

Scrutiny Committee

Date: **Wednesday 14 February 2024**

Time: **10 am**

Venue: **Council Chamber, County Hall, Martineau Lane, Norwich NR1 2DH**

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6B. Proposed Budget for 2024/25 - Equality Impact Assessment Report Page B2

6C. Provisional Settlement 2024-25 Consultation – Norfolk County Council Response Page B15

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Norfolk County Council

Proposed budget for 2024/25

Equality impact assessment report

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Introduction

1. This report summarises the findings of equality impact assessments of Norfolk County Council's proposed budget for 2024/2025.
2. The purpose of an equality impact assessment is to provide transparent information about the potential impact of proposals on people and communities prior to decisions being taken.
3. This transparent information enables elected members to give due regard to the Public Sector Equality Duty throughout the democratic process, when determining proposals.
4. This enables mitigating actions to be developed if detrimental impact is identified.

The legal context

The Equality Act 2010 – the Public Sector Equality Duty

5. Public authorities have a duty under the Equality Act 2010 to pay due regard to:
 - Eliminating discrimination, harassment, victimisation, and any other conduct that is prohibited by or under the Act ¹
 - Advancing equality of opportunity between people who share a protected characteristic² and people who do not share it³
 - Fostering good relations between people who share a protected characteristic and people who do not share it.⁴
6. The full Act is available [on the Government's legislation website](#).

The Armed Forces Covenant Duty

7. The Armed Forces Covenant Duty of [due regard](#) came into force in 2022.
8. In assessing the budget proposals for 2024/2025, due regard has been given to ensuring that the proposals take the following considerations into account:
 - The unique obligations of, and sacrifices made by, the Armed Forces
 - The principle that it is desirable to remove disadvantages arising for service people from membership, or former membership, of the Armed Forces
 - The principle that special provision for service people may be justified by the effects on such people of membership, or former membership, of the Armed Forces.

Summary of equality impact assessments of budget proposals for 2024/2025

Appendix 6: Equality Impact Assessment

9. In total, the Council has published 131 new budget proposals for 2024/2025. This includes six proposals that may require consultation.
10. Equality impact assessments have been carried out on:
 - Each budget proposal
 - The six proposals that may require consultation
 - The proposal to increase council tax and the Adult Social Care precept.
11. The findings of completed equality impact assessments are set out in Appendices 1 – 4.

Consultation proposals

12. As part of the budget for 2024-2025, the Council has identified that consultation may be required on three proposals relating to adult social care:
 - Charging an admin fee for brokering on behalf of self-funders (S2425ASS021)
 - Review of the Adult Social Care Non-Residential Charging Policy – including Minimum Income Guarantee (MIG) (S2425ASS022)
 - Recommissioning of Social Isolation and Loneliness contracts (S2425ASS026).
13. In carrying out any consultation, the Council may seek to understand more about the current financial circumstances that disabled and older people are experiencing.
14. For example, we know that:
 - (a) Disabled people (particularly people with ‘severe disabilities’ as described by the courts) **tend to pay more for day-to-day living** than people who are not disabled. For example:
 - Heating and hot water - some disabilities require additional heating/cooling or more frequent washing of body, clothes or equipment due to medical needs.
 - More electricity may be required, for example for some types of equipment to aid mobility / breathing etc.
 - Dietary needs – specific, higher cost foods may be required.
 - Equipment - specialist equipment and adaptations are often expensive, or a variation of an item may come at an additional cost eg household equipment such as adaptive cutlery, chairs or beds, or even recreational items such as a cheap, standard bicycle, versus an adaptive bicycle.
 - Transport - disabled people may need public transport or adaptive cabs which come at a premium, this is often paired with the fact that some standard options are not available or accessible to some people.
 - Services - information in accessible formats, communication needs or adaptive software/hardware to access information and media eg screen reader or needing a 65in TV for someone with low vision versus a 40in for most other people.
 - Accessing some community services/leisure opportunities can come at a premium because people need specific facilities/support or have to visit at certain times of the day due to transport limitations or carer availability etc.

Appendix 6: Equality Impact Assessment

- Restrictions on the type of vehicle a disabled person or their carer can drive eg automatics are more expensive than manual, a power seat might be required due to back problems or an SUV/ Van which has a higher cost/running cost.
- Medication - not all medication or therapies to manage pain and fatigue is available on prescription and free prescriptions are only available for some people.
- Higher insurance premiums or costs.

