139	At my age, I'd feel bereft without the mobile library service. Our children love the opportunity to go onto the library bus and pick their own books. I tis an experience that many of them do not get elsewhere. The children love using the library van. Exceedingly convenient also needed for the village of all ages. It is essential for all people to have access to library books, particularly older people in rural areas. I am a lady in my mid seventies, I had to give up driving and I look forward to the visits of the Mobile Library van. I started using it to support the service for local older users but would miss it if it was stopped. Possibly the service is more aimed at the elderly and not necessarily something young people would consider using.
Comments about mobile library staff/drivers	131	Caring and helpful staff - a joy, and it would be terrible if they lost their jobs. I have been extremely impressed with Mark our driver. He is courteous, helpful and incredibly patient with elderly users. His cheery demeanour makes the monthly stop round the corner a pleasure. Staff always helpful. It is always useful to ask the mobile library staff their recommendations on the subject or the authors you are interested in reading. Their knowledge has always been extremely useful and introduced me to other authors. You are very lucky in the people employed. Your staff are so helpful and very good at saying where the latest books are. Our mobile librarian is brilliant. I have used the mobile library for many years and have always found the van drivers to be extremely nice people. The staff are very helpful and assist with choosing books that I will enjoy reading. I just like talking to the librarian with ideas of what I might like to read - is is lovely because the librarian seems to remember you and what authors you like.
Comments about NCC's approach or underlying assumptions	103	Removing this service in remote areas with little transport will increase isolation. One of the long term implications of isolation is increased social care issues alongside increased mental health issues. Viewing it as an isolated cost saving is "short termism" and will have a knock on effect on long term. The mobile library service is one way that NCC can show a presence in all rural communities. What other service does it deliver that has that visibility in rural communities. A more in-depth review is required, as it is always the vulnerable with the true need that get hit, but no one in their corner to stand up for them. After all you may be able

		to balance the budget in one section of the council but it come back to bite in after care, which is not necessarily this sections budget responsibility. It would be good to hear that the Council did not accept these nationally imposed cuts without at least making its feelings known. How much more can you cut? There comes a point where Local Authorities ought to realise they are funded to provide services both basic / essential as well as those which may be considered non essential but yet form an important hub and social benefits. The mobile library service takes up a small amount of money relatively for a good service which brings a lot of benefits. Apart from my personal experiences as a (retired) Mobile Librarian , it is the fact that Norfolk County Council HAS A LEGAL OBLIGATION TO PROVIDE LIBRARY SERVICES. There could be a case to be made that in withdrawing any part of the service currently provided i.e. Mobile services, the C.C. is in dereliction of its STATUARY DUTY to "provide for all persons"! Any curtailment of this service is bound to lead to a decreased demand upon the service this a dangerous path leading towards its extinction. I trust that its the intrinsic value of the service that guides any decisions made.
Comments about the role of the service in promoting literacy and encouraging people to read	97	The UK has an appalling record of illiteracy. Cutting mobile libraries will make it worse. Our village book group benefits hugely from the monthly visit of the mobile library in that it has always supported us with the delivery of our chosen book. There may be other reading groups who get this support or, if not, this service might be a way of encouraging other communities to set up book groups of their own. I really think we need to encourage reading and learning of we are to ",level up" not " level down". To some parents who are illiterate, a library can be a very scary place. They want to do better for their children, but would need the personal relationships that are built up with face-to-face services, otherwise they would be less likely to use the service. I think for children especially, access to hard copy books is important to foster a lifelong love of reading. They should not be forced into reading on digital devices that require paid internet to use, especially if they are not within walking distance of a library branch. As a teacher, it saddens me that the mobile library services is potentially having its budget cut by almost half. Reading is so critically important- for everyone, especially children. Reading to inform ourselves, to give ourselves and our children a better life, reading for pleasure, reading to break down stereotypes and barriers, reading to open the mind to other cultures and languages…the list goes on.
Comments about not cutting the mobile service	92	I'm extremely disappointed and angry that you are going to cut any of it's services to save what is a pitiable amount and I believe it's extremely short sighted of you. It's a service we should not lose or cut back. I really don't want the mobile library service to be cut. I don't feel you want to continue the mobile library service. I feel you have planned to reduce use to justify cuts. Yes they are a vital service. Don't cut. Stop trying to cut back on services. Stop cutting services! NCC should not be considering cuts to any library services, including mobile library services.
Comments about how the service saves people having to travel/the person can't travel/has no access to private or public transport	58	Some older people have no transport so the only way they can get to libary is a mobile one. The mobile library service is vital for rural villages that have limited transport links to a branch library. Mobile library's are a lifeline to people in rural communities who do not drive. Very helpful as public transport is practically nonexistent. It is a lifesaver for those living without a car or access to good, convenient public transport.
Comments about the service in relation to the cost of living/cost of running the service	45	I understand it is thanks to the cuts from the Conservative government that you are having to do this, but cutting an important life line for the elderly and disabled is the wrong thing to do. How about charging a very modest fee for books from the mobile library rather than cut them? With the current cost of living crisis, it may be a bad time to cut the service back.

		I understand that the council has to make cuts, but to cut a service such as this I feel is a mistake. To deprive people of such a valuable service, which in the grand scheme of things budget wise, seems to cost very little, when the benefits of having the service are so many. It is my only access to the library as in the current economic climate with rising living and travel costs I cannot afford my own personal transport to get to a library, and as my village has no public transport the simple fact is that if I can't go to the mobile library then I can't get to library. As communities face increasing hardships, with less money available, libraries and mobile libraries are needed more than ever.
Comments about the current date/time of stops or alternatives to existing schedule	42	Could the rounds still continue but every 8 weeks instead of 4 weeks? Could the number of stops within the village be reduced to 1 central stop? Keep the same service but only come round every 8 weeks instead of 4. More advertising and maybe more weekend or late afternoon/evening could increase use. Would it be feasible to call, maybe 6 weeks, instead of nothing. I would be willing to wait longer between visits if that would help. Instead of halving the locations visited, why not halve the frequency of the visits to once a month instead of fortnightly. Going from 4 weeks to 6-8 weeks would be acceptable.
Comments about advertising the mobile service	39	The mobile library service is not well publicised. It needs to promote itself, many people in my village don't know it exists. We need special bus stop signs with times for those who don't or can't look online. The library service is excellent but it does not sell itself very well! Advertising the service more may also help. This would require a campaign aimed at rural communities - get local people and/or Parish Councils/local notice boards/community groups etc to help. There is not enough publicity promoting the service!
Comments about not reducing the mobile service	18	Please keep the mobile library going. Just keep it going. We enjoy what we have at the moment. IT'S FINE AS IT IS.
Comments about the mobile service stock	17	The mobile library seems to offer a greater variety of books than our local branch which is rather stale. I'm sure libraries used to rotate their stock. I always reserve new hardback books, shame paperbacks aren't released at same time as this woud mean more books on the shelfs of the van Old dusty books or a wait of six months to get a good read which is usually dusty and smelly. When I get books from the branch library I can only borrow them for 3 weeks and have to keep renewing them (if they are not already reserved).
Comments about where the mobile library stops currently or should stop	17	I think having a mobile library van close to where people are already visiting so they don't need to go out of their way is important. Supermarkets, gyms, schools, parks. Maybe focus stops on places such as community centres and churches when other groups such as parent/toddler, craft groups and jobclubs are convening to maximise library usage, facilitate social contact etc. Tie in the Visit with end of school - ask the school of you can park in their car park.
General comments about people's health or disability	13	More audiobooks for people deaf either 1 ear or in 2 ears … . I would feel embarrassed using a service for disabled people when I am fit. As I have stated, I have had a stroke that has left me housebound and I love reading. It provides an excellent service, especially for the very elderly who have no transport and could not walk far carrying books. … A real stress reliever for my poor sighted neighbour with audio books.
Comments about previous cuts to the service/the proposed change would be a further cut	11	This is a diminishing service which has been drastically reduced in recent years and it would appear that the local authority are set on reducing the service to a point where they can justify scrapping the service entirely. This service has already been cut down to half the amounts of visits there were pre-covid, it is appalling that it is being cut again. The mobile library service has been pared away over the years to such an extent that the opportunity to use it in rural areas is low. A valued service, already cut once.
#eqia 91 – please see Appendix 2		

Appendixes

APPENDIX 1 – Respondents' comments, by question

Note: Only comments which are 'tagged' more than ten times appear in the following tables.

Table 1: Q3 What is it that you like about our mobile library service?

Theme and tag	No.	Comments
Generalised positive comment about the service	88	A convenient service for rural communities. I have transport available but it is more convenient to walk to the mobile library stop. Where I lived previously I used the mobile library as far more convenient than driving to nearest library. It has a good selection of books. It is punctual and reliable. A fantastic service which encourages literacy and social connection. The librarians, the choice of books, everyone living nearby has access to a library. It is an indication that Norfolk values the provision of library services to outlying areas. My children love it. It's a fantastic service for those who cannot access a permanent building. It comes very close locally making it easy to use. Great for vulnerable people and to promote libraries.
Comments about people's age in relation to the service	67	My children love visiting it and get excited when they see it come down the road. The library van comes to our Pre school so it's a great experience for them. Children to be able to experience the library. By meeting others on the van, we encourage young and old in reading, sharing interests. We use it to introduce toddlers/small children to the library service. I see the use of it in my village for the children and elderly. Essential service in a village with limited bus service - north Norfolk has a high number of elderly people that is growing. Lots of elderly people living in Horsford.
Comments about mobile library staff/drivers	64	Interesting conversations with the librarians, their enthusiasms. Staff are always very helpful with my mobility issues. I like the one to one advice and recommendations the librarian can give. The drivers are all friendly and have good knowledge when it comes to advising on books; the only way I have access to a library. … I can have discussion about the books. In the local library I often walk in and out without having to speak or be spoken to, because of the machines, now used instead of staff. Drivers always friendly and helpful with any queries. The Librarian is so knowledgeable, knows us personally and recommends books which she knows would interest us.
Comments about the service being vital, a 'lifeline', invaluable, and something people rely on	63	I'm disabled and no transport it's a lifeline. It's a lifeline for the digitally excluded. It is a valuable service for those unable to get to a library, and a lifeline for lonely, isolated folks. Lifeline to get my reading material and get out of the house. An essential service for the elderly and disabled. It is a life saver for me. I look forward to it - I have never missed a visit. Essential as no bus service in village. Vital link for people who can't travel to nearby town. It's an essential service for people who have no transport, live in outlying villages etc.
Comments about how the service promotes individual or community wellbeing and reduces isolation	59	Residents feel part of the community. I want to improve my mental well-being by reading widely and often. It allows isolated people to get out and meet others. It is a lifeline for me, and one of the few faces I see as I live alone. Without my books I would be bereft. I like to keep reading for my mental health and the mobile service is how I do this.

		I love reading and the library van meets and exceeds all my requirements. The staff are excellent and the service is brilliant. My well being and general happiness is enhanced by the visit of the library van. It is a lifeline to books - my favourite past time. My main way of relaxing as a fulltime carer.
Comments about how the service saves people having to travel or people's difficulties in travelling	50	It enables people who are unable to get to a branch library books and other services. It is good for people with no transport. It is a service to those who cannot afford or takes buses to Kings Lynn and do not have their own transport. It's great for villagers that don't have transport. Essential as no bus service in village. I don't drive now, the mobile library is within walking distance, for me.
Comments about the role of the service in promoting literacy and encouraging people to read	42	My kids love going to the mobile library for the novelty value (in a good way!). It means even if we already have a few books they want to borrow more, and therefore read more. A fantastic service which encourages literacy and social connection. It makes me read more. My daughter visits when the bus goes to her nursery - it inspires children to love real books. It encourages me to read more and to talk to others about the books we've chosen.
Comments about the importance of the service for rural communities which may lack other services or transport links	38	In a rural setting with very limited bus services (1 weekly bus) it is the only means of using the library se4vice. Rural areas are disadvantaged in that they have to travel to access a library, recent fuel costs make this even more difficult. Vital for rural villages, I teach at a rural village school and some of my class have no transport so no access to books etc. It's a life line to those who live in the countryside and don't have access to libraries. It is a useful service for people isolated in rural villages.
Comments about people's health or disability	26	Very helpful for limited mobility. A safe way to be able to choose books as ventilation is good for those who are vulnerable to infection. I am housebound and enjoy reading. I'm disabled.
Comments about the service in relation to the cost of living or cost of running the service	20	Access to local and free resources especially important at this time. It saves me getting the care out especially now petrol is so expensive. If you use your car you have to pay for parking and also petrol is so pricey. No fines for extended loans. Cost saving from using car.
Comments about the environmental impact of the service.	14	An environmentally friendly way to access books, reducing congestion and costs of travel. More economical and lower carbon that me (and all my neighbours) making separate library journeys. Reduces my carbon imprint by not having to travel ten miles to Swaffham and back. I don't have to use a car queuing into King's Lynn causing pollution.
EQIA information for Q3: #eqia 42, #age 67, #health 26 – please see Appendix 2		

Table 2: Q5 If the mobile library was not available how likely would you be to travel to a branch library for these services? 'very or somewhat *unlikely*'		
Theme and tag	**No.**	**Comments**
Comments about problems in travelling to a branch library	357	I have no way of getting to a branch library independently. No public transport from village to Acle (or any other) library. Unable to get to the local library , no transport and don't drive. I can't drive and rural transport is rubbish. As I am unable to drive I am reliant on the very limited public transport links to the nearest library. I have no transport and need assistance in walking. Only if I get a lift of someone. I don't drive and would have to go to Norwich. The bus is not always convenient.
Comments about people's health or disability	82	Do not drive now and books are heavy. Not able to drive due to health. Not easy for me to walk so getting to library not easy. The amount of books I take out, would be difficult to carry, with my health problems.
Comments about branch library	81	My local Library branch is not open when I have my day off work, so I can't visit it. Parking is a problem in KL and puts me off using the main library. V. limited parking at nearest branch, and not a lot more at nearest car park. Due to transport, no car readily available, Harleston Library not open on the days I have access to the car.
Comments about the cost of travelling to a branch library	68	Cost of fuel, parking charges. Taxi services are expensive and inconvenient. We're aware of rising fuel prices and restrict ourselves to essential journeys only. Due to the cost of travel to the nearest library.
Comments about people's age	52	I am mid eighties and do not drive. Not driving very much due to age. Elderly don't get out much.
Comments including a caveat	27	I would only go if I was already in a location with a library. Fuel at nearly £10/litre means I would think twice but I love to read so may go sometimes.
Comments about barriers to access associated with time.	21	I am a fulll time carer for my husband. I rarely get the chance to go to Dereham (nearest library I think) and when I do I don't have the time to spend time in the library. Haven't the time.
Comments about issues with living in a rural area	19	Transport is limited in rural areas. No public transport from village to Acle (or any other) library.
Generalised positive comment about the service	18	I use the mobile library because it is so convenient. Travelling to a branch library is not. The structure of a regular visit by the mobile library suits my lifestyle.
EQIA information for Q5 'very or somewhat *unlikely*': #eqia 66, #age 52, #health 82 – please see Appendix 2.		

Table 3: Q5 If the mobile library was not available how likely would you be to travel to a branch library for these services? 'very or somewhat *likely*'		
Theme and tag	**No.**	**Comments**
Comments about respondents' ability to access branch libraries	63	I have a bus pass so can get into the Dereham branch. Friends would transport me. We are fortunate to have a car and can get to the branch library. Because at present I'm able to drive and have a car. I value libraries and have a car so I can, and do, travel to other libraries. Have a car and the money for petrol.
Comments about respondent's willingness/ability to travel to a branch but with a caveat	56	We would have to find the time but it would be less often I am able to travel to a branch library but enjoy visiting the mobile library to chat to other users. I suppose I would go to Dereham library but nothing would replace the sheer convenience and specialness of the library van. I like physical books so will use a branch library if no mobile libary (but I prefer the mobile library as I get 2 months to read my books).
Comments about the role of the service in promoting literacy and encouraging people to read	34	Reading is knowledge and we all need that but it is not convenient to travel to my local library and my visits could not be as often. We love the library it's a great way to access books, I personally do not like digital books and my young daughter needs to learn to read traditionally not on a screen. I must have books!
Comments about difficulty in travelling to a branch library	34	The nearest branch is not close and not served well by public transport. I would still try and use the library no matter what but it would make it increasingly difficult because of the insufficient transport links in Norfolk. We like reading different books however the nearest branch library is far enough away to be reached only by car.
General positive comment about the service	26	Because I value the Library Service and books enrich our lives. I enjoy using the library services so would continue using them. Because I love libraries, could not live without them.
Comments about people's age	20	If I can still drive (I am 86). Our local library is a 20 min drive but would try and get there to keep using books for children.
Comments about branch library	14	It depends on the opening hours of the library. Difficulty of parking near enough to not have to carry heavy books and/or having to pay to park.
Comments about the service in relation to the cost of living/cost of running the service	13	Costs of driving into town and parking. Time saving and cost saving as I can walk to the mobile bus.
EQIA information for Q5 'highly or somewhat *likely*': #eqia 3, #age 20, #health 6 – please see Appendix 2.		

Table 4: Q8 What do you think are the most important factors when deciding where library services should be provided?		
Theme and tag	**No.**	**Comments**
Comments about services in rural areas	62	In a rural location in Norfolk with infrequent public transport and no other services locally. I think stops in villages in rural Norfolk are really important especially if there are limited services i.e buses etc. In rural areas with a large proportion of elderly residents. Rural communities benefit massively from the library vans. They are ideal for the elderly and those with young children who are unable to travel to other locals.
Comments about services where specific groups of people need a stop	47	Communities with aging populations and council used B&B accommodation. In areas with high populations of elderly and children. In a location that has a large amount of disadvantaged children and adults. In places where there are residents liable not to be able to visit other locations, towns etc, so sheltered housing areas, over 60's residents, areas with mental health sufferers.
Comments about people's age	34	In rural areas with a large proportion of elderly residents. In location where there is aging population, and limited facilities locally. Walking distance for elderly residents.
Comments about how the service promotes wellbeing and reduces isolation	23	This is the one community meeting place. In communities with elderly population and communities with young parents who may otherwise be isolated. The elderly with no transport or access to transport. Social contact even more important as services are withdrawn.
Comments about services at a specific site or type of establishment	23	Near primary schools. Near to care homes where people find great difficulty using a bus with a rolatov and a heavy bag of books. Family centres. Rural Preschool.
Comments about the service being vital, a 'lifeline'	22	This is a vital service for any community. Elderly residents it's often their only life line. … We also have a high number of elderly people who rely on this service
Comments about services wherever there is a need	20	In as broad and diverse a range as possible. Mobile library services should be being increased, not cut. Provide a mix of provision, ie rural communities also community centres etc
EQIA information for Q8*:* #eqia 17, #age 34, #health 5 – please see Appendix 2.		

Table 5: Q9 What do you think are the most important factors to consider when deciding how long a mobile library visit should be?		
Theme and tag	**No.**	**Comments**
Comments about duration in hours/mins or ways of calculating stop duration	22	Average number of visitors. The number of people regularly using the service. Maybe an hour or two at least in each location. Each stop needs to be at least half an hour otherwise the visit feels too rushed. Time of day: early evening visits may attract people after work. Frequency of visits: vans may be busier if they come less often. I would like a longer time to choose 15 mins is not always long enough as the libarirain needs to find certain books I like. Usually I know where to look but I like something different at times. The number of people who visit and the age of people e.g. a child often takes more time to choose a book.
Comments about using activities to calculate stop duration	19	Basically time to choose a book and return books ask briefly a question. After all it's mostly books the older folk want or DVD etc. Time to talk, library staff are good at signposting other services run by the council. You need time to choose books and not feel hurried also need time to discuss anything about the books with staff. Not all parents are literate, so support may be needed to help access books/reading and encourage children to love reading.
Comments about how the service promotes wellbeing and reduces isolation	16	Connection with people, it might be the only contact someone has that day. Help bring community to getthe. Older folk need more time to look for books. Many do not have tablets etc. In the winter it is especially important to look forward to the van coming.
Comments about NCC's approach or underlying assumptions	11	Why are they needed? Ridiculous waste of money when everything can be done digitally now. Unless the new generation of mobile libaries has space and connectivity then, research will be difficult. How many searches can be done in an hour, never mind 15 minutes? Is 'reading with children' a mobile function? Surely other agencies, or, indeed parents are doing this? The current period of times seem fair. The way the mobile libary works at the moment is excellent. No doubt these are grounds to change it for the worse. Pretty much everything else is.
EQIA information for Q9*:* #eqia 7, #age 9, #health 1 – please see Appendix 2.		

Table 6: Q13 If we were to reduce routes, in your opinion how should we prioritise which routes and stops to keep?		
Theme and tag	**No.**	**Comments**
Comments about not reducing routes	43	You shouldn't reduce them at all. I don't think you should reduce the routes as its a life line for many. Routes shouldn't be reduced forever. The needs of individuals& communities are constantly changing especially with an ageing population & cost of living restricting people's ability to travel. Do not reduce any routes, what ever ones you choose would affect some users
Comments about services in rural areas	37	Keep rural services where people have little or no access to services so the community is still supported. Keep routes where there is lack of public transport in isolated rural areas.
Comments about NCC's approach or underlying assumptions	30	it is the only visible service you provide locally! Why don't you ask what people want to spend their taxes on instead of just doing what you want. Nobody wants your crappy bus lanes and cycle lanes, and once we've all gone electric what difference will they make. I am appalled that this is being considered. Libraries are one of the things which form a civilised society. I'd rather pay higher council tax.
Comments about prioritising routes/stops based on current take up	29	Only remove routes with low usage and reasonable access to other nearby library services. It should be based on usage on that particular route, also what public services are provided in that location. Well used stops should keep the service.
Comments about people's age	26	Need to encourage more use by young families and retired villagers. There would be a need to look at the demographics of a location, ie: number of elderly residents who would find it difficult to travel. A bi monthly visit many who use the mobile DO NOT use Broadband some near me are 85+ & 90.
Comments about reducing frequency rather than cutting routes	23	Maybe it would be better to reduce the number of visits eg every 6 weeks not 4. I don't think you should reduce stops, perhaps cut back on how often, say every 6-8 weeks, which we could choose more books to cover the extra time. Maybe cut back on some stops in the same village or increase the time between visits.
Comments about prioritising routes/stops where there are few other services (not #rural)	17	Prioritise areas with limited access to other services. Prioritise routes where there are limited services and no other means of accessing reading material. Usually routes that are close to other services ie towns have better broadband.
Comments about the service being vital, a 'lifeline', invaluable, and something people rely on	13	Our villages need the library van. I cannot stipulate enough the importance of this service. I don't think you should reduce the routes as its a life line for many. In our close only a couple of old ladies as well as myself use it but they are desperate for it to stay as they can't get to Poringland and really rely on it.
Comments about how the service promotes wellbeing and reduces isolation	11	With no transport of my own and limited mobility, mobile library stop near my home is very much appreciated a very important factor for independence. Don't stop any routes, it helps with mental health nowadays and gives people something to look forward to.
EQIA information for Q13*: #eqia 16, #age 26, #health 3 – please see* Appendix 2.		

Table 7: Q15 How likely are you to use our digital and online services if we were to reduce the mobile service? *'Very or somewhat unlikely'*		
Theme and tag	**No.**	**Comments**
Comments about preferring paper books	181	I like to read a paper book not on a laptop or tablet etc. I want to borrow and read books, I don't like digital books, I like to hold and turn pages. Nothing better than holding a book. I prefer to have a physical book in my hand, not a fan of digital books or online media. I have online access at home but like paper books to read before going to sleep at night. For the children its the excitement of a book in their hand ... they spend enough time on devices. Nothing beats a book. I find reading digital matter doesn't relax me as much as reading a proper book. And visiting a library allows you to peruse lots of books and broaden my reading. I want to read a book with a cover and a printed page format! There is NO subsititue for that pleasure. I use the library to get real books to read. Having a laptop on the bed would not be the same at all and would not happen in my home. Reading is an unwinding process that would not be the same if I then had to start logging off and turning off computers when I wanted to go to sleep. Reading text on screen is done enough in the day job and not what I want from my pleasure reading.
Comments about lack or skill or interest in using technology	152	Reading a book is precious and online services does replace this. As we get older using online services will become increasingly more difficult and confusing. Find online services difficult prefer not to use. Not confident or overly competent using technology. Don't like or understand digital technology. And it's intrusive nature. Hackers/ adverts/using personal information. Not digitally Capable. I don't find digital services usable. They confuse me the moment they don't work, so I give up.
Comments about lack of hardware (laptop/tablet) or access (internet)	138	I do not find online services very user friendly and our broadband in this area is unreliable and cantankerous. No mobile phone or laptop held , broadband service is poor. I have no broadband connection or laptop/computer. I do not have the internet, a computer or any digital devices. My only connection in a land line. Cannot use it, don't have it. could not afford it even I knew what to do with it (and I don't). very poor broadband coverage.
Comments about preference for a physical service and face to face contact with staff rather than digital services	57	Why is everything going online, it is actually nice to talk to a human being and being social. Prefer face to face rather than digital. Online is not a substitute for face to face. Physical books and physical people. Online can't provide that. I use the library to borrow books to read and to get advice and discuss books with staff on the bus. We go (with child) to choose physical books. To browse the titles, get recommendations. This can never never be replaced by an online service.
Comments about existing use of digital services or willingness to use digital services	53	Only u[s]e online for basic requirements prefer visiting library. I use the online services at home for myself. My children use the library bus for books, they do not use digital services. Can access online services at home. Happy with Broad band - home pc - and telephone but reading printed word is important to us. Already have access online but it's not what I use the library for; to browse books and have a hard copy to borrow. I use my laptop and ipad when necessary but prefer books. I already use your online services to search the catalogue and to reserve books that can be delivered by the mobile library.
Comments about people's age	53	I am an elderly widow of 92 and totally rely on the Mobile lbrary for rreading matter. It is difficult to read non fiction books on devices and the elderly still prefer books. Digital and on line services are no good for an 81 year old technophobe. We are elderly and not very good at digital services but we love a good book!

		Visiting with my children is an experience this is not replaceable.
Comments about preference for reading print or concerns with screens	43	I get a lot of books out for my children. I might order them online but I want physical books for us to read together at bedtime not on a tablet or device. Older people often read in bed at night when we are advised not to use screens! I mainly read at night so using tablets or other devices is not healthy. Cannot spend more time looking at screens. Reading books online is not good for eyesight.
Comments about the role of the service in promoting literacy and encouraging people to read	21	Because I could access it now if I wanted to, not everything should be made digital all the time- visiting the library bus and choosing books is such a great way to engage children in reading and away from screens. I love books there is nothing like picking up a new book and starting to read. It's about the children experiencing the full factor of a library bus meeting the librarian and being able to choose books independently. Our children thrive on this!
Comments about NCC's approach or underlying assumptions	20	Not sure what question means. If service very reduced so accessing a mobile library is difficult there is little point using the online service to reserve a book, for example. I have limited IT skills and deplore the inference taken by authorities that everyone is or needs to be IT skilled. Our use of the mobile library service has nothing to do with our usage of online or digital availability. there are many for whom online does not work! This is discriminating against those who are not digitally literate.
Comments about how the service promotes wellbeing and reduces isolation	13	It's more than about books, it's vital community time and it would be very sad to see this reduced. The van is a way for community to come together. Many people are lonely and feel isolated. We need the library van. You cannot be sociable or interact with others online too impersonal creates mental health probs and does not benefit the lonely. Because I have plenty of other digital access and using a library helps social engagement, especially with a disabled husband.
Comments about barriers to take up of service for self or others	13	There would be no one to help at home. Trying to reduce screen time.
EQIA information for Q15 'very or somewhat *unlikely*': #eqia 17, #age 53, #health 8 please see Appendix 2.		

Table 8: Q15 How likely are you to use our digital and online services if we were to reduce the mobile service? 'Very or somewhat *likely*'

Theme and tag	No.	Comments
Comments about existing use of digital services or willingness to use digital services	68	Already use Libby which is excellent for those with a PC or other devices. I already use the online service to search the catalogue, renew books, etc I currently use these services in conjunction with the mobile library I use the digital library very frequently: it is convenient and open all hours. I already borrow audiobooks online and very much appreciate this service. I already use your online services, including to reserve items for collection from the Mobile.
Comments about already using digital services but with a caveat about choice	30	Already do so, but not everything is available digitally. I would have no other choice especially when I have to give up driving my car so need my mobile library. There are many more print book titles in Norfolk, which can all be requested, than e-books.
Comments about preference for paper books	20	Reading a digital book is a poor substitute for reading a real book. I do use the on line service but ver[y] much prefer to read a book in paper form to one on line. It is much more relaxing. I would need assistance downloading books onto my iPad. I prefer a book in my hand.
Comments about lack of skill/interest in using technology	13	No much of a digital buff. Not very clever using the internet and really like holding a book - even a heavy one!
EQIA information for Q15 'very or somewhat *likely*': #eqia 0, #age 3, #health 1 please see Appendix 2.		

Table 9: Q16 Which, if any, of the following activities would interest you *if* services could be provided alongside the mobile library service?

Theme and tag	No.	Comments
Comments about no interest in/need for additional activities, or should stick to core library services only	54	None of these. It's a mobile library service not a day centre/toddler group/. Not interested in above ideas. It is not a private place on the van! to discuss money and health issues. None of the above - stick to what a library should do which is provide reading matter. All I want is to have some books to read, I don't need any of the other things. Just Library services.
Comments about NCC's approach or underlying assumptions	38	There is no logic to what you're asking. A mobile library service is for books. This option looks like a cynical opportunity for the council to privatise the library service by combining it with another service which may contribute to the funding of the library. I'm not sure how this will work in the mobile setting, ie on a bus. You are thinking of cutting back on our mobile service and then asking what other activities we be interested in. "you're having a laugh". Just provide the mobile library service you cannot afford these random and ill thought out ideas.
Comments about health services in the library van	15	Whilst I wouldn't use basic health checks myself, I think this is a good idea. Drs and dentists etc. drop in clinics Any routine face-to-face health service would be useful.
Comments about reading activities in the mobile library	13	Literacy skills for adults. Great to have write ups & scores of books by other people borrowing books. The mobile library provides access to books, and that is the most important thing. To help, when you are less able, to pass the time! and keep me active.
Comments about how the service promotes wellbeing and reduces isolation	11	Anything that can help adult social services in a preventive care way. Anything that brings our small community together. It is no nice to meet up with friends. Nutritious farm groceries and basics from local people. This would be an excellent service for the elderly and everyone especially in winter if snow were here. A chat would help the elderly and lonely. Could be a lifeline to some.
EQIA information for Q16: #eqia 1, #age 7, #health 15 – please see Appendix 2.		

Appendix 2 - Equality Impact Assessment Evidence

The following sample of comments provide EQIA evidence for each question. Please note that where a respondent has referenced age or a health issue or disability in a general way and it is not clear how they could be affected by the proposed change, their comment has been tagged #age or #health, rather than #eqia. This distinction avoids making any assumptions about the meaning of the comment but ensures the reference is noted, included, and provides additional contextual information to support the EQIA. In total, there were 270 comments relevant to the EQIA.

The number of times general comments about age or health were made for each question is shown in the table below. Comments about age and health can be found in Tables 1-9 (where they are mentioned more than ten times).