(b) Disabled and older people **tend to be in lower income groups and may be more likely to live in poverty**. Working-age disabled people may be the most likely to be at risk of living in poverty.

(c) The **rising cost of living** is particularly affecting disabled and older people, and people with other protected characteristics. A detailed analysis of this is set out in the equality assessment of the proposal to increase council tax.

15. Financial hardship is strongly associated with social isolation. Disabled and older people are at particular risk of social isolation. This is because most social activities incur costs – and disabled people may need to pay more compared to a non-disabled person to participate in a social activity. For example:

- **Travel to and from a venue** - this may incur additional costs, owing to the need for an accessible vehicle or mode of transport; where public transport is inaccessible or in short supply, disabled people will rely more on taxis, private hire vehicles, or their own personal vehicles to travel. For some disabled people, taxis are their only means of travel, which is very expensive. In some instances, concessionary fares will not cover both a disabled person and their personal assistants' costs. These additional costs may prevent engagement in social activities.
- **Participation in any social activity may incur additional costs** for disabled people who require and must pay for personal assistants (including interpreters for D/deaf people, support for personal care and other forms of support). In addition to the wages for personal assistants, costs for the participation of a personal assistant may contribute to additional costs.
- **Disabled people have restricted choices** when visiting venues or using services. Lack of accessibility across local communities reduces the opportunities for social activity for disabled people and can prohibit engagement. Factors contributing to this include:
 - Inaccessible buildings – their physical design may prohibit their use by disabled people, resulting in social opportunities in these venues being unavailable to disabled people.
 - Inaccessible websites – when disabled people cannot access cheaper booking options or benefit from offers online, this may entirely prevent attendance to a social event, or result in further costs being incurred when booking via alternative methods.
 - Inaccessible events – when disabled people cannot engage with a social event (eg, due to a lack of interpreter, or inaccessible information, or activities that they cannot take part in).

Appendix 6: Equality Impact Assessment

16. People who experience financial hardship or social isolation may experience additional impacts – for example:
 - A reduction in standard of living or ability to participate in society, if someone is no longer able to afford items or services they need to remain independent at home or to participate in travel, employment, education, social activities or to access the environment or services.
 - A reduction in physical wellbeing, mental health and vulnerability to loneliness and social isolation.
17. Some of these issues, such as the cost of living and rising household bills are outside of the Council's control, but we may consult with service users during 2024-2025 to understand more about these issues and potential mitigations.
18. If so, the consultation findings will be brought back to Cabinet, together with recommendations about any service changes, for a final decision during 2024-2025.
19. Consultation enables the Council to understand the ways in which service users may be impacted by any potential changes to services, and also wider impacts, which may not be possible to predict at this stage.
20. Following any consultation, this equality impact assessment will be completed and provided to decision-makers for consideration in advance of a final decision.

Other consultation proposals

21. The Council may also consult on three additional proposals for community and environmental services:
 - Norfolk Record Office - Expansion of the limited Friday opening arrangements to a Thursday and pre-booking of seats on Tuesday and Wednesday to manage demand when a full service is available; a reduction in Accessions: Pre-booking of accessions with appointments only available for 3 days a week; a reduction in the amount of Collection management work by around 25% and launch of new paid services to increase income generation (S2425CES083)
 - Switching off and permanently removing streetlights by 2% of asset (S2425CES087)
 - Recycling centres: Reduction of opening hours at some Recycling Centres to deliver a more consistent approach, in line with neighbouring authorities (S2425CES095).
 22. In carrying out any consultation, the Council may seek to understand more about whether limiting opening times may create barriers to access for some people, due to their personal circumstances (eg disabled or older people, or people with parental or caring commitments), and whether switching off lights may make it difficult or impossible for some people to be mobile at night in some locations.
 23. If so, consultation findings will be brought back to Cabinet, together with recommendations about any service changes, for a final decision during 2024-2025.
- EqIA master document – Budget Equality Impact Assessments 2024-2025 – Covering Report

24. Following any consultation, this equality impact assessment will be completed and provided to decision-makers for consideration in advance of a final decision.

Budget proposals for 2024-2025 – summary of findings

25. In addition to the six consultation proposals summarised above, a wide range of budget proposals for 2024-2025 have been published. Full details are set out in Appendices 1 to 4.
26. Based on the evidence available, most of these proposals will likely not have a significant detrimental impact on people with protected characteristics.
27. 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 residents and service users in consultation.
 - Statutory eligibility thresholds for services remain unchanged, so people should continue to receive support relevant to their assessed needs.
 - People who currently receive a service should continue to do so.
 - The way in which some services will be delivered in future may change as a result of some proposals; because of the introduction of new technology or new infrastructure; because efficiencies have been identified to reduce administration or streamline service delivery; or because other invest to save improvements have been identified meaning services will be provided in a different way. Service users are not expected to experience reductions in the quality or standards of support they currently receive as a result of these changes.
 - The proposals will be implemented in accordance with the Council's published policies and with the Equality, Diversity, and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard; the Reasonable Adjustments for Disabled People Policy and all statutory requirements. These means that reasonable adjustments for disabled people will always be made where appropriate.
28. Where there is potential for detrimental impact on people with protected characteristics, this has been identified and is clearly described in the assessment.

Proposals that relate to transformation or reviews

29. If a proposal relates to service transformation, it may not yet be possible at this stage to fully predict the final outcome as the findings of review will not be available. 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.
30. In view of this, the assessments have reflected where there may be risks and how these may be mitigated through further in-depth assessments, robust monitoring,
- EqlA master document – Budget Equality Impact Assessments 2024-2025 – Covering Report

quality assurance and tailored implementation plans to mitigate impact. People who share protected characteristics may also be over or under-represented as 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.

31. If new evidence emerges of the potential for detrimental impact on people with protected characteristics, 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

32. 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 aftermath of COVID-19 pandemic on Norfolk
 - The increased use of digital, web-based and other virtual or artificial intelligence 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.
33. The Cabinet routinely keeps these issues under review. Reports are published on [the Council's website](#).
34. In addition, the findings of the equality assessments should be considered alongside the following information:
 - Public consultation on the budget proposals for 2024-2025, set out elsewhere on the agenda.
 - 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 Council's [Digital Inclusion Strategy](#) which sets out 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 August 2023 \(norfolkinsight.org.uk\)](#)
 - Norfolk's armed forces community needs set out in the [Norfolk Armed Forces community needs assessment published - Norfolk Insight](#)
 - The findings of the [new Norfolk equalities evidence base](#).

Appendix 6: Equality Impact Assessment

- Relevant statutory agencies have a duty to support service users in accordance with their policies and legislation (including the Equality Act), to assist them to adapt to changes where possible.

Other information

35. It should be noted that the assessments set out in Appendices 1-4 only consider the impact of the Council's budget proposals for this year.
36. 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 2024-2025; 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

37. 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

38. 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.
39. This includes the proposals for consultation, which cannot yet be determined for the reasons set out in this assessment.
40. 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.
41. 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.
42. The findings of the assessments are set out in **Appendices 1-4**.
 - Appendix 1 – Adult Social Services Proposals
 - Appendix 2 – Children's Services Proposals
 - Appendix 3 – Community & Environmental Services Proposals
 - Appendix 4 - Financial Services (including Finance gross new saving proposals), Strategy & Transformation, and Chief Executive's Department Proposals

Mitigating actions

43. The following mitigating actions are proposed, to address the impacts set out in this report:

Number	Action(s)	Lead	Date
1.	<p>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.</p> <p>This means that where appropriate, reasonable adjustments will be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010.</p>	All Executive Directors	From 1 April 2024
2.	<p>Executive Directors to monitor the development of implementation plans for each budget proposal, in accordance with the Public Sector Equality Duty.</p> <p>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.</p>	All Executive Directors	From 1 April 2024
3.	<p>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.</p>	Director of People	From 1 April 2024

Other evidence used to inform these assessments

Appendix 6: Equality Impact Assessment

- Norfolk budget proposals 2017-2018 to 2020-2023 – consultation documents, consultation findings and background papers, as previously reported to Full Council each February.
- Findings from consultation with diverse Norfolk residents on the Council's Equality, Diversity, and Inclusion Plan 2024-2026
- The equality impact assessment of the Adult Social Care Connecting Communities Programme
- The equality impact assessment of the Council's hardship support programme
- The equality impact assessment of 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

Annex A – Proposal to increase council tax

For the assessment see Appendix 4 - Finance 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 2023)