EQIA Evidence	
Question	**Comment**
Q3 What is it that you like about our mobile library service? **#eqia 42** #age 67 #health 26	I am disabled and cannot leave my house so rely on the mobile library service. It enables me to regularly select audio books for a neighbour with limited sight and limited ability to leave the house without assistance. As a wheelchair user it is very important, no imperative, to me that I have the use of a mobile library. It is essential in order to provide access to people who cannot easily visit a library branch (building). Many people in Norfolk are Either Elderly or Disabled, so this is their only outside contact. I'm disabled. I cannot easily travel to a library. I am housebound so my carer walks up the road to the library van. It enables Norfolk Xounty Council to fulfill its Statutory Duty under the 1964 Act to provide library services to "all people". Having been diagnosed with cardiac and blood conditions, extreme tiredness means I am rarely able to walk far. The mobile library is a close lifeline for me. I dread to lose it. I am not very mobile so I read a lot. The loss of library van would be devastating to me and many others in my position. I am blind so the driver sorts the books out for me. So we just have to pick them up. It enables me to regularly select audio books for a neighbour with limited sight and limited ability to leave the house without assistance.
Q5 If the mobile library was not available how likely would you be to travel to a branch library for these services? **#eqia 75** #age 81 #health 97	I am disabled & have no other way to visit a library. I have M.E so this is the only way I can visit a library. I am elderly and incapacitated with no transport of my own. I need a wheelchair (blue badge user) not all buildings allow ease of use. I am elderly frail and unable to get into a car. Have no transport as registered visibly impaired. As my physical condition worsens I will not be able to drive to my nearest library or carry the books. I had brain surgery four years ago and I had to give up my driving license. If my husband had to give up driving due to ill health I would need a taxi. Do not drive - no regular bus service - am disabled so cannot get to branch library - this is a lifeline for me. Do away with this - is doing away my life and a lot of people in my position. There would be no way we could take children to the library each month as we are in a village. Because I am disabled and my family members live a little way away and work so they could rarely take me.
Q8 What do you think are the most important factors when deciding where library	We have a school in our village and I know other families would not travel for the library services so the mobile library is the only accessible service for some children. We also have a high number of elderly people who rely on this service.

services should be provided? **#eqia 17** #age 34 #health 5	Can only walk very few yards. Unless parking 'on doorstep' can not access anything much. Blue Badge - Don't have one - if no parking available for disabled - no help! Mobile Libary parks where I can "legally" stops. Many people in village are elderly and have limited ability to travel far - reading is an important leisure pursuit for house-bound people and the inability to access a range of books would be detrimental. In places where no easy physical way for residents to access library due to lack of mobility, e.g. older people, those with physical ailments, or other restrictions.
Q9 What do you think are the most important factors to consider when deciding how long a mobile library visit should be? **#eqia 7** #age 9 #health 1	Accessible for people who have disabilities and additional needs. It is important to be inclusive and reach out to all members of the community. Finding time and space to do the latter two items would mean bigger vans and fewer stops. This may well be suitable for some remoter areas. Time to allow less mobile users to travel up and down on the lift.
Q13. If we were to reduce routes, in your opinion how should we prioritise which routes and stops to keep? **#eqia 16** #age 26 #health 3	Look at the kinds of people using your stops and keep those used by folk who cannot easily access other local libraries in other villages because of mobility or sight issues in travelling there. Reduce based on age of community. Older people are less likely to have the option of going online or driving to a physical library or mobile stop. Keep routes that serve the disabled, disadvantaged, disaffected. Sometimes I visit a different stop to my nearest, but I know the lady I meet there would not be able to travel as she only has one leg and walks with a frame. Please don't reduce it on numbers visiting, but keep it for the disabled and elderly who don't want to computers and can travel independently to a main branch, or very rural locations.
Q15. How likely are you to use our digital and online services if we were to reduce the mobile service? **#eqia 19** #age 66 #health 10	Internet is too expensive due to cost of living and disability. Sight issues can make using too much screen time difficult. Much kinder on the eyes to have traditional paper books to read. Often help is needed using online services, especially for the older population who have not had the benefit of learning about computers or using them at school. Not everyone has the use of a computer especilly the elderly, so to be able to have the opportunity to have a book is vital. I'm have macula degeneration, so have limited vision. Viewing a screen is mentally tiring.
Q16. Which, if any, of the following activities would interest you *if* services could be provided alongside the mobile library service? **#eqia 1** #age 7 #health 15	Removing our library will be a blow to some people, those disabled, living alone and non drivers.
Q17. Which other organisations could we consider working with to deliver services to rural locations? **#eqia 2**	The Norfolk deaf association has outreach services. Work with church groups and museums. I'd like accessibility to be a priority because people with disabilities are often isolated, public transport can be unreliable or not wheelchair friendly and poverty is an issue too. Maybe Age UK, as well as organisations that replaced Sure Start. It is always the most vulnerable people who suffer from council cuts, and those are less likely to complain!

Q20. Is there anything else you want to tell us about the mobile library service that you think might be useful? **#eqia 91** #age 139 #health 13	Visiting the mobile library is one of the few things I can still do independently without troubling someone else. Please consider people with a disability and the cost of living when you make cuts. The important thing about retaining the mobile library service is it's importance to those who are not able to use conventional walk-in or online libraries due to age, understanding or disability. This service is valuable to local people who are elderly or have mental health issues who wish to retain face to face contact with people. A relative who is partially sighted and cannot drive relies entirely on this servie for audio books and would be lost without it. Need to consider the elderly, disabled, blind and deaf adults and children particularly with transport problems. As I am visibly impaired and a pensioner being able to borrow audio books is my lifeline. Please make it accessible for ALL members of society as mentioned. People with disabilities are not very mobile and to think you are thinking of moving stopping points is disgusting, somebody needs to live in the real world and but theirselves in our position. Giving extremely disabled people independence. Not having to rely on 'kind neighbours', to transport them to the nearest library. The mobile library service is critical for me as I am housebound and suffer from mobility issues. I rely on the service as I am disabled and do not drive. One of our neighbours is over 90 and has bad eyesight and hearing. He uses the mobile library for large print books and dvd's, if you stop this service he will be a very lonely man. I'm sure this will apply to many other elderly who don't have access to transport to travel to a library.

Appendix 3 – Ideas/Suggestions

Respondents made suggestions for improving the service: comments about topics not covered elsewhere in the analysis are shown in the table below.

Comment
Q8 Location of stops Charity donation tins e.g. books for schools in developing countries.
Q9 Duration of stops Can we not simplify this by making it online and through the efficient postal service? Provide a mix of services at different times, all the above are important for different people ie once a month provide child event, and another time chat and borrow to take into account loneliness and an opportunity o meet people The van comes in the day during school time, so no school children are on there. But it would be an excellent idea to put it in the village school playground and we can all walk up there and use it - including staff and children - some of whose parents are possibly "too busy" to take them to a library at the weekends, considering how far away they are.
Q13 Prioritising routes and stops Reduce visits to schools, care homes etc. as these users have access to helpers. The lonely people in their own homes need this service. Have deviated services - e.g. a buddy that visits rural communities and one the travels educational settings like nurseries. Reduce routes that are close to public library but check to ensure regular users can get to one. Consider Library Buddies to help vulnerable people access the library, even deliver books/media if necessary. Rationalise routes. For example, Bodham only had 1 10 minute slot. Weybourne, a village of similar size, has 5. West Beckham has zero. Maybe do all route but just rotate them. Although individuals who really, really need and appreciate this service may then completely miss out as they might not have people to help them like I helped my late Nan. Is there any way the libraries/mobile libraries can have a list of people who would love to use the service but would find it difficult to visit a stop further away or not have anyone to go for them? Is there a way volunteers or even the drivers could deliver books for these less fortunate people? I just know how much having this regular mobile service, and so convenient to us, really helped the wellbeing of my late Nan so much for decades of her life.
Q15 Likelihood of using digital and online services Could you offer community transport to take folk to these vital services instead of them trying to get to them? Yet again rural areas are disadvantaged here. Mobile networks and internet speed is vastly different to that in urban areas. Put the mobile vans where they need to be- in rural villages where there are zero permanent services currently and those and where there are those who have to drive 15 minutes before they can open a book or access the internet.

Q16 Other activities

Please continue the brown paper bags like hygiene packs and keeping warm packs. As everything gets more expensive I think these will be used more. Maybe extending these with charities like food banks? We would like to borrow story sacks. Seed libraries.

Nutritious farm groceries and basics from local people. This would be an excellent service for the elderly and everyone especially in winter if snow were here. A chat would help the elderly and lonely. Could be a lifeline to some. I'd love to see a recycling books area where i can bring new or used books I've bought elsewhere and leave them for others to read, either to bring them back later or buy them for a small amount like 20p or more then redonate if they wish. This would raise some funds too.

Q17 Other organisations

If you ran double decker buses you could offer other services upstairs but you would need a lift instead of stairs. The most useful would probably be health checks and other screening.

If any routes are discontinued could there be a publicised appeal for volunteers to step in and assist vulnerable people who lose the visiting service? If they had some tech to show which books are in stock they could reserve and pick up for neighbours.

Why don’t you set up library facilities in village halls. / Parish councils to provide library services in local village halls manned by volunteers. This is done by other local authorities (Worcestershire).

Village halls? Schools? WI & local clubs, scouts etc, Parent & Toddler/Playgroups, Garden groups, local cafe - stop there so people wait with cuppa tea & stay to chat after choosing books?

I think you need to be more creative and joined up with your services, in France for example postmen/women check in on elderly persons that live on their own.

If the mobile library was given the same stature as a fixed building, working with the parish and district councils, communities could use them as hubs for many different services which they no longer have.

Charity collection, a notice board would be useful - advertising local events or classes. Buy and sell adverts on a small scale - within area that my mobile library covers.

Bus and train timetables from Saunders and Greater Anglia.

Q20 Anything else?

If an option for a reminder text could be sent to remind people that it is that weeks visits as I miss visits as forget what week we are on and when the service is available.

Rather than cut it to the bone, trim some fat from the millenium library. Multiple copies of books, dvds should be reduced and people should expect to wait longer. Do you still need to buy expensive dvds when the vast majority who like films watch on a subscription service? Reduce the hours of opening in the library.

The reason I stopped using the service was its unreliability. If it doesn't turn up, you've wasted half an hour, and especially in the winter, been stood out in rotten weather for the privilege! That's not sustainable, especially for the elderly population/those with young children who would probably be the greatest users of the service. Could you tie in the service with nearby bus stops and provide those indicators which tell you when the next bus/service is going to be there? That would also increase use of buses I imagine, because the unreliability must be a big factor in why people don't use them.

Try to provide a greater range of books, and change the selection on different vehicles.

Is it possible you could also include businesses in the mobile library offer as that would mean they could pay towards the running of the service eg mobile banking. Many bank branches are closing and this would help.

The library could be flexible to any number of tasks as in the distribution of lateral flow tests.

I think that the library service should be much more radical and creative in its approach. Two ideas: 1. Deposit collections in village halls, churches, community spaces etc and don't bother with record keeping. Far cheaper to dump 200 books in a village hall and forget about them than run a mobile service (plus I suspect you have significant volumes of surplus bookstock currently). 2. Allow readers in rural areas free request service and deliver books direct to people's door.

It would be great to publicise how neighbours can help others to access the library. For example I could easily get to Wells once a week and take book requests and returns from the village... But I've never thought about it until now! Perhaps there could be letters to Parish Councils who could then cascade the information if volunteers are needed once the cuts come in.

The local school was telling me that MATS were not buying into the service and that other schools (small rural schools) were having the services cut to them because of it. I think that MATS should be investing in the buses particularly as the SEND review talks about more cooperation between them and sharing resources. I feel that so much more could be made of the service to make it better, more commercial and something that really supports rural communities and schools. utilising a mobile service that has the flexibility to deliver different services to the community could enable growth and build on helping and supporting children and elderly residents in rural setting as well as providing crucial services to whole communities such as health and wellbeing.

Pennoyers [venue, café, museum in South Norfolk] is a brilliant local hub to be investigated.

Just as many government departments are now co-located in single buildings to streamline costs and services, I think the secret to maintaining the mobile library service is going to be working with as many other organisations as possible to deliver as many services in one hit as possible.

However as I said, I would consider dropping the visits to every other month to save money. OR would it save money if we could we have books sent to us instead? We reserve them and they are sent? Max of 3 per month or something?

Aske large booksellers to sponsor.

Instead of reducing routes completely, could you consider having request stops…so on any given week, we could log on to request that the library bus comes on its allocated day…then, if no one requests it, the driver wouldn’t need to stop there that day. A bit like a train halt stop. Elderly could be supported in advance to learn how to request it stop online or a telephone number could be provided for ease. Just a thought.

How about charging a very modest fee for books from the mobile library rather than cut them?

It would be good to have alternate dates when our visit coincides with bank holidays as this at present limits the visits per year every year.

A bigger choice of children’s books would be good.

Our mobile library is one of the best in the county, they are efficient, helpful in searching for books, chase down reservations. They cover a very large area, perhaps you should keep the mobile libraries and half the town libraries instead.don’t see why rural library users should suffer when there are two libraries in kings lynn a mile apart! Close the one at Gaywood and that would save rent and rates. Maybe the mobile library can replace it instead!!

Perhaps a mini bus to take people to the library instead along with the community buses or in addition.

The buses are not needed in some areas as books could be delivered, by estate car to village halls and residents could be assisted to order books online. This would help make residents familiar with the online ordering system. No point saving library service 200k if it is going to ultimately cost Adults department more.

I would be happy to pay £1.00 per visit to a mobile library buty realise many wouldn't be able to do this. Maybe a voluntary contribution?

I very much appreciate having the use of this and would be willing to pay for this service with ie monthly/annual charge!

The service provides an essential lifeline to those who are elderly, maybe housebound, or disabled, and the human touch is not to be under-estimated. Working with local voluntary organisations such as a church or charity makes sense, as they are in touch with their community, and can provide some service at less cost. For example a monthly opportunity to deliver/collect/order books, whilst having contact would work, with the last mile made possible by volunteers for the housebound. Simple training plus a laptop to check books etc in and out would suffice, with a monthly delivery/collection. This could be used to develop simple skills to enable use of a digital reader, which could be loaned to those in need.

More audio listening headsets as there are very few on the mobile vans.

As a volunteer with the RVS Home Library Service I believe the service could be expanded to cover service users in more areas as long as volunteers are willing and able to travel to more rural locations. The service probably needs to be marketed more widely so more people are aware of it's existence. Perhaps this is something NCC can do.

I think there may be options for greater integration with the HLS. In particular, coordination to allow volunteers to help users access the mobile library, eg help with wheelchairs or other walking aids to reach the van.

Most book readers have many books collected over the years. If each time you used the mobile library we all took a couple of books and gave them to the library (they would have to be in good condition) the library would not have to purchase so many books.

Have larger vehicles with more changes of books.

Appendix 4 – Comments about the consultation process

There were 69 comments about the consultation process. A sample of comments covering the main themes is shown in the table below.

Comments about the consultation process
Q3 What is it that you like about our mobile library service? It provides a service for others who do not have the capability to visit fixed libraries, and who do not have the facility to complete this questionnaire.
Q5 Likelihood of travelling to branch library It [travelling to a branch library] would not be as convenient but I am a car owner others who use the service are not car owners nor do they have internet access to complete this survey. I can drive and use a computer, so why I don't use the service but there are elderly residents who don't have either option so need this invaluable service, so I am doing this survey for them.
Q8 Location of stops I am not sure why I am only permitted one answer here, as I think all of the above are good reasons to have a mobile library service, each has its own merit and are equally important. Imposdible to choose ONE of your given options! Why does this question say 'factors' (plural) when you are asked to tick only one box.
Q9 Duration of stops Re: above the last two options show that whoever prepared this survey has no idea of the facilities available on a mobile library van - neither of them are available on these vehicles!!
Q13 Prioritising routes and stops Argue for more money from central government. There is no publicity on the issues with funding councils. Tell us what you do spend money on so I am able to give you an informed answer here. You have clearly decided to do this already, and this consultation is little more than an exercise in public relations. Loaded questions -eg what does 'closer proximity to other services' mean in specific or comparative distance. Hard question but public transport/branch opening times would need to be considered.
Q15 Likelihood of using digital and online services Not sure what you mean by this question, maybe give examples. It sounds like halfing the budget is already decided and this is a ," well, we did ask people". Not sure what question means. If service very reduced so accessing a mobile library is difficult there is little point using the online service to reserve a book, for example.

I already use the digital and online services. Pointless question, as the two are not doing the same thing.
Not sure what the digital and online services are.

I'm not sure what services you mean - but I would and do make reservations online and renew sometimes.
What exactly do you mean by "digital and online services?"

The question is too vague to give a proper response.

What exactly do you mean by "digital and online services?"

Do not understand the question.

Not understanding the meaning of the question.

Q16 Other activities

When you ask if there was a service nearby, you don't state a distance.

You are thinking of cutting back on our mobile service and then asking what other activities we be interested in. "you're having a laugh".

Again this shows the person who created this survey has very little idea of what is available or what space there is on a mobile library vehicle!

Q17 Other organisations

Don’t really understand the question.

I am not sure what you mean. We don't get any services in our village so there is no-one with whom the library service could combine.

Q20 Anything else?

This is a poor survey. The questions only 'work' for those that currently use mobile libraries.

I feel the questions on here do not give us an opportunity to give informed answers.

Cut your use for very expensive consultations I imagine this form had to be paid for by someone s budget.

I think that to just make this survey apply to existing mobile library service users is wrong - as a County we have a duty to support the learning and development of all our citizens - whether this is new babies or the elderly adapting to a more IT based life or having to adapt to living alone or in more isolated circumstances - i.e. illness or not being able to drive oneself any more.

It can be a vital l9nk for people, including those who are not able to answer this survey for varying reasons.

I’m a Norfolk Library member who lives rurally but doesn’t use the Mobile Library Service, simply because I’m a technically competent OAP and prefer to use the Libby & PressReader download service. However, despite the survey not being aimed at people who use library digital services, I was interested to read and complete as much as possible your survey on mobile services.

This survey if designing for those using this service now. It is not wanting opinion of someone who does not use it. For example you should ask why I do not use it. Your first question is do you use it, then all subsequent questions presume usage. Rather a narrow survey.

If you want to do the best and right thing, ask the library staff for ideas, and spend time meeting those who actually use the service. This way you will get really valid feedback.

For some reason I couldn’t take part in the survey as it would only let me save and come back later, go back or go to the first page and not to continue.

Questions on survey not relevant to my situation.

If your plan is to remove the mobile library service completely then just do it and stop hiding behind so called public consultations. We all know that you've planned what you want to do and the people of Norfolk have no say - unless they're on the council.

Please do not cut these services. They are vital for many people in rural Norfolk (many of whom will not be able to voice their opinion on these online surveys due to lack of online access).

I think that the majority of mobile library users are the elderly so having an online survey to decide the future of mobile libraries is shocking.

I feel a lot of people that use the service won't get the chance to register their views for all manner of reasons.
It concerns me that perhaps this survey has not reached everyone that uses the service. … Question 19 is predetermined on the basis that you don't know about the Home Library Services are, so you shouldn't really consider responses to this poorly worded question.

Just like to say that this is a very poorly constructed survey. I’ve left a few questions as they could not be answered accurately.

How much is this consultation costing to run? If it is an in-house process are the staff running it doing it in addition to their current jobs, hopefully so. If the consultation is out sourced what is the time period to offset its cost?

Hempnall Parish Council discussed the proposed cuts to the Mobile Library Service at their meeting on the 16th August 2022. Whilst expressing surprise that the Council had not been contacted as one of the key partners and stakeholders it was agreed to respond to the consultation.

I don't know how you can consider reducing the mobile library service to save over £200k when there appears to be plenty of money to construct cycle ways, not used much of the time. Also, vast amounts of money is regularly used to pay consultations for various projects.

Only that you can't wait to cut these services because your organisation has been so incompetent wasting so much money! I've taken the time and trouble to fill this form in, but I have reservations as to wether you actually take any notice of it at all. As a council you have wasted so much money - why would my opinion count now.
It is probable that many elderly residents are not computer users, and so their voices may be under-represented in your consultation.

Appendix 5 - List of organisations that responded

This list was from respondents writing in the box which asked if they were responding on behalf of an organisation. Some answers such as ‘individual’ or ‘none’ or organisations that were not local, have been removed from the below list.

2nd hellesdon scout group
Beetley & District Preschool
Beetley and district preschool
Beetley and district preschool
Beetley and District Preschool
Beetley Preschool
brinton parish council
Brockdish
Carer
Change Grow Live
Child care centre
Childrens setting
Churchwarden for Southburgh and Cranworth
City College Norwich
City Councillor for Eaton
Clenchwarton Parish Council
Clerk to ashill Welfare Charity
Community Champions GY
Conkers day nursery
Conkers Day Nursey
Councillor Alexandra Kemp
County Councillor
Ditchingham Day Nursery
Early year practitioner
Education
Elephant and castle child care centre
Elsing Happy Circle/Knit and Natter
Elsing Parish Council
Emma Mills tutoring
Ex parish councillor and parish clerk.
Family centre
Great Witchingham Primary
Hempnall Parish Council
Hempnall Parish Council
Hickathrift House Care Home
Hingham Town Council
Home and Parish Counclillor
Hunstanton Town Council
I am a volunteer with the RVS Home Library Service
Litcham childcare
Litcham childcare
Little Owls Day Nursery

Local Government
Magic tree
Magic tree
member of the Scoulton village hall committee
Mulberry Bush Day Nursery
Mulberry Bush Day Nursery
NCC - Children's services
Necton little oaks preschool
Neighbour
Nhs
Norwich City Councillor
Parish council
Parish Council
parish council
Parish Council and village hall committee
Phoenix Group
Preschool
Queen's Hill Primary School
Rainbow Children's Nursery Ltd
Rainbow Children's Nursery Ltd
Resident of West Winch and Parish Councilor
RVS volunteers
Scanning Pre school
Scoulton Village Hall coffee morning   presently hosting monthly mobile library
Scouting
Shipdham Paridh Council
Shipdham Parish Council
Spixworth Infant School
St Andrews Church Thursford - Churchwarden
St Andrews PCC
Stalham &Surrounding Areas Community Hub
Stow Bridge Village Hall
Stow Bridge Village Hall
Swanton Morley Parish Council
Teacher
Teacher at local village school
The church
The Crown Rest Home
The Crown Rest Home
The Pulham Market Society
The Treasure Box
Tilney All Saints Parish Council
UEA
University of East Anglia
Use personally and school secretary at Lingwood.
Village Hall
Village hall member

West Norfolk Befriending
West Norfolk Befriending
West walton family centre
West Winch & Setchey Parish Council
West-Norfolk Disability Information and Advice Service.
Worstead Parish Council
Worstead Parish Council

Appendix 6 - Answers to Question 6 'Where is your nearest library stop?'

The table below shows the frequency of answers to question 6. Some answers were grouped together present a more condensed version of this table. For example, if a user wrote Goldsmith Way, Pulham St Mary it is listed in this table under 'Pulham St Mary'.

Name of Stop	Number of Times Mentioned
Variations Of 'Near Where I Live'	176
Birchfield Gardens, Mulbarton	24
Spixworth	19
East Harling	19
Lingwood	18
Terrington St Clement	15
Yaxham	12
Great Ellingham	12
Queen's Hill Primary School	12
Clenchwarton	11
Saxlingham	10
Eaton	10
Lyng	10
Necton	10
Pulham St Mary	9
West Winch	9
Briston	9
Drayton	8
Dog Lane, Horsford, Norwich	8
Brisley	8
Dereham	8
Thursford	8
Mattishall	8
Rocklands	8
Devon Way, Trowse	7
Barnham Broom	7
Swanton Morley	7
Cringleford	7
Little Melton	7
Newton Flotman	7
Mileham	7
Beetley	6
Ashill	6
Blossom End, Snettisham	6
Bradwell	6
Rockland St Mary	6
Northrepps	6

Name of Stop	Number of Times Mentioned
Buxton	6
Scole	6
Tunstead	6
Tasburgh	6
Easton	6
Ormesby	6
Roydon	6
Runham	6
Weeting	6
Bradenham	5
Dickleburgh	5
Hardwick Bridge	5
Blo Norton	5
Ludham	5
North Walsham	5
Pott Row	5
Croxton	5
Church Road, Topcroft	5
Coltishall	5
Costessey	5
Denton	5
Docking	5
Hemsby	5
Surlingham	5
Gressenhall	5
Middleton	5
Hickling	5
Hempnall	5
Marshland St James Village Hall	5
South Wootton	5
New Buckenham	5
Sporle	5
Stoke Holy Cross	5
Little Plumstead	4
Bowthorpe	4
Ditchingham	4
Upwell	4
Potter Heigham	4
Rollesby	4
Brooke	4
Bramerton	4
Upton	4
Grimston	4
Great Massingham	4
Dussindale	4

Name of Stop	Number of Times Mentioned
Thorpe Marriott	4
Watlington	4
Foulsham	4
Hainford Village Hall	4
North Pickenham	4
Kenninghall	4
Kingsleigh Close Trunch	4
Pentney	4
Elsing	4
Old Catton	4
Newton Close, Newton St Faith	4
Southburgh	4
Syderstone	4
Sharrington	4
Stoke Ferry	4
Swainsthorpe	4
New Buckenham	3
Blofield Heath	3
Back Street Bungalows, Garboldisham	3
Barningham	3
Bawdeswel	3
Blakeney	3
Colkirk.	3
Bunwell	3
Castle Acre - St James Green	3
Catfield	3
Swardeston	3
Felmingham	3
Feltwell	3
Filby	3
Welney	3
Overstrand	3
Hindringham	3
Hockwold	3
Honing	3
Horning Village Hall	3
Knapton	3
North Elmham	3
Shipdham	3
Ringstead	3
Stow Bridge	3
Swanington Village Pump	3
Taverham	3
The Green, Edingthorpe	3
The Street Great Cressingham	3

Name of Stop	Number of Times Mentioned
Walcott	3
Walpole	3
Wimbotsham	3
Wood Norton	3
East Winch	2
Abbey Park, Bestoon Regis	2
Alby	2
All Saints Close	2
Thetford	2
Ashwellthorpe	2
Hill Farm	2
Beeston	2
Badersfield	2
Barney	2
Bodham	2
Brancaster	2
Burnham Market	2
Gayton	2
Welborne	2
Dersingham	2
Diss	2
Earsham	2
East Carleton	2
Eckling Grange	2
Emneth	2
Erpingham	2
Fersfield	2
Forncett St Peter	2
Foxley	2
Gables Avenue Southrepps	2
Garvestone	2
Hanworth	2
Happisburgh	2
Havergate Complex	2
Haveringland	2
Cranworth	2
High Road Bressingham	2
Wicklewood	2
Holt	2
Honingham	2
Horningham	2
Thorpe Abbotts	2
Aldborough	2
Shelfanger	2
Ingoldisthorpe	2

Name of Stop	Number of Times Mentioned
Ingworth	2
Kings Lynn	2
Mannington Hall	2
Marlingford	2
North Wootton	2
Old Buckenham	2
Old Norwich Road	2
Oulton Street	2
Peddars Way, Holme Next The Sea	2
Pine Walk, Weybourne	2
Tuddenham	2
Rainbow Nursery - Worstead	2
School Road, Tilney All Saints	2
Scratby	2
Sedgeford	2
Southery	2
Sprowston	2
Tharston South Norfolk	2
The Chapel/Clement Court	2
The Grange, Scottow	2
Walton	2
Thorpe End	2
Thorpland Lane, Runcton Holme	2
Weasenham Road	2
West Raynham	2
West Runton	2
Westfields, Tilney St Lawrence	2
Westgate Street Hilborough	2
Wiggenhall St Germans Shop	2
Bircham	2
Shouldham	2
Drymere, Beechamwell	1
Acle	1
Ashby St Mary	1
Ashmanhaugh	1
Astley Cooper Place	1
Heacham	1
Attleborough	1
Baconsthorpe	1
Beachamwell	1
Bilney Hall	1
Winterton On Sea	1
Bottom Of Foxwood Hemblington	1
Boughton	1
Bradeham Drive	1

Name of Stop	Number of Times Mentioned
Brandon	1
Braymeadow Lane	1
Burnham Norton	1
B1shy Barnabee Way	1
Car Park, Handover Gardens	1
Chequers Lane, South Lapham	1
Cherry Croft Lay-By Bridgham	1
Cherry Tree Close, North Lopham	1
Cherry Tree Farm, Stanfield	1
Chestnut Square, Great Hockham	1
Cheynam Mount	1
Church Road Cantley.	1
CHURCH ROAD NEATISHEAD	1
Clapham Rd S, Lowestoft	1
Claxton	1
Collingwood Close Hearcham	1
Quidenham,	1
Little Dunham	1
Deopham	1
Dilham	1
Dovedale Road Tacolneston	1
Durverlin Close	1
East Runton	1
East Ruston	1
East Tuddneham Post Office	1
Easy Reach	1
Edgefield	1
Eldens Lane, Methwold.	1
Ex-Post Office, Whissonsett	1
Fransham Station Rd (A47 Corner)	1
Frettenham Well Green	1
Gately Hall Lodge, Gateley	1
Gorleston	1
Great Houlton	1
Greenways	1
Greggs Close	1
Grove Road Brockdish	1
Gt Ryburgh	1
Haddiscoe	1
Hales	1
Hanover Court	1
Hapton- Next To The Church	1
Harleston	1
Harlingford Way	1
Harvey Estate Gimingham	1

Name of Stop	Number of Times Mentioned
Hay Green Rd	1
Hethel Church	1
Hevingham Pound Road	1
Hickathrift House	1
Hindolveston	1
Hobland	1
Hockering	1
Hole In The Wall, Snetterton South End	1
Holt House Farm Road In Leziate	1
Cherrywood	1
Westacre	1
Kerdiston	1
Kerridges	1
Keswick Hall Car Park	1
Limpenhoe Village	1
Linford Estate	1
Lion End,Thurne, Gt Yarmouth	1
Long Beach Estate	1
Lord Nelson Drive	1
Margaret Close, Ferry Rd,	1
Mile Cross	1
Mill Fields, Hempall	1
Mundham Common Road	1
Noel Close. Hopton.	1
North Burlingham Post Box	1
Northgateway	1
Norton Subcourse	1
Spicers Lane Cottages	1
Ashwell Court Chapel Break Village Hall	1
Old Fakenham Road, Coxford	1
Old Hunstanton	1
Old Swan Public House	1
On Neves Close	1
Orange Tree, High Street, Thornham	1
Orchard Close Waltington	1
Outwell Road Elm	1
Pennygate Barton Turf	1
Pioneer Road Norwich	1
Pockthorpe Pond End	1
Post Office Close	1
St. Williams Way	1
Reedham Station Forecourt	1
Reepham Road	1
Regis Avenue	1
Ridlington	1

Name of Stop	Number of Times Mentioned
Roughton, Old Mill Lane	1
Kirby Road	1
Seething Post Office	1
Saham Toney	1
Sainsburys Pound Lane	1
Salhouse	1
Salthouse	1
Scarning Mayfair	1
School Top Of Station Road North In Walpole Cross Keys, PE34 4HD	1
Scoulton Village Hall Car Park	1
Sheval Close, Aslacton	1
Skeyton	1
Smithson Drive, Hunger Avenue	1
Sneath Common	1
South Creake Bluestone Farm	1
South Pickenham	1
South Runcton	1
Spooner Row	1
St Augustines Way	1
St Peter's Close, Strumpshaw	1
St. Annes Crescent	1
St. Georges Close Thrurton	1
Staden Park	1
Station Road Holme Hale	1
Station Road Thorpe Market	1
Stibbard	1
Stokesby	1
Styleman Way	1
Fellowes Road	1
The Firs (The Common)	1
The Grove, Shotesham	1
The Hill Brisly	1
The Oak Tree, Wretton	1
The Poplars, Swanton Abbott	1
The Square East Rudham	1
The Street, Kettlestone	1
The Swan, Ringland	1
The Triangle, The Street, Suffield Green	1
Thelverton Lay-By	1
Thurton St Georges Close	1
Thwaite St Mary, Bungay Road, Norfolk	1
Tivetshall St Mary Post Office	1
Top Of Common Lane Tamworth - Opposite Priory Lane	1
Top Of White Hart St. East Barking First Stop On Route	1

Name of Stop	Number of Times Mentioned
Topcraft Church Road	1
Upper Street	1
Village Hall - Posturck	1
Vulcan Road North	1
Walnut Place The Street, Gooderstone	1
Walsingham	1
Watton	1
Waxham	1
Wereham Village Hall	1
Winfarthing	1
Wisbech	1
Yelverton Community Centre	1
Bottom Of Post Office Lane	1
Bracon Ash Village Hall	1
Chapel Car Park Lync	1
Chapel Road School Lay-By	1
Village Hall	1
Village Shop	1

Annex 7.2: List of the stops that will cease

Key:

Type	Reason
1	1 mile from branch library
2	1.5 miles from branch library
0	Dead stops