District	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	63,155	42,559	67.39%	32.61%
Broadland	60,297	40,703	67.50%	32.50%
Great Yarmouth	48,795	29,134	59.71%	40.29%
King's Lynn & West Norfolk	72,697	48,460	66.66%	33.34%
North Norfolk	54,773	35,549	64.90%	35.10%
Norwich	65,917	36,966	56.08%	43.92%
South Norfolk	64,752	42,326	65.37%	34.63%
Total Norfolk	430,386	275,697	64.06%	35.94%

¹ Prohibited conduct:

Direct discrimination occurs when someone is treated less favourably than another person because of a protected characteristic they have or are thought to have, or because they associate with someone who has a protected characteristic.

Indirect discrimination occurs when a condition, rule, policy or practice in your organisation that applies to everyone disadvantages people who share a protected characteristic.

Harassment is “unwanted conduct related to a relevant protected characteristic, which has the purpose or effect of violating an individual’s dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for that individual”.

Victimisation occurs when an employee is treated badly because they have made or supported a complaint or raised a grievance under the Equality Act; or because they are suspected of doing so. An employee is not protected from victimisation if they have maliciously made or supported an untrue complaint.

² The protected characteristics are:

Age – 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 they have 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.

³ The Act specifies that having due regard to the need to advance equality of opportunity might mean:

- Removing or minimizing disadvantages suffered by people who share a relevant protected characteristic that are connected to that characteristic.
- Taking steps to meet the needs of people who share a relevant protected characteristic that are different from the needs of others.
- Encouraging people who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such people is disproportionately low.

⁴ Having due regard to the need to foster good relations between people and communities involves having due regard to the need to (a) tackle prejudice, and (b) promote understanding.

⁴ The relevant functions in scope of the [Armed Forces Covenant Duty](#) are functions under or by virtue of the legislative provisions

- a) In the settings of NHS Primary Care, NHS Secondary Care, and local authority-delivered healthcare services, the following functions: provision of services; planning and funding; and co-operation between bodies and professionals.
- b) In compulsory education settings, the following functions: admissions; educational attainment and curriculum; child wellbeing; transport; attendance; additional needs support; and, for England only, use of Service Pupil Premium funding.
- c) The following housing functions: allocations policy for social housing; tenancy strategies (England only); homelessness; and disabled facilities grants.

Provisional Settlement 2024-25 Consultation – Norfolk County Council response

Submitted electronically via: <https://consult.levellingup.gov.uk/local-government-finance/provisional-lgf-settlement-2024-25/>

Deadline for submission: 15/01/2024

Question 1: Do you agree with the government's proposed methodology for the distribution of Revenue Support Grant in 2024-25?

Neither agree or disagree

While understanding the sensitivities around this issue, we are disappointed to see that there will continue to be “negative RSG” (i.e. “negative RSG” continues to be funded for those authorities whose Baseline Funding Level is higher than their underlying Settlement Funding Assessment). This arguably leads to some authorities receiving more than they need and conversely those authorities with greater needs missing out on funding that could have been redistributed in accordance with need.

The negative RSG adjustment was put in place to ensure that local authorities' business rates baselines would be fixed in real terms until the business rates system was reset. However, there hasn't been a reset for over 10 years. It is important that Government appreciates that cost drivers have changed a great deal in the last 10 years (2013/14 was the last needs assessment). The Council recognises that “negative RSG” can only be addressed as part of the wider local government funding reforms that are now not going to be implemented until 2026-27 at the earliest. The ongoing delay to reform of local government funding, which are widely recognised as long overdue, is hugely disappointing. The funding inequalities within the Settlement will become increasingly hard to correct the longer that reforms are delayed.

The Council also shares the concerns expressed by the Rural Services Network (RSN) in relation to the differential in funding between predominantly urban and predominantly rural authorities, and the expectation that a greater proportion of funding is raised through council tax. Adequately funding the cost of rural service provision is an issue that must be addressed in any reform of local government funding.

Question 2: Do you agree with the government's proposals to roll grants into the local government finance settlement in 2024-25?

Agree

Yes, in principle we agree with the simplification of the Local Government Funding landscape, however as Revenue Support Grant is being uplifted before the roll in of the grants, it means those funding streams will not attract the CPI increase in 2024/25, reducing the value of those grants, in real terms, year on year. It is hard to understand the logic of applying the CPI increase to some funding streams and not others. If the grants are to be rolled in, they should be increased to reflect levels of inflation.