Type	Day	Route	Stop Number	Village	Arrive	Depart	Stop Name	Postcode	Duration	CUSTOMER NUMBERS
1	WED	315	2	BRADWELL	10:05	10:20	CURLEW WAY (Opp Raven Close)	NR31 8LY	00:15	2
2	WED	315	4	BRADWELL	10:25	11:15	MILL LANE COMMUNITY CTRE	NR31 8NY	00:50	6
2	WED	315	6	GORLESTON	11:30	11:55	POTTERS FIELD + Hsecall	NR31 7HL	00:15	2
2	WED	315	8	GORLESTON	12:00	12:30	BUSY BEES AT GT. YARMOUTH	NR31 6LA	00:30	5
1	MON	214	2	OLD CATTON	10:00	10:45	GARRICK GREEN - SCHL term time only	NR6 7AL	00:30	25
0	MON	214	4	OLD CATTON	10:50	11:05	IVES ROAD (Nr Community Centre)	NR6 6DY	00:15	0
1	MON	214	6	OLD CATTON	11:10	11:30	CATTON COURT	NR6 7AJ	00:30	3
1	MON	214	8	OLD CATTON	11:35	11:55	WOODLAND DRIVE (Nr No.12 - Opp No.5)	NR6 7AX	00:30	1
2	MON	214	10	OLD CATTON	12:00	12:25	TAYLORS LANE	NR6 7BE	00:25	3
0	MON	214	12	OLD CATTON	12:30	12:50	NORMAN DRIVE	NR6 7HN	00:20	0

Type	Day	Route	Stop Number	Village	Arrive	Depart	Stop Name	Postcode	Duration	CUSTOMER NUMBERS
0	MON	214	14	OLD CATTON	14:00	14:15	EDGEFIELDS CLOSE	NR6 7HP	00:15	0
1	MON	214	16	OLD CATTON	14:20	14:35	THE PADDOCKS (Nr Three Corner Drive)	NR6 7HR	00:25	1
1	MON	214	18	OLD CATTON	14:40	15:05	PIONEER ROAD (Nr No.11)	NR6 7PA	00:10	3
0	MON	214	20	OLD CATTON	15:10	15:20	PROCTOR ROAD (Nr No. 129 lay-by)	NR6 7PE	00:10	0
1	MON	214	22	OLD CATTON	15:30	15:50	MORRISONS CAR PARK	NR6 7HS	00:20	2
2	MON	214	24	OLD CATTON	16:00	16:30	THE WARREN (Nr No.27 opp ally to Warren Close)	NR6 7NL	00:15	3
0	MON	214	26	OLD CATTON	16:35	16:50	COLKETT DRIVE (Opp. No.1)	NR6 7ND	00:15	0
0	MON	116	2	BRAMERTON	12:05	12:30	SUNBEAMS PLAYGROUP (village hall term-time only)	NR14 7EQ	00:25	
0	THURS	417	2	FELTHORPE	10:15	10:30	LAY BY Nr MARINERS PUB	NR10 4AB	00:15	0
0	THURS	417	8	HAVERINGLAND	11:15	11:35	HAVERINGLAND HALL, CARAVAN PARK	NR10 4PN	00:20	0
2	THURS	417	10	BOOTON	11:45	11:55	NEWINGTON HOUSE	NR10 4NZ	00:10	2
1	MON	120	4	COSTESSEY	12:20	12:50	CLEVERCLOGS NURSERY	NR5 0SG	00:30	8
0	THU	419	16	RINGLAND	14:15	14:25	THE SWAN	NR8 6AB	00:10	0
1	THU	419	24	NEW COSTESSEY	16:15	16:40	LORD NELSON DRIVE - HAMPDENS ESTATE (opp play area)	NR5 0UE	00:40	2
1	THU	419	26	NEW COSTESSEY	16:45	17:15	BRITANNIA WAY (Bus stop - not used)	NR5 0UW	00:30	2

Type	Day	Route	Stop Number	Village	Arrive	Depart	Stop Name	Postcode	Duration	CUSTOMER NUMBERS
2	TUES	220	14	MERTON	12:30	12:45	BROOM HILL FARM	IP25 6QQ	00:15	1
0	TUES	220	16	CARBROOKE	14:00	14:15	CHURCH STREET	IP25 6SW	00:15	0
0	TUES	220	20	GRISTON	14:45	15:00	CHURCH RD/CARBROOKE RD	IP25 6QE	00:15	0
1	TUES	220	22	WATTON	15:15	15:45	REDHILL PARK	IP25 6RE	00:30	3
0	TUE	219	30	BUNWELL	15:00	15:30	VILLAGE HALL	NR16 1SW	00:30	0
0	MON	115	4	HALVERGATE	14:20	14:35	BAKERS ROAD	NR13 3PY	00:15	0
2	MON	114	12	DUSSINDALE	16:30	16:50	TURNHAM GREEN (Opp Minion Close)	NR7 0TU	00:20	4
2	MON	114	14	DUSSINDALE	16:55	17:10	SKIPPON WAY (Opp Joyce Way)	NR7 0RU	00:15	6
0	TUE	213	12	KIMBERLEY	11:55	12:05	THE GREEN	NR18 9HA	00:10	0
0	TUE	213	16	HACKFORD	12:40	12:55	CHURCH LANE		00:15	0
0	TUE	213	26	MORLEY ST PETER	15:35	15:50	ASH TREE COTTAGE, ATTLEBOROUGH RD		00:15	0
1	WED	322	2	OLD CATTON	10:00	10:20	IVES ROAD GREENFIELDS PLAYGROUP (term time)	NR6 6DY	00:20	2
0	WED	319	18	MATTISHALL	12:40	12:55	THYNNE'S LANE		00:15	0
0	WED	319	28	MATTISHALL	15:12	15:20	CEDAR CLOSE No 18	NR20 3NN	00:08	0
0	WEDS	320	22	FRITTON	15:15	15:35	NEW ROAD - NR PLAYGROUND	NR31 9HP	00:15	2

Type	Day	Route	Stop Number	Village	Arrive	Depart	Stop Name	Postcode	Duration	CUSTOMER NUMBERS
0	TUES	216	26	LENWADE	16:10	16:20	NORWICH ROAD LAY-BY (Nr shop)	NR9 5AE	00:10	0
0	FRI	522	22	ALPINGTON/YELVERTON	15:00	15:10	FORTUNE GREEN	NR14 7NP	00:10	0
1	WED	317	2	COSTESSEY	10:10	10:45	ROUNDWELL TRAVELLERS SITE		00:35	0
2	WED	317	6	LITTLE MELTON	11:10	11:25	POST OFFICE	NR9 3NL	00:15	2
2	WED	317	8	LITTLE MELTON	11:30	11:45	BRAYMEADOW LANE	NR9 3NQ	00:15	2
2	WED	317	10	LITTLE MELTON	11:50	12:05	CROSSWAYS	NR9 3NN	00:15	2
0	WED	317	14	WRAMPLINGHAM	12:20	12:35	MILL HOUSE	NR18 0RX	00:15	0
2	WED	317	22	LITTLE MELTON	15:00	15:45	LITTLE MELTON SCHOOL	NR9 3AD	00:45	11
2	WED	317	24	LITTLE MELTON	15:50	16:15	RINGWOOD CLOSE	NR9 3NY	00:25	1
0	FRI	513	18	ALBURGH	14:05	14:25	THE STREET (Lay-by opp no.38)	IP20 0DN	00:20	0
0	FRI	513	24	EARSHAM	15:45	16:00	VILLAGE HALL	NR35 2TF	00:15	0
1	THU	413	2	BOWTHORPE	09:50	10:05	BELOE AVE - SEABROOK COURT	NR5 9BL	00:15	2
1	THU	413	4	BOWTHORPE	10:10	10:25	RAWLEY ROAD - BRADECROFT COURT	NR5 9DS	00:15	1
1	THU	413	6	BOWTHORPE	10:30	10:45	YAXLEY WAY	NR5 9DU	00:15	2
1	THU	413	8	BOWTHORPE	10:50	11:05	BENDISH WAY - ASHWELL COURT	NR5 9NW	00:15	1
1	THU	413	10	BOWTHORPE	11:15	11:30	BISHY BARNABEE WAY	NR5 9HD	00:15	1

Type	Day	Route	Stop Number	Village	Arrive	Depart	Stop Name	Postcode	Duration	CUSTOMER NUMBERS
1	THU	413	12	BOWTHORPE	11:40	12:15	CHAPEL BREAK COMMUNITY CENTRE	NR5 9LU	00:35	1
1	THU	413	14	BOWTHORPE	12:20	13:00	LISLE ROAD - ALNWICK COURT	NR5 9LD	00:40	4
1	THU	413	22	BOWTHORPE	16:45	17:15	PEVERELL ROAD (VILLAGE HALL)	NR5 9AT	00:30	3
2	THU	418	2	EATON(Waitrose only)	09:45	12:30	WAITROSE CAR PARK	NR4 6NU	02:45	20
2	THU	418	4	CRINGLEFORD	12:35	12:50	OAKFIELDS ROAD (Opp. No.27)	NR4 6XE	00:15	2
0	THU	418	16	CRINGLEFORD	16:55	17:20	THE RIDINGS	NR4 6UJ	00:25	0
0	THU	421	14	BROCKDISH	12:05	12:15	WAVENEY HEIGHTS	IP21 4LD	00:10	0
0	THU	421	22	DICKLEBURGH	14:20	14:35	CULROSE NURSING HOME	IP21 4NS	00:15	0
1	THU	422	2	BOWTHORPE	09:50	10:20	SEEDLINGS NURSERY	NR5 9AA	00:30	6
1	THU	422	4	NEW COSTESSEY	10:30	10:55	BASELINE CTR - WOODHILL RISE	NR5 0JS	00:25	5
2	THU	422	6	OLD COSTESSEY	11:05	11:20	ST EDMUNDS CLOSE	NR8 5DJ	00:15	1
2	THU	422	8	OLD COSTESSEY	11:30	11:45	TOWER HILL	NR8 5AP	00:15	2
2	THU	422	10	OLD COSTESSEY	11:50	12:05	WEST END AVENUE	NR8 5BA	00:15	1
0	THU	422	12	CRINGLEFORD	12:25	12:35	STRATFORD CRESCENT	NR4 7SF	00:10	0
2	THU	422	14	CRINGLEFORD	12:40	12:55	NEWFOUND DRIVE	NR4 7RY	00:15	2
1	THU	422	16	EATON	14:15	14:30	LINDFORD DRIVE	NR4 6LT	00:15	4

Type	Day	Route	Stop Number	Village	Arrive	Depart	Stop Name	Postcode	Duration	CUSTOMER NUMBERS
2	THU	422	18	EATON	14:35	14:50	CHURCH LANE/LINDFORD DRIVE JUNCTION	NR4 6NY	00:15	2
1	THU	422	20	EATON	14:55	15:10	BUCKLAND RISE	NR4 6EU	00:15	3
1	THU	422	22	EATON	15:15	15:35	AMDERLEY DRIVE	NR4 6HZ	00:20	2
1	THU	422	24	EATON	15:40	16:10	GREENWAYS/DUVERLIN CLOSE	NR4 6PD	00:30	3
1	THU	422	26	EATON	16:15	16:35	GREENWAYS/CRANLEIGH RISE JUNCTION	NR4 6HF	00:20	1
2	THU	422	28	EATON	16:40	17:20	WAITROSE	NR4 6NU	00:30	5
0	WED	323	14	DITCHINGHAM	12:25	12:35	ALL HALLOWS HOSPITAL	NR35 2QL	00:10	0
0	WED	323	26	DITCHINGHAM	16:00	16:15	VILLAGE HALL/NR SHOP	NR35 2RD	00:15	0
1	FRI	519	2	DRAYTON	10:15	10:30	HURN ROAD	NR8 6BN	00:15	6
2	FRI	519	4	DRAYTON	10:35	10:50	HERBERT NURSEY CLOSE	NR8 6DD	00:15	2
2	FRI	519	6	DRAYTON	10:55	11:25	CARTER ROAD **outside No 39**	NR8 6DY	00:30	3
0	FRI	519	8	DRAYTON	11:30	11:40	MOBILE HOMES	NR8 6HE	00:10	0
0	FRI	519	10	DRAYTON	11:45	12:00	HIGHFIELD ROAD nr No3	NR8 6ER	00:15	0
2	FRI	519	12	DRAYTON	12:05	12:20	FAIRVIEW CLOSE (LOW ROAD)	NR8 6RT	00:15	1
2	FRI	519	14	DRAYTON	12:25	12:40	ORCHARD BANK	NR8 6RN	00:15	1
0	FRI	519	16	TAVERHAM	13:50	14:00	SETON ROAD	NR8 6QE	00:10	0

Type	Day	Route	Stop Number	Village	Arrive	Depart	Stop Name	Postcode	Duration	CUSTOMER NUMBERS
2	FRI	519	18	DRAYTON	14:05	14:20	DRAYTON GROVE	NR8 6PU	00:15	2
2	FRI	519	20	DRAYTON	14:25	14:45	VILLAGE HALL	NR8 6DN	00:20	2
1	FRI	519	22	THORPE MARRIOTT	14:55	15:25	THE SQUARE (Nr.SUPERMARKET)	NR8 6XE	00:30	2
1	FRI	519	24	THORPE MARRIOTT	15:30	15:55	FELSHAM WAY	NR8 6XZ	00:25	2
2	FRI	518	8	UPTON	11:50	12:10	CARGATE LANE	NR13 6AU	00:20	2
2	FRI	518	10	UPTON	12:15	12:30	RIVERVIEW DRIVE	NR13 6BH	00:15	3
0	FRI	518	12	UPTON	12:35	12:50	OLD POST OFFICE	NR13 6BT	00:15	0
1	FRI	518	14	UPTON	14:00	14:10	SOUTHEND COUNCIL HOUSES	NR13 6AN	00:10	1
2	FRI	518	16	BLOFIELD CNR & HEATH	14:25	14:40	CUTTONS CORNER	NR13 4PS	00:15	1
2	FRI	518	18	BLOFIELD CNR & HEATH	14:45	15:30	ALLENS CLOSE	NR13 4QR	00:45	1
0	FRI	518	20	THORPE ST ANDREW	15:40	16:10	POUND LANE - SAINSBURYS	NR7 0SR	00:30	0
0	Thurs	420	2	BURSTON	10:05	10:50	BURSTON HOUSE HOSPITAL	IP22 5TU	00:25	0
2	Thurs	420	18	ROYDON	15:50	16:50	HIGH RD LAYBY - RECYCLING CENTRE	IP22 5RB	01:15	5
2	WED	318	2	THARSTON	10:10	10:30	THE STREET - WILLOW FARM LODGE	NR15 2YP	00:15	2
2	WED	318	4	THARSTON	10:35	10:45	HIGHFIELDS COUNCIL HOUSES	NR15 2YS	00:10	1
2	WED	318	6	WACTON	10:55	11:15	VILLAGE HALL	NR15 2UH	00:10	3

Type	Day	Route	Stop Number	Village	Arrive	Depart	Stop Name	Postcode	Duration	CUSTOMER NUMBERS
2	WED	318	8	WACTON	11:20	11:30	HALL ROAD	NR15 2UH	00:10	1
0	WED	318	16	TIBENHAM	13:05	13:20	EX POST OFFICE	NR16 1AP	00:15	0
0	MON	117	10	GISSING	15:30	15:40	RECTORY ROAD HSECALL	IP22 5XB	00:10	
0	MON	117	14	TIVETSHALL	16:10	16:20	VILLAGE HALL		00:10	0
1	Thurs	412	8	BEESTON REGIS	11:40	12:00	REGIS AVENUE	NR26 8SW	00:20	4
1	Thurs	412	10	BEESTON REGIS	12:05	12:25	CAXTON PARK	NR26 8SU	00:20	2
1	Thurs	412	12	BEESTON REGIS	12:30	12:50	ABBEY PARK	NR26 8SP	00:20	3
1	Thurs	412	14	BEESTON REGIS	12:55	13:05	OFF PRIORY CLOSE	NR26 8SL	00:10	1
2	Thurs	412	18	EAST RUNTON	14:45	15:00	BUXTON CLOSE	NR27 9PJ	00:15	2
0	Thurs	412	20	EAST RUNTON	15:02	15:10	ST ANDREWS	NR27 9PG	00:08	0
0	Thurs	412	26	WEST RUNTON	15:55	16:10	CHURCH HALL	NR27 9QD	00:15	0
0	Tues	209	6	EAST RUSTON	11:10	11:20	YOUNGMANS LANE, ASH TREE COTTAGE	NR12 9JN	00:10	0
0	Tues	209	12	HAPPISBURGH	11:25	11:40	BEACH ROAD	NR12 0PP	00:15	
0	Tues	209	16	RIDLINGTON	13:05	13:20	OLD SHOP	NR28 9NT	00:15	0
0	Tues	209	26	BACTON	14:35	14:45	BEACH ROAD	NR12 0EP	00:10	1
0	Tues	211	20	ANTINGHAM	14:55	15:10	ALPHA' - The Street	NR28 0NP	00:15	0

Type	Day	Route	Stop Number	Village	Arrive	Depart	Stop Name	Postcode	Duration	CUSTOMER NUMBERS
0	tues	211	22	NORTHREPPS	15:05	15:30	VILLAGE HALL (playgroup and after school)	NR27 0LB	00:25	0
0	tues	211	28	OVERSTRAND	16:30	16:45	CARR LANE	NR27 0PS	00:15	0
0	tues	210	4	SUTTON	10:50	11:10	VILLAGE HALL - playgroup	NR12 9RB	00:20	0
0	tues	210	18	POTTER HEIGHAM	14:50	15:05	POST OFFICE STORES	NR29 5JB	00:15	0
0	tues	210	26	POTTER HEIGHAM	16:25	16:45	REYNOLDS LANE	NR29 5LY	00:20	0
0	Tues	222	24	ANTINGHAM	15:45	16:00	CHAPEL HOUSE FARM	NR28 0NW	00:15	0
1	Tues	222	28	NORTH WALSHAM	16:30	16:50	BROOKES DRIVE	NR28 0SL	00:20	2
0	THUR	411	20	CORPUSTY	15:00	15:30	SCHOOL	NR11 6QP	00:30	0
0	THUR	411	24	SAXTHORPE	16:10	16:25	OLD POST OFFICE	NR11 7BL	00:15	0
0	THUR	411	26	CORPUSTY	16:30	16:45	ADAMS LANE	NR11 6QJ	00:15	0
0	Fri	512	8	SLOLEY	11:05	11:15	BURLEY ROAD	NR12 8HH	00:10	0
0	Fri	512	16	SKEYTON	12:40	13:00	THE MANOR HOUSE CARE HOME	NR28 0LU	00:20	0
0	Fri	512	18	SKEYTON	14:10	14:20	SKEYTON CORNER?	NR10 5AP	00:10	0
0	Fri	512	22	SWANTON ABBOTT	14:50	15:05	VILLAGE HALL CAR PARK	NR10 5DU	00:15	0
0	Fri	512	26	SWANTON ABBOTT	15:35	16:00	EX WEAVERS ARMS	NR10 5AH	00:25	0
0	THURS	412	12	SALTHOUSE	12:15	12:25	VILLAGE GREEN	NR25 7AJ	00:10	0

Type	Day	Route	Stop Number	Village	Arrive	Depart	Stop Name	Postcode	Duration	CUSTOMER NUMBERS
1	THURS	410	22	HOLT	15:15	15:30	DAY CARE CENTRE & NURSERY	NR25 6DA	00:15	1
2	FRI	509	2	WEST SOMERTON	10:15	10:30	IVY HOUSE - HORSEY RD	NR29 4DW	00:15	1
0	FRI	509	6	HEMSBY	11:15	11:35	Opp KINGS HEAD PH (nr Taylors Loke)	NR29 4LR	00:20	0
0	FRI	511	6	ORMESBY ST MARGARET	11:10	11:25	BECK AVENUE	NR29 3LF	00:15	0
0	FRI	511	20	CALIFORNIA	15:40	15:55	ROTTENSTONE LANE BUS STOP	NR29 3QN	00:15	0
0	FRI	511	16	RUNHAM	14:35	14:55	COUNCIL HOUSE	NR29 3EA	00:20	0
0	FRI	510	6	REPPS WITH BASTWICK	10:50	11:00	EVANS LOMBE CLOSE	NR29 5JR	00:20	0
0	FRI	510	8	FLEGGBURGH	11:15	11:45	KINGS ARMS PUB	NR29 3AG	00:30	0
0	FRI	510	22	HORNING	15:05	15:30	HORNING SCHOOL		00:25	0
0	WED	309	14	BELAUGH	12:45	12:55	HILL PIECE	NR12 8UZ	00:10	0
0	WED	309	26	HORSTEAD	16:15	16:35	RECRUITING SERGEANT	NR12 7EE	00:20	0
0	WEDS	306	18	BURNHAM THORPE	14:55	15:05	GOODRICKS	PE31 8HP	00:10	0
0	WEDS	306	26	COLKIRK	16:35	16:45	14 DEREHAM ROAD [HOUSECALL]	NR21 7NH	00:10	0
0	FRI	508	24	GREAT SNORING	14:45	15:00	OLD SCHOOL HOUSE	NR21 0HA	00:30	0
0	THUR	406	14	NORTHWOLD	12:25	12:40	MANOR PLACE	IP26 5NF	00:15	0
0	FRI	505	18	LT WALSINGHAM	14:30	15:00	ST PETERS ROAD	NR22 6DW	00:30	0

Type	Day	Route	Stop Number	Village	Arrive	Depart	Stop Name	Postcode	Duration	CUSTOMER NUMBERS
2	FRI	505	22	LT WALSINGHAM merge	15:20	15:50	21 CLEAVES DRIVE	NR22 6EQ	00:30	
0	WEDS	308	10	TITTLESHALL	11:45	11:55	4 PEAK HALL ROAD (Opp. No.2)	PE32 2QE	00:15	0
0	WEDS	308	28	MILEHAM merge stop26	16:55	17:15	POST OFFICE	PE32 2TR	00:25	
0	Tues	205	6	HILLBOROUGH	10:20	10:30	THE SWAN PUBLIC HOUSE	IP26 5BW	00:10	0
0	Tues	208	16	NARBOROUGH	12:25	12:40	EASTFIELDS	PE32 1ST	00:15	0
0	Tues	208	22	MARHAM	14:25	14:40	HILLSIDE	PE33 9JJ	00:25	0
0	Tues	208	30	SHOULDHAM	15:50	16:05	HALLFIELDS (MERGE 100YRDS FROM STOP28)	PE33 0DN	00:10	
2	Friday	506	4	LETHERINGSETT	11:10	11:30	LETHERINGSETT HALL	NR25 7YA	00:20	1
0	Friday	506	6	LETHERINGSETT	11:35	11:50	THE GREEN	NR25 7AR	00:15	0
2	Friday	506	8	LITTLE THORNAGE	12:00	12:15	THORN ROSE COTTAGE	NR25 7JQ	00:15	2
0	THURS	405	8	BLAKENEY	11:45	11:55	LITTLE BUTTS	NR25 7PB	00:10	0
0	THURS	405	20	LANGHAM	16:00	16:15	CORNFIELDS	NR25 7DQ	00:15	0
0	THURS	407	32	SWANTON MORLEY	17:00	17:25	ROBERTSON BARRACKS	NR20 4LA	00:25	0
0	WED	312	8	NECTON	11:30	11:45	MINI MARKET (parking not good)	PE37 8EY	00:15	
0	WED	207	8	BRADENHAM	11:15	11:30	CHURCH STREET	IP25 7QL	00:15	0
0	TUES	207	22	SHIPDHAM	15:30	15:40	PARK ESTATE (H/CALL)	IP25 7PD	00:10	0

Type	Day	Route	Stop Number	Village	Arrive	Depart	Stop Name	Postcode	Duration	CUSTOMER NUMBERS
0	WED	207	22	SHIPDHAM	15:00	15:10	POUNDGREEN CLOSE	IP25 7LW	00:10	0
1	WED	207	28	SCARNING	16:35	17:05	SCHOOL PLAIN (no users)	NR19 2PW	00:30	0
0	FRI	523	12	ASHILL	12:25	12:40	THE GREEN	IP25 7AS	00:15	0
1	FRI	523	18	SAHAM TONEY	14:35	14:50	LAY-BY	IP25 7EW	00:15	1
2	FRI	523	20	SAHAM TONEY	14:55	15:35	POUND HILL NR SCHOOL		00:40	1
0	THURS	408	6	NORTH TUDDENHAM	10:40	10:50	SPRINGFIELD FARM	NR20 3DP	00:10	0
0	DEL	302	28	SOUTH WOOTTON	15:15	15:30	THETFORD WAY/WALSINGHAM CLOSE	PE30 3TF	00:15	0
0	Wednesday	302	32	SOUTH WOOTTON	16:00	16:15	THE BIRCHES	PE30 3JG	00:15	0
0	DEL	301	6	SEDGEFORD	09:50	10:00	KING WILLIAM PUB	PE36 5LU	00:10	0
0	Wednesday	301	22	SNETTISHAM	12:50	13:05	ST MARY'S CHURCH HALL	PE31 7RQ	00:15	0
0	Wednesday	301	40	INGOLDISTHORPE	17:10	17:30	SANDY WAY	PE31 6NJ	00:20	0
0	DEL	502	20	CLENCHWARTON	13:40	14:05	36 STATION ROAD	PE34 4DG	00:20	0
0	DEL	202	8	WIGG ST GERMANS	10:30	10:45	LEGGE PLACE	PE34 3HB	00:15	0
0	DEL	202	10	SADDLEBOW	10:55	11:10	OPPOSITE METHODIST CHAPEL	PE34 3AR	00:15	0
0	DEL	202	12	SETCHEY	11:25	11:35	WILLOW LANE	PE33 0PD	00:10	0
0	DEL	202	16	WEST WINCH	12:00	12:10	MAFEKING TERRACE	PE33 0PA	00:10	0

Type	Day	Route	Stop Number	Village	Arrive	Depart	Stop Name	Postcode	Duration	CUSTOMER NUMBERS
1	TUES DAY	201	2	HUNSTANTON	09:35	09:45	DRIFTWOOD HOUSE	PE36 5HL	00:15	2
1	TUES DAY	201	4	HUNSTANTON	09:50	10:10	HANOVER GARDENS	PE36 5DS	00:30	2
2	TUES DAY	201	6	HEACHAM	10:20	10:40	ROBIN HILL	PE31 7TF	00:20	1
1	THURS	402	4	OLD HUNSTANTON	10:15	10:30	HOWARDS CLOSE	PE36 6HR	00:15	1
1	THURS	402	6	OLD HUNSTANTON	10:35	10:50	POST OFFICE	PE36 6JX	00:10	1
0	del	402	22	BRANCASTER	14:30	14:40	MILL ROAD	PE31 8AQ	00:10	0
0	DEL	402	34	DOCKING	16:35	16:45	THE CHURCH	PE31 8LH	00:10	0
0	DEL	401	2	WOLFERTON	09:30	09:40	CHURCH	PE31 6HD	00:10	0
0	DEL	401	6	WEST NEWTON	10:10	10:25	CAERNARVON COTTAGES	PE31 6AS	00:15	0
0	Thurs day	401	6	HILLINGTON	10:30	10:45	WHEATFIELDS	PE31 6BH	00:15	0
0	Thurs day	401	12	GRIMSTON	11:40	11:55	WESLYAN CHAPEL	PE32 1AB	00:15	0
0	DEL	401	22	POTT ROW	13:10	13:30	COMPASS PRE-SCHOOL	PE32 1BY	00:20	0
0	DEL	401	26	POTT ROW	14:55	15:05	18 VONG LANE	PE32 1BW	00:10	0
0	DEL	401	28	POTT ROW	15:10	15:35	HOLLY MEADOWS SCHOOL	PE32 1BW	00:25	0
0	Thurs day	401	36	ROYDON	16:50	17:05	52 STATION ROAD	PE32 1AW	00:15	0
2	Friday	501	6	SANDRINGHAM	10:25	10:40	YORK COTTAGE	PE35 6EN	00:15	3

Type	Day	Route	Stop Number	Village	Arrive	Depart	Stop Name	Postcode	Duration	CUSTOMER NUMBERS
2	Friday	501	8	DERSINGHAM	10:50	11:20	HANOVER COURT	PE31 6LR	00:30	5
0	Friday	501	2	SHERNBORNE	09:55	10:10	HALL ROAD	PE31 6RU	00:15	0
0	DEL	501	4	SHERNBORNE	10:15	10:30	RED BARN COTTAGE	PE31 6SB	00:15	0
2	Friday	501	10	INGOLDISTHORPE	11:30	11:45	LITTLE OWLS NURSERY	PE31 6PE	00:15	0
0	DEL	501	10	NORTH LYNN	12:00	12:20	LISBON COURT	PE30 3FB	00:20	0
1	DEL	501	12	NORTH LYNN	12:25	12:45	WATERSIDE	PE30 2NA	00:20	2
0	DEL	501	14	NORTH LYNN	12:50	13:05	COLUMBIA WAY BUNGALOWS	PE30 2LA	00:15	0
1	DEL	501	16	FAIRSTEAD	14:15	14:45	WINDMILL COURT + 2 H/CALL	PE30 4XP	00:30	2
1	DEL	501	18	FAIRSTEAD	14:50	15:20	MINSTER COURT	PE30 4XN	00:30	3
1	DEL	501	20	FAIRSTEAD	15:25	15:55	HANOVER COURT	PE30 4ST	00:30	5
2	Friday	501	20	INGOLDISTHORPE	14:50	15:15	32 GROVELANDS	PE31 6PG	00:25	4
2	Friday	501	22	INGOLDISTHORPE	15:20	15:45	CHURCH HALL - HILL ROAD	PE31 6NZ	00:25	3
2	Friday	501	24	INGOLDISTHORPE	15:50	16:15	THE DRIFT	PE31 6HG	00:25	1
0	DEL	408	4	HILLINGTON	10:10	10:20	TAPPING HOUSE HOSPICE Deposit	PE31 6BH	00:10	0
0	DEL	408	18	GRIMSTON	12:20	12:35	CHURCH CLOSE	PE32 1BN	00:15	0
0	DEL	408	20	BAWSEY	12:45	12:55	INNISFREE CARAVAN SITE	PE32 1EX	00:10	0

Type	Day	Route	Stop Number	Village	Arrive	Depart	Stop Name	Postcode	Duration	CUSTOMER NUMBERS
0	DEL	408	28	GAYTON	15:10	15:25	LIME GROVE	PE32 1QU	00:15	0
0	DEL	408	30	GAYTON	15:30	15:45	HILLS CRESCENT	PE32 1PE	00:15	0
0	DEL	408	36	GAYTON	16:30	16:45	SPRINGVALE	PE32 1QY	00:15	0
0	DEL	307	18	FAIR GREEN	12:45	13:00	PAUL DRIVE/GATE INN	PE32 1RU	00:10	0
0	FRI	503	10	HARPLEY	11:45	11:55	ST LAWRENCE CLOSE	PE31 6TS	00:10	0
0	FRI	503	14	HARPLEY	12:15	12:30	CHURCH LANE	PE31 6TX	00:15	0
0	FRI	503	18	LITTLE MASSINGHAM	13:00	13:15	MIDDLE FARM	PE32 2JT	00:15	0
0	TUES	505	8	EAST RUDHAM	11:00	11:10	GROVESIDE	PE31 8RL	00:10	0
0	THUR	404	10	WEETING	11:05	11:15	ALL SAINTS WAY	IP27 0QH	00:10	0
0	THUR	404	18	HOCKWOLD	12:40	12:55	THE CHURCH	IP26 4HZ	00:15	0
0	TUES	204	10	EMNETH	11:30	11:40	THE WROE	PE14 8AN	00:10	0
0	TUES	204	32	OUTWELL	16:40	17:00	METHODIST CHURCH	PE14 8PA	00:20	0
0	FRI	504	14	WALTON HIGHWAY	12:00	12:15	SCHOOL ROAD (Opp No.190)	PE14 7DR	00:15	0
0	FRI	504	22	WALPOLE ST ANDREW	14:30	14:45	SCHOOL	PE14 7LJ	00:15	0
0	DEL	203	6	TERRINGTON ST CLEMENT	10:30	10:45	NORTHGATE WAY	PE34 4LE	00:15	0
0	del	203	26	TERRINGTON ST CLEMENT	16:20	16:35	THE SALTINGS	PE34 4PB	00:15	0

Type	Day	Route	Stop Number	Village	Arrive	Depart	Stop Name	Postcode	Duration	CUSTOMER NUMBERS
0	WED	304	14	UPWELL	12:15	12:30	TOINTONS ROAD	PE14 9HP	00:15	0
0	WED	304	24	UPWELL	15:15	15:30	ST PETERS ROAD - outside No 47	PE14 9EL	00:15	0
0	WED	304	30	UPWELL	16:20	16:40	CROFT ROAD (outside 133)	PE14 9HQ	00:20	0
0	WED	303	24	TERRINGTON ST JOHN	15:05	15:20	BURMAN HOUSE, MILL RD	PE14 7SF	00:15	0
0	FRI	503	4	WIMBOTSHAM	09:40	09:55	TURNERS CLOSE	PE34 3QG	00:15	0
0	FRI	503	10	TOTTENHILL	10:45	11:00	ELLA PLACE	PE33 0RX	00:15	0
0	FRI	503	14	WEST DEREHAM	11:45	12:00	TELEPHONE BOX	PE33 9RE	00:15	0
0	FRI	503	20	WEREHAM	12:45	13:05	VILLAGE HALL		00:20	0
0	FRI	503	22	HILGAY	14:15	14:35	MANBY CLOSE	PE38 0JX	00:15	0
0	FRI	503	24	TEN MILE BANK	14:45	15:05	THE SCHOOL	PE38 0EJ	00:20	0
										278

Report to Cabinet

Item No. 14

Report Title: Finance Monitoring Report 2022-23 P8: November 2022

Date of Meeting: 30 January 2023

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

If this is a Key Decision, date added to the Forward Plan of Key Decisions: N/A

Introduction from Cabinet Member

This report gives a summary of the forecast financial position for the 2022-23 Revenue and Capital Budgets, General Balances, and the Council's Reserves at 31 March 2023, together with related financial information.

Executive Summary

Subject to mitigating actions, on a net budget of £464.123m, the forecast revenue outturn for 2022-23 at the end of Period 8 (November) is **a £2.054m overspend (0.44% of net budget)** after taking into account use of £31.125m Covid reserves brought forward from 2021-22 to meet Covid pressures in 2022-23. The recurring underlying cost pressures in services have been reflected in the 2023-24 budget presented elsewhere on the agenda. If required at the year end, the Council will utilise the one-off release of earmarked and business risk reserves to deliver a balanced budget for 2022-23

General Balances are forecast to be **£24.340m** at 31 March 2023 assuming the transfers of £0.5m contribution to reserves. Service reserves and provisions (excluding the Dedicated Schools Grant reserve) are forecast to total **£162.649m.**

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

Recommendations:

1. To recommend to full Council the addition of **£0.427m** to the capital programme to address capital funding requirements funded mostly from

various external sources as set out in detail in capital Appendix 3, paragraph 4.1 as follows:

- £0.299m external funding raised for Museum Painting Exhibits and Acquisitions
- £0.095m increase in the Castle Keep Gateway to Medieval England budget for monitoring and quality assurance mitigation works which was approved at the December 22 Cabinet meeting
- £0.033m miscellaneous minor adjustments to project budgets

2. To recommend to Full Council the addition of £2.511m to the capital programme for the MyOracle project in 2022-23 as set out in detail in Capital Appendix 3, paragraph 4.3.

3. Subject to full Council approval of recommendation 1 and 2 to delegate:
   3.1) To the Director of Procurement authority to undertake the necessary procurement processes including the determination of the minimum standards and selection criteria (if any) and the award criteria; to shortlist bidders; to make provisional award decisions (in consultation with the Chief Officer responsible for each scheme); to award contracts; to negotiate where the procurement procedure so permits; and to terminate award procedures if necessary.
   3.2) To the Director of Property authority (notwithstanding the limits set out at 5.13.6 and 5.13.7 of Financial Regulations) to negotiate or tender for or otherwise acquire the required land to deliver the schemes (including temporary land required for delivery of the works) and to dispose of land so acquired that is no longer required upon completion of the scheme;
   3.3) To each responsible chief officer authority to:
      - (in the case of two-stage design and build contracts) agree the price for the works upon completion of the design stage and direct that the works proceed; or alternatively direct that the works be recompeted
      - approve purchase orders, employer's instructions, compensation events or other contractual instructions necessary to effect changes in contracts that are necessitated by discoveries, unexpected ground conditions, planning conditions, requirements arising from detailed design or minor changes in scope
      - subject always to the forecast cost including works, land, fees and disbursements remaining within the agreed scheme or programme budget.
      - That the officers exercising the delegated authorities set out above shall do so in accordance with the council's Policy Framework, with the approach to Social Value in Procurement endorsed by Cabinet at its meeting of 6 July 2020, and with the approach set out in the paper entitled

"Sourcing strategy for council services" approved by Policy & Resources Committee at its meeting of 16 July 2018.

4. To Approve the proposal to dissolve NCC Nurseries Limited as set out in Appendix 4 paragraph 5.

5. To recognise the period 8 general fund revenue forecast of a £2.054m overspend (0.44% of net budget)**,** noting also that Executive Directors will take measures to reduce or eliminate potential over-spends where these occur within services to deliver a balance budget by the year end.

6. To recognise the period 8 forecast of 92% savings delivery in 2022-23, noting also that Executive Directors will continue to take measures to mitigate potential savings shortfalls through alternative savings or underspends;

7. To note the forecast General Balances at 31 March 2023 of **£24.340m**, assuming the Council will mitigate the overspends reported in P8.

8. To note the expenditure and funding of the revised current and future 2021-26 capital programmes.

1. Background and Purpose

1.1. This report and associated annexes summarise the forecast financial outturn position for 2022-23, to assist members to maintain an overview of the overall financial position of the Council.

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, including the implications of the Covid-19 pandemic, together with a number of other key financial measures.

4. Evidence and Reasons for Decision

4.1. Three 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

- Changes to the approved budget
- Reserves
- Savings

Appendix 2 summarises the key working capital position, including:

- Treasury management
- Payment performance and debt recovery.

Appendix 3 summarises the capital outturn position, and includes:

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

Appendix 4 summarises the proposal to dissolve NCC Nurseries Limited.

4.2. Additional capital funds will enable services to invest in assets and infrastructure as described in Appendix 3 section 4.

5. Alternative Options

5.1. 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 further grant or revenue funding has been identified to fund the expenditure, apart from the funding noted in Appendix 3.

6. Financial Implications

6.1. As stated above, the forecast revenue outturn for 2022-23 at the end of P8 is a **£2.054m overspend,** linked to a forecast 92% savings delivery. The associated forecast outturn for service reserves and provisions is **£162.649m**. Council officers are taking mitigating actions to identify savings and address the inflationary cost pressures. Therefore the general balances is forecast to increase to **£24.340m,** assuming the delivery of a balanced budget and a transfer of £0.5m contribution to reserves. COVID reserves of **£31.125m** have been brought forward to off-set the one-off infection prevention measures in place to prevent any further Covid-19 outbreaks in 2022-23.

6.2. Where possible service pressures have been offset by underspends or the use of reserves. A narrative by service is given in Appendix 1.

6.3. The Council's capital programme is based on schemes approved by County Council in February 2022, including previously approved schemes brought forward and new 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 2022-23 budget, the council has undertaken public consultation and produced equality and rural impact assessments in relation to the 2022-23 Budget. An overall summary Equality and rural impact assessment report is included on page 305 of the Monday 21 February 2022 Norfolk County Council agenda. CMIS > Meetings

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.

8.4 **Data Protection Impact Assessments (DPIA)**
DPIA is not required as the data reported in this paper does not drill down to the personal data level.

9. Risk Implications/Assessment

9.1. Corporate risks continue to be assessed and reported on a quarterly basis to both Cabinet and the Audit Committee. The Council's key financial based corporate risk (RM002 - The potential risk of failure to manage significant reductions in local and national income streams) has been reviewed and refreshed in February 2022 to incorporate the 2022/23 budget and Medium-Term financial strategy 2021 - 2026 being set. Key risk mitigations include amongst others regular (monthly) financial reporting to Cabinet, working to the Medium-Term Financial Strategy and setting robust budgets within available resources.

9.2. 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. The Executive Director of Finance and Commercial Services believes a balanced budget will be achieved in 2022-23.

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. Summary Equality and rural impact assessment CMIS > Meetings page 305

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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Appendix 1: 2022-23 Revenue Finance Monitoring Report Month 8

Report by the Executive Director of Finance and Commercial Services

1 Introduction

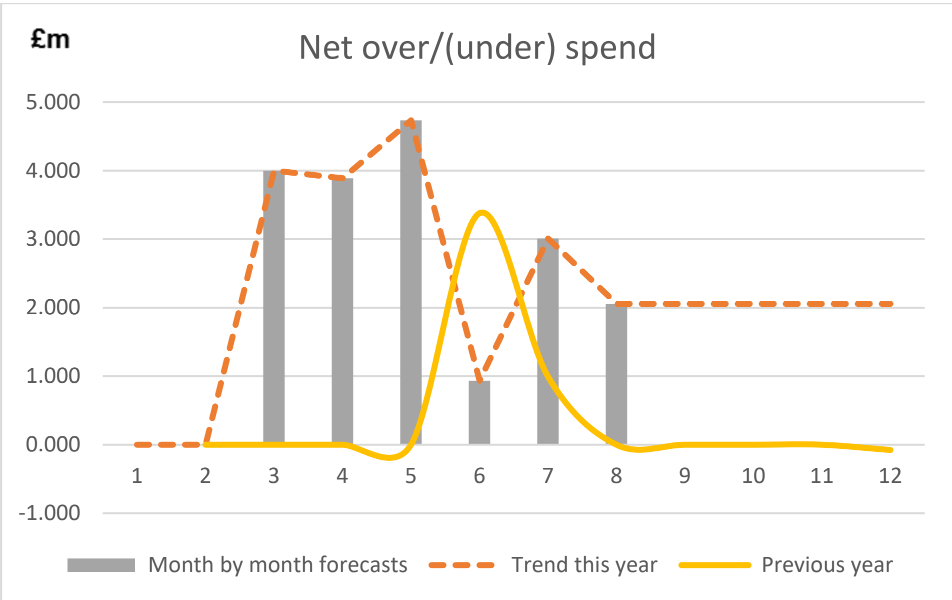
1.1 This report gives details of:

- the P8 monitoring position for the 2022-23 Revenue Budget
- additional financial information relating one-off funding, cost pressures and delivery of savings initiatives
- forecast General Balances and Reserves as at 31 March 2023 and
- other key information relating to the overall financial position of the Council.

2 Revenue outturn – over/(under)spends

2.1 At the end of November 2022, a £2.054m overspend is forecast against a net budget of £464.123m.

Chart 1: forecast /actual revenue outturn 2022-23, 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 overspends for each service are shown in detail in Revenue Annex 1 to this report, and are summarised in the following table:

Table 1: 2022-23 forecast (under)/overspends by service

Service	Revised Budget	Cost Pressures	(Under spends/ Savings)	Earmarked Reserves & Provisions Utilised	Net (under)/ overspend	%	RAG
	£m		£m		£m		
Adult Social Care	264.814	5.791	-1.171	-4.120	0.500	0.19%	A
Children's Services	191.648	19.824	-0.485	-4.860	14.479	7.6%	R
Community and Environmental Services	168.142	9.466	-3.384	-6.081	0	0%	G
Strategy and Transformation	9.097	0.000	-0.135	0.135	0	0%	G
Governance Department	2.195	0.349	-0.030	0.317	0.002	0%	G
Finance and Commercial Services	34.093	3.324	-1.017	-1.069	1.238	4%	R
Finance General	(205.866)	0.267	-8.432	-6.000	-14.165	6.9%	G
Total	**464.123**	**39.021**	**-14.655**	**-22.312**	**2.054**	0.44%	A

Notes:
1) the RAG ratings are subjective and account for the risk and both the relative (%) and absolute (£m) impact of overspends.
2) Earmarked reserves and provisions were set aside in 2021-22 in order to meet and fund additional pressures in 2022-23.

2.4 **Children's Services:** The forecast outturn as at Period 8 (end of November 2022) is an overspend position of £14.479m, presuming use of budgeted reserves and (£4.860m) of additional reserves to mitigate the in-year pressures.

2.5 This forecast highlights the pressures within social care placements and support, c. £13m, and home to school transport (particularly for those with special educational needs and disabilities as well as mainstream provision), c. £6.7m. Since the start of the financial year, Children's Services have been reporting significant financial risk, particularly in relation to demand-led budgets of social care placements and support as well as Home to School transport (particularly for those with special educational needs and disabilities).

2.6 The overall number of children in care and having placements remains broadly level which is a better position than in many local authority areas, but the cost is increasing substantially. This is primarily due to the cohort with the very highest and most complex needs continuing to grow as a proportion of all children looked after; particularly as we have been successful with interventions and new models of working to keep children out of care when appropriate to do so.

2.7 The budget included the assumption that the overall number of children in care would continue to reduce over the year, but the unforeseen pressures seen means that the benefits of the transformation work and savings delivered have been offset.

2.8 Children's Services has clear evidence that the interventions and new models of working are effective and are allowing us to meet the needs of children with complex needs effectively in many cases; in particular, New Roads is proving very successful. Without such transformation interventions, the level of pressure would be significantly higher with prices potentially further inflated due to market forces. However, the cost avoidance and reduction being achieved is counteracted by the volume and complexity of need along with market forces, which is proving to be significantly higher than modelled within the budget, particularly in relation to the number of external residential placements for children and an increase in the unit cost of such placements as well as the packages of support we are creating for children and young people with very challenging needs.

2.9 The proportion of children in foster care (whether in-house or independent fostering agency) is lower than budgeted (4% less foster placements than budgeted) due to lower than anticipated placements being available, whilst the proportion of children in external residential care, driven by sufficiency challenges elsewhere in the care market as well as increasing complexity of need, is higher than budgeted (39% more residential placements than budgeted). Additionally, the cost of placements are, on average, significantly exceeding budgeted values, which were based upon 2021-22 averages with estimated inflation. For example, as at the end of October, the additional cost of foster placements due to inflated prices is c. £0.9m and the additional costs of semi-independent support for 16–17-year-olds due to complexity, inflation and market pressures is c. £2.1m. With particular regards to external residential care, the additional numbers of placements compared to budget are forecast to cost c. £4.3m extra whilst the additional costs due to complexity, inflation and market pressures is c. £4.4m. This is despite the considerable evidenced impact of New Roads showing a very significant diversion from care for many adolescents who may otherwise have needed to be accommodated in additional residential placements far exceeding current forecasts.

2.10 Overall, the key financial drivers the service experiences for social care are consistent with the last financial year. The pandemic continues to have a substantial impact. One area causing significant pressure is the court system and the significant delays that continue to be seen. Such delays are resulting in significant additional costs to NCC (for example, lengthier placements preadoption, additional preparation for court when cases are delayed or postponed, etc.) as well as affecting the outcomes for children.

The department, along with NPLaw, are taking action to mitigate the impact wherever possible.

2.11 Additionally, the factors previously identified have not eased off and, in many cases, have continued to increase, with many elements being unpredictable in nature and close review will be maintained of these:

- lack of supply of placements is significantly impacting our ability to purchase the right placements at the right cost.
- An unhelpfully rigid approach from the regulator (Ofsted) - challenging care settings in a way which makes them unwilling to work with young people with complex needs or drives a demand for very large packages of additional support.
- the continued worsening of emotional wellbeing and mental health amongst children, young people and parents,
- A significant rise in 'extra familial harm', including county lines and exploitation of young people.
- An underlying trend of increasing special educational needs and disabilities, including some children with complex disabilities surviving into later childhood as a result of medical advances.
- An additional strain on families as a result of the pandemic and hidden harm with families locked down together.
- The demand-led aspects of placement and transport provision for children with special needs.
- The shortage in housing available for post-18-year-olds.
- Ongoing shortages of staff in key professional specialisms

Furthermore, the cost-of-living crisis is an additional factor that has emerged in recent months, and it is currently unclear what impact this may have upon demand as well as our own workforce.

2.12 The Association of Directors of Children's Services (ADCS) have recently published a thematic report on children's mental health[1]. This report resonates with the situation currently seen in Norfolk, in particular:

- Proportion of assessments where mental health is a factor is increasing across early help and social care
- Emotional disorders, particularly anxiety, depression and eating disorders are also rising, as is self-harm, suicide and suicidal ideation.
- The wider challenging economic climate and cost of living crisis increases pressure on struggling families and can test emotional resilience; such circumstances are a contributory factor to the emotional wellbeing of children and their families
- The resources available to meet the current level of demand is not readily available and/or accessible, resulting in waiting lists.
- Results in bespoke packages of case being purchased that include therapeutic work for children that can't access CAMHS support
- There has been a reduction in the provision of Tier 4 beds commissioned by NHS England while at the same time demand for such placements has increased. This lack of provision directly impacts

[1] ADCS_Safeguarding_Pressures_Phase_8_Interim_Report_FINAL_Nov2022.pdf

authorities as responsibility often falls to children's social care to accommodate the child to ensure the safety and welfare of themselves and of others.

- Waiting lists for interventions are too long and delays can affect other areas of a child's life, such as negatively impacting upon their education and attendance at school.
- This can result in increased and/or escalating needs for children whilst waiting, which respondents felt was unnecessary, or a child being refused a service as they do not meet the clinical criteria with no alternative offer
- Unmet emotional wellbeing and poor mental health needs have a knock-on effect to any other work taking place with professionals to meet other needs a child may have
- More children attending acute emergency settings in crisis, resulting in the child receiving more intrusive crisis care
- Where children do not have their emotional wellbeing and mental health needs met in a timely and effective way, this can often result in costly local authority involvement as families reach crisis point and look to safeguarding services to keep themselves and their children safe
- Family breakdown as parents are unable to cope, resulting in some instances with the child coming into the care of the local authority
- Children's unaddressed poor emotional wellbeing and mental ill-health will, without adequate support, continue into adulthood and ultimately affect life chances

2.13 In addition to the above report, the Eastern Region of ADCS have produced a report on Placement Sufficiency for Young People in Care focusing on the impact of the 2021 Placement Regulations on Placement Costs and Outcomes for children and young people. This identifies that the current situation in respect of both placement costs and availability is unsustainable and calls on the Government to act immediately to mitigate the impact of the regulation change, assess the unfunded financial burden of the regulations and pause the implementation of future changes planned until future financial burdens have been fully assessed. The combination of barriers to new entrants to the market and further restrictions on placement availability caused by the regulation changes has resulted in dramatic cost increases seen across the region, illustrated by the table below:

Placement Type	Average weekly unit cost		% Increase
	2020/21	2021/22	
New registered residential placements made in period	£5,292	£5,828	10%
Cost for all registered residential placements in place	£3,854	£4,604 [2]	19%
New unregulated/unregistered placements for under 16s made in period	£2,287	£7,131	312%
New Semi-Independent Placements for 16- and 17-year-olds	£1,238	£1,566	26%

Both reports exemplify that the challenges being seen are not a Norfolk issue alone.

[2] Average unit cost for all residential placements in 2022/3 to date

2.14 As well as these ongoing pressures, the rate of inflation has increased significantly (as seen across the whole Council) since the budget was set. As well as impacting upon external spend for social care placement and support costs, this is also impacting upon a significant number of other areas of spend for Children's Services, in particular, fuel and retention of staff by external providers given alternative employment options with higher rates of pay.

2.15 These factors have now led to a significant increase in the overspend on the Home to School Transport budget. Operators are having difficulty recruiting and retaining staff due to rates of pay, and prices have been pushed up due to inflationary factors beyond the control of the provider and the Council. Whilst the most significant area of overspend is for HTST for children and young people with special educational needs and disabilities, the cost pressures are also affecting mainstream and post-16 HTST provision. This forecast is the first since the impact of contract changes relating to the new academic year have been confirmed.

2.16 The impact of these inflationary pressures, along with other budget pressures being experienced within Children's Services, will be kept under close review as the year progresses with consideration given to budgetary implications for 2023-24.

2.17 Children's Services continues to undertake a substantial transformation programme to both improve outcome for children and young people as well as delivering financial savings. Management action continues to be taken within the department to minimise and, where possible, mitigate the financial risks and pressures faced.

2.18 **Adult Social Services:** The forecast outturn forecast this period is a £0.5m overspend. With Adult Social Care (ASC) being a demand led service, the budget to provide it always operates under a degree of uncertainty, especially in the last 24 months. The ASC service is still managing its recovery from the pandemic alongside delivering significant transformation and was planning for the upcoming Social Care Reform. Within its recovery programme there is a significant emphasis on reducing the backlogs that have developed over the past 18+ months. A critical element of the financial position for the department will be the effective management of this work and the financial outcomes that ensue. At present the level of backlogs have not significantly reduced and remain above 3400 cases, and therefore much uncertainty remains in the financial implications of the work to reduce these.

2.19 As over 70% of the ASC budget is spent with independent providers, it is only right to acknowledge the financial risk the current economic conditions may place on these care markets. Whilst the Council was able to invest £18m into the market as part of its 2022/23 fee uplift, the continued economic uncertainty may well have a destabilising impact on individual providers. The price pressure in the economy comes at a time when Central Government have equally stopped some of the provider grants distributed during the pandemic, such as the infection control grant, that has provided over £50m of funding to Norfolk providers in the last 2 years. We are now seeing more providers approaching us indicating financial difficulty and have seen a number of care providers either close or return contracts. Each home closure clearly has implications for the residents impacted, but also typically means any replacement package secured is done so at a cost premium.

2.20 The department continues to work with its partners in the Integrated Care System (ICS) to manage system pressures around hospital discharge both from acute hospital and the wider Transforming Care Programme. The ICS itself continues to operate in a challenging financial environment. We have now received additional details relating to the £500m winter discharge funding as part of Governments "Plan for Patients". NCC will receive £3.482m for the 22/23 winter period. ASC commissioners with partners in the ICS have now submitted plans on how the funding will be used .

2.21 As described in the saving section of this report, the risks previously raised around our savings programme have now led to us declaring an under-delivery of our 22/23 programme. Our short-term residential placements continue to be high compared to our budget. The health and care system approach to developing intermediate care solutions will be critical to our ability to manage this pressure. Furthermore, our housing programme has fallen slightly behind its original build profile and therefore this has had a knock-on-effect on the revenue savings it facilitates.

2.22 Both internally to the department, and within the wider care sector, availability of staff continues to be a challenge. Whilst in the interim, internal vacancies will continue to produce staffing underspends, longer term the ability to manage the care budget is predicated on good quality social care, undertaken in a timely way to truly prevent, reduce and delay need. We are now reflecting the additional expected cost of the 22/23 pay award in service budgets. At this period, despite being able to manage down some of this additional pressure, it is not wholly manageable, and a residual overspend is therefore being forecast. As we progress through the winter period we will of course seek to make every effort to fully absorb this additional pressure during the remaining periods of the year.

2.23 Whilst recognising the uncertainties described above, the level of ASC departmental reserves to manage these risks in the short term remain strong. Longer term, the financial implications of the upcoming reform of Social Care will continue to be unpacked and built into the Medium-Term Financial Strategy (MTFS).

2.24 **CES:** The P8 forecast is an overall balanced outturn position. The pressure on income budgets particularly with admissions income within the Museums service is creating a £1.299m cost pressure, this is in line with the regional and national picture.

2.25 The Fire Services forecast includes an assumed 5% pay award which exceeds the budget provision, leading to an overspend of £0.536m.

2.26 These forecast pressures and the £1.617m cost pressure resulting from the pay award are offset by forecast underspends in Growth and Development and Performance and Governance and Highways largely due to the management of vacancies, additional income and the use to of the departmental business risk reserve.

2.27 Included in the Highways forecast is a £1.494m overspend relating to the electricity costs for Street Lighting. This is offset by additional highways income £1.311m and savings of £0.801m.

2.28 Waste volumes at Recycling Centres and kerbside collections have been highly volatile over the last two years. The Waste volumes for 2022-23 are lower than budget resulting in a £2.824m underspend , enabling CES to fund the cost pressure arising from the pay award in excess of the budget provision.

2.29 **Corporate services:** The Strategy and Transformation and Governance directorates are forecasting an almost balanced position with one-off savings from vacancies offsetting cost pressures and the usage of reserves. This also takes into account the pay award cost pressures.

2.30 Finance and Commercial Services is forecasting an overspend of £1.238m for this period, due to the rise in inflation, petrol and utilities, which have impacted contracts, especially within Property Services. The delay in implementation of myOracle and the pay award has also contributed to this overspend.

2.31 **Finance General:** Finance General forecast for P8 is an underspend of £14.165m. Savings of £6.7m on the Minimum Revenue Provision due to slippage in the 21-22 Capital Programme, £0.626m in interest payable on borrowings were secured from last year's borrowing at the low long term PWLB rates and additional interest receivable forecasted of £1.317m, with £6m release of reserves and flexible use of capital receipts is offset by additional COVID cost pressures of £0.267m. Miscellaneous savings in other budgets are offset by various one-off cost pressures with a net pressure of £0.275m at P8.

2.32 The forecasts for each service area assumes a 7% pay inflation uplift for 2022-23 in line with the local government national pay offer. A potential cost pressure of £6.078m relating to pay inflation for 2022-23 has been absorbed by the service areas and mitigated by savings or release of reserves. Further details are given in Appendix 1: Revenue Annex 1.

2.33 The forecast also assumes use of £31.125m Covid reserves brought forward from 2021-22 to mitigate Covid related expenditure where appropriate and necessary to maintain a balanced budget

2.34 Further details are given in Appendix 1: Revenue Annex 1.

3 Approved budget, changes and variations

3.1 The 2022-23 budget was agreed by Council on 21 February 2022 and is summarised by service in the Council's Budget Book 2022-23 (page 17) as follows:

Table 2: 2022-23 original and revised net budget by service

Service	Approved net base budget	Revised budget P8
	£m	£m
Adult Social Care	263.184	264.814
Children's Services	189.065	191.648
Community and Environmental Services	166.162	168.142
Strategy and Transformation	8.759	9.097
Governance Department	1.960	2.195
Finance and Commercial Services	33.424	34.093
Finance General	-198.431	-205.866
Total	**464.123**	**464.123**

Note: this table may contain rounding differences.

3.2 The directorate budgets for November 2022 includes some minor virements between directorates and the devolved £7.424m pay award budget provision.. The Council's net budget for 2022-23 remains unchanged.

4 General balances and reserves

General balances

4.1 At its meeting on 21 February 2022, the County Council agreed a minimum level of general balances of £23.268m in 2022-23. The balance at 1 April 2022 was **£23.840m** following transfers of £0.077m from non-Covid related savings and Finance General underspends at the end of 2021-22. The forecast for 31 March 2023 is **£24.340m,** taking into account a contribution of £0.500m provided in the 2022-23 budget and assuming that the Council will achieves the plan set out in the 2022-23 budget by the end of the financial year.

Reserves and provisions 2022-23

4.2 The use of reserves anticipated at the time of budget setting was based on reserves balances anticipated in January 2022. Actual balances at the end of March 2022 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 2022-23 budget was approved based on a closing reserves and provisions (excluding DSG reserves) of £144.987m as at 31 March 2022. This, and the latest forecasts are as follows.

Table 3: Reserves budgets and forecast reserves and provisions

Reserves and provisions by service	Actual balances 1 April 2022	Increase in March 2022 balances after budget setting	2022-23 Budget book forecast 1 April 2022	Latest forecast balances 31 March 2023
	£m	**£m**	**£m**	**£m**
Adult Social Services	45.909	18.738	27.171	35.729
Children's Services (inc schools, excl LMS/DSG)	17.398	8.881	8.517	12.116
Community and Environmental Services	65.814	13.745	52.069	63.315
Strategy and Transformation	2.466	0.725	1.741	2.193
Governance	2.045	1.073	0.972	1.791
Finance & Commercial Services	3.793	1.234	2.559	2.724
Finance General	56.237	18.950	37.287	32.878
Schools LMS balances	17.888	3.217	14.671	11.901
Reserves and Provisions including LMS	**211.550**	**66.563**	**144.987**	**162.649**
DSG Reserve (negative)	**-53.976**	**0.348**	**-54.324**	**-73.616**

4.4 Covid grants and other grants and contributions brought forward as at 31 March 2022 resulted in reserves and provisions being £66.563m higher than had been assumed at the time of budget setting. However, it is assumed that the majority of these reserves will be used for service provision during 2022-23. The latest forecast net total for reserves and provisions at 31 March 2023 has decreased by £48.901m when compared with the opening balance at 1 April 2022 bringing the forecast closer to the budget book outlook.

4.5 **Dedicated Schools Grant (DSG)**: The latest forecast DSG Reserve is based on the latest modelling of the Dedicated Schools Grant (DSG) Recovery Plan. An in-year deficit of £19.6m is forecast, an increase of c. £1.7m compared to the budgeted deficit. This increase has primarily been caused by additional requests by mainstream schools for funding to support children with high level SEND to remain in their schools, thus avoiding more costly special school provision. This will increase the DSG Reserve to £73.616m by 31 March 2023. The forecast remains stable at period 8 (end of November).

4.6 The areas of most significant cost pressure continue to be independent school placements along with post-16 provision and maintained special school placements. These will continue to be kept under close review given the demand-led nature of these budgets.

4.7 These budgets will continue to be kept under close review. Officers have also raised concerns about the imbalance in the market with representatives of the DfE and requested support regarding regulation, to better support the control of costs and improving the outcomes for children and young people within these placements.

4.8 Despite the pandemic, significant work by the NCC, Norfolk Schools Forum and the wider system continues to take place as part of the Children's Services Transformation Programme both to ensure that the right specialist provision is in the right place to meet needs (i.e. the capital investment), whilst also progressing work to transform how the whole system supports additional needs within mainstream provision.

4.9 NCC reports the forecast position each term to the Norfolk Schools Forum, in line with DfE expectations and feedback from the Forum continues to be sought.

4.10 Sustainable funding for the High Needs Block continues to be pursued and NCC responded to a DfE consultation regarding revising the historical basis for the national funding formula for HNB; this consultation suggested that Norfolk has been under-funded for a number of years and, even if the proposals are implemented, will continue to be under funded due to a capping system. The DSG allocations for 2022-23 included the outcome of this consultation; unfortunately, for Norfolk, the final historical adjustment has been capped at a lower level than the consultation, meaning that level of under-funding for Norfolk continues and is exacerbated.

4.11 Norfolk has been investing significant capital monies in the creation of additional specialist places in existing state-funded schools alongside the building of new special schools and specialist resource base provision. Without this investment, the deficit position would have been significantly higher on the basis that the independent sector continues to expand in line with demand. Officers have also fed back to the DfE regarding the vital role that capital investment could play in supporting the recovery of the High Needs Block, to enable placements to move from expensive independent provision into maintained / academy / free special schools. Sufficient capital investment has not been forthcoming from central government for many years and whilst there have been recent announcements of some additional monies, these need to be just the starting point if there is to be sufficient supply of state-funded specialist provision to fully meet the place needs of children with high SEND. Additionally, Officers have fed back that it is key that the funding announced is directed to those authorities where it would deliver the biggest benefit.

4.12 Due to the significant deficit that Norfolk continues to experience with the High Needs Block, Norfolk has been invited by the DfE to take part in the 'Safety Valve' programme. Officers have undertaken significant engagement with the DfE and their advisors to develop a multi-year proposal that could take advantage of the potential opportunities offered through the programme for Norfolk to bring the in-year position back to balance whilst also identifying how the deficit can be repaid. The Dedicated Schools Grant Funding paper elsewhere on this agenda provides a further update whilst the decision of the Secretary of State is awaited as to whether to approve Norfolk's submitted plan.

4.13 Following significant delay, the outcome of the national major review into support for children with special educational needs following the implementation of the SEND Reform Act 2014 has been published as a Green Paper: SEND Review: Right Support, Right Place, Right Time. The DfE held a consultation upon the proposals, which the Council responded to. If implemented, the proposals could have a significant impact, including financial implications. Further updates will be provided when this is available.

4.14 **Provisions included in the table above**

The table above includes forecast provisions of £30.666m comprising:

- £10.0m insurance provision,
- £12.914m landfill provision (this provision is not cash backed),
- £5.007m provisions for bad debts,
- £2.681m business rates appeals provision, and
- £0.64m of payroll related provisions.

5 On-going Covid-19 financial implications

5.1 Whilst the pandemic is officially over, there are on-going impacts on service provision and demand for support from Council services. The council has carried forward £31.125m grant funding received from central government in 2021-22 to mitigate any on-going risks and cost pressures associated with addressing the service needs arising from COVID-19.