Question 3: Do you agree with the proposed package of council tax referendum principles for 2024-25?

Disagree

The Council would refer to previous responses on this issue. As a matter of principle, the Council remains opposed to referendum limits being imposed on council tax. The accountability for local taxation should rest with locally elected members, who are democratically elected to deliver services in their areas.

Council tax (£36.1bn) now equates to 56% of national core spending power (£64.1bn). With council tax being such a large part of local authority funding, it leaves many councils with very little discretion with regard to the amount to raise their council tax by, as it is built into the government's modelling that the maximum level of increase will be taken. As has been previously expressed in consultation responses, the consequence of this is that decisions to increase Council Tax by the maximum amount (without triggering a referendum) rather than being a local choice, simply represent the inevitable consequence of funding reductions over an extended period of time and a need to meet unrelenting levels of demand for key services such as social care and SEND.

Furthermore, current legislation means that proposed increases in council tax, above the threshold, must be voted on by local residents. The wording and presentational requirements in the existing legislation however appear designed to almost certainly lead to local authority money being wasted in an unsuccessful referendum. Crucially these arrangements serve neither residents, nor local services, but simply further constrain local authorities in their ability to provide sustainable and vital public services.

The ASC precept (whilst providing much needed additional funding) does not provide a long-term solution to an ongoing problem and there will be a limit to the public's receptiveness to continue funding this via council tax increases. To include the ASC precept within Core Spending Power calculations assumes that Councils will make this decision, which again puts the burden firmly onto local council taxpayers while limiting true local discretion. The Government needs to recognise that this is not appropriate or sustainable and a long term, needs-based funding mechanism should be developed and implemented.

The ASC precept is limited to 2% in 2024-25. In the context of inflation remaining above the Government's 2% target and rising costs for social care providers associated with the national living wage (increasing by 9.8% in April 2024), the level at which the precept is being set (without the need for a referendum) is too low and will not provide sufficient funding for the pressures it is expected to meet.

Using council tax increases as part of a national solution to funding social care is a blunt tool, as the spending power that the tax base provides for an authority is not linked to the need to spend. This is particularly relevant in Norfolk with a higher proportion of older people (and correspondingly therefore a higher demand for ASC services) than London for example.

There is also a discrepancy between the amounts that the precept raises for a unitary authority compared to a county council in a two-tier area (as within a unitary authority, the precept is calculated on the whole amount, so ASC precept is also generated on the amount relating to services delivered by district councils in a two tier area, which do not relate to adult social care demand). We would reiterate the request that compensation is provided to upper tier authorities in two tier areas to ensure equality and to rectify this anomaly.

Finally, the Council wishes to highlight that the presentation of the ASC precept on bills continues to cause widespread confusion for taxpayers and other stakeholders, and would encourage Government to again consider addressing this.

Question 4: Do you agree with the government's proposals to maintain the Funding Guarantee for 2024-25?

Strongly Disagree

No. We would argue for distribution of funding based on assessed need, rather than guaranteeing an uplift by an arbitrary set percentage. Maintaining the Funding Guarantee in a funding system that includes supposedly incentive based funding streams like New Homes Bonus makes no sense at all. We believe that funding from Services Grant is also being diverted here, resulting in protection for some authorities from reduction in Services Grant, whereas other authorities are having to absorb the loss in Services Grant. We would therefore suggest removing the Minimum Funding Guarantee and argue for an increased quantum of funding to ensure all tiers of authorities are fully funded, based on assessed need. The needs assessment within the SFA is now more than 10 years out of date, so whilst we recognise the need for stability and the fact that a full needs assessment is unlikely before the Final Settlement, a new updated needs assessment should be done as soon as practicably possible.

Question 5: Do you agree with the government's proposals on funding for social care as part of the local government finance settlement in 2024-25?

Disagree

Economic conditions have resulted in continued ongoing high levels of inflation impacting a whole range of costs associated with the delivery of Social Care such as utilities, food, insurance, mortgage/rents, labour. Social Care is dependent upon the availability of independent care providers to deliver care. These businesses have to receive a reasonable rate of return to be incentivised to remain or even enter the care market. A number of care homes in Norfolk already are in severe financial difficulty, representing limitations to capacity, choice and their ability to deliver safe, high quality services.