5.2 Covid-19 funding brought forward is as follows:

Table 4a: Covid-19 funding

Funding	**Actual 2022-23 £m**
Covid reserves brought forward	
Norfolk Assistance Scheme	0.206
Wellbeing for education recovery grant	0.031
Fire Home Office Grant	0.196
Covid-19 Bus Services Support Grant	1.077
Contain Outbreak Management Fund	9.285
Community Testing Funding	1.223
Omicron Support Fund	0.278
COVID-19 MHCLG Grant Tranche 5	18.829
Funding to be carried forward into 2022-23	**31.125**

Cost pressures

5.3 The costs and income pressure relating to Covid-19 vary from the overall Council forecast balanced budget position shown in this report. This is due to non-Covid-19 related actions put in place by Chief Officers to mitigate the financial impacts of the pandemic.

5.4 The UK Health Security Agency has confirmed that any remaining COMF grants can be carried over into 2023-24 to provide relief against any on-going cost pressures associated with infection control and prevention work undertaken by the Public Health team.

6 New / confirmed funding

6.1 **Household Support Fund:** On 29 April 2022 the government set out the basis of the extension of the fund to 30 September 2022. On 26 May 2022, the Chancellor announced an extra £421m funding, extending the fund until March 2023. The objective of the fund is to provide support to vulnerable households in most need of help with significantly rising living costs. The indicative funding allocation for2022-23 is £13.394m. Further guidance for the second half of 2022-23 includes the prioritisation of funding to support households with the cost of energy bills with an emphasis on providing support to the most vulnerable households as soon as possible

6.2 **Homes for Ukraine Fund:** The DLUHC provided confirmation on 29 April 2022 of funding of £5.618m for 535 individuals across Norfolk. Since this date the scheme has expanded and is now likely to support c1300 people and attract funding of c£14m. As this funding covers 12 months of costs, a significant proportion of funding will be spent in 2023/24 and the carry forward is now reflected in the Adult Social Care reserve position. This funding will be initially received by Norfolk County Council and dispersed to the local district councils to provide financial support to refugees and their host families

6.3 **Adult Social Care Reform Implementation funding:** The Department of Health and Social Care (DHSC) announced on the 15th June 2022 £15.5m of national un-ringfenced Section 31 grant towards supporting the preparation of implementing Government's reform of Social Care. For Norfolk, this is £0.097m of one-off funding in 2022/23.

6.4 **Winter Adult Social Care Discharge Fund**: The Department of Health and Social Care (DHSC) announced on 16th November 2022 a further £500m of which 40% will be distributed to local authorities. Norfolk's share of the fund for 2022-23 is £3.482m. This funding will work alongside £6.963m (60%) of funding the Integrated Care Board (ICB) will receive with both tranches paid and agreed via the governance surrounding the Better Care Fund (BCF).

7 Budget savings 2022-23 summary

7.1 In setting its 2022-23 Budget, the County Council agreed net savings of £28.434m. Details of all budgeted savings can be found in the 2022-23 Budget Book. A summary of the total savings forecast to be delivered is provided in this section.

7.2 The latest monitoring reflects total forecast savings delivery of £26.134m at year end.

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

Table 5: Analysis of 2022-23 savings forecast

	Adult Social Services	Children' s Services	Community and Environmental Services	Strategy and Transformation	Governance	Finance and Commercial Services	Finance General	Total
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Budget savings	10.465	12.088	3.496	0.439	0.200	-0.134	1.880	**28.434**
Period 8 forecast savings	8.565	12.088	3.496	0.439	0.200	-0.534	1.880	**26.134**
Savings shortfall (net)	1.900	0.000	0.000	0.000	0.000	0.400	0.000	2.300

Commentary on savings risk areas

7.4 The forecast savings for 2022-23 as at October 2022 is £26.134m against a budgeted savings target of £28.434m. A shortfall of £1.9m has been reported in Adult Social Services, and £0.400m in Finance and Commercial Services with further details in note 7.7 below. Some saving programmes have highlighted risk areas which will need to be kept under review. Any updates to the forecast delivery of savings will be included in future monitoring to Cabinet.

Adult Social Services

7.5 Adult Social Services has a £10.465m savings target comprised of recognising additional benefits from the existing savings initiatives (ASS030), delivering market utilisation efficiencies through contract performance management (ASS031), continued implementation of the Learning Disabilities transformation programme (ASS032) and a strategic refocus of investment in Intermediate Care Services (ASS039).

7.6 We are pleased to report that our major departmental transformation “Connecting Communities”, working with our strategic partner, is underway and beginning to shape and pilot new approaches. This programme is working at pace to deliver a new model of care and refocus on early prevention.

7.7 This month, Adults are reporting £8.565m of savings delivery this year against the target of £10.465m. The £1.900m shortfall relates to two areas:

a) the £0.900m of savings originally expected from the Supported Housing Programme this year has been delayed. This is due to Covid and the current planning issues around nutrient neutrality which has meant that the timing of savings delivery associated with the Programme has been impacted.

b) Our Norse Care contract has had a multi-year saving target to deliver a wholesale transformation of the offer and ensure it is fit for the future types of demand we expect to face.. A £1m shortfall in savings delivery is expected this year due to the delay to the transformation programme whilst the whole estate is being reviewed. There is expected partial mitigation this year from contract refunds for units out of commission.

There are emerging risks which may mean in future periods some of the other savings will need to have adverse forecasts applied to them.

Short Term Offer (prior year saving) - Our short-term residential placements continue to be at significantly high levels compared to our budget due to the amount of pressure the health and care system are under. The system has begun to shift to a community-based recovery model which will be critical in our ability to manage this pressure in the longer term. However, for this year this continues to be an issue.

Children’s Services

7.8 Tracking of budget savings within Children’s Services shows that, whilst it is currently anticipated that all committed budgeted savings within Children’s Services will be delivered in 2022-23, this reflects over-delivery of some schemes, such as New Roads, that compensates for under-delivery of others.

7.9 The department is facing significant pressures as reported in para 2.4 above. These will potentially challenge full delivery of the department's £12.088m savings target primarily derived from early intervention and prevention work (CHS001) and significant transformation work undertaken in 2021-22 (CHS002) and transformation of the care market (CHS003). Management action is being taken to fully understand the implications as well as to take action to mitigate the pressures.

7.10 The forecast continues to assume that savings will be delivered during the remainder of the financial year; significant deviation from these plans could result in an increase to the forecast. Therefore, expected delivery of savings will continue to be kept under close review.

Finance and Commercial Services

7.11 FCS014: 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, however this £0.400m saving is currently forecast as not delivered in 2022-23.

2023-24 to 2025-26 savings

7.12 Budget setting in 2022-23 saw the approval of £9.159m savings for 2023-24, £8.200m for 2024-25. The deliverability of these savings, including any 2022-23 savings that are permanently undeliverable, will be considered as part of the budget setting process for 2023-27.

Revenue Annex 1

Forecast revenue outturn

Revenue outturn by service

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

Revenue budget outturn by service – detail

	Revised Budget	Overspend	Under spend	Forecast net spend
		£m	£m	
Adult Social Services				
22-23 Pay Award cost pressure		1.717		
Purchase of Care		2.843		
Commissioning		1.220		
Community Health and Social Care		0.011		
Community Social Work			-0.467	
Strategy and Transformation			-0.332	
Management, Finance and HR			-0.373	
Use of Business Risk Reserve			-4.120	
Forecast over / (under) spends		**5.791**	**-5.291**	
Net total	**264.814**		**0.499**	**265.313**
Children's Services				
22-23 Pay Award cost pressure		1.696		
Social Care		11.660		
Learning and Inclusion		6.468		
Community, Partnerships & Resources			-0.365	
CSLT, Finance and HR			-0.120	
Use of Transport Equalisation Reserve			-2.872	
Use of Business Risk Reserve			-1.988	
Forecast over / (under) spends		**19.824**	**-5.345**	
Net total	**191.648**		**14.479**	**206.127**
Community and Environmental Services				
Culture and Heritage		1.299		
22-23 Pay Award Cost Pressure		1.617		
Fire Service		0.536		
Growth and Development		3.431		
Performance and Governance		0.947		
Highways & Waste			-3.296	
CIL		1.636		
Public Health			-0.089	
Use of Earmarked & Risk Reserve			-6.081	
Forecast over / (under) spends		**9.466**	**-9.466**	
Net total	**168.142**		**0.000**	**168.142**

	Revised Budget	Overspend	Underspend	Forecast net spend
Strategy and Transformation				
Reserves additions/(use of)		0.135		
Various over/ (under) spends			-0.135	
Forecast over / (under) spend		**0.135**	**-0.135**	
Net Total	**9.097**		**0**	**9.097**
Governance				
Coroners costs and pay award pressures		0.349		
Net underspends			-0.030	
Elections			-0.317	
Forecast over / (under) spend		**0.349**	**-0.347**	
Net Total	**2.195**		**0.002**	**2.197**
Finance and Commercial Servcs				
22-23 Pay Award cost pressure		0.556		
Cost pressures		2.768		
Net underspends			-1.017	
Use of Reserves			-1.069	
Forecast over / (under) spend		**3.342**	**-2.086**	
Net Total	**34.093**		**1.238**	**35.331**
Finance General				
Minimum Revenue Provision – *one off saving due to slippage*			-6.764	
Interest on balances – *borrowing secured at lower interest rates*			-0.626	
Interest receivable			-1.317	
COVID-19 additional costs		0.267		
Other overspends		0.275		
Flexible use of Capital Receipts and Business Risk Reserve			-6.000	
Forecast over / (under) spend		**0.542**	**-14.707**	
Net total	**-205.866**		**-14.165**	**-220.031**
TOTAL	**464.123**			**466.177**

Revenue Annex 2 – Dedicated Schools Grant Reserve

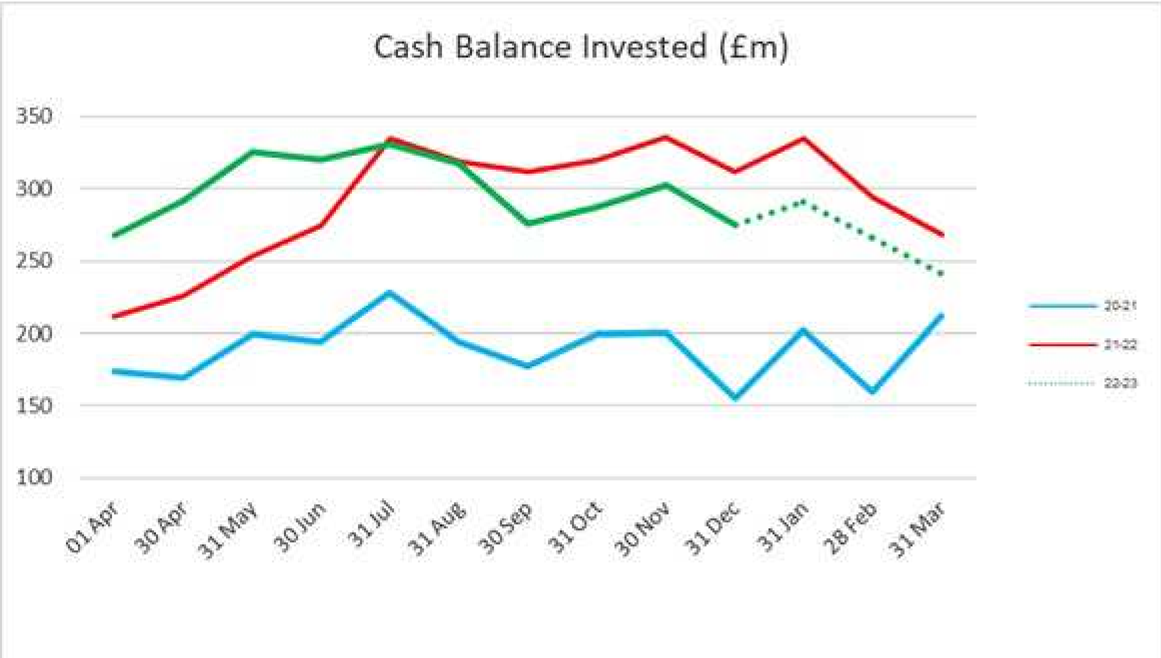
Dedicated schools grant	**Reserve as at 31 Mar 22**	Revised Budget (A)	**Budgeted Reserve as at 31 Mar 23**	Forecast Spend (B)	(Over) / under spend A-B	Forecast Reserve as at 31 Mar 23
High Needs Block		17.924		-19.640	1.716	
Increase in net deficit		-17.924				
Forecast (over) / under spend				**-19.640**	**1.716**	
Net deficit (DSG Reserve)	**-53.976**		**-71.900**			**-73.616**

Appendix 2: 2022-23 Balance Sheet Finance Monitoring Report Month 8 and Month 9

1 Treasury management summary

1.1 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 2022, and projections to March 2023.

Chart 2: Treasury Cash Balances



1.2 The Council's Treasury Strategy assumed that £80m may be borrowed in 2022-23 to fund capital expenditure in year. The forecast cash flow above takes into account the latest slippage forecasted for the capital programme and assumes only £50m will be borrowed over the course of the financial year, resulting in a closing cash balance of approximately £241.039m.

1.3 During November 2022, the Council took advantage of a dip in the PWLB borrowing rates and borrowed the following:

Amount borrowed	Date of transaction	Maturity date	Interest rate
£10m	24 November 2022	1 September 2072	3.56%

1.4 If in order to minimise the cost of carrying unnecessary borrowing, no borrowing was to take place before 31 March 2023, then the projected year-end cash balances will be approximately £166m.

1.5 The Council has healthy cash balances for the immediate future with cash balances of £302.6m as at the end of November 2022 and £275.286m at the end of December 2022. The P8 net forecast of Interest receivable from treasury investments held by the Council is £1.914m; which is £1.317m higher than budget.

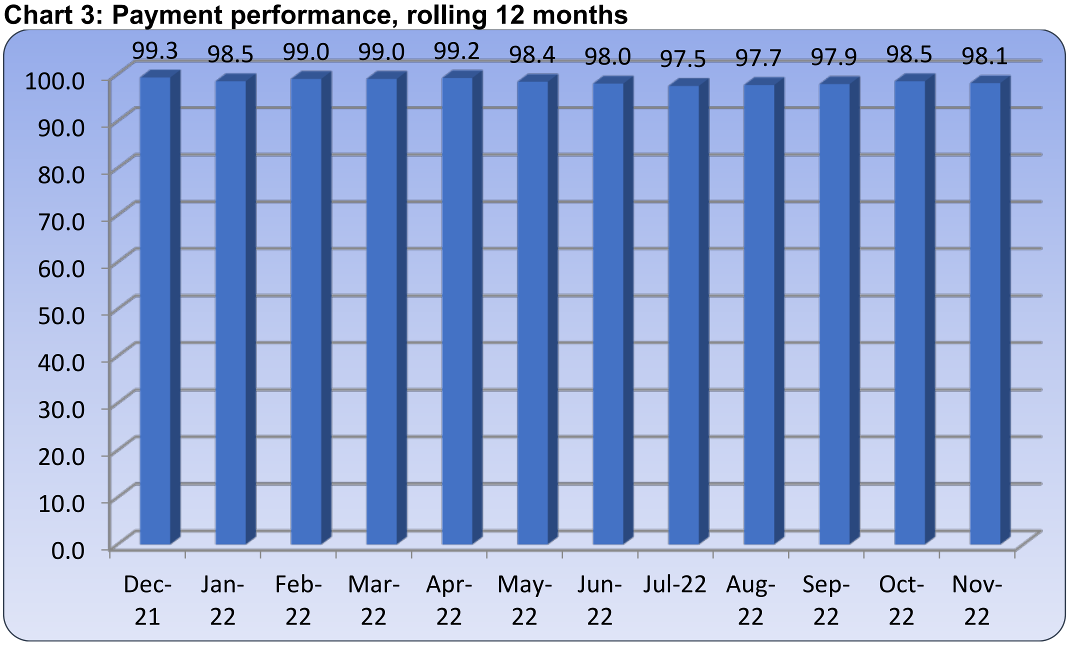
1.6 PWLB and commercial borrowing for capital purposes was £846.460m at the end of November 2022 and increased to £852.006m at the end of December 2022 following the receipt of the £10m PWLB loan and repayment of £4.4m external borrowing. The associated annual interest payable on existing borrowing is estimated to be £31.474m.

1.7 The forecast interest payable for 2022-23 for P8 is £32.656m, against a budget of £33.042m which represents a saving of £0.386m. This forecast assumes the remaining £40m planned borrowing takes place during the last quarter of the year. If the planned borrowing is delayed, then the forecast interest payable will also come down.

2 Payment performance

2.1 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. 98.1% were paid on time in November 22 against a target of 98%. This KPI has reverted back to above the target of 98% after a brief dip in Quarter 2, due to a temporary backlog of payments following the implementation of the new financial system.

Chart 3: Payment performance, rolling 12 months



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

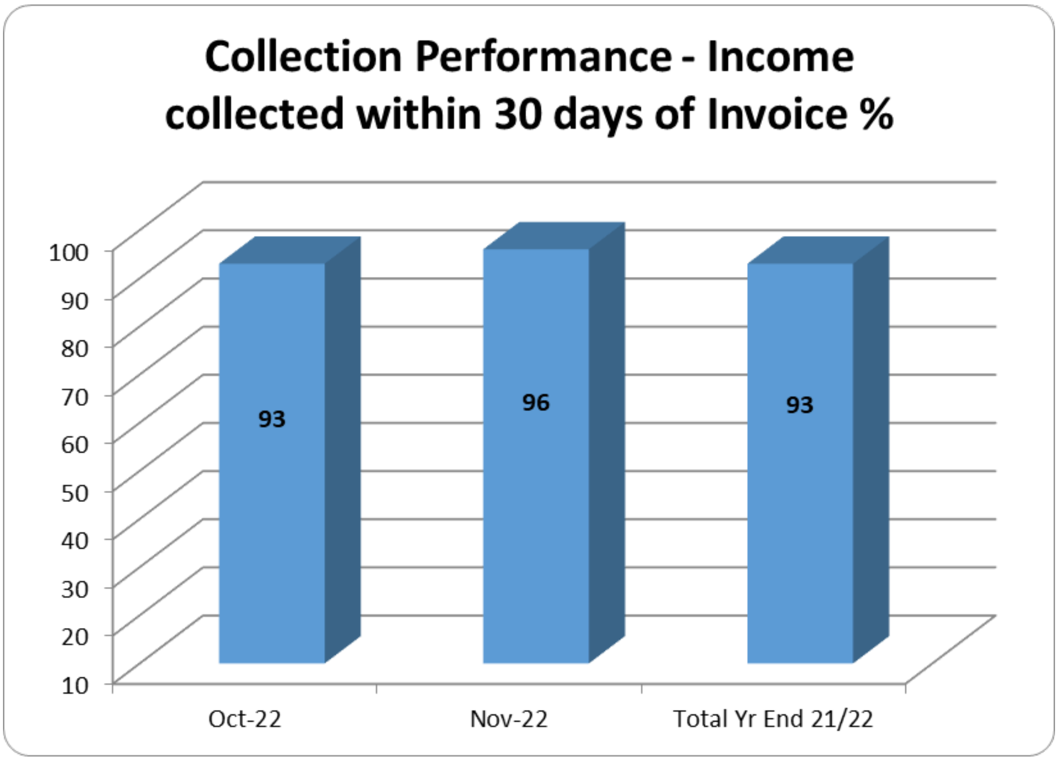
3 Debt recovery

3.1 **Introduction**: In 2021-22 the County Council raised over 134,933 invoices for statutory and non-statutory services. These invoices totalled in excess of £1.7bn. Through 2021-22 93.4% of all invoiced income was collected within 30 days of issuing an invoice, with 98% collected within 180 days.

Debt collection performance measures – latest available data

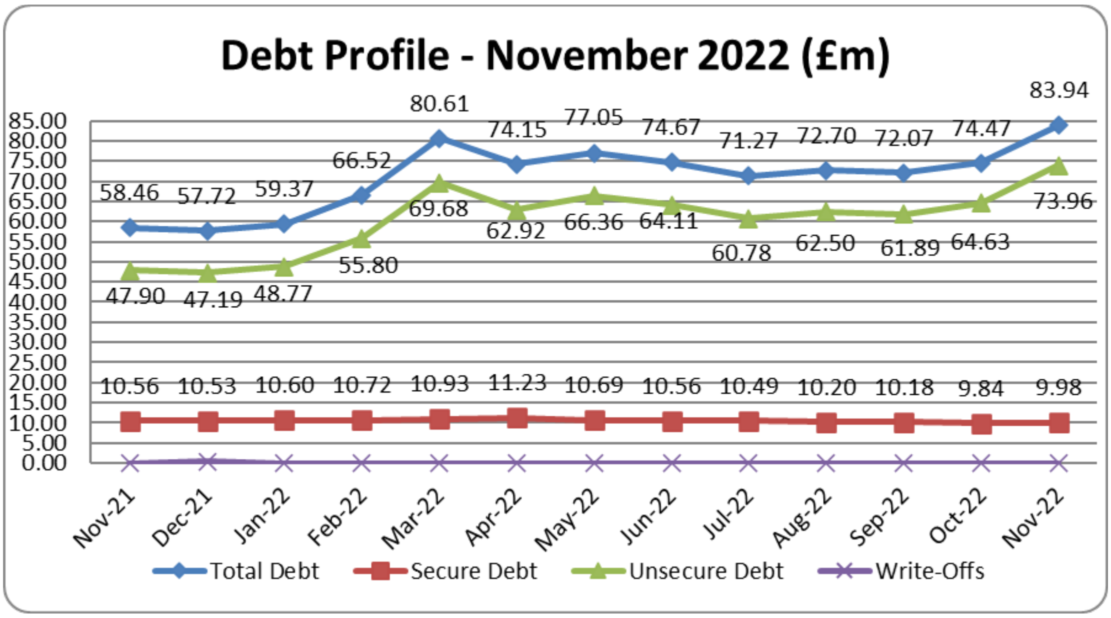
3.2 The proportion of invoiced income collected within 30 days for invoices raised in the previous month – measured by value – was 96% in November 22.

Chart 4: Latest Collection Performance



3.3 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:

Chart 5: Debt Profile (Total)



3.4 The overall level of unsecure debt increased by £9.33m in November 2022. Of the £73.96m unsecure debt at the end of November 22; £24.44m is under 30 days, £1.41m has been referred to NPLaw, £1.10m is being paid off by regular instalments and £8.84m is awaiting estate finalisation. The largest area of unsecure debt relates to charges for social care, £54.74m, of which £13.78m is under 30 days and £28.15m is debt with the CCG's for shared care, Better Care Pooled Fund, continuing care and free nursing care. The overall debt with the CCGs has increased by £8.22m in November 2022.

3.5 Secured debts amount to £9.98m at 30th November 2022. Within this total £2.91m relates to estate finalisation where the client has died, and the estate is in the hands of the executors.

3.6 **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.

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

3.8 For the period 1 April 2022 to 30 November 2022, 103 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 £9,820.06.

Appendix 3: 2022-23 Capital Finance Monitoring Report

1 Capital Programme 2022-27

1.1 On 21 February 2022, the County Council agreed a 2022-23 capital programme of £247.360m with a further £470.396m allocated to future years', giving a total of £717.756m.

1.2 Additional re-profiling from 2021-22 resulted in an overall capital programme at 1 April 2022 of £798.620m. Further in-year adjustments have resulted in the capital programme shown below:

Table 1: Capital Programme budget

	2022-23 budget	Future years
	£m	£m
New schemes approved February 2022	26.435	64.292
Previously approved schemes brought forward	220.925	406.104
Totals in 2022-27+ Budget Book (total £717.756m)	**247.360**	**470.396**
Schemes re-profiled after budget setting	63.977	7.424
New schemes approved after budget setting including new grants received	7.763	1.700
Revised opening capital programme (total £798.620m)	**319.100**	**479.520**
Re-profiling since start of year	-132.975	132.975
Other movements including new grants and approved schemes	118.809	281.112
Total capital programme budgets (total £1198.540)	**304.934**	**893.606**

Note: this table and the tables below contain rounding differences

1.3 The total capital programme budget has increased by £0.427m compared to the budget reported in November 22 to Cabinet (P7 £1198.113m) due to:

- £0.299m external funding raised for Museum Painting Exhibits and Acquisitions
- £0.095m increase in the Castle Keep Gateway to Medieval England budget approved at the December 22 Cabinet meeting
- £0.033m miscellaneous minor adjustments to project budgets

1.4 The Council continues to review the forecast for capital grant funding for 2022-23 and will adjust the profile of capital expenditure funded from NCC borrowing accordingly to accommodate the grant funded projects in the current year.

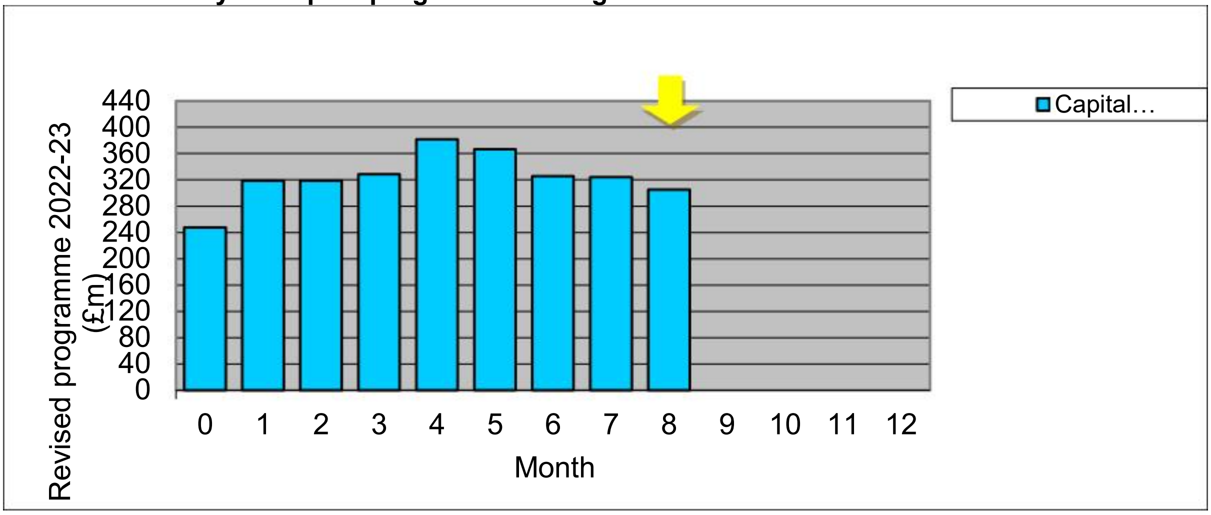
1.5 The ongoing review of forecasts has resulted in further reprofiling of £19.511m into future years budgets in P8. A further £22.270m has been reprofiled in P9 and will be reflected in the next monitoring report to Cabinet and the Capital Strategy for 2023-24.

A full breakdown of these movements in capital budget are available in Capital Annex 1 below.

Changes to the Capital Programme

1.6 The following chart shows changes to the 2022-23 capital programme through the year.

Chart 1: Current year capital programme through 2022-23



1.7 Month “0” shows the 2022-23 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.

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

Table 2: Service capital budgets and movements 2022-23

Service	Opening programme	Changes reported previously	Reprofiling since previous report	Other Changes since previous report	2022-23 latest Capital Budget
	£m	£m	£m	£m	£m
Children's Services	83.850	-36.721	-2.811	0.000	44.318
Adult Social Care	14.232	1.786	0.045	0.010	16.073
Community & Environmental Services	157.149	41.931	-1.199	0.362	198.242
Finance & Commercial Services	63.437	-2.023	-15.545	0.000	45.868
Strategy & Governance	0.432	0.000	0.000	0.000	0.432
Total	**319.100**	**4.973**	**-19.511**	**0.371**	**304.933**
		324.073		**-19.140**	

Note: this table may contain rounding differences.

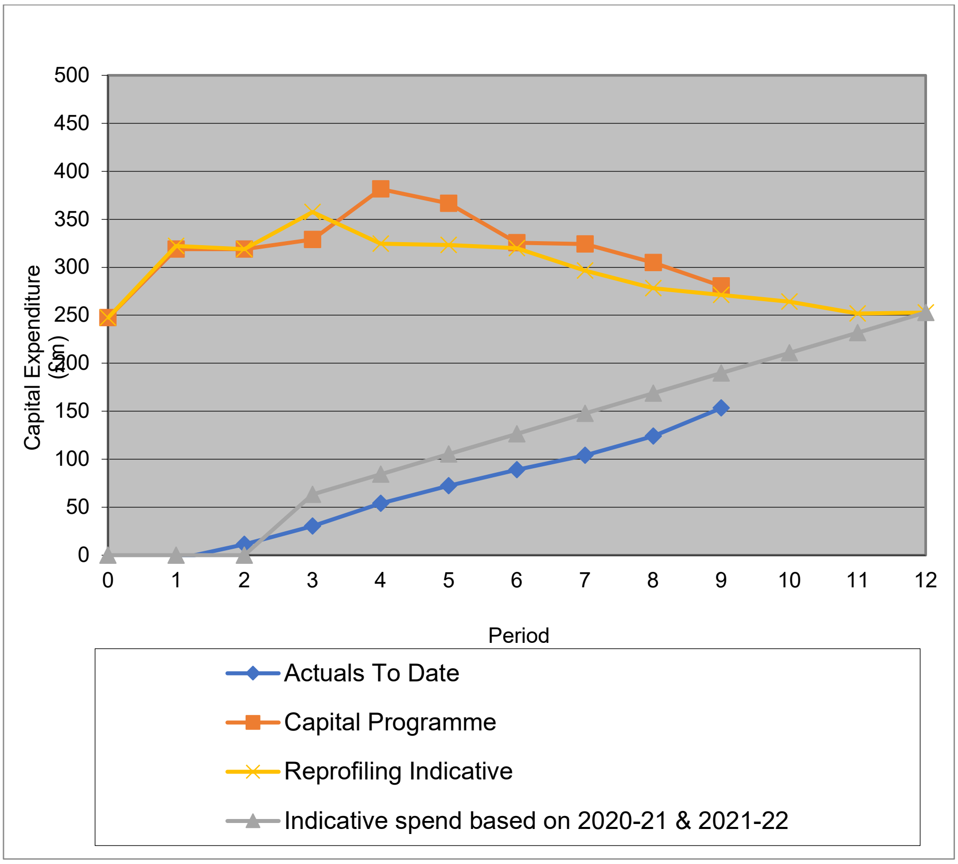
1.9 The revised programme for future years (2023-24 to 2026-27) is as follows:

Table 3: Capital programme future years 2023+

Service	Previously reported future programme	Reprofiling since previous report	Other Changes since previous report	2022+ Future Capital Budget
	£m	£m	£m	£m
Children's Services	223.761	2.811	0.000	231.238
Adult Social Care	61.657	-0.045	0.000	61.612
Community & Environmental Services	499.912	1.199	0.055	536.775
Finance & Commercial Services	46.436	15.545	0.000	63.981
Strategy & Governance		0.000	0.000	0.000
Total	**831.767**	**19.511**	**0.055**	**893.606**

Note: this table contains rounding differences

1.10 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 ahead of the opening forecast, which was based on the opening capital programme and an indicative calculation based on previous years' expenditure. It also shows that expected reprofiling of budgets to future years as the progress on projects becomes clearer. As a result, capital expenditure of approximately £253.139m is expected to take place in 2022-23.

1.11 Whilst the forecast takes into account the historical tendencies for capital slippage, it does not fully reflect the inflationary cost pressures in the costs of construction. There have been material increases in the post-COVID cost of construction due to increased demand, higher fuel prices and the impact of the war in Ukraine. These inflationary cost pressures are impacting the following capital schemes:

- Norwich Castle Keep project continues to experience some construction configuration delays leading to potential cost pressures, which could be mitigated by the use of CES Business Risk Reserves.
- Highways schemes where the use of materials requires large energy inputs in the manufacturing and haulage processes

- Children’s Services Schools building programme

- Other construction projects including the Great Yarmouth Operations and Maintenance Campus, County Farms and Corporate Property schemes

1.12 We continue to forecast between 25% and 30% increase in the cost of construction for various schemes. This is significantly reducing the Council’s purchasing power and creating significant challenges for programme management and scheme delivery. The Council will continue to monitor this risk and review the potential pressures on the capital programme and proactively manage the schemes, deferring some schemes where possible to minimise the impact of inflation and continue to deliver the capital programme within the budget available. The impact of cost pressures on the capital programme forecast will be picked up as part of the regular capital monitoring process.