The addition of a 9.8% increase to the National Living Wage, will significantly add to provider staffing costs, which will be passed directly to the Council in increased cost of care. The funding allocations provided in this Provisional Settlement are not keeping pace with budget pressures. Demand-led pressures in social care,

children's, homelessness, and high-needs schools budgets are easily outstripping the increases in funding. Core Spending Power growth is lower than in 2023-24, but costs continue to increase at the same levels. Therefore, there is insufficient funding to address the underlying issues impacting Social Care.

Whilst Social Care has a role to play within the wider Health and Care system, the continued framing of it, and focus of it, as a facilitator of hospital discharge misses the wider benefits it offers. Any additional funding towards social care is clearly welcome, but the prescriptive nature focussed towards purchasing of care beds or supporting the NHS with hospital discharge, will not address the long term issues facing Social Care. Whilst we welcome the recycling of the funding previously associated with the Reform of Social Care, we strongly recommend that the wider reform and its associated funding is not forgotten, and a long term plan is developed.

On top of these cost pressures, the patchwork, fragmented and piecemeal funding within the system (including the adult social care precept, social care grant, iBCF etc) does nothing to facilitate authorities' long-term planning and development (or protection) of services for our most vulnerable residents. In this context we would restate our repeated request that the quantum of funding is increased, and fair funding reform is concluded, based on assessed need and delivered within a multi-year settlement.

As set out in question 3 above, the Government should recognise the slightly lower council tax raising ability of shire counties compared with unitary authorities and provide compensation to ensure equality across the country.

Question 6: Do you agree with the government's proposals for New Homes Bonus in 2024-25?

Disagree

No. As a matter of principle, the Council remains unconvinced that the New Homes Bonus (NHB) is an effective way to incentivise housebuilding and the year-by-year approach does not help facilitate effective planning.

The Council also considers that the way NHB is distributed (20% to upper tier authorities) fails to adequately reflect the costs that upper tier authorities face linked to new housing developments.

As the County Council has stated in previous consultation responses, it would prefer funding to be distributed based on proven need – for example to meet social care cost pressures.

Question 7: Do you agree with the government's proposals for Rural Services Delivery Grant in 2024-25?

Neither agree or disagree

We welcome the provision of the Rural Services Delivery Grant in 2024-25 and that the Government has again recognised additional cost pressures in rural areas.

However, the Council is experiencing a multitude of pressures, including higher than anticipated unit costs in relation to Children's and Adult Social Care, partially due to the Government's decision to increase the National Living Wage (which they have not fully compensated authorities for) but almost certainly also due to the lack of competition and availability of alternate providers that Norfolk's geographical position and sparsity exacerbates.

There have been significant workforce pressures due to the Government's immigration policies following Brexit. The county is not immune to the persistently high inflation being experienced across the country, unprecedented levels of demand following the pandemic, and increasing complexity of cases, which are being experienced across almost all areas of service delivery.

Therefore, it does not seem logical to choose not to increase RSDG allocations, by at least inflation, when other elements of the Provisional Settlement are increasing by inflation and pressures outside of the Council's control as outlined above cannot be mitigated without additional funding.

The Government should provide additional funding recognising the additional costs rural authorities face, and RSDG should be increased to reflect inflation (at least). If this is not the case, it represents a year-on-year, real terms cut to funding affecting some of the County's most vulnerable residents.

Question 8: Do you agree with the government's proposals for Services Grant in 2024-25?

Strongly disagree

No. This sharp and unexpected reduction in Services Grant will now require Norfolk County Council to make significant additional savings. To only find out about the scale of reduction in Services Grant at the Provisional Settlement on 18th December is completely unacceptable. It has been impossible to plan for an unexpected cut of this magnitude which has resulted in the Council having to make significant service reductions at the eleventh hour in the budget setting process. It will undoubtedly lead to essential services for vulnerable residents being impacted adversely. There is a need for certainty and stability within local government funding and where this is not possible, sufficient time should be afforded to local authorities to enable them to plan appropriately for such funding reductions. It is completely unreasonable that (at the very least) the reduction was not clearly outlined in the Policy Statement preceding the Provisional Settlement.