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	**2022-23 Programme**	**Future Years Forecast**
	£m	**£m**
Prudential Borrowing	117.30	384.60
Use of Capital Receipts		
Revenue & Reserves	0.25	-
Grants and Contributions:		
DfE	20.795	89.68
DfT	125.109	379.50
DoH	9.476	-
MHCLG	0.007	-
DCMS		
DEFRA	0.159	-
Developer Contributions	11.414	26.70
Other Local Authorities	3.772	-
Local Enterprise Partnership	3.780	8.23
Community Infrastructure Levy	2.781	1
National Lottery	2.363	3.04
Commercial Contributions	0.465	-
Business rates pool fund		
Other	7.263	1.01
Total capital programme	**304.933**	**893.606**

Note: this table may contain rounding differences

2.2 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. Any proposals to utilise capital receipts to fund in-year capital expenditure are recommended to Cabinet for approval (see section 3 below) and will be applied in line with the Council's Minimum Revenue Provision Statement.

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).

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 2022, gave the best estimate at that time of the value of properties available for disposal in the four years to 2024-25, totalling £23.4m.

Table 5a: Disposals capital programme forecast

Financial Year	**Property sales forecast £m**
2022-23	8.103
2023-24	14.523
2024-25	0.801
2025-26	0.000
	23.427

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 2022-23	**£m**
Capital receipts reserve brought forward (revised by £0.133m for yearend adjustments on cost of disposals)	5.290
Loan repayments – subsidiaries forecast for year	10.745
Loan repayments – LIF loan repayments to date	6.903
Capital receipts to date	
Capital receipts in year	23.740
Capital Receipts forecasted for asset disposals subject to contract	6.359

Secured capital receipts to date	**53.037**
Potential current year farms sales	0.000
Potential current year non-farms sales	0.000
Potential development property sales	1.550
Potential capital receipts	**1.775**
Forecast available capital receipts	**54.587**
Forecast use of capital receipts	
Maximum flexible use of capital receipts to support transformation costs	3.000
To fund short-life assets – IT and VPE	24.000
Norwich Western Link Reserve	5.061
Total forecast use of capital receipts	**32.061**

3.4 As can be seen from this table, enough capital receipts have been secured to support the use of capital receipts to support transformation costs, short-life capital expenditure and the Norwich Western Link project, previously approved by County Council.

3.5 Further sales will contribute to the capital receipts reserve which can be used to reduce the external borrowing requirement, fund debt repayments, flexible use of capital receipts or to directly fund capital expenditure, thereby reducing the Capital Funding Requirement (CFR).

3.6 On 10 February 2021, the DLUHC announced that the flexibility granted to local authorities to utilise capital receipts to support transformation costs has been extended for a further 3 years. Table 5b includes £1m earmarked for this in 2022-23 for Adult Social Care.

4 New capital budget proposals

4.1 The £0.427m additions to the capital budget for November 2022 are primarily externally funded and include:

- £0.299m external funding raised for Museum Painting Exhibits and Acquisitions
- £0.095m increase in the Castle Keep Gateway to Medieval England budget for monitoring and quality assurance mitigation works which was approved at the December 22 Cabinet meeting
- £0.033m miscellaneous minor adjustments to project budgets

4.2 The breakdown of the sources of funding for the additions to capital highlighted in note 4.1 is set out below in Capital Annex 1.

4.3 The implementation of the MyOracle HR and Finance systems has incurred cost pressures estimated at £2.511m for 2022-23 resulting from the challenges caused by the overall scale and complexity and the knock-on impact of beginning that implementation during the covid pandemic. These challenges have very real similarities to other Local Authorities that have also moved from the former on premise Oracle system to the Cloud based Oracle Fusion which the Council migrated to on 1 April 2022.

In order to ensure the success of the system implementation additional resources were deployed in the following areas:

- **Staff** – additional specialists contractors recruited to expedite the resolution of migration and complex configuration issues post go-live.
- **Support Contracts** – 3rd party support contracts and legacy systems were also extended beyond the initial planned timeline to ensure resilience, minimise disruption and support swifter queries expedited.
- **Licences** - have increased as more staff have been brought in to help bed the system and processes in, particularly for budget forecasting and goods ordering.

Therefore Cabinet is asked to approve a recommendation to Full Council to increase the MyOracle project budget by £2.511m in 2022-23 taking into account the revised requirements for Phase 2 of the project and the additional resource requirements to implement the Strategic Review.

Capital Annex 1 – changes to the capital programme since last Cabinet

			2022-23	2022-23	23-24+	23-24+	
Service	**Project**	**Funding Type**	**Change(£m)**	**REPROFILE**	**Change(£m)**	**REPROFILE**	**Reason for change**
Adult Social Care	SC8156 : Independent Living Programme	NCC Borrowing		0.050		- 0.050	Reprofile
	SC8174 : NCC.NCTB Project B	NCC Borrowing		- 0.005		0.005	Reprofile
	SC8140 : Disabled Facilities Grant	DOH Grant funding	0.010				Budget for Dementia spend
Total ASC			**0.010**	**0.045**	**0.000**	**-0.045**	
Children's Services	EC4990 : High Needs Provision Capital	External Grant		0.381		- 0.381	Reprofile for allocation in future years
	Various S106 unallocated pots	S106 funding		- 0.584		0.584	Reprofile for allocation in future years
	EC4750 : HARNESSING TECHNOLOGY	DfE Grant funding		- 0.494		0.494	Reprofile for allocation in future years
	EC4829 : CM - Thetford New Primary	DfE Grant funding		0.004		- 0.004	Funds moved back to cover in year expenditure
	EC4862 : AC - North Lynn, Lynnsport	DfE Grant funding		- 0.260		0.260	Reprofile to cover final account
	EC4901 : AC - Wymondham Secondary Expansion	DfE Grant funding		- 0.550		0.550	Reprofiled prior to allocation to masterplan
	EC4949 : Children's Home Expansion	NCC Borrowing		- 0.868		0.868	Reprofile for use next year
	EC4953 : Tilney St. Lawrence mobile	DfE Grant funding		- 0.010		0.010	Reprofile
	EC4956 : Ashwicken VA Primary expansion	NCC Borrowing		- 0.030		0.030	Reprofile to cover issue with field to be sorted next year
	EC4995 : CM - Hubs New Road Implemetation	NCC Borrowing		- 0.400		0.400	Reprofile for use next year
Total Children's			**0.000**	**-2.811**	**0.000**	**2.811**	
Community & Environmental Services							
Libraries	LL1040 : Library Building Improvements	NCC Borrowing		- 0.373		0.373	Reprofile as per latest forecast
		CIL		- 0.210		0.210	Reprofile as per latest forecast
		External cont		- 0.008		0.008	Reprofile as per latest forecast
	LL1056 : NML Meeting Rooms	S106 funding		- 0.150		0.150	Reprofile as per latest forecast
	LL0798 : S106 London Rd/Hillsend Rd, Attleborough	S106 funding		- 0.129		0.129	Reprofile as per latest forecast
	Various S106 funding projects	S106 funding		- 0.282		0.282	Reprofile as per latest forecast
	LL0733 : S106 Hethersett North, Hethersett HET	S106 funding		- 0.049		0.049	Reprofile as per latest forecast
	LL0825 : S106 Repps Road (north of), Martham. MAR	S106 funding			0.007		New S106 received
	LL0826 : S106 Aconite Road (Lynn Sport), Kings Lynn	S106 funding			0.007		New S106 received
	LL0823 : S106 Foxley Park, Westfield Road, Dereham, EDE	S106 funding			0.009		New S106 received
Museums							
	MM0553 : Gateway to Medieval England	NCC Borrowing	0.063		0.032		Funding for technical support on Castle project
	MM0554 : Museum Acquisitions	External	0.299				Funding for painting acquisition
Total CES			**0.362**	**-1.199**	**0.055**	**1.199**	

			2022-23	2022-23	23-24+	23-24+	
Service	**Project**	**Funding Type**	**Change(£m)**	**REPROFILE**	**Change(£m)**	**REPROFILE**	**Reason for change**
Finance & Commercial Services							
	CPM008 : Repton Loan	NCC Borrowing		- 6.500		6.500	Reprofiled
	CPM005 : Cap loans facility subsidiary companies	NCC Borrowing		- 2.368		2.368	Reprofiled
Minor Works							
	AA0400 : Corporate Minor Works Pot	NCC Borrowing		- 0.158		0.158	Reprofiled as per latest forecast
	CA2202 : DSBLD DISCRM ACT 00	NCC Borrowing		- 0.158		0.158	Reprofiled as per latest forecast
	CA2270 : Corporate Minor Works - Other (20/21)	NCC Borrowing		- 0.457		0.457	Reprofiled as per latest forecast
Offices							
	CA2232 : VARIOUS:FIRE SFTY REQUIRE	NCC Borrowing		- 0.239		0.239	Reprofiled as per latest forecast
	CA2248 : Corporate Offices Capital Maintenance	NCC Borrowing		- 2.298		2.298	Reprofiled as per latest forecast
	CA2262 : Whitegates Relocation/Fire Station Remodelling	NCC Borrowing		- 0.074		0.074	Reprofiled as per latest forecast
	CA2266 : Accommodation Rationalisation Programme 2019-2022	NCC Borrowing		- 1.272		1.272	Reprofiled as per latest forecast
	CA2287 : Changing Places Toilets 2020-21	NCC Borrowing		- 0.600		0.600	Reprofiled as per latest forecast
	CA2288 : Defibrillators 2020-21	NCC Borrowing		- 0.070		0.070	Reprofiled as per latest forecast
	CA2291 : CH Monorail & Priory Hse Lift Replace (20/21)	NCC Borrowing		- 0.194		0.194	Reprofiled as per latest forecast
	CA2292 : New - Asbestos Survey & Removal	NCC Borrowing		- 0.025		0.025	Reprofiled as per latest forecast
	CA2290 : Flexible Workspace Desk Monitors (20/21)	NCC Borrowing		- 0.020		0.020	Reprofiled as per latest forecast
	CA2259 : Corporate Maintenance - Fire Property	NCC Borrowing		- 0.692		0.692	Reprofiled as per latest forecast
	CA2259 : Corporate Maintenance - Fire Property	NCC Borrowing	- 0.009				Transferred to Sandringham Fire maintenance
Property - Fire	CA2285 : NFRS - Sandringham FS Capital Maintenance (20/21)	NCC Borrowing	0.009				Transferred from Corporate maintenance
	CA2255 : County Hall Heating/Cooling Systems	NCC Borrowing		-0.256		0.256	Reprofile
	CA2268 : Car Park Resurfacing 2019-2021	NCC Borrowing		-0.165		0.165	Reprofile
Total Finance			**-**	**- 15.545**	**-**	**15.545**	
Overall Total		0	**0.371**	**-19.511**	**0.055**	**19.511**	

Appendix 4: Proposal to dissolve NCC Nurseries Limited

1. Background and Purpose

1.1. NCC Nurseries Limited was incorporated on 27 November 2019. The company is wholly owned by Norfolk County Council and is a company limited by shares with two directors. It was established to provide nursery provision to fulfil the Council's duty to secure sufficient early years childcare in Great Yarmouth which was under threat as a result of the Great Yarmouth Community Trust going into liquidation on 10 December 2019. The immediate priority was to re-open the six nurseries.

2. Proposal and impact of proposal

2.1. In accordance with the company business plans, approved by Cabinet on 13 January 2020 and 8 March 2021, alternative providers have been found for four nurseries that were deemed to be financially viable.

2.2. One nursery was merged with another nursery in order to improve financial viability before being transferred to a new provider and the sixth nursery was found to be financially unviable and was closed by the company.

2.3. An asset purchase agreement was signed between the company and each new provider which formalised the TUPE transfer of staff, transfer of assets and provided a clean break. Following the final transfer, the company ceased trading on 20 April 2022.

3. Financial Implications

3.1. The audited accounts for the company for the year to 31 March 2022 show total income of £0.557m with expenditure of £0.565m resulting in a small loss of £0.008m before tax and a cumulative loss of £0.003m.

3.2. In accordance with the agreement between the County Council and the company, when the final financial position is known, any surplus or deficit will either be returned to or funded by the County Council. There have been few transactions in the company between 1st April and 20th April 2022 and the final balance either due to or from the county council is expected to be small.

4. Other Implications

4.1. The Companies Governance Panel considered a report on NCC Nurseries Limited at its meeting on 22 November 2022 and agreed that Cabinet should consider a proposal to dissolve NCC Nurseries Limited. As a result of the company having delivered its purpose and ceased trading, it is proposed that steps should be taken to dissolve NCC Nurseries Limited.

5. Recommendation

5.1. To approve the proposal to dissolve NCC Nurseries Limited as recommended by the Companies Governance Panel on 22 November 2022.

Report to Cabinet

Item No. 15

Report Title: Capital Strategy and Programme 2023-24

Date of Meeting: 30 January 2023

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? Yes

If this is a Key Decision, date added to the Forward Plan of Key Decisions: 31 March 2022

Introduction from Cabinet Member

This report presents the proposed capital strategy and programme and includes information on the funding available to support that programme. The capital programme remains central to the continued development of key services: enabling the transformation of social services to meet growing need, promoting regeneration and sustainable development, enabling the development of carbon reduction initiatives, generating efficiencies using 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.

The new schemes to be added to the 2023-27 programme total £35.056m, including the following:

- County Farms refurbishment and carbon reduction schemes (£9.4m)
- The rolling Technology Improvement programme (£8.2m)
- Scottow Enterprise Park refurbishment (£8.6m),
- Estate Buildings Decarbonisation initiatives (£4m)
- Various highways improvements (£2.5m)
- Fire and Rescue services equipment and site improvements (£1.2m)
- expansion of waste recycling sites and services (£0.51m)
- 1 Million Trees for Norfolk (£0.5m),

In addition, the proposed programme seeks to extend the following schemes within the current 2022-23 Capital Programme into future years:

- £84k per annum recurrent uplift to the Local Members Highways Schemes; totalling £0.336m over the next 4 years
- £0.7m per annum uplift to the Library Stock replenishment scheme for 24-25, 25-26 and 26-27 totalling £2.1m
- £0.5m addition to the Ash Die Back scheme for 2024-25
- £0.3m per annum recurrent capital management costs for 24-25, 25-26 and 26-27 totalling £1.2m
- £4.143m addition to the MyOracle programme comprising of £2.511m in 2022-23 and £1.632m over the next 4 years

When proposed new schemes are added to the existing £916.781m programme for future years, the future capital programme totals £956.971m.

Recommendations

1. To agree the Capital Strategy at Appendix A as a framework for the prioritisation and continued development of the Council's capital programme;
2. To agree the proposed 2023-27+ capital programme of £956.971m, subject to additional amounts for schemes yet to be re-profiled from 2022-23;
3. To refer the programme to the County Council for approval, including the new and extended capital schemes outlined in Appendix D;
4. To recommend to County Council the Council's Flexible Use of Capital Receipts Strategy for 2023-24 as set out in Section 5;
5. To note known grant settlements as summarised in Section 3 and agree that future capital grants will be added to the programme when confirmed;
6. To note the forecast of estimated capital receipts to be generated to achieve the target of £18m, subject to market conditions, over the next three 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 review 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 2023-27+. 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 2023-27+.

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 2023-24+ 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, the Castle Keep Museum 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, enhancement 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 2023-24 Budget has been undertaken. As in previous years, this public consultation has informed an equality impact assessment in respect of both new 2023-24 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.

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

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**
The proposed capital programme recognises the Council's strategic aim to reduce carbon emissions and ensure that the capital programme is environmentally and ecologically sustainable.

The programme includes various decarbonisation studies of Council sites, the replacement of fossil fuel heating systems, the introduction of electric vehicles and electric charging points, the consolidation and flexible use of community property assets, and highways schemes intended to support active travel.

8.6. **Any other implications**
Significant issues, risks, assumptions and implications have been set out throughout the papers appended to this report.

8.7 **Data Protection Impact Assessments (DPIA)**
DPIA is not required as the data reported in this paper does not drill down to the personal data level.

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. None.

11. Recommendations

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

12. Background Papers

12.1. A Vision for Norfolk in 2021: Link
Better Together, For Norfolk – 2021-2025: Link
Together for our Future - Link
Norfolk County Council Environmental Policy - Link
Local Transport Plan and Norwich Area Transport Strategy - Link
County Council Budget 2023-24, (on this agenda)
Finance Monitoring Report 2022-23 (on this agenda)
Annual Investment and Treasury Strategy 2023-24 (on this agenda)

Officer Contact

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Annex 1

Norfolk County Council

Capital strategy and programme 2023-24

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 2023-24 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 set aside an amount from each future revenue budget to re-pay its borrowing.

1.2. Government spending plans

- **Norfolk Devolution Deal:** The Department of Levelling Up Housing and Communities (DLUHC) published its policy paper on the County Deal on 8 December 2022 setting out the transfer of new powers and a £240 million capital funding over 30 years to the Council as part of the Norfolk Investment Fund. The deal includes £6.98 million investment in brownfield funding and £5.9m to support the delivery of housing, regeneration and development priorities in Norfolk. The deal is subject to public consultation with other public sector partners, local communities and businesses.
- This deal adds to the collaborative interventions and investment undertaken by the Council and central government to promote growth, skills, infrastructure upgrades and net zero solutions including:
    - £65.4 million in Town Fund, Future High Streets Fund and Community Renewal Fund
    - £271 million shared with Suffolk through Getting Building Fund, Growth Deal and Growing Places Fund
    - 6 Enterprise Zones that combined with Suffolk zones have created over 4400 jobs through to 2021.

- The deal also incorporates an integrated transport settlement starting in 2024-25

- **Autumn Budget 2022**: The Chancellor of the Exchequer presented the Autumn Statement for 2022 on 17 November 2022, which set out the government's priorities for economic stability, growth and public services in a time of significant economic challenge for the UK and global economy. Economic stability relies on fiscal sustainability and the government's Autumn Statement reversed nearly all the measures in the Growth Plan 2022. Whilst the Autumn Statement confirms that total departmental spending will grow in real terms at 3.7% a year on average, departmental capital spending will grow slower than the economy; at around 2.5% and be maintained in cash terms for 2024 to 2028. The government maintains its commitment to delivering £600 billion of investment over the next 5 years through major infrastructure projects, particularly in the NHS, social care and education.

- The government also set out new fiscal rules in the Autumn Statement which require public sector net debt (excluding the Bank of England) to be falling as a percentage of Gross Domestic Product (GDP) and public sector net borrowing to be below 3% of GDP by 2027-28.

- The Autumn statement reaffirms the commitments made in Strategic Review 2021 (SR21) which includes

  - Additional funding for the NHS and Adult Social Care to improve emergency, elective and primary care performance back to pre-pandemic levels and support adult social care and discharge

  - Increased investment in schools

  - Increase public R&D and innovation to £20 billion a year by 24-25

  - Acceleration of infrastructure projects for transport, railways, energy and water resources

  - Project Gigabit; aiming for at least 85% Broadband coverage by 2025 and full nationwide coverage by 2030

  - The Net Zero strategies including reduction in carbon emissions and decarbonisation of the power system by 2050

  The Autumn Statement also confirmed the second round of the Levelling Up Fund allocation of £1.7 billion to priority local infrastructure projects. .

- **UK Shared Prosperity Fund**: On 5 December 2022 the UK government approved local spending plans for the UK Shared Prosperity Fund (UKSPF) worth £2.6 billion over the next three years and rising to £1.5 billion by 2024-25. The fund aims to "help people access new opportunities in places of need" with a strong emphasis on improving community facilities, supporting local businesses and skills development and job creation. As part of the County Deal, NCC will plan and deliver the UKSPF from 2025-26. The Norfolk UKSPF allocation is set to rise to £6.63 million in 2024-25 and will be subject to a future Spending Review and reconfirmation of overall UKSPF policy and delivery arrangements from 2025-26.

- **UK Community Renewal Fund (CRF):** In March 2021 the government announced £220 million of government funding through the UK Community Renewal Fund (CRF) to help local areas prepare for the launch of the UK Shared Prosperity Fund (UKSPF). The fund aims to support people and communities most in need across the UK to pilot programmes and new approaches and invest in skills and supporting people into employment. On 3 November 2021 the successful bids were announced, and the County Council secured £6.558m funding for 14 projects encompassing Net Zero Carbon initiatives, Youth Enterprise schemes and skills development.

- **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.

- **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 £1.2m for capital projects. This has been expanded further with £0.285 million funding to promote e-cycles across Norfolk via the Pushing Ahead Access Fund

- **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).

1.3. **Local joint working**

- Norfolk County Council works with several other authorities and bodies in the development of capital and infrastructure projects and investments.

- Examples of current joint working include:

- **Local plans:** The Council's various initiatives to promote sustainable growth and infrastructure are captured within the Norfolk Strategic Planning Framework. The Framework is overseen by the Council and its partners. 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.

- 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 2023.

- **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.

- 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. This close working relationship will develop further under the auspices of the County Deal over the next 3 financial years

- 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.

- 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).

- Norfolk's councils set up the Norfolk Climate Change Partnership (NCCP) in January 2020 to work on climate change issues by decarbonising local authority assets and supporting Norfolk's aspirations to expand its clean renewable energy production, particularly with the acceleration of offshore wind deployment.

2. The Proposed Capital Programme 2023-27+

2.1. Background

- The capital programme for 2022-23 was agreed by the County Council in February 2022. 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.
- 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.
- The proposed capital programme is underpinned by a Capital Strategy (Appendix A to this report) which is being recommended to Cabinet for endorsement on 31 January 2023. Schemes are scored against priorities reviewed by the Capital Quarterly Review Board and included in Appendix B for the approval of Cabinet.
- The Capital Programme Quarterly Review Board reviews, prioritises 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.
- The 2022-27+ 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.
- The new capital programme reflects known government grant settlements for 2022-23 and beyond. The programme also sets out the necessary borrowing to be approved in order to provide sufficient funding for agreed schemes.
- 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.
- 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 current capital programme below is based on period 9 balances as at 31 December 2022. This position will vary through to 1 April 2023 as schemes are reprofiled, with all movements reported to Cabinet.

Table 1: Existing programme, excluding proposed new schemes

Service	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
Adult Social Care	14.130	12.473	22.482	15.401	13.200	**77.686**
Children's Services	38.977	118.296	61.323	21.325	36.294	**276.213**
CES Highways	150.836	106.492	104.374	153.006	106.673	**621.380**
CES Other	28.677	57.975	22.098	0.500	0.517	**109.767**
Finance and Comm. Servs	47.385	40.915	13.715	8.765	0.960	**111.741**
Strategy and Governance	0.432	0.000	0.000	0.000	0.000	**0.432**
Total	**280.438**	**336.150**	**223.992**	**198.997**	**157.643**	**1,197.219**

Note: this table contains rounding differences

2.3. Existing Schemes reprofiled

The Capital Review Board undertook a detailed review of the 2022-23 capital forecast of existing projects in September 2022 across the services with the relevant officers. This review identified £155.845m slippage in the 2022-23 capital plan which has been transferred to future years, leaving £280.438m planned expenditure for 2022-23 and £916.781m for future years. Further reprofiling for capital slippage in quarter 4 of the 2022-23 financial year will be reported to Cabinet in June 2023.

2.4. Uplifts and Extensions to Existing schemes

The Councils officers also updated the forecasts for existing schemes taking into account recent developments in these schemes and ensuring consistency with the MTFS. This review identified £8.279m additions to future years as set out below.

Table 2: Uplifts to existing schemes

Service	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
CES Highways		0.084	0.084	0.084	0.084	**0.336**
CES Other			1.200	0.700	0.700	**2.600**
Finance and Comm. Servs	2.511	1.135	0.832	0.432	0.432	**5.343**
Total	**2.511**	**1.219**	**2.116**	**1.216**	**1.216**	**8.279**

Note: this table contains rounding differences

2.5. New schemes

Schemes not included in previous capital programmes will result in the following additions to the capital programme subject to approval:

Table 3: Proposed investment in new schemes

Service	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
CES Highways	0.000	1.350	1.200	0.000	0.000	2.550
CES Other	0.219	0.731	0.185	0.000	0.000	1.135
Finance and Comm. Servs	0.416	11.604	5.441	10.983	2.928	31.372
Total	**0.634**	**13.685**	**6.826**	**10.983**	**2.928**	**35.056**

Note: this table contains rounding differences

A full list of the new schemes proposed is available in Appendix D

2.6. The Total Proposed Capital Programme (existing and new)

The full Capital Programme for 2022-27, combining existing and proposed schemes, is summarised in the following table.

Table 4: Proposed Total Capital Programme

Service	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
Adult Social Care	14.130	12.473	22.482	15.401	13.200	77.686
Children's Services	38.977	118.296	61.323	21.325	36.294	276.213
CES Highways	150.836	107.926	105.658	153.090	106.757	624.266
CES Other	28.896	58.706	23.483	1.200	1.217	113.501
Finance and Comm. Servs	50.312	53.654	19.989	20.180	4.320	148.456
Strategy and Governance	0.432	0.000	0.000	0.000	0.000	0.432
Total	**283.583**	**351.054**	**232.934**	**211.196**	**161.787**	**1,240.555**

Note: this table contains rounding differences

2.7. 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 2022-23 financial year (to date) include

- LED Streetlighting Upgrade (£7.5m)
- Electric Vehicles charging points (£0.201m)
- Kings Lynn Multi-User Hub (£3m)
- Great Yarmouth Operations and Maintenance Campus (£3.4m)
- Norwich Castle: Royal Palace Reborn (£0.095m)

- Schools ICT Refresh (£2.00m)

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 Adult Social Services transformation work and Children's Services Demand Management & Prevention Strategy in 2022-23 and future years, as set out in 5.13 below.

2.8. 2.8 New schemes proposed for addition to the capital programmes include:

Examples of new and existing projects requiring borrowing or unallocated capital receipts:

- County Farms various schemes for improvements to Agricultural buildings and Farm Houses, including the replacement of fossil fuel heating systems (£9.4m)
- Various Fire and Rescue Service schemes, including equipment, property capital maintenance and building improvements, and fire training facilities (£1.2m)
- Improvements to recycling facilities and reuse shops across Norfolk and replacement vehicles and new site equipment to enhance the waste disposal and recycling facilities (£0.5m) – thus improving the management of residual waste and reducing the environmental footprint
- Decarbonisation studies across the County's estate (£4m) – initial investment into the design and development of initiatives to reduce carbon emissions of Council properties. The studies are a precursor to a more comprehensive programme of retro-fitting and refurbishment of the Council's properties in line with the aims of the Environment Policy to work with our partners to achieve "net zero" carbon emissions on our estates by 2030 and work towards carbon neutrality across the wider region
- Scottow Enterprise Zone – refurbishment and improvements on site to increase the lettable office space (£8.6m)
- ICT rolling programme for infrastructure and devices (£8.2m)
- Uplift to the MyOracle Programme of (£1.632m) allowing for the full realisation of process efficiencies and savings potential available within Phase 2 and the quarterly upgrades of the Oracle Fusion system
- Extension of the Ash Die Back scheme (£0.5m)
- Extension of the Library Stock replenishment scheme (£2.1m)
- Uplift to the Local Members Highways Schemes (£0.336m)
- Extension of the capital management recharges (£1.2m)

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.

2.9. Major known funding sources (eg structural maintenance grants) are already in the programme for 2022-23 and future years. Other external funding will be added to the programme as and when secured.

2.10. 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 funding of short life assets, the direct re-payment of debt or the flexible use of capital receipts as set out in Table 6.

3.3. Proposed new schemes will result in an additional £43.336m 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 £474.639m 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 5: Funding of the Proposed Capital Programme £m

Service	22-23 £m	23-24 £m	24-25 £m	25-26 £m	26-27 £m	Total £m
External Grants and Contributions including Government grants	178.013	152.917	106.943	140.268	113.575	**691.716**
Revenue and Reserves	0.199	0.000	0.000	0.000	0.000	**0.199**
Capital receipts (see note)	24.000	20.000	10.000	10.000	10.000	**74.000**
Borrowing	81.371	178.137	115.991	60.929	38.212	**474.639**
Total	**283.583**	**351.054**	**232.934**	**211.196**	**161.787**	**1,240.555**

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, Better Broadband rebates from BT Openreach 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. The Department for Education condition funding methodology was updated in April 2022. Norfolk's DfE Basic Need allocation for 2022-25 is £27.292m, its

High Needs Allocation was £19.321m for 2022-2024 to support the provision of high needs places needed for the 2023 and 2024 academic years.

3.7. 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 2022-23 these amounted to £0.989m and £4.875m respectively. At the time of writing the 2023-24 allocation has not yet been announced.

3.8. 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 was extended to 2024-25 totalling £209.372 million and split as follow:

- Major Road Schemes - £178.983 million over 3 years
- Bus and Public Transport schemes - £17.617 million over 3 years
- Active Travel schemes - £2.338 million over 3 years
- Local Road and Safety schemes – 10.434 million over 3 years

This summary is based on Appendix A of the Highways Capital Programme 2022/23/24 and Transport Asset Management Plan brought to Cabinet in March 2022

3.9. 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 and the UKSPF22 (see section 1 above).

3.10. 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 began in early 2021 with the bridge aiming to open for use in early 2023.

3.11. The government has also approved £26.2 million contribution to the A140 Long Strattion Bypass, subject to Full Business Case and is considering business case proposals for the Norwich Western Link and the A10 West Winch Housing Access Road

3.12. The government is introducing a new £450 million local electric vehicle infrastructure (LEVI) scheme for local authorities to support local EV infrastructure delivery and Norfolk will receive a portion of this funding.

3.13. Norfolk's Bus Service Improvement Plan received £49.5 million funding from central government and £3.2 million to purchase 14 electric buses as part of the Zero Emission Bus Regional Areas (ZEBRA) funding.

3.14. 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.

3.15. 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 the March 2023 Cabinet.

3.16. A Disabled Facilities Grant (DFG) is received as part of the Better Care Fund. The Spending Review 2021 confirmed that the iBCF grant will continue in 2022-23 and be maintained at its current level. The Disabled Facilities Grant, which is forwarded to district housing authorities to administer, will also continue. While the BCF in 2022-23 remains largely unchanged, the government recognises that the proposals set out in the Health and Care Bill will impact longer-term system thinking and planning. So future iterations of the BCF may require the Council to consider its response in strategic planning to:

- Integrated or joint commissioning of services after hospital discharge
- Plans to prevent the need for longer-term services, admission prevention and independent living
- Plans to stimulate the care market and develop asset based community approaches to delivering quality and value in a sustainable care market

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:

- used to fund in-year capital expenditure, reducing the need to borrow
- held to offset future capital borrowing requirements
- used to repay existing borrowing, or
- 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 property sales figures included in the schedule below 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 6: Draft Capital Receipts forecast £m

Capital Receipts	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
Capital Receipts brought forward	5.291	28.137	10.179	3.797	21.126
Loan repayments from subsidiaries	10.745	1.364	1.978	20.688	0.707
Loan repayments from LIF	6.903	0.000	0.000	0.000	0.000
	22.938	**29.501**	**12.157**	**24.485**	**21.833**
Forecast Property Sales *					
High likelihood	30.424	2.546	1.441	3.536	3.25
Medium likelihood	0.225	1.132	3.149	2.695	0.535
Low likelihood (likely to move to future years)	1.550	0.000	0.05	0.41	0.000
Total	**32.199**	**3.678**	**4.64**	**6.641**	**3.785**
TOTAL CAPITAL RECEIPTS FORECASTED (A)	**55.137**	**33.179**	**16.797**	**31.126**	**25.618**
Use of Capital Receipts					
Funding in year capital expenditure	24	20	10	10	10
Potential for flexible use of capital receipts (see below	3.000	3.000	3.000		
TOTAL USE OF CAPITAL RECEIPTS FORECASTED (B)	***27.000***	***23.000***	***13.000***	***10.000***	***10.000***
Capital Receipts carried forward	**28.137**	**10.179**	**3.797**	**21.126**	**15.618**
Property Sales analysed by farms/non-farms property					
Farms	1.060	1.301	3.400	2.15	0.000
Non-farms	30.767	1.834	3.337	2.071	0.000
Major development sites (farmland)	0.376	0.600	3.425		0.000
	32.203	**3.735**	**10.162**	**4.221**	**0.000**

***Property available for disposal schedule estimates £m**

4.4. 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. DLUHC 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 these covered receipts generated between April 2016 and March 2019. The Local Government Finance Settlement 2018-19 originally extended to 2021-22 and on 10 February 2021 a further extension of three years beginning in 2022-23 was announced. The details of the extension of this flexibility were published on 2 August 2022 to extend this flexibility to 2025.

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.

5.4. The direction issue on 4 April 2022 clarifies that capital receipted eligible for flexibility must be disposals by the local authority outside the “group” structure. In addition, the local authority must submit its plan for the use of the flexibility in advance of each financial year to the DLUHC.

Background

5.5. 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.

5.6. 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

5.7. 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.

5.8. 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.

5.9. 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

5.10. 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.

5.11. The Strategy should report the impact on the local authority's Prudential Indicators for the forthcoming year and subsequent years.

5.12. 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

5.13. 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 3rd party loan repayments received are applied directly to the repayment of debt. Then capital receipts are allocated to fund in-year capital expenditure subject to a proportion of capital receipts from the sale of farmland being ring-fenced.

5.14. Given the extension of the flexibility to 2025, capital receipts of £3m will be put forward to fund transformation projects from 2022-23 to 2024-25. The £3m set aside for 2022-23 is funding 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 August 2022 and

- subject to scrutiny of proposals by the Executive Director of Finance and Commercial Services.

5.15. Any changes to this strategy will be reported through Cabinet.

Specific proposal for the flexible use of capital receipts

5.16. 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

5.17. 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.

5.18. Subject to approval and availability, up to a maximum of £3m capital receipts per annum for 2022-23 will be applied to transformation projects and similarly £3m capital receipts per annum will be applied to transformation projects that meet the flexible use criteria from 2022-23 for 3 years, in accordance with the extension of this flexibility.

Impact on Prudential Indicators

5.19. 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).

5.20. Assuming £3m of capital receipts are used to fund transformation projects:

Prudential indicator – impact of using £1m 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. £0.27m 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

5.21. Capital Receipts not needed for this flexible use purpose are now carried forward to repay future debt instalments or to fund short-life capital expenditure.

5.22. Reducing the capital receipts available for the future repayment of debt would have a direct impact on future revenue budgets through the MRP.

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% and anticipated to increase to 5%.

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.

Table 7: Estimated incremental revenue costs of new capital schemes to be approved

	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
Assumed interest rate	3.60%	5.00%	4%	4%	3%
Incremental impact					
Cumulative interest cost	1.465	4.453	2.436	1.127	0.573
MRP	2.034	4.453	2.900	1.523	0.955
Total	**3.499**	**8.907**	**5.336**	**2.650**	**1.528**

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 capital receipts to fund in-year capital expenditure, thus reducing the Capital Financing requirement and the associated Minimum Revenue Provision.

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 2023-24

Appendix B: Capital bids prioritisation

Appendix C: Capital programme 2022-27 – existing schemes summary

Appendix D: New and extended capital schemes

Appendix A: Capital strategy 2023-24

Norfolk County Council

Capital strategy

2023-24

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.

2 Purpose and aims of the Capital Strategy

2.1 The CIPFA Prudential Code for Capital Finance in Local Authorities (2021) 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.

Better Together for Norfolk is the County Council's business plan updated in 2021 for 2021-2027. 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.

In July 2021 we convened **Rising to the Challenge Together** bringing together partners from across all sections to look at the impact of COVID-19 on Norfolk and explore how best to achieve our common priorities. Our strategic priorities for the next 4 years are set out below:

1. A vibrant and sustainable economy;
2. Better Opportunities for Children and Young People;
3. Healthy fulfilling and independent lives;
4. A greener, more resilient future.

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 £30m 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 began 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 with £145m DfT funding agreed subject to final approval of the outline business case
- A47 improvements (Highways England committed £300m to improve the A47 with work begun in 2020)
- Long Stratton bypass - following £0.5m funding from the DfT an outline business case has been approved and a further £1.7m has been secured from the DfT. The total anticipated cost of this project is £46.2m.

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.

Following the review of Fire Services Estate, Vehicles, Plant and Equipment, officers have developed schemes to refurbish fire stations, develop training facilities and upgrade the "red fleet" totalling £21.8m

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 delivering three new specialist schools including:

- Bure Park Specialist Academy - a new school in Great Yarmouth for young people with social, emotional and mental health (SEMH) needs which opened on 20 September 2021;
- The Bridge Easton - a 170 place complex needs school in the greater Norwich area; which is nearing completion and due to open in early 2023;
- Duke of Lancaster School in Fakenham - a new school for children and young people with autism in the Fakenham area which opened in January 2022 and
- The expansion of current specialist resource bases (SRB) for children with SEND creating a further 170 learning places

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.

There is also a £3m expansion programme for Children's Homes aimed at addressing the increased demand for residential places within Children's Social Services.

The total borrowing forecasted for the Children's Services capital programme for 2021-27 is £154 million.

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 financial support must be set out in 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 costs, potential efficiency savings, 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 "Local Transport Plan 4 (2020-2036)" and Norfolk Strategic Infrastructure Delivery plans. Norfolk's Local Transport 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/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 June 2022 Cabinet.

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

The Capital Programme Quarterly Review Board co-ordinates 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, review 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 8%. This is made up of two parts: the interest on the loan (maximum 5% 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 for 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 four years Norfolk County Council's capital expenditure has been as follows:

Financial year (£m)	2018-19	2019-20	2020-21	2021-22
Capital expenditure	158.5	177.6	219.5	254.9

Capital expenditure increased in 2021-22 partly due to large projects like the Great Yarmouth 3rd River Crossing, refurbishment of the Castle Keep Museum and the 3 SEND schools delivered. The COVID-19 pandemic has also impacted schemes causing slippages in timing and increased costs due to disruptions in building works and scarcity of building materials. Capital expenditure projected to be between £250m and £280m in 2022-23.

The Council's 2021-22 capital programme was split by funding type as follows:

Funding type	£m	%
Capital grants and contributions	131.832	51
Revenue and reserves	2.84	1
Capital receipts applied	8.99	4
Borrowing	111.20	44
Total	**254.869**	**100**

4.4.4 Costs of past and current expenditure funded through borrowing

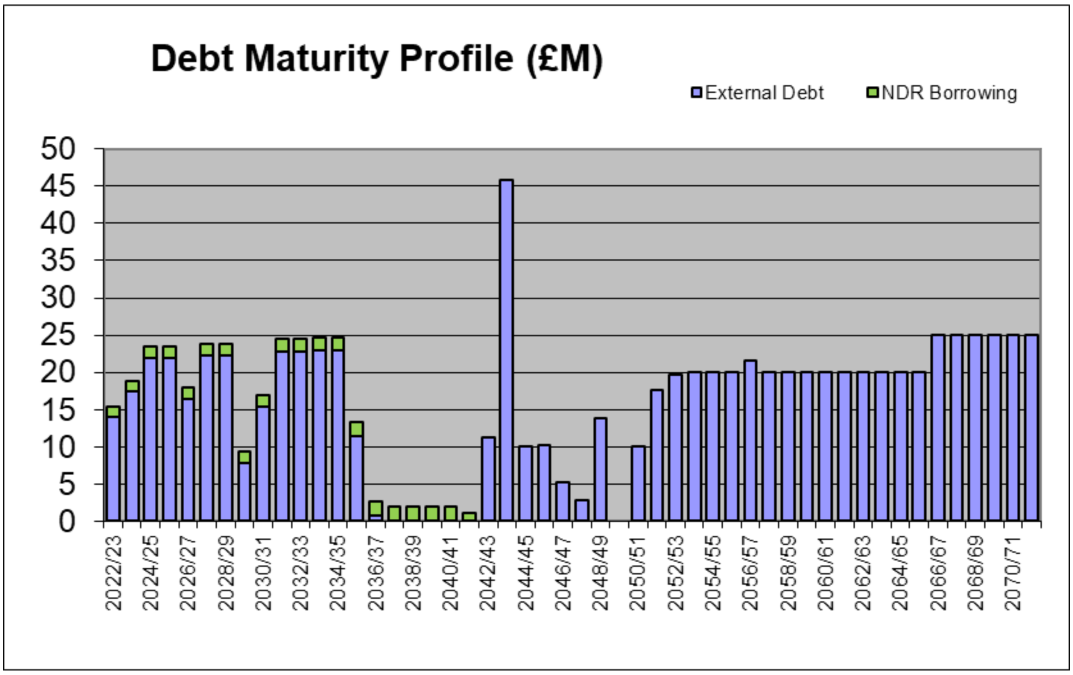
4.4.4.1 Actual borrowing and borrowing requirement

	£m
Borrowing b/fwd 1 April 2022	854.2
New Borrowing April – November 2022	10.0
Principal repayments 2022-23 – PWLB loans	-15.3
Forecast additional borrowing 2022-23	40.0
Forecast borrowing 31 March 2023	**888.92**
Other long-term liabilities (PFI + leases) 31 March 2023	43.6
Forecast borrowing and long-term liabilities 31 March 2023	**932.52**
Capital financing requirement 1 April 2022	**969.8**
Borrowing requirement after assumed slippage	50.3
MRP and other financing movements	-32.9
Forecast capital financing requirement 31 March 2023	**987.1**
Forecast borrowing requirement 31 March 2023	**50.0**

(Note: forecasts as at 31 December 2022)

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 November 2022:



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 forecasted for 2022-23. 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 2022)	**£m**
Forecast external loans interest costs 2022-23	31.4
Calculated MRP 2022-23	33.0
Theoretical revenue costs of borrowing	**64.4**
Use of external contributions	
Annual revenue costs of borrowing 2022-23	**64.4**

Additional borrowing will increase the cost of interest. The recent dip in PWLB interest rates compared with the higher rates of borrowing on repaid debt is assisting with the funding of new borrowing costs in the current year.

The reduction due to previous overpayments of MRP was fully used in 2021-22. 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 2023 of £50m.

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 £80m in 2022-23 and £60m 2023-24 is anticipated.

Assuming outstanding borrowing of approximately £1bn with a maximum life of 50 years, and annual MRP exceeding £30m 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 £28m, 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 £80m 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 (Note 2)	MRP over-payment reduction	Net MRP forecast (Note 1)
	£m	£m	£m
2022-23	33.00		33.00
2023-24	35.66		35.66
2024-25	37.46		37.46
2025-26	38.24		38.24
2026-27	42.91		42.91

Note 1: impact on revenue budget will be reduced by the use of capital receipts to fund short-life capital expenditure, 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 2022-23 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.

This strategy was refreshed in July 2021 when the Council brought together over 100 partners from across all sectors to look at the impact of COVID-19 on Norfolk and to identify opportunities for long-term economic and social recovery. Better Together for Norfolk 2021 to 2025 sets out the Council's strategic priorities for the next 4 years with its focus on working with partner to deliver common priorities including:

- Building a vibrant and sustainable economy
- Better opportunities for children and young people
- Healthy, fulfilling and independent lives
- Strong, engaged and inclusive communities
- A greener, more resilient future

Elements of the capital programme are focussed on these strategic priorities 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 2022-23, 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 higher 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(Annex 1) was reviewed by the Capital Quarterly Review Board in November 2022 and reflects the current priorities of the Council.

Norfolk County Council
Capital programme prioritisation 2022-27

Capital Annex 1 –Marking scheme – with marking guide

Allocation of resources will be based on ranking. Schemes will be included up to the point that funding is available. This might mean that projects are banded into different funding categories.

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.

Scoring Criteria				
	Heading	**Reason**	**SCORE**	**Scoring guide - Enhanced**
1	**Stat or Regulatory duty**	Is there a clearly identifiable requirement to meet statutory or regulatory obligations?	5	Specific and immediate statutory duty
			4	Statutory duty – but flexibility in its application
			3	Implied / indirect duty
			2	Project may enhance statutory provision
			1	Non NCC statutory duty
			0	No statutory duty addressed
2	**CC Priorities (Strategic Fit)**	Does the scheme directly contribute to the Council's vision, principles and corporate priorities?	5	Fundamental to the delivery of one or more Council Priorities, delivers revenue savings and promotes sustainability objectives
			4	Supports one or more Council Priorities
			3	Direct contributes to 1 Council Priority
			2	Indirect contribution to more than one priority
			1	Indirect contribution to one priority
			0	No contribution to priorities
3	**Cross-service working (Ecological Priorities)**	Will the scheme fulfil the objectives of more than one departmental service plan?	5	Delivers a reduction in carbon footprint for Norfolk
			4	Delivers a carbon neutral outcome for Norfolk
			3	Supports the delivery of carbon neutrality over the long term (3-5 years)
			2	Indirectly contributes toward reduction in carbon footprint
			1	No impact on carbon footprint
			0	Increases in carbon footprint in the short term
4	**Deliverability / Methodology**	Is the project realistically deliverable? Is there appropriate rationale for the chosen methodology?	5	Project is deliverable within stated timeframes using the identified methodology. A detailed and clear explanation has been given for why this methodology is being used.
			4	Project is deliverable within the timeframe and has provided adequate information for the use of the methodology
			3	Project is deliverable with minimal changes to the methodology
			2	Project is deliverable using a methodology different to the one proposed, but already identified by the applicant
			1	Project is deliverable but requires major changes to the methodology
			0	Project is not deliverable or the applicant has not provided enough information to make a judgement
5	**Rationale / Need**	What evidence has been submitted to confirm that this project is required?	5	Applicant has provided significant detail to confirm that the project is required. They have identified multiple sources of evidence.
			4	Applicant has provided considerable evidence of need
			3	Applicant has provided a good amount of evidence to suggest the project is needed
			2	Applicant has provided some evidence of need
			1	Applicant has provided inconsequential or arbitrary evidence of need
			0	Applicant has provided no evidence of need

Scoring Criteria				
	Heading	**Reason**	**SCORE**	**Scoring guide - Enhanced**
6	**Impact on Council borrowing**	What is the impact of this investment on NCC's borrowing Is prudential borrowing / capital receipt required (assume for this purpose that non-ring-fenced grants are applied to the natural recipient)?	5	Project has little or no impact on NCC's borrowing (net neutral)
			4	-
			3	Project has some effect of NCC's borrowing
			2	-
			1	Project has significant / excessive impact on NCC's borrowing
			0	Project has not provided enough information to make a judgement on the impact of borrowing
7	**Value for Money**	Does the project represent good value for money? Is there a significant return on NCC's investment? Does the project provide match funding?	5	Project has a significant return on investment and contributes towards recurrent revenue savings and is fully funded by external funding
			4	Project enables a modest return on investment contributes towards recurrent revenue savings with some recourse to NCC Borrowing but also utilises external match funding
			3	Project enables a modest return on investment contributes towards recurrent revenue savings with some recourse to NCC Borrowing but also utilises external match funding
			2	Project enables some process efficiencies, no savings in revenue budget but is funded by external match funding with minimal recourse to NCC borrowing
			1	Project enables some process efficiencies and is fully funded by NCC Borrowing
			0	Project is a must do with no return on investment and fully funded by NCC borrowing
9	**Outputs/ Outcomes**	What will be delivered using the funding? Is it achievable?	5	Applicant has provided well explained and detailed SMART outputs and outcomes that correlate with the delivery of the project and are realistic when compared with the budget.
			4	-
			3	Applicant has provided SMART outputs and outcomes with minimal information
			2	-
			1	Applicant has provided some detail on outputs/outcomes
			0	Applicant has not detailed outputs and outcomes
10	**Mitigation of risk to service delivery**	Does the project represent a mitigation of risks to Council's strategies and services? Are the risks to the project clearly articulated with mitigation plans in place?	5	Applicant has provided significant detail and shows clear and detailed contingency plans in place to manage risks, including roles and responsibilities
			4	Risk register and mitigation plans are complete
			3	Risk register and mitigation plans complete, but missing a maximum of one key risk
			2	Risk register and mitigation plans complete, but missing key risks identified by appraiser
			1	Applicant has identified some risk and mitigation but lacks sufficient detail
			0	Applicant has not provided any information relating to the risks of the project

Annex 2: Capital programme 2022-27 – prioritisation scores

The prioritisation scores below are based on scoring mechanism in Capital Annex 1. Schemes in Appendix D relate to one or more of the schemes below and exceed the minimum (dummy) reference bid of 50 points.

APPENDIX D			Stat or Regulatory duty	CC Priorities (Strategic Fit)	Cross-service working (Ecological Priorities)	Deliverability / Methodology	Rationale / Need	Impact on Council borrowing	Value for Money	Outputs/ Outcomes	Mitigation of risk to service delivery	Total Score
		Weighting	**10**	**15**	**10**	**10**	**10**	**15**	**15**	**10**	**5**	**100**
Scheme Title	Directorate	**Question**	5	5, 19, 20, 21	24	3, 8, 9, 14, 15, 16	4	10	11, 12, 13	6, 7	17, 18	
1 Million Trees for Norfolk	CES	Score	4	4	3	4	4	1	1	5	4	**62**
Installation of Breathing Apparatus (BA) set washer and dryer at Scottow	CES	Score	3	3	1	3	4	3	1	3	3	**52**
NFRS Welfare Provision	CES	Score	3	3	1	3	3	3	1	3	3	**50**
Replacement Operational Support Van	CES	Score	3	3	2	3	3	3	1	3	3	**52**
Sheringham and Wymondham Recycling Equipment	CES	Score	4	4	5	4	5	3	3	3	5	**77**
Wymondham Recycling Centre	CES	Score	4	4	5	5	5	3	3	3	5	**79**
Landfill Boreholes	CES	Score	4	3	3	4	4	3	1	5	2	**63**
Bracondale/King St Signalled Junction	Highways	Score	5	3	1	4	3	1	2	5	1	**55**
Ketteringham depot - Strategic Salt Store	Highways	Score	5	3	1	4	3	1	2	5	1	**55**
Norwich Bus Station - roof replacement	Highways	Score	5	3	2	4	3	3	2	5	1	**63**
Parish Partnership scheme -oversubscribed	Highways	Score	5	3	1	4	3	3	2	5	1	**61**
Weather stations - move Cromer's and 3 new stations	Highways	Score	5	3	1	4	3	3	2	5	1	**61**

APPENDIX D

Scheme Title	Directorate		Stat or Regulatory duty	CC Priorities (Strategic Fit)	Cross-service working (Ecological Priorities)	Deliverability / Methodology	Rationale / Need	Impact on Council borrowing	Value for Money	Outputs/ Outcomes	Mitigation of risk to service delivery	Total Score
		Weighting	10	15	10	10	10	15	15	10	5	100
		Question	5	5, 19, 20, 21	24	3, 8, 9, 14, 15, 16	4	10	11, 12, 13	6, 7	17, 18	
CFAT Case Management System	Finance and Commercial Services	Score	3	4	0	3	4	3	3	3	5	61
County Farms Creek Farm Bridge Replacement	Finance and Commercial Services	Score	4	3	1	5	4	3	1	5	5	64
County Farms Estate – Access Roads Reconstructions	Finance and Commercial Services	Score	3	2	3	4	4	1	3	3	5	57
County Farms Estate – Agricultural Building Construction	Finance and Commercial Services	Score	3	2	4	5	4	1	3	3	5	61
County Farms Estate – Estate Developments	Finance and Commercial Services	Score	2	2	3	3	4	1	3	1	5	49
County Farms Estate – Farmhouse Refurbishments	Finance and Commercial Services	Score	3	2	3	4	4	1	2	3	5	54
County Farms Estate – Replacement Fossil Fuel Heating Systems	Finance and Commercial Services	Score	4	4	5	2	4	1	2	1	5	58
County Farms Estate – Statutory Protected Asset Maintenance	Finance and Commercial Services	Score	3	2	1	4	4	3	2	1	5	52
County Farms Estate – Yard Concreting Works	Finance and Commercial Services	Score	3	3	3	5	4	1	3	3	5	62
Estate Buildings Decarbonisation 23-24	Finance and Commercial Services	Score	5	4	5	3	4	1	1	3	5	63
Gressenhall Museum Fabric Maintenance	Finance and Commercial Services	Score	4	3	3	4	5	1	2	1	5	57
NFRS - Introduction of Local Exhaust Ventilation (LEV) Systems	Finance and Commercial Services	Score	5	4	1	3	5	1	2	3	5	60
NFRS - Mobile Phones for Fire Engines	Finance and Commercial Services	Score	4	4	0	5	4	1	3	4	5	63
NFRS – Station Accessibility Improvements	Finance and Commercial Services	Score	5	3	1	4	4	3	1	3	4	59
Norfolk Fire & Rescue Service Station End Equipment Refresh	Finance and Commercial Services	Score	4	3	1	3	3	1	2	5	2	52
Norfolk Records Office Heating System Replacement	Finance and Commercial Services	Score	4	4	4	3	4	3	1	3	5	65
Provision of Electric Vehicle Charging Infrastructure on NCC Estate	Finance and Commercial Services	Score	3	3	5	4	4	3	3	4	4	71
Scottow Park	Finance and Commercial Services	Score	4	3	3	4	4	1	4	5	2	66
Technology Improvement Programme 2025/26	Finance and Commercial Services	Score	3	4	3	3	3	1	2	3	1	52
Technology Transformation Programme 25/2	Finance and Commercial Services	Score	3	4	3	3	3	1	2	3	1	52

Appendix C: Capital programme 2022-27 – new and existing schemes £m

Services/Projects	22-23 NCC Borrowing and Capital Receipts	22-23 Grants and Contributions	22-23 Revenue Contributions	23-24 NCC Borrowing and Capital Receipts	23-24 Grants and Contributions	24-25 NCC Borrowing and Capital Receipts	24-25 Grants and Contributions	25-26 NCC Borrowing and Capital Receipts	25-26 Grants and Contributions	26-27 NCC Borrowing and Capital Receipts	26-27 Grants and Contributions	TOTAL
Adult Social Care	**4.83**	**9.30**	**0.00**	**11.03**	**1.44**	**21.15**	**1.33**	**14.96**	**0.44**	**13.20**	**0.00**	**77.69**
Community - Equipment and Assistive Technology	3.18	0.00	0.00	3.00	0.00	3.20	0.00	3.20	0.00	3.20	0.00	15.78
Disabled Facilities Grant	0.00	9.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.17
Living Well - Homes for Norfolk	1.37	0.14	0.00	7.02	1.23	17.95	1.33	11.76	0.44	10.00	0.00	51.25
Social Care Information System	0.27	0.00	0.00	0.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.48
Social Care unallocated	0.00	0.00	0.00	0.80	0.21	0.00	0.00	0.00	0.00	0.00	0.00	1.01
Children's Services	**8.69**	**30.24**	**0.05**	**35.44**	**82.86**	**41.06**	**20.27**	**21.32**	**0.00**	**25.09**	**11.20**	**276.21**
Children's Homes/Residential Premises	0.12	0.00	0.00	1.87	0.00	1.00	0.00	1.00	0.00	1.00	0.00	4.99
Children's Services	0.12	0.86	0.00	0.90	16.29	0.00	0.10	0.00	0.00	0.00	0.00	18.27
Schools Basic Needs	2.38	17.76	0.05	4.56	56.83	2.06	20.03	0.32	0.00	0.00	11.20	115.20
Schools Capital Maintenance	2.84	2.84	0.00	0.10	8.85	0.00	0.14	0.00	0.00	0.00	0.00	14.76
SEND Transformation and Provision	3.23	8.78	0.00	28.01	0.88	38.00	0.00	20.00	0.00	24.09	0.00	122.99
Finance & Commercial Services	**49.91**	**0.24**	**0.00**	**50.58**	**0.00**	**15.99**	**0.00**	**9.79**	**0.00**	**1.48**	**0.00**	**127.99**
Children's Homes/Residential Premises	1.61	0.00	0.00	0.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.07
Corporate Office Maintenance	10.82	0.00	0.00	10.25	0.00	3.64	0.00	0.00	0.00	0.00	0.00	24.72
County Farms	6.32	0.00	0.00	4.42	0.00	1.36	0.00	0.39	0.00	0.00	0.00	12.49
County Hall Refurbishment	0.70	0.00	0.00	0.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.21
CPT Minor Works	0.76	0.00	0.00	1.66	0.00	0.83	0.00	0.00	0.00	0.00	0.00	3.25
Electric Pool Cars	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06
Finance and HR systems	6.95	0.00	0.00	1.30	0.00	0.99	0.00	0.59	0.00	0.59	0.00	10.43
Fire Property Maintenance	1.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50
ICT Refresh and System Upgrades	11.20	0.24	0.00	7.46	0.00	8.63	0.00	8.32	0.00	0.50	0.00	36.36
Libraries Community Hub	1.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.85
Licensing and ICT Capital Improvements	0.30	0.00	0.00	0.30	0.00	0.30	0.00	0.30	0.00	0.30	0.00	1.50
Museums and Historic Building Maintenance	0.21	0.00	0.00	0.70	0.00	0.23	0.00	0.19	0.00	0.08	0.00	1.41
Norse and other NCC subsidiaries loan facilities	6.25	0.00	0.00	18.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.82
Offices Carbon Reduction Initiatives	0.35	0.00	0.00	4.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00
Social Infrastructure & Environment Policy	1.00	0.00	0.00	0.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.31
Strategy and Governance	**0.43**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.43**
Licensing and ICT Capital Improvements	0.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.43

Appendix C (cont)

Services/Projects	22-23 NCC Borrowing and Capital Receipts	22-23 Grants and Contributions	22-23 Revenue Contributions	23-24 NCC Borrowing and Capital Receipts	23-24 Grants and Contributions	24-25 NCC Borrowing and Capital Receipts	24-25 Grants and Contributions	25-26 NCC Borrowing and Capital Receipts	25-26 Grants and Contributions	26-27 NCC Borrowing and Capital Receipts	26-27 Grants and Contributions	TOTAL
Community & Environmental Services	**41.51**	**138.23**	**0.15**	**101.08**	**68.62**	**47.80**	**85.35**	**24.86**	**139.83**	**8.45**	**102.37**	**758.24**
Better Broadband	0.01	0.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.63
Capital Loans- Scottow Enterprise Park				1.07		2.50		0.00		0.00		3.57
Environment & Greenways	3.37	0.00	0.00	1.14	0.00	0.50	0.00	0.00	0.00	0.00	0.00	5.01
Environment and Greenways	0.12			0.18		0.19						0.49
Fire Appliances and Equipment	0.53	0.01	0.00	1.15	0.02	0.00	0.00	0.00	0.00	0.00	0.00	1.71
Fire Property Maintenance	1.22	0.00	0.00	2.18	0.00	1.25	0.00	0.00	0.00	0.00	0.00	4.65
Fire Vehicle Replacements	4.69	0.00	0.00	11.10	0.00	12.34	0.00	0.00	0.00	0.00	0.00	28.13
Great Yarmouth O&M Campus	2.02	0.00	0.00	8.94	8.86	0.00	0.00	0.00	0.00	0.00	0.00	19.82
GRT - Site Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GRT- Site Improvements	0.58	0.00	0.00	0.50	0.00	0.50	0.00	0.50	0.00	0.50	0.00	2.58
Highways Capital Improvements	0.19	0.53	0.00	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.18
Highways DfT Grant Funded Works	8.05	81.31	0.12	11.55	48.16	3.95	68.12	10.64	139.83	4.05	102.36	478.13
Highways Structural Maintenance	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20
HLP Castle Keep	2.66	2.36	0.00	0.00	3.04	0.00	0.00	0.00	0.00	0.00	0.00	8.06
ICT Refresh and System Upgrades								8.22				8.22
LED replacement	2.12	0.00	0.00	3.60	0.00	7.50	0.00	0.00	0.00	0.00	0.00	13.22
Libraries Community Hub	0.00	0.00	0.00	1.50	0.00	1.50	0.00	0.00	0.00	0.00	0.00	3.00
Library Replacement Schemes	1.41	0.33	0.00	3.82	0.75	0.70	0.00	0.70	0.00	0.70	0.02	8.43
Licensing and ICT Capital Improvements	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
Local Safety Schemes & Resurfacing	5.16	5.56	0.02	13.70	0.00	6.07	0.00	2.63	0.00	0.35	0.00	33.50
Major Highways Schemes	0.00	47.11	0.00	21.80	7.79	2.03	17.23	0.00	0.00	0.00	0.00	95.96
Museums and Historic Building Maintenance	0.90	0.30	0.00	0.42	0.00	0.06	0.00	0.00	0.00	0.00	0.00	1.68
Norfolk Infrastructure Projects	0.44	0.00	0.00	2.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.23
Offices Carbon Reduction Initiatives	0.08			0.26		0.27						0.61
Replacement HWRC	2.20	0.10	0.00	8.89	0.00	4.18	0.00	0.00	0.00	0.00	0.00	15.37
Road Drainage	0.60	0.00	0.00	0.92	0.00	0.76	0.00	0.00	0.00	0.00	0.00	2.28
Social Infrastructure & Environment Policy	2.53	0.00	0.00	0.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.38
Wensum Lodge Development	0.06	0.00	0.00	2.15	0.00	3.50	0.00	0.00	0.00	0.00	0.00	5.71
Scottow Enterprise Park - NCC Contribution	2.35	0.00	0.00	2.11	0.00	0.00	0.00	2.18	0.00	2.85	0.00	9.48
Grand Total	**105.37**	**178.01**	**0.20**	**198.14**	**152.92**	**125.99**	**106.94**	**70.93**	**140.27**	**48.21**	**113.58**	**1,240.55**

Appendix D: New and extended capital schemes

Proposed new schemes added to the capital programme are listed below:

				FINANCIAL YEARS				
Scheme Title	Directorate	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	TOTAL
NFRS Welfare Provision	CES	0.050						0.050
Replacement Operational Support Van	CES		0.040					0.040
Installation of Breathing Apparatus (BA) set washer and dryer at Scottow	CES	0.046						0.046
1 Million Trees for Norfolk	CES	0.123	0.182	0.185				0.490
Wymondham Recycling Centre	CES		0.300					0.300
Sheringham and Wymondham Recycling Equipment	CES		0.189					0.189
Landfill Boreholes	CES		0.020					0.020
Library Stock Replenishment	CES			0.700	0.700	0.700		2.100
Ash Die Back	CES			0.500				0.500
Provision of Electric Vehicle Charging Infrastructure on NCC Estate	Finance and Commercial Services	0.079	0.122					0.201
County Farms Estate – Yard Concreting Works	Finance and Commercial Services		0.457					0.457
County Farms Estate – Agricultural Building Construction	Finance and Commercial Services		1.040					1.040
County Farms Estate – Access Roads Reconstructions	Finance and Commercial Services		0.425					0.425
County Farms Estate – Farmhouse Refurbishments	Finance and Commercial Services		0.532					0.532
County Farms Estate – Replacement Fossil Fuel Heating Systems	Finance and Commercial Services		0.372	0.383	0.394			1.149
County Farms Estate – Statutory Protected Asset Maintenance	Finance and Commercial Services	0.216						0.216
County Farms Estate – Estate Developments	Finance and Commercial Services		1.035	0.820				1.855
NFRS - Introduction of Local Exhaust Ventilation (LEV) Systems	Finance and Commercial Services		0.736	1.234				1.970
County Farms Creek Farm Bridge Replacement	Finance and Commercial Services		0.398					0.398
Norfolk Fire & Rescue Service Station End Equipment Refresh	Finance and Commercial Services		0.850					0.850

Appendix D (cont)

				FINANCIAL YEARS				
Scheme Title	Directorate	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	TOTAL
Technology Improvement Programme 2025/26	Finance and Commercial Services				5.936			5.936
Technology Transformation Programme 25/2	Finance and Commercial Services				2.280			2.280
Norfolk Records Office Heating System Replacement	Finance and Commercial Services		0.141	0.272				0.412
Gressenhall Museum Fabric Maintenance	Finance and Commercial Services		0.275	0.232	0.185	0.083		0.775
NFRS – Station Accessibility Improvements	Finance and Commercial Services		0.150					0.150
CFAT Case Management System	Finance and Commercial Services	0.041		0.003	0.013			0.057
Estate Buildings Decarbonisation 23-24	Finance and Commercial Services		4.000					4.000
NFRS - Mobile Phones for Fire Engines	Finance and Commercial Services	0.080						0.080
Scottow Park	Finance and Commercial Services		1.072	2.498	2.175	2.845		8.590
HR and Finance Replacement Systems - Phase 2	Finance and Commercial Services	2.511	0.835	0.532	0.132	0.132		4.143
Capital Management recharges	Finance and Commercial Services		0.300	0.300	0.300	0.300		1.200
Parish Partnership scheme -oversubscribed	Highways		0.450					0.450
Weather stations - move Cromer's and 3 new stations	Highways		0.100					0.100
Bracondale/King St Signalled Junction	Highways		0.500	0.500				1.000
Norwich Bus Station - roof replacement	Highways		0.250					0.250
Ketteringham depot - Strategic Salt Store	Highways		0.050	0.700				0.750
Local Members Schemes	Highways		0.084	0.084	0.084	0.084		0.336
		3.145	14.904	8.943	12.200	4.144	0.000	43.336

Report to Cabinet

Item No. 16

Report Title: Annual Investment and Treasury Strategy 2023-24

Date of Meeting: 30 January 2024

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? Yes

If this is a Key Decision, date added to the Forward Plan of Key Decisions: 31 March 2022

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 finances; setting out 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 2022-23

Recommendations:

Cabinet is asked to endorse and recommend to County Council the Annual Investment and Treasury Strategy for 2023-24 as set out in Annex 1, including:

- The Capital Prudential Indicators included in the body of the report
- The Minimum Revenue Provision Statement 2023-24 in Appendix 1
- The list of approved counterparties at Appendix 4
- The Treasury Management Prudential Indicators detailed in Appendix 5

For inclusion within the policy framework

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 Member 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 Department of Levelling Up Housing and Communities' (DLUHC'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 the DLUHC's Investment Guidance.