The rationale for the reduction in 2023-24 Services Grant was understandable, as it related to compensation for the National Insurance Contribution increases that were no longer going ahead. However, the reasons for the reduction in 2024-25 are far less clear. The consultation document sets out that reductions in Services Grant have been used to fund increases to other settlement grants and equalisation of the adult social care precept.

APPENDIX 7: Provisional Settlement Consultation Response

The reduction in Services Grant goes against the Policy Statement 2022 comment that core grants would “continue as they are now” in 2024-25. By implication, this included the Services Grant.

It is unfair to use this grant as a balancing figure to uprate other commitments. The Services Grant should not be used to fund indexing Revenue Support Grant or cap compensation, these are areas that Ministers have previously committed to funding increases in as a matter of principle.

Services Grant is based on the Settlement Funding Assessment and therefore any cuts made to Services Grant will disproportionately affect higher needs authorities. Increases in social care funding are needed by upper tier authorities to fund cost increases in those areas, cuts in Services Grant will result in less funding available for Adult and Children’s Services.

The reduction in Services Grant hits Norfolk County Council particularly hard and is the equivalent of a 1% increase on council tax for us. We ask that the £5.3m reduction in Services Grant is reversed, to allow the Council to continue to deliver services in 2024-25 at the same level as in 2023-24.

We therefore completely disagree with the proposal to reduce the services grant in 2024-25 and call for it to be reinstated.

It would be helpful for any changes in the Final Settlement to be communicated to local authorities as soon as possible as further changes to budget plans may be required at short notice should additional funding be forthcoming.

Question 9: Do you have any comments on the impact of the proposals outlined in this consultation document on persons who share a protected characteristic?

The 2024-25 Provisional Settlement is less redistributive than its recent predecessors, with council tax accounting for more of the increase in Core Spending Power than grant funding. Recent Settlements have redistributed more funding to authorities with higher levels of deprivation. The majority of the County Council’s spending is on services provided to the most vulnerable people in the community. The cumulative effect of funding reductions and cost pressures over the past decade has been to require savings to be found from across Council budgets and this will inevitably be having an impact on the nature and type of services delivered to persons with a protected characteristic.

The level of the Services Grant reduction, made in a way that was not communicated to authorities in advance, will leave local authorities with little option but to make service cuts that will impact on persons with a protected characteristic. We again ask that the cut in Services Grant is reversed.

At the time of writing, the position on the Household Support Fund remains unclear. It is not reasonable to expect councils to plan service delivery in a meaningful strategic manner when they do not know if a significant level of funding will be

available from April. We ask that Household Support Fund continues into 2024-25 to allow councils to support persons with a protected characteristic.

The Council has very low levels of reserves and will not be able to, as the Government suggests, use reserves to maintain services in the face of ongoing budget pressures in a way that is consistent with prudent financial planning. If additional funding is not forthcoming in the Final Settlement, this Council (and many others) will be consulting on significant levels of additional savings resulting in service reductions to balance the 2024-25 budget.

The Council would reiterate points previously raised by both the Society of County Treasurers (SCT) and the Rural Services Network (RSN) regarding the implications of council tax unfairness. As the SCT has argued, this will manifest because the central decisions about distribution of Government resources have a real impact on levels of council tax. Past research by the SCT has identified “*a very strong correlation between LAs’ ‘Over 65 Percentage of Population’ ranks and their ‘Band D Bills’ ranks.*” It therefore appears that authorities with a higher proportion of older people (who require support), are disproportionately compelled to increase council tax, to fund that support. The RSN have also highlighted that their analysis shows rural residents pay a higher level of council tax compared to residents in urban areas, while at the same time the settlement provides less funding per head for those in rural areas. With a proportionally larger number of older residents in rural areas, it appears highly likely that there will inevitably be some differential impacts arising from the settlement.

Question 10: Do you have any views about the government using levers in future local government finance settlements (those occurring after 2024-25) to disincentivise the ‘4 day working week’ and equivalent arrangements of part time work for full time pay?

Norfolk County Council has no plans to implement a ‘4 day working week’, but strongly objects to the Government proposing to use financial or other levers in future local government finance settlements to incentivise or disincentivise any particular policy objective. Local councils are independent, democratically elected bodies answerable to their local electorate, and this level of micro management by central Government is completely inappropriate. Decisions on how to deliver services, including the working practices of service delivery, need to be made by councils at a local level.