3. Impact of the Proposal

3.1. This report presents the Council's borrowing and investment strategies for 2023-24 providing the framework for managing the capital borrowing requirement within prudential and financially sustainable limits.

3.2. Given the upward trend in the Bank of England base interest rates, coupled with economic uncertainties, borrowing rates are forecast to increase in 2023-24. A flexible approach to borrowing for capital purposes will be maintained which avoids the "cost of carrying debt" in the short term, whilst taking advantage of dips in borrowing rates, where possible, to secure long-term savings on the cost of borrowing.

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 cashflow 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 Work 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 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 have steadily risen throughout 2022 as the Bank of England's Monetary Policy Committee (MPC) voted to increase the Bank Rate from 0.75% in March 2022 to 3.5% at the recent MPC meeting on 15 December 2022. This consistent rise in interest rates signals the MPC's commitment to using interest rates to counteract the inflationary pressures in the economy and bring inflation back down to its 2% target. Whilst inflation rates remain in double digits, the expectation is for interest rates to continue to rise in 2023-24.

6.2. To fund future capital expenditure, officers will continue to work with the Council's treasury advisors to identify the most advantageous timing and sources of borrowing.

6.3. At 31 December 2022, the Council's external debt was £852.0m, having borrowed £10m to date since April 2022, securing long term borrowing at fixed rates of 3.56% interest rate trigger point and securing £0.386m savings on the cost of carrying debt. The Council is looking to borrow a further £40m this year to meet the capital financing requirements of the capital programme.

6.4. 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. **Human Rights implications**
None identified.

8.3. **Equality Impact Assessment**
Treasury management activities take place to manage the cashflows relating to the Council's revenue and capital budgets. In setting the 2023-24 budget, the council has undertaken public consultation. This public consultation process has informed an equality impact assessment in respect of both the 2023-24 Budget proposals and the Council's Budget as a whole. In addition, councillors have considered the impact of proposals on rural areas.

8.4 **Data Protection Impact Assessments (DPIA)**
DPIA is not required as the data reported in this paper does not drill down to the personal data level.

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 in account counterpart risk and liquidity. The strategy also sets out how the Council manages interest rate risks.

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. Capital Strategy and Programme 2022-23 on this agenda.

Officer Contact

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

Officer name:	**Joanne Fernandez Graham**	Tel No.:	**01603 306228**
Email address:	j.fernandezgraham@norfolk.gov.uk		

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

Norfolk County Council

Treasury Management Strategy
including
Minimum Revenue Provision Policy Statement and
Annual Investment Strategy

2023-24

Note: the tables in this report will be amended to reflect any changes to the capital programme between this meeting and February County Council

INDEX

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 Balance.

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."*

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.

1.2 Reporting requirements

1.2.1 Capital Strategy

The CIPFA 2021 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:

- Strategic context
- Corporate priorities
- Capital investment ambition
- Available resources
- Affordability
- Capacity to deliver
- Risk appetite
- Risk management; and
- Determining the appropriate split between non-financial and treasury management investment, in the context of ensuring the long-term financial sustainability of the authority

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 DLUHC 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 Annual 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. In addition the Council will receive quarterly update reports.

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.

Quarterly reports – In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council/Board but do require to be adequately scrutinised. This role is undertaken by the 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 2023-24

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, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

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 2022 Treasury Management Panel, and further training will be arranged as required.

In accordance with the CIPFA Code, the Council

- records and monitors attendance at Link training webinars
- prepares tailored learning plans for treasury management officers and board/council members where necessary.
- requires treasury management officers and board/council members to undertake self-assessment against the required competencies using the CIPFA "Assessment of Effective Scrutiny" self assessment tool 2022
- has regular communication with officers and board/council members through the Treasury Management Panel, encouraging them to highlight training needs on an ongoing basis.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function and members of the Treasury Management Panel will be maintained by the Treasury and Banking Accountant.

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 2023-24 – 2025-26

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. Members are asked to approve the capital expenditure forecasts:

Capital expenditure £m	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Services	241.536	249.139	327.350	222.192	198.997
Capital loans to group and other companies	11.178	4.000	8.800	1.800	0.000
Infrastructure loans to third parties	2.155	0.000	0.000	0.000	0.000
Total	**254.869**	**253.139**	**336.150**	**223.992**	**198.997**

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	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Capital grants	131.832	178.013	153.217	106.943	140.268
Revenue and reserves	2.840	0.199			
Capital receipts	8.993	24.000	20.000	10.000	10.000
Prudential borrowing	111.204	50.927	162.933	107.049	48.729
Capital programme	**254.869**	**253.139**	**336.150**	**223.992**	**198.997**
Estimated slippage			(100.000)	(55.000)	(30.000)
Cumulative slippage	**0.000**	**0.000**	**(100.000)**	**(155.000)**	**(185.000)**
New borrowing requirement after slippage	111.204	**50.927**	**62.933**	**52.049**	**18.729**
Net financing need for the year	**254.869**	**253.139**	**236.150**	**168.992**	**168.997**

Slippage has been incorporated into the calculations in line with historic patterns of capital spend and the Q3 Capital Programme Review undertaken by the Capital Review Board. 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 £43.6m of such schemes within the CFR.

The Council is asked to approve the CFR projections below:

£m	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Opening CFR	**887.047**	**969.763**	**987.695**	**1,014.364**	**1,027.314**
Other Financing Adjustments	(0.042)				
Net financing need for the year (above)	111.204	50.927	62.933	52.049	18.729
Less MRP and other financing movements	(28.446)	(32.995)	(36.264)	(39.098)	(40.677)
Movement in CFR	**82.716**	**17.932**	**26.669**	**12.951**	**(21.948)**
Closing CFR	**969.763**	**987.695**	**1,014.364**	**1,027.314**	**1,005.366**

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.

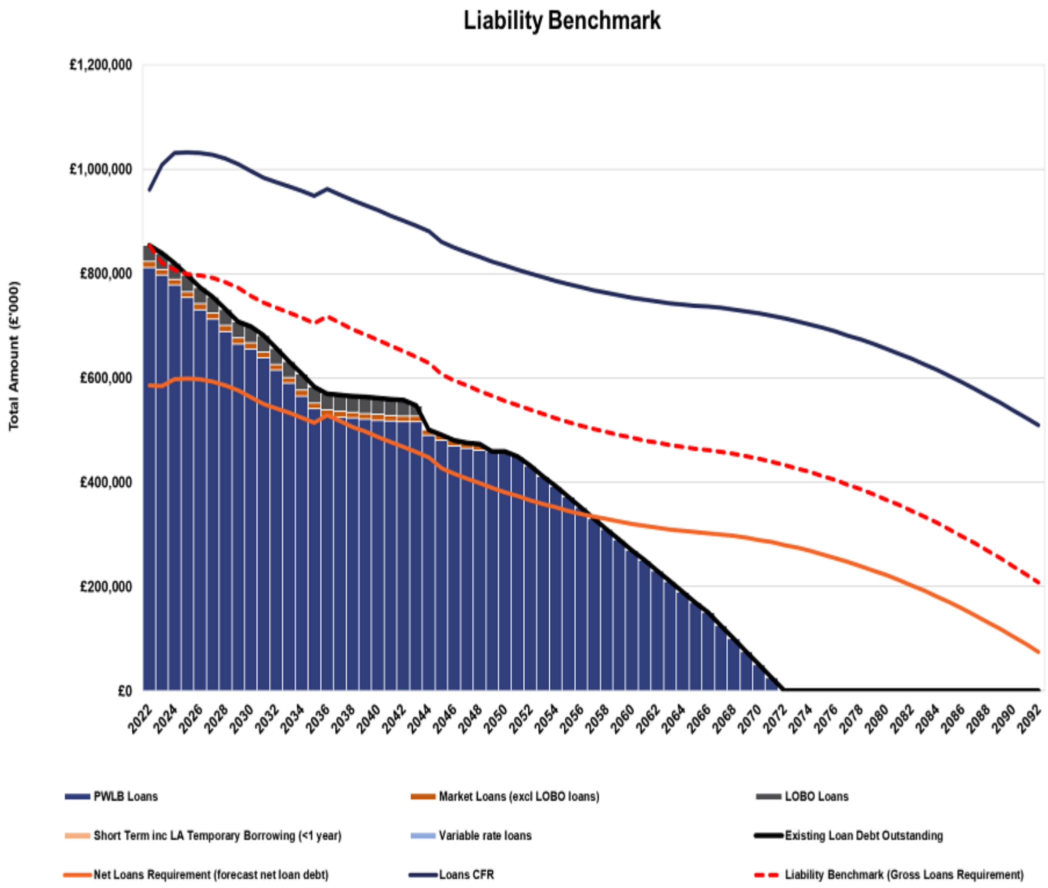
The capital expenditure figures shown in 2.1 and the details above demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Authority's remaining activity.

In line with the Capital Strategy, the external borrowing requirement planned in conformance with the new DLUHC requirements for applying for certainty rate borrowing from the PWLB is:

External borrowing £m	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Service spend	97.871	46.927	54.133	50.249	18.729
Housing	11.178	4.000	8.800	1.800	0.000
Regeneration	2.155	0.000	0.000	0.000	0.000
Preventative action					
Treasury Management					
TOTAL	**111.204**	**50.927**	**62.933**	**52.049**	**18.729**

2.3 Liability Benchmark

A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.



There are four components to the LB: -

1. **Existing loan debt outstanding**: the Authority's existing loans that are still outstanding in future years.
2. **Loans CFR**: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement**: this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

2.4 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	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Opening investments	**210.940**	**267.973**	**241.039**	**233.107**	**226.058**
Net (use) of reserves, capital grants, working capital etc.	58.237	(26.007)	(10.000)	(5.000)	(5.000)
Capital expenditure funded through prudential borrowing	(111.204)	(50.927)	(62.933)	(52.049)	(18.729)
New Borrowing	110.000	50.000	65.000	50.000	20.000
Closing investments	**267.973**	**241.039**	**233.107**	**226.058**	**222.329**

2.5 Minimum revenue provision (MRP) policy statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, 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). It is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

DLUHC 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.

For expenditure incurred before 1 April 2008 which forms part of supported capital expenditure, the MRP policy will be:

- **4% reducing balance (CFR method)** – MRP will be calculated as 4% of the opening GF CFR balance;

From 1 April 2008 for all unsupported borrowing the MRP policy will be:

- **Asset life method (straight line)** – MRP will be based on the estimated life of the assets;

Capital expenditure incurred during 2022/23 will not be subject to an MRP charge until 2023/24, or in the year after the asset becomes operational

The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

MRP in respect of assets acquired under Finance Leases or PFI will be charged at an amount equal to the principal element of the annual repayment;

For capital expenditure on loans to third parties where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan.

MRP Overpayments - Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

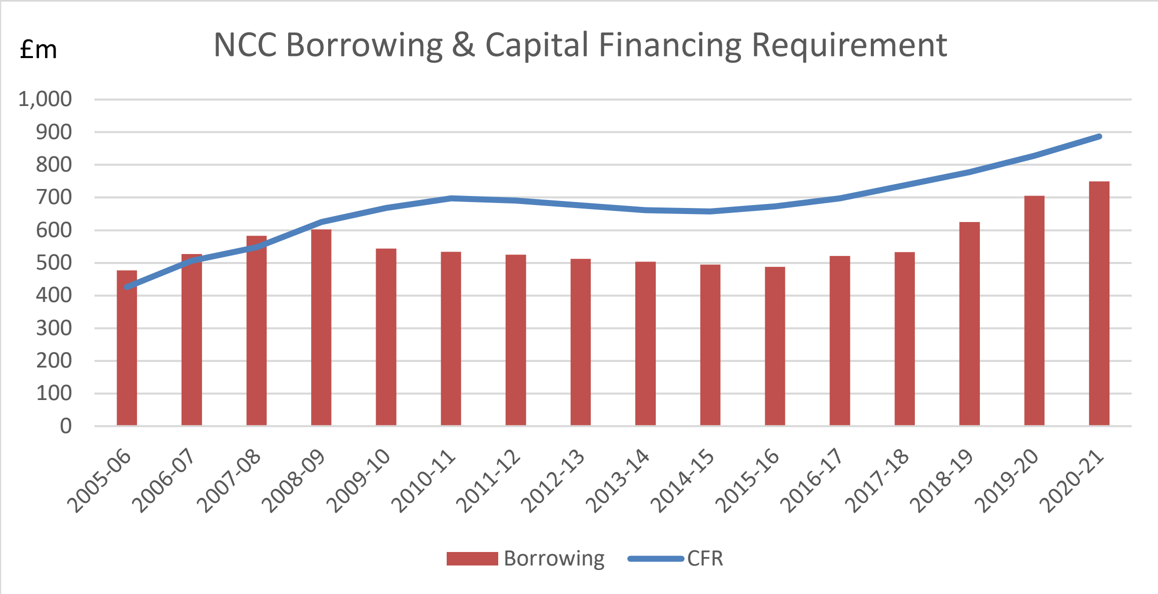
Cumulative VRP overpayments made to date are £1.173m.

The Council's MRP Statement has been updated after having regard to the MRP Guidance and takes into account the addition of right-of-use assets which will result from the impact of IFRS16 which will affect the Council's accounts in 2023-24.

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 2022 and for 30 November 2022 is shown below for both borrowing and investments.

	31 March 2022	30 November 2022
Treasury Investments		
Banks	230.0	205.0
Local authorities	0.1	0.2
Money Market funds	37.5	94.1
	267.6	**299.3**
Treasury external borrowing		
PWLB	811.9	804.2
Commercial (including LOBOs)	42.3	42.3
	854.2	**846.5**
Net-treasury borrowing	**586.6**	**547.2**

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 November 2022 the bank deposits were with Barclays, Natwest, Close

Brothers, Goldmans Sachs, Australia New Zealand Bank, Toronto-Dominion Bank, DBS Bank and Landesbank Baden-Wuerttemberg and the Money Market Funds with Aberdeen, Federated and Aviva. At 30 November there is £120m invested in non-uk banks.

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	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Debt at 1 April	749.274	854.243	888.917	935.045	961.626
Expected change in Debt - repayments	(5.031)	(15.326)	(18.872)	(23.419)	(23.466)
Expected change in Debt – new borrowing	110.000	50.000	65.000	50.000	20.000
Debt at 31 March	**854.243**	**888.917**	**935.045**	**961.626**	**958.160**
Other long-term liabilities (OLTL) 1 April	48.170	46.962	43.601	40.073	36.212
Expected change in OLTL	(1.208)	(3.361)	(3.528)	(3.861)	(4.181)
OLTL forecast	**46.962**	**43.601**	**40.073**	**36.212**	**32.031**
Gross debt at 31 March	**901.205**	**932.518**	**975.118**	**997.838**	**990.191**
The Capital Financing Requirement	969.763	987.695	1,014.364	1,027.314	1,005.366
Under / (over) borrowing	**68.558**	**55.177**	**39.246**	**29.476**	**15.175**

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 2022-23 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

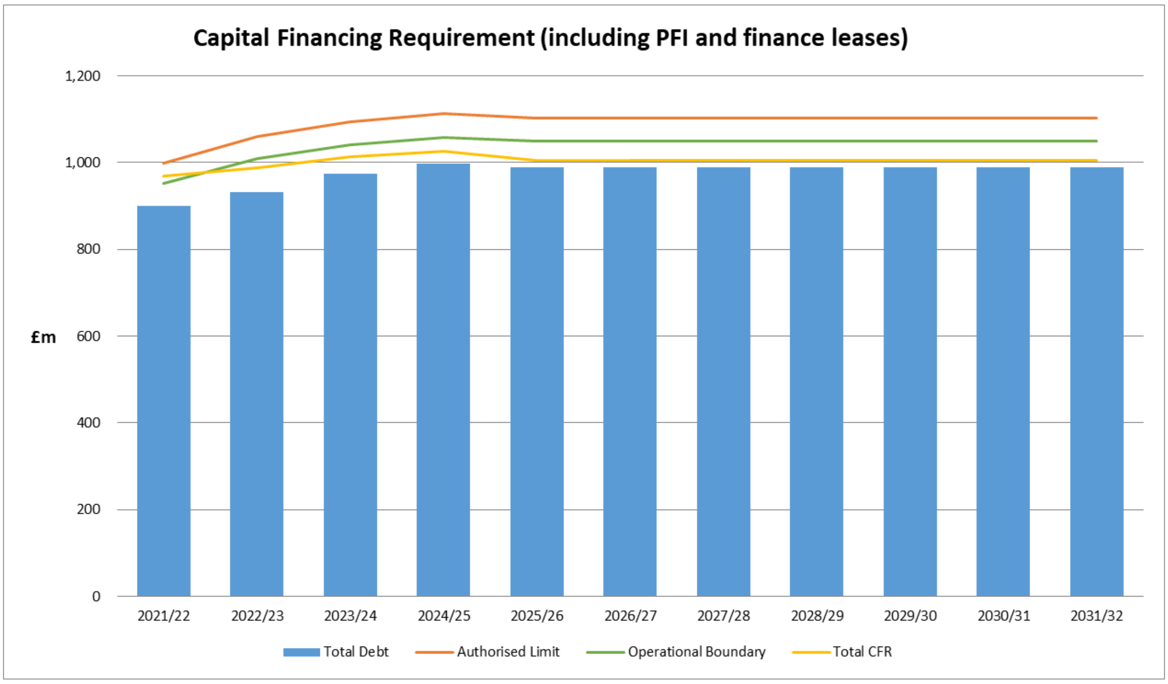
The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary £m	2021-22 Target	2022-23 Target	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Debt	905.340	964.195	974.291	991.102	973.335
Other long-term liabilities	45.965	44.476	40.073	36.212	32.031
Total CFR	**951.305**	**1008.671**	**1,014.364**	**1,027.314**	**1,005.366**

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 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	2021-22 Target	2022-23 Target	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Debt	950.607	1012.405	1,023.005	1,040.657	1,022.002
Other long-term liabilities	48.263	48.923	44.080	39.833	35.234
Total	**998.870**	**1,061.328**	**1,067.086**	**1,080.491**	**1,057.236**



3.3 Prospects for interest rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 8th November 2022. These are forecasts for certainty rates, gilt yields plus 80 bps:

Link Group Interest Rate View	08.11.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.30	4.30	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.50	4.50	4.40	4.30	4.20	4.00	3.90	3.70	3.60	3.50	3.40	3.30	3.20
25 yr PWLB	4.70	4.70	4.60	4.50	4.40	4.30	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.40	3.30	3.20	3.20

Additional notes by Link on this forecast table: -

- *The Link forecast reflects a view that the MPC will be keen to demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened throughout 2022, but the new Government's policy of emphasising fiscal rectitude will probably mean Bank Rate does not now need to increase to further than 4.5%.*
- *Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures have lessened – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.*
- *The CPI measure of inflation will peak at close to 11% in Q4 2022. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market. Wage increases, excluding bonuses, are currently running at 5.7%.*
- *Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started but will focus on the short to medium end of the curve for the present. This approach will prevent any further disruption to the longer end of the curve following on from the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy.*

In the upcoming months, Link's forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine and the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

Yield curve movements have become less volatile under the Sunak/Hunt government. PWLB 5 to 50 years Certainty Rates are, generally, in the range of 3.75% to 4.50%. The medium to longer part of the yield curve is currently inverted (yields are lower at the longer end of the yield curve compared to the short to medium end).

Link views the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook but markets are volatile and further whipsawing of gilt yields across the whole spectrum of the curve is possible.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is to the downside. Indeed, the Bank of England projected two years of negative growth in their November Quarterly Monetary Policy Report.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).

- **The Bank of England** acts too quickly, or too far, over the next two years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.

- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.

- **Geopolitical risks,** for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates an even more rapid series of increases in Bank Rate faster than we currently expect.

- **The Government** acts too slowly to increase taxes and/or cut expenditure to balance the public finances, in the light of the cost-of-living squeeze.

- **The pound weakens** because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.

- Longer term **US treasury yields** rise strongly, if inflation numbers disappoint on the upside, and pull gilt yields up higher than currently forecast.

Borrowing advice: Link's long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are now above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

Link suggested budgeted earnings rates for investments up to about three months' duration in each financial year are as follows: -

Average earnings in each year	
2022/23 (remainder)	3.95%
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%
Years 6 to 10	2.80%
Years 10+	2.80%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

3.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate increases over the remainder of 2022 and the first half of 2023.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 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 borrowing rates,* then borrowing will be postponed.

- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast,* 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 the appropriate decision-making body 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

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a very large difference between premature redemption rates and new borrowing rates.

If rescheduling is to be undertaken, it will be reported to the Cabinet at the earliest meeting following its action.

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.

3.7 New Financial Institutions as a Source of Borrowing and Types of Borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

3.8 Approved Sources of Long and Short-term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
UK Municipal Bond Agency	●	●
Local Authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance Companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock Issues	●	●
Local Temporary	●	●
Local Bonds	●	
Local Authority Bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance Leases	●	●

4 Annual investment strategy

4.1 Investment policy – management of risk

The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This section deals solely with treasury (financial) investments as managed by the treasury management team. Non-financial investments, essentially loans made for capital purposes, are covered in the Capital Strategy.

The Council's investment policy has regard to the following: -

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Council's investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite.

In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions.

The above guidance from the DLUHC 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 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. **Transaction limits** are set for each type of investment in 4.2.

7. This authority will set a limit for its investments which are invested for **longer than 365 days**, (see paragraph 4.4).

8. 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.

9. 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.

10. 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.

11. As a result of the change in accounting standards for 2022-23 under IFRS 9, this authority will consider 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.

12. 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 of this kind.

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.

Changes in risk management policy from last year.
The above criteria are *unchanged* from last 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. For instance, a negative rating Watch applying to counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

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:** 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 opportunities.

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
Significant levels of downgrades to short- and long-term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the

wake of the Truss/Kwarteng unfunded tax-cuts policy. Although the Sunak/Hunt government has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

CDS prices
Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government, they have returned to more average levels since then. 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 Authority has access to this information via its Link-provided Passport portal..

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. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, 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.

Investment returns expectations.
The current forecast shown in paragraph 3.3 includes a forecast for Bank Rate to reach 4.5% in Q2 2023.

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:

Average earnings in each year	Previously	Now
2022/23	0.50%	3.95%
2023/24	0.75%	4.40%
2024/25	1.00%	3.30%
2025/26	1.25%	2.60%
2026/27	2.00%	2.50%
Years 6 to 10	2.00%	2.80%
Years 10+	2.00%	2.80%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

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	**2023/24**	**2024/25**	**2025/26**
Principal sums invested for longer than 365 days	£100m	£100m	£100m
Current investments >365 days as at 31 December 2022	£0m	£0m	-

4.5 Investment risk benchmarking
This Authority will use an investment benchmark to assess the investment performance of its investment portfolio of overnight, 7 day, 1, 3, 6 or 12 month compounded / SONIA.

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 2023-24

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 2023-24:

- 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 2021 the cumulative amount over-provided was £3.26m. The over-provision was fully released in 2021-22.
- 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 receipts 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	Santander UK
Bank of Scotland Plc (*)	Lloyds Bank (*)
Close Brothers	HSBC Bank Group
Goldman Sachs	

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

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	Nationwide BS
Leeds BS	Yorkshire BS

Money Market Funds

Aberdeen Investments	Aviva
Federated Investors	Northern Trust

UK Government

Debt Management Account Deposit Facility

Sterling Treasury Bills

Local Authorities, Parish Councils

Other – Group companies (non-capital)

The Norse Group	Independence Matters CIC
Hethel Innovation Limited	
Repton Property Developments	

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**
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 Bank 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.

5.1 Capital Expenditure

Capital expenditure £m	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Adult Social Care	14.817	14.196	12.473	22.482	15.401
Children's Services	52.379	29.707	118.296	61.323	21.325
CES Highways	103.564	153.172	106.492	104.374	153.006
CES Other	22.901	23.825	57.975	22.098	0.500
Finance and Comm. Servs	61.208	32.156	40.915	13.715	8.765
Strategy and Governance	0.000	0.083	0.000-	0.000-	0.000-
Total	**254.869**	**253.139**	**336.150**	**223.992**	**198.997**
Loans to companies included in Finance and Comm Servs above	**11.178**	**4.000**	**8.800**	**1.800**	**0.000**
GNGB supported borrowing to developers	**2.155**	**0.000**	**0.000**	**0.000**	**0.000**
Loans as a percentage	*5%*	*2%*	*3%*	*1%*	*0%*

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.

5.2 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.

%	2021-22 Actual	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
Financing costs (net)	59.351	64.599	71.479	74.260	78.443
Net revenue costs	733.818	784.689	788.209	808.189	828.301
Percentage	8.09%	8.23%	9.07%	9.19%	9.47%

The estimates of financing costs include current commitments and budget proposals.

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.

5.3 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 2022-23		
	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	0%	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.

5.4 Control of interest rate exposure:

The table above indicates how the authority manages its interest rate exposure to 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 £42.250m out of total borrowing of over £849m (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 low interest rates as they arise, 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

5.5 Interest Rate Forecasts 2022-2025

Link Group Interest Rate View	08.11.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.30	4.30	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.50	4.50	4.40	4.30	4.20	4.00	3.90	3.70	3.60	3.50	3.40	3.30	3.20
25 yr PWLB	4.70	4.70	4.60	4.50	4.40	4.30	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.40	3.30	3.20	3.20

PWLB forecasts are based on PWLB certainty rates.

5.6 ECONOMIC BACKGROUND

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK

Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	**Eurozone**	**US**
Bank Rate	3.0%	1.5%	3.75%-4.00%
GDP	-0.2%q/q Q3 (2.4%y/y)	+0.2%q/q Q3 (2.1%y/y)	2.6% Q3 Annualised
Inflation	11.1%y/y (Oct)	10.0%y/y (Nov)	7.7%y/y (Oct)
Unemployment Rate	3.6% (Sep)	6.6% (Sep)	3.7% (Aug)

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at 5.5% - 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

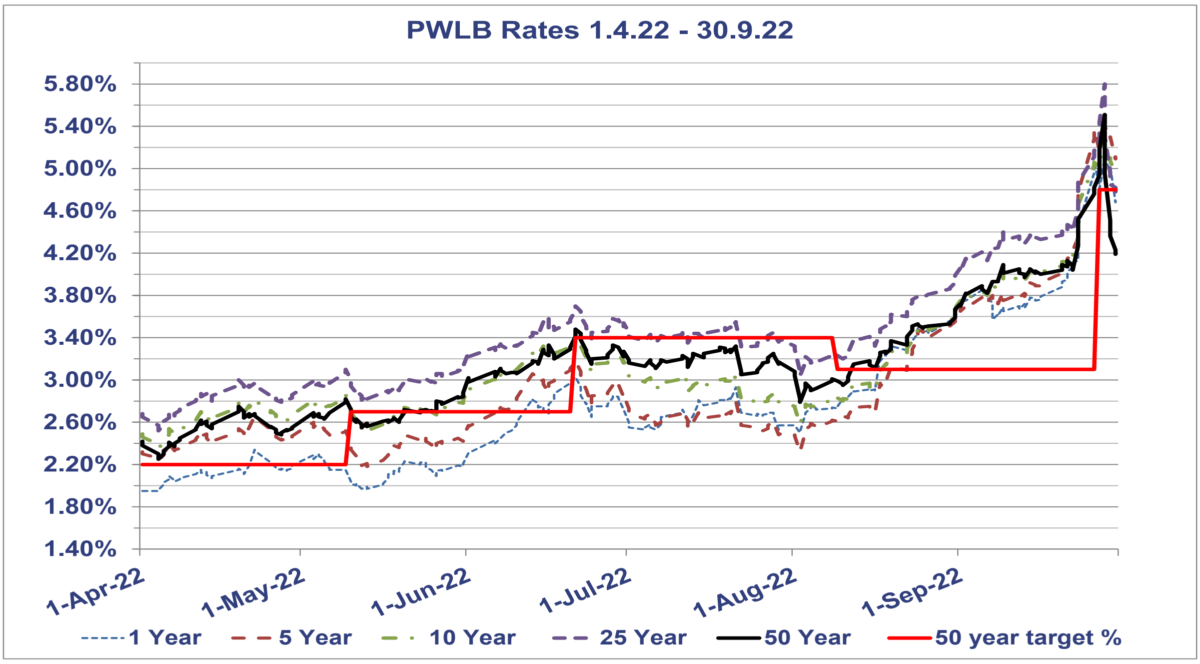
Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3% in November and the market expects Bank Rate to hit 4.5% by May 2023.

Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and December. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17th November gave rise to a net £55bn fiscal tightening, although much of the "heavy lifting" has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have completely reversed the increases seen under the previous tenants of No10/11 Downing Street.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one if not more quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of $1.035, on the Monday following the Truss government's "fiscal event", to $1.20. Notwithstanding the £'s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28th September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting ever lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.95%	2.18%	2.36%	2.52%	2.25%
Date	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
High	5.11%	5.44%	5.35%	5.80%	5.51%
Date	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
Average	2.81%	2.92%	3.13%	3.44%	3.17%
Spread	3.16%	3.26%	2.99%	3.28%	3.26%

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

CENTRAL BANK CONCERNS – NOVEMBER 2022

At the start of November, the Fed decided to push up US rates by 0.75% to a range of 3.75% - 4%, whilst the MPC followed a day later by raising Bank Rate from 2.25% to 3%, in line with market expectations. EZ rates have also increased to 1.5% with further tightening in the pipeline.

Having said that, the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.

Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy

Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.

In addition, the Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Will the £160bn excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

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Appendix 6: Treasury Management Practice (TMP1) - Credit and counterparty risk management

The DLUHC 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 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 e.g., Standard and Poor's, Moody's and/or Fitch rating agencies.
5. A body that is considered of a high credit quality (such as a bank or building society). This category covers bodies with a minimum Short-Term rating of AAA (or the equivalent) as rated by Standard and Poor's, Moody's and Fitch rating agencies.

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 (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using.	Ref Appendix 4

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 2 December 2022)

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Qatar
- **U.K.**

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 and Governance 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.
- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities

- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following *(TM Code p54): -*
    - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
    - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
    - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
    - *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
    - *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

Appendix 10: Non-treasury investments

Existing non- treasury investments (loans) at 31 March 2022

Loans	**£m**
NORSE Energy (capital investment)	10.000
Norse Group (capital investment)	2.687
Norse Group (Aviation Academy)	5.867
NEWS	0.318
NorseCare	2.844
Hethel Innovation Ltd (Hethel Engineering Centre)	7.011
Norwich Airport Radar (relocation due to NDR)	2.194
Repton Property Developments Limited	12.550
LIF loans to developers in Norfolk	6.766
Total loans to companies	**50.238**
NDR Loan – underwritten by CIL receipts	34.501
Total long-term debtors in balance sheet	**84.739**

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 2022-23 presented to 5 December 2022 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.	£23m 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 4.2% (giving a margin of approximately 1% over current PWLB borrowing rate) this would mean interest of £4.2m pa. This approximates to less than 20% of the Council's general reserves, 2% of the Council's net expenditure, and 0.5% of departmental gross expenditure. As a result, reliance on income from non-treasury is therefore considered to be proportionate and manageable.